

COMMUNITIES IN CRISIS

More than half of Illinois cities get “F” grades for local pensions

Fairfield

2019 Grade: F

In 2003, Fairfield’s police, fire and municipal pension funds already faced a shortfall of **\$1.9 million**. That meant every Fairfield household, on average, was on the hook for **\$778** in future taxes just to eliminate that shortfall.

Fairfield began contributing more money – taxpayer dollars – to pensions in an attempt to make the plans healthier. Over the next 16 years, city contributions increasingly crowded out spending for public safety, roads and other core services.

	2003	2019	Change
City (taxpayer) contributions to pensions	\$0.21 million	\$0.71 million	Up 3.4X
Share of city general budget for pensions	8.1%	23.0%	Up 2.8X

Despite the ramp-up in city payments over those 16 years, Fairfield’s pension debts didn’t decrease. Instead, they jumped by 5.9 times!

By 2019, the shortfall in Fairfield’s police, fire and municipal pension funds totaled \$11.5 million. That means each Fairfield household, on average, is now on the hook for \$4,738 in debt.

Everyone loses under Fairfield’s pension crisis:



Taxpayers are tapped out

Fairfield residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.4 times more to pensions than in 2003, yet city debts are 5.9 times larger.



Pension costs are devouring the city’s budget

Fairfield pension contributions have grown to consume 23.0% of the city’s budget, up from 8.1% in 2003. That’s crowded out spending on public safety, roads and other core services.



Fairfield worker retirement security is collapsing

The health of Fairfield’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 82.0% of the money they needed. By 2019, that had dropped to just 52.6%.



Fairfield’s crisis will only get worse

Fairfield has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.13 active workers for every pensioner. By 2019, there were 0.88 active workers per pensioner.

2019 GRADE

F

2003 GRADE

D

Fairfield receives an "F" grade for its local pension crisis

Local officials handcuffed by state pension mandates.

Wirepoints quantified the negative impact of local pensions by examining the finances of Illinois' 175 largest cities from 2003 to 2019. The analysis was based on ten equally-weighted metrics. Cities were given an A through F grade based on a 100-point scale (10 points per metric).*

Fairfield received an "F" grade in 2019. The city's total score dropped from 68 in 2003 to 50 in 2019, a decline of 18 points.

Fairfield was one of 102 cities to receive an "F" grade in 2019.

175 Cities – Summary Scores			
Grade	Score	Number of cities	
		2003	2019
A	≥90	4	0
B	80-89	35	1
C	70-79	81	8
D	60-69	48	64
F	≤59	7	102

Fairfield Key Facts		
City demographics	2000	2019
Population	5,421	5,082
Households	2,493	2,431
Median household income	\$25,797	\$39,469
City budget	2003	2019
General revenues	\$2,599,248	\$3,094,672
Total revenues	\$13,842,292	\$19,291,689
Total property taxes	\$716,736	\$1,757,041
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$10,797,312	\$24,326,565
Total pension assets	\$8,857,938	\$12,807,431
Funded ratio	82.0%	52.6%
Total pension shortfall	\$1,939,373	\$11,519,134
Per household	\$778	\$4,738
Active public safety workers	17	14
Public safety pension beneficiaries	15	16
City pension contributions	2003	2019
City contributions	\$210,509	\$712,247
Per household	\$84	\$293
Percentage of city's general budget	8.1%	23.0%
Employees' contributions	\$147,660	\$213,259

Fairfield Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	46.3%	29.1%	4	2
2. Firefighter pension funded ratio	79.0%	47.4%	7	4
3. Municipal (IMRF) pension funded ratio	108.6%	79.8%	10	7
4. City pension debts per household as a percentage of median household income	3.0%	12.0%	8	4
5. City contributions per household as a percentage of median household income	0.33%	0.74%	8	7
6. City contributions as a percentage of total budget	1.5%	3.7%	10	8
7. Ratio of city contributions to employee contributions	1.43	3.34	9	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-47.5%	-31.8%	1	3
9. Asset-to-payout ratio (Police & Fire only)	10.7	10.7	6	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.13	0.88	5	4

Total score	68	50
Grade	D	F

*Wirepoints analyzed 175 of Illinois' largest cities, excluding Chicago, that have a local police, firefighter and municipal (IMRF) pension fund.

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