

# COMMUNITIES IN CRISIS

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

**Forest View**

**2019 Grade: F**

In 2003, Forest View’s police, fire and municipal pension funds already faced a shortfall of **\$2.2 million**. That meant every Forest View household, on average, was on the hook for **\$7,129** in future taxes just to eliminate that shortfall.

*Forest View 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	\$0.08 million	\$0.87 million	Up 10.9X
Share of city general budget for pensions	5.4%	24.9%	Up 4.7X

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

By 2019, the shortfall in Forest View’s police, fire and municipal pension funds totaled **\$13.1 million**. That means each Forest View household, on average, is now on the hook for **\$42,895** in debt.

## Everyone loses under Forest View’s pension crisis:



### Taxpayers are tapped out

Forest View residents are paying more and more into a broken system. City taxpayers in 2019 contributed 10.9 times more to pensions than in 2003, yet city debts are 5.9 times larger.



### Pension costs are devouring the city’s budget

Forest View pension contributions have grown to consume 24.9% of the city’s budget, up from 5.4% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Forest View worker retirement security is collapsing

The health of Forest View’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 73.1% of the money they needed. By 2019, that had dropped to just 30.9%.



### Forest View’s crisis will only get worse

Forest View has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 0.72 active workers for every pensioner. By 2019, there were 0.35 active workers per pensioner.

2019 GRADE

**F**

2003 GRADE

**D**

# Forest View 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).\*

Forest View received an "F" grade in 2019. The city's total score dropped from 61 in 2003 to 29 in 2019, a decline of 32 points.

Forest View 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

Forest View Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	778	943
Households	310	305
Median household income	\$46,000	\$76,250
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$1,558,782	\$3,495,232
Total revenues	\$3,267,295	\$6,015,845
Total property taxes	\$924,331	\$1,731,554
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$8,210,592	\$18,932,427
Total pension assets	\$6,000,592	\$5,849,533
Funded ratio	73.1%	30.9%
Total pension shortfall	\$2,210,000	\$13,082,894
Per household	\$7,129	\$42,895
Active public safety workers	13	8
Public safety pension beneficiaries	18	23
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$83,523	\$871,214
Per household	\$269	\$2,856
Percentage of city's general budget	5.4%	24.9%
Employees' contributions	\$64,368	\$89,331

## Forest View Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	71.2%	27.8%	7	2
2. Firefighter pension funded ratio	66.0%	33.6%	6	3
3. Municipal (IMRF) pension funded ratio	110.6%	51.7%	10	5
4. City pension debts per household as a percentage of median household income	15.5%	56.3%	1	1
5. City contributions per household as a percentage of median household income	0.59%	3.75%	7	1
6. City contributions as a percentage of total budget	2.6%	14.5%	9	1
7. Ratio of city contributions to employee contributions	1.30	9.75	9	1
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-65.8%	2.1%	1	10
9. Asset-to-payout ratio (Police & Fire only)	15.0	6.5	8	4
10. Worker-to-beneficiary ratio (Police & Fire only)	0.72	0.35	3	1
<b>Total score</b>			<b>61</b>	<b>29</b>
<b>Grade</b>			<b>D</b>	<b>F</b>

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

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