

COMMUNITIES IN CRISIS

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

Gurnee

2019 Grade: C

In 2003, Gurnee’s police, fire and municipal pension funds already faced a shortfall of **\$8.2 million**. That meant every Gurnee household, on average, was on the hook for **\$781** in future taxes just to eliminate that shortfall.

Gurnee 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	\$1.52 million	\$4.90 million	Up 3.2X
Share of city general budget for pensions	5.8%	11.5%	Up 2.0X

Despite the ramp-up in city payments over those 16 years, Gurnee’s pension debts didn’t decrease. Instead, they jumped by 5.5 times!

By 2019, the shortfall in Gurnee’s police, fire and municipal pension funds totaled **\$45.0 million**. That means each Gurnee household, on average, is now on the hook for **\$3,891** in debt.

Everyone loses under Gurnee’s pension crisis:



Taxpayers are tapped out

Gurnee residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.2 times more to pensions than in 2003, yet city debts are 5.5 times larger.



Pension costs are devouring the city’s budget

Gurnee pension contributions have grown to consume 11.5% of the city’s budget, up from 5.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



Gurnee worker retirement security is collapsing

The health of Gurnee’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 77.6% of the money they needed. By 2019, that had dropped to just 71.5%.



Gurnee’s crisis will only get worse

Gurnee has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 8.42 active workers for every pensioner. By 2019, there were 1.71 active workers per pensioner.

2019 GRADE



2003 GRADE



Gurnee receives a "C" 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).*

Gurnee received a "C" grade in 2019. The city's total score dropped from 81 in 2003 to 74 in 2019, a decline of 7 points.

Gurnee was one of 8 cities to receive a "C" grade in 2019.

Gurnee Key Facts		
City demographics	2000	2019
Population	28,834	30,671
Households	10,536	11,577
Median household income	\$75,742	\$96,104
City budget	2003	2019
General revenues	\$26,197,568	\$42,485,121
Total revenues	\$36,428,467	\$71,491,192
Total property taxes	\$328,173	\$0
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$36,799,944	\$158,271,498
Total pension assets	\$28,567,933	\$113,224,970
Funded ratio	77.6%	71.5%
Total pension shortfall	\$8,232,011	\$45,046,528
Per household	\$781	\$3,891
Active public safety workers	101	118
Public safety pension beneficiaries	12	69
City pension contributions	2003	2019
City contributions	\$1,516,203	\$4,904,363
Per household	\$144	\$424
Percentage of city's general budget	5.8%	11.5%
Employees' contributions	\$845,227	\$1,722,283

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

Gurnee Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	73.7%	68.8%	7	6
2. Firefighter pension funded ratio	74.8%	72.1%	7	7
3. Municipal (IMRF) pension funded ratio	86.3%	78.4%	8	7
4. City pension debts per household as a percentage of median household income	1.0%	4.0%	9	8
5. City contributions per household as a percentage of median household income	0.19%	0.44%	9	8
6. City contributions as a percentage of total budget	4.2%	6.9%	7	5
7. Ratio of city contributions to employee contributions	1.79	2.85	8	6
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-19.0%	0.4%	6	10
9. Asset-to-payout ratio (Police & Fire only)	52.5	23.3	10	9
10. Worker-to-beneficiary ratio (Police & Fire only)	8.42	1.71	10	8
Total score			81	74
Grade			B	C

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

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