

# COMMUNITIES IN CRISIS

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

**Hazel Crest**

**2019 Grade: F**

In 2003, Hazel Crest’s police, fire and municipal pension funds already faced a shortfall of **\$3.1 million**. That meant every Hazel Crest household, on average, was on the hook for **\$614** in future taxes just to eliminate that shortfall.

*Hazel Crest 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	\$0.53 million	\$2.68 million	Up 5.1X
Share of city general budget for pensions	6.7%	16.6%	Up 2.5X

*Despite the ramp-up in city payments over those 16 years, Hazel Crest’s pension debts didn’t decrease. Instead, they jumped by 7.3 times!*

By 2019, the shortfall in Hazel Crest’s police, fire and municipal pension funds totaled **\$22.2 million**. That means each Hazel Crest household, on average, is now on the hook for **\$4,465** in debt.

## Everyone loses under Hazel Crest’s pension crisis:



### Taxpayers are tapped out

Hazel Crest residents are paying more and more into a broken system. City taxpayers in 2019 contributed 5.1 times more to pensions than in 2003, yet city debts are 7.3 times larger.



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

Hazel Crest pension contributions have grown to consume 16.6% of the city’s budget, up from 6.7% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Hazel Crest worker retirement security is collapsing

The health of Hazel Crest’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 85.5% of the money they needed. By 2019, that had dropped to just 58.5%.



### Hazel Crest’s crisis will only get worse

Hazel Crest has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 4.30 active workers for every pensioner. By 2019, there were 1.34 active workers per pensioner.

2019 GRADE

**F**

2003 GRADE

**B**

# Hazel Crest 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).\*

Hazel Crest received an "F" grade in 2019. The city's total score dropped from 87 in 2003 to 56 in 2019, a decline of 31 points.

Hazel Crest 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

Hazel Crest Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	14,816	13,549
Households	4,981	4,977
Median household income	\$50,576	\$54,347
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$7,854,446	\$16,113,280
Total revenues	\$12,762,535	\$25,586,612
Total property taxes	\$4,136,220	\$8,874,371
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$21,140,371	\$53,606,372
Total pension assets	\$18,080,851	\$31,382,797
Funded ratio	85.5%	58.5%
Total pension shortfall	\$3,059,517	\$22,223,575
Per household	\$614	\$4,465
Active public safety workers	43	51
Public safety pension beneficiaries	10	38
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$529,910	\$2,680,671
Per household	\$106	\$539
Percentage of city's general budget	6.7%	16.6%
Employees' contributions	\$298,820	\$511,399

## Hazel Crest Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	74.7%	55.2%	7	5
2. Firefighter pension funded ratio	113.6%	62.5%	10	6
3. Municipal (IMRF) pension funded ratio	95.6%	64.9%	9	6
4. City pension debts per household as a percentage of median household income	1.2%	8.2%	9	6
5. City contributions per household as a percentage of median household income	0.21%	0.99%	8	6
6. City contributions as a percentage of total budget	4.2%	10.5%	7	1
7. Ratio of city contributions to employee contributions	1.77	5.24	8	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-3.8%	26.1%	9	10
9. Asset-to-payout ratio (Police & Fire only)	32.7	14.5	10	7
10. Worker-to-beneficiary ratio (Police & Fire only)	4.30	1.34	10	6

<b>Total score</b>	87	56
<b>Grade</b>	B	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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