

# COMMUNITIES IN CRISIS

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

## Lombard

## 2019 Grade: D

In 2003, Lombard’s police, fire and municipal pension funds already faced a shortfall of **\$27.6 million**. That meant every Lombard household, on average, was on the hook for **\$1,685** in future taxes just to eliminate that shortfall.

*Lombard 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	\$2.54 million	\$7.09 million	Up 2.8X
Share of city general budget for pensions	9.9%	15.8%	Up 1.6X

*Despite the ramp-up in city payments over those 16 years, Lombard’s pension debts didn’t decrease. Instead, they jumped by 2.8 times!*

By 2019, the shortfall in Lombard’s police, fire and municipal pension funds totaled **\$78.1 million**. That means each Lombard household, on average, is now on the hook for **\$4,446** in debt.

### Everyone loses under Lombard’s pension crisis:



#### Taxpayers are tapped out

Lombard residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.8 times more to pensions than in 2003, yet city debts are 2.8 times larger.



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

Lombard pension contributions have grown to consume 15.8% of the city’s budget, up from 9.9% in 2003. That’s crowded out spending on public safety, roads and other core services.



#### Lombard worker retirement security is collapsing

The health of Lombard’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 70.7% of the money they needed. By 2019, that had dropped to just 67.1%.



#### Lombard’s crisis will only get worse

Lombard has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.63 active workers for every pensioner. By 2019, there were 0.96 active workers per pensioner.

2019 GRADE



2003 GRADE



# Lombard receives a “D” 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).\*

Lombard received a “D” grade in 2019. The city’s total score dropped from 77 in 2003 to 66 in 2019, a decline of 11 points.

Lombard was one of 64 cities to receive a “D” 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

Lombard Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	42,322	43,998
Households	16,391	17,557
Median household income	\$60,015	\$82,461
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$25,558,996	\$44,856,508
Total revenues	\$52,333,672	\$140,000,096
Total property taxes	\$7,075,386	\$9,596,699
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$94,385,856	\$237,040,360
Total pension assets	\$66,770,850	\$158,979,462
Funded ratio	70.7%	67.1%
Total pension shortfall	\$27,615,005	\$78,060,898
Per household	\$1,685	\$4,446
Active public safety workers	134	129
Public safety pension beneficiaries	51	135
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$2,543,013	\$7,089,491
Per household	\$155	\$404
Percentage of city’s general budget	9.9%	15.8%
Employees’ contributions	\$1,168,222	\$1,722,844

Lombard Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	59.7%	62.6%	5	6
2. Firefighter pension funded ratio	69.2%	71.1%	6	7
3. Municipal (IMRF) pension funded ratio	93.8%	72.0%	9	7
4. City pension debts per household as a percentage of median household income	2.8%	5.4%	8	7
5. City contributions per household as a percentage of median household income	0.26%	0.49%	8	8
6. City contributions as a percentage of total budget	4.9%	5.1%	7	6
7. Ratio of city contributions to employee contributions	2.18	4.11	7	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-15.0%	4.3%	7	10
9. Asset-to-payout ratio (Police & Fire only)	27.3	14.9	10	7
10. Worker-to-beneficiary ratio (Police & Fire only)	2.63	0.96	10	4
<b>Total score</b>			<b>77</b>	<b>66</b>
<b>Grade</b>			<b>C</b>	<b>D</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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