

COMMUNITIES IN CRISIS

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

Markham

2019 Grade: C

In 2003, Markham’s police, fire and municipal pension funds already faced a shortfall of **\$2.3 million**. That meant every Markham household, on average, was on the hook for **\$593** in future taxes just to eliminate that shortfall.

Markham 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	\$0.60 million	\$1.75 million	Up 2.9X
Share of city general budget for pensions	10.2%	12.7%	Up 1.2X

Despite the ramp-up in city payments over those 16 years, Markham’s pension debts didn’t decrease. Instead, they jumped by 5.2 times!

By 2019, the shortfall in Markham’s police, fire and municipal pension funds totaled **\$11.9 million**. That means each Markham household, on average, is now on the hook for **\$2,871** in debt.

Everyone loses under Markham’s pension crisis:



Taxpayers are tapped out

Markham residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.9 times more to pensions than in 2003, yet city debts are 5.2 times larger.



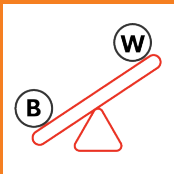
Pension costs are devouring the city’s budget

Markham pension contributions have grown to consume 12.7% of the city’s budget, up from 10.2% in 2003. That’s crowded out spending on public safety, roads and other core services.



Markham worker retirement security is collapsing

The health of Markham’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 84.4% of the money they needed. By 2019, that had dropped to just 74.9%.



Markham’s crisis will only get worse

Markham has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 7.00 active workers for every pensioner. By 2019, there were 1.75 active workers per pensioner.

2019 GRADE

C

2003 GRADE

B

Markham 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).*

Markham received a "C" grade in 2019. The city's total score dropped from 85 in 2003 to 72 in 2019, a decline of 13 points.

Markham was one of 8 cities to receive a "C" 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

Markham Key Facts		
City demographics	2000	2019
Population	12,620	12,493
Households	3,857	4,146
Median household income	\$41,592	\$43,011
City budget	2003	2019
General revenues	\$5,915,651	\$13,758,027
Total revenues	\$17,008,147	\$31,762,874
Total property taxes	\$5,496,161	\$12,462,238
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$14,665,825	\$47,478,473
Total pension assets	\$12,377,284	\$35,575,244
Funded ratio	84.4%	74.9%
Total pension shortfall	\$2,288,541	\$11,903,229
Per household	\$593	\$2,871
Active public safety workers	56	49
Public safety pension beneficiaries	8	28
City pension contributions	2003	2019
City contributions	\$604,687	\$1,745,942
Per household	\$157	\$421
Percentage of city's general budget	10.2%	12.7%
Employees' contributions	\$266,620	\$502,996

Markham Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	88.1%	71.0%	8	7
2. Firefighter pension funded ratio	82.3%	87.6%	8	8
3. Municipal (IMRF) pension funded ratio	71.2%	68.3%	7	6
4. City pension debts per household as a percentage of median household income	1.4%	6.7%	9	7
5. City contributions per household as a percentage of median household income	0.38%	0.98%	8	6
6. City contributions as a percentage of total budget	3.6%	5.5%	8	6
7. Ratio of city contributions to employee contributions	2.27	3.47	7	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	45.5%	8.0%	10	10
9. Asset-to-payout ratio (Police & Fire only)	36.1	22.4	10	9
10. Worker-to-beneficiary ratio (Police & Fire only)	7.00	1.75	10	8
Total score			85	72
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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