



OFFICE OF THE MAYOR
CITY OF CHICAGO

FOR IMMEDIATE RELEASE

May 10, 2012

CONTACT:

Mayor's Press Office

312.744.3334

press@cityofchicago.org

NEARLY 30 ILLINOIS MAYORS JOIN MAYOR EMANUEL IN URGING RETIREMENT SECURITY REFORM

Mayors from Across Illinois Facing Difficult Pension Challenges Join Mayor Emanuel in Call for Reform

CHICAGO - Mayor Rahm Emanuel was joined today by nearly 30 Mayors of municipalities representing over 3.2 million Illinoisans who traveled to Chicago to express their support of pension reform to ensure retirement security for their employees and retirees and to urge state legislators to pass legislation that addresses their challenges.

"As I said in Springfield this week, Chicago is not alone. Municipal leaders across Illinois are struggling with the difficult and unique challenges they face with the broken pension systems in their villages, towns and cities," said Mayor Emanuel. "Together, we urge the state legislature to act and pass meaningful reforms that will preserve retirement security for our employees and retirees and protect our taxpayers. We are here to be partners with state leaders and labor to make sure this gets done. This frank discussion we are having today is a sign that critical changes are underway."

Mayor Emanuel traveled to Springfield Tuesday to testify at the House Committee on Personnel and Pensions and discuss his Roadmap to Retirement Security with state legislators. Without fundamental reforms to the pension system, the strength of the economy and the quality of life in Chicago and Illinois will continue to be undermined.

The City of Chicago, the State of Illinois and local municipalities face many of the same challenges when it comes to pension obligations and require similar solutions. However, they also face unique challenges that a "one-size fits all" framework will not fix.

According to Wilmette President Christopher Canning, the village contributed \$277,000 to its police pension fund in 2000, but paid \$1.54 million ten years later in 2010. Despite paying more, the unfunded liability grew from \$517,864 in 2000 to \$16.6 million in 2010, causing the funding rate to



OFFICE OF THE MAYOR
CITY OF CHICAGO

drop from 98 percent to 66 percent.

“Police and fire pension obligations are forcing towns to pay significantly more each year while still losing further ground to fully fund these plans,” said Canning, President of the Northwest Municipal Conference, which is a founding member of the Pension Fairness for Illinois Communities Coalition. “Failing to address these widening unfunded liabilities will make further service cuts inevitable, property tax increases larger and shift this suffocating burden to future generations. We cannot continue to do that.”

Danville Mayor Scott Eisenhauer, who serves as First Vice President of the Illinois Municipal League, said about 50 percent of the \$6.6 million that the city collects in annual property tax revenue will go toward paying for police and fire pensions this year.

“Reducing the skyrocketing costs of public safety pensions is the No. 1 issue for municipalities across Illinois,” Mayor Eisenhauer said. “Pension costs are overwhelming our budgets when we have already cut to the bone as a result of the recession.”

Local pension contributions are creating widening structural deficits that threaten future benefits, cautioned Mayor Eugene Williams of south suburban Lynwood. These shortfalls could render local police and fire retirement benefit systems financially insolvent.

“Taking comprehensive steps to reform pensions will enable us to narrow budget gaps, maintain essential services for our residents and ensure the solvency of plans for our police and fire departments for generations to come,” Mayor Williams said. “We cannot afford to wait any longer. Without swift and comprehensive reforms, our economies and the quality of life for our residents will falter.”

The complete list of Mayors and supportive organizations who joined Mayor Emanuel today is below:

President Robert Abboud, Village of Barrington Hills (McHenry)

Mayor Gerald R. Bennett, City of Palos Hills (Southwest)

Mayor Nandia Black, Village of Kildeer (Lake)

Mayor Suzanne Branding, Village of Lake Zurich (Lake/Northwest)

President Christopher Canning, Village of Wilmette (Northwest)

President Kerry Cummings, Village of Glenview (Northwest)



OFFICE OF THE MAYOR
CITY OF CHICAGO

President Karen Darch, Village of Barrington (Mayors Caucus/Northwest/Lake)
Mayor Robert Donaldson, Village of Hazel Crest (South)
Mayor Scott Eisenhauer, City of Danville (IML)
Mayor Gary Grasso, Village of Burr Ridge (DuPage)
Mayor Larry Hartwig, Village of Addison (DuPage)
Mayor Jim Holland, Village of Frankfort (Will)
President Gopal Lalimalani, M.D., Village of Oak Brook (DuPage)
President William McLeod, Village of Hoffman Estates (Northwest)
Mayor Raymond D. Muniz, City of St. Jacob (IML)
President Robert Nunamaker (McHenry)
President David Pope, Village of Oak Park
Mayor Jeffrey Pruyn, Village of Itasca (DuPage)
President William T. Rodeghier, Village of Western Springs (West Central)
Mayor Gayle A. Smolinski, Village of Roselle (DuPage)
Mayor Gerald Turry, Village of Lincolnwood (Northwest)
Trustee Mary Werner, Village of Worth (Southwest)
Mayor Eugene Williams, Village of Lynwood (South)
Mayor George Van Dusen, Village of Skokie (Northwest)
Mayor Edward J. Zabrocki, Village of Tinley Park (Mayors Caucus/South/ Will)

Northwest Municipal Conference
Illinois Municipal League
South Suburban Mayors and Managers Association
Metropolitan Mayors Caucus
Southwest Conference of Mayors

###