

Pension problems? Not here

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Local municipal leaders said their cities' contributions to police and fire pension funds do not pose a significant financial problem.

Ottawa Mayor Robert Eschbach recognized public pension funds are becoming a financial concern because people are living longer, the economy remains unsteady and investments are not providing the returns they once did. However, he noted Ottawa is in good shape — better than most communities.

Ottawa Finance Commissioner Dan Aussem pointed out real estate taxes pay for the city's contributions to police and firefighters, saying a better way should be found than relying on taxpayers. In general, poor pension fund investments from a few years ago — when the economy began tanking — have led to current pension problems, according to Aussem.

However, he added the Ottawa police and fire pension boards have done a "pretty decent job." He did say police and fire pensions are more of a burden than the Illinois Municipal Retirement Fund for other public employees.

As far as the effort a group of mayors recently made in Springfield to change state pension laws, Aussem said they're asking for the same measures every other pension fund in the country is implementing, such as raising retirement ages. (See story on A1 of Monday's Times for reaction from local legislators about the proposed amendments).

Several years ago, Eschbach said he was on the firefighter pension board and was concerned about pay "spikes" given to firefighters shortly before their retirements, which leads to more pension income. In line with this concern, an actuary was brought in to look at the pension situation; the actuary found the pension fund was healthy.

As far as raising the minimum retirement age for police and firefighters from 50 to 60, Eschbach pointed out that's a trend in many employment sectors. The city has to look closely at pensions to make sure the city can pay them, Eschbach added.

There are 36 Ottawa police officers and 28 firefighters.

Streator Mayor Jimmie Lansford echoed his Ottawa counterpart, saying Streator's contributions to police and fire pensions do not burden city finances more than any other expense. He noted pensions are negotiated in contracts and budgeted accordingly.

"Any expense item is a strain. We've kept up with our pensions. Pension costs will probably rise as

| Police and fire pension | | | | |
|-------------------------|--------|-----------|-----------|------------|
| City contributions | | | | |
| | | Ottawa | Streator | Marseilles |
| 2010 | Police | \$624,050 | \$698,057 | \$56,946 |
| | Fire | \$885,114 | \$385,918 | ————— |
| 2009 | Police | \$337,980 | \$508,119 | \$90,493 |
| | Fire | \$549,972 | \$346,685 | ————— |
| 2008 | Police | \$359,784 | \$446,039 | \$122,640 |
| | Fire | \$509,107 | \$298,128 | ————— |
| 2007 | Police | \$413,000 | \$458,624 | \$25,852 |
| | Fire | \$337,000 | \$278,250 | ————— |
| 2006 | Police | \$413,000 | \$359,646 | \$21,047 |
| | Fire | \$337,000 | \$255,919 | ————— |

Photo: Julie Stroebel

everything else does. I'd rather see relief on workmen's comp."

Streator has 24 police officers and 14 firefighters.

Likewise, Marseilles Mayor Jim Trager sees no major problem with pensions.

"We are fortunate to have a very well-run police pension fund program here right now, but I can see how pension reforms are needed at the state level. Larger cities are getting hammered (by pension costs.) They can hardly afford it anymore."

Marseilles has nine full-time police officers paying into their fund and two current retirees. The fire department is not part of the city tax and budget structure.

The three mayors did not attend the Springfield rally.

Ottawa firefighter union president Tom Ganiere said unions have worked with state legislators, making proposals, but a number of mayors from around the state refused to negotiate. He said the retirement age of 50 might be a bit young and if it were raised to 55, he could live with it. However, both Ganiere and Tim Bradley, president of the Streator firefighter union, emphasized firefighting is a young man's game.

"I don't know of many 60-year-olds who can keep up with the physical demands of a firefighter job. At 60, you don't want to be running into burning buildings," Ganiere said. "It may reduce pension obligations, but it would increase disability payments, for heart attacks, career ending injuries."

- Times Staff Writer Steve Stout contributed to this story.