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LOCAL & STATE

Section

B

Monday,
June 7, 2010

Editor: Annette LaCross, local@rrstar.com, 815-987-1350

PENSION HEADACHE | ILLINOIS' RETIREMENT NIGHTMARE

Police, fire pensions well-funded

Rockford has paid fully into both systems for almost 30 years.

By Corina Curry
ROCKFORD REGISTER STAR
ROCKFORD — When compared with police and fire pension funds across the state, Rockford's stand out in an obvious way. Among the 600-plus mu-

nicipal fire and police pension funds with a funding ratio average of 55 percent or so, Rockford is at 71.6 percent for fire and 81.9 percent for police.

Go back 10 years and Rockford's individual funds were even higher — 98 percent funded for police and 86.3 percent for fire.

The reason for Rockford's healthy police and fire pension fund balances of the late

1990s is the same reason the funds are nowhere near the desperate levels of their counterparts today.

Unlike many other municipalities — and certainly unlike the state — the city has paid the full amount into the police and fire pension funds each year for nearly 30 years as recommended by an independent actuary, City Legal Director Patrick Hayes said. "There were plans

throughout the state that were in really bad shape in the '90s," Hayes said. "That's why you hear those stories statewide — that the reason why the pensions are in such bad shape is because of the governments' lack of funding. Statewide, there is support for that, but not here. There was a time back in the '70s when the aldermen decided how

See **CITY**, 4B ▶



SCOTT MORGAN | ROCKFORD REGISTER STAR

Rockford firefighters put out a mock car fire May 22 during a demonstration day at the Rockford Fire Department Training Facility in Rockford.

DURAND | SUMMER CONSTRUCTION

Durand road construction project

Temporary traffic signals have been installed to control traffic flow as the Illinois 70 bridge over Otter Creek at the south edge of town is restricted to one lane and replaced one half at a time.

■ Temporary stop lights



ROCKFORD REGISTER STAR



PHOTOS BY MIKE WISER | ROCKFORD REGISTER STAR

Southbound motorists in Durand wait for the temporary stoplight at the intersection of Center and West South streets to change to green before they continue.

Road projects vex residents of small town

By Mike Wisner
ROCKFORD REGISTER STAR
DURAND — Road construction can be a bother no matter where you live.

But in tiny Durand, some folks are more than a little irked about the three state road projects that have essentially shut down the south end of town.

"Business dropped off soon as the signs went up," said Trish Smith, who helps manage the Southend Service Station on Center Street at the edge of town. "I'd say at least 50 percent."

Illinois 70 is the main road into town, where it's known as Center Street. The town is just north of where 70 intersects with Illinois 75.

And this summer's construction has blocked off 70 and 75, reducing a section of Center Street where it runs over a creek by the high school in the middle of town.

Therefore, the gas station only gets its customers from a small subdivision near the station or those who drive through town, braving another new item the construction has brought: The village's first traffic light.

Not too long after those first temporary traffic lights went in — they control the single lane of north-south traffic over the bridge and will be taken down when construction is complete at the end of summer — a handful of motorists were introduced to something else new to Durand: \$75 fines for blowing a red light.

"I've written four or five so far," police Chief Bob Corwin said Wednesday. "People just don't want to wait."

Carol Betty, proprietor of the Country Cottage Cafe and Rock N Roll Ice Cream Shop on the corner of Center and West South streets, said the chief could probably write tickets all day if he wanted to.

"They've never had a stoplight in this town. The people just run right through them," she said as she swept up from the lunch crowd, for whom the advertised special was a tuna or ham salad sandwich plate for \$5.25. "The businesses are hurting between here and 75 because people just don't want to make the trip."

The projects that have so disrupted the town:



Owner Carol Betty says business at the Country Cottage Cafe and Rock N Roll Ice Cream Shop hasn't been as good as it was before construction started in late May on Illinois 70.

An \$11 million reconstruction of 8.5 miles of Illinois 75, including the intersection at Illinois 70.

\$1.8 million in culvert replacements along Illinois 75.

A \$1.3 million replacement of the bridge over Otter Creek — the project that brought the traffic lights to town.

"If we didn't do them all at once and spread it out over three years, then you'd have some of the same people asking why we just didn't do it all at once," said John Wegner, an Illinois Department of Transportation implementation engineer who is involved with all three projects. "We decided to get

them all done in one year because the contractor had the ability and we needed them to get done."

Wegner said the projects came up because they scored highest on the state's list.

He explained that every state road receives an inspection at least once every two years. At that time it is given a grade that tells the department when it needs work.

"Honestly? It's kind of a pain," said Bryant Price, who works at Scordo's Motorsports Inc. at Center and East South streets.

Price said business for the motor shop hasn't slowed, but his customers are irritated. "Like this

gentleman here, he's spent five minutes at the light," Price said, pointing to a pickup truck driver backing a small motorboat and trailer onto the lot.

The three projects are expected to be finished by fall.

"The good part is it will all be done," Wegner said. "The bad part is, in eight to 10 years when it's time for them to get resurfaced, they'll all be shut down at the same time again."

Reach staff writer Mike Wisner at mwisner@rrstar.com or 815-987-1410.

Bryant Price

New degree follows trend for early education

By Cathy Bayer
ROCKFORD REGISTER STAR

ROCKFORD — Rockford College is expanding its education department this fall to offer a degree in early-childhood education.

The college offers degrees in elementary education and special education, plus several minors, including a specialty in secondary education. But an early-childhood emphasis is a first for the college, and the timing is significant.

The federal reauthorization of Head Start, an early-education program, comes with a mandate that teachers and coordinators need to earn at least a bachelor's degree by Sept. 30, 2013, to maintain their certification. The program reaches nearly 600 children in Winnebago County, and 92 children were added this year to the new Early Head Start.

"All the research is pretty strong in that an early start makes a big difference in children," said Marcia Blascoe, who will head the Rockford College program.

Blascoe is retiring this summer as executive director for early-childhood education for the Rockford School District.

The want and need to improve early education has been growing for decades, she said. For years, experts have said that the work a child learns before traditional school starts is key.

"I don't see the momentum really stopping," she said.

The Rockford College degree program will offer a broad range of instruction focusing on ages birth to 8. Graduates will be able to teach preschool through third grade.

"This will be more specific and focus more on children in the early stages," said Barbara Swanson, chairwoman of the education department.

The program should appeal to a variety of potential students, Blascoe said, including students right out of high school interested in becoming educators, teachers who want to pick up additional courses toward certification, and people who are thinking about a career change. In addition to course work, the program requires students to complete observation hours and field work.

Rock Valley College officials are working to ensure that students enrolled in its early-childhood education associate degree program can easily transfer to the Rockford College program.

Blascoe envisions everyone who works with young children having a background in early-childhood education.

"It will really be wonderful to have that program available in the community," she said. "That is a real gem."

Reach staff writer Cathy Bayer at cbayer@rrstar.com or 815-987-1395.

How to get involved

For more information about Rockford College's degree program in early-childhood education:

Undergraduate and transfer students: 815-226-4050

Graduate students: 815-226-4040

Online: rockford.edu/?Education

GETTING IT RIGHT

◆ The Rockford Register Star strives for accuracy. If you have a correction or a clarification, please call 815-987-1350 from 9 a.m. to 6 p.m. weekdays and 4 to 8 p.m. weekends.

COLUMNIST

◆ Chuck Sweeny writes Sunday, Tuesday and Thursday.

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GET TO KNOW ME

Timothy Honquest



Who is he? Timothy A. Honquest, 45, is the owner of Honquest Family Funeral Homes with Crematory, with locations in Rockford and Roscoe.

What inspires you to do what you do? I find it very rewarding and fulfilling to help families through the worst time of their lives.

What do you do for fun? I enjoy golfing, exercising and spending time with friends and family, especially my teenage son and daughter.

Where's your favorite place to go in the Rock River Valley? I enjoy dining at any one of the area's fine restaurants.

Your motto: Every day above ground is a good one.

What do you like best about your job, and what is the most difficult part? The best part of my job is that it is rewarding, but dealing with death in all its different circumstances, day after day, is also the most difficult part.

Something people are surprised to learn about you: That from the age of 13 I knew I wanted to be a mortician.

Two weeks off: I would head to a beach, where I could relax and enjoy the great weather.

Do you have any funny life experiences? When going to a nursing home to bring someone to the funeral home, they sent me to the wrong room. The lady there was sleeping, and well ... you can guess the rest.

Your biggest challenge: Starting from scratch, I opened my own funeral home.

What was your first job? I was a paperboy.

Biggest pet peeve: People with a negative attitude.

Compiled by Carmen Burns. Have a Get to Know Me suggestion, call 815-987-1350 or e-mail local@rrstar.com.



PHOTOS BY BETSY LÓPEZ FRITSCHER | REGISTER STAR

Harold and Ethel Herried of Belvidere applaud after the Turtle Creek Ramblers, a country and bluegrass band, perform their first song Sunday at the Community Building Complex in Belvidere.

Enthusiasm grows at free shows in the park

By Betsy López Fritscher
ROCKFORD REGISTER STAR

BELVIDERE — Harold and Ethel Herried say listening to music makes for good memories. After 57 years of marriage, they should know.

They typically kick back and listen from the comfort of their lawn chairs at Belvidere Park, rarely missing a summer Sunday.

Sunday's free concert, which launched the 20th anniversary of the Boone County Arts Council's Concerts in the Park, was no different. Except for a different location, because of the rain.

"We've been coming since it started," said Ethel, 80, from her seat at the Community Building Complex, listening to the Turtle Creek Ramblers.

Harold, 82, comes for the versatility in sounds. He considers himself an avid listener of all music, "even some of the new. Just not the Black Eyed Peas."

It's the regulars who keep the programming going. Attendance prompts local sponsors to keep music in the parks alive, said Sherry Lindquist, president of the arts council.

Despite the rain, more than 170 people attended the first of six shows, with oth-

On the Web

For a list of Sunday Concerts in the Park in Belvidere and Boone County, visit boonecounty-arts.com

ers scheduled to run through July 18. Each of the concerts in 2009 got up to 300 people in the audience.

"The crowds have grown and the music is getting better and better," Lindquist said. "Thanks to the Park District, we have a landscaped venue (at the Baltic Mill). When this started, it was a slippery slope of grass."

Willie B. Legaspi of Belvidere and his partner, Joyce Brown, are regulars at the Concerts in the Park shows. Legaspi was so captivated by the bluegrass and old-time country stylings of the Turtle Creek Ramblers, he gave them a universal sign of a job well done — two thumbs up.

"We don't miss any year," he said, showing his enthusiasm with his hands. "It's very good."

Reach staff writer Betsy López Fritscher at bfritsch@rrstar.com or 815-544-3452.



The Turtle Creek Ramblers, a country and bluegrass band, perform Sunday in the first of six shows in the 20th-anniversary Concerts in the Park series.

Miss a Day. Miss a Lot.

Get it seen. Get it sold.

THE SOURCE

Police, fire well-funded

► CITY from Page 1B

much to put in, but that was replaced many years ago by much more discipline. ... Any notion that the city's current pension problems stem from underfunding is a false notion. We climbed out of that hole."

But if Rockford's police and fire pension fund balances are better than most, and the city has a strong history of paying what the actuary dictates, why the continued push for public safety pension reform?

Supporters of reform say that while Rockford's funds are not on the brink of collapse and the city can afford enough active police and fire personnel to serve the city on a day-to-day basis, the time is coming — maybe soon — when that will no longer be the case.

But opponents say that Rockford, of all places, should let a well-managed and well-funded system do what it was designed to do: weather the storm of a bad economy and recover, absorbing the effect of increased benefits to pensioners over the span of 30 years.

"I realize the funds could be in better shape, but it's not as bad as this administration paints it to be," said Rockford Police Union President Terry Peterson, who also serves on the city's Police Pension Board. "By and large, mayors of the past have taken seriously and made the contributions to the funds. Right now, the city and the state are looking for ways to get out of their pension obligations because of economic shortfalls, but our pensions are not causing the shortfall. It's a lack of responsible spending."

Despite paying into the system as directed by the actuary, who serves as a financial adviser to the local five-member boards that manage the funds, the city saw its unfunded liability jump from \$20.5 million in 1999 to \$51 million in 2001. In 2008, the city paid \$3,341,433 into its police pension fund and \$4,780,989 into its fire pension fund.

Because police and fire pensions are defined benefits, with employee contributions set by the Illinois Legislature, the city is left to pay the difference, which in recent years meant not only absorbing the brunt of poor market performance but also increased benefits to police and fire retirees.

Hayes attributes the city's dramatic increase in unfunded liability from 1999 to 2001 to two pension "sweeteners," as they are called.

In one, legislators lowered the mandatory age of retirement to receive full benefits from 55 to 50. In those five years, Hayes said, officers and firefighters are at their salary peaks and consequently contributing the largest amounts into the pension fund, leaving those contributing lower amounts to the fund behind.

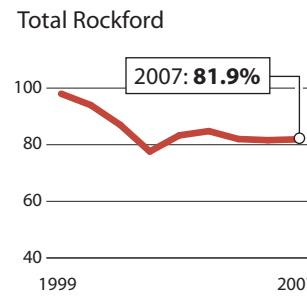
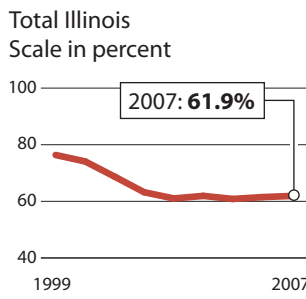
In the other legislative

PENSION HEADACHE

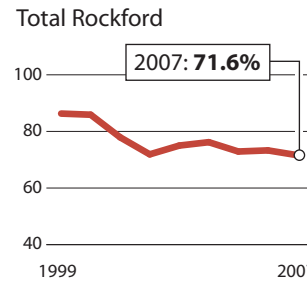
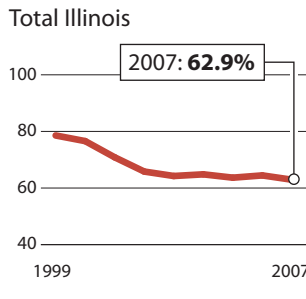
Pension funding ratio

The charts below compare the health of Rockford's police and fire pension funds to the total health of all municipal police and fire pension funds in Illinois, excluding the city of Chicago. The health of a pension fund is determined by the ratio of the annuity's assets to its liabilities. A funding ratio above 100 percent means that the pension fund is fully funded and able to cover all payments it is obligated to make according to an annual financial forecast.

POLICE



FIRE



Source: City of Rockford and Illinois Municipal League

ROCKFORD REGISTER STAR

move, lawmakers added a clause that would give spouses of police officers and firefighters the same pension payment for the rest of their lives that their spouses were receiving at the time of their deaths. Right now, the city pays such a benefit to 107 police and firefighter widows.

"I tie most of it to those benefit changes," Hayes said. "You can look at the chart and see. That's where our problems stem from. Some of the fluctuation can be attributed to poor market performance, but the bulk of it is the impact of those laws. ... They hit us like a hammer."

Sen. Dave Syverson, R-Rockford, who has served on the state's Commission on Government Forecasting Accountability for the past 10 years, agreed that while Rockford's public safety pension funds are in much better shape than the state's and still better than most municipalities, sweeteners, longer life spans, failing investments and reduced revenues will cripple the funds.

"They're all heading toward insolvency," Syverson said. "When the mayor refers to the back-buster on the taxpayers that these pensions have become, he's not kidding. ... You have a combination of things going on that are affecting poorly funded and well-funded pension funds the same but to different degrees."

"It's eating up more and more dollars for core services. ... There isn't enough wealth in this state — or this country, for that matter — to make these pension systems work."

Statewide, police and fire pension funds are under the weight of \$6.5 billion in unfunded liability.

Rockford contributes to that to the tune of \$93 million,

a 76.75 percent funding ratio. In Loves Park, it's \$6.4 million, or 58.1 percent.

In Belvidere, it's \$8.9 million for police, a 53.6 percent funding ratio; and \$9.3 million for fire, or 48.1 percent.

According to Belvidere Mayor Fred Brereton, the city's police pension fund was at 70 percent four years ago. Fire was at 69 percent.

The city hasn't been able to pay what the actuary has recommended in years, Brereton said. And he sees no signs of that changing.

Belvidere made identical payments of \$379,268 into its police and fire pension funds last year. That represents 47 percent of the recommended \$804,709 payment for the police pension fund and 45 percent of the recommended \$837,517 payment for the fire pension fund.

"With what we've gone through with market conditions and revenue drops, you look at your general fund and you look for things that you can defer," Brereton said. "It's a balancing act. The funding for your pensions comes from the same source as your operation budget. ... You can't spend the same dollar twice."

Loves Park officials, who have only a police pension to worry about, are in a similar situation as Belvidere.

"We were supposed to pay \$700,000, but we just paid \$250,000," Mayor Darryl Lindberg said. "That means next year, they'll jack it up even more. And we won't be able to pay that either."

Asked why Loves Park didn't pay the full \$700,000, Lindberg replied: "We'd have to shut down the entire department if we had to pay that."

Lindberg, a former police chief, also is pushing for pension reform.

He's doesn't envision his city being able to dig itself of its pension debt without relief of some kind.

"We need a two-tiered system," he said. "We can't continue down this path."

At just under 60 percent funding, Loves Park City Treasurer John Danielson said it's not so much a question of can, but a question of should.

"There's certainly a case to be made that all public pensions need to be looked at," Danielson said. "A couple years ago, when the economy wasn't so bad, it was easy to gloss over these things. Now it's harder than anyone expected. ... A lot of these problems will be solved if the economy turns around, but there's a lot of reason to suspect a very slow recovery."

District Chief Jim Strey, who serves on the Fire Pension Board, believes any talk of public safety pension reform should wait until the fund managers are able to see how the economy recovers.

"In my opinion, a lot of this is because of the downturn in the economy," Strey said. "Our funds are in good order, and without the downturn we would be in a much better place. We were headed toward a much higher funding rate, but the economy didn't allow that to continue."

Strey, like Peterson, believes the city's pension systems should be left alone, at least for now. Reform, Strey said, should come at a time of greater economic stability.

"We have taken care of that fund well, and I think we need to be cautious as we move forward," Strey said.

Peterson agreed, saying "the sound bites need to stop."

"What we get is not extravagant. We work for it. It's a decent pension program," Peterson said. "I'm tired of the invention of catch phrases to say things that sound good on the news."

But Rockford's pension problems go way beyond rhetoric, Hayes said.

Two months ago, the city had 273 police officers and 276 firefighters. It had 250 police retirees and 290 firefighter retirees — more retirees than active firefighters.

The city's general fund revenues have gone from \$112.4 million in 2009 to \$110.1 million in 2010 to an expected \$111.1 million in 2011. Pension obligations to all three funds (police, fire and the Illinois Municipal Retirement Fund) went from \$11.3 million in 2009 to \$12.8 million this year to a projected \$16.3 million in 2011.

"What are the possibilities that municipalities can survive?" Hayes asked. "What we are seeing is police and fire pensions scouring out our ability to do other things as a community. Our labor costs, and pensions are a part of that, are a runaway train. There are elements of the model of cost that we have got to change or we will see the failure of municipalities."

Reach staff writer Corina Curry at ccurry@rrstar.com or 815-987-1371.

A different story

The charts below compare the health of Rockford's police and fire pension funds to the total health of the 343 municipal police pension funds and 278 fire pension funds in Illinois, excluding the city of Chicago. The health of a pension fund is determined by the ratio of the annuity's assets to its liabilities. A funding ratio above 100 percent means that the pension fund is fully funded and able to cover all payments it is obligated to make according to an annual financial forecast. Figures are from the city of Rockford and Illinois Municipal League.

Downstate police

Year	Employer contribution	Unfunded liability	Fund. ratio
1999	\$92,424,063	\$1,022,268,917	76.37%
2000	\$94,613,301	\$1,230,663,775	74.09%
2001	\$113,817,111	\$1,618,614,402	68.71%
2002	\$114,843,614	\$2,028,032,928	63.20%
2003	\$131,719,385	\$2,367,024,892	61.02%
2004	\$131,819,917	\$2,448,447,915	61.92%
2005	\$174,499,561	\$2,744,019,994	60.84%
2006	\$187,208,581	\$2,857,119,521	61.49%
2007	\$207,114,256	\$3,046,943,026	61.90%
2008	\$225,670,369	\$3,754,299,812	56.18%

Downstate fire

Year	Employer contribution	Unfunded liability	Fund. ratio
1999	\$72,402,264	\$720,778,358	78.57%
2000	\$77,459,069	\$819,459,944	76.58%
2001	\$87,997,065	\$1,069,683,676	70.85%
2002	\$92,258,713	\$1,347,973,019	65.82%
2003	\$108,076,740	\$1,520,847,795	64.25%
2004	\$101,260,244	\$1,606,243,764	64.84%
2005	\$138,087,583	\$1,779,259,531	63.66%
2006	\$147,288,793	\$1,842,199,557	64.46%
2007	\$163,711,871	\$2,126,238,679	62.94%
2008	\$176,519,768	\$2,803,808,734	55.07%

Rockford police

Year	Employer contribution	Unfunded liability	Fund. ratio
1999	\$2,025,877	\$2,562,037	98%
2000	\$2,170,933	\$8,034,610	94%
2001	\$1,427,780	\$18,437,310	87%
2002	\$1,634,401	\$34,021,132	77.6%
2003	\$2,049,209	\$26,557,423	83.3%
2004	\$2,299,057	\$25,510,426	84.8%
2005	\$2,932,172	\$32,019,086	82%
2006	\$2,803,486	\$34,817,442	81.6%
2007	\$2,820,815	\$35,809,958	81.9%
2008	\$3,341,433	n/a	n/a

Rockford fire

Year	Employer contribution	Unfunded liability	Fund. ratio
1999	\$2,921,913	\$18,006,782	86.3%
2000	\$2,839,746	\$19,362,359	85.9%
2001	\$3,222,070	\$33,010,542	77.9%
2002	\$3,430,612	\$43,593,215	71.9%
2003	\$3,689,953	\$40,626,406	75%
2004	\$3,600,653	\$40,324,526	76.2%
2005	\$4,017,336	\$48,919,214	72.9%
2006	\$4,209,258	\$50,544,683	73.3%
2007	\$4,171,170	\$57,253,916	71.6%
2008	\$4,780,989	n/a	n/a