

## Mayoral Candidates Address Questions from The Greater Springfield Chamber of Commerce

The Greater Springfield Chamber of Commerce does not endorse candidates. However, we do encourage all members and citizens to engage in the election process – to consider the candidates, the candidates' position on important issues, the candidates' track record, and in this case which candidate is best suited to serve as Springfield's future Mayor.

The Chamber recently asked Mayor Jim Langfelder and his challenger, Frank Edwards the following questions. Please click on the links below to view their written responses.

*Responses shown appear exactly as submitted by candidates.*

## What are your top three priorities if elected as Springfield's Mayor?

### **Langfelder Response**

1) Economic Development and jobs --- Work with The Chamber, the Land of Lincoln Economic Development Corporation (LLEDC) and other entities to retain and expand current businesses while cultivating a business-friendly environment to attract and establish new businesses. We will work collectively to market the region, work with Innovate Springfield to encourage new business "start-ups" and where appropriate develop incentives to encourage business growth and continue to perfect a Targeted Industry/Employment Sectors strategy for existing business segments.

2) Transformational change with CWLP --- Return CWLP to the primary mission of providing reliable; affordable electric and water service to the residents of Springfield. Once The Energy Authority finalizes CWLP's Integrated Resource Plan, we will implement the plan in a fiduciary responsible manner to provide the proper balance of renewable and coal energy for Springfield's foreseeable future. We will also obtain an adequate secondary emergency water supply for Springfield's customer base.

3) Changing disparity east of the 10<sup>th</sup> Street Corridor --- As mayor, the focus is a holistic approach with regards to Community Economic Development/Community Wealth Building. The key is leveraging resources (public with private) to spur development throughout the area for transformational change. For instance, collectively we received grant funds and have an IDOT agreement for the 10<sup>th</sup> Street Corridor that will transform Ash, Laurel, Madison and Jefferson Street access points to be like the Carpenter Street underpass for improved pedestrian and vehicular mobility. We laid the groundwork for the intermodal hub to be built on both sides of the track. Springfield is the first City, outside of Chicago, that instituted a local resident hiring ordinance whereby the goal is 50% of the workforce for local public projects, like the Intermodal Hub, will have local residents working on the project. (see answer to question 3b)

### **Edwards Response**

As your mayor, my first priority will be to bring development and jobs back to Springfield. My first two steps will be to tackle our ever-increasing utility rates and crime. I will streamline operations at our utility and find efficiencies, starting with ending the patronage. And I will invest in our police department and empower our officers to be more proactive.

With these achievable goals, we can start to bring businesses, jobs, and residents back to Springfield. Our children will want to come back home after college. Our home values will start to rise again. Manufacturing will come back and we'll start building things again. And our city will thrive again.

My other priority as mayor will be cutting spending so we can invest in our city. It's time our city stopped wasting our tax dollars. Mayor Langfelder has been spending like there's no tomorrow, increasing spending an astounding \$2.5 million this year despite a huge budget shortfall. He even cast the tie-breaking vote to give himself and the city council a pay hike and spent \$22,000 to buy a broken neon donut sign. At this spending pace, we're going to need yet another tax increase in less than 3 years.

It's time we put a check on government spending and started respecting the public's hard-earned tax dollars.

## **What change efforts will you lead to improve the business climate and make Springfield more competitive?**

### ***Edwards Response***

The first step is to stop all the tax hikes. Mayor Langfelder has increased every tax he possibly could and would've taxed us even more if the city council didn't stop him! He raised our sales tax twice, forcing residents in some areas to pay even higher sales taxes than in Chicago. He doubled the telecommunications tax up to 13%, the highest amount allowed under state law. He expanded the hotel-motel tax and even proposed a new natural gas tax. All while residents were struggling under some of the highest property taxes in the nation.

Despite claims by the incumbent that there's nothing we can do, I know there is a lot we can do to make Springfield thrive again. We have a lot of issues to solve, but the first two I will tackle are utility rates and crime.

We used to have some of the most inexpensive utility rates around, but now our businesses and residents face some of the highest rates in Illinois. I will streamline operations at our utility and find efficiencies, starting with ending the patronage we've seen as politicians park their friends and family at the utility. I will stabilize our utility and ensure our leaders are paying attention and making good decisions. Then I will force our leaders to start thinking about the future, because if coal is truly going to be obsolete by 2040 as some are predicting, then what are we going to do with our half-billion-dollar plant? We need to be prepared for the future, developing a plan such as converting the plant to natural gas, exploring alternatives, and even potentially focusing on just energy distribution.

We also must do something about our crime. The crime index in Springfield is 4, with 100 being the safest. We've been ranked the 5th most dangerous city in Illinois. When I was a kid, me and my friends rode our bicycles all over town. You can't do that today. We need to invest in our police department and empower our officers to be more proactive.

### ***Langfelder Response***

In partnership with the LLEDC, The Chamber and others, the City is implementing a Targeted Employment/Industry Sectors (Medical, Technology, Financial, Education, Arts, etc.) Strategy that uses our community strengths and resources to create employment opportunities. This includes retaining, expanding and attracting businesses to create living wage jobs. Our collective efforts will include support services like a centralized and comprehensive information hub of business resources and inventory of available properties. Under my administration, other City efforts are:

- Three year investment in UIS Innovate Springfield which has already created new local business start-ups.
- Partnership with banks to create the Justine Peterson Micro-Loan Program that has provided approximately 80 small business loans for nearly \$1 million.
- Sales tax incentives were created to reduce the cost of business infrastructure improvements to stimulate growth.
- Adopted a 20-year Comprehensive Plan to assure responsible growth strategies.
- This year through "City Works", online permitting will be available to simplify the process and provide faster permitting.
- Obtained Class 1 Fire Rating, which will reduce commercial insurance rates.
- CWLP has gone from a negative to a stable outlook. The Energy Authority is assisting CWLP with an Integrated Resource Plan that will provide a fiduciary responsible strategy to determine the right balance

of renewable and coal energy. As a result, CWLP will provide competitive utility rates and be used as an economic incentive to spur development.

- Obtain an emergency backup water source that will assure Springfield's ability to provide quality, reliable and affordable water for the foreseeable future.

## **In your opinion, what are the greatest challenges the City faces and how will you address those challenges?**

### ***Langfelder Response***

a) Lead CWLP through this transformative period to become the "Crown Jewel", meeting our future energy needs. This means achieving balance of sustainable energy, coal generated electricity, and establishing an adequate secondary source of water, while maintaining CWLP's primary mission of providing reliable, affordable electricity and water to the residents of Springfield. Through our cost saving measures, like eliminating an early retirement spike and renegotiating the coal contract, we have increased CWLP cash reserves from 5 days of cash to over 60 days, created a \$17 million Environmental Fund and have gone from a negative to a stable financial bond rating. We engaged The Energy Authority to develop an Integrated Resource Plan (IRP) to analyze use and potential retirement of CWLP's older coal units and provide competitive alternative power solutions.

b) Changing neighborhood disparity, utilizing a holistic approach implementing Community Economic Development/Community Wealth Building strategies. Improving CORE (Connecting Our Resources Economically) Areas with public/private investment, including development on both sides of the 10<sup>th</sup> Street Corridor. Implementing \$21 million redevelopment of Poplar Place creating a less dense single-family residential community. The developer will partner with B.O.N.E. Training Center to create employment opportunities for area residents. We extended the Far East Side TIF and expansion will include 11<sup>th</sup> Street and South Grand Corridors. The new TIF includes the "Neighborhood of Hope" allowing TIF resources to put the redevelopment plan into action. Another CORE area includes the underutilized Chamberlain Park and Comer Cox Park, which are bordered by Boys and Girls Club and Salvation Army's Community Center. We will leverage public/private resources to create a Rec/Tech/Arts area for youth. We will work with public, private and community sectors to transform all CORE Areas.

c) Transforming Downtown into a hub of activities. Downtown will include a university presence on the Y-Block, the 4<sup>th</sup> and Adams Street Ramp area with new housing development, roof top terraces for entertainment, and the majority of first floor building space will be retail with upper stories for office and residential living. Downtown will have flowering planters, similar to Capitol Avenue, and there will be festivals and events to draw in hundreds of people.

### ***Edwards Response***

There is no development happening in Springfield. I fly airplanes across the country. When I fly into other cities, I see cranes and building everywhere. When I fly back home to Springfield, all I see is empty lots. Developers tell me they are looking to other communities and other states where costs are less, and crime is lower. They say they're being courted by other municipalities who work hard to get them to build in their town, while here they can't even get the mayor's office to call them back. That's why we've watched as businesses and jobs leave our city. We've seen small businesses, retail, and big box stores leave. Our medical community is having difficulties recruiting doctors to come here. There is only one cornerstone business left at our mall. And residents are fleeing. Despite claims by the incumbent that there's nothing we can do, I know there is a lot we can do to make Springfield thrive again.

As a recent community-wide study demonstrated, we need a focused, professional, and well funded effort to retain our current employers and to seek new job creators for our community. The study found that we have incredible resources to assist and attract new business but the problem is we don't work together. The City was asked to contribute \$500,000 annually to the new Economic Development Corporation (EDC). What does the Mayor do? He cuts the city's contribution in half and uses the other half to staff a competing effort! We don't

need two half efforts. We need one strong effort. I will fully fund the Economic Development Corporation. This will put the people of Springfield back to work.

Crime is another major problem in Springfield. Our City's crime rates are a national embarrassment. A recent report from the National Council for Home Safety and Security named Springfield the second most dangerous city in Illinois. This has to stop. My entire career I have been a strong supporter of our first responders. I am a strong proponent of statistic based policing which will target law enforcement at the source of crime before it spreads. This concept involves engaging our police more directly with the community.

## **We continually hear about the high cost of electricity in Springfield. Springfield businesses pay substantially more for electricity than businesses outside of Springfield. How will you address and solve this growing concern?**

### ***Edwards Response***

CWLP needs to get back to its original purpose of supplying low cost electricity to our residents and businesses. For too long it has been ran like an employment service for the politically connected and a piggy bank for our of control city spending. The Mayor's latest trick is postponing the study of CWLP's future until after the election so the voters have no chance to consider the information.

Electric rates we were so proud of are now higher than surrounding communities. As a consequence electric rates are a competitive disadvantage to us when trying to attract new business to our community. I will make the hard choices that are needed to make our electric rates competitive again.

I will streamline operations at our utility and find efficiencies, starting with ending the patronage we've see as politicians park their friends and family at the utility. I will stabilize our utility and ensure our leaders are paying attention and making good decisions. Then I will force our leaders to start thinking about the future, because if coal is truly going to be obsolete by 2040 as some are predicting, then what are we going to do with our half-billion-dollar plant? We need to be prepared for the future, developing a plan such as converting the plant to natural gas, exploring alternatives, and even potentially focusing on just energy distribution.

### ***Langfelder Response***

CWLP used to sell directly to residents and business customers, providing low competitive electric rates. However, in the late 1990's CWLP lost over \$60 million in the Power Marketing debacle. Since then, CWLP sells all the power into the market and buys back power to serve customers now only earning 90+ cents on the dollar, which escalated electric rates. The expensive Wind Contracts of the mid 2000s which just expired in December 2018 also cost customers over \$100 million. Since becoming Mayor in 2015, we have cut expenses and implemented cost saving measures that has taken the CWLP Electric Fund from 5 days of cash reserves to over 60 days of cash reserves, created an Environmental Fund with a current balance of \$17 million, and financial bond ratings have gone from a negative to a stable outlook rating. The most pressing issue facing CWLP is preparing to meet the ever-changing environmental regulations. We are currently utilizing The Energy Authority (TEA) to develop an Integrated Resource Plan (IRP) to create a strategy for our future energy needs, with the proper balance between sustainable energy sources and coal generated electricity. This strategic plan will be the first step in making the necessary and proper decisions that will secure Springfield's energy future and give us the opportunity to provide competitive utility rates for our business customers.

Since becoming Mayor, Springfield has supplied water to Chatham on an emergency basis at least 3 times, so Chatham would not have to issue a boil alert. Springfield is Chatham's emergency backup water source and the main water source for many communities, but we do not have a emergency backup water supply. That is why we are pursuing a secondary source of water. We analyzed over 30 different water source alternatives and it came

down to the same two as before – building a 50 mile pipeline to Havana or Lake II (Hunter Lake). It took us 50 years to complete the 11<sup>th</sup> Street extension, which was only a ¼ of a mile, so building a 50 mile pipeline is a dream. We have over 90% of the property purchased and an agreement with IDNR to maintain the Lake II property for recreational purposes. Lake II will provide the needed emergency backup water source for Springfield's and our bedroom communities' future. The communities with a safe, reliable and quality source of water will be the communities that grow economically in the future.

## **As Mayor, what role will you and the City play in efforts to create more jobs in Springfield?**

### ***Langfelder Response***

Since becoming Mayor, we have done \$160 million in sewer, street and sidewalk improvements that created over 1,200 jobs and impacted over 2,000 other jobs. We implemented a Local Worker Hiring Ordinance for Public Works Projects, whereby City projects should hire 50% local workers. This policy has allowed the City, for the first time, to track the actual impact of public works projects on job creation for city residents. The intent is to keep local government dollars recycling in our economy, while providing local employment opportunities.

We instituted creative ways to spur economic development for job creation, like utilizing a targeted TIF to develop a mine-subsidence area and sales tax rebates to offset business infrastructure cost. I successfully lobbied the legislature to extend the Downtown TIF for a historic second time – Springfield is the only City to have accomplished the feat which means an additional \$30 million in TIF funds for downtown development. The TIF extension made possible the City's financial participation in the SPUR Project, which will be the future Chamber site, the Bicentennial Plaza, the new YMCA and other projects. We also signed an agreement with IDOT that guarantees \$70 million for the 10<sup>th</sup> Street Corridor in the State's next Capital Bill. We will continue our lobbying efforts to try and get additional funding for the 10<sup>th</sup> Street Rail Corridor and other community needs in the State's next Capital Bill.

I will continue in my leadership capacity to always improve City operations to improve City services to residents and businesses, always striving to do what is Best for Springfield. I will also continue utilizing my proactive problem-solving approach in working with The Chamber, the Land of Lincoln Economic Development Corporation (LLEDC) and other entities to retain and expand current businesses while cultivating a business-friendly environment to attract and establish new businesses for the creation of living wage jobs.

### ***Edwards Response***

As a recent community-wide study demonstrated, we need a focused, professional, and well funded effort to retain our current employers and to seek new job creators for our community. The study found that we have incredible resources to assist and attract new business but the problem is we don't work together. The City was asked to contribute \$500,000 annually to the new Economic Development Corporation (EDC). What does the Mayor do? He cuts the city's contribution in half and uses the other half to staff a competing effort! We don't need two half efforts. We need one strong effort. I will fully fund the Economic Development Corporation. This will put the people of Springfield back to work.

At the same time, we MUST stop all the tax hikes, business will not come to Springfield in the current climate. Mayor Langfelder has increased every tax he possibly could and would've taxed us even more if the city council didn't stop him! He raised our sales tax twice, forcing residents in some areas to pay even higher sales taxes than in Chicago. This also devastated our local economy, pushing more people to buy online which forced small businesses to shutter their doors and put people out of work. Langfelder raised the telecommunications tax up to 13%, the highest amount allowed under state law. He expanded the hotel-motel tax, which has pushed conferences and conventions to destinations outside Springfield. He even proposed a new natural gas tax, which thankfully the council voted down. All these taxes are on top of our property taxes, which are among the highest in the nation, and tax hikes coming from the state legislature, including potential sales, gas, and income tax increases in 2019. These taxes disproportionately hurt lower-income people in our community while signaling to the world that Springfield is closed for business.

## **Businesses must continually evaluate costs and when necessary, implement appropriate cost cutting measures. In your view, are there any non-essential City services that could be eliminated in order to reduce costs?**

### ***Edwards Response***

I believe we need a complete re-think of how we deliver services to our citizens and intend to implement a "zero base" budget process which will require departments to rebuild their budgets from the first dollar and not assume any expense is sacred and must be held over.

Why does the city keep raising taxes? Because they can't seem to stop wasting our tax dollars. This was never more evident than when Mayor Langfelder cast the tie-breaking vote to give himself and the city council a 1.75% pay hike while proposing that city departments lay off firefighters and police and cut back on snow removal. Or when Langfelder paid \$22,000 to buy a broken neon donut sign while we can't afford to fully fund our employee's pensions.

Our current budget is \$2.5 million in hole. Langfelder knew that when it was passed, and after reaching into the city's rainy-day fund to cover up the budget hole, he's now spending like there's no tomorrow. We're poised to spend \$2.5 million more than last year, an astounding spending increase when we're asking residents to give us more and more of their tax dollars. At this spending pace, we're going to need yet another tax increase in less than 3 years.

It's time we put a check on government spending and started respecting the public's hard-earned tax dollars. Before I became mayor a decade ago, the city was over \$8 million behind on bills with about \$2,000 in the checking account, having almost missed payroll twice. In 6 months, I wiped out all the debt, never missed payroll, and handed our government off to the next mayor in strong financial footing. And I did this with no new taxes or fees.

### ***Langfelder Response***

When I became Mayor in 2015, the City had a structural financial deficit: CWLP faced potential bond default, Oak Ridge Cemetery was operating in the red and Police and Fire Pension payments were rising. With the City Council, we eliminated early retirement spikes, renegotiated the coal contract saving millions of dollars, reduced headcount to lowest level in over 20 years, and cut expenses. We funded Oak Ridge Cemetery with hotel-motel revenues, Lincoln Library with telecom revenues, and Police and Fire Pension Payments with sales tax revenues. Now CWLP's bond rating outlook is stable, Oak Ridge Cemetery is operating in the black, and we are in a better position to make future pension payments.

We will continue to hold the line on hiring and expenses and continue to assess ways to improve efficiencies and services. We installed traffic signal technology to improve Fire Department response times. Through technology, City operations have become more efficient, including using "City Works" software to reduce approval time for permits and licenses. We are perfecting the ARIA System, which is a centralized accounts receivables database. We will continue to improve CWLP's financial position through the establishment of the Integrated Resource Plan to assist in creating a strategy for our future energy needs more economically.

## **How will you address the City's unfunded pension liability?**

### ***Langfelder Response***

1) Through the Illinois Municipal League (IML), we are pursuing to change legislation so police and fire pension funds can be invested in a similar manner as the Illinois Municipal Retirement Fund, which is one the best funded retirement systems in Illinois. Based on the IMRF's record of performance, the legislative change would reduce administrative costs and increase the rate of return on invested funds.

- 2) I established a new ordinance requiring that extra pension payments will be made based on the city's audited fund balance. Making extra pension payments will reduce unfunded liability over time.
- 3) 100% of the City's property taxes goes to city employee pension funds. We re-instituted the residency requirement for new City of Springfield hires that over time will reverse the devastating impact of the defection of more than 500 City employees and their families leaving the city; thus, property taxes generated from their housing will help pay city pensions and preserve our tax base.
- 4) Strengthen the tax base through economic development, which helps pay the cost of pensions.

### ***Edwards Response***

We need to put together a team of experienced leaders to address this problem. I've heard/considered several options such as downstate consolidated. We must explore all options to determine what is best for Springfield. A good first step is budget control-My goal is to reduce employment-primarily through attrition - at the city by 10% over the course of four years. This savings will be put towards our underfunded liabilities, relieving our property taxes on residents. I believe we need a complete re-think of how we deliver services to our citizens and intend to implement a "zero base" budget process which will require departments to rebuild their budgets from the first dollar and not assume any expense is sacred and must be held over.

If we can work on economic development as laid out in previous answers we will expand our tax base. Bringing more jobs and people to Springfield, is one of the fastest ways to solve the problem. The current administrations only plan is raise taxes, Springfield cannot afford this.