

**STATE OF THE CITY  
2016**

**Good afternoon everyone. Welcome to the Mayor's State of the City Address live from the Senior Citizens Center. My name is Larry Cuffe Jr., and I am the elected Mayor for the City of Virginia. On behalf of the City Council and staff I would like to take this opportunity to thank the Senior Center officers and members for your kindness and hospitality and for all the work that you have done to sponsor today's event.**

**The City focus in 2016 is for expanded growth and opportunity. We must invest in our businesses, promote economic development, improve recreation, and replace and repair our infrastructure. Opportunities for citizens and groups to develop, nurture, and display their talents at public spaces. To encourage the marketing of homemade products as we look to support one another. From residences to businesses, to common space, we have the opportunity to developing long term strategies and solutions. Old housing stock, increasing costs for utilities, slow economic growth, and other economic factors are impediments to attracting new residents and businesses to Virginia.**

**Virginia enters 2016 with a strong investment portfolio, healthy cash reserves, and a balanced budget. \$9,514,342.89 in available cash investments, of which \$3,448,496.79 are restricted funds. The investments are spread over several years with due dates for reinvestment between 2016 thru 2021 and one due in 2030.**

**The 2016 budget is set at \$11,738,830. \$4,510,636 comes from the tax levy. This is an increase of \$309,349 or 9% compared to 2015. An additional 2% or \$64,595 was a levy for the Virginia Economic Development Authority. \$5,051,344 was allocated by the State of Minnesota in the form of local government aid (LGA), \$306,000 from the Mining Effects Tax, \$867,800 from the Taconite Municipal Aid and Tax which is an 11.9% decrease compared to 2015, \$160,000 in State funds for public safety, and \$125,000 from the State of Minnesota for Municipal Street Aid. Miscellaneous revenues from investment interest, taxes, licenses, fines, and fees account for the remainder of City budget. One of the major issues in 2016 is for the Mayor and Council to closely**

**monitor the Enterprise Funds revenue and expenditures. The funds are comprised of the:**

- **Washington Manor Housing Revenue**
- **Solid Waste**
- **Golf Course**
- **Michaels Restaurant**
- **Sewer**
- **Clinic Capital Lease**
- **VRMC Capital Lease**
- **Ambulance**

**The Tennis for All facility is a Special Revenue Fund. In addition to maintenance and repair responsibilities the City allocated \$48,000 in 2016.**

**The State Legislature considered a special session to address a handful of issues. One of those issues was to restore the Local Government Aid funding to 2002 levels. Another was to consider extending unemployment benefits to laid-off workers on the Iron Range. With a 1.8 billion dollar surplus the State of Minnesota has the opportunity to fund a portion of the Miners Memorial Building remodel and to provide the 3.4 million dollar funding gap in the Hwy 53 realignment project. When the session begins in March the Mayor and City Council will work closely with the range legislative delegation in a consolidated effort to procure funding for our projects.**

**We are a great city with generous and caring people. Iron Rangers who were born here, live here, work here, where their children attend schools that provide a high quality education. However, our good reputation is being impugned by some angry and disgruntled groups of people. Negative, outside influences are not helpful. Frustrations and anger about the uncertainty of our local economy, the unrealistic demand for immediate change, and the caustic criticism of government in general is cause for concern. Users of social media and traditional news outlets have been the purveyor of negativity which has contributed to a distortion of the facts associated with city issues. The constant barrage of criticism and dissemination of misinformation only exacerbates the challenges we face as a community. We all share your concerns and frustrations. There is a need for government reform. And, we must do more to**

keep our citizens informed and improve the perception and culture within the city. However there are some laws, policies, and procedures related to socioeconomic conditions and circumstances that a local city government cannot control. We will hold periodic town hall meetings in efforts to provide Virginia residents and businesses timely and factual information. As outlined in the 2015 State of the City address, we will soon distribute an annual report that encapsulates the accomplishments made by each department of city government. This report also provides an organizational chart, list of city employees, budget summaries, and capital purchases. Let's work together to unite our community not divide it. To help solve problems not just vent about them.

Changes are on the horizon in 2016. We are beginning the arduous process of developing an updated Comprehensive Plan. A vendor has been selected for this project and will be seeking input from all segments of Virginia's population. A comprehensive plan provides communities with a blueprint from which planned action will result in a clear, concise, direction for the city's infrastructure.

There will be a change in leadership at some levels of city government. We recently appointed a new Chief of Police. Her job is to administer a police department through a professional, community oriented, philosophy that includes public interaction and state of the art policing techniques. We invest significant funds to educate and train our police officers in proactive policing. Pockets of criminal activities in parts of this city are overwhelming to say the least. Pressures from economic conditions are frustrating to the Police Department and to all of us.

A new City Administrator or City Manager is being considered. Mr. John Tourville will leave our employ to pursue another employment opportunity. It will be a challenging task to find a replacement that possesses the expertise and knowledge that John provided for more than eleven years. This hiring process will take a few months. The current City Finance/Human Resources director, Sherry Erickson has been appointed interim Administrator. Mr. Tom Butorac, our City Attorney, will continue to provide legal services on a contractual basis. Potential changes regarding this position will be researched in the coming year. Aside from the day to day legal tasks, a myriad of other civil

and personnel matters, Mr. Butorac is intrinsically involved in the lease agreement with Essentia Hospital and the long term structured agreement with the Essentia Clinic building. The City contracts with a local law firm for our misdemeanor prosecutions and utilize the St. Louis County Attorney's Office for higher level gross misdemeanor and felony offenses.

The fire based Emergency Medical Services includes single role Paramedics, Firefighter/Paramedics, Emergency Medical Technicians, Fire Marshal, and EMS Coordinator. The personnel compliment grew to 31 employees in 2015. Virginia is one of two cities that provide full time advanced life support services. The purpose of adding additional staff is to capture lost revenue from emergency ambulance runs and transfers. City tax dollars supplement this service without any contributions from other cities or townships. This enterprise fund will be closely scrutinized to determine if revenue streams cover the cost of additional personnel. If it does not and we are not able to partner with other EMS services, personnel and service adjustments are likely.

In the growth area of service, a new, all inclusive, Arrowhead Emergency Medical Services Center is in the development stages. A facility feasibility study was conducted by the 5 Bugles Company and identifies the current and future needs of EMS. A new facility is only possible through cooperation from the surrounding quad city communities and townships. Fire Chief Allan Lewis meets with potential stakeholders on an interim basis. This is a fiscally responsible and prudent course of action. For this project to come to fruition, the city will need support and action at the Federal level to provide funding through the Department of Homeland Security, Tiger grants, and other funding sources.

Growing to meet the needs of our schools and recreation programs, the Miners Memorial Building renovation and the James Padget Memorial Rink play key roles. The Miner's building is deteriorating and the back rink needs safety upgrades. Some renovation and patchwork has kept the complex viable. However, recent failures of the heating and water systems and damage to the infrastructure have caused temporary shutdowns of the facility. We continue to urge the state and range legislative delegation procure incremental funding for upgrades and safety. The City hired a lobbyist to facilitate our legislative priorities for 2016. We will spend a large block of time at the State Legislature during this year's session seeking adequate funding to complete the project.

**Matching funds will likely be required. We are seeking several million dollars to move this project forward. A long term bond may have to be considered. From my perspective, the Miners project is our primary infrastructure project.**

**Economic growth is a component that cannot be understated. In recent years Virginia has benefited from a marketed increase in commercial development. Although the City of Virginia is landlocked, there is still room for growth. Innovative land acquisitions through private sale and procurement must move forward. Blighted properties must be eliminated and replaced by new, thriving homes and businesses. There are opportunities along the Hwy 53 corridor between Highway 169 and Joy Global Drive, Ewens Field, the old Midway School site, the Horace Mann location, the Bourgin Hill properties, and White Cedar Drive to name a few. We need to diversify our economic footprint to attract new businesses ventures. This is one of the IRRRB's goals as well.**

**Economic growth increases job opportunities for new workers and for those displaced by the perils of the economy. Gone are the days of the neighborhood family businesses that dotted the landscape of Virginia. Many of you may recall Frisch's Market, Ahlstrands Store, Rodorigos, Bodovinitz, Eiolas, Slades, Mattsons, Alunis, Bucals and many others now only a memory. Times have changed. Mall shops, which historically have been recession-proof have fallen victim to the bleak Iron Range economy. Most recently, the announcements to close K-Mart, Walmart, and Suzanne's Jewelry Store are seriously troubling. More businesses may soon follow. Buildings on Chestnut Street remain vacant. Old infrastructure, the high cost of steam heat, significant remodeling costs, parking concerns, vagrancy, and the illusion of high crime are contributing factors. It is time to bring back small market businesses and promote arts and culture. What better place than to acquire and renovate vacant buildings than in the downtown district? Working together with the Department of Public Utilities, St. Louis County assessors, the UMD center for economic development, VEDA, and neighborhood and business revitalization groups, we have the opportunity to collate packages that help small start-up businesses. In addition, the IRRRB established a program to help downtown businesses become more energy efficient. Funding mechanisms will be scarce in 2016. Therefore, let us find innovative ways to move our city forward. We must encourage more farmers markets, seasonal swap meets, festivals, and other vendors by providing sites similar to the one dedicated in the City Center area of Baily's**

**Lake. We must be more vibrant, friendly, and conscientious about our neighborhood environment. Citizen involvement is crucial. An established working group of dedicated people are currently attempting to identify issues that are impediments to revitalizing downtown Virginia. Please become involved. They need our support.**

**There are several economic development projects in the pipeline. A new dental office, a state of the art memory care facility, the new St. Louis County building, AEOA /Range Mental Health venture, Ken Waschke Auto Plaza, and a new hotel, are some examples. Discussions are underway for the construction of an upgraded Minnesota Department of Transportation facility. Ulland Brothers Contractors, the Range Co-op Credit Union, Family Dental, Carpenters and Laborers, and the Surgery Center are examples of most recently completed development projects.**

**Safety and Security is one component in our commitment to healthy living. Homelessness and vagrancy is on the rise. This includes those with drug, alcohol, and/or mental health issues. Economic pressures, lack of adequate mental health services, and an influx of more persons in need of public assistance has created a vacuum. Many gravitate to the downtown area where they seek shelter from the cold in search for food from dumpsters and trash receptacles. There is no place for them to go. The Wellstone Building in Eveleth will not house any person who is under the influence of drugs or alcohol. Nor will Bills House in Virginia. Some seek shelter in abandoned homes and use candles to keep warm. In the summer, we see tents and cardboard configurations in sporadic areas around the city. A grassroots campaign called Change the Range is working to provide warm clothing and minimal sustenance to those in need. But this is not enough. Lack of intervention services leaves this segment of the population a danger to themselves, their health, and a nuisance to downtown businesses. It instills concerns and fears from the general public. The police and fire department are acutely aware of this issue, work closely with social services, and continue to take action when legally authorized to do so. They, along with the public, are the eyes and ears of hope. The phenomenon is not exclusive to Virginia.**

**Slum and blighted properties continue to plaque our community. We have taken an aggressive approach to acquire and demolish condemned homes and**

repurpose commercial properties. In 2015 thirteen properties were demolished. Several other sites are scheduled for demolition in 2016. A number of slum blighted properties including occupied rentals are not properly maintained nor cared for. There is division among citizens, rental property owners, and elected city officials about a strategy to eliminate, what some refer to as, a cancerous menace in Virginia.

As, Mayor I am sickened by the condition of some privately owned homes and subsidized rental properties and the lack of maintenance, care, and compassion by a small percentage of local and absentee landlords. Responsible owners of real and rental properties should not be saddled with costly regulations or intrusive inspections. So I implore our elected city officials to rescind the adoption of the International Property Maintenance Code and work on a new concept based on the following criteria:

- Utilize and update current codes and collate into one document
- Draft a workable ordinance using the IPMC as one of several sources
- Establish criteria that identifies slum blight
- Require Landlords to register (website, E-mail, or paper form)
- If a Landlord does not register, provide certified notice
- Adopt a fine schedule for non-compliance
- Rental property owners must register annually
- Rental property owners are required to notify the City when the rental property is sold or converted to single family status
- Incorporate an escalating civil fine schedule. If ignored, revoke privilege to rent until paid
- Require owners of blighted property to meet a repair deadline or be subject to a civil penalty. If non-compliant, obtain a civil court order
- Require rental properties to visibly post updated emergency info on each entrance, on each floor, and in the rental agreement for each tenant
- Provide for a timely appeals process
- Include a provision for tenant/neighbors to report a complaint (phone, letter, e-mail, or the new city website)
- Incorporate an aesthetics clause for the exteriors of properties. Include a civil fine schedule if not compliant within an established time frame.
- Identify an inspector list i.e.: Engineering, police, fire, public works, public utilities, and identify what triggers their involvement

- Designate currently employed, qualified, engineering staff as the building officials
- Include an annual three strike rule. If city officials are called to an address three or more times in a 12 month period, levy an escalating civil penalty
- for each additional offense Limit rental housing in identified neighborhoods
- Once a rental property is sold, transferred, or foreclosed upon, and it is or once was a single family dwelling, the property may be required to revert back to a non-rental property
- Provide homeowners and commercial and residential landlords with a voluntary checklist they may use to help identify and facilitate repairs to the interior and exterior of their homes
- An internal inspection of a property shall not be random. Inspections are triggered through a substantiated complaint with probable cause or by court order or in the event of an emergency
- Acquire property through negotiations. Use eminent domain as a last resort

The objective of this ordinance is to ensure all properties provide safe and healthy living conditions for renters and improve surrounding property values for single family homes, commercial properties, and neighborhood redevelopment.

Police Chief Nicole Mattson is establishing her vision for the police department and the 22 police officers employed under her watch. Chief Mattson, a former drug taskforce officer and criminal investigator in Virginia, is focused on carry forward the progressive community policing approach that was established by retired Police Chief Dennis Benz. Personnel adjustments are being considered in to provide the department with flexibility to reassign and increase police presence in high crime areas. The police department is committed to promote diversity, ensure an informed public, improve officer response times, aggressively pursue criminal and drug activity, and use the crime statistics and the security camera system as tools for additional patrols and monitoring.

2015 crime statistics reveal that major crimes and calls for police services plateaued. However, an uptick in assaults occurred as a result of more domestic violence arrests primarily against women. Anger management issues, drug and

alcohol abuse, and financial pressures from job loss are some of the major contributing factors in this area. Range Women's Advocates, which rents office space in Virginia City Hall, works closely with our Police Department in these cases. Illegal drug cases, abuse of prescription medications, and the introduction of Heroin to the Iron Range are serious impediments that endanger the health and safety of our residents. The caseload is overwhelming. Criminal investigative procedures can be an arduous process but following them protects the rights of citizens and follows constitutional law.

Police officers are oftentimes taken for granted. Some residents complain that they are not doing enough to solve crimes or protect our families. On the contrary, Virginia Police Officers do an outstanding job. Proactive policing is difficult and challenging. Staffing levels are lower now than in the 1970's. We invest in our workforce and employ police officers who are professionally trained, prepared, better equipped, and more responsive than ever before. Our police department faces increases in petty crimes, theft, and violence. They, themselves, have been victims of assaults and exposed to toxic environments. Police Officers are deployed to dangerous situations, and work long hours in an effort to protect the health and safety of our community.

Unlike some other cities, the Police Department codes statistical data to more accurately reflect the status of a call for service. For example, all applicable citations are coded as arrests and not simply a ticket. If a crime is committed, and an individual referred to prosecution we consider that an arrest. There were two deaths by violence in 2015, the same number as in 2014. The Constitution requires police to follow the law. Police Officers are scrutinized more today than ever before. Some citizens paint the police department with a broad brush, comparing them to those officers in the national media. However, most citizens are conscientious, take action, and use police officers as a tool to investigate and solve crimes. Some crimes were averted or resulted in arrest because citizens became involved. Watching out for your neighbors is important. Residents working together in their neighborhoods contributed to the successful capture and arrest of criminals in 2015. We are grateful for your involvement. The City intends to hold a series of town hall meetings to keep

**citizens factually informed. We urge you to visit the Police Department Facebook page.**

**Street and alleyways continue to deteriorate. The problem is compounded by the antiquated steam system and the failure to procure funding for major street improvements. The Ridgewood neighborhood, as an example, where gas service is prevalent, has no curb and gutter. Williams and Vet's additions as well as the Northside of Virginia experience heaved and cracked streets and sidewalks. Alleyways all over town have major cracks and potholes. We need a comprehensive street and alley repair replacement plan. State and Federal funding sources are dismal. Public works prioritizes emergency repairs. Success requires a long term strategy approach that correlates with adequate funding sources.**

**Parking is a premium and a challenging issue. The St. Louis County building renovation and expansion project may help alleviate some of the parking issues in the downtown and on the surrounding residential streets. A building demolition adjacent to two local churches will make way for small parking lot. Adjustments to the city ordinance are also needed to free up long term daily parking for employees and business patrons.**

**Sidewalk snow removal requires a consolidated effort by the City of Virginia, business owners, private residences, and rental property owners. A city ordinance requires owners of properties to remove snow from their sidewalks within a certain period of time. The city owns one antiquated specialized piece of equipment that is unreliable. A replacement for one motorized snow removal plow/blower system will cost between \$130,000 and \$150,000 each. It is estimated that at least 4 units would be required to adequately provide timely snow removal throughout the City.**

**The Highway 53 bridge project is on schedule. The State Department of Transportation and the Department of Management and Budget chose Kweit as the general contractor. In 2014 the Department of Public Utilities and the City of Virginia in conjunction with our legislative delegation cooperated to secure bond funding to deliver gas, water, and sewer infrastructure to the approximately 310 homes in Midway. Nineteen million dollars was approved. Thirteen million was approved for utilities reroute and six million for the Mesabi Trails. The City and Department of Public Utilities were prepared to begin the**

construction and removal of the utilities reroute. However, the DOT brokered a development agreement that Kweit will control the entire construction project. As a result, projections show a 3.4 million dollar funding gap for which the City of Virginia is responsible for. The City secured a short term borrowing note to bridge the gap until funds can be released and additional funds secured from the State of Minnesota. The project is scheduled to be completed in the fall of 2017. The Iron Range legislative delegation is working to find the funding by introducing House File #2555.

Let us talk for a moment about citizens volunteers. The unsung, unassuming people who strive to make our community better, friendlier, and more vibrant. Volunteers are the kind souls and mentors whose efforts contribute to improving living conditions and city services.

The greenhouse project is an example of what volunteers can do to make a difference. The Friends of the Greenhouse have been instrumental in keeping the facility open. This organization found innovative ways to grow and cultivate flowers and edible products. The Friends of the Greenhouse contributed \$8,000 toward the construction of a new handicapped accessible lavatory facility. Success is achieved when citizens and organizations work to achieve a common goal.

The Virginia Lakes Beautification Committee, a dedicated group of volunteers, had a vision, a vision to construct, improve, and repair trails and structures that surround Silver and Bailey's lakes. This committee was directly responsible for the opening and maintenance of Silver Lake Beach, for the established walking trail around Bailey's Lake, and the newly constructed walking trail surrounding Silver Lake. There are more plans to renovate and repair the piers, docks, and seating areas that are enjoyed by pedestrians, fishermen, and the senior housing residents.

The Friends of the Library donate their time every day to read to children, raise revenue for needed programs, support and promote library services. They help educate, communicate, and facilitate the library's mission statement.

A Virginia resident and Department of Public Utilities employee opens and closes the warming house at the Jefferson skating ring on Northside.

**A grassroots campaign to renovate the Alcott Park Fountain has begun. Led by Greg Gilness, a cross section of individuals, businesses, and organizations, are seeking upwards of \$800,000 in funding in order to bring this project to fruition.**

**The city commissioner serves in a capacity that maintains order, enforces rules, makes suggestions and recommends improvements in and for our city. A total of forty-six Virginia residents serve on the city commissions that include Park and Recreation, Library, Human Rights, Cable, Planning and Zoning, Public Utilities, Housing Redevelopment , Hospital Advisory, City Charter, and the Eveleth-Virginia Airport Authority.**

**We also acknowledge all of you who volunteer your time and talents to the Senior Citizens Center, summer and winter youth activities, and charitable organizations that support local community projects. Our community thrives because of our volunteers. The Senior Center, Elks Club, Rotary, Lions, Soroptimists, Women of Today, Youth in Action, Neighborhood Watch, and Virginia Roosevelt student organizations to name a few.**

**Virginia is fortunate to have employed a dedicated, highly-skilled, and professional workforce. Each employee possesses a unique set of skills that enhances their contributions to the work environment. Police and Fire/Paramedics work shifts that rotate 24 hours per day, 7 days per week, and 365 days per year. Most are on-call status in addition to their regular scheduled work shift. Hours without sleep for the safety and security of our citizens can only fully be appreciated by those who serve beside them.**

**Public Works employees are a highly-skilled blue collar workforce. Regardless of weather conditions they work to get the job done. The city does not employ a public works director. Ed Alto, a seasoned city employee, leads and works with the crews to schedule and prioritize daily and emergency work assignments. Public Works employees keep commerce moving. An understaffed workforce provides snow removal, curb and street maintenance, water and sewer infrastructure, equipment repairs, signage, tree cutting and removal, and building demolition.**

**Park and Recreation Director John Bachman and his staff service and maintain the parks, skating rinks, and the Miners Memorial Complex. New venues and children playground equipment will be installed in 2016. The Tennis for All is a state of the art facility. There is no other like it in our region. Children have access to the amenities provide by Alcott Park, ice rinks, bocce courts, ball fields, Southside park, and playground facilities that are scattered throughout our neighborhoods.**

**Library director Nancy Maxwell directs a staff of seven employees. Each one with their own set of talents and responsibilities. In addition she supervises a maintenance worker who is responsible for minor repairs, custodial services, snow removal, and lawn care. Cutting edge library programs and a dedicated volunteer organization provides much needed services for children and adults alike.**

**The Administrative staff works behind the scenes. These personnel are the engine that keeps our city moving, pays the bills, sends out legal notices and correspondence, and dispatches workers on emergency calls. Kris Johnson who shares administrative responsibilities with two department supervisors developed the new City of Virginia website that will be launched in February of this year.**

**Employees work for finance, public works, police department, fire department, City Administrator, park and recreation, Engineering, and the City Attorney. Longtime employee Mark Butorac provides minor maintenance and custodian duties at City Hall.**

**The Land of the Loon Festival is a successful community event that draws families from around the state. For years, this festival is a significant economic boon to Virginia. We must think outside the box and develop innovative ways to inject fun and excitement in the city and at the same time increased revenue to private businesses. We call upon the citizens of Virginia to help organize a winter festival for the 2017 snow season. We are looking for enthusiastic and energetic people who are willing to start from scratch. Let's make this happen. What should we be looking at in the long run? It is time to revisit the issue of consolidation and shared services. For as long as we can remember this has been a topic of conversation in meetings between Mayors, City Councils, school**

**districts, business owners and residents. Shrinking populations, increased demand for services, redundancy, and the cost of doing business unduly pressures the taxpayer.**

**We can reduce administrative costs and duplication of services within Administration, Police, Fire, Emergency Services, and Public Works. Consolidation triggers new funding mechanisms for brick and motor, personnel, capital equipment, and an efficient labor force. Although this proposal entails a challenging, arduous negotiations and planning process, it is worth the effort. The City of Virginia will extend the olive branch to our partner cities in hopes of moving forward.**

**All is not grim. There are opportunities. Let us not focus on what we cannot do. Let us focus on what we can do. It is time for us to overcome our shortcomings. Never give up. Use our strong bond of community and take action. Do not waiver. Solve problems. Support one another. And strive to provide a safe and healthy future for our children and grandchildren. The adage “It takes a village to raise a child” can be applied to the City of Virginia and our future. Let’s improve on what we have and work together to make our community a better place to live and work.**

