

February 2, 2021

A Regular Work Session of the Danville City Council convened on February 2, 2021 at 8:30 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. Council Members present were: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr. and Madison J.R. Whittle (9).

Staff Members present were: City Manager Ken Larking, Deputy City Manager Earl B. Reynolds, Jr., City Attorney W. Clarke Whitfield Jr. and City Clerk Susan M. DeMasi.

Mayor Alonzo L. Jones presided.

MINUTES

Upon **Motion** by Council Member Saunders and second by Council Member Campbell, Minutes of the Regular Work Session held on January 5, 2021 were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

WORK SESSION ITEMS

CONSIDERATION OF GRANTING TAX EXEMPT STATUS TO GOODWILL OF THE VALLEYS, INC.

Council Member Saunders noted Danville was under this organization but what he did not see was how many organizations were also under this group and were all of them tax exempt except Danville. Mr. Larking noted staff would find that information; it was possible that Danville was the last one to consider tax exempt status.

Dr. Miller questioned if the Goodwill declared bankruptcy recently and Mr. Larking explained the organization that previously operated the Goodwill in Danville was different from the one applying now. The previous one had an issue with overleveraging themselves, and they had to come under the umbrella of the Goodwill of the Valley. Dr. Miller noted the Goodwill in Raleigh had an issue, the Directors were receiving much inflated salaries and not doing what they were supposed to as far as providing jobs, employing disadvantaged people, etc. It raises concerns on his part, he was reluctant to grant tax exempt status until they know more about this organization. Mr. Larking stated it would probably be good for whoever was leading the organization to come to Council and answer those questions. The name of Goodwill may be franchised out, so the one in North Carolina may not be the same operator as Goodwill of the Valley, which was out of Roanoke. Goodwill of the Valley may be a very well run organization with appropriate salaries, the right programs, etc., but he cannot answer those questions on behalf of them; it would be better for them to answer those questions. Dr. Miller stated it would be good to know how many tax exempt organizations the City has, will this open the door to other organizations.

City Attorney Clarke Whitfield explained it was completely up to Council to determine whether they want an organization to be tax exempt, and there were certain organizations that were tax exempt in the Virginia Code. In the past, to get tax exempt status, they would have to go to the General Assembly and they would pass a statute granting that exemption. They shifted that to the cities about a decade or more ago, now there were Constitutional and statutory implications, and the City itself also has qualifications; they have to go through all of the qualifications to get tax exempt status. Just because an organization meets the technical definition or met the technical hurdles, doesn't necessarily mean that Council has to grant them tax exempt status. Council was supposed to look at these things very closely and make sure they were not granting

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tax exempt status to people that don't need it or don't fit in the categories. They have to be operating for charity, education or something like that at the time they make application in order to qualify. Dr. Miller stated he doesn't know who Council in the past has granted tax exempt status to, it would be helpful to know what other groups.

Council Member Vogler noted it sounded like there were a lot of questions that Council Members had, maybe they could send questions to the City Manager and he can get them in front of the people who can answer them. If they can get that information to Council, they could have it all in front of them before they come back to Council.

Mr. Saunders noted he too would like to see the information, and based on years of experience, a lot of non-profits have come to Council and Council has been pretty generous with regards to approving them. Mr. Saunders questioned was this one a 501(c)(3) and Mr. Whitfield noted they were, and Mr. Saunders noted if they were a 501(c)(3), why were they being taxed. If Council approved what they were asking for, then the City would get \$9,000 a year less than what they were getting now. Mr. Whitfield explained the 501(c)(3) was a Federal designation; what they were asking for was their real property taxes and maybe even their personal property taxes, to be exempted from the City. One of the first things they have to do in order to make application was to be a 501(c)(3) organization, and they have to pay taxes until they were declared tax exempt by the locality. Mr. Saunders noted he would like them to appear before Council and answer some questions, as well.

Council Member Campbell noted Goodwill had been in Danville for a long time and they changed hands, did they have tax exemption before they changed hands, and Mr. Whitfield explained back in 2004, they were granted tax exempt status, but he thinks that organization had some financial troubles, and because of that, in order to continue to have Goodwill operating in Danville, Goodwill of the Valley came in and took over.

PROGRAM UPDATES

City Manager Ken Larking reminded Council that they will be having a work session/retreat, it will be in the 4th floor conference room, this Saturday, February 6th, beginning at 9:00 a.m.

COMMUNICATIONS

Vice Mayor Miller requested an update on the Langston Track; there was a sinkhole in the center.

CLOSED MEETING

At 8:01 p.m., Vice Mayor Miller **moved** that this meeting of the City Council of the City of Danville, Virginia be recessed and that Council immediately reconvene in a Closed Meeting for the following purposes: discussion or interview of prospective candidates for employment, assignment, appointment, promotion, performance, salary, disciplining specific public employees or appointees as permitted by Subsection (A)(1) of Section 2.2-3711 of the Code of Virginia, 1950, as amended and more specifically to consider performance evaluations of the City Manager, City Attorney and City Clerk; and discussion or consideration of the acquisition and/or disposition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position of the City as permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended, more specifically to consider discussion regarding the sale of specific parcel or parcels of real property for use by prospective industrial and mixed use projects seeking to locate in the City; and to consider an Economic Development discussion and

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update concerning prospective business or industry where no previous announcement has been made and/or the expansion of an existing business or industry where no previous announcement has been made as permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended, and more specifically to consider an update on multiple prospective mixed use and industrial projects considering locating in the City and the region.

The Motion was **seconded** by Council Member Buckner and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

Upon unanimous vote at 9:20 p.m., Council reconvened in open session and Vice Mayor Miller **moved** for adoption of the following Resolution:

CERTIFICATE OF CLOSED MEETING

WHEREAS, the Council convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.1-344.1 of the Code of Virginia, 1950, as amended, requires a Certification by the Council that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Council hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements of Virginia Law under Section 2.2-3711 were heard, discussed or considered, and (ii) only such public business matters as were identified in the Motion by which the Closed Meeting was convened were heard, discussed or considered by the Committee.

The Motion was **seconded** by Council Member Campbell and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

MEETING ADJOURNED AT 9:21 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK