

St. James' Special Vestry Meeting Minutes

Sunday, June 3, 2012

In attendance: Rector Lori Walton, Senior Warden Janet Fischer, Junior Warden Laura Winter, vestry members Valle Brokes, Gary Gearheart, Brad Hoffman, Mike Scrutton, Bob Bynum, and Clerk Elizabeth Hart

Absent: Treasurer Lynn Locher and vestry members Donald Razzolini, Bud Spalding, Nancy Castaneda, Stephen Ferro, and Bev Mosier

Janet Fischer called the meeting to order.

The purpose of this meeting is to approve the Equity Share Agreement. The reason it must be done now is the bank must have the final version of the agreement by June 8th, which is before the regular vestry meeting.

Discussion regarding the draft Equity Share Agreement

- The Clergy Housing Committee, which consists of John Kimber, Mike Scrutton, Sylvia Ma, Mary Casas, and Tom Blalock, wrote the agreement.
- The agreement determines how we hold shares in the equity of the property
- The agreement also determines how repairs are done and who pays for the repairs
- The responsibility of the vestry members is to insure the fiduciary soundness of the parish
- The bank has approved the agreement and the bank has found a way to provide Lori with a 30-year fixed mortgage loan.
- The biggest issue in terms of the parish and the rector is that the agreement be sound and good stewardship of both parties.
- The senior warden, Janet, wanted Lori to attend the meeting so that it was on record that Lori understands the agreement, is happy with it, and that the agreement is fair to Lori as well as St. James'.
- Improvements to the house
 - Anything less than \$2,500 Lori can do.
 - Lori will need to keep good records of the cost of any improvements
 - According to the existing wording, if Lori was to make several improvements over several years each less than \$2500, that would not affect any change in the ownership basis. If the cost was \$2500 or more, that would affect the ownership basis.
 - Most of the repairs/improvements that Lori might have done to the house could be done by her husband Ron. The result would be a cost savings (primarily for labor) that could keep the repair/improvement under \$2500, although the value of the repair/improvement would be

over \$2500. If Lori would like the improvements to increase her equity share (ownership basis), Lori would need to provide estimates and an invoice, even if that is not what was paid. That way we have a record of the value of the labor provided (for example, \$10,000 worth of labor was performed by...), substantiated with other quotes. This type of scenario is covered under section 2.2e of the agreement.

- It was suggested to add to the agreement that it was approved by the St. James' vestry on June 3, 2012 so that people could refer to these minutes in the future.
- It was also suggested to add to the first sentence St. James' Episcopal Church, **Fremont, CA**, in order to clarify which St. James' church.
- The Equity Share Agreement also has to go to the title company.

Motion was made to approve the Equity Share Agreement as amended. Moved by Gary Gearheart, seconded by Bob Bynum. Motion approved.

Amendment Form

- This form is used for any changes.
- While any changes (such as improvements over \$2500) must be approved in writing before anything is done, it was suggested that any amendments be actually filed once a year, because a filing fee will need to be paid.
- It was also suggested that any amendment(s) be filed while the vestry that approved it is still serving.
- When we make amendments, we do so as a legal entity called "The Church." "What is meant by "The Church?" If there is a question, it would fall back to the bylaws. The St. James' bylaws specify that the vestry has the fiduciary responsibility of the church, and it is a majority vote of the vestry.
- St. James' Episcopal Church, Fremont, CA will also be added to the amendment form.

Motion was made to approve the Equity Share Agreement Amendment form as amended. Moved by Valle Brokes, seconded by Brad Hoffman. Motion approved.

Respectfully submitted,

Elizabeth Hart
Clerk of the Vestry