

Appointing Trustees: An Important Step for St Margaret's

06 October 2022

The background: why do we need trustees and why now?

“All real and personal property held by or for the benefit of any Church or Mission within this Diocese is held in trust for The Episcopal Church and the Diocese of Virginia. The Vestry of every Church and, when authorized by the Bishop, the Vestry Committee of a Mission, shall elect Trustees for appointment pursuant to law to hold title to such property.”

(Emphasis added)

Trustees not decision-makers

- Operate under Virginia law and canon
- Hold title to the property on behalf of the Dioceses
- Serve as agents if church is sued (promptly turn lawsuit papers over to the Dioceses)
- Not responsible or empowered for purchase or disposal of property
- Can be responsible for encumbrances to the property (such as secured loans)

Specific issue requiring trustees

- Church has held a loan from Diocesan Mission Society since relocating to the current building
 - Original loan \$200,000 in 2012
 - Renewed in 2017, for \$179, 354
 - Due for renewal in 2022, with balance of \$158,005
 - Reflects an “unsecured loan” rate, which will be fixed at the time the refinance is completed
 - Current monthly payment is \$1,100
- Secured loan rate will be 1.5% lower
 - Implies that the church property is offered as security
 - Trustees appointed to oversee property disposition

Qualifications of trustees, per dioceses guidance

- Long-term, responsible members of the church, likely to be in the congregation for an extended period
- Lay people
- No set term
- Not necessarily vestry members
- Preferably experienced in business, law and finance

Decision requested

- Authorize appointment of trustees
- Accept the nomination of:
 - George G.
 - Winnie G.
 - Chris H.
- Trustees will authorize encumbering of property for a secured Diocesan Missionary Society refinance of the current loan