

Narrative Minutes
Meeting of the **Executive Council**
Lake Geneva, WI
October 24 – 27, 2003
Web Version

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OCTOBER 24, 2003 - FRIDAY MORNING

The meeting was called to order at 9:00 a.m. with the Liturgy of the Word, followed by a break.

The Presiding Bishop welcomed the Executive Council and recognized the Executive Secretary, Rosemari Sullivan, who made announcements and took roll call.

ROLL CALL

Present:

The Most Reverend Frank T. Griswold III, Presiding Bishop

The Very Reverend George L.W. Werner, Vice Chair

Bonnie Anderson

Cynthia Black

R.P.M. Bowden

Carmen Brooks

Kim Byham

Ann Coburn

Louie Crew

Sharon Denton

Dorothy Fuller

Del Glover

Ed Godden

Thomas Gossen

Anthony Guillen

Sarah Harte

Josephine Hicks

Julio Holguin

Ken Kesselus

Timothy Kimbrough

Stephen Lane

Sandra McPhee

Ted Mollegen

Frank Oberly

Russell Palmore

Diane Pollard

Titus Presler

Brian Prior

Wilfrido Ramos-Orench

Terry Roberts

Catherine Roskam

Stacy Sauls

Becky Snow

Kwasi Thornell

John Vanderstar

Tim Vann

Lillian Yeager

Ted Yumoto

Chancellor David Beers

Pat Mordecai

Rosemari Sullivan

Arriving late:

Edward Rodman

Theodore Daniels

The agenda was accepted.

The minutes from Ellicott City were approved.

Rosemari Sullivan introduced the General Convention Staff, Pat Mordecai introduced the Church Center Staff, and Dan England introduced the Communication Staff, and spoke of the role of the Communication office. Bonnie Anderson requested the Executive Council be provided with an overlay organizational chart, showing Executive Council's place within the organization.

Then Brian Prior introduced a "getting to know you" exercise for Council to begin to know each other on a one-to-one basis.

Lunch Break

FRIDAY AFTERNOON

The Secretary asked that the agenda include the election of at-large members of Executive Committee and the election of the Treasurer on the 4th day of this meeting

The afternoon was spent in private conversation.

SATURDAY, OCTOBER 25, 2003

Morning session began with morning prayer and Scripture reflection.

Council convened at 9:45, and were welcomed by the Presiding Bishop, who introduced George Werner, President of the House of Deputies.

Brian Prior set up an exercise for table groups to answer two questions:

1. What is the role of Executive Council?
2. How do you see yourself living out the role?

A representative from each table gave their table's answer to these questions. (*See Addendum A*).

Becky Snow clarified the role of Executive Council as the Board of Directors for the Domestic and Foreign Missionary Society. She explained that A&F is the committee that deals with DFMS issues. Executive Council is responsible for carrying out programs outlined at General Convention.

David Beers talked about DFMS as a corporate subsidiary of the Episcopal Church, NYS law as it applies to the Executive Council, and where the Board role ends and management role begins. He discussed personal liability and answered questions from the Executive Council.

12:00 Holy Eucharist

SATURDAY AFTERNOON

Becky Snow gave an explanation of the four standing committees – Administrative & Finance (A&F), Congregations in Ministry (CIM), National Concerns (NAC), and International Concerns (INC). She briefly described the role of the committees. She then discussed the Executive Committee and its purpose, and how business gets done. It is up to each committee to choose a vice chair and secretary, and to do their own minutes.

Art Williams asked for a change in the Handbook on pg. 6. "Congregations in Ministry" should be changed to "Congregational Development, Ethnic Congregational Development). The change was accepted.

The plenary session recessed for a break, and committee challenge.

SUNDAY, OCTOBER 26, 2003

Sunday afternoon council worked in committee.

MONDAY, OCTOBER 27, 2003

Council was called to order by the Presiding Bishop at 9:50 a.m.

The Presiding Bishop welcomed the Rt. Reverend Steven A. Miller, the Bishop of Milwaukee. Bishop Miller then introduced Milwaukee deputies Connie Ott, Dean Heckel and Claudia Bartz.

COMMITTEE REPORTS

ADMINISTRATION AND FINANCE (A&F)

Russ Palmore reported on the A&F committee activities:

Inherited issues

1. General Seminary – request for funds regarding relocation of Church Center to Chelsea. A committee was appointed to respond to that request and will report in February.
2. Renovation of 815 – report by Pat Mordecai. The building at 815 is 40 years old and in need of considerable renovation. Council authorized a 9 month study with Architect, Project Manager, and Construction Manager. They have come up with several options, with the most likely being utilizing floor 2-7, part of 8th and mezzanine, and leasing 9 and 10. 11th floor will remain the residence of the Presiding Bishop. They are also considering options for upgrades of electric, plumbing, elevators, and the asbestos issue. Estimated budget is \$25,000,000, but more accurate cost estimates will be available at February meeting. If approved, renovations will begin in the summer of 2004 and last 10-12 months.

New business

A&F 001 – *Approved*

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income "the rental value of a home furnished to him as part of his compensation," or a Church-designated allowance paid to him as part of his compensation to the extent used by him for actual expenses incurred in maintaining a Church-owned parsonage; and

Whereas, The Most Rev. Frank T. Griswold, III will be compensated by DFMS exclusively for services as a minister of the gospel, and

Whereas, DFMS will provide The Most Rev. Frank T. Griswold, III with rent-free use of a Church-owned apartment as compensation for services that he renders the Church in the exercise of his ministry, and

Whereas, as additional compensation to The Most Rev. Frank T. Griswold, III for services that he renders the Church in the exercise of his ministry, DFMS also desires to pay him for expenses that he incurs in maintaining the apartment; therefore be it

Resolved, That for the calendar year up to \$54,000 is hereby designated as a parsonage allowance, with the intent that it be treated as such for purposes of Section 107 of the Internal Revenue Code; and be it further

Resolved, That such designation shall apply to calendar year 2004 and to all future years unless otherwise provided by this Council; and be it further

Resolved, That as additional compensation to The Most Rev. Frank T. Griswold, III for calendar year 2004 and for all future years unless otherwise provided by the Council, he shall be permitted to live in the Church-owned apartment located at 815 Second Avenue, and that no rent or other fee shall be payable by him for such occupancy and use.

Explanation

This resolution replaces resolutions which have been voted in the past by the Executive Council. The limitations set forth are in accord with current regulations; the Presiding Bishop's housing allowance is being treated separately from that for other clergy employees because he is provided with an apartment at 815 Second Avenue.

A&F 002 - *Approved*

Resolved, That, in accordance with applicable provisions of the Internal Revenue Code (Section 107) and I.R.S. Regulations (S1.107-1), the Society shall, designate in advance the portion (if any) of the compensation of any employee who is a member of the clergy as a "home or rental" allowance. The Society may take into account an employee's particular circumstances in determining that employee's housing allowance, and may solicit information from the employee in attempting to do so; and be it further

Resolved, except for individuals where a housing allowance has been determined under Paragraph One above, the Society will utilize as a general rule a housing allowance equal to 40% of an amount equal to the total compensation including that portion ultimately designated as housing allowance.

This authorization shall be effective immediately and shall continue henceforth until rescinded.

Explanation

This resolution replaces resolutions which have been voted in the past by Executive Council. The limitations set forth are in accord with current regulations. Note also that I.R.S. requirements are that housing allowances be designated "in advance" means that to the greatest extent possible, employees' proposals of allowance amounts shall be made before the beginning of the calendar year to which they shall apply. The housing allowance amount will be included in Box 14 (information only) on annual W-2 forms.

A&F 003 - *Approved*

Resolved, That the Executive Council approve an additional advance payment of \$14,000 against appropriation funds to the Episcopal Church in Micronesia (ECIM) for the emergency typhoon repair of damages sustained by St. Johns Mission Church in Guam; and be it further

Resolved, That the Executive Council authorize the Treasurer's Office to negotiate a repayment plan with ECIM for the total of \$36,000 advance paid-to-date and the additional \$14,000 advance payment requested (total \$50,000).

Explanation

In December 2002, the St. Johns Mission Church in Guam sustained physical damage resulting from a typhoon and requested that DFMS advance \$36,000 against future appropriation funds for the repair of damage to the church. In addition, they have requested an additional \$14,000 advance to complete the work and that the entire balance of \$50,000 be treated as either a grant and/or loan from DFMS.

A&F 004 - *Approved*

Resolved, That the Executive Council meeting in Lake Geneva, Wisconsin, from October 24-27, 2003 vote to embrace and practice a code of "simple living" that will include, but not be limited to:

- Adequate, but simple, cost effective lodging and meals for all Executive Council, Executive Council Committee and Executive Council Task Force meetings.
- No reimbursement for expenditures on alcoholic beverages; be it further

Resolved, That the President and Vice President of the Executive Council will appoint a small group of Council members, to include the General Convention Manager, to explore and identify other ways to embrace a simple living practice and to report back at the next meeting; and be it further

Resolved, That the concept and practice principles of simple living adopted by the Executive Council be forwarded to all Committees, Commissions, Agencies and Boards; and that all Committees, Commissions, Agencies and Boards adopt these principles.

A&F 005 - *Approved*

Resolved, That Trust Fund #995, Episcopal Conference of the Deaf (2002), is established to hold and invest funds from the Episcopal Conference of the Deaf.

Trust Fund # 995 - Episcopal Conference of the Deaf (2002)

This fund was established as an investment account by the Directors of the Episcopal Conference of the Deaf. Principal and/or income may be withdrawn upon request from the Directors. This is a custodial-type trust fund, meaning that DFMS is not trustee for these funds but is simply providing their owner (Episcopal Conference of the Deaf) with access to investment management through DFMS endowment. The owner may add to or withdraw principal funds at its discretion.

A&F 006 - *Approved*

Resolved, That Trust Fund #999, May, Lloyd H. Fund (2003), be created for the benefit of Cuttington University College, Liberia.

Trust Fund # 999 - May, Lloyd H. Fund (2003)

This fund was established by resolution of Executive Council with proceeds of approximately \$18,880 from the Estate of Lloyd H. May. It is for the benefit of Cuttington University College, Liberia for the medical work started by Dr. John and Leona Stewart.

A&F 007 – *Approved*

Resolved, That Trust Fund #1000, Holy Trinity Episcopal Church (2003), is established to hold and invest funds from Holy Trinity Episcopal Church.

Trust Fund #1000 - Holy Trinity Episcopal Church, Troy, Montana (2003)

This fund was established with \$400,000 as an investment account by Holy Trinity Episcopal Church. Principal and/or income may be withdrawn upon request. This is a custodial-type trust fund, meaning that DFMS is not trustee for these funds but is simply providing the owner (Holy Trinity Episcopal Church) with access to investment management through DFMS endowment. The owner may add to or withdraw principal funds at its discretion.

A&F 008 – Referred to INC

A&F 009 – Referred to winter meeting

A&F 010 was introduced by Diane Pollard. Diane gave the background of the Episcopal Church Foundation, and functions of Congregational Development and Congregational Growth under DFMS. She explained that assets remained in DFMS after no longer a part of DFMS. In 2001, Executive Council approved \$450,000 toward support of gifts planning program, and in 2002, reaffirmed amount given. In July, 2003 a task force was formed. A focus group of the task force asked for a consultant for an independent opinion. Alan Proctor was engaged and gave his opinion. Task force asked ECF to reduce request to \$5,000,000. Alan Proctor is enthusiastic but requests that a market research be done. Another possibility is a partnership with the Church

pension fund. They are asking for \$30,000. Hopefully will come back in February with more information.

A&F 010 - *Approved*

Resolved, That the A&F Committee receives with thanks the interim report of the A&F Task Force on the Episcopal Church Foundation's proposal; and be it further

Resolved, That the Executive Council authorize the expenditure of up to \$30,000 from 2003 unrestricted net operating income to cover the expenses related to studying the market potential and feasibility of the Episcopal Church Foundation's proposal to expand its Gift Planning Program.

Carryover from last council meeting in minutes - Presiding Bishop reported that the Canadian church is still trying to settle. When internal affairs are properly settled, they will let us know how it has been resolved. Presiding Bishop will report in February.

CONGREGATIONS IN MINISTRY (CIM)

Cynthia Black reported for CIM. Steve Lane is secretary and Terry Roberts is vice chair.

CIM 001 - Needs A&F input

CIM 002 - Bonnie Anderson introduced an alternate version, which she feels addresses the intention of General Convention. While this version is being typed, committee moves on to CIM 003.

CIM 003 - *Approved*

Resolved, That the Executive Council establish the following norms regarding electronic communications:

- E-mail and web-based service be utilized to facilitate communication among the members of the Executive Council and the staff of the Church Center, but not utilized to make official decisions;
- Groups be established for the Executive Council, Executive Council and the Church Center Program Staff, Executive Council Committees, and a space for receiving communication from the larger church;
- E-mail and web-based communication is considered confidential unless explicit permission is given by the author to release the communication to another person or group; and
- E-mail and web-based services will be maintained at the Church Center; and be it further

Resolved, That the Executive Council is defined as the thirty-eight elected members and the officers; and be it further

Resolved, That trial use of these norms will begin as soon as possible following this meeting; and be it further

Resolved, That the full implementation of these norms begin following the February meeting of the Executive Council.

Cynthia then introduced Ed Cimafonte of the Communications Dept. to give a demonstration of the new website in progress.

CIM 002 was then revisited. Bonnie Anderson proposed the amended version as she understood the intent of the task force, of which she was a member. Ted Y. proposed a change in wording to Bonnie's draft, and this change was passed. After more discussion, the amended version of CIM 002 was passed.

CIM 002 – *Approved with amendment*

Resolved, That the Executive Council recognizing that young adults and youth are the first priority for mission and budget allocations for this triennium; and recognizing the need to define the use of the \$1,000,000 for young adults and youth ministries highlighted on page 30 of the Budget for the 2004-2006 Triennium, asks that the Ministries with Young People Cluster in collaboration with other staff, young people, representatives of the Provincial Youth Ministries Coordinators and Council representative(s):

- Create a broad three-year plan for developing and expanding young adult and youth ministries inside and outside the church using the General Convention resolutions, demographic research, and other resources as necessary for guidance.
- Create a detailed plan, including timelines, tasks and cost projections for developing and expanding young adult and youth ministries inside and outside the church for the year 2004, to be presented at the February meeting of Executive Council; and be it further

Resolved, That the Executive Council through the Ministries with Young People Cluster convey to the Provincial Youth Network and other youth ministries groups this resolution regarding the need for further deliberation by Executive Council before funding decision can be finalized, and our love and encouragement as we look to them for their leadership and spiritual guidance.

Rosemari then called for nominations for the two at large members of Executive Committee. Those nominated are:

- Del Glover
- Ted Yumoto
- Brian Prior
- Anthony Guillen
- RPM Bowden

The announcement was made that because of time constraints, after the lunch break the Council would reconvene at 2:00 p.m. Voting for at-large members would take place at that time.

Don Hammond was called to report on the nomination of Kurt DelBene to the ERD Board. He was approved unanimously.

Christopher Epting reported on the NCC. The Board voted on a retroactive motion to approve the 2000-03 Board, and approved the 2004-07 Board, with a correction on the 2nd page, as Carole Jan Lee is no longer a member of Executive Council.

Arthur Williams reported on the progress in searching for missionaries for the African American/Black, Native American, and Asian American ministries.

Pat Mordecai gave a staff update regarding the hire of Suzanne Baillie as part time legal council and Kurt Barnes as treasurer. The Director of Missions search continues. Pat reported that they are reviewing each opening with great care to determine whether a vacancy should be filled now, later, or not at all.

MONDAY AFTERNOON

The Presiding Bishop asked Bonnie Anderson for a report on the search for CFO. Bonnie asked for ratification of Kurt Barnes. *Elected unanimously.*

VOTE FOR AT-LARGE MEMBERS OF EXECUTIVE COUNCIL

Council decided to elect each position separately considering all the remaining names for the 2nd election.

Louie Crew proposed that the member must get 50% of the vote to be elected, and that if no one received 50%, the person with the lowest number of votes be dropped from the ballot, and a new vote would be taken. This was seconded and approved unanimously.

No one received 50% on the first ballot. A second vote was taken and RPM Bowden was dropped from the ballot.

NATIONAL CONCERNS (NAC)

Kwasi Thornell reported for National Concerns.

NAC 001 – *Approved*

NEW APPLICATIONS

Bread of Life
St. George's Episcopal Church
P.O. Box 246
168 W. Arizona
Holbrook, AZ 86025
The Rev. Sam Hosler
Mary Wilderman
Diocese of Arizona

Bridgetown Barbados, West Indies
The Rev. Canon Frank B. Marshall
Diocese of Barbados

Charlie's Place at St. Margaret's
1830 Connecticut Avenue, N.W.
Washington, DC 20009
The Rev. Robert E. Hensley
Ms. Mary Seabold
Diocese of Washington

Christ the King Anglican Church
Rock Dundo Park
Cave Hill, St. Michael Parish
Barbados, West Indies
The Rev. Canon Jimmy Springer
Diocese of Barbados

Church of the Holy Spirit
Rua Campo Grande
18 Canreias
Jaboatao, PE 54420-260
Brazil
Diocese of Recife

Diocesan Center for Relief
P.O. Box 1309
Port-au-Prince, Haiti
Edith Duracin
Diocese of Haiti

Episcopal Community Services
P.O. Box 484
Saginaw, MI 48606
Ms. Louise Palmer
Diocese of Eastern Michigan

Food for the Multitude
P.O. Box 1981
Elizabethton, TN 37643
St. Mary's Home Community Center
St. Mary's Episcopal Church
The Rev. Harold Bahlow & Mr. Ben Buck
Diocese of East Tennessee

Goodwill Industries of Southwestern
Michigan, Inc.
100 W. Michigan Avenue
Kalamazoo, MI 49007
Linda Sue Synder
Diocese of Western Michigan

Hampton Ecumenical Lodging & Provisions
- HELP
329 Buckroe Avenue, P.O. Box 4066
Hampton, VA 23664
William T. Day
Diocese of Southern Virginia

Hosanna Ministries
6410 Grubb Road, Hixson, TN 37343
Ms. Martha Scott
Diocese of East Tennessee

Jubilee Center
1734 Grant Street, Blair, Nebraska 68008
The Rev. Lyle Martin
Diocese of Nebraska

Living Water Anglican Church
Rua Beatriz
462 Jardim Brasil 5
Olindo, PE, Brazil
The Rev. Simea de Souza Meldrum
Diocese of Recife

Southern Colorado Prison Ministries
420 West 18th Street
Pueblo, CO 81003
The Rev. Ephraim Radner
Diocese of Colorado

Stewpot Community Services, Inc.
1100 West Capitol St., Jackson, MS 39203
Mr. Frank Spencer
Diocese of Mississippi

St. Bartholomew Episcopal Church
7540 S. Passons Blvd.
Pico Rivera, CA 90660
The Rev. Juan Barragan
Diocese of Los Angeles

St. Clements
Lowland St. Lucy
Barbados, West Indies
The Rev. Frederick Walcott
Diocese of Barbados

St. Clement's Episcopal Church
St. Clement's Open Pantry
15245 S. Loomis
P.O. Box 2307, Harvey, IL 60426
Ms. Mary Lou Smith
Diocese of Chicago

St. John the Baptist Anglican Church
Parish of St. James
Barbados, West Indies
The Rev. Beverly Sealy-Knight
Diocese of Barbados

St. Luke's Episcopal Church
2245 Huguenot Trail
Powhatan, VA 23139
The Rev. Dr. Robert Greider Partlow
Diocese of Southern Virginia

St. Paul's Jubilee Center
600 W. Henderson
Winslow, AZ 86047
The Rev. Sam Hosler
Mary Stotera, Beverly Mullen & Kaze Gadway
Diocese of Arizona

St. Peter's Episcopal Church
113 S. 9th Street, P.O. Box 2369
Oxford, MS 36855-2369
Ms. Kaye Bryant
Diocese of Mississippi

St. Swithuns Anglican Church
Lowland
Parish of St. Lucy
Barbados, West Indies
The Rev. Frederick Walcott
Diocese of Barbados

Summer Reading Camp
P.O. Box 610
Lexington, KY 40588-0610
The Rev. Martin Gornik
Dr. Carol Tuning
Diocese of Lexington

Toil De' Gallery
St. Matthew's Episcopal Church of Dayton
331 2nd Avenue
Dayton, TN 37321
Robin Williams
Diocese of East Tennessee

RECONFIRMATIONS

AIDS Service Center
1030 So. Arroyo Drive
Pasadena, CA 91105
Yvonne Benson

Diocese of Los Angeles

Center for Seafarers' Rights
Seamen's Church Institute
241 Water Street
New York, NY 10038
Douglas B. Stevenson

Diocese of New York

Christ Enrichment Center
Christ Episcopal Church
322 E. Hamilton
Flint, MI 48505
Mr. Lee Williams

Diocese of Eastern Michigan

Eighth Day Life Center
821 Edgewood Drive
Charleston, WV 25302
Debra L. Jarvis

Diocese of West Virginia

Emmanuel Episcopal Church
5181 Princess Anne Road
Virginia Beach, VA 23462
Roger Hungerford

Diocese of Southern Virginia

Jubilee Community Center
436 S. Goldwithe Street
P.O. Box 846
Montgomery, AL 36101
Eileen Knott

Diocese of Alabama

Ministry of Hospitality, Healing & Referral
Church of the Redeemer
40 Center Street
Elgin, IL 60120

The Rev. Laura Truby

Diocese of Chicago

St. Francis Multicultural Center
St. Francis Episcopal Church
6907 N. Nebraska Avenue
Tampa, FL 33604
The Rev. Hector Lopez

Diocese of Southwest Florida

St. Luke's on the Island
200 South Penn Street
Wheeling, WV 26003
The Rev. Theresa Kelly &
The Rev. Jim Kelly

Diocese of West Virginia

St. Mark's Jubilee Center
Christ's Kitchen
405 B. Street
St. Alban's, WV 25177

The Rev. Paul Bresnahan

Diocese of West Virginia

St. Paul's Indian Mission
524 Center Street
P.O. Box 895
Sioux City, Iowa 51102-0895
The Rev. David Titus

Diocese of Iowa

The Youth Center at St. James
1325 Monterey Road
South Pasadena, CA 91030
The Rev. Anne Tumilty

Diocese of Los Angeles

Trinity Episcopal Church
120 Sigourney Street
Hartford, CT 06105
The Rev. Dr. Robert Clements

Diocese of Connecticut

Trinity Episcopal Church
247 Willey Street
Morgantown, WV 26505
Ginny Lenheart

The Rev. Kirk Haas

Diocese of West Virginia

Youth Development Program
Messiah – St. Bartholomew
8255 South Dante
Chicago, IL 60619
Marcia Arnold-James

Diocese of Chicago

NAC 002 – *Approved*

Resolved, That the Executive Council, meeting in Lake Geneva, Wisconsin, October 24-27, 2003, instruct the Treasurer to file the attached shareholder resolutions with those companies in the DFMS investment portfolio recommended by the Council's committee on Social Responsibility in Investments; and be it further

Resolved, That these shareholder resolutions may be pre-filed in succeeding years of the triennium (provided they are not substantively altered) by recommendation of the SRI committee with companies within the DFMS portfolio.

Explanation

Oct 13 memo from SRI committee to Executive Council below.

TO: The Executive Council
FROM: The Social Responsibility in Investments Committee
RE: 2003-2004 shareholder resolution filings
DATE: October 13, 2003

The Social Responsibility in Investments Committee ("SRI Committee") met at the Episcopal Church Center on October 4 and 5 to formulate a set of recommended shareholder resolution filings for the Episcopal Church; this document is therefore submitted to the new Executive Council for approval. The Episcopal Church, since 1971, has filed social-issue resolutions with companies held its portfolios. Many resolutions are withdrawn after successful dialogue, and other resolutions go to a vote by shareholders at company annual meetings. The SRI Committee will report to the Executive Council with regard to the status of various shareholder actions, including ongoing dialogues with companies. Two basic propositions underpin the SRI Committee's work: (1) there are moral minima that apply to all business activities and (2) more information about corporate social performance is better than less.

The issues covered in this year's resolutions include access to health care, the contract supplier system, corporate governance, global warming, and protecting human rights. The texts of each resolution recommended for filing in 2003-2004, along with Episcopal Church policy support, are provided at the end of this packet. Much of this work is coordinated with our ecumenical partners at the Interfaith Center on Corporate Responsibility.

NAC 003 – Discharged

RESOLUTIONS RECOMMENDED FOR FILING IN 2003-2004

Access to health care

One of the important issues in the developing world is access to HIV/AIDS drugs. This issue has two components: large companies have operations in countries affected by HIV/AIDS, and pharmaceutical companies' pricing policies make drugs to treat HIV/AIDS too expensive for all but the richest people in developing countries. This is, as the Episcopal Church has recognized in numerous statements, a justice issue and a public-health issue.

There is strong Episcopal Church policy on this issue, most recently represented by a statement from the 2000 General Convention. The SRI Committee recommends that the Episcopal Church file resolutions asking **ExxonMobil** (Attachment 1) and **Wyeth** (Attachment 2) to "review the economic effects of the HIV/AIDS, tuberculosis and malaria pandemics on the company's

operations worldwide and its responses to date and report to shareholders within six (6) months following the next annual meeting.” Attachment 1 is being filed with non-pharmaceutical companies that have significant operations in sub-Saharan Africa and other developing areas; Attachment 2 is being filed with pharmaceutical companies.

Contract supplier system

Contract suppliers allow companies to outsource manufacturing operations to plants owned by other companies. Contract suppliers tend to operate in developing countries that have low wages and poor worker safety enforcement. In many cases, contract supplier employees work in hazardous conditions for wages that are insufficient to feed their families.

In the past, companies that used contract suppliers to manufacture their products argued that the wages and working conditions of contract supplier employees were not their responsibility. Few companies make this argument now. It is widely-agreed upon that contract suppliers and the companies that employ them have a shared ethical responsibility to contract supplier workers. Recent statements—by the 1997 General Convention on living wages and by the 2000 General Convention on the need for ethical principles to underpin economic development—are consistent with this view. An ongoing resolution on this topic with **Hasbro** (Attachment 3) is recommended for filing in 2003-2004 by the Episcopal Church.

Corporate governance

There are three resolution topics covered under the corporate governance area.

Board diversity is an old topic for the Episcopal Church. In 2003 there are still corporate boards of directors consisting solely of white males. Although there is no specific General Convention or Executive Council policy support, this issue is covered under the Episcopal Church’s proxy voting guidelines and is alluded to in the Executive Council resolution of 1995 on affirmative action. Attachment 4 is recommended for filing with **Werner Enterprises** (re-filed; this resolution received 27 percent support last year) and **Apple Computer**.

Recent concerns about corporate governance and executive compensation have come to the fore in the last few years. Simply put, many executives’ pay packages are both excessive and disconnected from corporate financial performance. Further, many low-wage workers are falling further and further behind in relative and absolute terms. Although a resolution on executive compensation and pay disparity could be filed with almost any company, the SRI Committee recommends that Attachment 5 be filed with **H.J. Heinz**, a company with a history of over-paying its CEOs. Although there is no specific Episcopal Church policy on this issue, it is covered under current corporate-governance proxy voting guidelines (approved by the Executive Council in February 1997).

Finally, pure corporate-governance topics like staggered boards are receiving attention from shareholder activists. A company that elects its board members over three years—rather than annually—is arguably less accountable than one that annually elects all directors. (It is true that most vestries elect their members on a staggered basis, as does the Executive Council. The essential difference is that there is no market for corporate control for churches; no other denomination wants to launch a hostile bid to take over the Episcopal Church.) This resolution (Attachment 6) is recommended for filing with **SBC Communications**. Although there is no

specific Episcopal Church policy on this issue, it is covered under current corporate-governance proxy voting guidelines (approved by the Executive Council in February 1997).

Global warming

Global warming is another issue that carries over from the previous triennium. The theorized impact of human activity on greenhouse-gas emissions and the resultant climate change is supported by the overwhelming preponderance of scientific evidence. General Convention resolution 1988-D126 and General Convention resolution 2000-A048 both address this issue. The SRI Committee recommends that a resolution on renewable energy (Attachment 7) - an alternate approach to raising the global-warming issue - be re-filed with **ChevronTexaco**.

Protecting human rights

The analogue of the contract supplier issue for company-owned manufacturing facilities is “protecting human rights” though developing and implementing some set of human rights standards. The same policy support for the contract supplier resolution—the 1997 General Convention resolution on living wages and the 2000 General Convention resolution on the need for ethical principles to underpin economic development—applies to this issue. It is recommended that the Episcopal Church re-file a resolution (Attachment 8) on human rights standards with **Delphi**.

Violence and militarization of society

The Executive Council voted in the last meeting of the previous triennium to divest from corporations that are among the top five Department of Defense contractors and that derive more than fifty percent of overall revenues from such contracts. The two companies included in this policy are Lockheed Martin and Northrop Grumman. There are many other companies for which concerns about ethical criteria for military contracts—an approach pioneered by the Episcopal Church—can be raised through shareholder resolutions. Attachment 9 is therefore recommended for filing with **Boeing**; this action is supported by many resolutions of the Episcopal Church (and indeed the Anglican Communion); General Convention resolution of 1991 is offered as one example thereof.

Additional, non-resolution shareholder actions

There are a number of new or ongoing dialogues and non-resolution shareholder actions that do not need to be approved by the Executive Council, but are included in this report:

AREA	COMPANY(IES)
CONTRACT SUPPLIER SYSTEM	Kellwood Company, Kohl’s
CORPORATE GOVERNANCE (BOARD DIVERSITY; LETTERS ONLY)	Alkermes, CKE Restaurants, Intermune Mettler-Toledo, Vornado Realty
ENVIRONMENTAL JUSTICE	ConocoPhillips
EQUAL EMPLOYMENT OPPORTUNITY	ConAgra
GLOBAL WARMING	Caterpillar
PREDATORY LENDING	Wells Fargo

(N.B. The Episcopal Church is taking the lead or primary role on all of these shareholder actions save for Kohl’s and Caterpillar.)

The SRI Committee thanks the Executive Council for its continuing support of this important work and social witness.

TEXTS RECOMMENDED FOR FILING BY THE EPISCOPAL CHURCH IN 2003-2004

(N.B. The role of the Episcopal Church as either the primary/lead filer or as a co-filer is noted by a P or C after each company name. Primary resolutions represent more work and resources than co-filed resolutions.)

ATT.	TOPIC	COMPANIES
1	Investment risks related to the global health crisis (non-pharmaceutical companies)	ExxonMobil (P)
2	Investment risks related to the global health crisis (pharmaceutical companies)	Wyeth (C)
3	Contract supplier system	Hasbro (P)
4	Board diversity	Apple Computer (P) Werner (P)
5	Pay disparity	H.J. Heinz (P)
6	Staggered boards	SBC Comm. (C)
7	Global warming/renewable energy	ChevronTexaco (P)
8	Protecting human rights	Delphi (C)
9	Ethical criteria for military contracts	Boeing (C)

ATTACHMENT 1

INVESTMENT RISKS RELATED TO GLOBAL PUBLIC HEALTH CRISIS

Whereas:

- Investors have an interest in how our company balances long-term issues with shorter-term performance;
- One long-term factor relevant to our company is the public health crisis confronting emerging markets and its implications for the future sustainability of our company's sector's current business model;
- There are more than 42 million people worldwide currently living with HIV/AIDS, over 95% of whom live in the developing world (*AIDS Epidemic Update*, December 2002, UNAIDS/WHO);
- Effective treatments for HIV/AIDS exists, but fewer than 4% of those who need of antiretroviral treatment in low and middle-income countries have access to it (*AIDS Epidemic Update*);
- According to UNAIDS, the HIV/AIDS pandemic is "creating or aggravating poverty among millions of people, eroding human capital, weakening government institutions and threatening business activities and investment" (*Financing Development in the Shadow of HIV/AIDS*, March 2002, UNAIDS)
- Business leaders at the 2002 World Economic Forum committed themselves to the fight against AIDS as a business priority (*Financing Development in the Shadow of HIV/AIDS*);
- TUBERCULOSIS, one of the world's leading infectious causes of death, takes 2 million lives a year and is a leading killer of people with HIV/AIDS (*Campaign for Access to Essential Medicines*, 2001, Doctors without Borders);
- Virtually no new research is being conducted to develop new treatments for TB, a disease that Doctors Without Borders calls "a political and social problem that could have incalculable consequences for generations to come" (*Campaign for Access*);
- MALARIA kills between one and two million people each year and 300-500 million new cases occur every year (*Campaign for Access*);
- Malaria is often treated in developing countries with drugs that are no longer effective, and people with resistant malaria cannot access the treatment that could save their lives (*Campaign for Access*);
- In a report for the UN Conference on Financing for Development, UNAIDS states: "Increasing illness and death of large numbers of productive members of society will reduce overall production and consumption." (*Financing Development in the Shadow of HIV/AIDS*);

Resolved, Shareholders request that our Board review the economic effects of the HIV/AIDS, tuberculosis and malaria pandemics on the company's operations worldwide and its responses to date and report to shareholders within six (6) months following the next annual meeting. This report developed at reasonable costs and omitting proprietary information, will identify the current and projected risks, financial costs (including opportunity costs) and impacts of these pandemics on the company.

Investors want to feel confident that our board has fully considered the risks and opportunities our company faces in relation to the public health crisis in emerging markets, and has effective policies and processes in place for dealing with the challenges.

ATTACHMENT 2
INVESTMENT RISKS RELATED TO GLOBAL PUBLIC HEALTH CRISIS

Whereas,

- Investors have an interest in how our company balances long-term issues with shorter-term performance;
- One long-term factor relevant to our company is the public health crisis confronting emerging markets and its implications for the future sustainability of our company's sector's current business model;
- There are more than 42 million people worldwide currently living with HIV/AIDS, over 95% of whom live in the developing world;
- Effective treatments for HIV/AIDS exist, but only 4% of those who need treatment have access to it;
- According to UNAIDS, the HIV/AIDS pandemic is “creating or aggravating poverty among millions of people, eroding human capital, weakening government institutions and threatening business activities and investment”;
- MALARIA kills between one and two million people each year and 300-500 million new cases occur every year;
- Malaria is often treated in developing countries with drugs that are no longer effective, and people with resistant malaria cannot access the treatment that could save their lives;
- In a report for the UN Conference on Financing for Development, UNAIDS states: "Increasing illness and death of large numbers of productive members of society will reduce overall production and consumption";
- In an analysis of how the world's eleven largest pharmaceutical companies (by market capitalization) are managing the investment risks arising from the major issues surrounding the acute health problems of developing countries, our company received a score of __% with the highest rating greater than 80 %. Core Ratings' analysis stated that "[insert company statement]." (*Philanthropy or Good Business? Emerging Market Issues for the Global Pharmaceutical Industry*, Core Ratings, May 2003).

Resolved, Shareholders request that our Board review the economic effects of the HIV/AIDS, tuberculosis and malaria pandemics on the company's operations worldwide and its responses to date and report to shareholders within six (6) months following the next annual meeting. This report developed at reasonable costs and omitting proprietary information, will identify the current and projected risks, financial costs (including opportunity costs) and impacts of these pandemics on the company.

Investors want to feel confident that our board has fully considered the risks and opportunities our company faces in relation to the public health crisis in emerging markets, and has effective policies and processes in place for dealing with the challenges.

ATTACHMENT 3 HASBRO – GLOBAL HUMAN RIGHTS STANDARDS

Whereas,

- Hasbro currently has extensive overseas operations,
- reports of human rights abuses in the overseas subsidiaries and suppliers of some U.S.-based corporations has led to an increased public awareness of the problems of child labor, "sweatshop" conditions, and the denial of labor rights in U.S. corporate overseas operations,
- corporate violations of human rights in these overseas operations can lead to negative publicity, public protests, and a loss of consumer confidence which can have a negative impact on shareholder value. The toy industry is especially vulnerable to negative publicity of this sort,
- a number of corporations have implemented independent monitoring programs with respected human rights and religious organizations to strengthen compliance with international human rights norms in subsidiary and supplier factories. The toy industry is increasingly under scrutiny just as the apparel industry and footwear industry has been.
 - Dozens of companies have worked diligently to improve their vendors' compliance with their codes. For example, Mattel has created an Independent Monitoring Council, composed of outsiders with full access to vendors operations. This council publishes public reports that highlight problems as well as positive leadership demonstrated by vendors. This allows management to review the situation and take corrective action as needed.
 - Hasbro has had a Code in place since 1993, but does not report to investors or consumers on the effectiveness of its Code nor does Hasbro use independent outside monitors to review compliance.
- these standards incorporate the conventions of the United Nations' International Labor Organization (ILO) on workplace human rights which include the following principles:
 - All workers have the right to form and join trade unions and to bargain collectively. (ILO Conventions 87 and 98)
 - Workers representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to enable them to carry out their representation functions. (ILO Convention 135)
 - There shall be no discrimination or intimidation in employment. Equality of opportunity and treatment shall be provided regardless of race, color, sex, religion, political opinion, age, nationality, social origin, or other distinguishing characteristics. (ILO Convention 100 and 111)
 - Employment shall be freely chosen. There shall be no use of force, including bonded or prison labor. (ILO Conventions 29 and 105)
 - There shall be no use of child labor. (ILO Convention 138)
- we believe independent monitoring of corporate adherence to these standards is essential if consumer and investor confidence in our company's commitment to human rights is to be maintained. Thus we believe this shareholder request is appropriate to encourage Hasbro to move ahead more aggressively on this important issue.

Resolved, That shareholders request that Hasbro commit itself to the implementation of a code of corporate conduct based on the aforementioned ILO human rights standards by its international suppliers and in its own international production facilities and commit to a program of outside, independent monitoring of compliance with these standards, with annual reporting to shareholders (excluding proprietary information).

ATTACHMENT 4 BOARD INCLUSIVENESS

Whereas,

- In response to the recent corporate scandals, the U.S. Congress (Sarbanes-Oxley Act), the stock exchanges and the SEC each have taken actions to enhance the independence, accountability and responsiveness of corporate boards, including requiring greater board and committee independence. We believe that in order to achieve such independence it is necessary for corporations to abandon the cozy clubiness that has all too often characterized boards in the past.

As companies seek new board members to meet the new independence standards, there is a unique opportunity to enhance diversity on the board. A number of corporations have included their commitment to board diversity (by sex and race) in the Charter for their nominating committee (a charter now being required for NYSE and NASDAQ listed companies). We believe that the judgments and perspectives that woman and members of minority groups bring to board deliberations improve the quality of board decision making, are likely to reduce the clubiness of the board, and will enhance business performance by enabling a company to respond more effectively to the needs of customers worldwide.

We note that only ___ companies in the S&P 500 have all white male boards and that many have several women and/or minorities on their board. We believe that many publicly-held corporations have benefited from the perspectives brought by their many well-qualified board members who are women or minority group members. Thus, Sun Oil's former CEO, Robert Campbell, stated: stated (Wall Street Journal, 8/12/96): "Often what a woman or minority person can bring to the board is some perspective a company has not had before---adding some modern-day reality to the deliberation process. Those perspectives are of great value, and often missing from an excluded gathering. They can also be inspirational to the company's diverse workforce."

Increasingly, institutional investors have supported the call for greater board diversity. For example, the 2003 corporate governance guidelines of America's largest institutional investor (TIAA-CREF) calls for "diversity of directors by experience, sex, age, and race."

- ___ currently has a distinguished board of ___ persons, all of whom are white males; We believe that our Board should take every reasonable step to ensure that women and persons from minority racial groups are in the pool from which Board nominees are chosen; therefore be it

Resolved, That the shareholders request the Board:

1. In connection with its search for suitable Board candidates to ensure that women and persons from minority racial groups are among those it considers for nomination to the Board.
2. To publicly commit itself to a policy of board inclusiveness, including steps to be taken and a timeline for implementing that policy.
3. To report to shareholders, at reasonable expense, by September 2004:
 - a. On its efforts to encourage diversified representation on the board
 - b. Whether, in the nominating committee's charter or its procedures, diversity is included as a criterion in selecting the total membership of the Board.

Supporting Statement

We urge the Board to enlarge its search for qualified members by casting a wider net.

ATTACHMENT 5 PAY DISPARITY

Whereas,

- in its 2003 survey of pay for U.S. chief executive officers, *Business Week* showed a 33% decline in their compensation. However, the magazine also discovered that, “while average exec pay plunged by a third, the median pay for our 365 CEOs actually rose by 5.9%, to \$3.7 million.” At the same time, the magazine stated: “With the most gargantuan pay packages scaled back . . . that’s not to say that pay for performance has been embraced everywhere. Even with the declines of the past two years, CEOs still earn more than 200 times as much as the average worker.” (BW 04/21/03).

Earlier *Business Week* editorialized (04/22/02): “The size of CEO compensation is simply out of hand.” For its part The Conference Board issued a report acknowledging that executive compensation has become excessive in many instances and bears no relationship to a company’s long-term performance and that changes must be made (09/17/02).

New York Fed President, William J. McDonough, while acknowledging a market economy requires that some people will be rewarded more than others, has asked: “should there not be both economic and moral limitations on the gap created by the market-driven reward system?” According to *The Wall Street Journal*, McDonough has cited “the biblical admonition to ‘love thy neighbor as thyself’ as justification for voluntary CEO pay cuts’ beginning with the strongest companies. He has said: “CEOs and their boards should simply reach the conclusion that executive pay is excessive and adjust it to more reasonable and justifiable levels” (09/12/02).

A 2002 Harris Poll found that “87 percent of all adults believe that most top company managers are paid more than they deserve, and that they become rich at the expense of ordinary workers.” Two-thirds of respondents believed that rewards in the workplace were distributed less fairly than they had been five years before (Harris Interactive press release, 10/18/02).

Resolved, shareholders request the Board’s Compensation Committee initiate a review of our company’s executive compensation policies and program and make available, upon request, a report of that review by January 1, 2005 (omitting confidential information and processed at a reasonable cost). We request the report include:

1. A comparison of the total compensation package of top executives and our company’s lowest paid workers in the United States in July, 1994 and July, 2004.
2. An analysis of changes in the relative size of the gap between the two groups and the rationale justifying this trend.
3. An evaluation of whether our top executive compensation packages (including, but not limited to, options, benefits, perks, loans and retirement agreements) are “excessive” and should be modified.
4. An explanation of whether the issues of sizable layoffs or the level of pay of our lowest paid workers should result in an adjustment of pay to “to more reasonable and justifiable levels” as suggested by William J. McDonough above.

Supporting Statement

When our top officials are given such excessive packages shareholders need to provide checks and balances. Please support this resolution.

ATTACHMENT 6
ANNUAL ELECTIONS OF DIRECTORS

Resolved: That the stockholders request that the Board of Directors take the steps necessary to declassify the election of Directors by ensuring that in future Board elections directors are elected annually and not by classes as is now provided. The declassification shall be phased in so that it does not effect the unexpired terms of Directors previously elected.

Supporting Statement

- This resolution requests the Board end the present staggered board system and instead ensure that all Directors are elected annually. Presently our company has 3 classes of Directors, with 1/3 elected each year and each Director serves a 3-year term.
- We believe shareholders should have the opportunity to vote on the performance of the entire Board each year.
- Increasingly, institutional investors are calling for the end of this system, believing it makes a Board less accountable to shareholders when directors do not stand for annual election.
- Significant institutional investors such as California's Public Employees Retirement System, New York City pension funds, New York State pension funds and many others support this position. Shareholder resolutions to end this staggered system of voting have received increasingly large votes, averaging over 60% in 2002 and 2003. Numerous companies have demonstrated leadership by changing this practice.
- We do not believe this reform would destabilize our company or affect the continuity of director service in any way. Our directors, like the directors of the overwhelming majority of other public companies, are routinely elected with strong overall shareholder approval.
- We strongly believe that our company's financial performance is linked to its corporate governance policies and procedures and the level of management accountability they impose.
- Therefore, as shareholders concerned about the value of our investment, we're concerned about our company's current system of electing only 1/3 of the board of directors each year. We believe this staggering of director terms prevents shareholders from annually registering their views on the performance of the board collectively and each director individually.
- In addition we believe the board is accountable for our company's record on social and environmental issues at each shareholder's meeting. This requires an annual election of directors.
- Alarming, a staggered board often insulates directors and senior executives from the consequences of poor financial performance. A classified board denies shareholders the opportunity to challenge a board that is pursuing failed policies or to hold the members of an auditing committee accountable for their performance.
- Please vote for this important governance reform.

ATTACHEMENT 7 REPORT ON RENEWABLE ENERGY

Whereas,

- Global mandates and goals for renewables are growing. Renewables are the fastest growing segment of the energy market.
- The annual global development of wind and solar resources exceeds 25%. From 1992-2001 global wind capacity grew from nearly 2,300 MW to over 23,000 MW – a ten-fold increase, while solar photovoltaics capacity grew nearly 400% from 370 MW to over 1,800 MW.
- Several U.S. states including Texas (3%) and California (20%) have renewables requirements for electricity production. The U.K. adopted a 20% requirement for renewables by 2020; six other countries have proposed or implemented mandates.
- In addition, the E.U. has a goal of 22% renewables by 2010, and six European and Middle Eastern countries have goals ranging from 3% to 100%. Recent forecasts indicate clean energy markets will grow to \$82 billion by 2010.
- International energy companies will face unprecedented pressure to reduce emissions and meet clean energy demands, since 178 countries have signed the final emissions reductions rules for the Kyoto Protocol. Although US operations will not be subject to these requirements, our company will be subject to them in the countries that have ratified Kyoto. New laws will require both reductions in operational emissions, and utilizing or offering alternative low-carbon alternatives. Failure to do so may result in expensive requirements to purchase carbon credits while competitors with efficiencies such as renewables will generate a new revenue source through the sale of excess credits.
- Two of our main international competitors, Royal Dutch/Shell and BP, have significantly increased their development of renewables.
- In July 2002, BP announced its goal of being “a new company able to offer global energy solutions” through gasoline and diesel producing lower emissions and becoming “the world’s leading producer of solar power.” BP stated in a March 11, 2002 press release that “BP would continue to expand its solar business which is set to grow by 40% this year and already has a 17% share of the world market.”
- Chevron Texaco’s initial step into renewables is promising but is nowhere near the scale of investment made by some of its competitors and we believe is insufficient to meet the needs created by growing political mandates.
- ChevronTexaco has not told shareholders how it intends to keep pace with its competitors or how it intends to meet growing regulatory pressures for renewable energy.

Resolved, Shareholders request the Board to prepare a report (at reasonable cost and omitting proprietary information) by September 1, 2004 explaining how the company will respond to rising regulatory, competitive and public pressure to significantly develop renewable energy sources.

Supporting Statement

Chevron Texaco has partial ownership in a 22.4 MW wind farm, and appears to have some other investments, although small in comparison to BP and Shell. Supporting this resolution will indicate shareholder desire for full disclosure of the company’s strategy to meet growing demand for diversified energy sources and to remain competitive in the new Kyoto Treaty-constrained energy markets.

ATTACHMENT 8
PROPOSAL FOR A GLOBAL SET OF CORPORATE STANDARDS

Whereas

- our company, as a global corporation, faces numerous complex problems as the international context within which our company operates is becoming increasingly diverse as we enter the new millennium.
- A new poll on corporate social responsibility found that 60% of Americans that own shares say that a company's record on its broader social responsibilities influenced their decision to purchase or sell its shares. Respondents ranked "equal and fair treatment of all employees" more highly than "providing quality products at the lowest possible price" as a key expectation of corporate behavior. (EnviroNics International, 2/2001)
- Companies are faced with important concerns arising from diverse cultures and political and economic contexts. These concerns require management to address issues that include human rights, workers' right to organize and bargain collectively, non-discrimination in the workplace and sustainable community development. Companies should find effective ways to eliminate the use of child labor, forced labor, bribery and harmful environmental practices.
- We believe global companies need to implement comprehensive codes of conduct, such as those found in the "Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance," developed by an international group of religious investors. Companies need to formulate policies, programs and practices to address the challenges they face in the global marketplace.
- Our company should be in a position to assure shareholders that its employees are treated fairly and paid a sustainable living wage wherever they work in the global economy. One important element of ensuring compliance is the utilization of independent monitors made up of respected local human rights, religious and other non-governmental organizations that know the local culture. A number of global companies are developing credible code enforcement mechanisms that include independent monitoring.
- Improving the quality of life for employees and their communities can lead to increased productivity and enhance the bottom line for the company.

Resolved, the shareholders request the Board of Directors to review or amend, where applicable, its code or standards for its international operations and report a summary of this review to shareholders by October 2004.

Supporting Statement

We recommend the review include:

1. A description of policies which are designed to protect human rights – civil, political, social, cultural and economic – consistent with respect for human dignity and International Labor Organizations' core labor standards.
2. A report of efforts to ensure that the company does not employ children under the age of fifteen, or younger than the age of completing compulsory education in the country of manufacture where such age is higher than fifteen.
3. A report of company policies ensuring that there is no use of forced labor, whether in the form of prison labor, indentured labor or bonded labor.
4. Establishment of consistent standards for workers' health and safety, practices for handling hazardous wastes and protection of the environment, as well as promoting a fair and dignified quality of life for workers and their communities.

We believe a company needs comprehensive global standards to guide its decisions in order to compete successfully in the 21st Century.

ATTACHMENT 9 ETHICAL CRITERIA FOR MILITARY CONTRACTS

Resolved, That the Board of Directors review and if necessary amend and amplify our Company's code of conduct and statements of ethical criteria for military production-related contract bids, awards and contract execution, and report the results of this process to shareholders within six months of the annual meeting.

Supporting Statement

- We believe that authentic global security exists only when all people everywhere feel secure. Global security will only come about when there is justice for all through human development and environmental and economic sustainability.
- Faith communities measure the global economy not only by what it produces, but also by its impact on the environment, how it touches human life and whether it protects the dignity of the human person.
- We believe decisions to develop and to produce weapons can have grave consequences to the lives and/or freedom of people worldwide if the company has not considered its responsibility for its decisions. We believe that economic decision making has both moral and financial components, and that our company's responsibilities include analyzing the effects of its decisions with respect to employees, communities, and nations.
- We believe companies engaging in research, development, production and sales of weapons, weapons components and weapons delivery systems must evaluate the decisions made when bidding on such work. That bidding/contract process must follow a defined format and include clear, concise criteria and policies.
- We recommend that the criteria/standards include:
 - ethical business practices such that human rights and fair labor standards are upheld;
 - long-term environmental impact studies as well as waste management plans at production sites;
 - strategies for stability of employment, including descriptions of alternate production plans and funding sources;
 - directives for business practices which respect the culture of communities in which factories are located;
 - guidelines derived after critical study of political and civil stability of countries and before sale of weapons, weapons parts and dual-use technology;
 - studies of potential impacts of military production and use of those products on peoples' economies,
 - environments and societies, along with specific actions for remediation, should it be required;
 - processes that ensure that the principles of the common good and the integrity of creation are considered when making decisions about bidding on contracts.

**POLICY SUPPORT FOR RESOLUTIONS
RECOMMENDED FOR FILING IN 2003-2004**

FOR ATTACHMENTS 1 AND 2

Resolution Number: 2000-A052

Title: Encourage Awareness of Justice Issues Related to HIV/AIDS

Legislative Action Taken: Concurred as Amended

Final Text:

Resolved, That the 73rd General Convention of the Episcopal Church encourage the church at every level to combat the oppression of people based on race, gender, and sexual orientation. This oppression contributes directly to the spread of HIV/AIDS and hinders the effective prevention, education, treatment, and access to services for HIV/AIDS; and be it further

Resolved, That the 73rd General Convention of the Episcopal Church, as a response to the continuing pandemic of HIV/AIDS, call the church to preach, pray for, and pursue: justice, care for bodies and souls, prevention education, sound public policy, fairness in the church workplace, and collaboration in our individual and corporate responses to HIV/AIDS.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church*, Denver, 2000 (New York: General Convention, 2001), p. 220.

FOR ATTACHMENTS 3 AND 8

Resolution Number: 1997-D082

Title: Urge Church-wide Promotion of the Living Wage

Legislative Action Taken: Concurred as Amended

Final Text:

Resolved, That the 72nd General Convention urge all congregations, missions, dioceses and the national Episcopal Church to become actively involved in promoting the enactment of a "living wage" plus family health benefits, in the cities and communities in which they live, as the minimum acceptable norm for all working people -- "living wage" being defined as \$7.50/hr. or \$16,000/yr., the federal poverty line for a family of four; and be it further

Resolved, That the above standard be likewise urged upon all parishes, missions, and diocesan institutions of this Church as the minimum acceptable norm in the compensation of their employees.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Philadelphia, 1997* (New York: General Convention, 1998), p. 285.

Resolution Number: 2000-A002

Title: Adopt Ethical Guidelines for International Economic Development

Legislative Action Taken: Concurred as Amended

Final Text:

Resolved, That the 73rd General Convention call upon the whole church at every level to adopt and implement the following Ethical Principles for International Economic Development:

- Partnership. The economic relationship promotes mutuality of benefits.
- Respect. Local peoples and realities are valued. For instance, a gift of rice should not be allowed to destroy the local economy's ability to produce rice.

- Empowerment. The economic relationship values mutuality of process. For instance, the developing nation's government, commercial leadership, labor, and civil institutions are engaged fully in the economic decision-making.
- Oneness with creation. The economic relationship displays sensitivity to, and responsibility for, the environment.
- Distributive justice. The economic impact of the relationship contributes to the well-being of a significant number of people and does not promote extreme inequities within the country.
- People-centered development. If development assistance is offered, the beneficiaries set priorities and conditions. Maximum use is made of local resources. Applied technologies are appropriate for the setting.

Citation: General Convention, Journal of the General Convention of...The Episcopal Church, Denver, 2000 (New York: General Convention, 2001), p. 438.

FOR ATTACHMENT 4

Title/Subject: Equal Employment and Affirmative Action (1995) (Support all public and private efforts to end discrimination in employment)

Issuing Body/Date: Executive Council October 1995

Equal Employment and Affirmative Action

Resolved, That the Executive Council reaffirm our denomination's support for all public and private efforts to end discrimination in employment, rededicate itself to affirmative action and fair employment practices at all levels of the church, and protest against political movements and leaders seeking to end affirmative action as expressed in 1994 General Convention D-136 (attached); and be it further

Resolved, That the Presiding Bishop send a letter with this resolution to President Clinton and to the leadership of the Senate and House of Representatives and to all Episcopal members of Congress and State Governors to urge their continued support for public policies that have done much to reduce discrimination in our society and that are still needed.

Explanation

Our Baptismal Covenant calls us to "promote justice and peace among people and respect the dignity of every human being." Employment discrimination denies women and people of color justice, peace and dignity. Understanding that the sins of racism and sexism must be overcome wherever they exist, the Church has adopted resolutions professing its support for affirmative action (1988), asking each diocese to establish a commission on racism (1994), and encouraging all elected and appointed officials to prioritize overcoming the sin of racism (1994). The House Bishops' 1994 Pastoral Letter on Racism further committed the church "to combat racism in the Church and in society."

But given the current political and social climate in the United States, it is necessary to reaffirm our support for affirmative action and equal employment opportunity. The purpose of equal opportunity and affirmative action programs is both to redress past discrimination and to address the ongoing discrimination suffered by women and people of color in our society. Although we are moving closer to the goal of a non-sexist, color-blind society, we are still far away from that ideal. Governmental policies and private efforts are still needed to insure that all members of society have an equal chance to succeed economically.

Recently, many people, especially political leaders, have begun to use the issue of affirmative action to divide our society into warring camps. We strongly condemn using the issue of racial and gender equity as a political weapon. Now more than ever, we need to find ways to work together for a common and social good.

Because affirmative action and equal employment opportunity programs are needed to "transform a socio-economic system that drives many into poverty, alienation, despair and violence" (1994 General Convention resolution D-136), the Church expresses its support and advocacy of them.

An amendment was proposed with a discussion following. The amendment was defeated and the original text carried.

FOR ATTACHMENTS 5 AND 6

Corporate governance (from the policy passed by Executive Council 2/97 and modified in 2002)

It is recognized that while corporate governance issues are important, the amount of time needed to cast informed votes needs to be considered. The Treasurer will therefore vote on behalf of the DFMS for or against issues that require a minimum of effort and research while abstaining on issues that are more complex (for example, options for senior managers).

Corporate governance processes should be open, with the ultimate purpose of defending shareholder interests. Corporate governance processes that ensure open discussion of issues, hold directors and officers accountable for their actions, and secure the right of shareholders to be represented by directors who will act in their interest, will therefore be supported.

The DFMS will therefore vote in favor of resolutions that

- end staggered boards;
- institute confidential shareholder voting;
- eliminate golden parachutes for directors and officers of companies in the case of a takeover;
- seek to establish an independent nominating committee to find suitable candidates for the Board;
- ask company boards to appoint independent lead directors;
- propose that a majority of directors should be independent (not otherwise affiliated with or benefiting from the company);
- end retirement plans for directors;
- allow the company to opt out of anti-takeover provisions in state securities law;
- seek to review executive compensation, including resolutions that propose the linking of executive compensation with corporate social performance;
- separate the positions of chairman and CEO; and
- require shareholder approval for poison pills and other anti-takeover provisions.

The DFMS will therefore vote against resolutions that

- seek to exempt directors and officers from liability for negligence;
- favor or establish staggered boards;

- create golden parachutes for directors and officers; and create retirement plans for directors.

The Treasurer will vote “abstain” on other corporate governance resolutions. In general, the Church will not engage in dialogue or file resolutions with companies on corporate governance issues unless a social issue is involved (for example, linking social criteria to executive compensation). That said, the difference between corporate governance and social issue resolutions is perhaps not distinct as it once was, and the church may file future corporate governance-focused resolutions as a means of helping to defend shareholder prerogatives.

FOR ATTACHMENT 7

Resolution Number: 1988-D126

Title: Request a Statement of Policy and a Plan for Environmental Stewardship

Legislative Action Taken: Concurred As Amended

Final Text:

Resolved, the House of Bishops concurring, That the 69th General Convention request the Executive Council to give high priority during the next triennium to develop a comprehensive statement of policy and a plan of action regarding stewardship of the global environment; and be it further

Resolved, That this policy and plan pay particular attention to the potential massive environmental problems of ozone depletion and the global warming trend; and be it further

Resolved, That said policy statement and action plan be presented to the 70th General Convention for approval.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Detroit, 1988* (New York: General Convention, 1989), p. 220.

Resolution Number: 2000-A048

Title: Encourage Consideration of the Environment When Choosing Electric Energy Supplier

Legislative Action Taken: Concurred as Submitted

Final Text:

Resolved, That the 73rd General Convention encourage all members, congregations, dioceses, and other church institutions, in choosing electric energy suppliers, to examine the choices of energy generation, and to use environmentally safe and sustainable energy sources, especially those deriving from sun and wind; and be it further

Resolved, That the church at every level seek out expertise in selecting an energy provider through such resources as Episcopal Power and Light.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Denver, 2000* (New York: General Convention, 2001), p. 329.

FOR ATTACHMENT 9

Title/Subject: Lambeth Resolution #040 ("Environment, Militarism, Justice and Peace")

Issuing Body/Date: General Convention 1991 (D041)

Lambeth Resolution #040 "Environment, Militarism, Justice and Peace"

Resolved, the House of Bishops concurring, That this 70th General Convention call for the implementation in this church of resolution #040 of the 1988 Lambeth Conference which states: "This Conference:

1. Identifies four inter-related areas in which the misuse of people or resources poses a threat to the life system of the planet, namely,
 - a. unjust distribution of the world's wealth
 - b. social injustice within nations
 - c. the rise of militarism
 - d. irreversible damage to the environment

and therefore:

2. Calls upon each Province and Diocese to devise a program of study, reflection and action in which the following elements should play a part:
 - a. as a matter of urgency, the giving of information of our people of what is happening to our stewardship of God's earth for the care of our neighbors as a necessary part of Christian discipleship and a Christian contribution to citizenship;
 - b. actively to support by public statement and in private dialogue, the engagement of governments, transnational corporations, management and labor in an examination of what their decisions are doing to our people, and our land, air and water;
 - c. the opposition to the increase in the arms trade; questioning both excessive expenditure of scarce resources on weapons and trade policies, which look upon arms sales as a legitimate source of increased export revenue;
 - d. the encouragement of Christians to re-examine the currently accepted economic policies that operate to the disadvantage of those with less bargaining power at every level from international to personal, and to use God's gifts of technology for the benefit of all;
 - e. the critical examination of the exercise of power, first within congregations and all other church bodies, and then in secular institutions which affect the lives of all. Insofar as the aim is to achieve a just and sustainable society world-wide, priority must be given to those models which nurture people's gifts and evoke responsible participation rather than those which dominate and exclude;
3. Commends, in general, the participation by every Province in the WCC's program for "Justice, Peace and the Integrity of Creation";
 - a. urges churches, congregations and individuals Christians to actively support all other agencies that share this urgent concern. In particular we commend a widespread study of the United Nations' report, "Our common Future," and a participation by church bodies in the local responses it requires;
 - b. recommends that, in view of the resolutions passed by ACC-7, information concerning local needs and initiatives be shared throughout provinces, possibly by extending the terms of reference for existing Peace and Justice Network;
 - c. encourages people everywhere to make changes, personal and corporate, in their attitudes and life styles, recognizing that the wholeness of living requires a right relationship with God, one's neighbor and creation.

Explanation

Since the Lambeth Conference is not a legislative body, resolution LC#040 must be approved by the General Convention in order to be implemented and become an effective instrument to respond to the present world-wide environmental crisis.

NAC 004 - *Approved*

Resolved, the Executive Council, meeting at Lake Geneva, Wisconsin, October 24-27, 2003, commits itself to continue its anti-racism training and self-assessment during this triennium, with trainings once a year beginning at the June 2004 meeting.

INTERNATIONAL CONCERNS (INC)

Louis Crew reported for International Concerns

INC 001 - *Approved*

Be it therefore resolved that the Executive Council meeting in Lake Geneva, Wisconsin, from October 24 – 27, 2003 vote to extend the Companion Diocese Relationship existing between the Diocese of Hawaii and the Diocese of Okinawa in the Nippon Sei Ko Kai – The Anglican Communion in Japan – for a period ending on December 31, 2005, unless extended or terminated by mutual consent.

INC 002 & 003 - Discharged

INC 004 - *Approved*

Resolved, That the Executive Council express its appreciation for the following appointments made by the Presiding Bishop, and for those made by the member agencies of Episcopal Partnership for Global Missions, and that a letter of appreciation be sent to each appointee and copied to the sending and receiving bishop and agencies.

DFMS (DOMESTIC AND FOREIGN MISSIONARY SOCIETY)

Ms. Kristen Arps (Diocese of Washington) assigned as Teacher/Trainer at the Mindolo Ecumenical Foundation and Administrative Assistant in the Diocese of Northern Zambia, Province of Central Africa. This appointment is with the Young Adult Service Corps Program for a period of 1 year starting June 26, 2003. *Address*: c/o Mindolo Ecumenical Foundation, P.O. Box 21493, Kitwe, Zambia, Central Africa.

Rev. Dennis Berk (Diocese of Bethlehem) assigned as Priest and Theological Teacher in the Diocese of Central Zambia, Province of Central Africa. This appointment is for 3 years starting June 26, 2003. *Address*: c/o St. John's Anglican Seminary, Mindolo Ecumenical Foundation, P.O. Box 21493, Kitwe, Zambia, Central Africa.

Rev. Walter Brownridge/Christina Nader Brownridge (Diocese of Ohio) assigned as Canon Precentor and Volunteer for Mission respectively in the Diocese of Cape Town, Province of Southern Africa. These appointments are for 3 years starting August 1, 2003. *Address*: 7 Sir George Grey Street, Oranjezicht, Cape Town 8001, South Africa.

Mr. Matthew Buterbaugh (Diocese of Kansas) assigned as Bishop's Chaplain and Youth Outreach Worker in the Diocese of Venezuela. This appointment is for 1 year with the Young Adult Service Corps Program starting August 21, 2003. *Address*: Centro Diocesano, Apartado 49.143, Av. Caroni No. 100, Colinas de Bello Monte, Caracas 1042-a, Venezuela.

Rev. Paul-Gordon and Mrs. Lynne Chandler (Diocese of Spokane) assigned respectively as Rector and Music Leader at St. John's Church in Cairo, Egypt, Episcopal Church in Jerusalem and the Middle East. These appointments are for 3 years starting July 1, 2003. *Address*: c/o P.O. Box 360, Winfield, IL 60190.

Dr. Jenny Coley (Diocese of Long Island) assigned as HIV/AIDS mission partner with the Council of Anglican Provinces of Africa. This appointment is for 3 years starting August 1, 2003. *Address*: Anglican Church of Kenya Guest House, Bishop's Road, P.O. Box 56292, 00200 Nairobi, Kenya, East Africa.

Ms. Rachel Colson (Diocese of Louisiana) assigned as HIV/AIDS Counselor in the Diocese of Maseno West, Province of Kenya. This appt. is for 1 year with the Young Adult Service Corps Program starting August 24, 2003. *Address*: P.O. Box 1606, Kisumu, Kenya, East Africa.

Ms. Lillian Hallett Davis (Diocese of Alabama) assigned as Teacher at St John's Episcopal School on the island of Guam with the Episcopal Church in Micronesia. This appointment is for 1 year with the Young Adult Service Corps Program starting July 1, 2003. *Address:* c/o St. John's School, 911 N Marine Drive, Tumon Bay, Guam 96913

Mr. Phillip Fackler (Diocese of Springfield) assigned as Teacher/Youth Worker in the Diocese of Southern Malawi, Province of Central Africa. This appointment is for 1 year with the Young Adult Service Corps Program starting August 24, 2003. *Address:* c/o Rev. Stewart Lane, P.O. Box 51147, Limbe, Malawi, Central Africa.

Mr. Jason Mehl (Diocese of Chicago) assigned as Instructor of Writing and Study Skills at Uganda Christian University in the Diocese of Mukono, Province of Uganda. This appointment is for 1 year with Young Adult Service Corps Program starting August 20, 2003. *Address:* Uganda Christian University, P.O. Box 4, Mukono, Uganda, East Africa.

Mr. Justin Mutter (Diocese of Virginia) assigned as English Teacher in the Diocese of Haiti. This appointment is for 1 year with the Young Adult Service Corps Program starting August 25, 2003. *Address:* 909 West Brow Road, Lookout Mountain, TN 37350.

Ms. Courtney Reid (Diocese of Texas) assigned as House Mother for the Hearing Impaired in the Diocese of Egypt, Episcopal Church in Jerusalem and the Middle East. This appointment is for 1 year with the Young Adult Service Corps Program starting August 24, 2003. *Address:* 1305 Carlotta Lane, Austin, TX 78733.

Mr. Philip Whitfield (Diocese of Chicago) assigned as Provincial Communications and Development Officer for the dioceses of Cyprus & the Gulf, Egypt and Iran, in the Episcopal Church in Jerusalem and the Middle East, based in Cairo, Egypt. This appointment is for a period of 3 years, starting August 24, 2003. *Address:* All Saints Cathedral, P.O. Box 87, Zamalek, Cairo 11211, Egypt.

SAMS (SOUTH AMERICAN MISSIONARY SOCIETY)

Mr. Malcolm Alexander (Diocese of Pittsburgh) appointed by the South American Missionary Society, assigned as a Community Developer and Bible Teacher at the Santa Rosa Hurricane Mitch Refugee Camp in the Tegucigalpa Deanery of the Diocese of Honduras in Province IX, for a term of 3 years beginning July 1, 2001.

Ms. Barbara Boghetich (Diocese of Texas) appointed by the South American Missionary Society, assigned as Lay Pastor and Cooperative Organizer for the Siguatepeque Deanery of the Diocese of Honduras in Province IX, for a term of 3 years beginning March 1, 2002.

Ms. Rene Crow (Diocese of Rio Grande) appointed by the South American Missionary Society, assigned as a Social Ministry and Short-Term Mission Team Coordinator for the Tegucigalpa Deanery of the Diocese of Honduras in Province IX, for a term of 3 years beginning March 1, 2003.

Ms. Valeska Daley (Diocese of Massachusetts) jointly appointed by the Presiding Bishop for the Domestic and Foreign Missionary Society and by the South American Missionary Society, assigned as a Micro-Enterprise Developer for the Tegucigalpa Deanery of the Diocese of Honduras in Province IX, for a term of 2 years beginning October 1, 2002.

The Rev. John and Mrs. Ninfa Dixon (Diocese of the Rio Grande) appointed by the South American Missionary Society, assigned as Church Planters in Móstoles and Alcorcón of the Spanish Reformed Church, Extra-Provincial to the Archbishop of Canterbury, for a term of 3 years beginning January 1, 2003.

Drs. Michael and Anita Dohn (Diocese of Southern Ohio) appointed by the South American Missionary Society, assigned as Coordinators for Health Ministry of the Diocese of the Dominican Republic in Province IX, for a term of 3 years beginning February 1, 2004.

The Rev. Dotti Gleason (Diocese of San Joaquin) appointed by the South American Missionary Society, assigned as Deacon to the Bishop and a Medical Missionary in the Diocese of Bolivia in the Province of the Southern Cone, for a term of 3 years beginning January 1, 2002.

Ms. Margarita Grachen (Diocese of Pittsburgh) appointed by the South American Missionary Society, assigned as Financial Office Consultant and Children's Ministry Director in San Pedro Sula, Diocese of Honduras in Province IX, for a term of 3 years beginning August 1, 2003.

Ms. Cameron Graham (Diocese of Upper South Carolina) appointed by the South American Missionary Society, assigned as a Youth Ministry Trainer in an ecumenical placement with Youth World as well as offering youth ministry resources to Episcopal parishes in the Central Diocese of Ecuador in Province IX, for a term of 2 years beginning April 1, 2002.

Ms. Tucker Heitman (Diocese of the Rio Grande) appointed by the South American Missionary Society, assigned as a Short-Term Mission Team Coordinator for the north coast of the Diocese of Honduras in Province IX, for a term of 3 years beginning September 1, 2001.

Mr. Allen and Mrs. Rachel Hill (Diocese of Dallas) appointed by the South American Missionary Society, assigned as a Theological Educator and Seminary Dean, and Church and Ministry Developer in the Arequipa Region respectively in the Diocese of Peru in the Province of the Southern Cone, for a term of 3 years beginning January 1, 2004.

Ms. Caroline Humphrey (Diocese of Delaware) appointed by the South American Missionary Society, assigned as a Church Developer of the Diocese of the Dominican Republic in Province IX, for a term of 3 years beginning March 1, 2002.

Mr. Roger and Mrs. Sue Lutz (Diocese of Ohio) appointed by the South American Missionary Society, assigned as Special Projects Assistant in the Bishop's Office and Director of the Learning Disabilities Program at the Carichipampa Christian School in Cochabamba, Diocese of Bolivia in the Southern Cone, for a term of 1 year beginning June, 2003.

The Rt. Rev. Frank Lyons (formerly of the Diocese of Los Angeles) appointed by the South American Missionary Society, serving as Bishop of the Diocese of Bolivia in the Province of the Southern Cone, and supported for the term of 3 years beginning February 1, 2001.

Mrs. Shawnee Lyons (Diocese of Los Angeles) appointed by the South American Missionary Society, serving as a Theological Educator of the Diocese of Bolivia in the Province of the Southern Cone, and supported for the term of 3 years beginning February 1, 2001.

The Rev. Juan Bernardo and Mrs. Isabel Marentes (Diocese of Florida) appointed by the South American Missionary Society, assigned as Church Planters in the Tegucigalpa Deanery of the Diocese of Honduras in Province IX, for a term of 3 years beginning October 1, 2002.

Ms. Sharon McCrie (Diocese of Virginia) appointed as a volunteer by the South American Missionary Society, assigned as a Teacher and Prison Ministry Worker in the Diocese of Paraguay in the Province of the Southern Cone, for a term of 3 years beginning August 1, 2001.

Ms. Judy Mofield (Diocese of Southern Ohio) appointed by the South American Missionary Society, assigned as a Home Ministry Missionary, for a term of 2 years beginning September 1, 2001.

The Rev. Eduardo Monzón (Diocese of Massachusetts) appointed by the South American Missionary Society, assigned as a Church Planter in the San Pedro Sula Deanery of the Diocese of Honduras in Province IX, for a term of 3 years beginning July 1, 2003.

Mrs. Hilda Monzón (Diocese of Honduras) appointed by the South American Missionary Society, assigned as a Church Planter in the San Pedro Sula Deanery of the Diocese of Honduras in Province IX, for a term of 3 years beginning July 1, 2003.

Rev. John and Mrs. Susan Parks (Diocese of Pittsburgh) appointed by the South American Missionary Society, assigned as Dean of the Cathedral of the Good Shepherd and Educational Consultant in Lima, Diocese of Peru in the Southern Cone, for a term of 3 years beginning June, 2004.

Mr. Milton and Mrs. Kimberly Smith (Diocese of Alabama) jointly appointed by the Presiding Bishop for the Domestic and Foreign Missionary Society and by the South American Missionary Society, assigned as University Student Ministry Coordinators of the Spanish Reformed Church, Extra-Prov. to the Archbishop of Canterbury, for a term of 3 years beginning May 1, 2001.

The Rev. Russ and Mrs. Heidi Smith (Diocese of Springfield) appointed by the South American Missionary Society, assigned as Community Outreach and Church Developers of the Diocese of Chile in the Province of the Southern Cone, for a term of 3 years beginning March 1, 2002.

Mr. Tom and Mrs. Linda Waddell (Diocese of Massachusetts) jointly appointed by the Presiding Bishop for the Domestic and Foreign Missionary Society and by the South American Missionary Society, assigned as the Micro-Enterprise Development Coordinator and Community Developer respectively in the Diocese of Bolivia in the Province of the Southern Cone, for a term of 3 years beginning July 1, 2002.

The Rev. Tim and Mrs. Peti Webster (Diocese of Calgary) jointly appointed by the South American Missionary Societies of the USA and Canada, assigned as Community Outreach and Church Developers of the Diocese of Chile in the Province of the Southern Cone, for a term of 3 years beginning June 1, 2004.

Mrs. Gail White (Diocese of Maine) appointed by the South American Missionary Society, assigned as a Women's and Internationals' Ministry Worker of the Spanish Reformed Church, Extra-Provincial to the Archbishop of Canterbury, for a term of 3 years beginning November 1, 2001.

Ms. Lynda Witsky (Diocese of Dallas) appointed by the South American Missionary Society, assigned as Teacher in the Good Shepherd Bilingual School in San Pedro Sula, Diocese of Honduras in Province IX, for a term of 3 years beginning December 1, 2003.

AFM - (ANGLICAN FRONTIER MISSIONS)

Mr. Carl and Mrs. Nancy Carlson (Diocese of Florida) Strategy Coordinators in Southeast Asia since 1999.

Ms. Deborah Chamberlain (Diocese of Maine) Strategy Coordinator for a People Group of Asia. Since 1998 Deborah has an extensive network coming out of the US and Singapore primarily. She coordinates teams for prayer, evangelism, and craft business.

Mr. Doug and Mrs. Elaine Culver (Diocese of Massachusetts) Strategy Coordinators for a People Group in Asia. Since 1996 Doug has had to concentrate on a platform from which he can live in China and exert an influence on the Dai people. He has worked in timber all his life and is doing that now in western China.

Mr. Rodney and Mrs. Suzanne Gynther (Diocese of Ohio) Strategy Coordinators for a People Group in Asia since 1997.

Mr. Matthew and Mrs. Mave Walter (Diocese of Pittsburgh) Director for a language training center in a Middle Eastern country and working as Strategy Coordinators for a People Group in the Middle East since 1998.

Mr. Derek and Mrs. Dorothy Washington (Diocese of Florida) Strategy Coordinators for a group in central Asia. Since 2000, Derek does some church-related work, pastoral care. Since 1996, Tabitha works as strategy coordinator for a group in Central Asia, is a D.Min. Candidate, and is also in the ordination process in ECUSA. They both work with a group in the region of Nepal.

Mr. Tom and Mrs. Cathy Hendrickson (Diocese of Connecticut) Strategy Coordinators for a People Group in Asia. Their base is in the USA since 1996.

Mr. Pete and Mrs. Shirleen Wait (Diocese of Florida) Providing pastoral care for missionaries, part-time since 2000.

Ms. Jocelyn Gordon (Diocese of North Carolina) Retired missionary from another organization, still active in her work in India, lives in North Carolina. She has been a missionary since 1998.

Mr. Loren and Mrs. Linda Fox (Diocese of Singapore) Loren is pastor of St. George's Church, Singapore. Linda teaches missions at a training center in Singapore. They are both AFM Liaison for AFM-Asia since 1997.

Mr. Chuck and Mrs. Lin-Mei Chan - They are church planters among factory workers in Asia since 2001. (They are not Anglican.)

Rev. Tad and Mrs. Connie de Bordenave (Diocese of Virginia) Tad is Director of AFM based in Richmond, VA, and he and Connie are part-time Strategy Coordinators for the Marwari People Group of Rajasthan, India since 1993.

INC 005 - *Approved*

Resolved, That the Executive Council express its appreciation for the following missionaries who faithfully completed their term of service, and that a letter of appreciation be sent to each mission partner and the sending and receiving bishop.

Mr. Joshua Bullock (Diocese of Pittsburgh) served as Project Assistant at Uganda Christian University in the Diocese of Mukono, Province of Uganda. This assignment as a Young Adult Service Corps volunteer started on September 5, 2002 and officially ended on July 15, 2003. *Address*: P.O. Box 731, Pawley's Island, SC 29585.

Mr. Ethan Cole (Diocese of Western New York) served as Volunteer Tutor in Theological Education and Formation in the Diocese of Bloemfontein, Province of Southern Africa and as Tutor in Green and English in the Diocese of Kigezi, Province of Uganda. These assignments as a Young Adult Service Corps volunteer started on July 22, 2002 and officially ended on June 22, 2003. *Address*: Episcopal Divinity School, 99 Brattle Street, Cambridge, MA 02138.

Ms. Mary Ham (Diocese of Washington) served as Volunteer for Pastoral Ministry and Program in the Diocese of Cape Town, Province of Southern Africa. This assignment started on February 1, 2001 and officially ended on May 31, 2003. *Address*: 1234 Massachusetts Ave, N.W. Apt 1005, Washington, DC 20005.

Mr. Kai Harris (Diocese of Northern California) served as a Communication Liaison in the Diocese of Southeast Mexico, Province of Mexico. This assignment as a Young Adult Service Corps volunteer started on September 9, 2002 and officially ended on July 15, 2003. *Address*: 3478 Idaho Drive, Santa Rosa, CA 95405.

Ms. Caroline Hub, RN (Diocese of Delaware) served as a Nurse in the Diocese of St. John's, Province of Southern Africa. This assignment as a Young Adult Service Corps volunteer started on August 22, 2002 and officially ended on July 31, 2003. *Address*: 1809 Bridge Street, St. Matthews, SC 29135.

Ms. Ann Makarias (Diocese of Massachusetts) served as English Teacher and Diocesan Communications Coordinator in the Diocese of Mpwapwa, Province of Tanzania. These assignments were for the period of February 2, 2001 through April 30, 2003. *Address*: P.O. Box 442011, Somerville, MA 02144.

Mr. Linwood and Mrs. Elizabeth Parsons (Diocese of Massachusetts) served as Director of Diocesan Clinic Development Lay Training Center respectively in the Diocese of Manicaland in Zimbabwe, and as Consultant for Projects and Consultant for Programs respectively at the Mindolo Ecumenical Foundation in Kitwe, Zambia, both in the Province of Central Africa. These assignments started on July 1, 2000 and officially ended on July 1, 2003. *Address*: One Highland Park #1, Cambridge, MA 01803.

Mr. Jonathan Partridge (Diocese of San Joaquin) served as Cathedral Sacristan and Assistant with Diocesan Communications with the Diocese of Jerusalem. This assignment as a Young Adult Service Corps volunteer started September 2, 2002 and officially ended July 15, 2003. *Address*: 3300 Keswick Lane, Modesto, CA 95350

Mr. Joseph & Mrs. Kathryn McGervey (Diocese of Washington) served as Environmental Missioners in the Diocese of Cape Town, Province of Southern Africa. This appointment started January 28, 2001 and officially ended May 21, 2003. *Address*: 4500 Connecticut Ave., Apt. #405, Washington DC 20008.

Ms. Beth Roberts (Diocese of Southern Ohio) served as English Teacher by Special Appointment in China with the Amity Foundation, through the National Council of Churches in the USA. This appointment started on July 26, 1999 and officially ended on July 3, 2003. *Address*: c/o 2001 E Spring Creek Parkway #13207, Plano, TX 75074.

Rev. Percy Jerome and Mrs. Loraine Woodall (Diocese of Massachusetts) served as Coordinator of the Partnership Program and Volunteer for Mission respectively in the Diocese of Haiti. This assignment started August 1, 1999 and officially ended July 31, 2003. *Address*: 2244 DeFours Ferry Road, Atlanta, GA 30318.

INC 006 – *Approved*

Resolved, That Executive Council recognizes and celebrates the longstanding relationship between the Episcopal Church and the United Society for the Propagation of the Gospel (USPG) on account of the role of the Society for the Propagation of the Gospel (SPG) in founding and serving congregations that are now in the Episcopal Church, USA; and be it further

Resolved, That Executive Council reaffirms its congratulation of USPG on the occasion of its tercentenary observance in 2001; and be it further

Resolved, That Executive Council views with deep concern the current efforts of USPG to raise funds for ongoing world mission commitments from Episcopal parishes founded and/or served by SPG and considers them as undermining the global mission work of the Domestic and Foreign Missionary Society of the Episcopal Church and voluntary mission societies within the Episcopal Church; and be it further

Resolved, That Executive Council requests USPG to cease fundraising efforts in the Episcopal Church and its parishes; and be it further

Resolved, That Executive Council requests the Anglican and Global Relations Cluster of the Episcopal Church Center to conduct with USPG such discussions regarding joint efforts in world mission as may be appropriate from time to time and invites Episcopal Relief and Development to participate in any such discussions that may occur.

INC 007 – *Approved*

PROPOSED LETTER TO THE DIOCESE OF HONDURAS

To: the Diocese of Honduras

From: The Executive Council

Date: October 26, 2003

Subject: Payment to Pension Fund

The Executive Council acknowledges receipt of the resolution adopted by the XXV convention of the Diocese of Honduras regarding those clergy ordained and/or received in the year 1998 and for whom full pension payments have not yet been made.

The resolution describes well the present difficulties affecting those not covered or fully covered with the Pension Fund. The Executive Council believes this is a matter that must be resolved between the Diocese of Honduras and the Church Pension Fund. By copy of this memo we encourage the Church Pension Fund and the Diocese of Honduras to continue to work together to find a mutually acceptable solution.

Peace.

cc: The Church Pension Fund
The Bishop of Honduras

There was a third ballot for at large member of Executive Committee. Anthony Guillen was dropped from the ballot.

Tom Herskowitz was introduced to discuss the budget. Executive Council was given a broad overview of the financial situation as it relates to DFMS, ERD and Guam. He reported that DFMS has discontinued the practice of awarding residential loans to employees, and that the

Delta Foundation has defaulted on a loan of \$300,000. Guam has requested 3.2 million dollars for a soccer field. It was suggested that a task force be formed to study this request.

Ed Rodman distributed copies of “Good News” from the Episcopal Divinity School.

There was a motion that after the first at large member was elected, the second member be elected by plurality, but this was defeated.

Steve Lane introduced the letter intended to be sent out from the Executive Council. Several changes were discussed, and it was decided that Steve and Ken would rewrite the letter incorporating these changes.

Brian Prior was elected as the first at-large member of Executive Committee. Bonnie asked that the nomination for second member be re-opened. This was defeated. The first vote for second at large member was taken.

There was a short break.

There was not a 50% vote for second member of Executive Committee, and RPM Bowden was dropped from the ballot.

Rosemari asked for “Real Time” opinions of Executive Council. (*See Addendum B*)

Del Glover was elected as the second at-large member of Executive Committee.

The revised letter written by committee led by Steve Lane and Ken Kesselus was adopted. Anthony and Carmen will translate it to Spanish. There was discussion regarding how it would be distributed. See Addendum C

Pat Mordecai announced that Kurt Barnes has accepted the position of Treasurer.

Execubuddies met for a closing exercise.

The Presiding Bishop made closing remarks.

ADDENDUM A

1. The Primary Role of the Executive Council

- | | |
|--|-----------------------------------|
| a) General Convention in recess | e) Where the buck stops |
| b) Advise Presiding Bishop | f) Legislative and policy setting |
| c) Monitoring the implementation of GC resolutions | extension of GC |
| d) Initiating mission and ministry | g) Fiduciary responsibility |
- To be the continuing, highest legislative Body of the Episcopal Church between General Conventions – responsibility for discerning the mind of Christ so that the vision and mission of his Church will be implemented.
 - Seeking to be good stewards, servant leaders and connectors - to assist in the ongoing transformation of the life and work of the Church - to be reconcilers, connectors, mavens, encouragers, resource.

- To manage financial and programmatic work of the Church between General Conventions.
- Make decisions in between General Conventions.
- Overseeing implementation of policies and decisions of General Convention
 - Listener and Bridge to Dioceses and Province
 - Support to Presiding Bishop
 - Capture/Catch the Vision of General Convention
 - Interim work with resolutions
 - Narrow requirements of DFMS Board of Directors under laws of New York
 - Advice and Council to Staff - CCAB's - Dioceses as appropriate
- Bring to life actions of General Convention
- Help meet circumstances not anticipated by General Convention
- Be steward of the resources
- Communication: with the Episcopal Church and from the Episcopal Church
 - Monitor and support response of Church Center to General Convention actions
 - Foci: shape mission of church in face of a materialistic culture and potential schism
 - Provide outside view to help guide leadership/staff of church
 - Marshalling resources to shape mission and ministry
 - Board of Directors: Set policies, Budgetary considerations, Program, Communication
 - Acting for General Convention during triennium
 - Biblical role of leadership [Solomonic]
 - Keeper of the Vision [G.C] extrapolate
 - Support of PB/Staff/P.HofD [through collaboration]
 - Governing body of Church between GC
 - Provide leadership between GC's
 - Provide Vision for the Church
 - Work assigned to Executive Council by GC resolutions
 - Model good stewardship

2. Personal

- a) Attending meetings
- b) Stay informed
- c) Lead
- d) Communication
- Identifying and coordinating specific mission opportunities through the spirit as expressed by General Convention and its related bodies.
- Vestry-like and can explore in these anxious days novel ways to enhance, support, and care for the Church.
- Two views of staff roles: Structural and Relational

Myself in this role

- Servant
- Bringing skills and gifts and experience to my Committee
- Seminary/Theological Education
- World Mission and International Concerns
- To let Executive Council know and understand Province IX /life, context, spirituality
- Clarify language, terms of Episcopal Church
- To give/bring our own "Church" context to the Executive Council
- To be faithful, prayerful
- Bring life experience to Executive Council's work
- Praying for discernment

- Being minister of reconciliation
- Making Executive Council church priority in life and ministry
 - Be a responsible participant in the leadership dialogue with questions and feedback
 - Speak from my experience on all the levels I represent (sex, profession, age, life experience, cultural)
 - Communicate back to Church EC learnings
 - Be results oriented
 - Have/articulate a vision for the church

Living out this role

- Implementing/prodding
- Enabling process: Interpreting to larger church
- Listen, study, share, test, cooperate, collaborate, serve
- Attend, study, participate
- Heed voice of smaller, rural church; listening; synthesize
- Be present, attentive, bring personal perspective
- Responsible for role – attendance, prepared; Follow through/keeping ear to ground
- Aware of pulse of the Church
- Sense of community
- Report to Provinces, Dioceses, Constituents
- Support of the PB as head of the Church
- Team Player
- Accountable to Province and electorate
- Discernment of meaning and plan of GC
- A “Council of Advice” to PB

ADDENDUM B

REAL TIME CONVERSATIONS

What Worked Well

- Getting acquainted; bonding before working
- Liturgy/worship
- David Beers
- P.B.
- Vulnerability of Beers, Werner, Griswold
- Tom Hershkowitz
- Setting
- Milwest Air
- Responsive Staff
- Close meeting rooms

- Will & Grace
- Mentoring/Execu-buddy
- G.C. staff

What Needs Improvement

- Consent calendar
- More Buffet lunches
- Representative from Province
- Encourage local Diocese to include youth
- Computers/access to internet
- Pro-active vs. reactive

ADDENDUM C

To the Members of the Episcopal Church

Dear Sisters and Brothers in Christ:

The Executive Council, meeting October 24 –27, 2003, at Lake Geneva, Wisconsin, began its work of overseeing the mission and ministry of the Episcopal Church in accordance with the five program and budget priorities established by the 74th General Convention. These priorities are: young adults and youth; reconciliation and evangelism; congregational transformation; justice and peace; and Anglican and other partnerships. The Council endorsed 73 new international missionaries and set an agenda to address millennium development goals, issues of war and peace, and enhanced resources for young adults and youth ministry.

The Council's focus on mission and ministry occurred amidst currents of joy and distress set in motion by decisions of the General Convention. We know that some experienced the consent to the ordination and consecration of a bishop coadjutor for New Hampshire as furthering acceptance and inclusion in the life of the church. We know that some experienced the consent as disturbing to their deeply held moral beliefs and readings of scripture. And we know that many are simply surprised and perplexed, unaware that such a decision might be made. Around the church faithful persons are now engaged in conversation about our common life, about the things that unite us and the things that divide us.

As your Executive Council we commit to continue this dialogue, to listen carefully to the perspectives of all the members of the church, and to speak with respect and charity. We believe there is room in our church for a wide spectrum of opinion and perspective. We seek the highest possible level of communion with our brothers and sisters across our church and among Anglicans around the world. We believe much more unites us than divides us. We invite all in the church to join with us in this effort and to follow the example set by the General Convention in addressing divisive issues with civility, openness and charity.

We offer our profound thanks to our Presiding Bishop for his calm and steady leadership during these difficult times. He has encouraged us to engage one another and the wider world prayerfully, thoughtfully, and patiently. We fully support his efforts to provide episcopal pastoral care for all the members of the Episcopal Church according to the guidelines developed by the House of Bishops in 2002.

We encourage all congregations and dioceses to engage God's mission to restore all people to unity with God and each other in Christ. We believe that we must act as ministers of God's reconciling love even as we work out disagreements and conflict within our household. With a firm commitment to the work of reconciliation and undefended hearts toward one another, we trust in God to make good use of what we offer.

Glory to God whose power, working in us, can do infinitely more than we can ask or imagine; Glory to him from generation to generation in the Church, and in Christ Jesus for ever and ever.
Ephesians 3:20, 21

Yours in God's mission,
The Executive Council

A TODOS LOS MIEMBROS DE LA IGLESIA EPISCOPAL

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10/29/2003

[Episcopal News Service]

Queridos hermanos y hermanas en Cristo,

El Consejo Ejecutivo, reunido del 24 al 27 de Octubre, 2003 en Lake Geneva, Wisconsin comenzó su trabajo de supervisar la misión y el ministerio de la Iglesia Episcopal de acuerdo con las cinco prioridades de programas y presupuestos establecida por la Convención General en Minneapolis. Estas prioridades son: adultos jóvenes y jóvenes; reconciliación y evangelismo; transformación congregacional; paz y justicia; compañerismo Anglicano y otros. El Consejo aprobó 73 nuevos misioneros y estableció una agenda para responder a las metas de desarrollo del milenio, asuntos de paz y guerra y aumentó los recursos para los jóvenes adultos y el ministerio de jóvenes.

El enfoque del Consejo sobre la misión y el ministerio aparece en medio de una corriente de alegría y tristeza por decisiones tomadas en la 70a Convención General. Sabemos que algunos vieron el consentimiento de la ordenación y consagración de un obispo coadjutor para New Hampshire, como una promoción de la aceptación e inclusión en la vida de la Iglesia. Sabemos que otros vieron el consentimiento como algo que perturbó a sus profundas creencias morales y entendimiento de las escrituras. Y nosotros sabemos que muchos están simplemente sorprendidos y perplejos, inconscientes que tal decisión pudo haberse hecho. En toda la Iglesia los feligreses están ahora involucrados en un proceso de conversación acerca de nuestra vida en común sobre los asuntos que nos unen y los que nos dividen.

Como su Consejo nos comprometemos a continuar este diálogo para escuchar cuidadosamente la perspectiva de todos los miembros de la Iglesia y hablar con respeto y caridad. Creemos que existe en nuestra Iglesia un amplio panorama de opiniones y perspectivas. Nosotros buscamos el nivel más alto posible de comunión con otros hermanos y hermanas a través de nuestra Iglesia y alrededor del mundo Anglicano. Creemos que es más lo que nos une que lo que nos separa. Invitamos a toda la iglesia a unirse con nosotros en este esfuerzo y seguir el ejemplo dado en la Convención General en tratar nuestros asuntos divisivos con buenos modales, apertura y caridad.

Ofrecemos nuestro profundo agradecimiento a nuestro Obispo Primado por su calma y liderazgo equilibrado durante estos momentos tan difíciles. Él nos ha animado a comprometernos unos con otros alrededor del mundo en oración, pensamiento y paciencia. Apoyamos ampliamente su esfuerzo para proveer el cuidado episcopal pastoral para todos los miembros de la Iglesia Episcopal de acuerdo con las directrices establecidas en la Cámara de Obispos en el 2002.

Invitamos a todas las congregaciones y diócesis a comprometerse en la misión de Dios para restaurar a todas las personas en unidad con Dios y unos con otros en Cristo. Creemos que debemos actuar como ministros del amor reconciliador de Dios aún cuando estemos en desacuerdo y en conflicto dentro de nuestra comunidad. Con un firme compromiso de trabajo de reconciliación y con corazones compasivos confiados en que Dios hará buen uso de lo que le ofrecemos.

"Gloria a Dios quien puede realizar todas las cosas infinitamente mejor de lo que podemos pedir o pensar. Gloria a Dios de generación en generación en la Iglesia y en Cristo Jesús por los siglos de los siglos. Amén." Efesios 3:20, 21

Suyos en la misión de Dios,

El Consejo Ejecutivo