

Executive Council Minutes
Helena, Montana
October 20-23, 2008

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MONDAY, OCTOBER 20, 2008

The meeting began with Morning Prayer and Bible Study, and the remainder of the day was spent in committee.

TUESDAY, OCTOBER 21, 2008

The meeting was called to order by the Chair, Presiding Bishop Katharine Jefferts Schori with a prayer. She then called on the Secretary, Gregory Straub, for announcements and the roll call.

ROLL CALL

All present, unless otherwise noted.

The Most Reverend Katharine Jefferts Schori, Chair
Dr. Bonnie Anderson, Vice Chair

David Alvarez	Del Glover	Edward Rodman
Tim Anderson	Thomas Gossen	Petero Sabune
Rosalie Ballentine - excused	Joyce Hardy	Stacy Sauls
Hisako Beasley	Bettye Jo Harris - excused	Dennis Stark
RPM Bowden	Mark Harris	John Vanderstar
Jon Bruno	Angela Helt	Winnie Varghese
Kim Byham	Josephine Hicks	Belton Zeigler
Lee Crawford	Julio Holguín	<u>DMFS Officers</u>
Sharon Denton	Gay Jennings	N. Kurt Barnes
Ian Douglas	Timothy Kimbrough	Gregory Straub
George Frazer	Sandra McPhee	Linda Watt
Dorothy Fuller	Ted Mollegen	
Butch Gamarra	Emily Morales	
Bruce Garner	Wilfrido Ramos-Orench	<u>Canadian Partner</u>
Vicki Garvey	Terry Roberts	Michael Ingham

Gregory asked for a motion to amend the agenda to add a presentation by The Rt. Rev. Larry Maze concerning the Archives Relocation project. This was moved, seconded and approved. A move to amend the minutes of the Albuquerque minutes to indicate that George Frazer Stain was excused, not absent, was seconded and approved. The minutes were accepted as amended.

REPORTS FROM COMMITTEE CHAIRS

JOHN VANDERSTAR – NATIONAL CONCERNS

NAC will spend time discussing the budget, domestic poverty strategies, the Lambeth Conference, the Blue Book report and the Service of Repentance and meet with Rosemari Sullivan about the evaluation of Executive Council. There will be legislation concerning EC Committee on HIV/AIDS, EC Committee on Social Responsibility in Investments, Jubilee Ministries, the General Convention resolution concerning union hotels, and what the Executive Council can do to assist dioceses like San Joaquin.

JOSEPHINE HICKS – ADMINISTRATION & FINANCE

A&F worked very hard on the 2009 budget, as well as the 2010-12 budget. They will hear a final report from the sub-committee on diocesan giving and will discuss ACC grants, relocation of the Archives, financial support of the Diocese of San Joaquin, and trust funds.

TERRY ROBERTS - CONGREGATIONS IN MINISTRY

CIM heard an exciting report about PEALL and were energized by a report from Anthony Guillen on strategies for Hispanic Ministries. They will work on Blue Book resolutions and hear committee reports.

SANDI MC PHEE – INTERNATIONAL CONCERNS

INC will discuss the Lambeth Conference and the UTO. The committee will hear from Michael Ingham and staff.

TASK FORCE REPORTS

A&F 067 (review of tenants of 815) – Dennis Stark

This task force met three times by phone, and then a subcommittee met in New York at the Church Center and conducted interviews with each of the 8 tenants. They subsequently had two additional conference calls. They received strong staff support from Linda Watt and Kurt Barnes. The committee found that the benefits of having these organizations as tenants outweighs asking them to pay costs that have historically been covered by the DFMS. Specific recommendations will be discussed in A&F and a resolution will be offered at the end of the meeting.

A&F 068 (review of Executive Council By-Laws) – Mark Harris

The committee has begun to organize its work, will meet while in Montana, and plan to give a status report at the January meeting.

A110 (review of Committees of Executive Council) – Del Glover

This committee has made progress with its review and made a provisional report to the Standing Commission on the Structure of the Church. Structure has also been studying this situation, and they also have recommendations. The A110 committee would still like to hear from members of Executive Council regarding which committees should be sunsetted or should report through another body. Structure feels that with the exception of ECCIM, only committees with fiduciary responsibilities should continue to be committees of Executive Council.

INC 021 (St. Andrews Draft Response Writing Group) – Ian Douglas

Thirty dioceses have responded to the President of the House of Deputies' request of all deputations to respond. The committee has all the responses and plans to meet in early November to draft a response.

Blue Book Writing Committee – Sherry Denton

Drafts from each committee are ready for the committees to approve. The committee will meet here in Montana during this meeting and hope to have a final draft for Executive Council approval by the end of the meeting.

Ratification of ERD Board – Rob Radtke

Rob Radtke presented a request for Executive Council to ratify the election of ERD Board members (Attachment A). A motion was made, seconded and approved.

OPENING REMARKS

Katharine Jefferts Schori spoke of the places she has been since the last meeting. She thanked Ian Douglas for his work in preparation of the Lambeth Conference, and thanked John Vanderstar for initiating a formal process for the Day of Repentance, which was a powerful event. There will be more about Lambeth later in the meeting. Bishop Katharine announced that she has appointed The Rt. Rev. Herbert A. Donovan as her deputy for Anglican Communion Relations. She spoke of Mission Priorities and invited the group to think of the priorities based on our name, the Domestic and Foreign Missionary Society:

Domestic – domestic poverty of the Native Americans, dioceses in need

Foreign – block grants and covenants, includes our work with our own non-US dioceses

Mission – continue to focus on MDG's, paying special attention to the 7th Millennium Development Goal – Environmental Justice – caring for the whole of creation. “If we are not caring for the pasture, how can we care for the sheep?”

Bonnie Anderson outlined her activities since the last meeting and announced that she has developed an on-line forum for deputies. There will be different topics and facilitators. The first topic is an orientation of General Convention led by Gay Jennings and Judith Conley. Since 40% of the deputies are new, this will be a useful tool. The next topic, which will be introduced in December, is the St. Andrews Draft. Facilitators for this topic will be Rosalie Ballentine and Ian Douglas. She urged everyone to look at the site and offer feedback. Bonnie showed clips from the Public Narrative Workshop and asked Brian Prior to give an update on the progress of the Public Narrative training in Province VIII.

Linda Watt introduced Kris Lee, Interim Director of Communications, and announced that a search committee has been formed with the goal of having a new Director of Communications in place by January. The Regional Offices in Los Angeles and Omaha are operational, with Seattle almost ready, and Linda thanked the Dioceses of Los Angeles, Nebraska and Olympia for their generosity. She reported that there would be an in-house gathering for all staff in January, and Margaret Rose is heading up the design team. With an eye on cost control, the staff has been directed to be more cautious about who travels and for what purpose, asking what he/she is contributing and what he/she is bringing back.

There was a break and then time for private conversation, Holy Eucharist and lunch.

TUESDAY AFTERNOON

The first part of the afternoon was spent in committee. Then the Council gathered in plenary for a presentation by Dr. Bob Johansen, who gave an informative presentation about a mapping project commissioned by the Consortium of Endowed Episcopal Parishes.

Next, Executive Council members and staff participated in an anti-racism exercise facilitated by Ed Rodman.

WEDNESDAY MORNING, OCTOBER 21

The morning was spent in committee time.

WEDNESDAY AFTERNOON

Executive Council met in Executive Session for the first part of the afternoon. When the meeting was opened, the Chair called on the Secretary for announcements, and the Consent Calendar was called:

Consent Calendar

INC 049 INC 054

A&F 071 A&F 072 A&F 073 A&F 074

NAC 034

There was a motion to amend the agenda to move the Blue Book report to follow committee reports tomorrow (10/22). This was seconded and so ordered.

Kurt Barnes gave an overview of the 2009 Budget, beginning by thanking all who have worked so hard to present a balanced budget. Kurt said that A&F has done an excellent job of asking questions and making suggestions. Best efforts were made to forecast full year 2008 based on actuals and forecasts. The 2009 budget reflects assumptions of no increase in contributions from dioceses and a 5% dividend of trailing five-year assets (though the actual dividend will be voted on at the January meeting).

The next portion of the meeting was spent in private conversation.

Once the meeting was opened again, The Rt. Rev. Larry Maze was called on to give an update on the Archives Relocation Project. Bishop Maze began with some background information. The Archives has outgrown its space at the Seminary of the Southwest and in 2006, General Convention authorized the Board to look for a new site (GC2006-A143). The goals of the Board as the search began were sustainable development, ownership interest, asset appreciation and supporting income. Proximity to a seminary and other institutions of higher education, a gathering place for Episcopalians, ability to support the Church's mission and programs and meeting the professional standards for archival preservation and management were also considerations. They have located a site in Austin, directly to the east of St. David's Episcopal Church, and are now conducting due diligence which will continue until the next Executive Council meeting, but they hope to be ready to close at that time. This presentation was followed by a question and answer period, where questions were raised about the process of due diligence.

WEDNESDAY EVENING

The evening was spent with Bishop Brookhart and invited guests of the Diocese of Montana. The Bishop spoke about the diocese and Province VI members, Tim Anderson and Terry Roberts, gave a presentation about the province.

THURSDAY MORNING, OCTOBER 23

Ian Douglas reported on the progress of the St. Andrews Draft Covenant response group. The group will meet in November to begin writing their response.

Stacy Sauls reported for the Budgetary Funding Task Force. This group has been in operation for five years and is one of the most creative, innovative groups he has been a part of. They have made an oral report to the Presiding Officers. The group recommends a shift from a triennial budget to a three triennial budget to coincide with the term of the Presiding Bishop. They will strongly suggest greater accountability, and they commend the beginning of the staff reorganization as a good beginning, but a matter that needs to continue to be looked at.

Del Glover reported for the A110 Task Force, named to respond to the General Convention resolution charging that the Executive Council review the committees of Council to determine which shall be continued, which shall be terminated and which shall be assigned to a Standing Commission. This task force created a questionnaire and surveyed all the members of these committees, asking if their work had a completion date or is on-going, and if there were other groups more appropriate to do this work. They

had a response rate of 33%. The task force will forward their findings to the Standing Commission on Structure, which will make their recommendations to General Convention.

Del also reported for the Audit Committee and presented EC 018.

EC 018 – Adopted

To: Executive Council
From: Audit Committee
Date: October 20, 2008
Subject: Appointment of Independent Auditors

Resolved, That the Executive Council, upon the recommendation of the Audit Committee, hereby approves the appointment of Grant Thornton, LLP, to audit all accounts under the management or control of the Council and the Domestic and Foreign Missionary Society for the year ending December 31, 2008.

EXPLANATION

Pursuant to its By-Laws, Article III, Sec. 4, the Executive Council, upon recommendation from the Audit Committee, approves the appointment of an independent Certified Public Accountant firm to audit annually all accounts under the management or control of the Council and the Society.

ADMINISTRATION AND FINANCE – JOSEPHINE HICKS

Josephine began with the revised travel guidelines, noting that there was one major change – to complete and submit reimbursement requests within 30 days.

A&F 069 – Adopted

TO: The Executive Council
FROM: The Standing Committee on A&F
DATE: October 20, 2008
RE: Updated Travel Guidelines

Resolved, That the revised official Travel Guidelines for the Domestic and Foreign Missionary Society are adopted, effective 11/01/08.

EXPLANATION

The Travel Guidelines have been amended:

- to update the reimbursement for automobile mileage to \$0.585 per IRS regulations
- requiring the filing of reimbursement requests (immediately or within 30 calendar days of completing a trip or incurring an expense) with proper supporting documentation
- use of the Society's travel agent, A&I

A&F 070 – Adopted

To: The Executive Council

From: The Administration & Finance Committee
 Date: October 23, 2009
 Subject: Loan Collection Revenue

Resolved, that this Executive Council recognizes the important mission and ministry conducted by Episcopal Migration Ministries through the financial support of church, government and other sources; and be it further

Resolved, that effective with the 2009 budget and moving forward, the budget line item related to the International Organization for Migration (IOM) activity will be included in the Finance Office budgets; and be it further

Resolved, that any net income generated by the IOM activity is available to the general budget as determined by the Executive Council.

EXPLANATION

The Society, under cooperative agreements with the United States Government (USG) and the International Organization for Migration, acts as the collection agent for travel loans made to refugees by the IOM. The Society bears the costs of the loan collection activity but is able to retain 25% of all loan collections as an offset of the administrative costs it incurs. In recent years, the loan collection activities of the Controller’s Office has generated above breakeven results after covering its salaries and administrative costs.

It is appropriate that any excess income generated by the loan collection program be available to support all activities of the Society as determined by the Executive Council.

When A&F 075 was presented, there was a discussion of how funds to the Diocese of San Joaquin have been disbursed, and the answer was that support has been given through monthly/quarterly checks. This resolution refers to financial support for 2009.

A&F 075 – Adopted

For: Executive Council
 From: Administration & Finance Committee
 Date: October 23, 2008
 Subject: Support for the work of the Church in the Diocese of San Joaquin, the Diocese of Pittsburgh, and other similarly situated dioceses

Resolved, That up to \$700,000 of undistributed accumulated income and appreciation be made available in calendar year 2009 from one or more of the following trust funds established to support the missionary work or mission work of the Church,

TF# 756	Lloyd, Ethel S., Bequest of (1966)
TF# 200.02	The St. Leger Fund (1909)
TF#492	Hopkins, Theresa B., Bequest of (1936)
TF# 723	Zabriskie Memorial Fund (1961)
TF# 814	Boyd, Lizzie E. Fund (1978)
TF# 656	Monteagle, Lydia Paige, Bequest of (1953)
TF# 678	Olden, Sarah E., Bequest of (1955)
TF# 860	Gregg, Ellen F. and David McM. Memorial Fund (1982)
TF# 540	Seager, Schuyler F., Gift of (1941)

and be it further

Resolved, That these funds be used to provide financial assistance during calendar year 2009 in the Diocese of San Joaquin, the Diocese of Pittsburgh, and other similarly situated dioceses for clergy salaries and other expenses; and be it further

Resolved, That in the light of the action of the Presiding Bishop in deposing the Rt. Rev. Robert W. Duncan as Bishop of Pittsburgh for abandoning the Communion of this Church, the Executive Council joins with the Presiding Bishop in recognizing the Rev. James Simons, the Rev. Jeffrey Murph, and Ms. Mary Roehrich as the current Standing Committee of the Diocese of Pittsburgh, and designates a portion of the funds referred to in the first Resolve be used to provide financial assistance during calendar year 2009 to the current leadership of the Diocese of Pittsburgh for clergy salaries and other expenses; and be it further

Resolved, That the Executive Council joins with the Presiding Bishop in recognizing The Rev. Keith Axberg, The Rev. Glenn Kanestrom, Ms. Cindy Smith, Mr. John Ledbetter, The Rev. John Shumaker, Mr. Richard Jennings, Ms. Beryl Simkins, and The Rev. Tim Vivian as the current Standing Committee of the Diocese of San Joaquin and designates a portion of the funds referred to in the first Resolve be used to provide continued financial assistance to the current leadership of the Diocese of San Joaquin, as well as to the leadership of other similarly-situated dioceses, for clergy salaries and other expenses during the calendar year 2009; and be it further

Resolved, That the Executive Council of The Episcopal Church commends the work of all those involved in supporting the efforts by Dioceses to exercise their pastoral and fiduciary responsibilities in regard to the ownership of properties and funds; and be it further

Resolved, That the disbursement of these funds from one or more of the above trusts be made by the Presiding Bishop and the Treasurer.

EXPLANATION

Some members of the Episcopal Church in the Dioceses of San Joaquin and Pittsburgh have opted to leave the Church. The remaining members of these dioceses - lay and ordained - find they have reduced resources from which to care for one another and to reach out to those who do not know the Gospel of Christ. Ordained ministers, who provide an ongoing pastoral presence to the continuing Episcopalians, now face insecurity with respect to their salaries.

The mission of the Church is to restore all people to unity with God and each other in Christ - - through prayer and worship, proclaiming the Gospel, and promoting justice, peace and love. These dioceses have become fertile areas for mission work.

The Executive Council authorized a draw of up to \$500,000 to fund similar work in 2008. Through October, nearly \$421,000 had been expended to support mission in the dioceses of San Joaquin, Fort Worth and Pittsburgh. These disbursements were reviewed and approved by legal counsel, who confirmed that the disbursements complied with the terms and conditions of the trusts.

The undistributed appreciation in the above named trust funds totaled an estimated \$3.0 million as of 09/30/08.

A&F 076 – Adopted

To: The Executive Council
From: The Administration & Finance Committee
Date: October 23, 2008
Subject: Agency Cost Sharing

RESOLVED, that this Executive Council recognizes that the mission and ministry conducted by the agencies housed at the Episcopal Church Center complements and extends the mission and ministry of DFMS; and be it further

RESOLVED, that, effective January 1, 2010, each agency resident in the Episcopal Church Center become responsible for its share (based upon square footage of space occupied or other appropriate metrics identified by Episcopal Church Center Management) of the increase in annual allocated costs for Building Services, Telecommunications, the Mail Center, and Purchasing above the allocated costs as of the base year of 2007, after a \$2,500 exemption; and be it further

RESOLVED, that the agencies resident in the Episcopal Church Center continue to be responsible for reimbursement of direct services used, including postage, billable telephone charges, and IT charges; and be it further

RESOLVED, that the value of the contributed services (not reimbursed) continue to be identified in the annual budgets of the Domestic and Foreign Missionary Society and in all public discussions with the church at large when we speak about how their money is spent to support mission and ministry; and be it further

RESOLVED, that should space become available in the future and a new agency expresses interest in being housed at the Church Center, such agency shall pay rent, on fair terms to be negotiated, unless there are compelling reasons not to charge rent to that new agency.

EXPLANATION

There is a rich history and longstanding relationship between each agency organization and DFMS. Most of the organizations have been housed at the Episcopal Church Center for over 30 years; many of them were established either by prior Presiding Bishops or by General Convention. Most of the agencies work closely with DFMS departments and staff members on a daily basis; many agency representatives participate in staff meetings and other DFMS meetings.

The DFMS has entered into lease and service relationships with certain church related organizations at its building located at 815 Second Avenue.

A Task Force of Executive Council made up of Dennis E. Stark (Convenor); Edgar Byham, Esq.; The Ven. Joyce Hardy; Albert Mollegen; The Rev Winnie Varghese; and Linda Watt (staff support) was appointed to review these financial aspects. The Task Force met with each of the eight tenants and reviewed the present and possible financial arrangements.

If approved, Lease and Services Agreements will be amended and estimates of the reimbursement amounts will be reflected in the budgets approved by The General Convention and the Executive Council.

A&F 077 – Adopted

To: The Executive Council
From: The Joint Standing Committee on Administration & Finance
Date: October 23, 2008

Subject: Trust Fund #809 – Theological Education for Latin America and the Caribbean (1977)

Resolved, That Director of the Partnerships Center be authorized to use income distributed during 2008 from Trust Fund No. 809, up to \$354,132, for educational and theological programs (including continuing education and individual scholarships) as recommended by the Commission on Theological Education for Latin America and the Caribbean (CETALC); and be it further

Resolved, That any 2008 balance not awarded by the Director of the Partnerships Center be reinvested.

EXPLANATION

The Commission on Theological Education for Latin America and the Caribbean is charged with the responsibility of reviewing all requests for funding from the income of Trust Fund #809 (fund established with the proceeds from the sale of the Seminary property in Puerto Rico). The Commission carefully reviews and respectfully submits their recommendations to the Executive Council for affirmation once each year. The resolution will make 354,132 available in the income account for requests that are expected from the Chair of the Commission.

Josephine thanked Vicki Garvey, Gay Jennings, Del Glover and Kurt Barnes for their work studying the issues of dioceses and their budgetary asking. She presented A&F 078 and an amendment was proposed, seconded and approved.

A&F 078 – *Adopted as amended*

Resolved, That beginning with the 2010-2012 triennium, each member of Executive Council shall serve as a liaison to up to three dioceses during their respective terms of office. The liaison function shall include regular contact with the diocese (Bishop, Diocesan Council, Treasurer, General Convention Deputies, etc.) with regard to our common ministry and faithfulness to God's mission, actions of Executive Council which impact the diocese, and the response of the diocese to the budgetary Asking approved by General Convention.

After some discussion of A&F 079, a motion to table until this afternoon was approved by majority.

A&F 080 – *Adopted*

TO: Executive Council
FROM: Standing Committee on Administration & Finance
DATE: October 23, 2008
RE: 2009 Budget

Resolved, That the Executive Council approves the 2009 Budget for The Episcopal Church.

A&F 081 – *Adopted*

TO: Executive Council
FROM: Standing Committee on Administration & Finance
DATE: October 23, 2008
RE: Compensation and Benefits Task Force

Resolved, That the Executive Council requests that the presiding officers appoint a task force to examine the DFMS total compensation packages relating to the staff of the Domestic and Foreign Missionary Society, including a review of historical practices, pension policies and a recommendation concerning practices going forward.

A&F 082 – Adopted

TO: Executive Council
FROM: Standing Committee on Administration & Finance
DATE: October 23, 2008
RE: Clergy Housing Allowances

Resolved, That the Executive Council designates as a tax-deductible housing allowance for 2009 those allowances requested and presented by clergy employees of the Domestic and Foreign Missionary Society to the Treasurer; and be it further

Resolved, That these allowances will be made pursuant to Internal Revenue Code Section 107 and Internal Revenue Service Regulations S1.107 up to 100% of the annual cash salary of such clergy.

EXPLANATION

This resolution clarifies that Executive Council has officially approved housing allowances for clerical members of the staff effective the first of 2009. Requests received subsequent to this date are delegated to the review of the Audit Committee.

The specific requests are available in the Treasurers Office.

CONGREGATIONS IN MINISTRY – TERRY ROBERTS

Terry began by thanking Joyce Hardy and Butch Gamarra, as well as the rest of the committee, for all their work. The committee had a good budget discussion, heard from Emily Morales about a plan for Christian formation with the Diocese of Puerto Rico and from Anthony Guillen about a strategic plan for Hispanic mission. Donn Morgan from CDSP spoke to the committee about religious education and formation, and they heard a wonderful report on PEALL, as well as one from the Task Force on Employment Policies and Practices, of which Bud Holland was the driving force.. Time spent with Rosemary Sullivan was very helpful. For CIM, Terry moved the following resolutions:

CIM 032 – Adopted

To: Executive Council
From: CIM
Date: October 21, 2008
RE: Response to PEALL Report

Resolved, That at a time when one of the most important priorities for mission, program and finance is “claiming our identity,” the learnings and recommendations of Proclaiming Education for All (PEALL) will be of great value to the future of the Episcopal Church. After studying the PEALL Report, Congregations in Ministry recommends that the Executive Council consider the following in planning budget and programs for the next triennium:

1. That educational communication be an important priority in determining the allocation of Informational Technology (IT) funds,
2. That Evangelism and Congregational Life and Mission Leadership plan and implement at least one Church-wide event focusing on life-long Christian formation during the next triennium, and
3. That funding is sought so that educational and formational materials be produced and translated.

When Terry moved CIM 033, editorial corrections were proposed and adopted.

CIM 033 – Adopted

To: Executive Council
 From: CIM
 Date: October 21, 2008
 RE: Resolution to Continue the Task Force to Study Employment Policies and Practices in The Episcopal Church

After reviewing the reports of the Feasibility Study Group, the Task Force on Employment Policies and Practices in the Episcopal Church, CIM recommends the following resolution be submitted to the 76th General Convention:

Resolution A__ Continuation of the Task Force to Study Employment Policies and Practices in The Episcopal Church

***Resolved*, the House of _____ concurring, That the Task Force to Study Employment Policies and Practices in The Episcopal Church be continued for the 2010-2012 Triennium. Its work would include the following : a) further study be undertaken on how to appropriately treat Episcopal schools and institutions that are affiliated with an Episcopal congregation or diocese, but are an independent 501 (c) (3) organization; b) monitor (in conjunction with the Church Pension Group) the implementation of the canon on lay pensions; c) further study the unique contexts of the overseas Episcopal dioceses in light of the canon on lay pension; and d) consider any recommendations to the 77th General convention; and be it further**

***Resolved*, That the General Convention request the Joint Standing Committee on Program, Budget and Finance to allocate \$15,000 for the work of the Task Force in the Triennium.**

Explanation

The Task Force to Study Employment Policies and Practices in The Episcopal Church was established by the Executive Council in response to Resolution A006 of the 74th General Convention in 2003. The Rev. Dr. Melford (Bud) Holland, most recently Program Officer for Discipleship and Leadership; Ordained Ministry at the Episcopal Church Center, was appointed convener of the group and remained so until his retirement. The membership consisted of representatives from various groups as set forth by Executive Council: CEPVA (Colloquium of Episcopal Professional and Vocational Associations), the Church Pension Group, the Episcopal Church Center and the Executive Council. By Resolution A125 at the 75th General Convention in 2006, the Task Force was continued.

The Task Force prepared a statement on Workplace Values in The Episcopal Church, which was approved as part of Resolution A125. Most significantly, as a result of the Church Pension Group's Comprehensive Lay Employee Study, the Task Force submitted a canon to amend the pension provisions of the Church to include mandatory pension benefits for lay employees, recognizing that Resolution D165a of the 1991 Convention which called for lay pensions has not been universally or uniformly applied. The Task Force has not completed all the work that needs to be done on this vital issue, though it should complete its work in the next three years.

Next, Terry moved CIM 034, and Kim Byham, a member of the Task Force, spoke to it and thanked Sally Johnson and Matthew Price of the Church Pension Group for their assistance.

CIM 034 – Adopted

To: Executive Council
From: CIM
Date: October 21, 2008
RE: Establishing a Mandatory Lay Employee Pension System

After reviewing the reports of the Feasibility Study Group, the Task Force on Employment Policies and Practices in the Episcopal Church, CIM recommends the following resolution be submitted to the 76th General Convention:

Resolution A___ Establishing a Mandatory Lay Employee Pension System

***Resolved*, the House of _____ concurring, That this Church establish a mandatory lay employee pension system for employees who are scheduled to work a minimum of 1,000 hours annually for any domestic Diocese, Parish, Mission or other ecclesiastical organization or body subject to the authority of the Church, in accordance with the following principles:**

- 1. The lay employee pension system shall provide benefits that shall, initially, include defined benefit plan(s) and defined contribution plan(s);**
- 2. If a defined benefit plan is selected, the employer assessment and/or contribution shall be not less than nine (9) percent of the employee's compensation; if a defined contribution plan is selected, the employer shall contribute not less than five (5) percent of the employee's compensation and match at least four (4) percent of the employee's contributions. The Trustees of The Church Pension Fund shall have the authority to increase or decrease the assessment and/or contribution percentages required for the lay pension system;**
- 3. Existing defined benefit plans will be permitted to continue as long as their plan design delivers pension benefits not less than the pension benefits required by this resolution, as determined by the plan administrator. If the plan does not provide the pension benefits required by this resolution, such plan shall be amended to provide for such pension benefits no later than January 1, 2012.**
- 4. The lay employee pension system shall be designed and administered by the Trustees and officers of The Church Pension Fund; the investment managers of the system shall initially include, but not necessarily be limited to, The Church Pension Fund and, in the case of a defined contribution plan offered to school employees, TIAA-CREF;**
- 5. The lay employee pension system will be operated on a financially sound basis, as determined by the Trustees of the Church Pension Fund;**
- 6. Other societies, organizations, or bodies in the Church not mandated to participate may, under the regulations of The Church Pension Fund, elect to come into the lay employee pension system;**

7. No right or obligation to have assessments paid on compensation paid prior to plan participation will be part of the mandatory lay employee pension system;
8. Service in the Episcopal Church prior to plan implementation shall be recognized for vesting purposes;
9. The implementation of the mandatory lay employee pension system shall be completed no sooner than January 1, 2011 and no later than January 1, 2012;
10. Further study be undertaken by The Church Pension Fund on the feasibility of inclusion of overseas Episcopal dioceses in the lay employee pension system and report back to the 77th General Convention; and be it further

Resolved, That Canon I.8 shall be amended as follows:

Canon 8: Of the Church Pension fund
(underlined copy shows additions)

Sec. 1 The Church Pension Fund, a corporation created by Chapter 97 of the Laws of 1914 of the State of New York as subsequently amended, is hereby authorized to establish and administer the clergy pension system, including life, accident and health benefits, of this Church, substantially in accordance with the principles adopted by the General Convention of 1913 and approved thereafter by the several Dioceses, with the view to providing pensions and related benefits for the Clergy who reach normal age of retirement, for the Clergy disabled by age or infirmity, and for the surviving spouses and minor children of deceased Clergy. The Church Pension Fund is also authorized to establish and administer the lay employee pension system of the Church, substantially in accordance with the principles adopted by the General Convention of 2009, with the view to providing pensions and related benefits for the eligible lay employees of this Church, as well as their eligible beneficiaries.

Sec. 3. For the purpose of administering the pension system, The Church Pension Fund shall be entitled to receive and to use all net royalties from publications authorized by the General Convention, and to levy upon and to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this church, and any other organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the pension system, assessments based upon the salaries and other compensation paid to Clergy by such Parishes, Missions, and other ecclesiastical organizations or bodies for services rendered currently or in the past, prior to their becoming beneficiaries of the Fund. For the purpose of administering the lay employee pension system, The Church Pension Fund shall be entitled to collect from all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of The Church Pension Fund shall elect to come into the lay employee pension system, assessments and/or contributions based upon the salaries and other compensation paid to eligible lay employees by such Parishes, Missions, and other ecclesiastical organizations or bodies.

Explanation:

Resolution D165, approved by the 1991 General Convention, stated:

Require Episcopal Church Bodies to Provide a Pension Plan for Lay Employees

Resolved, the House of Bishops concurring, That all Parishes, Missions, and other ecclesiastical organizations or bodies subject to the authority of this Church, and any other societies, organizations, or bodies in the Church which under the regulations of the

Church Pension Fund have elected or shall elect to come into the pension system, shall provide all lay employees who work a minimum of 1,000 hours annually retirement benefits through participation in the Episcopal Church Lay Employees Retirement Plan (ECLERP) or in an equivalent plan, the provisions of which are at least equal to those of ECLERP. Such participation shall commence no later than January 1, 1993. At its commencement, if the plan is a defined benefit plan, the employer contribution shall be not less than 9 percent of the employee's salary; if the plan is a defined contribution plan, the employer shall contribute not less than 5 percent and agree to "match" employee contributions of up to another 4 percent; and be it further

Resolved, That the employer may impose a minimum age of 21 years and a minimum employment period not to exceed one year of continuous employment before an employee would be eligible to participate; and be it further

Resolved, That the Trustees of The Church Pension Fund shall have authority to increase or decrease the contribution percentages required for the lay pension plan; and be it further

Resolved, That each Diocese of this Church shall implement this resolution by Diocesan Canon or appropriate resolution.

Since 1991, there have been several other resolutions which addressed this issue. Most recently, in 2006, General Convention, in Resolution A125, said, in pertinent part:

Resolved, That the Convention authorize and request the Church Pension Group to conduct a survey of lay employees concentrating on employee demographics, the exercise of authority in the employment setting, and compensation and benefits. The Bishop or other ecclesiastical authority of each diocese shall be requested to supply relevant data for each employing unit in the diocese to the Church Pension Group. The findings of the survey and any recommendations for action, if appropriate, shall be reported to the 76th General Convention; and be it further

Resolved, That the Office of Ministry Development take the lead in determining the best way to conduct a feasibility study examining whether pension benefits for lay employees should be made compulsory and be administered by a single provider. The results of said study shall be reported, along with recommendations for action, if appropriate, to the 76th General Convention. ...

The Task Force to Study Employment Policies and Practices in the Episcopal Church has conducted the requested study and has determined that the 1991 Resolution has been complied with to a substantial degree (approximately 80% of the domestic dioceses, two-thirds of congregations and 93% and 70%, respectively, of the eligible lay employees), but many hundreds of eligible employees remain uncovered and there are considerable inequities, as for example, 77% of eligible male employees are covered while only 68% of females are.

It is simply time to live up to the commitment of the church in 1991. The cost of pension coverage described in the 1991 resolution and herein would be, on average, 6/10s of 1% of parish budgets, with the cost for the smallest congregations approximately 1%, which congregations are least likely to have eligible employees.

CIM 035 – Adopted

To: Executive Council
From: CIM
Date: October 22, 2008
RE: Executive Council's Response to Dioceses Whose Leadership has Chosen to Leave The Episcopal Church

Resolved, That the Executive Council commits to being proactive in assisting dioceses whose leadership has chosen to leave the Episcopal Church, and be it further

Resolved, That the Executive Council make an effort to meet with diocesan leaders and other interested persons in the Diocese of San Joaquin at our January meeting and with other dioceses who may find themselves in similar situations, and be it further

Resolved, That the Presiding Officers appoint a Strategy Response Team to assess needs and to determine appropriate responses, and be it further

Resolved, That we commend the Response Teams that have been formed in the Dioceses of San Joaquin and Pittsburgh and urge that similar Response Teams be formed, using staff, province structures, nearby dioceses, and other appropriate resources, and be it further

Resolved, That the Response Teams to these dioceses report to CIM at our meetings and by email between meetings.

When CIM 036 was presented, Linda Watt asked for more instruction. An amendment to add a phrase was proposed seconded and passed. After more discussion, a motion to table until the afternoon session was moved, seconded and passed by majority. This ended CIM's report.

INTERNATIONAL CONCERNS – SANDI MCPHEE

Sandi repeated that Lambeth wove like a thread through their discussions with Michael Ingham and Rosemari Sullivan, and of the budget. They heard from Wilfrido Ramos-Orench about CETALC, from Ian Douglas on St. Andrews Draft Covenant Responses, and spent some time discussing United Thank Offering (UTO) and its relationship with the DFMS.

In presenting INC 055, Sandi explained that the UTO is requesting a 501(c)3 status. Jon Bruno offered the services of a 501(c) 3 expert that the Diocese of Los Angeles has used.

INC 055 – Adopted

To: Executive Council
From: Standing Committee on International Concerns
Date: 22 October, 2008
Subject: United Thank Offering Appreciation and Future

Resolved, That the Executive Council meeting in Helena, Montana, October 20-23, 2008 express profound gratitude for the faithfulness of the United Thank Offering and its leadership in praying for and supporting the missionary work of the Domestic and Foreign Missionary Society for the past 120 years; and be it further

Resolved, That the Executive Council, having oversight of the United Thank Offering and its trust funds, acknowledges current questions of insurance coverage, liability and operational procedures of the United Thank Offering in its ongoing support of the missionary work of The Episcopal Church; and be it further

Resolved, That the Executive Council receive the report of the Presiding Bishop's Advisory Committee on the United Thank Offering as commended by INC048; and be it further resolved

Resolved, That the Executive Council, appreciating that additional work needs to be done, calls for a Ad Hoc Committee of ten persons, appointed by the Presiding Officers of the Executive

Council to undertake a serious and extensive study of the current and future of the United Thank Offering as to its roles, purposes, function, operational procedures and vision for faithfulness to God's mission in the 21st century. This Ad Hoc Committee is to include, but not be limited to, members of the Executive Council, the United Thank Offering Committee, and diocesan representation of the UTO; and be it further

Resolved, That the Ad Hoc Committee begin this visioning exercise immediately and report to the 2012 General Convention with specific recommendations as to how the United Thank Offering can continue and expand its work in The Episcopal Church's faithfulness to God's mission; and be it further

Resolved, That the Executive Council defer further consideration of the current request by the United Thank Offering Committee to become a separate corporation with 501(c)(3) status until the report and recommendations of the Ad Hoc Committee is received and acted upon by the 2012 General Convention.

When INC 050 was presented, there was discussion about whether we were still sending missionaries to domestic dioceses and what benefits were paid to missionaries. A motion to table was proposed but this was opposed. An amendment to delete a phrase was proposed, seconded and passed by majority.

INC 050 – *Adopted as amended*

To: The Executive Council
From: International Concerns
Date: September 17, 2008
Subject: New Mission Partners

Resolved, that the Executive Council express its appreciation for the following appointments made on behalf of the Presiding Bishop in recent months:

The Rev. Zachary Drennen – Diocese of West Virginia – assigned as Educational Liaison in the Diocese of Katakwa in the Anglican Church of Kenya. This appointment is for one year and began on June 29, 2008.

E-mail: zachdrennen@elewana.org

Blog: <http://www.elewana.org>

Address: c/o Katakwa Diocese - P.O. Box 68 - Amagoro, Kenya

The Rev. Robert and Mrs. Deborah Edmunds – Diocese of Massachusetts – assigned as Canon Pastor to English-speaking Congregation & Bishop's Chaplain and the Bishop's Personal Executive Assistant respectively in the Diocese of Jerusalem, in the Episcopal Church in Jerusalem & the Middle East. This is a 3-yr. appointment beginning July 1, 2008.

E-mail: rde111@hotmail.com

Address: Episcopal Diocese in Jerusalem - P.O. Box 19122 - Jerusalem 91191, Via Israel

The Rev. Canon Samir Jamil Habiby – Diocese of Georgia - assigned as Special Assistant to the Bishop of the Diocese of Jerusalem, in the Episcopal Church in Jerusalem & The Middle East. This appointment is for one year and began on February 2, 2008.

E-mail: padresjh@ne.rr.com

Address: 24 Sawyers Crossing Road - West Swanzey, NH 03446-3629

The Rev. Jeremy and Mrs. Penelope Lucas – Diocese of Alabama – assigned as Associate Dean & Clergy Training Consultant in the Diocese of Namibia, in the Anglican Church of Southern

Africa. Mrs. Penelope Lucas is accompanying him. This appointment is for one year, beginning May 1, 2008.

E-mail: missiontonamibia@gmail.com

Blog: www.missiontonamibia.blogspot.com

Address: 19 Love Street - P.O. Box 65 - Windhoek, Namibia – South Africa

Peter Prewandowski – Diocese of Western Massachusetts – assigned as Primary Teacher in the Diocese of Central Tanganyika in the Anglican Church of Tanzania. This appointment is for one year, and began on August 1, 2008.

E-mail: peterprewan@yahoo.com

Address: 118 LaBelle Street - West Springfield, MA 01089

The Rev. Lauren Stanley – Diocese of Virginia – re-assigned as the Communication Liaison in the Diocese of Renk in the Episcopal Church of Sudan. This is a three-year appointment starting July 1, 2008.

E-mail: laurenrenk@gmail.com

Address: P.O. Box 1532 - Khartoum North – Sudan

The Rev. Robert and Mrs. Maurine Tobin – Diocese of Massachusetts – assigned as Missionaries by Special Appointment in the Diocese of Jerusalem, in the Episcopal Church in Jerusalem & The Middle East. This is a 1-yr. appointment which began on January 1, 2008.

E-mail: rwtohin@verizon.net

Address: Episcopal Diocese of Jerusalem - P.O. Box 19122 - Jerusalem 91191 - Via Israel

Christopher Wells – Diocese of Northern Indiana – assigned as Lecturer at the College of the Transfiguration in the Diocese of Grahamstown, in the Anglican Church of Southern Africa. This appointment is effective on September 1, 2008.

E-mail: cwells@nd.edu

Address: 4101 Prescott Ave, Dallas, TX 75219

Jon Bruno offered an opinion that financial implications should be considered on every resolution.

INC 051 – Adopted

To: The Executive Council

From: International Concerns

Date: September 17, 2008

Subject: New Mission Partners

Resolved, that the Executive Council express its appreciation for the following Young Adult Service Corps appointments made on behalf of the Presiding Bishop in recent months:

Ms. Elizabeth Boe – Diocese of New York – assigned as Communication Officer and Program & Policy Development & Management Adviser in the Diocese of Central Tanganyika, in the Anglican Church of Tanzania. This is a 1-yr. appointment beginning August 3, 2008.

E-mail: elizabethboe@gmail.com

Blog: <http://elizabethboe.blogspot.com/>

Address: Carpenter's Kids, Rm. 36 - Mackay House - P.O. Box 15 - Dodoma, Tanzania

Ms. Courtney Dale – Diocese of Kentucky – is assigned the Afternoon Teacher in the Diocese of Grahamstown in the Anglican Church of Southern Africa. This appointment started on July 9, 2008.

E-mail: cortney.dale@gmail.com; missiondale@gmail.com

Blog: <http://missiondale.googlepages.com>

Address: P.O. Box 102 - Grahamstown 6140 - South Africa

Ms. Audra Krislock – Diocese of Spokane – is assigned as a missionary in the Diocese of Colombia. Her appointment began on September 9, 2008.

E-mail: akrislock@gmail.com

Blog: <http://adventurewithaudra.blogspot.com/>

Address: c/o Diocese of Colombia - Apartado Aereo 52-964 - Bogota 2 - Colombia

The Rev. Valerie Miller – Diocese of Southeast Florida – assigned as Chaplain in the Diocese of Honduras. Her appointment started on August 14, 2008.

E-mail: VMiller@eds.edu; revvalmiller@yahoo.com

Blog: <http://revval30.blogspot.com>

Address: c/o Our Little Roses Ministries - 2227 NW 79th Avenue - Doral, FL 33122-1615

Mr. Seth and Mrs. Elizabeth Raymond – Diocese of Colorado – assigned as Chaplain and Cathedral Outreach Liaison Officer respectively in the Diocese of Taiwan. These appointments began on August 3, 2008.

E-mail: Seth.Raymond@Colorado.EDU; Elizabeth.McCormick@colorado.edu

Blog: <http://sethandelizabethtaiwan.blogspot.com>

Address: 4F, No 23, Lane 169, Anho Road, Section 2 - Xindian, Taipei County - Taiwan

Mr. Michael Young – Diocese of Northwest Texas – is assigned as a Volunteer with the Asian Rural Institute in the Diocese of Nippon Seiko Kai in Japan. His assignment began on August 1, 2008.

E-mail: myoung4142@gmail.com

Blog: <http://hikewithmike.blogspot.com>

Address: Asian Rural Institute - 442-1 Tsukinokizawa, Nasushiobara - Tochigi 329-2703 - JAPAN

INC 052 – Adopted

To: The Executive Council
From: International Concerns
Date: May 1, 2008
Subject: New Mission Partners

Resolved, that the Executive Council express its appreciation for the following appointments made on behalf of the Presiding Bishop in recent months:

Ms. Judith Lane Gregory – Diocese of Delaware – assigned as Finance Consultant in the Episcopal Church of the Sudan. This is a four-month appointment beginning May 3, 2008.

E-mail: JudithGregory@dioceseofdelaware.net

Blog: <http://www.judithgregory.blogspot.com/>

Address: 14 Rossiter Circle - Newark, DE 19702.

Ms. Margaret Griffin – Diocese of Atlanta – assigned as Partnership and Project Advisor to the Bishop of the Diocese of Central Tanganyika, Anglican Church of Tanzania. This appointment is for one year and began on March 24, 2008.

E-mail: magiwester@yahoo.com

Address: Diocese of Central Tanganyika – P.O. Box 15 – Dodoma, Tanzania

Mr. James & Mrs. Mary Higbee – Diocese of Northern California – assigned as Headmaster & Headmistress respectively in the Diocese of Rumbek in the Episcopal Church of Sudan. This appointment is for one year, and began on February 18, 2008.

E-mail: jim.higbbe@yahoo.com

Blog: <http://higbees.blogspot.com/>

Address: c/o Nairobi Guest House - P.O. Box 14127 - Plot No. 1085, Willis Road - Kampala, Uganda

Mr. Michael Tedrick – Diocese of California – assigned as Millenium Development Goals Officer at Cuttington University College in the Diocese of Liberia, Church of the Province of West Africa. This appointment is for one year and began on April 1, 2008.

E-mail: michaeltedrick@sbcglobal.net

Address: Cuttington University - Suakoko, Bong County - Post Office Box 10-0277 - 1000 Monrovia 10 - Liberia, West Africa

INC 053 – Adopted

To: The Executive Council
From: International Concerns
Date: September 17, 2008
Subject: Returned Mission Partners

Resolved, that the Executive Council express its appreciation for the following mission companion who faithfully completed her term of service:

Ms. Judith Gregory – Diocese of Delaware – served as Finance Consultant in the Diocese of Juba, in the Episcopal Church of the Sudan. Her appointment started on May 8, 2008 and ended on August 25, 2008.

E-mail: judithlgregory@comcast.net

Blog: <http://www.judithgregory.blogspot.com/>

Address: 14 Rossiter Circle - Newark, DE 19702

When INC 056 was presented, objections raised by David Alvarez earlier in the week were discussed. Wilfrido Ramos-Orench said that concerns of Province IX had been taken into account, and Julio Holguin spoke to the benefits of this resolution.

INC 056 – Adopted

To: Executive Council
From: The Standing Committee on International Concerns
Date: October 22, 2008
Re: International Anglican Center of Theological Studies

Resolved, That the Executive Council express its support for the work done by CETALC (The Commission for Theological Education in Latin American and the Caribbean) in formulating a proposal to establish an International Anglican Center for Theological Studies and acknowledges the beginnings of this new project in 2009 with CETALC appointment of a director and contract with a strategic planning consultant to further the development of the project and vision proposed in the Report of the Subcommittee on the Anglican International Center of Anglican Studies of 25 September, 2008, received by Executive Council October 22, 2008.

Explanation

The attached “Report of the Subcommittee on the Anglican International Center of Anglican Studies,” provides the CETALC resolution that outlines both the work done and the initial work

to be done by the Director, the Council of Advice, the Liaison Committee and the Strategic Planning Consultant.

Initial funding is from an established reserve fund of CETALC, and from the CETALC decision to hold funds from disbursement of CETALC in 2009. As further plans are developed CETALC will petition for additional funds. (See Attachment B)

INC 057 – Adopted

To: Executive Council
From: Standing Committee on International Concerns
Date: 22 October, 2008
Subject: Deputy for Anglican Communion Relations

Resolved, That the Executive Council meeting in Helena, Montana, October 20-23, 2008 commends the Directors of Mission and staff at the Episcopal Church Center for their positive response to INC039 addressing “how the concerns of dioceses of The Episcopal Church outside of the United States as well as partner churches in the Anglican Communion will be coordinated in ways that will best serve the needs of our partners in Christ around the world;” and be it further

Resolved, That the Executive Council applaud the Presiding Bishop’s appointment of the Rt. Rev. Herbert A. Donovan Jr. as the Presiding Bishop’s Deputy for Anglican Communion Relations as part of this response; and be it further

Resolved, That funding for a full time Deputy for Anglican Communion Relations with staff be included in the budget of the next triennium.

THURSDAY AFTERNOON

NATIONAL CONCERNS – JOHN VANDERSTAR

National Concerns had great discussions on budget and mission funding. They had a useful session with Rosemari Sullivan which helped with the Blue Book report. Susan McCone gave a strong presentation on Mission Funding, and the committee also heard staff reports from Brian Grieves, Maureen Shea and Kris Lee.

NAC 038 – Adopted

TO: Executive Council
FROM: Standing Committee on National Concerns
DATE: October 22, 2008
RE: Domestic Poverty

Resolved, That the Executive Council submit the following resolution and explanation to the 76th General Convention:

***Resolved*, the House of ___ concurring, That the 76th General Convention commend the Presiding Bishop for convening a Summit on Domestic Poverty in May, 2008, and calls upon Executive Council to engage continuing efforts in the church to address this priority concern in the next triennium**

Explanation

The Presiding Bishop's Summit on Domestic Poverty brought together Episcopalians from around the church who are working on issues of poverty, social service and social justice. The Presiding Bishop asked that we "engage this ministry in a coherent way that draws in the whole of the church in the United States." This resolution asks that the Executive Council be responsible for developing strategies and partnerships that will facilitate this work.

NAC 035 – Adopted with one abstention (J. Vanderstar)

TO: Executive Council
FROM: The Executive Council Committee on Social Responsibility in Investments
DATE: October 20, 2008
RE: SRI Report

Resolved, That the Executive Council, meeting in Helena, Montana, October 20-23, 2008 accept and approve the recommendations of the Social Responsibility in Investments Committee to have the Treasurer file shareholder resolutions per the attached report on the specific issues of: Access to health care – health care principles, Contract supplier/vendor standards issues, Corporate governance – pay disparity, Corporate governance – say on pay.

Explanation

The attached report on page 7 names the companies with which the resolutions would be filed and notes where the Episcopal Church would be primary and co-filer. The narrative of the report and text of the shareholder resolutions are part of the attached document. Other resolutions that will be filed are named in the report but do not require Council action as they have been previously approved in the current triennium.
(For Back up - See Attachment C)

NAC 036 – Adopted

TO: Executive Council
FROM: Standing Committee on National Concerns
DATE: October 20, 2008
RE: Name Change for SRI

Resolved, That the name of the Executive Council Committee on Social Responsibility in Investments be changed to the Executive Council Committee on Corporate Social Responsibility.

Explanation

The Committee on Social Responsibility in Investment (SRI) was created by Executive Council and in 1971 General Convention, by resolution A109, affirmed it.

There has, over the years, been confusion about the mission of SRI, in large part because of its name. The SRI committee does not review the financial reports of The Episcopal Church. The SRI committee is a program and policy committee of advice to Executive Council in an attempt to carry out the policy decisions of General Convention and Executive Council. Removing the word "Investment" from the title will help to clarify the fact that the Committee makes no financial or investment decisions nor recommendations, with one minor exception. Decisions on investments are made by the Investments Committee, which reports to the Administration and Finance Committee of Executive Council. The SRI Committee makes recommendations

with respect to shareholder actions, by sponsoring some and co-sponsoring others, as well as recommending others to support. In addition, the Committee sponsors dialogues with certain corporations. All of the actions of the SRI Committee are based on resolutions of General Convention and/or Executive Council and all of the actions require approval by the Executive Council.

The SRI Committee only addresses corporations in which DFMS is currently a stockholder. It does not ever suggest that the Investment Committee make investments for the purpose of initiating or supporting a stockholder action. The only time that SRI recommendations (as approved by Executive Council) affect investment is that if the Investment Committee has decided to sell a stock in which DFMS is involved in a shareholder action, it retains the minimum amount of stock required to continue that action (currently stock valued at \$2000).

The proposed name would incorporate a generally used term, "Corporate Social Responsibility." This also parallels the group to which DFMS and the CPG belong, the Interfaith Center on Corporate Responsibility.

This name was unanimously approved by the SRI Committee.

NAC 037 – Adopted

TO: The Executive Council
FROM: The Standing Committee on National Concerns
RE: Diocesan Reconfiguration Study
DATE: October 21, 2008

Resolved, That the Executive Council submit the following resolution and explanation to the 76th General Convention:

Resolved, the House of _____ concurring, That the 76th General Convention direct the Standing Commission on the Structure of the Church to undertake a study and report to the 77th General Convention on the current diocesan configuration and suggest whether adjustments thereto would be appropriate.

Explanation

Changing demographics suggest that certain dioceses are struggling to remain viable. There needs to be a comprehensive look at whether the current configuration is optimal and what might be done, with proper pastoral concern, to improve it.

There was discussion around NAC 040 with dissenting opinions on whether this resolution was out of order. An amendment to make this a General Convention resolution was moved, seconded and passed.

NAC 040 – Adopted as amended

TO: The Executive Council
FROM: The Standing Committee on National Concerns
RE: Continuation of HIV/AIDS Committee
DATE: October 21, 2008

Resolved, That the Executive Council submit the following resolution and explanation to the 76th General Convention:

Resolved, the House of ____ concurring, That the 76th General Convention direct that the Committee on HIV/AIDS shall continue as a committee of Executive Council.

Explanation

HIV/AIDS continues to be a devastating and unique illness in the United States and through out the world. The uniqueness of the illness is the result of the ongoing stigma associated with it. HIV disease can still result in the refusal of housing, employment, and a number of ordinary public accommodation resources to those infected.

The stigma creates an atmosphere of secrecy and hiding that interferes with the testing and diagnosis of the condition and seeking medical treatment for it. Infected individuals remain reluctant to seek social and medical services in their own communities as a result of this stigma.

Infection rates are again rising in the United States particularly in the Southeastern part of the country, Province IV of The Episcopal Church. Yet a large percentage of those infected do not know they are infected due to fear of the stigma, lack of medical resources and/or the anxiety of knowing their status.

Episcopal Relief and Development (ERD) and The Millennium Development Goals (MDG's) focus on non-domestic HIV issues. While both are admirable in their responses to HIV, they further the erroneous idea that HIV is no longer an issue in the United States. This reflects an ongoing "migration of interest and concern" about HIV to areas outside the United States even while some areas of the country have HIV seroprevalence rates comparable to sub-Saharan African countries.

To further exacerbate the problem, advances in drug treatments have created a sense that HIV disease is not just a chronic condition that can be treated with medication. Unfortunately, that sense does not take into account the high cost, side effects and a host of other factors that prevent that false sense of security a reality. The end result is continued risky behaviour, often concealed, that continues to increase the infection rates.

Despite the misconception that HIV is no longer a real problem in the United States, we continue to need a resource of the church to be focused on this issue. Continuing the relationship of the Committee on HIV/AIDS with Executive Council will help address those concerns.

NAC 041 – Adopted

TO: The Executive Council
FROM: The Standing Committee on National Concerns
RE: Unionized Hotels
DATE: October 21, 2008

Resolved, That the Executive Council directs that the following addenda be included in contracts with hotels made by the General Convention Office:

LABOR DISPUTES: The Hotel agrees to notify DFMS in writing within 10 days after it becomes aware of any labor relations disputes involving the Hotel and its employees including, but not limited to, union picketing, the filing of an unfair Labor practice charge by a union, the expiration of a negotiated labor contract, an existing or impending strike or lockout or any other matter which could reasonably be construed as a labor- management dispute.

DFMS is committed to fair labor practices and the provision of healthcare coverage to all eligible employees. Hotel represents and warrants that it is committed to the fair treatment of its employees and that it is in compliance, to the extent applicable, with the provisions of the Fair Labor Standards Act, the Family Medical Leave Act, and all federal, state, local and other laws governing its dealings with its employees.

EXPLANATION

Resolution D047: Justice, Respect and a Living Wage passed at General Convention 2006 in Columbus, Ohio commits the Episcopal Church in its official meetings to use Union hotels.

The logistics of General Convention often prevent meetings from being planned in the cities within which an adequate number of Union hotel rooms might be available. When they are available, the limited budgets of meetings can at times be a relevant factor.

The interest by Committees and Standing Commissions of the Church in meeting in sites throughout the geographic diversity of The Episcopal Church results in sites being chosen for smaller meetings that include: Episcopal camps, sites in “right to work” states, or cities resistant to or not yet identified for union organizing.

In an attempt to be faithful to the intent of the resolution passed by the General Convention and in conversation with the Office of the General Convention the above practices have been identified to work towards compliance with this resolution and others that support the rights of low-wage workers to a living wage and work with dignity.

While we support all attempts to comply with D047 by identifying municipalities and hotels that comply with D047, when that is not possible, the above addenda should be attached to all contracts with hotels made on behalf of the General Convention Office.

NAC 039 – Adopted

TO: The Executive Council
FROM: The Standing Committee on National Concerns
RE: Dioceses of San Joaquin and Pittsburgh
DATE: October 21, 2008

Resolved, That the Executive Council of the Episcopal Church, meeting in Helena, Montana, October 20-24, 2008

- recognizes the extraordinary challenges presented by the departure from The Episcopal Church of the Bishops and numerous clergy and laity of the Diocese of San Joaquin and Pittsburgh, and commends the Presiding Bishop, the President of the House of Deputies, and the Staff of The Episcopal Church Center for the pastoral care and support offered the clergy and people of those dioceses as they work to restructure their dioceses in order to continue to minister to the Episcopal Church in their areas.
- supports the actions taken by the House of Bishops regarding the depositions of William Cox, John-David Schofield and Robert M. Duncan.
- commends the pastoral concern of the Presiding Bishop that we hold in prayer, with honor and respect, all persons departing or remaining in these dioceses, that God, whose care is for us all, will lead us to new paths of reconciliation and common mission.

NAC 042 – Adopted

To: Executive Council
From: Committee on National Concerns
Re: Reconciliation
Date: October 22, 2008

Resolved, That the Executive Council, on behalf of The Episcopal Church, expresses the heartfelt desire to seek the reconciliation we are promised in Christ our Savior, and the unity of disciples for which he prayed, through conversation with the members of the Common Cause Partnership either individually or collectively and without precondition on our part; and be it further

Resolved, the Presiding Officers are requested to appoint a Task Force on Reconciliation for this purpose; and be it further

Resolved, the Task Force on Reconciliation is encouraged to seek a person acceptable to all parties to facilitate such conversations in consultation with the Archbishop of Canterbury and the Secretary General of the Anglican Consultative Council.

Explanation

We believe that the concept of “irreconcilable differences” is inconsistent with the Gospel, a failure of faith, and not of God. We confess that we do not, and perhaps cannot by ourselves, see a way through the divisions that confront us, but we have no doubt that God can and does and wishes the fullness of God’s beloved community for all of us. We also admit that there are principles at issue that we hold dear. Those include the self-government of our church; the principles of the Elizabethan Settlement, including both the autonomy of the individual churches of the Anglican Communion and broad toleration within our common worship for the sake of Anglican comprehensiveness; the integrity of the discipline found in our Constitution and Canons; and the full inclusion of gay and lesbian persons in life of the Church and in its leadership. Nevertheless, we believe it a moral imperative to seek a way forward in open conversation with our brothers and sisters in Christ, who also have principles dear to them, so as to seek the will of God in our lives.

We further believe that a reconciler with credibility to all involved might help facilitate our conversations. Not intending to foreclose the possibilities, we mention that Archbishop Desmond Tutu, Archbishop Robin Eames, Bishop Duleep de Chickera, and Senator John Danforth might be such facilitators.

There was discussion of the Day of Repentance on October 4, 2008, which the Presiding Bishop referred to as powerful.

This concluded the report from National Concerns.

Tabled resolutions from the morning session – CIM decided to withdraw resolution CIM 036 and A&F offered a substitute resolution for A&F 079:

A&F 079s – Adopted

To: The Executive Council
From: The Administration & Finance Committee
Date: October 23, 2008
Subject: Diocesan Commitments

Resolved, That the Executive Council expresses its gratitude to those dioceses, who meet their full Asking for The Budget of the Episcopal Church as approved by the General Convention; and be it further

Resolved, That the Executive Council encourages the General Convention Office to give priority to holding meetings of Committees, Commissions, Agencies and Boards (CCABs), the House of Bishops, Executive Council, and other church wide events in dioceses who meet their full budgetary Asking; and be it further

Resolved, That the Executive Council encourages the General Convention Office to exercise restraint in scheduling meetings in those dioceses who choose not to participate at the full level of the budgetary Asking approved by The General Convention.

General Convention Update

Bonnie Anderson, in her role as Chair of the Joint Standing Committee on Planning and Arrangements, gave a status report on plans for General Convention. The worship is being planned by the Chaplains of both Houses – Carol Wade for the House of Bishops and Frank Wade for the House of Deputies. The committee decided that there will be three festival Eucharist services, the Opening Eucharist, the UTO Ingathering and the Closing Eucharist, and the community Eucharist services will be moved to mid day (11:30 a.m.).

Regarding liturgical preparation, a question was raised as to whether the committee was being intentional in including diversity.

Blue Book Report

Sherry Denton presented the Blue Book report and asked for comments. Some changes were made on the floor and Sherry welcomed further comments by e-mail. An addendum to the CIM portion of the report will be added. The final version will be sent out to Executive Council members electronically. Sherry thanked the committee for their work and commented that this work could probably be accomplished without a face to face meeting next triennium.

Margaret Rose gave clarification on the missionary appointment that had been questioned when INC 050 was presented. The DFMS does not appoint missionaries to domestic dioceses.

A&F and INC challenged NAC and CIM to a bowling match in Stockton, and NAC and CIM accepted the challenge.

A motion to suspend the 24 hour rule to vote on the consent calendar was made, seconded and approved.

CONSENT CALENDAR – *Adopted*

INC 049 – *Adopted*

TO: Executive Council
FROM: International Concerns Committee
DATE: June 24, 2008
RE: New Companion Diocese Relationship

Resolved, That the Executive Council meeting in Helena, Montana from October 20-23, 2008 vote to recognize a new Companion Diocese Relationship between the Diocese of San Diego and the Diocese of El Salvador in the Anglican Church of the Central American Region (IARCA) until terminated by mutual consent.

INC 054– Adopted

To: Executive Council
From: Standing Committee on International Concerns
Date: October 13, 2008
Subject: Extension of a Companion Diocese Relationship

Resolved, That the Executive Council meeting in Helena, Montana from October 20-23, 2008 vote to recognize an extension of the Companion Diocese Relationship between the Diocese of Atlanta and the Diocese of Central Ecuador for a period ending on December 31, 2010, unless further extended or terminated by mutual consent.

A&F 071 – Adopted

To: The Executive Council
From: The Joint Standing Committee on Administration & Finance
Date: October 23, 2008
Subject: Trust Fund No. 815 (The Vincent Astor Fund)

Resolved, That 50 percent (50%) of the income from Trust Fund No. 815, The Vincent Astor fund, be allocated to the Diocese of New York and 50 percent (50%) be allocated to the Diocese of Long Island for the period 2009 through 2011 pending receipt of appropriate accounting and narrative reports for previously disbursed funds.

EXPLANATION

Trust Fund # 815, The Vincent Astor Fund (1978)

The income from Trust Fund No. 815, The Vincent Astor Fund, is restricted to projects within the five boroughs of New York City. Under the authority of an advisory council, the Astor Fund Committee disburses it, with final approval by the Executive Council. In 2006, the Executive Council passed a resolution covering 2006 through 2008. This resolution extends that authorization from 2009 through 2011.

A&F 072 – Adopted

To: The Executive Council
From: The Joint Standing Committee on Administration & Finance
Date: October 23, 2008
Subject: Trust Fund #1027 (St. Stephen’s Episcopal Church, Charleston, SC)

Resolved, That Trust Fund # 1027, St. Stephen’s Episcopal Church, Charleston, SC, be established as an investment account for St. Stephen’s Episcopal Church, which may withdraw principal and/or income upon request, and may add to the principal at its discretion.

EXPLANATION

Trust Fund # 1027 St. Stephen’s Episcopal Church, Charleston, SC (2008)

This fund was established with \$100,000.00 as an investment account by St. Stephen’s Episcopal Church. This is a custodial-type fund, meaning that DFMS is not trustee for these funds but as custodian is providing the owner (St. Stephen’s Episcopal Church, Charleston, SC)

with access to investment management through DFMS endowment. The owner may add to or withdraw principal funds at its discretion.

A&F 073 – Adopted

To: The Executive Council
From: The Joint Standing Committee on Administration & Finance
Date: October 23, 2008
Subject: Trust Fund #1028 (Walker, The William B. Fund)

Resolved, That Trust Fund # 1028, Walker, The William B. Fund, be established, income and accumulated appreciation only to be used by the Domestic and Foreign Missionary Society for the Leadership Training Program, but only for expenses not already provided for in the Leadership Training Program budget; in the event that the Leadership Training Program is discontinued, the funds should be used for educational purposes as directed by the Executive Council in consultation with the donor during his lifetime at the discretion of the Treasurer.

EXPLANATION

Trust Fund # 1028 Walker, The William B. Fund (2008)

This Endowment fund was established with \$25,000.00 from William B. Walker. Income to be used for Leadership Training Program not provided for within the budget of DFMS Executive Council. In the event of discontinuance of the Leadership Training Program, the DFMS Executive Council may alone designate the use of the income of the fund for other educational purposes, and by consultation with Mr. Walker, during his lifetime.

A&F 074 – Adopted

To: The Executive Council
From: The Joint Standing Committee on Administration & Finance
Date: October 23, 2008
Subject: Trust Fund #1029 (Diocese of the Virgin Islands, St. Thomas, VI)

Resolved, that Trust Fund # 1029, Diocese of the Virgin Islands, St. Thomas, VI, be established as an investment account for Diocese of the Virgin Islands, St. Thomas, VI, which may withdraw principal and/or income upon request, and may add to the principal at its discretion.

EXPLANATION

Trust Fund # 1029 Diocese of the Virgin Islands, St. Thomas, VI (2008)

This fund was established with \$300,000.00 as an investment account by the Diocese of the Virgin Islands. This is a custodial-type fund, meaning that DFMS is not trustee for these funds but as custodian is providing the owner (Diocese of the Virgin Islands) with access to investment management through DFMS endowment. The owner may add to or withdraw principal funds at its discretion.

NAC 034 – Adopted

TO: Executive Council
FROM: Gary Williams, Advocacy Center
DATE: September 12, 2008
SUBJECT: **Jubilee Programs**

Here is a list of Jubilee Programs to be reviewed by Executive Council on October 20-23, 2008.

NEW

1. Christ Episcopal Church
18½ Crescent Street
Biddeford, Maine 04005
Diocese of Maine

2. Ecclesia Ministries (Common Cathedral)
67 Newbury Street
Boston, MA 02116
Diocese of Massachusetts

3. Epiphany Episcopal & Lutheran Church
425 Carmel Avenue
Marina, CA 93937
Diocese of El Camino Real

4. Good News Partners
St. Augustine's Episcopal Church
1600 W. Jonquil Terrace
Chicago, IL 60626
Diocese of Chicago

5. Gualala Food Bank Program
Shepherd by the Sea Episcopal/Lutheran Mission
P.O. Box 691
Gualala, CA, 95445-0691
Diocese of Northern California

6. Refugee Resettlement and Immigration Services of Atlanta, Inc.
4151 Memorial Drive, 205D
Decatur, GA 30032
Diocese of Atlanta
7. Seneca House of Concern
Trinity Church, Seneca Falls
35 State Street
Seneca Falls, NY 13148
Diocese of Central New York

REAFFIRMATION

8. Community Youth Program
St. John's Episcopal Church
P.O. Box 257
1 Mountain Avenue
Roanoke, VA 24002
Diocese of Southwestern Virginia
9. John P. Craine House Inc.
3535 North Pennsylvania Street
Indianapolis, IN 46205
Diocese of Indianapolis
10. Kindness, Inc.
St. Andrew's Episcopal Church
942 Coley Drive, P.O. Box 1057
Mountain Home, AR 72654-1057
Diocese of Arkansas
11. Ozark Share & Care
St. John's Episcopal Church
105 Hwy. 62-65 Bypass
Harrison, AR 72601
Diocese of Arkansas

12. Refugee Immigration Ministry
142 Pleasant Street
Malden, MA 02148
Diocese of Massachusetts

13. St. John's Episcopal Church
628 Main Street
Stamford, CT 06901
Diocese of Connecticut

14. United Teen Equality Center (UTEC)
34 Hurd Street
Lowell, MA 01852
Diocese of Massachusetts

End of Consent Calendar

Bishop Katharine called on the Secretary to conduct the post meeting evaluation (see Attachment D). Gregory thanked Brian Prior for organizing the worship, Rosemari Sullivan for spending time with the Executive Council, and the General Convention Office staff.

CLOSING REMARKS FROM CHAIR AND VICE CHAIR

Bonnie Anderson spoke of the role of the Executive Council as the moral authority in these troubled times, and that there has been a thread of reconciliation throughout this meeting.

Katharine Jefferts Schori promised that she and the President of the House of Deputies would continue in conversation to find ways to move forward and focus on the work we are called to do. She reminded the group to look to the words in our corporate name *Domestic and Foreign Missionary Society* – if we can figure out those four pieces, the rest will fall into place. She expressed gratitude to all for the hard work that went on during the meeting and called upon us to Go in Peace.

The meeting was adjourned at 3:50 p.m.



TO: Executive Council
FROM: Rob Radtke, President
RE: Ratification of Episcopal Relief & Development Board Elections
DATE: October 20, 2008

In accordance with Episcopal Relief & Development's bylaws section 3.02 paragraph (a), after the Episcopal Relief & Development Board elects a director or directors, the election must be ratified by the Executive Council.

Episcopal Relief & Development respectfully requests that Executive Council ratify the election below which took place at its annual meeting on October 17, 2008:

FOR RATIFICATION:

After being duly re-nominated by The Presiding Bishop and Chair of the Episcopal Relief & Development Board:

Mr. Steven W. Duff
Ms. C. Jill Oettinger

are re-elected to serve as members of the Board of Episcopal Relief & Development in class 2011(b) (term starts on 1/1/09 and ends on 12/31/11).

After being duly nominated by The Presiding Bishop and the Chair of the Episcopal Relief & Development Board:

The Rt. Rev. Dena A. Harrison
The Rev. John "Jay" N. Sidebotham

are elected to serve as members of the Board of Episcopal Relief & Development in class of 2011(a) (term starts on 1/1/09 and ends on 12/31/11).

After being duly nominated by The Presiding Bishop and the Chair of the Episcopal Relief & Development Board:

Ms. Flo McAfee

is elected to serve as a member of the Board of Episcopal Relief & Development in class of 2009(a) (term starts on 1/1/09 and ends on 12/31/09). This position was left vacant due to a board member's resignation.

Brief bios of each of these individuals are attached.

Many thanks.

Attachment B

Report of the Subcommittee on the Anglican International Center of Anglican Studies

to the Commission of Theological Education of Latin America and the Caribbean (CETALC)

Playa de Boca Chica, Dominican Republic, 25 September 2008

In accordance with the resolution of Executive Council of the Episcopal Church gathered in Philadelphia March 6-9, 2006, it was approved to support CETALC in its vision to create a center for advanced studies in Theological Education.

In accordance with the reports of September 10, 2007 and August 25, 2008 the Center Subcommittee of CETALC (Prof. Ricardo Blanco Beledo, The Very Rev. J. Ashton Brooks, The Rt. Rev. Wilfrido Ramos Orench, Dr. Clara Luz Ajo, with participation of The Rev. Juan I. Marquez, The Rev. Dr. Mark Harris, The Rt. Rev. Armando Guerra, The Rev. Naudal Gomes, Mr. Louis Valle, and Prof. Richard Jones.)

Resolved

1. To establish as of January 1, 2009 an International Anglican Center of Theological Studies based in the Dominican Republic, to serve Latin America and the Caribbean.
 - a. The purpose of the Center is to be a resource that provides services in the areas of:
 - i. Teaching
 - ii. Research
 - iii. DisseminationTo help theological programs in the region, to elevate their academic level and the infrastructure of buildings, libraries, and information services.
 - b. The Center will be independent of the Center for Theological Studies of the Diocese of the Dominican Republic.
2. To appoint a director of the Center with an annual compensation of \$50,000 per year for three years, subject to annual review and renewal.
3. To Form a Council of Advice for the Director for 3 years, composed of
 - a. Prof. Ricardo Blanco B., President – National Autonomous University of Mexico

Attachment B

- b. Dr. Carla Luz Ajo – Evangelical Theological Seminary of Matanzas
- c. Mr. Adrian Cardenas – Diocese of Venezuela
- d. Prof. Richard J. Jones – Virginia Theological Seminary
- e. The Rt. Rev. Wilfrido Ramos Orench – Executive Council, The Episcopal Church

and as well a Liaison Committee composed of:

- a. The President of CETALC, ex-officio,
 - b. The Rt. Rev. Julio Cesar Holguin Khoury, ex-officio,
 - c. The Rt. Rev. Napoleon Brito, ex-officio
 - d. The Rev. Mcdonald Jean, Francophone region.
 - e. The Rt. Rev. Naudal Gomes, Portuguese speaking region
-
- 4. Contract for no more than three years a strategic planning consultant in order to establish objectives, raise funds and develop a plan of action.
 - 5. Include among CETALC disbursements for 2009 the amount of \$100,000 to increase the Center's reserve fund.
 - 6. Propose to Executive Council of the Episcopal Church that they set aside \$500,000 from the endowment funds of CETALC in order to establish the Center.
 - 7. Ask the Committee of Advice to form a group, "The Friends of the Anglican Center" to lend moral and financial support.
 - 8. Ask the Executive Committee of CETALC to communicate these decisions immediately and widely.

Attachment C

TO: The Executive Council

FROM: The Social Responsibility in Investments Committee

RE: Recommendations for 2008-2009 shareholder actions

DATE: October 8, 2008

The Social Responsibility in Investments Committee (“SRI Committee”) met at the Episcopal Church Center on September 26 and again via conference call on October 9 to formulate a set of recommendations for the Episcopal Church’s 2008-2009 shareholder actions. The Episcopal Church, since 1971, has filed social-issue resolutions with companies held its investment portfolios. Many resolutions are withdrawn after successful dialogue, and other resolutions go to a vote by shareholders at company annual meetings. 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. Much of this work is coordinated with our ecumenical partners (Protestant, Catholic, and Jewish) at the Interfaith Center on Corporate Responsibility (“ICCR”).

Most of the issues highlighted in this document carry over from the previous year’s work: access to health care, the contract supplier system, corporate governance, environmental justice, global warming, and protecting human rights. Genetically modified organism-related issues have dropped off of the work plan as those resolutions cannot be resubmitted due to low affirmative vote percentages, and access to health care has been added. There are also a number of non-resolution shareholder actions (dialogues) included in this year’s proposed work plan. Most of the resolution texts have already been approved for filing and shareholder action in the current triennium.

The topics that will be the focus of this year’s shareholder actions are timely—especially global warming, contract supplier standards, and subprime lending. The SRI Committee’s work contributes to the Episcopal Church’s witness for social, environmental and economic justice while contributing to the wider debate about the place of business in creating a just world.

Shareholder actions for 2008-2009

This year’s set of recommendations includes 17 resolution filings, 10 of which the Episcopal Church would take the primary role (necessitating a greater use of resources to coordinate dialogues and possibly attend annual meetings) and 7 in which the Episcopal Church would take a co-filing or supporting role. There are also 13 dialogues in which the Episcopal Church will take the primary or co-primary role and 4 in which it will take a supporting role, for a total of 17 non-resolution dialogues.

Access to health care

One of the pressing issues in the United States is access to affordable health care for all. More than 50 million people lack health insurance in the United States. Unlike almost every other industrialized country, health care coverage in the United States is dependent on employment status. The Episcopal Church has supported ICCR-sponsored resolutions asking companies to adopt health care principles that address access and affordability. It is recommended that the Episcopal Church join shareholder resolutions with **AT&T** and **Verizon Communications** in a supporting role. This resolution text will need to be approved for by the Executive Council for filing in the current triennium.

Contract suppliers/Supply chain issues

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. Ongoing dialogues will occur on this topic with **Apple Computer** (supporting), **Hasbro** (co-primary), and **General Mills** (supporting). It is possible that a resolution might be filed with General Mills if dialogue fails; if so, this resolution text has already been approved by the Executive Council for shareholder action in the current triennium.

A new resolution on supply chain responsibility within retailing is proposed for **CVS Caremark**, the drug store chain and pharmacy benefit manager. CVS Caremark has just issued its first corporate social responsibility report, but the discussion of its vendor standards and measurement of compliance with them is weak. The resolution, which has already been approved by the Executive Council in the current triennium, asks the company to review its vendor standards policies for consistency with internationally recognized human rights norms

Corporate governance

The three issue areas anticipated for corporate governance this year are board diversity, pay disparity, and say on pay.

Board diversity

In 2008, it is unacceptable for a corporate board of directors to be composed solely of white males—as if it ever really were acceptable, of course. This has long been an area of activism for the Episcopal Church, and these resolutions are generally withdrawn after the companies involved agree to adopt changes with regard to the processes by which board candidates are found. Most large companies now have boards that at least meet the criterion of having one non-white-male member, but there are still many mid- and small-cap companies that do not. The SRI Committee generally looks for companies with market capitalizations of more than \$2 billion when filing these resolutions. 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.

The resolution to **Mueller Industries** (a manufacturer of copper and brass products) received 46.3 percent of the vote this year and will be refiled. Both **McDermott International** (an engineering and construction company) and **XTO Energy** have all-white-male boards; new resolutions are proposed for both companies. **CACI International** (a provider of professional and information technology services to defense- and homeland security-related government agencies) has an all-male board and possibly an all-white-board; allegations of human rights abuses in Iraq (including Abu Ghraib) have been leveled at the company. A board diversity resolution is also proposed for this company. This resolution text has already been approved by the Executive Council for shareholder action in the current triennium.

In all cases letters will be written to each company well in advance of the filing deadline. Additional companies may be added.

Pay disparity

In May of this year the Presiding Bishop held a summit on domestic poverty in Phoenix. In keeping with concerns about domestic poverty—but mindful that shareholder resolutions on wages are generally treated as “ordinary business”—it is proposed that two pay disparity resolutions be filed this year with **Capital One** and **Freeport McMoRan**, both in a primary role. Both companies have been highlighted by The Corporate Library, a leading corporate governance research organization, as having pay packages for their CEOs that are particularly egregious. (Of course, this resolution could be filed with almost any company, but there was some need to select.) This resolution text will need to be approved for by the Executive Council for filing in the current triennium.

Say on pay

Because corporate executives work for and on behalf of shareholders, it is appropriate for shareholders to have some say on how they are paid. Concerns about executive compensation have come to the fore in recent financial scandals, but the broader point about too-high executive

compensation stands for the vast majority of companies. The resolution proposed for filing-- which would need to be approved by the Executive Council—requests that companies allow for an advisory vote on compensation for the named executive officers of the corporation. The SRI Committee recommends filing this resolution with **Disney**, **IBM**, and **Occidental Petroleum** in a supporting role.

Enabling access to capital

Work on predatory lending—lending with abusive and unconscionable terms to customers with poor credit records—continues with **Wells Fargo** (co-primary role). (Interestingly, Wells Fargo has avoided many of the problems with subprime mortgages.) The Episcopal Church has been in dialogue with this company or one of its predecessor companies since 1997. Although there are few banks currently in the Episcopal Church's portfolios, this issue is especially important now.

Environmental justice

Since the 2000 General Convention, during which resolution D005 on environmental racism was passed, the SRI Committee has been exploring shareholder-engagement strategies on this topic. No resolutions are anticipated this year, but there are ongoing shareholder actions that carry over.

A dialogue with **Chevron** (primary) continues. Resolutions will be refiled with both **ConocoPhillips** (primary) and **ExxonMobil** (primary); both resolutions received sufficient support last year for refilling and no dialogue occurred. Last year a resolution to **Foundation Coal Holdings** (primary) was withdrawn in return for an agreement to engage in dialogue on facility-level reporting, with a visit to one of the company's coal mines planned for November and a follow-up dialogue on facility-level report subsequent to that.

Global warming

Global warming is another issue that carries over from the previous triennium. The long-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, and the 2006 General Convention just reaffirmed the Church's support of work on this issue. The Episcopal Church will engage in greenhouse-gas emissions report dialogues with **General Electric** and **Marathon Oil** in a supporting role, in addition to dialogues with **Colgate Palmolive**, **FedEx**, and **International Paper** in a primary role.

It has also been difficult to find new approaches to addressing global warming and greenhouse gas emissions that do not duplicate the work of existing ICCR and associated shareholder actions. In conversations with the Presbyterian Church (USA)'s William Somplatsky-Jarman, one new approach might be to engage in dialogue with banks (yes, there are still a few left) that have endorsed the Equator Principles (<http://www.equator->

principles.com/documents/Equator_Principles.pdf), which require signatory banks to take into account environmental and social factors when extending credit:

“The Equator Principles Financial Institutions (EPFIs) have consequently adopted these Principles in order to ensure that the projects we finance are developed in a manner that is socially responsible and reflect sound environmental management practices. By doing so, negative impacts on project-affected ecosystems and communities should be avoided where possible, and if these impacts are unavoidable, they should be reduced, mitigated and/or compensated for appropriately. We believe that adoption of and adherence to these Principles offers significant benefits to ourselves, our borrowers and local stakeholders through our borrowers’ engagement with locally affected communities.”

It is important to note the Equator Principles primarily address local environmental and social impact. That said, it is sensible to extend the analysis to include effects on the global climate through lending activities. It is therefore proposed that the Episcopal Church and the Presbyterian Church pursue dialogues with the three banks that are held in its portfolios and that are signatories to the Equator Principles—**Bank of America**, **Citigroup**, and **Wells Fargo** (the latter as part of the existing dialogue; all co-primary role)—for the next year. No new resolution text is anticipated.

Human rights

The two issue areas falling under this category are human rights standards and exploitation of children.

Human rights standards

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. Dialogues with **General Motors** (primary role; this dialogue has also started to include contract-supplier issues) will continue in the next year.

Motorola has operations (like cell-phone towers and military radar systems) in the Occupied Territories. Last year’s resolution on human rights standards received sufficient support to be refiled (supporting role). A dialogue with Motorola on this topic wasn’t very fruitful, and indeed was frustrating to all involved. Similarly, a resolution to **United Technologies** did very well (more than 20 percent of the vote) and will be refiled as well (primary role); UTC manufactures helicopters and both sells and maintains fighter aircraft engines that are used by the Israel Defense Forces. This resolution text has already been approved by the Executive Council for shareholder action in the current triennium.

An ongoing dialogue with **Caterpillar** (supporting role) on Israel-Palestine issues continues, but has also been frustrating to all involved.

Exploitation of children

As noted previously, last year's resolution regarding the commercial sexual exploitation of children to **Starwood Hotels and Resorts** (primary role) was withdrawn after the company agreed to adopt human rights standards that address this issue and to implement those standards. The dialogue on implementation will continue this year. Last year's resolution submitted to **Continental Airlines** (primary role) was withdrawn after a similar agreement was reached and dialogue on implementation will continue with this company. For this year, a dialogue will be pursued with **Intercontinental Hotels** a hotel chain headquartered in the United Kingdom. Attempts will be made to work with partners there.

Violence and militarization of society

Work in this area has been deemphasized because of the difficulty of using the shareholder resolution process to effect social change. However, the Israel-Palestine issue would be an appropriate concern to address with companies that engage in military sales to the Israel Defense Forces, to ensure that such weapons or materials are not used to maintain the Occupation. The resolution that will be refiled with United Technologies also fits into this category. A foreign military sales resolution to **ITT Industries** (the latter regarding its sale of night-vision goggles and whether those are used to provide support to the Occupation; supporting role) received sufficient support to be refiled. These resolution texts have already been approved by the Executive Council for shareholder action in the current triennium. The SRI Committee and staff are continuing to explore with other denominations further opportunities for action and witness on this issue.

The SRI Committee will report to the Executive Council with regard to the status of various shareholder actions during the next year. The SRI Committee thanks the Executive Council for its continuing support of this important work and social witness.

Summary of recommended resolution filings by the Episcopal Church in 2008-2009

(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; co-filed resolutions represent a supporting role. *Italics* indicate new resolution texts requiring Executive Council approval for filing in the current triennium)

<u>Issue</u>	<u>Companies</u>
<i>Access to health care – health care principles</i>	AT&T (C) Verizon Communications (C)
<i>Contract supplier/vendor standards issues</i>	CVS Caremark (P)
Corporate governance – board diversity	CACI International (P) McDermott International (P) Mueller Industries (P) XTO Energy (P)
<i>Corporate governance – pay disparity</i>	Capital One (P) Freeport McMoRan (P)
<i>Corporate governance – say on pay</i>	Disney (C) IBM (C) Occidental Petroleum (C)
Environmental justice	ConocoPhillips (P) ExxonMobil (P)
Human rights – standards	Motorola (C) United Technologies (P)
Military contracts – foreign military sales report	ITT (C)

Health Care Reform Principles

RESOLVED: shareholders urge the Board of Directors to adopt principles for comprehensive health care reform (such as those based upon principles reported by the Institute of Medicine:

1. Health care coverage should be universal.
2. Health care coverage should be continuous.
3. Health care coverage should be affordable to individuals and families.
4. The health insurance strategy should be affordable and sustainable for society.
5. Health insurance should enhance health and well being by promoting access to high-quality care that is effective, efficient, safe, timely, patient-centered, and equitable).

Consistently polls show that access to affordable, comprehensive health care insurance is the most significant social policy issue in America (NBC News/Wall Street Journal, the Kaiser Foundation and The New York Times/CBS News). Health care reform also has become a core issue in the 2008 presidential campaign.

Many national organizations have made health care reform a priority. In 2007, representing “a stark departure from past practice,” the American Cancer Society redirected its entire \$15 million advertising budget “to the consequences of inadequate health coverage” in the United States (New York Times, 8/31/07).

John Castellani, president of the Business Roundtable (representing 160 of the country's largest companies), states that 52% of the Business Roundtable’s members say health costs represent their biggest economic challenge. "The cost of health care has put a tremendous weight on the U.S. economy," according to Castellani, "The current situation is not sustainable in a global, competitive workplace." (BusinessWeek, July 3, 2007). The National Coalition on Health Care (whose members include 75 of the United States’ largest publicly-held companies, institutional investors and labor unions), also has created principles for health insurance reform. According to the National Coalition on Health Care, implementing its principles would save employers presently providing health insurance coverage an estimated \$595-\$848 billion in the first 10 years of implementation.

Annual surcharges as high as \$1160 for the uninsured are added to the total cost of each employee’s health insurance, according to Kenneth Thorpe, a leading health economist at Emory University. Consequently, we shareholders believe that the 47 million Americans without health insurance results in higher costs for U.S. companies providing health insurance to their employees.

In our view, increasing health care costs have focused growing public awareness and media coverage on the plight of active and retired workers struggling to pay for medical care. Increasing health care costs leads companies to shift costs to employees. This can reduce employee productivity, health and morale.

Supporting Statement

The Institute of Medicine, established by Congress as part of the National Academy of Sciences, issued its principles for reforming health insurance coverage in *Insuring America's Health: Principles and Recommendations* (2004). We believe principles for health care reform, such as the IOM’s, are essential. The recently agreed-to VEBA does not resolve all health cost issues for General Motors. We ask shareholders to support this resolution.

**Vendor Standards
2008 – CVS Caremark**

WHEREAS: Reports of human rights violations in the overseas subsidiaries and suppliers of some U.S.-based corporations has increased public awareness of the problems of child labor, sweatshop conditions, and the denial of basic labor rights.

As investors, we believe it is prudent for our company to establish incentives to encourage its suppliers and vendors to raise labor standards, and to be transparent about how those products are sourced. Human rights violations in the workplace can damage our company's reputation, lead to the loss of brand value, or result in costly litigation.

A large number of U.S. companies are purchasing goods grown or produced in countries where human rights abuses and unfair labor practices have been alleged or well documented. For example, the U.S. Department of Labor's "2005 Findings on the Worst Forms of Child Labor" highlights persistent problems throughout the world related to labor performed by underage workers.

A growing number of companies have adopted codes of conduct for vendors, addressing such issues as child labor, forced labor, and freedom of association (www.business-humanrights.org). We believe these codes should be based on the United Nations International Labor Organization's (ILO) core labor standards and the United Nations Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (<http://www1.umn.edu/humanrts/links/commentary-Aug2003.html>). We believe that a rigorous review of the company standards for its suppliers should include reference to internationally recognized human rights and labor standards.

We applaud the company's issuance of its first corporate social responsibility report in 2008. However, the company's treatment of supplier responsibility issues is limited in scope. There is little information in that report, however, about the efficacy of its factory audit program and the standards used in factory auditing.

We believe that a credible code compliance program includes independent monitoring, a transparent verification process, and regular public reporting of monitoring results.

RESOLVED: Shareholders request the Board of Directors to:

1. Review its code of vendor conduct, based on ILO standards,
2. Prepare an annual report, at reasonable cost, omitting proprietary information, on adherence to the company's supplier code, the first such report to be completed by October 2009.

Supporting Statement

1. All workers have the right to form and join trade unions and to bargain collectively. (ILO Conventions 87 and 98)
2. Worker 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)
3. 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).
4. Employment shall be freely chosen. There shall be no use of force, including bonded or prison labor. (ILO Convention 29 and 105).
5. There shall be no use of child labor. (ILO Convention 138 and 182)

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."

WHEREAS

_____ 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.

Pay Disparity

WHEREAS, increasingly, shareholders, the government, citizens and public interest groups are concerned about the growth in compensation packages for top executives at certain U.S. corporations. These packages have increased the pay gap between highest and lowest paid employees and weakened the connection between corporate performance and executive compensation.

We believe that pay for the highest-level executives has become excessive, that management is frequently rewarded regardless of performance, and that CEOs receive exorbitant pay and bonuses while jobs are being cut and outsourced to reduce costs and boost share prices. It is our belief that executive compensation systems should provide a CEO with the incentive to build a successful, sustainable company, that prosperity should be shared broadly within the company and that profitability should be directed toward providing employment security and stability.

According to a study released in 2005 by United for a Fair Economy, the disparity between CEO and worker pay is growing. While CEO pay once bore a reasonable relationship to the pay of the average worker, the gap now stands at 431-to-1 in 2004, up from 301-to-1 in 2003.

We believe that the contribution of employees is essential to corporate growth; both the executive and the workers should share in that success.

In an effort to narrow the gap, Whole Foods Market prevents any executive, including CEO John Mackey, from earning an amount in salary and bonus that's more than 14 times what the average worker makes.

[Language specific to each company.] Many investors believe that there is a need to restore some measure of proportionality to relative levels of compensation.

RESOLVED: shareholders request the Board's Compensation Committee initiate a review of our company's executive compensation policies and to make available, upon request, a report of that review by January 1, 2010 (omitting confidential information and processed at a reasonable cost). We request that 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 2004 and January 2009.
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 executive pay to "to more reasonable and justifiable levels."

¹ Total direct compensation covers salary, bonuses, gains from option exercises, other long-term incentive payouts and the value of restricted shares at the time of grant.

Say on Pay resolution

RESOLVED, that shareholders of The Walt Disney Company request the board of directors to adopt a policy that provides shareholders the opportunity at each annual shareholder meeting to vote on an advisory resolution, proposed by management, to ratify the compensation of the named executive officers (“NEOs”) set forth in the proxy statement’s Summary Compensation Table (the “SCT”) and the accompanying narrative disclosure of material factors provided to understand the SCT (but not the Compensation Discussion and Analysis). The proposal submitted to shareholders should make clear that the vote is non-binding and would not affect any compensation paid or awarded to any NEO.

Supporting Statement Investors are increasingly concerned about mushrooming executive compensation especially when it is insufficiently linked to performance. In 2008, shareholders filed close to 100 “Say on Pay” resolutions. Votes on these resolutions have averaged 43% in favor, with ten votes over 50%, demonstrating strong shareholder support for this reform.

An Advisory Vote establishes an annual referendum process for shareholders about senior executive compensation. We believe the results of this vote would provide the board and management useful information about shareholder views on the company’s senior executive compensation.

In its 2008 proxy Aflac submitted an Advisory Vote resulting in a 93% vote in favor, indicating strong investor support for good disclosure and a reasonable compensation package. Daniel Amos, Chairman and CEO said, "An advisory vote on our compensation report is a helpful avenue for our shareholders to provide feedback on our pay-for-performance compensation philosophy and pay package."

To date eight other companies have also agreed to an Advisory Vote, including Verizon, MBIA, H&R Block, Blockbuster, and Tech Data. TIAA-CREF, the country’s largest pension fund, has successfully held an Advisory Vote twice.

Influential proxy voting service RiskMetrics Group, recommends votes in favor, noting: “RiskMetrics encourages companies to allow shareholders to express their opinions of executive compensation practices by establishing an annual referendum process. An advisory vote on executive compensation is another step forward in enhancing board accountability.”

The Council of Institutional Investors endorsed advisory votes and a bill to allow annual advisory votes passed the House of Representatives by a 2-to-1 margin. As presidential candidates, Senators Obama and McCain support the Advisory Vote.

We believe that existing U.S. Securities and Exchange Commission rules and stock exchange listing standards do not provide shareholders with sufficient mechanisms for providing input to boards on senior executive compensation. In contrast, in the United Kingdom, public companies allow shareholders to cast a vote on the “directors’ remuneration report,” which discloses executive compensation. Such a vote isn’t binding, but gives shareholders a clear voice that could help shape senior executive compensation.

We believe that a company that has a clearly explained compensation philosophy and metrics, reasonably links pay to performance, and communicates effectively to investors would find a management sponsored Advisory Vote a helpful tool.

We urge our board to allow shareholders to express their opinion about senior executive compensation through an Advisory Vote by instituting this governance reform.

Resolution on corporate environmental accountability to communities

Resolved, That the shareholders request the Board of Directors to report to shareholders, at reasonable cost and omitting proprietary information, on how the corporation ensures that it is accountable for its environmental impacts in all of the communities where it operates. The report should contain the following information:

1. how the corporation makes available reports regarding its emissions and environmental impacts on land, water, and soil—both within its permits and emergency emissions—to members of the communities where it operates;
2. how the corporation integrates community environmental accountability into its current code of conduct and ongoing business practices; and
3. the extent to which the corporation’s activities have negative health effects on individuals living in economically-poor communities.

Supporting statement

We believe that corporations have a moral responsibility to be accountable for their environmental impacts—not just effects on the entire ecosystem, but also direct effects on the communities that host their facilities. No corporation can operate without the resources that local communities provide, but it is often these communities that bear the brunt of corporate activities.

Communities are often the forgotten stakeholders in terms of corporate activities and impact. Many corporations, for example, have improved their social performance with regard to employees. We believe that corporations can and should do better with regard to treating local-community stakeholders more fairly.

There is increasing interest in better measuring and understanding corporate effects on local communities, including how corporations can use reporting to hold themselves accountable to local communities. Corporations are already required to collect environmental data, like the federal government’s Toxic Release Inventory. But this data is not always available to *communities* in a timely, easy-to-understand format. Groups like CERES (Coalition for Environmentally Responsible Economies) are developing facility-level reporting regimes that we believe represent an evolution in terms of how corporations are responsible and responsive to community stakeholders. We also believe that integration of community accountability into corporate practices—including codes of conduct—is consistent with good environmental management.

There is also more and more attention being given to the adequacy of environmental impacts on corporate financial statement, in large part driven by the demands of the Sarbanes-Oxley Act of 2002. We think that the kind of report requested in this resolution can not only help corporations better respond to the demands of Sarbanes-Oxley, but also reduce the likelihood that current corporate behavior will have negative financial consequences in the future that will have to be reported to shareholders. Simply put, good community relations—especially with regard to the environment—make financial sense.

Finally, the proponents of this resolution are particularly concerned about the effects of corporate activities on poor communities and communities of color. The report requested in this resolution would do much to assure shareholders and other stakeholders that the corporation takes seriously its ethical responsibilities to all of the communities that host its facilities.

**Review and Amend Human Rights Policy
2008 – Motorola, Inc.**

WHEREAS, Motorola, as a global corporation, faces increasingly complex problems as the international social and cultural context within which Motorola operates changes.

Companies are faced with ethical and legal challenges arising from diverse cultures and political and economic contexts. Today, management must address issues that include human rights, workers' right to organize and bargain collectively, non-discrimination in the workplace, protection of the environment and sustainable community development. Motorola itself does business in countries with human rights challenges including China, Malaysia, Russia, and Israel and the occupied Palestinian territories, for example.

We believe global companies must implement comprehensive codes of conduct, such as those found in "Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance," developed by an international group of religious investors. (April, 2003, www.bench-marks.org) Companies must formulate policies to reduce risk to reputation in the global marketplace.

In August 2003, the United Nations Sub-Commission on the Promotion and Protection of Human Rights took historic action by adopting "Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights." (www1.umn.edu/humanrts/links/NormsApril2003.html)

We believe significant commercial advantages may accrue to our company by adopting a comprehensive human rights policy based on the UN Human Rights Norms serving to enhance corporate reputation, improve employee recruitment and retention, improve community and stakeholder relations and reduce risk of adverse publicity, consumer boycotts, divestment campaigns and lawsuits.

Motorola ought to be able to assure shareholders that employees are treated fairly and paid a sustainable living wage wherever they work in the global economy. One element of ensuring compliance is utilization of independent monitors made up of respected local human rights, religious and other non-governmental organizations that know local culture. Global companies, including Ford, GAP and Hewlett-Packard, are developing credible code enforcement mechanisms.

RESOLVED, the shareholders request the Board of Directors to review and amend, where applicable, Motorola's policies related to human rights that guide its international and U.S. operations. We request a summary of this review by October 2008 and suggest it be posted on Motorola's website.

Supporting Statement

Motorola's current policies contain only three components from existing international human rights codes. These set forth a corporate policy of non-discrimination, no use of forced labor or child labor. We believe that our company's policies should reflect a more comprehensive understanding of human rights.

Therefore, we recommend the review include policies designed to protect human rights—civil, political, social, environmental, cultural and economic—based on internationally recognized human rights standards. We particularly urge attention to harassment or discrimination against women and other forms of violence in the workplace as well as the rights of minorities. We believe the review should also take note of the Universal Declaration of Human Rights, the Fourth Geneva Convention, the International Covenant on Civil and Political Rights, the core labor standards of the International Labor Organization, the International Covenant on Economic, Cultural and Social Rights, and United Nations resolutions and reports of UN special rapporteurs on countries where Motorola does business.

Code Protecting Children 2009 – Intercontinental Hotels

WHEREAS: We believe transnational corporations operating in countries with repressive governments, weak rule of law, endemic corruption, child exploitation, or poor labor standards face serious risks to their reputations and share values if they are seen as responsible for, or complicit in, human rights violations.

Each year more than two million children are exploited in the global commercial sex trade, some of them as young as five years old, with the average age of 14. Child sex tourism (CST) is the practice of foreigners sexually exploiting children in another country. It is an organized multi-million dollar industry that includes tour guides, websites and brothel maps.

Problem countries include Cambodia, Thailand, Costa Rica, Mexico, Dominican Republic, Brazil, India and others. At least 32 countries have extraterritorial laws that allow the prosecution of their citizens for CST crimes committed abroad, including the U.S.

In 2003, ECPAT, the World Tourism Organization initiated project funded by the United Nations Children's Fund, created a "Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism" (<http://www.thecode.org/>), applying to suppliers of tourism services worldwide.

In 1996 the International Hotel & Restaurant Association (IH&RA), recognizing that child sex abusers may attempt to use hotels as the locations where they commit their crimes, passed a resolution condemning the sexual exploitation of children and recommending that all members consider measures to prevent use of their premises for commercial sexual exploitation of children. IH&RA encourages members to sign the 2003 Code of Conduct for the Protection of Children from Sexual Exploitation in Travel & Tourism. ("Health & Society: Combating the Commercial Sexual Exploitation of Children," IH&RA) [Our company is a member of the IH&RA.] Signatories to the Code include Carlson Hotels and Accor Hotels.

The Code includes all the critical elements for establishing a company-wide policy with proposed language, includes resources like an operations manual to train personnel, requires procedures to enforce such polices including monitoring and reporting, and has suggested agreement language for supplier and licensee contracts.

We believe that a company associated with incidents of Child Sex Tourism could suffer substantial negative impacts in terms of reputation and adverse publicity. We believe significant commercial advantages may accrue to our company by adopting an effective policy addressing the commercial sexual exploitation of children.

RESOLVED:

The shareholders request the Board of Directors to adopt a policy prohibiting the sexual exploitation of minors on company premises, and to prepare a report by December 2007 made available to shareholders concerning the implementation of this policy, prepared at reasonable cost and omitting proprietary information.

Supporting Statement:

We believe our company's human rights policy should be comprehensive, transparent, verifiable and based on the provisions contained in the "The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism." It should also provide training of all company employees on the policy.

**Foreign Military Sales
2008 – ITT Corporation**

WHEREAS the United States exports weapons and related military services through foreign military sales (government-to-government), direct commercial weapons sales (U.S. companies to foreign buyers), equipment leases, transfers of excess defense articles and emergency drawdowns of weaponry.

The United States government has requested \$4.54 billion in Foreign Military Financing for Fiscal Year 2008 including \$3.9 billion for the Near East region (the recent 10-year agreement to increase military aid to Israel and proposed sales to Saudi Arabia may increase that amount).

In a number of recent United States combat engagements (e.g., the first Gulf War, Somalia, Afghanistan and Iraq), our troops faced adversaries who had previously received U.S. weapons or military technology.

In the United States government's Fiscal Year 2006, ITT Industries was ranked the 18th largest Department of Defense contractor with \$1.746 billion in contracts. (Government Executive, August 15, 2007)

On March 27, 2007, our company announced that it would pay a \$50 million fine and plead guilty to two violations of the International Traffic in Arms Regulations (ITAR), one for improper handling of sensitive documents, and one for making misleading statements to the State Department's Directorate of Defense Trade Controls (DDTC).

RESOLVED: Shareholders request that the Board of Directors provide, within six months of the 2008 annual meeting, a comprehensive report, at reasonable cost and omitting proprietary and classified information, of ITT Industries' foreign sales of military and weapons-related products and services.

Supporting Statement

We believe with the American Red Cross that the "greater the availability of arms, the greater the violations of human rights and international humanitarian law."

Global security is security of all people. Weapons sold to one country at a certain time subsequently can become a threat to our own security, as we have seen several times in our recent history.

We also believe that this report will assist shareholders in assessing the effectiveness of newly instituted company procedures to prevent further violations of ITAR.

Therefore, we believe it is reasonable that the report include:

1. Processes used to determine and promote foreign sales;
2. Criteria for choosing countries with which to do business;
3. A description of procedures used to negotiate foreign arms' sales, government-to-government and direct commercial sales and the percentage of sales for each category; and
4. For the past three years, categories of military equipment or components, including dual use items exported, with as much statistical information as possible; categories of contracts for servicing/maintaining equipment; offset agreements for the past three years; and licensing and/or co-production with foreign governments.

We urge you to vote in favor of this reasonable resolution.

Supporting Episcopal Church policy for Environmental Justice Resolutions

Resolution Number: 2000-D005
Title: Oppose Environmental Racism
Legislative Action Taken: Concurred as Submitted
Final Text:

Resolved, That the 73rd General Convention of the Episcopal Church call on those present at this Convention to seek every opportunity to oppose environmental racism; and be it further

Resolved, That the Washington office track legislation seeking to eliminate the practice of locating polluting industries disproportionately near neighborhoods inhabited by people of color or the poor; and be it further

Resolved, That the Washington office monitor and issue policy alerts regarding the practice of mountain top removal and valley fill mining and other large scale mining operations that threaten the ecology and low income communities; and be it further

Resolved, That the Committee on Social Responsibilities in Investments review the environmental racism issue.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Denver, 2000* (New York: General Convention, 2001), p. 677f.

Supporting Episcopal Church policy for Global Warming Resolutions

Health: Spirituality of Food Production

Legislation Number: C036

By: General Convention

Year passed: 2003

Passed By: General Convention

Resolved, That the General Convention accept the Episcopal Ecological Network's offer to continually provide its bishops, clergy, and lay persons with information and educational opportunities concerning the issues of food sources, biodiversity, genetic engineering, ownership and distribution of our food sources, and related issues concerning the health and well-being of ourselves and future generations and encourage them to work in conjunction with the Peace and Justice Ministries Office of the National Church Center in this regard; and be it further

Resolved, That the Office of Government Relations and other appropriate bodies will advise elected and appointed government officials and other secular and religious bodies of its concerns about food sources, biodiversity, genetic engineering, ownership and distribution of our food sources, and related issues concerning the health and well-being of ourselves and future generations; and be it further

Resolved, That the General Convention support the rights of consumers to know the source and content of their food stuffs; and that the farming and processing practices used are healthy and sustainable for all of creation; and that The Episcopal Church is committed to making this a reality; and be it further

Resolved, That the General Convention refer this position to the Committee on Social Responsibility in Investments for consideration when developing and managing stock portfolios and for use in making shareholder resolutions.

Supporting Episcopal Church policy for Human Rights Resolution

Resolution Number: 2003-D020
Title: Oppose Legal Systems Which Violate Human Rights
Legislative Action Taken: Concurred as Substituted
Final Text:

[Printable Version](#)

Resolved, That the 74th General Convention support the Archbishop of Canterbury and other Anglican leaders who have jointly affirmed with Islamic leaders in various countries our shared desire to honor those teachings in our respective traditions which work to avoid coercion and respect individual liberty; and be it further

Resolved, That in further dialogue, particular attention be paid to vigorously oppose any nation's or other governmental body's imposition or continuation of a legal system which violates fundamental human rights; and be it further

Resolved, That the General Convention urge the application of these principles by the United States government to the reconstruction underway in Iraq and Afghanistan, in peace negotiations in Sudan, and in ongoing discussions with Nigeria and Indonesia, with particular attention to the rights of religious minorities, women, and those seeking to change their faith.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Minneapolis, 2003* (New York: General Convention, 2004), p. 677.

Resolution Number: 2006-B035
Title: Affirm Commitment to Reconciliation
Legislative Action Taken: Adopted
Final Text:

[Printable Version](#)

Resolved, In response to our Presiding Bishop's leadership in global reconciliation, the rising Christly consciousness of youth to embrace global human suffering, and Jesus' own gift and call of the ministry of reconciliation, we express the mind of the House of Bishops, affirming that our commitment to the ministry of reconciliation and the relief of global human suffering is the theme that overlights and inspires the 75th General Convention of The Episcopal Church.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Columbus, 2006* (New York: General Convention, 2007), p. 190.

Supporting Episcopal Church policy for Militarism-Related Resolutions

Title: Lambeth Resolution #040

Subject: "Environment, Militarism, Justice and Peace"

Issuing Body: General Convention (D041)

Type: Resolutions

Date: 1991

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.

Supporting Episcopal Church policy for Pay Disparity Resolutions

2003-C030

Resolution

Number:

Title:

Urge Legislation to Raise the Federal Minimum Wage

Legislative

Action Taken:

Concurred as Amended

Final Text:

Resolved, That the 74th General Convention urge our elected congresspersons and U.S. senators to initiate or support legislation raising the federal minimum wage to at least \$8.70 an hour, this figure being the hourly equivalent of an annual wage at the current federal poverty line, \$18,100 for a family of four persons.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Minneapolis, 2003* (New York: General Convention, 2004), p. 262.

Attachment D

Real Time Evaluation

This 4-day meeting allowed time for

- Fun
- Fellowship
- Occasional lunches without meetings
- Very few after dinner meetings
- Ability to do committee work in a measured and not frantic manner

Are there aspects of this meeting that need to be incorporated into the next

Having deacon

Morning prayer booklets

On the subject of liturgy we are in need of a liturgist for our meetings. It would be nice if a member of council would volunteer. Two Eucharists and a morning prayer for the next meeting. Winnie will do it.

Nice having the wi-fi capability. Able to get into the electronic versions quickly.

Worked well. Cumbersome. Good place to have materials available after the meeting.

Highlights of this meeting?

- Gregory's youthful appearance
- Having the diocese with us, particularly such a large youth contingent
- Presence of diocese particularly because the presentation was so sharp and crisp and organized
- Time we had on VUCA and futures
- Idiot-proof video conferencing (thank you, Tim)
- We were able to spend time in the diocese (in Quito) with different groups; spouses were participatory
- Rosemari's time with us

That changes should the agenda committee take into account?

- Time for bowling
- Nice to have had time to see a little of the area – parishes, pot lunch, diocesan people in their place

Is there continuing benefit to moving EC meetings around the church?

- Only if we have time to see something of the area
- Least expensive meeting was Quito [by about 1/3 was Ecuador] – only if they can be like Quito

Think about the cost reductions in air fare with Saturday night stays.

Did the new travel agency provide good service?

- Prompt and responsive
- People on the phone were helpful, their system only contemplated going from A to B – point C was a problem requiring changes in their system
- Receipt – the price is in the itinerary and the GCO has an electronic record
- Difficulties with the necessity to travel all day on Sunday – please consider in the future
- A&I provides an e-invoice/itinerary that can be printed off

How did this venue meet council's needs? Did it fall short and, if so, how?

- Nice to have free wi-fi and not having to hassle paying for it every day
- Really liked buffet breakfast and that it was available early
- Short on seating
- Very responsive to individual needs
- Wait staff and hotel employees very accommodating
- Airport shuttle service was a bit wanting – wait time was long and not very responsive
- Excellent transportation; shuttle a nice plus
- Driver was friendly and explained his dilemma
- A window would have been a bonus