

APPROVED: September 27, 2003

MINUTES OF THE
BOARD OF DIRECTORS
PRESBYTERIAN CHURCH (U.S.A.)
A CORPORATION, AND ITS
CONSTITUENT CORPORATIONS

Louisville, Kentucky

April 5, 2003

As Recorded by the Staff of the
Office of the General Assembly
100 Witherspoon Street
Louisville, KY 40202

**Minutes of the
Board of Directors
Presbyterian Church (U.S.A.)
A Corporation, and Its Constituent Corporations
Louisville, Kentucky
April 5, 2003**

The regular business meeting of the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation, and Its Constituent Corporations, was convened at 2:40 p.m. on April 5, 2003, with prayer led by Barbara A. Renton in the Medallion Ballroom ABC of the Seelbach Hilton Hotel in Louisville, Kentucky.

OPENING

The Following Members of the Board of Directors Present for All or Part of the Time Were:

ROLL CALL

The Reverend Fahed Abu-Akel, Elder Frank Adams, The Reverend Judy A. Angleberger, The Reverend Raymond A. Anglin, Elder John A. Bolt, Elder Frances N. Calderwood, Dr. Maximo J. Callao, Elder Marj Carpenter, Elder Vernon Carroll, The Reverend George M. Conn, Elder John E. Davison, The Reverend Karen E. Dimon, Elder Winifred A. Drape, Elder Charles F. Easley, Sr., The Reverend B. Gordon Edwards, Elder Kaye Hirt Eggleston, The Reverend Robert J. Elder, Elder Isaac St. Clair Freeman, Elder Marie C. Galloway, Elder Kristen York Gerling, Elder Edwin A. Gonzalez, The Reverend Lewis Spottswood Graves, Elder Raymond M. Greenhill, Elder Dorothy J. Henderson, Elder Bruce C. Hendrickson, Elder Thomas L. Hood, Elder Carol G. Hylkema, Elder Mary Jane Jakobsen, Elder Eddie R. Johnson, The Reverend Nancy Kahaian, The Reverend Dr. Adelia D. Kelso, Elder Charles W. Kim, The Reverend Mary Marks King, The Reverend Linda A. Knieriemen, Elder Reginald S. Kuhn, Elder Yong J. Lee, The Reverend Gerardo Lopez-Vigo, The Reverend Melvin G. Lowry, Elder Lillian Magruder, The Reverend Paul J. Masquelier Jr., Elder Ann H. Moe, The Reverend Dale Lindsay Morgan, Elder Helen Morrison, Elder Paul Gregory Neel, Elder Kenneth R. Newbold, Elder Manley E. Olson, Elder Neal D. Presa, The Reverend John C. Pruitt, Elder E. Dolores Register, The Reverend Barbara A. Renton, The Reverend Syngman Rhee, The Reverend Joe W. Rigsby, Elder Donald W. Robinson, The Reverend Dr. Jack B. Rogers, Elder Bonnie J. Ruggiero, Elder Bill Saul, The Reverend Allison K. Seed, The Reverend Gary F. Skinner, Andrea Stokes, The Reverend Linda W. Toth, Elder John E. Tracy, Elder Horacio Valdez II, Elder Jane Westfall, Elder Hazel F. Whitney, and Elder Emily S. Wigger.

Corresponding: Elder John J. Detterick, The Reverend Janet M. DeVries, Molly Baskin, and Elder Earledean V.S. Robbins.

The Following Members of the General Assembly Council Staff--Office of the Executive Director, Present for All or Part of the Time Were: Elder Beth Basham (Dr.), Wanda Fuller (Ms.), Nancy Hamilton (Ms.), Sandra F. Hill (Ms.), and Alex Sherman (Ms.).

The Following Division Directors, the Deputy Executive Director, the Deputy for Mission Support Services, and the President of the Board of Pensions Present for All or Part of the Time Were: Elder Joey Bailey, The Reverend Donald G. Campbell, Reverend Curtis A. Kearns, Jr., Elder Kathy Lueckert, Elder Robb Maggs, and The Reverend Marian McClure.

The Following Officers of the Corporation Were Present:

John J. Detterick	President
Barbara A. Renton	Chairperson
Vernon Carroll	Vice Chairperson
Katherine M. Lueckert	Vice President
Nagy Tawfik	Controller/Vice President for Finance

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Eric J. Graninger Secretary
Martha E. Clark Assistant Secretary
Kerry Clements Secretary Pro-Tem

The Following Invited Participants, Guests, Observers, and Staff Present for All of Part of the Time Were: John H. Adams (Mr.), The Reverend Tony Aja, Elder Walter Baker, The Reverend James D. Berkley, The Reverend Robert Brashear, Elder Alice Broadwater (Ms.), The Reverend Edward Brogan, The Reverend Will Browne, The Reverend Vernon Broyles, Sylvia Carter (Ms.), Teresa Chrappa (Ms.), Martha Clark (Ms.), The Reverend Kerry Clements, The Reverend Gary Cook, Barry Creech (Mr.), Mary Lou Davies (Ms.), The Reverend Art DeYoung, Steven Flytre (Mr.), Elder Ann Gillies, Angela Gowdy (Ms.), Eric Graninger (Mr.), Pamela Green (Ms.), The Reverend David Hackett, C.J. Haysley (Mr.), Elder Dottie Hedgepeth, The Reverend Elenora Giddings Ivory, Elder Clifford Kraus, Berit Lakey (Dr.), Jennie Lamb (Ms.), The Reverend Helen Locklear, Elder Gary Luhr, Ron Lundeen (Mr.), The Reverend Marcia Myers, The Reverend Floyd N. Rhodes, Jr., Joan Richardson (Ms.), Jim Rissler (Mr.), Elder Conrad Rocha, The Reverend Lucy Rupe, The Reverend Leslie Sauer, Leslie Scanlon (Ms.), Evan Silverstein (Mr.), The Reverend Bill Simmons, The Reverend Joe Small, The Reverend Alexa Smith, Elder Mary Elva Smith, Elder Sandra Moak Sorem, The Reverend Peter Sulyok, Nagy Tawfik, The Reverend David L. Van Arsdale, The Reverend Jerry Van Marter, Elder Artence Walton, The Reverend Douglas Wilson, and Keith Wulff (Mr.).

Upon motion from the floor, the Board of Directors –
VOTED to excuse the following members and officers from this meeting:

**EXCUSED
OFFICERS/
BOARD
MEMBERS**

Officers:

Joey B. Bailey Executive Vice President/Chief Financial Officer/Treasurer
Jeffrey D. Uhling Assistant Secretary

Board Members: Elder Pamila G. Deichmann, Elder Karen S. Fritsch, Elder Frances D. Irwin, The Reverend James G. Kirk, Elder Gwendolyn Laurel Martin, Elder Catherine P. Rasa, and The Reverend Danny K. Schomer; ecumenical advisory member: Garland F. Pierce; and corresponding members: The Reverend Robert W. Bohl, Elder Ruy O. Costa, The Reverend Judy R. Fletcher, The Reverend Clifton Kirkpatrick (Dr.), Elder Patricia Hew Lee, The Reverend Joanne Sizoo, and Elder Kathleen R. Walker.

A quorum was declared present for the transaction of business.

QUORUM

Upon motion from the floor, the Board of Directors --

– Designated
Clements
Secretary Pro-
Tem

VOTED to designate Kerry S. Clements as Secretary Pro Tem during this meeting.

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A report of recommended corporate actions taken by Mission Support Services Committee, acting as the Corporate Property, Legal, and Finance Committee, during its April 3-4, 2003 meeting, was presented by Barbara A. Renton, Chairperson.

**REPORT OF
CORPORATE
PROPERTY,
LEGAL, AND
FINANCE
COMMITTEE**

The Board of Directors **VOTED** to approve the adoption of items 1-6 (listed below) from the report of recommended corporate actions taken by MSS, acting as the Corporate Property, Legal, and Finance Committee, as follows:

- Approve
Report

1. **Approve** the January 18, 2003, Minutes of the Board of Directors of Presbyterian Church (U.S.A.), A Corporation and its Constituent Corporations (Mailed in March 2003).

- Approve
1/18/2003
Minutes

2. **Ratify** the attached housing allowance designations; AND further that 40 percent of the salary of every Minister of the Word and Sacrament on the exempt staff, regardless of when hired, is hereby designated for the current year unless otherwise specifically provided (via an express amount listed); AND further that these housing allowance designations are approved for 2003 and all future years unless otherwise provided by the Corporation; AND further that these be attached to the official copy of the minutes (maintained by the corporate secretary) with the designated dollar amounts. (See Attachment 1)

- Ratify
Housing
Allowance
Designations

3. **Approve** the following bank account resolutions:

- Approve
Bank
Account
Resolutions

RESOLUTION

RESOLVED, that all previous resolutions authorizing signatories to the accounts listed on Exhibit A be and they hereby are revoked and superseded effective the date of this resolution; and

FURTHER RESOLVED, that the officers specified in Exhibit A be and they hereby are authorized (i) to sign, for and on behalf of this Corporation, any and all checks, drafts or other orders with respect to any funds to the credit of this Corporation with the institutions listed on Exhibit A, (hereinafter "Institutions") against the Corporation's listed accounts at those Institutions maintained at any time with these Institutions, inclusive of any such checks, drafts, or other orders in favor of any of the designated officers and/or other person(s), and/or (ii) to make withdrawals of any such funds or from these accounts by any other means authorized by the Institution, that the Institutions be and hereby are authorized (a) to pay such checks, drafts or orders, and/or to honor such withdrawals; (b) to receive for deposit to the credit of the Corporation, and/or for collection for these accounts of this Corporation, any and all checks, drafts, notes or other instruments for the payment of money which may be submitted to it for such deposit and/or collection; to receive, as the act of this Corporation, any and all stop payment instructions with respect to any such checks, drafts or other orders when signed by any one or more of the officers and/or other person(s) as hereinafter designated.

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FURTHER RESOLVED THAT the officers specified on Exhibit A be and they hereby are authorized, for and on behalf of this Corporation, to transact any and all other business with or through the Institutions which at any time may be deemed by said officers and/or other person(s) transacting the same to be advisable EXCEPT THE BORROWING OF MONEY, OR THE OBTAINING OF ANY FORM OF CREDIT, FROM THE INSTITUTIONS, EITHER DIRECTLY OR INDIRECTLY, WITH OR WITHOUT SECURITY.

That the Institutions are further authorized to pay to the debit of these accounts any and all checks, drafts and other instruments for the payment of money drawn in the name of the Corporation bearing or purporting to bear the facsimile signature(s) of the President or Executive Vice President/Chief Financial Officer and Treasurer inclusive of and in favor of any person whose facsimile signature appears thereon, if the facsimile signature(s) thereon, resemble(s) the specimen(s) filed with the Institutions.

That the Institutions are hereby notified that any check in excess of Twenty-five Thousand Dollars (\$25,000.00) requires two signatures, one which may be a facsimile signature.

Exhibit A

**Bank of New York
PO Box 11000
New York, NY 10249-0008**

Account #	Account Name	Officers Authorized to Sign
6809063893	Presbyterian Church (USA) Stony Point Expense Account	President Executive Vice President/CFO/Treasurer Executive Vice President Assistant Secretary Director, Stony Point Associate Director Manager of Guest Services

**Wells Fargo
645 North Riverside Drive
Española, NM 87532**

Account #	Account Name	Officers Authorized to Sign
697033745	Presbyterian Church (U.S.A.) Plaza Resolana Conference Center	President Executive Vice President/CFO/Treasurer Executive Vice President Assistant Secretary Executive Director Director of Operations Administrative Assistant Director of Finance

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**US Bank
One Financial Square
Louisville, KY 40202**

Account #	Account Name	Officers Authorized to Sign
	Presbyterian Church (USA) 215 th General Assembly (2003)	President Executive Vice President/CFO/Treasurer Executive Vice President Assistant Secretary

**Commerce Bank
200 Lombard St.
Philadelphia, PA 19147**

Account #	Account Name	Officers Authorized to Sign
	Presbyterian Church (USA) Presbyterian Historical Society (PHS)	President Executive Vice President/CFO/Treasurer Executive Vice President Assistant Secretary Associate for Administration & Finance, Office of History Director, Office of History Deputy Director, Office of History

4. **Approve** the following resolutions related to worldwide properties:

- Approve Resolutions on Properties

**RESOLUTION
Property – Brazil Property Sales**

1. **RESOLVED**, the sale of all PC(USA) mission properties titled either to the PC(USA) or to the Brazil Mission as listed below is approved;

	Property Number	Property Name	Location
1	BRCA001	Avenida Brazil, 1256, SP 13073-000	Campinas, Sao Paulo
2	BRCA002	Rua Carlo Macchi, 90	Campinas, Sao Paulo
3	BRCA003	Rua Rosa de Gusmao, Residence #555	Campinas, Sao Paulo
4	BRCA004	Rua Rosa de Gusmao, Residence #565	Campinas, Sao Paulo
5	BRCA005	Rua Rosa de Gusmao, Residence #575	Campinas, Sao Paulo
6	BRPR001	Rua Dom Pedro II, 1528	Parnaiba, Piaui
7	BRPT002	Rua Cesario Alvim, 795	Patrocinio, Minas Gerais
8	BRSA001	Rua Olavo Bilac, 411	Santarem, Para
9	BRSO002	Rua Jose Portolano, 141	Sao Paulo, Sao Paulo
10	BRSP001	Residence	Sapucaia Do Sul, Reio Grande Do Sul

2. **RESOLVED**, the existing formula for allocation of proceeds from the sale of

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properties in Brazil is set aside, with the understanding that a new plan for allocation of property proceeds will be brought to the WMD and MSS Committees for approval and recommendation to GAC in September 2003.

RESOLUTION

Property - Pakistan - Forman Christian College

RESOLVED, a \$500,000 lien on some portion of the Forman Christian College property (FCC) in Lahore, Pakistan (PKLA011) may be placed so as to allow FCC to secure a line of credit in the amount of \$500,000;

FURTHER RESOLVED, the PCUSA representative in Pakistan is authorized to execute any and all documents to facilitate this action after the documents have been approved by the Corporation's Vice-President for Property and Finance, General Counsel, and the WMD Associate Director for Ecumenical Partnerships.

RESOLUTION

Property – Egypt Properties Transfer

RESOLVED, that all properties in Egypt owned by the Corporation or any of its related entities shall be transferred to the Synod of the Nile of the Evangelical (Presbyterian) Church of Egypt through the most appropriate means, incurring the least expense to the Corporation. The following four properties are not included in this authorization to transfer:

- 1) Dawson Hall (land and building) on the campus of the Ramses College for Girls, 198 Ramses Street, Cairo (EGCA006), including three meters of yard space on each side of the building), plus access driveway extending in length from the outer gate on Lutfi el-Sayed Street to the building, and from the fence wall to the building in width and adequate driveway access to the building from the Ramses Street entrance. In addition, pedestrian and motor access to the building from the Ramses Street entrance shall remain the property of PC(USA) while college use will be granted without hindrance. The two upper floors, and all access to them, continue to be used as mission personnel residences.
- 2) The right to perpetual use of two Heliopolis residential apartments purchased by the Evangelical Church of Heliopolis for use by PC(USA) personnel, in exchange for surrendering the right of use, and eventual transfer of, the former residence at 3 Mehalla Street, Heliopolis, to the Heliopolis Church, for church activities.
- 3) Missionary cemeteries located in Egypt. The expectation continues that the Synod of the Nile will provide for the care and security of these cemeteries.
- 4) The American Mission Hospital in Tanta (Transfer of this property may be possible in the future, after further deliberations.)

RESOLUTION

Property - West Tokyo, Japan Construction Project

RESOLVED, for the purpose of completing the construction of two multi-unit family housing structures in the Mitaka-shi area of west Tokyo, to be used for mission personnel housing and to generate income for the mission work in Japan:

1. approve the sale of the missionary residence in Osaka, Japan (JASO001);
and
2. approve the exchange of the missionary residence at 1-9-19 Osawa, Mitaka-Shi (JATO002) for a United Methodist Church property at 6-3-6 Osawa;
3. authorize staff to proceed with the construction of two multi-family unit housing structures in Mitaka-shi, Japan.
4. direct that the costs for the project be paid from PC(USA) property funds held by the Japan North American Commission on Cooperative Mission (JNAC) and the Japan Southern Presbyterian Mission, and from the sale of the Osaka property.

5. Approve the following resolution in regards to a loan to the Menaul School:

- Approve
Resolution on
Loan to
Menaul
School

RESOLUTION

RESOLVED, a loan is approved in the amount of \$450,000 to Menaul School to be funded from the Presbyterian Mission Program Fund Bequest Designation subject to the following thirteen requirements. Whether or not a requirement has been met shall be determined by a joint decision of the National Ministries Division Director and the Deputy for Mission Support Services.

- 1) A mortgage lien (or similar lien based upon Menaul's interest in the real estate) on the real property of Menaul School second only to the City Bond issue, not to exceed the 12/31/02 outstanding balance of \$2,235,000.
- 2) A loan term of seven years with no principal or interest payable for the first two years.
- 3) Interest for years three through seven at the published Wall Street Journal prime rate on anniversary date plus 2%.
- 4) Principal in the amount of \$90,000 plus interest due annually on the anniversary date of the note starting at the end of year three or monthly amortization of principal and interest during years three through seven.
- 5) A business plan approved by the Board of Directors of Menaul School which details the school's primary mission and its plan for financial stability that demonstrates the ability to service this and any other debt incurred as a result of the

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loss (expenses over revenues) of approximately \$1.97 million over the last three school years and \$346,000 year to date for 2002-03 as of 12/31/02.

- 6) Annual independent audits will be furnished to the GAC within 120 days of the end of each school year.
- 7) Monthly balance sheets, income statements, and statements of cash flow shall be provided to the GAC starting by the end of the next month after loan closes.
- 8) The right of the GAC to make periodic inspections of the property, financial records, and periodically attend Board of Director’s meetings, as deemed necessary by GAC in its sole discretion.
- 9) Menaul School shall maintain accreditation with the North Central Association of Colleges and School – Commission on Schools.
- 10) The Board of Directors of Menaul must meet annually with their CPA immediately upon receipt of the audit report and management letter with an invitation extended to Mission Support Services for a representative to attend.
- 11) The annual audit report and management letter will be sent by the CPA directly to the Executive of the Synod of the Southwest, Director of National Ministries Division, and Deputy for Mission Support Services.
- 12) The board will send its response to the CPA’s management letter to the Executive of the Synod of the Southwest, Director of National Ministries Division, and Deputy for Mission Support Services along with a written statement certifying the Board of Directors meeting referenced in 10 (above).
- 13) If any of the above requirements are not continually met during the term of the loan, the loan will be considered in default.

6. Approve the following resolution:

- Approve Resolution on Contracts

RESOLUTION

RESOLVED, that the following positions be and hereby are granted the authority to bind the Presbyterian Church (U.S.A.), A Corporation in all contracts calling for the payment of ten thousand dollars (\$10,000.00) or less.

GAC Executive Director’s Office

- Executive Director
- Deputy Executive Director
- Deputy for Mission Support Services
- Associate for the Executive Director
- Associate for Administration of the GAC
- Associate Director for Communication
- Associate Director, Office of Information Services

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Chief Information Officer

Congregational Ministries Division

Director

Coordinator, Program Management and Division Administration

Associate Director for Christian Education and Leader Development

Publisher, Congregational Ministries Division

Associate Director, Office of Theological Education

Associate Director, Theology, Worship and Discipleship

Director, Stony Point Center

Associate Director, Stony Point Center

Executive Director, Ghost Ranch

Director of Operations, Ghost Ranch

Director of Programs, Ghost Ranch

National Ministries Division

Director

Associate to the Director

Worldwide Ministries Division

Director

Executive Assistant to the Director

Coordinator for Administration and Finance

Associate Director for People in Mutual Mission

Associate Director for Ecumenical Partnership

Associate Director for Global Service and Witness

Following the above actions, the Board of Directors, then **VOTED** to rise from the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation, and Its Constituent Corporations, and reconvene as the General Assembly Council.

- Approve
Rising from
PC(USA), A
Corporation

There being no further business for consideration, the meeting of the Board of Directors of the Presbyterian Church (U.S.A.), A Corporation and Its Constituent Corporations, was adjourned at 2:50 p.m. with prayer by Barbara A. Renton.

ADJOURN

Respectfully Submitted,

Kerry Clements
Secretary Pro Tem

Attachment 1

MANSE ALLOWANCE DESIGNATIONS

<u>NAME</u>	<u>DIV</u>	<u>HOUSING ALLOWANCE AMOUNT 2003</u>
Jennifer Butler	CMD	\$14,500.00