

136th Annual Convention of

The Episcopal Diocese of Newark

REPORT OF THE COMMITTEE ON CONSTITUTION AND CANONS

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The Committee on Constitution and Canons makes the following report to the 136th Convention of the Episcopal Diocese of Newark.

The Committee on Constitution and Canons met on two occasions, December 5th and 17th, 2009 to consider a proposed change to Canon 22 regarding the Trustees of the Episcopal Fund and Diocesan Properties. At the first meeting, an earlier version of the below canon was discussed that lacked the approval of the Trustees. The Committee discussed the rationale for the proposal and its merits and drawbacks. The Committee adjourned without vote. Thereafter, representatives from the Bishops' Office and the Trustees engaged in ongoing negotiations that eventually resulted in the below proposed canon, which came with the approval of the Bishop's Office and the Trustees. This compromise canon was discussed and voted upon at the second meeting of this body. The current Canon 22 and the proposed new Canon are as follows:

CANON 22 TRUSTEES OF THE EPISCOPAL FUND & DIOCESAN PROPERTIES

~~The composition, duties and powers of the Trustees of the Episcopal Fund and Diocesan Properties of the Diocese of Newark, are set forth in the New Jersey Statutes of the Episcopal Church, N.J.S.A. 16:12-20 to 16:12-22 (first enacted 1880) and of Religious Corporations and Associations, N.J.S.A. 16:4-1.~~

SECTION 1. The Trustees of the Episcopal Fund and Diocesan Properties of the Diocese of Newark ("the Trustees") is a corporation, not for profit, duly established with duties and powers set forth in the New Jersey Statutes of the Episcopal Church (N.J.S.A. 16:12-20 to 16:12-22) and the Religious Corporations and Associations, N.J.S.A. 16-4-1. The Trustees shall consist of twelve (12) members of the church within this Diocese who shall serve for a term of five (5)

years, except as set forth in Section 2 of this canon. **The Annual Convention shall elect trustees as required to fill expired terms.** ~~Three trustees shall be elected at each annual Convention.~~ Lay trustees shall at all times be communicants in good standing of a congregation in the Diocese of Newark.

SECTION 2. There is created four classes of Trustees:

The 2010 Diocesan Convention shall create three classes of the current Trustees, comprised of three (3) members in each class determined by the Trustees currently in office.

At the 2011 Diocesan Convention, three (3) persons not currently serving as Trustees shall be elected to serve for five-year terms.

At each of the next three subsequent conventions, the terms of three (3) of the Trustees currently serving as of the 2010 Diocesan Convention shall cease by rotation, resignation, or seniority in a manner and order to be determined by the Trustees, and the Diocesan Convention shall then elect three (3) trustees to serve for five-year terms.

Except in the filling of a vacancy as set forth in Section 3 of this canon, the term of any trustee elected by Diocesan Convention in 2011 and thereafter shall be five (5) years.

No trustee elected for a full five-year term shall be eligible for reelection to succeed him/herself, but is eligible for re-election after the lapse of a year.

SECTION 3. Vacancies among the elected trustees created by death, resignation, incapacity, or removal from the Diocese may be filled by the remaining trustees until the next meeting of the Convention, at which a trustee shall be elected by the Convention to fill the unexpired term. Any elected trustees deemed negligent of their duties or unqualified to hold office may be removed by a vote of seven (7) elected trustees, the Bishop concurring.

SECTION 4. The Bishop shall serve as an *ex officio* member of the Trustees with voice and vote. The Trustees shall elect a President annually from among the members of the Board. The Treasurer of the Diocese shall serve as treasurer of the funds named above. Seven (7) trustees shall be a quorum, all having been cited to meet, and a majority of the quorum, duly convened, shall be competent to act.

SECTION 5. No investment or reinvestment decision shall be executed unless approved at a duly convened meeting or approved in writing by a majority of the trustees, all of whom shall have been notified of the proposed action.

SECTION 6. The Trustees shall present at each meeting of the Board of Trustees and to each Diocesan Convention separate reports of the various trusts under their control. These reports shall contain a detailed statement of the names and properties in each fund, with all additions and changes therein, including receipts and disbursements therefrom.

Rationale for the change:

The Diocese is currently engaged in a reorganization and restructuring which seeks to align all of the elected governance bodies with the Diocese’s mission and vision. In order to effectively “*equip our congregations, empower people, and engage the world with the hope and justice of Jesus*”, we seek to create and modify, where necessary, those models of ministry and governance that will best achieve those ends.

The present canon concerning the Trustees does not expressly provide for annual elections or otherwise address term limits for its membership. A governance model that provides for the establishment of a five-year term for Trustees would balance the necessity for continuity in the management and care of funds for the support of the episcopate with the need for revitalization, flexibility, diversification of representation and responsiveness to the will of Convention. Such a provision will further serve to align the Trustees with the two other senior bodies, the Diocesan Council and Standing Committee, who are presently subject to term limits.

Other provisions of this canon provide for the filling of vacancies, holding of meetings, consideration of matters before the Trustees, and reporting to Convention.

Finally, the present responsibility for the management of diocesan mission properties which the Trustees have faithfully undertaken following the dissolution of the Department of Missions, would now be assumed by another diocesan entity dedicated to the management and oversight of all diocesan real properties. A separate resolution addressing this matter is being submitted to this Convention.

This document reflects changes made to an initial canonical revision submitted to the Committee on Constitution and Canons as the result of conversations held between the proponents of the proposal and the Trustees.

Submitted by the Bishop’s Office, the Steering Committee of Diocesan Council and the Standing Committee. Revised December 18, 2009.

A quorum was present at meeting of the Committee held on December 17, 2009 and unanimously recommends adoption of the proposed Canon.