



**Minutes of the 2008 Fall
Metropolitan Council Meeting
Thursday, September 4, 2008
East Norwich Inn, East Norwich, NY**

1. Roll Call

Archpriest Alexander Garklavs
Archpriest Eric G. Tosi

Priest Michael Tassos

Members Elected by the All-American Council

Archpriest Theodore Boback
Archpriest Gregory Safchuk

Eleana Silk
Dr. Faith Skordinski

Members elected by Dioceses

Diocese of Alaska

Albanian Archdiocese
William Peters

Archdiocese of Canada
Archpriest John Tkachuk

Richard Schneider

Diocese of Eastern Pennsylvania
Archpriest John Onofrey

Peter Bohlender

Diocese of the Midwest
Archpriest Michael Matsko

Dr. Richard West

Diocese of New England
Archpriest Mark Sherman

Deacon John Zarras

Diocese of the South
Archpriest Phillip Reese

Gary Popovich

Diocese of Washington and New York
Archpriest George Hasenecz

Robert Kornafel

Diocese of the West
Archpriest Matthew Tate

Dr. Dmitri Solodow

Diocese of Western Pennsylvania
Archpriest John Reeves

Gregory Nescott

Also present:
Archpriest Andrew Jarmus (*recording secretary*)

Guests present for portions of the meeting:
Archpriest Michael Westerberg

2. Pension Board Report

Fr. Michael Westerberg presented the report from the Pension Board. Fr. Michael reported that in 2007 the Pension Fund grew by 8.1%, which was above a projected growth of 7.5%. He noted that the growth in 2008 will not be as robust because of a slump in the markets (see attached charts).

Fr. Michael also reported that the Pension Board has seen a draft of the 2007 external audit of the Pension Plan and it is “clean and unqualified.” He added that internal auditors have not yet met either to correct their previous report or to audit the pension plan.

Responding to a question concerning whether the Pension Plan is federally protected, Fr. Michael said that it wasn’t. The reason was because the requirements for having a federally protected plan would have created a significant and prohibitive expense for the “employer” (parish, seminary, etc.).

Gregory Nescott, Legal Committee Chair, reminded the Metropolitan Council of an outstanding motion from the Council’s spring 2008 meeting directing general counsel, once retained, to review the legal relationship between the Pension Plan and the OCA.

In response to a question concerning the pension implications of clergy of the Romanian Episcopate, should the Episcopate choose to leave, Fr. Michael said that there is currently no provision for this in the plan but with an amendment to the plan it could be enacted. Fr. Michael said that a related issue is clergy from other OCA dioceses who had opted out of the plan but want to enter in again; there are complications concerning this issue.

Fr. Michael also presented six amendments to the Pension Plan for MC approval (see attached). These amendments were recommended by an auditor from the IRS who was examining the Pension Plan as part of a voluntary submission to the IRS for review. Fr. Michael explained each amendment and the Metropolitan Council’s decisions on each follow.

2.1. MOTION (Fr. J. Tkachuk/Fr. M. Tate): To accept the amendment regarding “spousal consent.” CARRIED UNANIMOUSLY

- 2.2. MOTION (Fr. J. Tkachuk/Fr. T. Boback): To accept the amendment regarding “break in service.” CARRIED UNANIMOUSLY**
- 2.3. MOTION (Dn. J. Zarras/Fr. M. Matsko): To accept the amendment regarding “returning member service.” CARRIED UNANIMOUSLY**
- 2.4. MOTION (G. Popovich/Fr. M. Tate): To accept the amendment regarding “employee contribution requirement.” CARRIED UNANIMOUSLY**
- 2.5. MOTION (P. Bohlender/G. Popovich): To accept the amendment regarding “disability pension.” CARRIED UNANIMOUSLY**
- 2.6. MOTION (Fr. M Tate/Fr. M. Matsko): To accept the amendment regarding “amendment of plan.”**

Regarding this motion, Mr. Gregory Nescott voiced his opposition to this amendment because it should be reviewed by general counsel and ultimately a decision of this nature regarding the plan should be submitted to the AAC for review and approval.

- 2.6.1. MOTION TO TABLE the Motion to accept the amendment regarding “amendment of plan” (G. Nescott):
CARRIED -- YES 16 / NO 3 / ABSTENTION 1**

In closing, the MC thanked Fr. Michael, whose work on the Pension Board concludes at the AAC this November, for all of his work on the Pension Board. Fr. Michael also informed the MC that the after the AAC the Pension Board will be presenting the Plan to the MC for a “plan restatement” (a re-publication of the plan which includes within the text all of the amendments accepted to date)

- 2.7. ACTION ITEM:** That a release be drafted informing the Church that three positions are coming open at this AAC for the Pension Board. Qualified candidates, with proper experience and expertise, are required to fill these positions and such candidates must be delegates at the AAC in order to be elected.

3. Chancery Staff Report

3.1. Report of the Chancellor (see attached)

In a discussion regarding the role of the central administration in the wider structure of the Church, Fr. Michael Tassos noted that from a perspective of tax law, the central administration is the locus of Church life. All parishes receive their 501 (c) 3 status from their identification with the Central Church. There are certain central issues that

involve every parish of the OCA and these link all of these communities to the central Church administration.

Fr. Gregory Safchuk opined that the discussion of the role of the central administration is tied to our emerging identity as an autocephalous Church. Relative to other Orthodox Churches, the OCA is very young and our sense of self is still developing. Older autocephalous Churches have a greater sense of gravity around their primate (who is usually a patriarch); this is absent in the OCA as a result we have witnessed more fragmentation among dioceses.

It was also noted that the Metropolitan Council is aware of positive changes that have taken place because the members have been following them closely; however, the further away one is from the “center of the action” the longer it takes to convince people that positive change is occurring.

We have to distinguish between mission and vision – which is the future.

We have to return our clergy to love for the Church and Christ as the center. We have to move away from issues of challenges and obstacles.

These are very complex issues and the dialogue and debate concerning them will be on-going because of the various tensions in which we exist. However, the shift that the Church has to make is from a climate of distrust and protectionism to a climate of love, respect and service to the other. This will take a total “buy-in” from all members.

MOTION (Fr. J. Reeves/ G. Popovich): To accept Fr. Alexander’s report as presented. CARRIED UNANIMOUSLY

3.2. Report of the Secretary (see attached)

MOTION (P. Bohlender/G. Nescott): To accept Fr. Andrew’s report. CARRIED UNANIMOUSLY

3.3. Report of the Director of Ministries and Communications (see attached)

In response to a question of how news releases are reviewed, Fr. Andrew said that the normal process is to have them approved by the person most responsible for the subject matter. For example, releases about the Preconciliar Commission are approved by Bishop Nikon. Releases about the SIC were approved by Bishop Benjamin. Fr. Andrew noted that this highlights an important characteristic of official Church communications – levels of accountability. These levels of accountability can slow the process of getting communications out; however, they are absolutely

necessary as an official Church communication does not reflect a person's opinion but is part of the Church's public presence.

In discussion on the proposed department restructuring proposed by Fr. Andrew, it was noted that it is not the right time to be considering such a move. There are wider issues of Church life that must first be discussed, which will have a definite impact on how ministry is carried out. At the same time, it was noted that a budget that gives ministry the funding necessary to produce solid "deliverables" for the Church will be most welcome among parishes.

MOTION (P. Bohlender/Dn. J. Zarras): To accept Fr. Andrew's report. CARRIED UNANIMOUSLY

3.4. Report of the Treasurer (see attached)

MOTION (Fr. J. Tkachuk/Fr. T. Boback): To accept Fr. Michael's report as presented. CARRIED UNANIMOUSLY

4. 2009 Budget

In his introductory comments, Finance Committee Chair, Fr. Matthew Tate, said that the principle guiding the work on the 2009 budget is to try to reduce the budget in any legitimate way possible.

One suggested means of cutting expenses is through sharing of costs for the Metropolitan's compensation package with the Diocese of Washington and New York, as the Metropolitan also serves as that diocese's hierarch. The Finance Committee suggested that compensation for the Metropolitan in the 2009 budget be set at \$35,000.00 plus benefits at half level, with the remainder of the package covered by the diocese.

The Finance Committee is also recommending that the central Church engage in only two annual appeals— a Mission Planting Grant Appeal and a Seminary Internship Appeal. Replacing the Charity Appeal would be a line item, suggested at \$15,000.00 annually, for charitable giving. There could also be special appeals on an extraordinary basis for specific causes.

Fr. Tate also opined that administrative overhead is in the central administration is very high and this issue will have to be revisited in the context of the wider discussion on the role of the central Church administration in the life of the Church.

Fr. Michael Tassos then gave a presentation on the Proposed 2009 Budget (see attached).

In discussion on Fr. Michael's budget presentation, it was stated that of all the scenarios, the \$90.00 per person option could be acceptable to people if it is clear that there has been a shift in the allocation of funds to the area of specific resources and initiatives related to Church ministries.

It was also noted, however, that the budgets presented in Fr. Michael's report are only possibilities; no final decisions on the 2009 budget are being made yet. The MC will have to consider various possible budgetary scenarios for 2009 and the actual budget will not be drafted until after the All-American Council determines the assessment to the Central church administration.

A need was noted to change the perception that the parishes are paying an assessment to the central Church. It is the diocese that is responsible for meeting the assessment. This is one of the operating expenses of the diocese. However, care must be taken that it does not appear that the reality of the assessment process is diverted by "spinning" language. The term "per capita assessment" was discussed as clearer terminology for the concept.

MOTION (Fr. M. Tate/G. Popovich): That the OCA engage in only two appeals, one for Mission Planting Grants and the second for the Seminary Internship Program. CARRIED UNANIMOUSLY

ACTION ITEM: Fr. Michael will contact the Treasurer of the Diocese of Washington and New York to discuss having the diocese cover a greater portion of the Metropolitan's compensation.

ACTION ITEM: The Finance Committee and Fr. Michael will work to draft two versions of the 2009 budget, one based on a "per capita assessment" assessment of \$105.00 per person and one based on \$90.00 per person. In the presentation of this budget it must be explained that it is the diocese that is responsible for meeting the per capita assessment; this is one of the diocese's operating expenses. It was also stressed that budgets line items for ministries should focus on specific "deliverables" rather than on ministry categories.

ACTION ITEM: Fr. Matthew Tate will arrange a telephonic meeting of diocesan treasurers to review and discuss the 2009 budget.

5. Property Review (see attached)

In the report on the Oyster Bay Cove property review, Fr. Eric Tosi said that realtors who have been consulted have recommended that the only action to be considered in the current market would be to sell off several acres in the back of the estate, that

were previously zoned for housing development. Consensus was that more study is necessary before taking any action on the Oyster Bay Cove property.

MOTION (D. Solodow/G. Nescott): Receive report and thank Dn. Zarras, Frs. Tosi, Tassos CARRIED UNANIMOUSLY

6. Charity Report: Fr. John Reeves (see attached)

MOTION (Fr. J. Reeves/W. Peters): To accept Fr. Reeves' report, with recommendations, as presented.

7. Investments

Investment Board Chair, Fr. Philip Reese, said he will follow up with his committee and chancery administration, in light of the Metropolitan Council's decisions to move the Church's investment funds.

8. Organizational Task Force

Robert Kornafel stated that the Organizational Task Force feels that it has completed its work and has "handed the baton" over to the members of the Chancery administrative team. He shared with the Metropolitan Council the confidence and sense of hope that all the members of the Task Force have in the individuals selected for the four administrative positions at the OCA Chancery.

MOTION (G. Nescott/Fr. J. Reeves): The members of the Metropolitan Council offer their thanks to the Organizational Task Forcer for their work in many areas over the past years. CARRIED UNANIMOUSLY

In other old business it was noted that pending items from the Spring 2008 meeting and other tabled items and motions that were not addressed at this meeting be added to the agenda of the Metropolitan Council's next meeting. It was also noted that the Metropolitan Council Audit Committee is still vacant and it is extremely important that this committee be reconstituted and reactivated as soon as possible.

9. New Business – Metropolitan Council Resolutions

Regarding the resolutions concerning fiduciary responsibility, it was noted that the spirit of these motions must be one of sadness and duty, rather than in a spirit of judgment or retribution.

9.1. Resolution (Fr. J. Reeves/G. Nescott):

Whereas the Holy Synod and the Metropolitan Council of the Orthodox Church in America established the Special Investigative Committee to investigate allegations of gross financial mismanagement over the past two decades;

And whereas members of the Metropolitan Council are bound to exercise due fiduciary care in the execution of their duties;

And whereas Dr Alice Woog was a member of the Metropolitan Council for the past thirteen years and was a member of the Administrative Committee;

And whereas Dr Woog declined to be interviewed by the Special Investigative Committee;

BE IT THEREFORE RESOLVED that Dr Alice Woog is hereby removed from her membership on the Metropolitan Council effective immediately, pursuant to New York State Law. CARRIED UNANIMOUSLY

9.2. Resolution (Fr. J. Reeves/G. Nescott):

Whereas the Special Investigative Committee appointed by the Holy Synod and the Metropolitan Council of the Orthodox Church in America upon consideration of evidence and testimony given in the course of their investigation did determine that Frs. Paul Kucynda, Dimitri Oselinsky and Stavros Strikis failed to exercise due fiduciary responsibility in the exercise of their service as officers and/or employees of the Central Administration of the Orthodox Church in America;

And whereas Frs Paul Kucynda, Dimitri Oselinsky and Stavros Strikis have been reprimanded by the Holy Synod of the Orthodox Church in America for these failures;

And whereas the Metropolitan Council has the fiduciary responsibility to exercise due care in its oversight of the administration of the Orthodox Church in America by determining the qualifications of its officers, directors, employees and appointees;

BE IT THEREFORE RESOLVED that Frs Paul Kucynda, Dimitri Oselinsky and Stavros Strikis are hereby deemed permanently ineligible for election or appointment to any future position of trust or office in the administration or administrative bodies under the purview of the Central Administration of the Orthodox Church in America;

AND BE IT FURTHER RESOLVED that we respectfully recommend similar actions be taken by their respective hierarchs and diocesan councils apart from their current parish or monastic assignments at the diocesan level. **CARRIED UNANIMOUSLY**

9.3. Resolution (Fr. J. Reeves/D. Solodow):

Whereas the Metropolitan Council adopted Recommendation #6 of the Special Investigative Committee "to seek recovery of funds from (Metropolitan Theodosius)... immediately...";

BE IT THEREFORE RESOLVED that the Legal Committee of the Metropolitan Council in consultation with the General Counsel of the Orthodox Church in America is directed to consider the legal ramifications of and possibility for garnishing of the pension funds and/or the deferred compensation of Metropolitan Theodosius (Lazor) as partial or total fulfillment of Recommendation #6;

AND BE IT THEREFORE FURTHER RESOLVED that the Legal Committee present its findings and its recommendations for possible action on this matter to the Metropolitan Council at its spring 2009 meeting.

CARRIED with one with one vote in opposition: OCA Treasurer, Fr. Michael Tassos.

9.4. Resolution (G. Popovich/Dn. J. Zarras): That the SIC be mandated to continue their work on the completion of a final draft of their report, for publication no later than the 2009 Spring Meeting of the Metropolitan Council. **CARRIED UNANIMOUSLY**

9.5. MOTION (G. Nescott/W. Peters): MC notes and thanks those MC members whose membership is coming to an end or might be coming to an end for all of their work over these difficult years: Frs. G. Hasenecz, G. Safchuk, J. Tkachuk, M. Tate, C. White; Dr. R. Schneider, Dr. F. Skordinski, R. Kornafel, Dr. R. West.
CARRIED UNANIMOUSLY

MOTION to adjourn Fr. J. Reeves

Meeting adjourned 2:45 PM