



Minutes of the 2008 Spring Metropolitan Council Meeting

Monday, March 31- Wednesday, April 2, 2008

Monday, March 31, 2008

Prayer Service: 7:00 PM

1. Roll Call

His Beatitude, Metropolitan Herman
Archpriest Alexander Garklavs

Priest Michael Tassos

Members Elected by the All-American Council

Archpriest Theodore Boback
Archpriest Gregory Safchuk

Eleana Silk
Dr. Faith Skordinski
Dr. Alice Woog

Members elected by Dioceses

Albanian Archdiocese

Archpriest Matthew Searfoorce

William Peters

Archdiocese of Canada

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

Gregory Nescott

Also present:

Archpriest Andrew Jarmus
(*recording secretary*)

Guests present for portions of the meeting:

Archpriest Paul Suda
Archpriest Michael Westerberg

Jon Ward
Al Wetmore
Carol Wetmore

Absent: Archpriest Constantine White; Archpriest John Tkachuk; Archpriest John Reeves

Note: Fr. John Reeves was absent from the meeting because he was attending the funeral of his father. The members of the Metropolitan Council extend their prayerful condolences to Fr. John and his family.

**2. Approval of Archpriest Andrew Jarmus as Recording Secretary:
APPROVED BY CONSENSUS**

3. Approval of Agenda

**MOTION--Fr. J. Onofrey/E. Silk: Motion: to accept with additions.
CARRIED UNANIMOUSLY**

4. Address of His Beatitude, Metropolitan Herman – *see Attached.*

5. Approval of Minutes

5.1.1. Approval of Minutes of 2007 Fall Metropolitan Council Meeting (Oct. 16 – 17, 2007)

5.1.1. MOTION: P. Bohlender / Robert Kornafel: To accept the Minutes of the 2007 Fall Metropolitan Council Meeting. CARRIED UNANIMOUSLY

5.2. Approval of Minutes of January 12, 2008 Metropolitan Council Teleconference

The following typographical corrections were noted in the January 12, 2008 Minutes:
Page 3, paragraph 2.5 – misspelling of “Kondraticks”, “Safchuk”, “Skordinski” and “Garklavs”;

Page 5, paragraph 4.3 – misspelling of “Garklavs” and “Makosky”.

5.2.1. MOTION: G. Popovich/P. Bohlender: To accept Minutes of January 12, 2008 Metropolitan Council Teleconference as amended. CARRIED UNANIMOUSLY

6. Report of Chancellor, Archpriest Alexander Garklavs

Fr. Alexander reported that since the 2007 Fall Metropolitan Council meeting his work has largely involved addressing the pressing issues that have come up in recent months, in particular the Kondratick lawsuit and the situation in the Diocese of Alaska. Two matters from the January 12, 2008, Metropolitan Council teleconference were to be discussed at this meeting of the Council; they are the following.

6.1. Confidentiality of Metropolitan Council meetings

Dr. Faith Skordinski informed the Council that she brought up the issue of confidentiality at the teleconference because of an incident when her emails, which were copied to all Council members, were forwarded to sources outside of the Council. These were sent as executive communications, not for publication. Council members should feel confident that their internal communications will be kept within the scope of those initially addressed. At the same time, though, we need to be as transparent as possible to the faithful. The challenge is to create a balance between executive communications that should be kept internal and sharing information with the wider membership of the Church and the general public.

In discussion Metropolitan Council members stressed that in our current situation, when we are trying to rebuild the trust of our membership, the last thing we should do create more barriers. There are two areas where confidentiality is necessary: pending legal matters and personnel matter dealing with discipline or other personal situations. Discussion on all other matters should be as open as possible.

When necessary, the Council can agree to go into executive session. Any discussion or decisions made in executive session are kept confidential, unless otherwise indicated. It was noted, however, that Council members should be careful that this privilege does not get abused. One of the root causes of the challenges that the OCA faces today is an abuse of secrecy.

It was noted that in reporting Metropolitan Council business, there should be a distinction made between matters of fact—such as the content of reports or decision reached by the Council—and the opinions. It becomes problematic when opinions are reported as matters of fact.

In the course of this discussion it was pointed out that Metropolitan Council members who came on after the first Special Investigating Commission presented their report to the Council have not yet seen the report. This matter was addressed, specifically and in general, in the following two motions.

6.1.1. MOTION -- F. Skordinski / Fr. M. Tate: Members new to the Metropolitan Council that have not had an opportunity to review the Special Investigative Commission report of March 2007 should have access to it for review. CARRIED UNANIMOUSLY

6.1.2. MOTION D. Solodow / Fr. M. Tate – As a matter of policy, new members of the Metropolitan Council must be routinely brought up to date with issues that the Metropolitan Council are addressing and they will be provided access to materials related to these issues. CARRIED UNANIMOUSLY

6.2. Authority of Metropolitan Council teleconferences

Fr. Alexander said that during the January teleconference a question was raised regarding the authority of Council decisions made during teleconferences. He said that Fr. Andrew Jarmus, had found the following article in New York State law dealing with Not-for-Profit Corporations related to meetings by teleconference:

Section 708 (c): “When authorized by the certificate of incorporation or the by-laws, any one or more members of the board or any committee thereof may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.”

Based on this article, a resolution should be prepared for the AAC to add participation at meetings via telecommunication devices to the Statute; this motion should cover the Metropolitan Council, the Holy Synod and Church Committees. Meetings by teleconference, however, should only be used in special or emergency circumstances. They do not replace regular in-person meetings.

6.2.1. MOTION – G. Nescott / G. Popovich: That the Metropolitan Council charge the 15th All-American Council Preconciliar Commission and Resolutions Committee with preparing an amendment to the OCA Statute permitting meetings of Church bodies via telecommunications technology, and that this amendment be reviewed by Church legal counsel before being presented at the All-American Council. CARRIED UNANIMOUSLY.

6.2.2. MOTION – G. Nescott / Fr. T. Boback: That the Metropolitan Council formally ratify the actions taken in the Metropolitan Council teleconference January 12, 2008. CARRIED UNANIMOUSLY

6.3. Report on Diocese of Alaska

Metropolitan Council members discussed at length the situation in the Diocese of Alaska, including the visit of Fr. Alexander Garklavs, when he was appointed Diocesan Administrator, and the decision of the Holy Synod at their March 27, 2008 meeting. All present were of one mind in their understanding of the gravity of the situation in Alaska and their hope that the situation there be resolved as quickly as possible.

Fr. Alexander said there are numerous layers to concerns and complaints regarding the situation in Alaska. His primary objective in traveling there was to offer administrative support to the Diocese. His Beatitude, Metropolitan Herman explained that the information that Fr. Alexander received on the situation there was presented to him in a written report. This report was subsequently forwarded to the two hierarchs that are going to Alaska, His Eminence, Archbishop Nathaniel and His Grace, Bishop Tikhon. His Beatitude said that the other members of the Holy Synod will also receive the report.

The Metropolitan Council expressed particular concern over the act of lifting His Grace, Bishop Nikolai’s leave of absence. His Beatitude responded by saying that the Holy Synod understands that this is a great concern; the Synod is proceeding in a way that offers due canonical process keeping in mind that the season of Great Lent is a time for healing and unifying the Church. He further assured the Council that any retaliatory action taken by Bishop Nikolai will be reviewed by the Holy Synod.

The Metropolitan Council also heard that the dismissal of the Metropolitan Council representatives from the Diocese of Alaska that were elected at a clergy assembly convened by Fr. Garklavs were dismissed by Bishop Nikolai because His Grace said that they were not elected according to proper diocesan procedure. It was noted that the clergy representative that had been elected, Archpriest Michael Oleksa, was in the New York area. Responding to the suggestion that Fr. Michael be invited to attend this session of the Metropolitan Council as a guest, His Beatitude said that Fr. Michael had indicated he did not wish to attend the meeting. Metropolitan Herman also told the Council that Fr. Michael was scheduled to return to Alaska the next morning.

Fr. Michael Matsko stated that, in addressing the situation in Alaska, there is a difference between procedural norms and canonical process. Procedural norms governing allegations of abuse are outlined in the document “Policies, Standards, and Procedures of the Orthodox Church in America on Sexual Misconduct,” approved by the Holy Synod in April 2003. Included in this document is the directive that such allegations be investigated by a team of authorized and qualified individuals. This procedural norm would be in effect for an allegation against someone in any of the clerical ranks.

Canonical process regarding a hierarch would come into effect only when and if it was deemed necessary to take disciplinary action against him; this canonical process, though, does not preclude an investigation by qualified professionals, clergy or lay. The OCA’s abuse policies, which were prepared and published by the Holy Synod, are in agreement with the spirit of our canonical tradition. Noncompliance with our established policies and procedures addressing allegations of abuse could have implications on insurance and other issues.

Discussion on the OCA’s sexual abuse policies also addressed the OCA's Office for the Review of Sexual Misconduct Allegations. Council members were in agreement that it would be beneficial to have an advisory board to assist the Office and Church leadership in addressing allegations of sexual abuse in a most appropriate manner; however, it was determined that further work is needed on the proposal before the Metropolitan Council forms such a board.

For the information of the Council, Fr. Alexander Garklavs read the statement of the Faculty of St. Vladimir’s Seminary regarding the state of the OCA at this time and in particular the situation in Alaska.

Motions and action item arising from discussions on the Diocese of Alaska (both at this time and later in the meeting):

6.3.1. MOTION – G. Nescott/F. Skordinski: The Metropolitan Council notes its support of the efforts of Archpriest Alexander Garklavs in his recent fact-finding mission to Alaska, and strongly commends Fr. Garklavs for the obvious sensitivity and rapport he exhibited in dealing with the people of the Church in Alaska, and his heartfelt letter to the clergy in Alaska following the decision last week of the Holy Synod to release Bishop Nikolai from his leave of absence. CARRIED UNANIMOUSLY

6.3.2. MOTION – G. Nescott / P. Bohlender: To approve the publication of the following statement on the diocese of Alaska and to post it immediately on the OCA.org web site:

After long and heartfelt discussion during our meeting March 31 to April 2, 2008, the Metropolitan Council recognizes that the current crisis in Alaska is a source of paralyzing dysfunction in our whole Church. This problem requires careful investigation and consideration of fact, and we fully understand that the competency to take such action rests with the Holy Synod to bring it to a decisive outcome without delay.

Taking account of the anxieties, fears and pain of the Orthodox faithful of Alaska, and the deep concern expressed by all the faithful of the Orthodox Church in America, the Metropolitan Council is profoundly disappointed by the Holy Synod's decision to lift the leave of absence of His Grace, Bishop Nikolai before a proper solution has been determined, and respectfully asks our hierarchs – in faith, hope and love – to immediately reverse this decision.

CARRIED UNANIMOUSLY.

6.3.3. ACTION ITEM: Fr. M. Matsko will develop a proposal of an abuse investigation advisory board, in consultation with Dr. D. Solodow, and report to the Council at the Metropolitan Council's next meeting.

Session adjourned at 10:02 p.m.

Tuesday, April 1, 2008

Session opened at 9:30 a.m.

7. Report from Pension Board

V. Rev. Michael Westerberg, Pension Plan Group Leader and Trustee reported that as of March 31, 2008, pension investments totaled over \$25 million. Although the Plan was funded at about 106% in 2000, the market slump has led to the Plan being funded at 98.6% today.

Earlier this year the Pension Plan was submitted for an IRS Determination. Although this is not mandatory, the Board submits the Plan for a Determination periodically to assure that the plan falls within IRS regulations. The last time a Determination was submitted was 2002, at which time a positive response was given. A letter from the Pension Office was issued to plan members notifying them that this Determination was in process.

Metropolitan Council members also reviewed proposed amendments to the Plan – *see Attached.* These amendments have to do with the Plan’s administration and will not affect the plan recipients in any way.

Fr. Michael Tassos, OCA Treasurer, noted that the last Pension Plan Audit Report from Lamos, Labrides stated that their report was not prepared in accordance with Generally Accepted Accounting Principles (GAAP) because they did not have actuarial reports for both of the years under audit. Furthermore, he stated that the report did not follow guidelines outlined by the American Institute of Certified Public Accountants' *Guide for Not for Profit Organizations* since it did not specifically address whether or not the fund was actually over or under funded. Some discussion ensued and Fr. Michael Westerberg requested that Fr. Michael Tassos express his concerns in writing to the Pension Board so that they could be more fully considered. Fr. Michael Westerberg stated that the actuarial reports are completed every two years and an additional report is prepared for the year prior to the All American Council. Fr. Michael Tassos explained that the reason the report did not follow GAAP was because the reports were not comparable from year to year and the auditor's opinion is on both the year under examination as well as the prior year.

In discussing the Pension Plan Metropolitan Council members expressed the desire to ensure that OCA priests serving outside the USA, where laws prohibit them from being part of the US Church Plan, have access to pension benefits of a similar nature.

Motions and action item arising from discussion on the Pension Board report:

7.1. MOTION: A. Woog / Fr. M. Sherman: To accept all four proposed amendments presented to the Metropolitan Council. CARRIED UNANIMOUSLY

7.2. MOTION -- G. Nescott/G. Popovich: That the Metropolitan Council strongly recommends to the Pension Board that they consider initiating actuarial reports of the OCA Pension Plan on an annual basis in order to have the Plan’s external audit reports comply with GAAP. CARRIED UNANIMOUSLY

7.3. ACTION ITEM: Fr. Michael Tassos will communicate his questions and concerns about the OCA Pension Plan in writing to Fr. Michael Westerberg for discussion and review.

8. Report of OCA Auditors on the Financial Report for Year 2007: Fr. Paul Suda

Fr. Paul Suda noted that the previous financial management procedures at the Chancery were “cumbersome” and in particular did not offer enough clarity regarding the source and location of funds received.

He also commented that the Quickbooks financial software implemented by Fr. Tassos has significantly increased the efficiency of Church financial operations. Fr. Michael explained that the challenge with the Blackbaud software is that it is very sophisticated and staff will require extensive training to use it effectively. Because of the necessity to produce the 2007 financial reports in a timely manner, Quickbooks became an efficient alternative. There is nothing wrong with the Blackbaud software, Fr. Michael said; he is now considering a strategy for its future use at the Chancery.

During Fr. Paul Suda's report discussion ensued regarding the audit committee's examination of the pension plan. Fr. Suda's report noted a comment in the actuarial report regarding an unfunded liability however this comment from the actuarial firm was taken out of context. Fr. Michael Westerberg pointed out that the Pension Plan's returns are significantly over the S&P 500. After some discussion a recommendation was made that the OCA Audit Committee consider modifying its report in order to clarify their comments on this point. Fr. Paul Suda agreed to work with Fr. Michael Tassos to modify the section of the Audit Committee's report concerning the Pension Plan.

Metropolitan Council members also engaged in a discussion about the qualification of individuals elected as auditors by All-American Councils. It was stressed that, in order to ensure that the audit process is consistent and accurate, auditors should have necessary financial training and experience and there should be a standardized procedure for conducting audits.

On a related note, Fr. Mark Sherman pointed out that the Metropolitan Council Audit Committee is currently vacant. A Council member is needed to step forward take on this responsibility.

Motions and action item arising from discussion on the Auditors' report:

8.1. MOTION – D. Solodow / Fr. M. Tassos: That OCA General Legal Counsel, once retained, be asked to offer advice on the relationship between the Pension Board and the OCA. CARRIED UNANIMOUSLY.

8.2. MOTION – D. Solodow / G. Popovich: In absence of a Metropolitan Council audit committee that the Treasurer be charged with drafting a list of minimum qualifications for auditors to be elected at the upcoming All-American Council. CARRIED UNANIMOUSLY

8.3. MOTION – D. Solodow / Dcn. J. Zarras: As a routine process for the OCA Audit Committee that the audit is conducted in a standardized fashion established by the OCA Treasurer, and that: (1) the Committee's draft report is shared with the entity being audited; (2) the content be discussed by the audit committee and the entity, and (3) that the audit report be presented to the Metropolitan Council by the audit committee and the entity together.

8.3.1. MOTION TO TABLE MOTION 8.3 – A. Woog / R. West: Motion to table the above motion in order to develop proper wording. CARRIED UNANIMOUSLY.

8.4. ACTION ITEM: Fr. Paul Suda will work with Fr. Michael Tassos on a release that will clarify this matter to be communicated to the membership of the Church.

8.5. ACTION ITEM: The auditors will work out the issue of this discrepancy between the Pension Board and Fr. M. Tassos and resubmit a report on the status of the Pension Plan.

8.6. ACTION ITEM: That the Preconciliar Commission be advised to nominate individuals with proper financial training and background to serve on the Audit Committee to be elected at the AAC in November.

8.7. ACTION ITEM: That OCA Communications publish a release stating that the OCA is seeking qualified individuals to serve on the Audit Committee to be elected at the upcoming AAC recommending that this be taken into account when parishes are selecting Council delegates.

9. Report of Treasurer, Priest Michael Tassos -- *see Attached.*

Fr. Michael's gave an extensive report on the financial status of the Church.

When asked if he was confident that there are sufficient financial controls to prevent any potential mismanagement of OCA funds, Fr. Michael said that the vast majority of controls are in place, but this does not mean that the system does not require supervision. There are still policies that need to be put in place for some of the day-to-day practices and he is working with the Audit Committee to draw up a list of them.

In future financial reports, Council members requested that Fr. Michael Tassos include a listing of salaries and benefits for all Chancery managers.

A question was raised about financial status of St. Catherine's Representation Church in Moscow, Russia. Fr. Michael stated that as the rector is paid a salary by the Church, and that is the official representative of the OCA in Russia, that financial affairs of St. Catherine's should be reported in the Church's books. This is a matter for further consideration.

At the request of Fr. Tassos, the Metropolitan Council discussed the need of Fr. Michael to work as Treasurer remotely from California for a time while he tends to personal matters there. Fr. Michael said that there will be need for on-site coordination, but he does believe that this situation is workable and viable. It was noted that this would not remain open-ended. Council members noted that the idea of a part-time Treasurer was discussed previously by the Metropolitan Council, on the recommendation of the Finance Committee, and that it was determined to be an acceptable possibility.

Responding to the question of who would sign checks while he is in California, Fr. Michael said that he would co-sign checks twice a month from California; His Beatitude would be able to co-sign checks for incidental expenses that come up.

Fr. Michael's report contained a number of recommendations regarding disbursement of OCA appeal funds – see motions 9.3 to 9.7 below.

The report also listed a number of the following action items that were discussed by the Council. Discussion on these actions items was as follows – motions 9.9 to 9.13 address these action items.

Responding to Fr. Tassos' Item 1, Approval of Weiser LLP as external auditors of the 2007 Financial Report, Metropolitan Council members engaged in an extensive discussion on the necessity of a full audit on an annual basis and the costs associated with it. It was agreed that although this will mean a significant expense to the Church, it is an unavoidable part of demonstrating to Church membership the Council's serious commitment to get the OCA on a proper track financially.

It was the position of the Council that Item 3, the recommendation to move the OCA's portfolio from Wachovia Securities to Honesdale National Bank, required more due diligence before a decision is made. Fr. Tassos will work with the Investment Committee to determine further details of such a move, including potential penalties and other possible locations for moving investments, before this item is addressed.

Council members engaged in a lengthy discussion about Item 4, the formation of a committee to evaluate current Chancery estate and possibly consider other locations for the Chancery. It was agreed that this subject is part of a broader strategic plan determining the role of the Chancery in the wider life of the Church; however, it was noted that this motion would help quantify the costs of keeping the Chancery in its current location or moving, which would help determine future plans. Pursuant to discussion, Item 4 was amended as follows:

“Item 4: Approval to create a committee to evaluate the current chancery estate

“The current location in Syosset comes at a considerable cost. While the current estate is quite beautiful, we are currently not in a position to provide for its proper renovation. The property assessment from the city of Oyster bay is approximately \$40,000 per year and the general maintenance of the building and property is a minimum of another \$150,000 per year. Furthermore, the annual interest cost on the Honesdale National Bank loan is over \$136,000 per year and we still have at least another ten years to pay off the loan.

“The purpose of this committee would be to evaluate all of the costs of locating the OCA Chancery in Oyster Bay Cove, NY. The Co-chairs of this Committee will be Fr. Michael Tassos and Deacon John Zarras.”

Discussing Item 5, the creation of a committee to review possible areas of cooperation with other Orthodox jurisdictions, the Council agreed that it was best to take manageable steps, with a priority for success over speed (see Motion 9.11.).

Motions and action items arising from the Treasurer's report:

9.1. MOTION – D. Solodow / F. Skordinski: That, effective April 1, 2008, while Fr. Michael Tassos attends to personal matters with his family, with the intention of moving his family to the New York area as soon as possible, the Metropolitan Council approve him working as OCA Treasurer on a part-time basis, at the most up to the time of the AAC, while he is located in California, and that while doing so his compensation include a monthly salary of \$3500.00 per month plus full benefits coverage.

CARRIED UNANIMOUSLY

9.2. MOTION: Fr. M. Tate / G. Popovich: Given that the Church has already exceeded its budgeted legal expenses for 2008, the 2008 budget line item for legal expenses be raised to \$125,000.00. CARRIED UNANIMOUSLY

9.3. MOTION [re: disbursement of 2007 Seminary Appeal funds] — Fr. M. Tate / D. Solodow: That the Metropolitan Council distribute one third of the funds received in the 2007 Seminary Appeal to St. Vladimir's Seminary and one third to St. Tikhon's Seminary, and that the remaining third be set aside for St. Herman Seminary, but that it not be distributed at this time. CARRIED UNANIMOUSLY

9.4. MOTION [re: initiating payments to the 9/11 Emergency Fund] — G. Nescott/Fr. M. Sherman: That the OCA begin disbursing the balance of the 9/11 appeal monies collected, with the first \$25,000 being disbursed as a general line item this fiscal year. CARRIED UNANIMOUSLY

9.5. MOTION [re: disbursement of the Alaska Clergy/Parishes Fund] — Fr. G. Safchuk/ Fr. M. Matsko: That the \$3,000.00 Alaska Clergy/Parishes Fund be made available to Alaska clergy through His Eminence, Archbishop Nathaniel and His Grace, Bishop Tikhon to help defray travel costs of those desiring to meet with them. CARRIED UNANIMOUSLY

9.6. MOTION [re: disbursement of the Chechen Orphan Relief Fund] — Fr. M. Tate/G. Popovich: That the remaining \$3000.00 in the Chechen Orphan Relief Fund be made available to orphanages in Chechnya. CARRIED UNANIMOUSLY

9.7. MOTION — Deacon J. Zarras/ Fr. P. Reese: That the Charity Committee be authorized to work with Fr. Tassos on the distribution of the remaining designated appeal funds outlined in the Treasurer's Report. CARRIED UNANIMOUSLY

9.8. MOTION — D. Solodow / E. Silk: To accept Fr. Michael Tassos' financial report as presented. CARRIED UNANIMOUSLY

9.9. MOTION [re: Action Item 1] — D. Solodow / Fr. M. Searfoorce: That the Metropolitan Council approve Weiser LLP as external auditors of the 2007 Financial Report, with a limit of \$65,000.00 in audit costs. CARRIED UNANIMOUSLY

9.10. MOTION [re: Action Item 2] – G. Nescott / Dn. J. Zarras: That the Charity Committee's proposed guidelines for the distribution of charitable funds received by the Church be approved with the inclusion of OCMC as another organization supported in item number 1. CARRIED UNANIMOUSLY

9.11. MOTION [re: Action Item 5] – Fr. M. Tate/ F. Skordinski: That the Metropolitan Council establish an *ad hoc* committee Co-haired by Frs. Matthew Tate and Andrew Jarmus to conduct preliminary bilateral discussions with the Antiochian Orthodox Archdiocese of North America and possibly other Orthodox jurisdictions to explore the viability of cooperation in conducting our North American ministries with the goal of enhancing their effectiveness and financial viability. CARRIED UNANIMOUSLY.

9.12. MOTION – F. Skordinski / Fr. M. Matsko: To approve Action Item 4 as amended (see page 9). CARRIED UNANIMOUSLY

9.13. ACTION ITEM: Fr. Tassos will work with the Investment Committee to determine further details of such a move, including potential penalties and other possible locations for moving investments.

10. Report of *ad hoc* Legal Committee

The *ad hoc* Legal Committee's report included discussion on the following agenda items:

- **Presentation by Jon Ward:**
- **Summary of Kondratick lawsuit**
- **Further Legal Action against Kondratick**

10.1. MOTION—Fr. M. Tate/G. Nescott: That for discussion on the Kondratick lawsuit and further action against Kondratick the Metropolitan Council go into executive session. CARRIED UNANIMOUSLY

NOTE: Fr. Gregory Safchuk and Dr. Alice Woog left the meeting for the discussion of the Kondratick issues.

While in executive session, Mr. Jon Ward reviewed steps taken in the Elizabeth Kondratick case to-date, and suggested possible outcomes of the lawsuit. He also suggested possible avenues of further action against Robert S. Kondratick. One possibility would be to commence a civil action against Mr. Kondratick. Council members discussed this option at length, considering especially the cost factors involved against potential gains. Resulting from their discussion the Council passed Motion 10.3, which was recorded in the minutes out of executive session.

10.2. MOTION — Fr. M. Searfoorce/ Fr. P. Reese: To come out of executive session. CARRIED UNANIMOUSLY

10.3. MOTION—Fr. M. Sherman/D. Solodow: That, subject to the approval of the Holy Synod, the Metropolitan Council hereby authorizes the law firm of Sahn, Ward and Baker to commence a civil action against Robert S. Kondratick and family members for monetary damages arising out of their relationship with the Church. CARRIED UNANIMOUSLY

Related to the work of the *ad hoc* Legal Committee, the Council members also discussed a proposal for forming Permanent Metropolitan Council Legal Committee

Responding to the positive work of the *ad hoc* legal committee formed in January to work on the Kondratick lawsuit which ceased its functioning at this meeting, the Metropolitan Council passed the following motions.

10.4. MOTION – G. Nescott / Fr. M. Searfoorce: Be it resolved, that a Metropolitan Council Legal Committee, consisting of at least three to five members is hereby established. Such committee shall between meetings of the Metropolitan Council act for and on behalf of the Metropolitan Council to discharge its legal responsibilities. The Legal Committee shall work in conjunction with the General Counsel and members of the Central Administration. Responsibility for major policy and legal decisions, such as initiation of litigation and settlement of litigation, shall be retained by the Metropolitan Council as a whole. The Legal Committee shall fully and promptly report to the Metropolitan Council its activities and decisions between meetings, and

Be it further resolved, that the Legal Committee shall act by majority vote. The Legal

Committee may act by telephonic meeting or consent evidenced in writing or e-mail, or such other means that the Legal Committee shall determine to be useful or appropriate. CARRIED UNANIMOUSLY

10.5. MOTION – Fr. M Sherman / W. Peters: That Mr. Gregory Nescott be appointed the Chair of the Metropolitan Council Legal Committee. CARRIED UNANIMOUSLY

10.6. MOTION: G. Nescott/ D. Solodow: That two of the attorneys who served on the general counsel search committee Sergei Givotovsky and Angela Parks, be named as members of the Legal Committee. CARRIED UNANIMOUSLY

11. Report of the Director of Ministries and Communications

Archpriest Andrew Jarmus updated Council members on the activities of the OCA's ministry departments. He said that he is currently reviewing all departments and offices under his supervision and, where necessary, will be making recommendations for possible changes in the near future.

Fr. Andrew presented the second draft of a proposed protocol concerning communications between the Metropolitan Council and central administration personnel. One amendment was made: that response time for inquiries from Metropolitan Council members be changed to three business days – *see Attached*.

The Metropolitan Council reviewed a proposal to partner with St. Vladimir's Seminary Press in the publication of materials printed by the Orthodox Christian Publications Center. The Council decided that further details are required before making a decision on this proposal.

Metropolitan Council members discussed the issue of Chancery administrative staff visiting parishes and deaneries. Although not specifically in their job descriptions, it was agreed that this type of in-person contact is an important aspect of communications and public relations for the new administrative team. It was noted, however, that such travel should not be done if it becomes a burden financially.

Related to the area of communications, it was mentioned that during the course of recent Metropolitan Council meetings a number of new policies have been established. From this concern the following motion was made. It was the will of the Metropolitan Council that these policies be published on the OCA web site.

Motions arising from discussion on Fr. Andrew's report:

11.1. MOTION: A. Woog / Fr. J. Onofrey: To accept the proposed Communications Protocol as amended. CARRIED UNANIMOUSLY

11.2. MOTION Dn. J. Zarras / Fr. M. Sherman: That Fr. Andrew further examine the possibility of OCPC partnering with St. Vladimir's Seminary Press and present more detailed information to the Metropolitan Council. CARRIED UNANIMOUSLY

11.3. MOTION: E. Silk/ D. Solodow: That a booklet of new policies established by Metropolitan Council policies be published. DEFEATED

12. Report of Special Investigative Committee

12.1. MOTION – D. Solodow / Fr. M. Sherman: To go into executive session. CARRIED UNANIMOUSLY

During executive session, Dr. D. Solodow gave an update of the Special Investigating Committee's activities to-date and its continuing work.

12.2. MOTION: Fr. M. Searfoorce/ G. Popovich: To come out of executive session.

13. Report of General Counsel Search Committee – G. Nescott

Mr. Nescott reported that 11 candidates were considered for the position of OCA General Legal Counsel. A short list of four candidates was selected for interviews. The Committee quickly and unanimously agreed that the most qualified applicant was the New York firm of Eaton, Van Winkle, with Thaddeus Wojcik as lead counsel. It was particularly Mr. Wojcik that impressed the search team. He is a dedicated Orthodox Christian in a New York firm, with solid experience in not-for-profit law, corporate governance, and compliance with best practices guidelines.

A question was raised as to whether Jon Ward would continue representing the Church in the Kondratick matter after the hiring of general counsel. This matter will be reviewed with general counsel once selected. However, it was recommended that Mr. Ward continue with the suit, as it did not seem reasonable to engage new counsel after Mr. Ward has already gone this far in the suit, at considerable expense to the OCA.

Fr. Alexander Garklavs thanked the search committee members from the Metropolitan Council, Fr. Matthew Searfoorce and Mr. G. Nescott, and asked Fr. Matthew to convey the thanks of the Council to the other members of this "blue ribbon" search committee.

13.1. MOTION— G. Nescott / P. Bohlender: That the Metropolitan Council endorse Mr. Thaddeus Wojcik as General Legal Counsel for the Orthodox Church in America, subject to approval of the Holy Synod. CARRIED UNANIMOUSLY

14. Organizational Task Force Report – Carol Wetmore

Ms. Wetmore reported that since the administrative team had come on board the Task Force has pulled back their activity, functioning in a consultative capacity with the administrative team.

At the last meeting of the Metropolitan Council the Task Force was tasked with reviewing and classifying the work of the two central administration personnel living in South Canaan, PA: Archdeacon Alexei Klimechev and Mr. Martin Paluch. Their duties were classified and compared with federal pay schedules that apply to that area of the state. The findings of the Task Force were that the work and compensation of these two South Canaan personnel are in order.

One of the last mandates of the Task Force was the drafting of human resources policies for Chancery personnel. This draft is now pending review by a labor attorney. The Metropolitan Council commended the Task Force for their work on the HR Policies.

In discussing the Organizational Task force report, Dr. Dimitri Solodow presented at motion creating an “Organization and Leadership Committee”. After much discussion the Council asked Dr. Solodow to withdraw the motion and further develop the resolution in consultation with Task Force Chair, Robert Kornafel.

During the Organizational Task Force report, the name of a candidate for OCA Secretary was presented by Fr. Andrew Jarmus, who chaired the Secretary Search team. Fr. Andrew reported that of the eight applicants, a short list of three was selected for interviews. These three were interviewed by telephone by the whole search team and then in-person by Fr. J. Onofrey and Dr. F. Skordinski. As a result of this process and their deliberations, Archpriest Eric Tosi was presented as the candidate for OCA Secretary. The team felt that Fr. Eric possessed the best combination of skill set, experience and vision for the position.

14.1. MOTION – Dr. R. West / Fr. G. Hasenecz: That, subject to the approval of the Holy Synod, the Metropolitan Council endorse Archpriest Eric Tosi as Secretary of the Orthodox Church in America. CARRIED UNANIMOUSLY

14.2. ACTION ITEM: Dr. D. Solodow will work with Robert Kornafel to further develop his motion regarding the development of a Metropolitan Council “Organization and Leadership Committee”.

15. Ethics Committee Report

15.1. Ethics Committee Policy and Procedures – see Attached.

Council members reviewed a report from Ethics Committee Chair, Archpriest Mark Sherman outlining policies and procedures concerning the Committee and the presentation of ethics concerns.

15.1.1. MOTION G. Nescott/ D. Solodow: Adoption of Ethics Committee Policies and Procedures as presented. CARRIED UNANIMOUSLY

15. Ethics Committee Report (continued)

NOTE: The remainder of the Ethics Committee Report was discussed after “New Business” on Wednesday morning.

15.2. Summary of Pending Ethics Concern – see Attached

Council Members reviewed the summary of an ethics concern regarding the process of hiring and releasing of Paul Bodnar as OCA Secretary. It was noted that although future reports may not be publicized in full, this particular concern should be made public.

15.2.1. MOTION: Fr. M. Searfoorce / Fr. M. Tate: To accept the Ethics Committee report on the Ethics Committee Concern regarding Mr. Paul Bodnar and to post it on the OCA.org web site. CARRIED UNANIMOUSLY

Fr. Alexander thanked members of the Ethics Committee for their work. Members of the committee highlighted the work of Fr. Mark Sherman.

Session adjourned at 10:25 p.m.

Wednesday, April 2, 2008

Session opened at 9:30 .am.

16. Executive Session regarding current state of the OCA

16.1. MOTION – G. Nescott / G. Popovich: To move New Business to this point in the agenda. CARRIED UNANIMOUSLY

16.2. MOTION – G. Nescott / Fr. M. Searfoorce: To go into executive session. CARRIED UNANIMOUSLY

The Metropolitan Council met for nearly two hours in executive session to discuss with frankness and love the crisis in the diocese of Alaska and the other crises in the Church and to discuss possible actions and desired outcomes.

16.3. MOTION – Fr. P. Reese/ G. Popovich: To go out of executive session. CARRIED UNANIMOUSLY

17. Resolutions form the Diocese of Eastern Pennsylvania – *see Attached*

Archpriest John Onofrey presented the two resolutions to the Metropolitan Council from the Diocese of Eastern Pennsylvania – *see attached*. These were passed at the Diocesan Assembly in the fall of 2007, and Fr. John was instructed to bring them to the attention of the Metropolitan Council.

The first resolution dealt with the OCA’s participation in the National Council of Churches. It was determined that the role of the Church in the NCC was not under the purview of the Metropolitan Council to determine. This matter should be raised with the Holy Synod.

The second resolution dealt with the auditing of “Church-related” institutions. From the discussion on the resolution, the following motion was passed by the Metropolitan Council.

17.1. MOTION – D. Solodow / G. Popovich: The Metropolitan Council reaffirms the directive of the 9th All-American Council stating the following:

“BE IT RESOLVED that the Treasurer of the Orthodox Church in America, on behalf of the central church administration, is hereby authorized and instructed to request and receive copies of the annual financial reports of each diocese, seminary, monastery, and church institution and to prepare an annual consolidated report on the financial status of the Church as a comprehensive whole including the central church administration to the Holy Synod, the Metropolitan Council and the diocesan assemblies.

“In anticipation of each All-American Council, the Treasurer shall prepare a summary of the consolidated reports for the previous triennium to be distributed prior to the Council to all delegates, and a full report shall be distributed prior to the Council to all delegates, and a full report shall be available at the council for review by delegates and observers.”

Furthermore, the Metropolitan Council hereby requests copies of the financial statements and audited reports, where available, of all Church institutions listed in the above resolution for the year ending December 31, 2007, and that these reports be provided to the Treasurer of the OCA no later than six months after December 31, 2007. CARRIED UNANIMOUSLY

18. Preconciliar Commission Report

Acting Secretary, Fr. Alexander Garklavs, reported on preparations for the 15th All-American Council. He said that, in response to the desire to engage in dialogue with the wider membership of the Church regarding the AAC, a consultation will be held with Preconciliar Commission members and six invited participants on April 7, 2008. The invited participants are: Archpriest Leonid Kishkovsky; Archpriest Michael Dahulich; Protodeacon Eric Wheeler; Deacon John Zarras; Dr. Paul Meyendorff, and Mr. Mark Stokoe. Although some view this as a controversial decision, the Preconciliar Commission believes that it will be another step in allowing a full and open dialogue about the upcoming Council.

The Metropolitan Council also reviewed a proposal for procedures to be observed in submitting resolutions for the AAC and a draft AAC agenda. Council members offered feedback on the agenda for referral to the Preconciliar Commission. It was also recommended that follow-up reports on the three key initiatives highlighted at the 14th AAC in 2005 -- Orthodox unity, missions, and Christian education -- be included in the AAC agenda.

Father Michael Tassos noted that the preliminary budget for All-American Council expenses totals \$195,038.00.

19. Discussion about a Strategic Plan for the OCA – Archpriest Alexander Garklavs

Fr. Alexander garklavs presented a proposal for a strategic plan for the Orthodox Church in America. Metropolitan Council members agreed that the items listed in Fr. Alexander's proposal are indeed important to the Church, strategic planning should be done in a period of relative calm. Areas of concern and crisis must be dealt with before raising the possibility of a strategic plan. It was noted that strategic planning should involve the wider membership of the Church, especially at its initial stages; an appropriate venue to begin consultation on a strategic plan will be the upcoming All-American Council.

20.1. ACTION ITEM: Fr. Alexander will further discuss the staging and development of the strategic plan with Dr. Dimitri Solodow.

20. Approval of Finance Committee Charter – *see Attached.*

Reviewing the Finance Committee Charter presented by Chair, Archpriest Matthew Tate, item 1.4 was amended to delete the word "...management..." in "... oversee management and financial assets..."

The Metropolitan Council recognized the work of the finance committee in dealing with the financial constraints of 2007.

**20.1. MOTION – Fr. P. Reese/E. Silk: To accept proposed charter, as amended.
CARRIED UNANIMOUSLY**

212. Other Business

21.1. Given that there are numerous committees now in place, it was the recommendation of the Metropolitan Council that the OCA Secretary function as the coordinator of Committee chairs.

21.2. Robert Kornafel informed that Metropolitan Council that with the blessing of His Beatitude, Metropolitan Herman the Organizational Task Force would initiate a search for the position of FOS/Development Director. A concern was raised that this is not the correct time to fill such a position, as there is still much unease in the OCA concerning Church finances. FOS and development are important areas that need to be filled; however timing is an important issue.

21.2.1. MOTION – D. Solodow/ Fr. M. Searfoorce: The position of FOS/Development Director not be filled at this time. CARRIED UNANIMOUSLY.

21.3. Mr. Kornafel also noted that several meetings ago Mr. Schneider made a motion to address the Alaska Lands issue; this needs to be addressed by the Metropolitan Council at a future meeting. He also requested that those resolutions requiring approval of Holy Synod be brought to the Synod before its regular meeting in May 2008.

21.4. MOTION – R. West / Fr. M. Searfoorce: Based on the continuing failure of leadership to resolve decisively and without undue delay the crisis that engulfs the Orthodox Church in America, the Metropolitan Council respectfully requests the retirement of His Beatitude, Metropolitan Herman by no later than the opening of the All-American Council in Pittsburgh.

After a lengthy discussion this motion was tabled to the next meeting of the Metropolitan Council.

21.4.1. MOTION to table Motion 21.4 to the next meeting – Fr. M Tate / W. Peters. CARRIED -- For 10 / Opposed 5 / Abstentions 4

21.4.2. MOTION to expunge Motion 21.4 from the Minutes – R. Schneider / W. Peters. DEFEATED -- For 7 / Opposed 11 / Abstention 1

22. Next Meeting of the Metropolitan Council

The next meeting of the Metropolitan Council will be in the summer, the exact date to be coordinated with the presentation of the Special Investigating Committee report.

23. Motion to Close – R. Kornafel / Fr. M. Tate

Closing Prayer: 2:35 p.m.