



**Metropolitan Council Meeting**

**Fall 2011**

**Other Reports**



**Meeting of the Metropolitan Council  
September 28 to September 29, 2011  
Officers/Committee/Departments Reports  
Table of Contents**

1.	Proposed Agenda	
2.	Spring 2011 MC Minutes	
3.	Chancellor Report (See AAC Officers' Report)	Bishop Melchisedek
4.	Secretary's Report (See AAC Officers' Report)	Archpriest Eric G. Tosi
5.	Treasurer's Report (See AAC Officers' and Finance Report)	Melanie Ringa
6.	2012 Preliminary Budget Considerations	Budget Committee
7.	Charity Committee Report (See Enclosed)	Archpriest John Reeves
8.	Council Development Committee (See AAC Dpt Report)	Protodeacon Peter Danilchick
9.	Crisis Management Committee (See Enclosed)	Dr. Dimitri Solodow
10.	Ethics Committee (see Enclosed)	Archpriest Theodore Bobash
11.	Financial Development Committee (See Enclosed)	Protodeacon Peter Danilchick
12.	Financial/Investment Committee (See Treasurer's report)	Priest Gleb McFatter
13.	Human Resources Committee (No Report)	Priest David Garritson
14.	External Audit Report (See Enclosed)	Lambrides
15.	Internal Audit Committee (See AAC Dpt Report)	Deacon Martin Watt
16.	Internal Governance Committee (No Report)	Mark Stokoe
17.	Legal Committee (No Report)	Gregg Nescott
18.	Strategic Plan Committee Report (See Enclosed)	Fr. John Vitko
19.	Department of Christian Education (See AAC Dpt Report)	Valerie Zahirsky
20.	Department of Christian Service and Humanitarian Aid (See AAC Dpt Report)	Donna Karabin
21.	Department of Evangelization (See AAC Dpt Report)	Archpriest Marcus Burch

22. Office of Military Chaplains (See AAC Dpt Report) Archpriest Theodore Boback
23. Department of Liturgical Music and Translations (See AAC Dpt Report) Dr. David Drillock
24. Department of Institutional Chaplains (See AAC Dpt Report) Archpriest Steven Voytovich
25. Department of Pastoral Life (No Report)
26. Department of Youth and Young Adult (See AAC Dpt Report) Luke Seraphim Beecham
27. Pension Board (See AAC Dpt Report) John Sedor
28. For all other Boards, Commissions and Institutions (See the AAC Dpt Report)



## Meeting of the Metropolitan Council September 28 to September 29, 2011

### Metropolitan Council Agenda

#### Tuesday, September 27

##### *Arrival*

<i>Time</i>	<i>Event</i>	<i>Location</i>	<i>Responsibility</i>
All Day	Transport	Airports	Chancery Staff
All Day	Committee Meetings	Chancery	Committees

#### Wednesday, September 28

##### *Metropolitan Council*

<i>Time</i>	<i>Event</i>	<i>Location</i>	<i>Responsibility</i>
8:00 AM	Breakfast	East Norwich Inn	Hotel
9:00 AM	Metropolitan Council		
	A. Agenda: Introduction		Fr. Eric G. Tosi
	B. Approval of Previous MC Minutes		Fr. Eric G. Tosi
	C. Opening Remarks		Metropolitan JONAH
	D. Officers Reports		Officers
	E. Sexual Misconduct Committee		Bishop Melchisedek
	F. Metropolitan Council Committees		Metropolitan JONAH
	1. Report of Crisis Management		Dr. Dimitri Solodow
	2. Report of Ethics - Results of Investigations		Fr. Ted Bobosh
	3. Report of Charity		Fr. John Reeves
	4. Report of Council Development		Protodeacon Peter Danilchick
	5. Report of Human Resource - Chancellor Search Report		Fr. David Garretson
	6. Report of Internal Governance - Triennial review of Best Practices		Dr. Dmitri Solodow

	7.	Report of Strategic Plan	Fr. John Vitko
Noon	Lunch	East Norwich Inn	Chancery Staff
1:00 PM	Metropolitan Council	East Norwich Inn	
	G.	Legal Issues	Legal Committee
	H.	Internal Auditors Report	Dn Marty Watt
	I.	Update on 16 <sup>th</sup> AAC	Fr Eric G. Tosi
5:00 PM	Dinner	East Norwich Inn	Chancery Staff
6:00 PM	Issues continued from afternoon if needed		

**Thursday, September 29**  
***Metropolitan Council***

8:00 AM	Breakfast	East Norwich Inn	Hotel
9:00 AM	Metropolitan Council	East Norwich Inn	
	J.	Finance Report - <i>Review of 2010 Statement</i> - <i>External Audit Report</i>	Melanie Ringa
	K.	Finance/Investment Committee Report - <i>Investment Report</i>	Fr. Gleb McFatter
	L.	2012 Budget Presentation & Approval	Fr. Gleb McFatter
	M.	Pension Board Report	Fr. Gleb McFatter
Noon	Lunch	East Norwich Inn	Chancery Staff
1:00 PM	Metropolitan Council	East Norwich Inn	
	N.	Other Business	
5:00 PM	Projected End of Meeting and Departures		

**Friday, September 30**

9:00 AM	Strategic Plan Committee (expected to end at 1:00 PM)		
---------	---	--	--



**Minutes of the 2011 Spring Session of the Joint Meeting  
of the Holy Synod and the Metropolitan Council**

**Wednesday, May 4 – Thursday, May 5, 2011  
Christ the Savior Church  
Diocese of the Midwest Chancery  
Chicago, IL**

*These draft minutes are subject to approval at a subsequent meeting of the Metropolitan Council.*

**PARTICIPANTS**

**HOLY SYNOD**

His Beatitude, Metropolitan Jonah  
His Eminence, Archbishop Nathaniel (5/4 only)  
His Grace, Bishop Nikon  
His Grace, Bishop Tikhon  
His Grace, Bishop Benjamin (5/4 only)

His Grace, Bishop Alejo (5/4 only)  
His Grace, Bishop Melchisedek (5/4 only)  
His Grace, Bishop Michael  
His Grace, Bishop Matthias  
His Grace, Bishop Mark

**METROPOLITAN COUNCIL**

**Church Officers**

Archpriest Eric Tosi, Secretary

Melanie Ringa, Treasurer

**Members elected by the All-American Council**

Archpriest Theodore Boback  
Priest David Garretson  
Archpriest Theodore Bobosh

Eleana Silk (5/4 only)  
Protodeacon Peter Danilchick  
Dr. Paul Meyendorff (*alternate replacing absent  
voting member*)

**Diocesan Representatives**

**Diocese of Alaska**

Archpriest Michael Oleksa

Anna Cheryl Andrew

**Albanian Archdiocese**

Archpriest Joseph Gallick

**Bulgarian Diocese**

Priest Matthew-Peter Butrie

Protodeacon Michael Myers

**Archdiocese of Canada**

Igumen Alexander (Pihach)

David Grier

**Diocese of Eastern Pennsylvania**

Archpriest David Mahaffey

David Yeosock

**Diocese of the Midwest**

Archpriest Alexander Kuchta

Mark Stokoe

**Diocese of New England**

Priest Robert Dick

**Diocese of New York New Jersey**

Archpriest John Shimchick

Dr. Paul Witek

**Diocese of the South**

Priest Gleb McFatter

**Diocese of Washington**

Priest John Vitko

Rosalie Luster

**Diocese of the West**

Archpriest David Lowell

Dr. Dmitri Solodow

**Diocese of Western Pennsylvania**

Archpriest John Reeves

Gregory J. Nescott

**Absent**

Dr. Faith Skordinski (elected by the All-American Council)

William Peters (Albanian Archdiocese)

Deacon John Zarras (Diocese of New England)

Judge Ray Lanier (Diocese of the South)

**Guests** *(for all sessions unless otherwise indicated)*

Priest Thomas Moore (Alternate member elected by the All-American Council)

Protopresbyter Thomas Hopko (consultant)

Archpriest Alexander Garklavs (SMPAC)

Archpriest Leonid Kishkovsky (consultant)

Archpriest Michael Matsko (SMPAC) – 5/4 only

Archpriest Alexis Vinogradov (Strategic Plan Committee)

Dr. Nikita Eike (SMPAC) – 5/4 only

Alexis Liberovsky (recording secretary for this meeting)

James Spencer, Esq. (SMPAC) – 5/4 only

Michael Strelka (for Audit report only on 5/5)

Thaddeus Wojcik, Esq. (OCA General Counsel)

**Wednesday, May 4**

Following a Divine Liturgy at 7 AM, the meeting was opened in Christ the Savior Church with prayer led by His Beatitude, Metropolitan Jonah at 9:52 AM.

**A. Introduction**

**A.1. Approval of Recording Secretary**

Fr. Eric Tosi asked if there were any objections to the OCA Archivist, Alexis Liberovsky, as recording secretary for this meeting. There being no objections, Alexis Liberovsky was approved as recording secretary.

**A.2. Appointment of Co-chairs:**

Metropolitan Jonah announced that he has asked Bishop Melchisedek (Interim Chancellor) and Fr. Alexander (Pihach) to co-chair the meeting

**A.3. Agenda (attached)**

Fr. Tosi presented the agenda for the meeting.

**A.3.A. MOTION TOSI/GARRETSON – To accept the agenda as presented. CARRIED.**

Metropolitan Jonah asked that, due to the scheduled departure of several bishops, the presentation of the Strategic Plan be moved to this afternoon's session.

**A.4. Roll Call**

Fr. Tosi conducted the roll call and introduced guests present for the meeting.

**B. Approval of Minutes of Previous Meeting**

Fr. Tosi presented the draft minutes of the previous meeting of the Metropolitan Council on September 21-23, 2010 for approval.

**B.1. MOTION GALLICK/MYERS – To accept the previous minutes as presented. CARRIED.**

**C. Opening Remarks: Metropolitan Jonah**

Metropolitan Jonah spoke of a trying Great Lent with many temptations, but the Resurrection has prevailed. Without temptations, he said, there is no salvation. He stated that he stands together with his brother bishops on a vision of how to work together. The meeting of the Holy Synod was a turning point in their relationship and they have come together in a spirit of unity. An increasingly difficult time occurred at the chancery over several months including a series of temptations and building reciprocal distrust that led to the impossibility of Fr. Alexander Garklavs continuing as chancellor. There was a deep disconnect and a mutual sense of betrayal. Metropolitan Jonah requested Fr. Garklavs' resignation and Fr. Garklavs asked that this request be confirmed by the Holy Synod. In Santa Fe, the Holy Synod requested Fr. Garklavs' resignation. Metropolitan Jonah expressed his own gratitude and that of the Holy Synod to Fr. Garklavs for his work through a very difficult period throughout his years in the position during the end of Metropolitan Herman's primacy and afterwards. Although a working relationship did not develop well between Metropolitan Jonah and Fr. Garklavs, Fr. Garklavs' service is commendable. Metropolitan Jonah also reported that at the Santa Fe meeting of the Holy Synod, he was asked to take a leave of absence for rest and medical evaluation. He stated that, although he did not go to the institution requested by the Holy Synod, he did get solid evaluations and found the leave to be refreshing. He served



mostly at St. Nicholas Cathedral. With the consecration of Bishop Matthias, he resumes his activities as Primate. He announced the results of the just completed Holy Synod meeting and discussed its four policy and procedure resolutions pertaining to administration and governance, in particular the increased role of the Lesser Synod. He noted that, in the revised structure, the Metropolitan is the CEO, while the Chancellor is COO. He also noted that going forward we must discern together how to run the Church more efficiently and to revise the OCA Statute accordingly, if necessary. Over the next six months, he particularly noted the upcoming All-American Council where the Strategic Plan will be considered. He suggested that to ease tensions, the war of words on the internet stop and that the warring websites be shut down. He also mentioned the upcoming Assembly of Orthodox Bishops at the end of May and its important work. He appealed for a refocusing on Christ and a renewed commitment to the Gospel.

An extensive discussion took place concerning the issues raised in the Metropolitan's remarks, during which the Holy Synod presented in detail the four resolutions it had adopted concerning OCA governance going forward. The resolutions, found in the public minutes of the Holy Synod of Bishops posted on the OCA web site, deal with Locum Tenency, the Officers of the Church, the Permanent Lesser Synod, and the Chancellor. It was explained that the newly adopted policies and procedures are an expansion and interpretation of the OCA Statute and are provisional pending possible eventual amendment of the Statute. Metropolitan Jonah acknowledged his shortcomings and personal need for leadership training, which he intends to pursue. Various perspectives were offered on the circumstances surrounding the resignation of Fr. Garklavs as OCA Chancellor. Dr. Solodow inquired as to progress in fulfilling a resolution of the Metropolitan Council a year ago mandating a study on the relationship of the Church's administrative bodies with stavropegial institutions. Metropolitan Jonah explained the complexities in defining various types of stavropegial institutions. A further discussion of this issue ensued.

## **D. Officers' Reports**

### **D.1. Chancellor**

Bishop Melchisedek, Interim Chancellor, delivered an oral report on his activities since assuming his position in February, including both internal and external matters as well as specific issues dealing with the leave of absence of Metropolitan Jonah. He informed the Metropolitan Council that the Holy Synod has requested that he continue as Interim Chancellor for the foreseeable future until the position is permanently filled. He outlined major concerns going forward. In the discussion that ensued, various views on the importance of the OCA maintaining good and appropriate relations with other Orthodox Churches were articulated. Metropolitan Jonah affirmed his unequivocal support of OCA autocephaly as expressed in the Holy Synod's statement on OCA autocephaly issued in December 2010. Several meeting participants stressed the necessity for the OCA to maintain and consistently project the integrity and fullness of its vision.

### **D.2. Secretary – attached**

In addition to his written report, Archpriest Eric Tosi, OCA Secretary, stressed that the relationship of the staff at the OCA chancery is excellent and that there is no toxic environment. He expressed his profound thanks to the staff who have worked through some difficult circumstances. He asked Council members for updated contact information, requested volunteers for the Council's various committees where there are openings. He also reminded members to submit their annual ethics, best practices, whistleblower and oath of office forms. He highlighted the work of the communications staff in preparing for launch of the new OCA website. He spoke of building and grounds maintenance, changes in health insurance and other issues. He mentioned the cooperative spirit that exists among the Church's three officers and the process of transition with Bishop Melchisedek as Interim Chancellor. Melanie Ringa agreed with Fr. Tosi's assessment of the work environment at the Chancery. She lauded the work of the staff as well as the

leadership qualities of Fr. Garklavs during the current turmoil. In response to a question, Fr. Tosi clarified the process for posting on the OCA website. In discussion, Fr. Thomas Hopko shared his views on the need for the OCA to provide appropriate and timely responses to various internet postings. In order to achieve a common understanding of the causes of the breakdown in the working relationship of the Metropolitan and Fr. Garklavs, further discussion took place. A consensus emerged that their working relationship is now irreparable.

Following a short recess at 12:02 pm, the session resumed at 12:18 pm.

## **E. Committee Reports**

### **E.1. Sexual Misconduct Policy Advisory Committee**

#### **E.1.A. MOTION GARRETSON/DANILCHICK – To move into executive session. CARRIED.**

In executive session, the members of the Sexual Misconduct Policy Advisory Committee [SMPAC] discussed their work, which was presented at the Holy Synod session preceding the joint meeting; including their major findings of serious concerns as to how sexual misconduct allegations were and are being handled. The committee also addressed the need for changes in the leadership's perceptions and actions in order to improve the written policy of the OCA in addressing such sexual abuse issues.

#### **E.1.B. MOTION GARRETSON/GALLICK – To move out of executive session. CARRIED.**

A discussion on the formulation of a draft resolution concerning Fr. Gregory Jensen status as an advisor to the Metropolitan on matters of sexual misconduct, presented by Fr. David Garretson took place. It was agreed to defer further deliberation and adoption of the resolution to the afternoon session.

#### **E.1.C. MOTION GARRETSON/BP. MELCHISEDEK – To move into executive session. CARRIED.**

Further discussion concerning the work of the SMPAC and related issues continued in executive session.

#### **E.1.D. MOTION GALLICK/PIHACH – To move out of executive session. CARRIED.**

Following a recess at 2:28 pm for lunch and a meeting of the Holy Synod, the afternoon session was called to order at 4:15 pm.

Fr. David Garretson introduced a new version of a resolution concerning Fr. Gregory Jensen.

#### **E.1.E. MOTION GARRETSON/SOLODOW – Whereas the Metropolitan Council as a body heard of the appointment of Fr. Gregory Jensen for the first time at this meeting and desires to implement the recommendations of the Sexual Misconduct Policy Advisory Committee regarding professional qualifications, the Metropolitan Council strongly recommends to the Holy Synod the following:**

- 1. Effective immediately, Fr. Gregory Jensen is removed from all activity related to the issue of sexual misconduct on behalf of the Metropolitan, the Holy Synod, the Metropolitan Council or any other entity of the Orthodox Church in America;**
- 2. That all funding, direct or in kind, cease immediately;**

3. That all coverage and insurances, including Director's and Officer's coverage for Fr. Gregory Jensen also cease immediately;
4. That all work product, files, electronic media created by or in possession of Fr. Gregory Jensen be returned to the Office of the Interim Chancellor of the Orthodox Church in America. **CARRIED UNANIMOUSLY.**

**E.1.F. MOTION SOLODOW/STOKOE – The Metropolitan Council recommends to the Holy Synod that in the future any and all consultants and staff that will be working on the matter of sexual misconduct, be vetted and approved by the Sexual Misconduct Policy Advisory Committee. CARRIED UNANIMOUSLY.**

An additional resolution proposed by Fr. John Reeves was withdrawn.

**E.1.G. MOTION SOLODOW/GALLICK – To move into executive session. CARRIED.**

Discussion concerning the work of the SMPAC and related issues continued in executive session.

**E.1.H. MOTION GALLICK/DICK – To move out of executive session. CARRIED.**

**E.1.I. MOTION NEScott/OLEKSA – To commend the members of the Sexual Misconduct Policy Advisory Committee (SMPAC) for their extraordinary work, for their report that was summarized today and for their presentation of their work. CARRIED.**

**E.2. Ethics Committee**

**E.2.A MOTION DICK/MAHAFFEY – To move into executive session. CARRIED.**

In executive session, Fr. Ted Bobosh, Ethics Committee chairman, presented the Committee's report reviewing various ethics complaints that had been received. The Ethics Committee was blessed by the Holy Synod to investigate those ethics complaints and to present a full report.

**E.2.B. MOTION GALLICK/LUSTER – To move out of executive session. CARRIED.**

**M. Strategic Plan - attached**

Priest John Vitko, Strategic Plan Committee chairman, introduced the newly revised version of the Strategic Plan. A PowerPoint presentation illustrated the methodology of the Strategic Plan Committee, particularly the feedback of ten working groups. He pointed out the major revisions in the new version of the Plan. He highlighted the work of the working group on youth issues as an example of this feedback process. He also provided a brief overview of the other working groups. He explained how deliberation of the plan would be incorporated into the agenda of the 16<sup>th</sup> All-American Council. He asked for continued feedback from everyone. Discussion by meeting participants centered on the feasibility of implementing the Plan after the 16<sup>th</sup> All-American Council. Various opinions were expressed on the purpose and direction of the Plan.

**M.1. MOTION VITKO/GRIER – that the revised version of the Strategic Plan be posted on the OCA website for continued feedback from the Church, CARRIED.**

**M.2. MOTION VITKO/SOLODOW – that the approach recommended by the Strategic Plan Committee for integrating deliberation of the Strategic Plan into the agenda of the 16<sup>th</sup> All-American Council be followed. CARRIED.**

**M.3. MOTION VITKO/DANILCHICK – that a Post-Conciliar Commission of the 16th All-American Council, which will function as a committee of the Metropolitan Council, be formed to oversee implementation of the Strategic Plan. CARRIED.**

**F. Metropolitan Council Business**

**F.1. Charity – attached**

Fr. John Reeves, Charity Committee chairman, presented the written report of the Committee.

**F.2. Council Development - attached**

Protodeacon Peter Danilchick, Council Development Committee chairman, presented the Committee's written report. In response to the questions for discussion presented in the report, Council members agreed that the Council Members' Handbook is very useful. Members of the Council also expressed a desire for another Council retreat. It was further agreed that joint meetings of the Holy Synod or Lesser Synod with the Metropolitan Council are extremely beneficial and are a manifestation of conciliar process in the Church. It was also suggested that in the future the Metropolitan Council should regularly devote half a day to discussion of a particular important issue, not necessarily requiring immediate action.

The meeting adjourned with prayer at 6:16 pm.

**Thursday, May 5**

The morning session was called to order, following prayer, at 9:08 am. Fr. Eric Tosi conducted roll call. He also requested prayers for Deacon John Zarras, who is ill. The members of the Metropolitan Council conveyed their love and prayers to Deacon John. The newly elected members of the Council were asked to introduce themselves.

**F.3. Crisis Management**

Dr. Dimitri Solodow summarized the confidential Crisis Management Committee report. He reported that Crisis Management training for OCA officers had begun but was not yet completed.

**F.3.A MOTION NEScott/DANILCHICK – To move into executive session. CARRIED.**

In executive session, extensive discussion was conducted on failures in the Church to respond adequately to specific critical situations.

**F.3.B. MOTION TOSI/GALLICK – To move out of executive session. CARRIED.**

**F.4. Human Resources**

Fr. David Garretson, Human Resources Committee chairman, reported that the only matter on which the Committee has been recently consulted was the hiring of an independent contractor for work on the new OCA website. He then presented a resolution from the Committee concerning Fr. Garklavs.

**F.4.A. MOTION GARRETSON/GALLICK – The Metropolitan Council recommends the following:**

1. That Archpriest Alexander Garklavs remain as a consultant to the Interim Chancellor of the Orthodox Church in America for his institutional knowledge and the continuity of the work of the Chancery;
  - a. That Fr. Alexander’s compensation and benefits continue in place until he receives an assignment that is appropriate to the excellence and length of his priestly ministry;
  - b. That after receiving and beginning his new pastoral assignment (i.e. receiving compensation and benefits), the salary and benefits from the Chancery cease; Particular attention is to be paid to ensure the continuity of pension and health care benefits.
2. In addition to above (point 1), Fr. Alexander is to be given a severance package equal to four (4) months’ salary including housing allowance;
  - a. This severance package to be paid as deferred compensation to minimize the tax burden for Fr. Alexander and the impact on the cash flow for the Orthodox Church in America;
  - b. Details of the payment of the severance package to be worked out between the General Counsel of the Orthodox Church in America, the Human Resources Committee of the Metropolitan Council, and Fr. Alexander.
3. That the Metropolitan Council authorizes the expenditure of funds to enact this resolution.
4. That the Metropolitan Council authorizes the General Counsel of the Orthodox Church in America to draft and execute a document to memorialize this resolution.
5. That this resolution, and the resulting documents, is a response to a unique situation. The adoption of this resolution does not create a past practice, precedent or alteration of existing or future employee policies. **CARRIED WITH THREE ABSTENTIONS.**

**F.5. Internal Governance**

Mark Stokoe, Internal Governance Committee chairman, presented the Committee’s confidential report pertaining to compliance with OCA Best Practices and Whistleblower Policies. A motion presented by the Committee on this issue was withdrawn.

**F.5.A. MOTION BOBACK/BUTRIE – To move into executive session. CARRIED.**

Specific critical issues pertaining to compliance with OCA Best Practices and Whistleblower Policies were discussed in executive session.

**F.5.B. MOTION MAHAFFEY/LOWELL – To move out of executive session. CARRIED.**

**F.5.C. Internal Audit – attached**

Michael Strelka, a member of the Audit Committee of the Metropolitan Council, presented the Committee’s findings and outlined the reporting procedures leading up to the All-American Council. To date, all stavropegial institutions have been examined or have had their external audits examined, with the exception of one institution slated to be audited during the summer. The need for an audit or review of St. Catherine’s Representation Church in Moscow was discussed. The services that the Audit Committee

provides for those institutions that cannot bear the cost of a full professional external audit were clarified. The Metropolitan Council thanked the Internal Audit Committee for its professional work.

Following a short recess at 11:07 am, the session resumed at 11:22 am.

## **G. Legal Issues**

### **G.1. MOTION GARRETSON/LOWELL – To move into executive session. CARRIED.**

In executive session, Gregory Nescott, Legal Committee chairman, presented the Committee's report, which covered a variety of current and potential legal issues. A lengthy and in-depth discussion ensued on instances of potential liability of the Church.

### **G.2. MOTION DICK/GALLICK – To move out of executive session. CARRIED.**

### **G.3. MOTION STOKOE/GALLICK – To commend the Legal Committee for its tireless work and excellent report. CARRIED.**

Following a recess for lunch at 1:00 pm, the afternoon session was called to order at 2:07 pm.

## **H. Treasurer's Report – attached**

Melanie Ringa highlighted her extensive written report. In order to explain the projected expenses for psychological testing for ordination candidates, Fr. Tosi provided information on the vetting process that will be implemented. There were also funds requested for translation of material into Spanish, a mobile application for the website, and the completion of the Feast and Saints portion of the website. In addition to her written report, Melanie noted that the OCA will soon be receiving a bequest of approximately \$110,000 from the estate of a recently deceased individual, who had targeted the proceeds of her annuities for OCA youth ministries. The paperwork for this is in process. The funds will be deposited in an endowment for youth ministries. Melanie Ringa was thanked for her clear presentation of OCA finances.

## **I. Finance Committee**

Fr. Gleb McFatter, Finance Committee chairman, presented a resolution to adjust the 2011 OCA budget by \$78,700 according to the increases outlined in the Treasurer's report.

### **I.1 MOTION MCFATTER/REEVES – to increase the 2011 budget of the Orthodox Church in America by \$78,700. CARRIED.**

Fr. McFatter announced that the Finance Committee will soon be activating an investments subcommittee to oversee investment management of OCA funds with the help of financial professionals. The subcommittee will also be formulating investment policies for the OCA. He envisions that the investment subcommittee will include Melanie Ringa, Protodeacon Peter Danilchick and himself. He also invited any other Council members with expertise in this area to join the subcommittee.

## **J. Central Church Funding**

Melanie Ringa reported on behalf of Fr. Matthew Tate, who heads the ad hoc Subcommittee on Central Church Funding, that meetings have been held with the Dioceses of the West, South, New England and New York/New Jersey to obtain their input based on their own assessment or tithing processes. Other dioceses will be visited in the coming months. A full report will be presented at the next meeting of the

Metropolitan Council. It is projected that at the All-American Council, dioceses will be asked to continue their funding at the current level. In discussion, it was suggested that an educational element needs to become part of the work this subcommittee. Bishop Tikhon stated that tithing would yield lower assessment contributions in his diocese and suggested that tithing may not always be the most prudent funding approach.

Dr. Solodow initiated a discussion on the need to enforce spending only within the limits set by the OCA budget. Various views were offered on administrative mechanisms and policies for such enforcement.

#### **K. Financial Development - attached**

Protodeacon Peter Danilchick presented the Financial Development Committee's written report. He announced that David Yeosock has agreed to chair the committee. He asked other Metropolitan Council members to join this committee. A brief discussion on fundraising strategy took place.

Following a short recess at 3:40 pm, the session resumed at 3:58 pm.

#### **L. Pension Board – attached**

Bishop Nikon, episcopal moderator of the Pension Board, presented the Board's written report on the Pension Plan. Fr. Gleb McFatter, a Pension Board member, additionally stated that with a benchmark of 7.5% the actual return on the Plan in 2010 was 13.3%. He provided additional positive figures reflecting the good health of the Plan. He then introduced two amendments to the OCA Pension Plan proposed by the Pension Board. The amendments include housing allowance calculation for lay Church employees and a clarification on disability retirement benefits. Fr. McFatter stated that although drafted at the request of St. Vladimir's Seminary, the amendment pertaining to housing income applies to all lay employees of the Church.

##### **L.1 MOTION MCFATTER/KUCHTA – TO AMEND THE ORTHODOX CHURCH IN AMERICA PENSION PLAN TO INCLUDE CERTAIN HOUSING INCOME RECEIVED BY LAY STAFF AT ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY AS COMPENSATION FOR BENEFIT COVERAGE:**

**Plan section 1.12(a)(ii) is amended by adding at the end thereof:**

**Effective July 1, 2011, for Members (other than Clergy) who are required to accept housing provided by their Employer for its convenience, a Member's Housing Allowance Compensation is that amount excluded from their taxable income pursuant to §119(a)(2) of the Internal Revenue Code of 1986, as amended.**

**CARRIED WITH TWO ABSTENTIONS.**

##### **L.2. MOTION MCFATTER/SOLODOW - TO AMEND THE ORTHODOX CHURCH IN AMERICA PENSION PLAN DISABILITY RETIREMENT BENEFIT:**

**Plan section 4.3 is restated as follows:**

##### **4.3 Upon Disability Retirement**

**Upon Retirement at his Disability Retirement Date, a Member shall be entitled to receive his Accrued Benefit as of such Retirement Date. When a Member who is receiving a Disability Retirement Benefit reaches his Normal Retirement Date, the Disability Retirement Benefit shall end and the Member shall be immediately eligible to receive his Normal Retirement Benefit except that the monthly payments received as the Disability Retirement Benefit shall be counted as monthly payments for the purpose of counting the 120 monthly payments of the Normal Form of Retirement Income. A Member receiving a Disability Retirement Benefit shall apply for his Normal Retirement Benefit within 90 days of becoming eligible for a Normal Retirement Benefit and may elect among the forms of benefit available.**

**CARRIED UNANIMOUSLY.**

**P. Other Business**

Father Alexander Garklavs addressed the hierarchs and Metropolitan Council, expressing gratitude for the opportunity to work with the Holy Synod and the Metropolitan Council. He expressed his increased admiration for the unique governing structure of the OCA, epitomizing conciliarity, as outlined in its Statute. He offered his love and prayers to Holy Synod and Metropolitan Council for their continued good work for the Church. His comments were followed by a standing ovation.

Fr. Eric Tosi asked for prayers for former Metropolitan Council member John Kozey who is undergoing hip replacement surgery.

**O. 16<sup>th</sup> All-American Council update - attached**

Father Tosi presented the written report on progress towards the 16<sup>th</sup> All-American Council. He reviewed the draft agenda. He announced that most Orthodox parishes in the area would be closed on Sunday, October 30 to allow their faithful to attend the Hierarchical Liturgy before the Council. Several diocesan assemblies and other meetings will take place at the Council site just prior to the Council. Council materials will not be mailed but only posted online. However, it is not yet feasible to do online registration and it will be done as for previous councils. He commended the energetic work of the local organizing committee. In discussion, it was suggested that observers be more fully integrated as participants in the council. It was also recommended that electronic voting be investigated as a means for greater feedback. The Preconciliar Commission will further consider these suggestions.

Melanie Ringa announced that Metropolitan Council member Eleana Silk, who is absent from today's sessions, is quite ill and about to be hospitalized. Melanie departed the meeting to assist Eleana.

Thaddeus Wojcik, OCA General Counsel, reported on the complexities of obtaining tax exemption in the State of Washington in conjunction with the Council.

Fr. Tosi presented the draft agenda for approval.

**O.1 MOTION GALLICK/VITKO – to approve the draft agenda of the 16<sup>th</sup> All-American Council as presented. CARRIED.**

A discussion took place on the possibility of hiring an outside parliamentarian for the All-American Council to facilitate proper order and smoother deliberation. The need for training for the clergy and lay vice-chairmen was also suggested. Additionally, the format of the All-American Council's published



minutes was also discussed. These issues are referred to the Preconciliar Commission for further consideration.

**N. Web Redesign update – attached**

Father Tosi unveiled the new OCA website in a PowerPoint presentation. He reviewed the input, process and complex technical work that has gone into its redesign. He explained various features of the site, which is due to make its debut in June. He answered numerous questions and noted several suggestions from meeting participants.

**P. Other Business (*continued*)**

Fr. Leonid Kishkovsky, Director of External Affairs and Interchurch Relations, delivered an oral report focusing on the following issues and events:

- the aftermath of the Holy Synod retreat in Santa Fe, NM in February 2011 as portrayed on the internet;
- letters sent by Archbishop Nathaniel as OCA Temporary Administrator to the Orthodox Primates worldwide concerning Metropolitan Jonah's leave of absence;
- response of Patriarch Kirill of Moscow and the subsequent fact-finding visit to New York of Metropolitan Hilarion (Alfeyev) and Archpriest Nicholas Balashov;
- meeting of Fr. Mark Arey of the Greek Archdiocese with Bishop Melchisedek and Fr. Kishkovsky;
- the recent visit of Patriarch Theophilos of Jerusalem to Ukraine and his statements there;
- Patriarch Bartholomew's intention to convene in September a synaxis of the Patriarchs of Constantinople, Alexandria, Antioch and Jerusalem along with the Archbishop of Cyprus;
- the most recent Preconciliar meeting in Chambesy;
- OCA relations with the Russian Orthodox Church Outside of Russia (ROCOR);
- The forthcoming second meeting of the Assembly of Canonical Orthodox Bishops of North and Central America in May 2011;
- Fr. Kishkovsky's own activities since resuming a full work schedule after a prolonged period of limited activity due to illness.

The Metropolitan Council thanked Fr. Kishkovsky for his informative report.

Fr. John Reeves introduced a resolution concerning Fr. Alexander Garklavs.

**P.1. MOTION REEVES/SOLODOW – The Metropolitan Council wishes to acknowledge the service which Fr Alexander Garklavs has rendered over the years to the Orthodox Church in America with profound gratitude, especially during the past several, difficult years as Chancellor. Furthermore, we ask for God's continued blessing over him, his wife Carol, and his whole family, as he continues priestly ministry in the Orthodox Church in America, for many, many more years. CARRIED UNANIMOUSLY.**

Dr. Solodow reiterated the need to address the Council's resolution of a year ago mandating a study, in view of possible statute revision, on the relationship of the Church's administrative bodies with stavropegial institutions. Fr. Tosi stated that this would be undertaken in preparation for the upcoming 16<sup>th</sup> All-American Council.

By consensus, the next meeting of the Metropolitan Council was tentatively scheduled for September 28-29, 2011 in New York.

A discussion took place on the timeline for finding a new chancellor.

**P.2. MOTION DANILCHICK/MYERS – That the Human Resources Committee be delegated to conduct the search for a new chancellor to be completed no later than the next meeting of the Metropolitan Council in September 2011. CARRIED.**

**P.3. MOTION GARRETSON/STOKOE – That the earlier motion of commendation for the Legal Committee adopted in executive session be included in the minutes of this meeting. CARRIED.**

**P.4. MOTION STOKOE/REEVES – To provide appropriate funding for the search for a new chancellor. CARRIED.**

**P.5. MOTION TOSI/PIHACH – To adjourn the meeting. CARRIED.**

The meeting was adjourned with prayer at 6:13 pm

Respectfully submitted,

Alexis Liberovsky,  
Recording Secretary

The Charity Committee reported, at the Spring, 2011 session of the Metropolitan Council, that a priest had requested \$3500 for medical expenses. The request was approved, pending receipt of documentation from the priest's bishop. Such documentation received, the funds were dispersed to medical providers by Melanie Ringa.

Two other matters were dealt with by the Committee since the Spring, 2011 session of the Metropolitan Council:

- On May 27, Committee Chair Fr. John Reeves proposed the approval of a \$5,000 disbursement to IOCC for disaster relief to the Joplin, MO tornado victims. The Committee approved this request. Note: since the additional \$10,000 budgeted for Charity had not yet been moved to the Charity account, at the Treasurer's suggestion, the disbursement was comprised of \$2500 from the Charity Fund and \$2500 from the General Fund.
- Although the parish in Minot, ND was notified that, in light of the severe flooding there, they could submit a grant request, no request was submitted.

The attached spreadsheet, showing a balance of \$9582.38, does not include the entire balance of available Charity funds. As stated above, the Metropolitan Council approved an additional \$10,000 in funding for 2011. The \$2500 disbursed to IOCC for the Joplin flooding victims, also mentioned above, is the only portion of that \$10,000 that has been moved to the Charity account to date. This leaves \$7500 in the General Fund to be moved to the Charity account. Thus, the actual amount available for Charity funding is \$17,582.38.

While the Committee wishes funds were sufficient to do more charitable work, we also want to repeat our intention to abide by our own policies and by best practice.

Respectfully submitted,

His Grace, Benjamin

Archpriest John Reeves

Archpriest David Mahaffey

Protodeacon Michael Myers

Dr. Dmitri Solodow

Charity Committee Report – Fall, 2011

	Orthodox Church in America			
	Schedule of Temporarily Restricted Funds - Charity			
	Through August 26, 2011			
	<b>Beginning Balance, January 1, 2009</b>			<b>\$ 34,559.36</b>
	<i>Donations Received</i>			\$ 6,269.00
	<i>Distributions:</i>			
	- June 8, 2009 to Emmaus House		\$ (5,000.00)	
	- Nov 3, 2009 to OCA Clergy		\$ (1,000.00)	
	Total Distributions			<u>\$ (6,000.00)</u>
	<b>Ending Balance, December 31, 2009</b>			<b>\$ 34,828.36</b>
	<i>Donations Received - 2010 (See note 1)</i>			\$ 3,592.02
	<i>Distributions:</i>			
	- 1/14/10 - IOCC for Haiti		\$ (10,000.00)	
	- 4/6/10 Medical Center (OCA Clergy)		\$ (78.28)	
	- 4/6/10 Medical Center (OCA Clergy)		\$ (3,793.06)	
	- 4/6/10 Health System (OCA Clergy)		\$ (1,128.66)	
	- 8/23/10 IOCC for Moscow Fires		\$ (5,000.00)	
	Total Distributions			<u>\$(20,000.00)</u>
	<b>Ending Balance, December 31, 2010</b>			<b>\$ 18,420.38</b>
	<i>Donations Received - 2011</i>			\$ 2,162.00
	Transfer from Operating Funds			\$ 2,500.00
	<i>Distributions:</i>			
	- 3/15/11 - IOCC for Japan		\$ (5,000.00)	
	- 3/15/11 Insurance (OCA Clergy)		\$ (3,500.00)	
	- 6/02/11 - IOCC for Tornado Relief		\$ (5,000.00)	
	Total Distributions			<u>\$(13,500.00)</u>
	<b>Ending Balance August 26, 2011</b>			<b>\$ 9,582.38</b>

**CRISIS MANAGEMENT COMMITTEE**  
**REPORT TO THE SIXTEENTH ALL AMERICAN COUNCIL**  
**NOVEMBER, 2011**

**1. Mandate:**

The establishment of a Crisis Management Committee was mandated by the 15th AAC in its acceptance of the Report and Recommendations of the Special Investigating Committee and in the Holy Synod's Blessing of that action:

*" 13. The MC's selection of a committee during its September 3-5, 2008 meeting to develop a comprehensive crisis management plan, developing and adopting a policy of immediate action within the Church, and a commitment to provide effective communications with members of the Church, while problems, issues, and crises are being addressed. The committee will present a progress report to the HS and MC no later than the Spring 2009 HS and MC sessions."*

**2. Members and Consultant:**

The original members of the Committee were:

- Subdeacon Dmitri Solodow, PhD, Chair
- Gary Popovich
- Fr. Eric Tosi
- Subdeacon Bernard Wilson, Consultant

Subdeacon Wilson is a retired Chief of the Los Angeles Airport Police Department and a consultant in public safety and crisis management.

Rosalie Luster joined the Committee when Gary Popovich's MC term was concluded and served until June, 2011. Fr. Alexander Kuchta joined the Committee in 2011.

**3. Initiatives and On-going Projects Since the 15th AAC:**

Although the Crisis Management Team was not formally established and empowered until the Fall, 2011 meetings of the Metropolitan Council and Holy Synod, an *ad hoc* Team has been in place and called upon to respond to specific situations (for example, those involving investigations or official requests of the Chancery).

**4. Comments:**

We have recommended that the Crisis Management Team be a group which can come together quickly, evaluate the situation, bring together the necessary expertise, propose a response and have that response vetted as necessary. The Team will then propose this action plan to the Lesser Synod for discussion and action.

The Crisis Management Team we recommended, which the Metropolitan Council approved and the Holy Synod blessed, consists of:

- A member of the Lesser Synod (the Holy Synod appointed His Grace, Bishop Benjamin)
- The Chancellor of the OCA
- The Secretary of the OCA
- The Chair if the Metropolitan Council Legal Committee
- The Chair of the Metropolitan Council Crisis Management Committee

The Team's technical consultants will be the OCA General Counsel, a Crisis Management Professional and any other person with expertise necessitated by the situation.

Once the Team has constructed a plan to deal with or proactively respond to a given situation, the Metropolitan or, in the case of his unavailability, a designated member of the Holy Synod, will authorize its implementation.

We also recommend that crisis management training be provided to the Holy Synod and the Metropolitan Council, both of which bodies need at least a conceptual background in the subject.

Respectfully submitted,

Dmitri Solodow, PhD, Chair

V. Rev. Alexander Kuchta

V. Rev. Eric Tosi

Bernard Wilson, CHS-V, Consultant

## Report of the Ethics Committee

11 August 2011

The Ethics Committee has been very busy since the beginning of the year having received a number of ethics complaints to investigate.

Six different ethics complaints were filed against one person in the central administration of the OCA. The Ethics Committee considered the complaints and reduced them to four different complaints. The Committee has been working in close cooperation with the Holy Synod regarding these issues. A verbal report will be made to the Metropolitan Council.

One complaint was received against a member of the Metropolitan Council which the Ethics Committee considered and decided the issue raised was not within the purview of the Ethics Committee.

The Chair was asked to consider another complaint against a member of the Metropolitan Council. Because the issue involved work the person had done in their diocese and not in or for the OCA, the question was referred to the diocese for disposition.

The Committee has seen the need for close cooperation with the Holy Synod in resolving some of the issues raised to the Committee. A verbal report will be made to the Metropolitan Council about this experience and its impact on the effectiveness of the Ethics Committee. The Ethics Committee is still a relatively new forum within the Metropolitan Council and we are still learning about its purpose and how it is to carry out its work.

Archpriest Theodore Bobosh, Chair

Archimandrite Alexander (Pihach)

Archpriest David Mahaffey

Priest Matthew-Peter Butrie

Rosalie Luster

**REPORT OF FINANCIAL DEVELOPMENT COMMITTEE**  
**JOINT HOLY SYNOD/ METROPOLITAN COUNCIL FALL MEETING**  
**ORTHODOX CHURCH IN AMERICA**  
**WEDNESDAY, SEPTEMBER 28, 2011**  
**EAST NORWICH INN, SYOSSET, NEW YORK**

**V. Reverend David S. MaHaffey**  
Diocese of Philadelphia and  
Eastern Pennsylvania  
**David M. Yeosock, PE, Chairman**  
Diocese of Philadelphia and  
Eastern Pennsylvania

**Protodeacon Peter Danilchick**  
Romanian Episcopate  
AAC – Elected Member  
**Melanie Ringa, OCA Treasurer**  
Orthodox Church in America  
Chancery Liaison

His Beatitude, Metropolitan JONAH along with Diocesan Hierarchs from the OCA blessed the formation of a Financial Development Committee (FDC) to begin the process of evaluating an effective stewardship program for the OCA. The committee members elected a Chairman and began the task of future planning during the Spring Joint Meeting of The Holy Synod and the Metropolitan Council conducted May 4<sup>st</sup> thru 5<sup>th</sup> in Chicago.

**THE CHARTER-** The MC approved the establishment of the Financial Development Committee at the Fall 2010 meeting and the Charter for the Committee, at the Spring 2011 meeting, as follows:

*“The [Financial] Development Committee offers guidance, suggestions and support to the central administration for annual, major, and planned giving programs. It assists the Metropolitan and Giving Officers/ Staff in identifying, cultivating and soliciting donors to the OCA. It reports to the MC, presenting appropriate recommendations for action concerning the OCA’s fund-raising policy and activity.”*

An open format discussion including the cursory fundamental principles of fund raising was presented in the Spring 2011 Holy Synod/ MC Joint Meeting. Rather than re-inventing a program, the preliminary fundraising model was gleaned from the St. Vladimir’s Seminary and other charitable institutions and their experience in this arena. Furthermore, the question of the revival of the Fellowship of Orthodox Stewards (FOS) or the need to establish another such foundation to attract funds was discussed. In either configuration, an Advisory Board (not restricted to MC members) would formulate the “case” for funding and train solicitors in the fundraising strategy. The solicitors, in turn, would employ one or several vehicle(s) of gift giving commitment. The solicitors (clergy and lay spokespeople) would then acknowledge the gift or commitment, its receipt, and its subsequent renewal and increase on an annual basis. In all, the solicitors would tap into their own spiritual and inner gifts such as: listening, perspective, hope, championing, technology, context, inclusion and love.<sup>1</sup>



The establishment of the Financial Development Committee is a part of a step-wise approach to creating a process which will be formulated as a working document in conjunction with Strategic Planning and the outcomes from the 16<sup>th</sup> AAC. The FDC will not be charged with actual solicitations but will act, in its present form, “to articulate a compelling vision and plan for funding the outreach ministries of the Church and other Church needs” ( near term goals of Strategic Planning).

**THE VISION-** At this juncture, we are seeking input from the MC and posit the vision of the Fellowship of Orthodox Stewards for consideration:

*“Invigorate an umbrella gift giving organization as a means by which the faithful of the Orthodox Church in America would be encouraged to use their time, talents, and their treasures for the building up of the Church in North America. The new organization will, in the coming decades, encourage and solicit support for youth ministries, humanitarian aid, pastoral life, communications, Church growth and evangelism. Donors would be cultivated and solicited to provide earmarked and sequestered funds for individual ministries.”*

Members of the Committee are soliciting comment and will be available to answer any specific questions about the proposed future actions of the FDC and the vision statement during our Fall Meeting and the upcoming 16<sup>th</sup> AAC.

Respectfully Submitted  
September 13, 2011

1 Andresen, Katya. "The 10 reasons you're not getting gifts: A mini-manifesto." Network for Good, 2011. Web. 13 Sep 2011. <[http://www.nonprofitmarketingblog.com/site/the\\_10\\_reasons\\_youre\\_not/](http://www.nonprofitmarketingblog.com/site/the_10_reasons_youre_not/)>.

1. **The Gift of Listening:** Listening is the first step to real rapport. Build an emotional connection with donors by making them feel seen and heard.
2. **The Gift of Perspective:** Know that fundraising is all about the relationship you build with those donors – not the transaction of giving.
3. **The Gift of the Right Brain:** Unlock right-brain thinking and tell emotional stories about your work.
4. **The Gift of Impact:** Focus on the impact your donors can have, not the need you have.
5. **The Gift of Champions:** Turn your donors into solicitors. Third parties can be more persuasive than we are.
6. **The Gift of Hope:** Don't make your donors feel their gift is a drop in the bucket. Speak of the lives they change rather than the ones they haven't.
7. **The Gift of Technology:** Technology isn't magic alone, but it can work magic on the right fundraising approach.
8. **The Gift of Context:** Create an environment for donors that's more conducive to giving.
9. **The Gift of Inclusion:** Don't let fundraisers be relegated to the sidelines – architect fundraising into the whole “Church”.
10. **The Gift of Love:** These nine gifts will yield a tenth: the gift of love for what you do. Giving makes people happy, and so you're in the wonderful business of joy.

DATE

The Metropolitan Council  
The Orthodox Church in America

We have audited the financial statements of The Orthodox Church in America (the Church) for the year ended December 31, 2010, and have issued a draft report.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit and Accounting Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Church are described in Note 2 to the financial statements. The application of existing policies was not changed during 2010. We noted no transactions entered into by the Church during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair value of endowment fund investments is based on the published year end market prices. We evaluated the key factors and assumptions used to develop the fair value of endowment investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of unitrust agreement investments is based on the published year end market prices. Management's estimate of the fair value of annuity agreement investments is based on quoted prices for similar assets in active markets. We evaluated the key factors and assumptions used to develop both the fair value of annuity agreement investments and fair value of unitrust agreement investments in determining that both are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the annual depreciation is based on the estimated useful life of assets. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the fair value of the liability due to beneficiaries under multiple split-interest agreements is determined by the present value of estimated future payments to beneficiaries, based on changes in life expectancy and other actuarial assumptions. We evaluated the key factors and assumptions used to determine the liability to beneficiaries under multiple split-interest agreements in determining that the liability is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allocation of functional expense is based on estimates of time spent by employees or percentage of use of facilities. We evaluated the key factors and assumptions used to develop the allocation of functional expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of investments in notes to the financial statements details the composition of investments by major investment category.

The disclosure of property, plant and equipment in notes to the financial statements details the composition of property, plant and equipment by major asset category.

The fair value measurements disclosure details the valuation inputs used in determining the fair value of assets and liabilities measured on a recurring basis.

The disclosure of permanently restricted net assets in the notes to the financial statements which details the Church's investment and spending policies, return objectives and long-term strategic goals. In addition, the disclosure details the changes in endowment funds for the year and the net asset classification of these changes.

The disclosure of loans payable in notes to the financial statements details the composition of long-term debt by major category, and details the maturities and the estimated principal reductions payable within the subsequent five years.

The disclosure of annuity and unitrust agreements in notes to the financial statements details the present value of the remaining future liability to be distributed by the Church and the criteria used to determine the liability.

### *Difficulties Encountered in Performing the Audit*

The completion of our audit was delayed as management compiled information on temporarily and permanently restricted contributions, income, expenses and distributions for years ended December 31, 1998 through and including December 31, 2010, in an effort to clear the majority of current audit opinion qualifications. The process required many hours of examining various trust and endowment agreements, correspondence from donors, and obtaining alignment between the supporting documentation, the historic financial information recorded in multiple software packages, and the internal schedules developed by the accounting office and outside accountants during that time period. Significant progress has been made and we are hopeful that the results will be approved, documented and published within the next several weeks.

No other difficulties were encountered in performing the audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following misstatements detected as a result of audit procedures were corrected by management:

- Reversed \$250,000 of accrued legal expenses recognized in 2009
- Wrote off a \$10,000 uncollectible pledge
- Accrued \$5,280 in assessments receivable
- Capitalized \$8,358 in equipment purchases and recognized additional related depreciation
- Adjusted unitrust liability reserve down by \$15,411

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

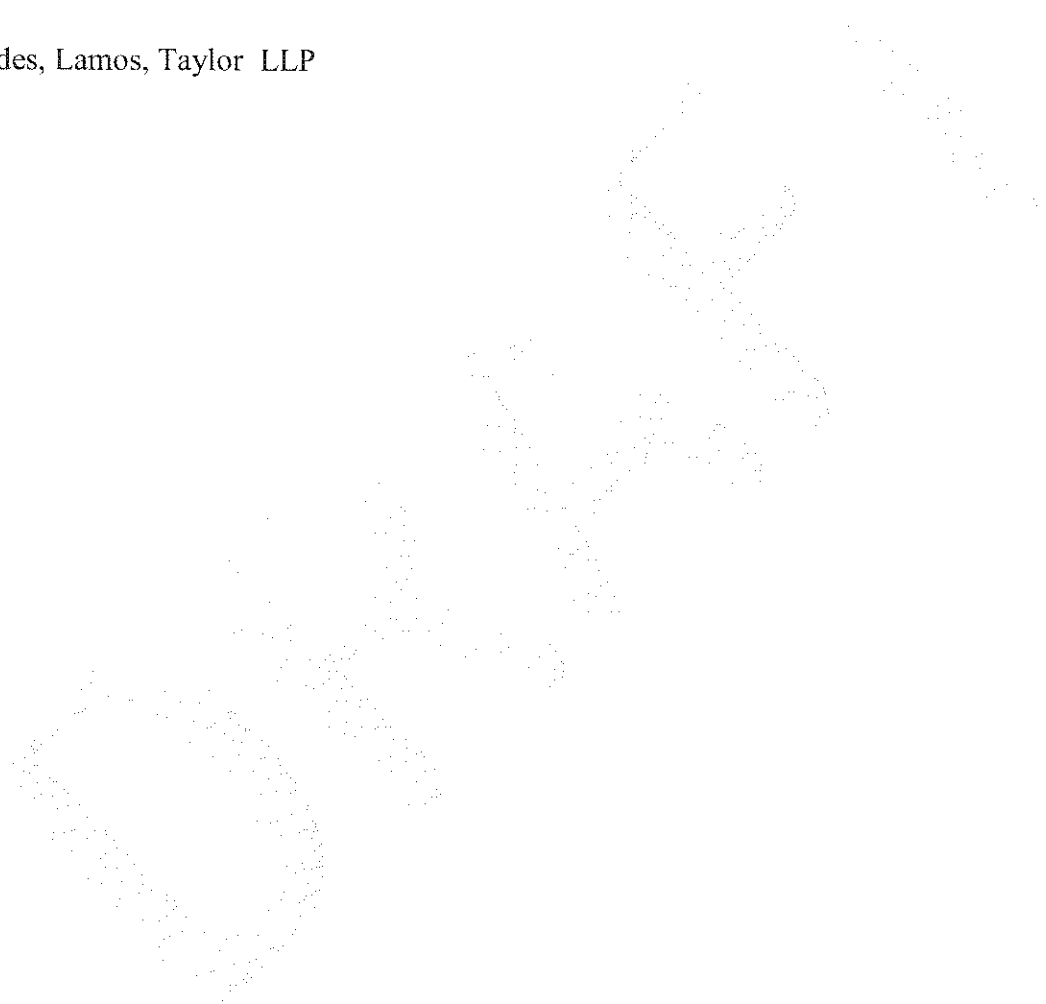
We have requested certain representations from management that are included in the management representation letter.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. This information is intended solely for the use of The Metropolitan Council and management of the Church and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Lambrides, Lamos, Taylor LLP

A large, faint, and illegible signature or stamp is visible in the lower right quadrant of the page. It appears to be a handwritten name or a large, faded stamp, but the text is too light to read.

ORTHODOX CHURCH IN AMERICA  
AUDIT COMMITTEE OF THE METROPOLITAN COUNCIL

---

Deacon Martin D. Watt, CPA, Chair  
Karen L. Simons-Durkish, CPA, Member  
Michael S. Strelka, CPA, CVA, Member  
Vera Bozko-Summer, Alternate

c/o 451 Madison Avenue  
Jermyn, Pennsylvania 18433

September 23, 2011

The Holy Synod of Bishops and Metropolitan Council  
Orthodox Church in America  
P.O. Box 675  
Syosset, New York 11791

Your Beatitude, Your Eminences, Your Graces, Brothers and Sisters in Christ:

Most Blessed Master Bless!

I apologize for not being able to attend this particular meeting, but as I am planning to be at the All American Council in a month, I felt it important to not miss classes for this meeting.

The Audit Committee worked over the summer to perform our semi-annual statutory review of the books and records at the Chancery. After two days of work, the three committee members and one alternate noted nothing that required reporting to the Metropolitan Council. We noted three or four very minor issues regarding outstanding items on the bank reconciliation that were brought to the attention of management, who agrees and intends to correct the issues. These issues appeared to be continuation of corrections of the prior administration, and did not result in any misstatement of the financial information presented currently or in the past. They also appeared to be isolated and non-systemic in nature.

We reviewed all cash accounts and noted no unusual disbursements, and that every disbursement reviewed in detail (approximately 20 selected randomly) was appropriately documented and approved.

At the request of the Pension Board, the auditors reviewed the operations and administrative costs of the Pension Plan. It is important to note that no allegations of mismanagement have been made, and that our examination was undertaken for the sole purpose of providing the Pension Board with additional assurances that funds were not

being mismanaged or placed under undue risk. Our report will be delivered directly to the Pension Board.

We also examined the revenue model, hoping to provide the Metropolitan Council and the All American Council with data that might be useful in the upcoming discussions regarding funding of both central church (Chancery) operations and diocesan operations. The most significant weakness in the current model is the dependence on self-reporting of census information by parishes and dioceses in order to determine revenue.

In order begin to get a grasp on the revenue streams, we utilized the census provided for the upcoming AAC and the existing national assessments, along with the revenue reported for each diocese in their most current budget as reported on their respective websites.

	Total Census	Total Parishes	Avg Parish Size	Diocesan Revenue per Parishioner	Revenue rank / Avg Size rank	Percentage of total OCA census
NY/NJ	3662	51	71.8	163.54	5 / 4	16.8%
Eastern PA	2961	37	80.2	157.32	6 / 2	13.6%
New England	1894	27	70.1	188.75	3 / 5	8.7%
South	2432	71	34.3	124.33	7 / 8	11.2%
West	2460	49	50.2	240.08	1 / 6	11.3%
D.C.	950	11	86.3	188.15	4 / 1	4.4%
Midwest	5226	71	73.6	191.88	2 / 3	24.0%
Western PA	2205	44	50.1	(not avail)	/ 7	10.1%
	21790	361	60.3			

On average, the dioceses take in a total of \$3.5 million, for an average of \$160.47 per parishioner. If we assume that indeed the active membership of the OCA is 21,790 and the average parishioner earns near the median individual income (not household), then the giving rate implied for the OCA as a whole (combining diocesan and national assessments) is approximately 0.65% of parishioner income.<sup>1</sup>

**The weak link in any revenue analysis, however, is the reliability of the number of reported parishioners.** If the widely-reported number of 100,000 members is the more accurate number, then the revenue for the Chancery should be closer to \$10.5 million.

The Audit Committee is therefore concerned that any per capita assessment methodology is handicapped by the dependence on reported census numbers. Alternative methods

<sup>1</sup> Per capita income was \$40,285 for the United States for 2010, as reported by the US Census Bureau.

might include a per parish assessment, with only full parishes contributing to and participating in governance, deanery or diocesan support for the assessments of mission parishes, or perhaps diocesan assessments alone, leaving the diocese with the prerogative to determine the method by which such costs are spread to the parishes.

The Committee would like to thank the Chancery staff, particularly Melanie Ringa and Jessica Linke, for their openness and cooperation, as well as former staff such as Fr. Michael Tassos and Fr. Dennis Swencki. In addition, we give our thanks and appreciation to all those who served at the Chancery during our tenure, our predecessor auditors for their advice and wise counsel, the leadership and membership of the Metropolitan Council, and particularly the Holy Synod for their support and prayers as we draw our three year term to a close. Εἰς πολλὰ ἔτη Δέσποτα!

While the OCA still faces challenges, the committee can state with confidence that reliability in financial reporting and financial systems has been established. The Committee is honored to have served the Holy Synod and the Metropolitan Council for the past three years, and hopes our efforts support the accountability and transparency called for by His Beatitude in Pittsburgh three years ago.

On behalf of the Committee, please accept our thanks for allowing us to use our professional skills and abilities for the benefit of the Church. It has been a humbling but rewarding position.

For the Committee,



Deacon Martin D. Watt, CPA  
Chair





# **Strategic Planning Update: The Path to the AAC and Beyond**

# **This presentation will address the steps to the AAC and beyond**

- Content of the plan has not changed substantially since the last update
- Our focus recently has been on process
  - Steps leading to the AAC
  - Structure of the strategic planning sessions at the AAC
  - Follow-on after the AAC

# **We have continued our outreach in preparation for the AAC with:**

- An interview on the Strategic Plan in the most recent issue of *The Orthodox Church*
- An interview, still to be aired, on Ancient Faith Radio
- Expanded “read-aheads” on each of the 10m goals:
  - Typical read ahead is 7 to 25 pages
  - Provides background info, summary of earlier working group report, questions to reflect on prior to AAC
  - All the read-aheads are posted on oca.org
  - Read-aheads for specific Workshops will be emailed to those pre-registering for the Workshop

# **Four of the eight AAC sessions will address strategic planning**

- Plenary II: SP Overview (1 hr)
- Plenary III: Workshops – 1 (3hr)
- Plenary V: Workshops – 2 (3hr)
- Plenary VII: Summary and steps forward

# There are 3 main goals to these sessions

- Begin building the human networks to implement the the specific goals
- Refine the plan
- Obtain a ‘sense of the council’ for
  - Moving forward with the plan
  - Requesting that the MC pursue additional funding for the plan
  - Requesting that the PCC establish a Post-Conciliar Committee (PoCC) to oversee implementation

# There will be Workshops on each of the 10 goals

<b>GOAL</b>	<b>FACILITATOR</b>
1. Parish Development	Dr. Dmitri Solodow
2. Diocesan Relations	Ms. Donna Karabin
3. Young Adults	Fr. Michael Anderson
4. Leadership & Mgmt	Mr. David Grier
5. Theological Education	Fr. Alexander Garklav
6. Continuing Education	Fr. Ian Pac-Urar
7. Inter-Orthodox Relations	Fr. Leonid Kshkovsky
8. Funding	Protodeacon Peter Danilchick
9. Evangelization	Fr. John Reeves
10. Contemporary Issues	Fr. Michael Oleksa

# All Workshops will follow a standard template

## *Workshop 1 – What can the Church do?*

1A: What did you like in the draft plan? What was off/missing?

1B: What should the Church do on this specific goal? List up to 4 initiatives

## *Workshop 2 – What can I/we do?*

2A: List up to 4 programs/projects (keeping in mind that what is not possible by man is possible with God)

2B: For top 3, list what it will address; how it will be achieved; what resources are needed? and what people need to be involved

# ~2/3 of AAC participants have registered for the Workshops

	1st Choice Wkng Grp	2nd Choice Wkng Grp	3rd Choice Wkg Grp	TOTAL		1st Priority	2nd Priority	3rd Priority	Weighted Total
<b>Contemporary Issues</b>	31	41	53	125		22	11	24	112
<b>Continuing Education</b>	20	32	34	84		6	16	14	64
<b>Diocesan Relations</b>	9	20	7	36		6	16	17	67
<b>Evangelization</b>	33	41	45	119		37	39	34	223
<b>Funding</b>	23	25	32	80		21	27	34	151
<b>Inter-Orthodox Relations</b>	25	27	27	79		13	18	22	97
<b>Leadership &amp; Mgmt</b>	28	52	25	105		27	38	12	169
<b>Parish Development</b>	109	36	44	189		70	29	35	303
<b>Theological Education</b>	19	22	22	63		6	10	18	56
<b>Young Adults</b>	32	24	27	83		20	23	21	107
<b>Other</b>						29	22	13	144
<b>TOTALS</b>	<b>329</b>	<b>320</b>	<b>316</b>			<b>257</b>	<b>249</b>	<b>244</b>	
<b>No selections made</b>	205	234	238			277	285	290	



# The SPC recommends

- Honoring everyone's 1<sup>st</sup> choice for Workshop Sessions
- Emailing all who haven't registered, urging them to do so
- Allowing for last minute registrations at the time of AAC check-in

# Extrapolating to 600 registrants, the numbers become:

	<b>1st Choice Wkng Grp</b>	<b>Room Capacity</b>
<b>Contemporary Issues</b>	57	60
<b>Continuing Education</b>	36	50
<b>Diocesan Relations</b>	16	40
<b>Evangelization</b>	60	90
<b>Funding</b>	42	60
<b>Inter-Orthodox Relations</b>	46	60
<b>Leadership &amp; Mgmt</b>	51	90
<b>Parish Development</b>	198	4000
<b>Theological Education</b>	35	40
<b>Young Adults</b>	58	40
<b>Other</b>		
<b>TOTALS</b>	<b>599</b>	

# The wrap-up session will:

- Briefly summarize some of the initiatives coming out of the Workshop Sessions
- Described the next steps forward
- Seeking a ‘sense of the AAC’:
  - Approving the Strategic Plan
  - Urging the Metropolitan Council to pursue additional funding sources for it
  - Asking the Metropolitan Council to form a Post-Conciliar Committee to oversee implementation

# Following the AAC, we will transition into implementation mode

- Immediately
  - Transition SPC into an interim Post-Conciliar Committee
  - Update Strategic Plan to reflect outcome of AAC
  - Workshop volunteers become nucleus of Implementation Teams
- By January, 2012
  - Implementation Teams are fully staffed
  - Each team has decided on how it will work remotely

# Transition to Implementation - 2

- By Spring, 2012 Metropolitan Council meeting:
  - Detailed implementation plan, budget, and funding case for each goal;
  - Implementation Team chair ‘makes their case’ to the MC
  - Standing Post-Conciliar Committee (PoCC) formed

**And now, it's time for your  
feedback**