



Minutes of the 2009 Spring Metropolitan Council Meeting

Wednesday, Feb. 18 - Friday, Feb. 20, 2009

East Norwich Inn, East Norwich, NY

A. Agenda

The 2009 Spring Session of the Metropolitan Council began with a retreat on the evening of Wednesday, February 18, 2009, lead by Metropolitan Jonah in Chancery's St. Sergius of Radonezh Chapel.

In his talk, which was titled "The Spiritual Process", His Beatitude said that the essence of the spiritual process is to overcome one's ego. The teaching of the Orthodox Church is that true human identity is not found in the self but in God. Only through overcoming the passions a through a complete cooperation of human will with Divine will--synergy--can authentic human life be experienced.

Following Metropolitan Jonah's presentation, hierarchs and Metropolitan Council members discussed issues from his talk in light of the crisis that OCA faced in the recent years and of the desire in the Church at large for healing and strategic visioning, two clearly identified priorities emerging from the OCA's 15th All-American Council in November 2008. An emphasis in this discussion was on the role that Church leadership will play in the ongoing healing and growth of the Church.

The meeting continued the morning of Thursday, February 19, with a Divine Liturgy at St. Sergius of Radonezh Chapel, celebrated by Metropolitan Jonah. Following the Liturgy, Council business sessions took place in the conference room of the East Norwich Inn.

A.1. Welcome and Housekeeping

Fr. Alexander Garklavs welcomed all members of the Metropolitan Council present. Making reference to the recent decision of Holy Synod, he also welcomed the Lesser Synod members present at the meeting.

A.1.1. Approval of recording secretary.

MOTION -- Fr. J. Gallick/Fr. J. Reeves: Approval of Fr. Andrew Jarmus ss recording secretary.

A.2. Roll Call

His Beatitude, Metropolitan Jonah

V. Rev. Alexander Garklavs

(Chancellor)

V. Rev. Eric G. Tosi (Secretary)

Rev. Michael Tassos (Treasurer)

V. Rev. Theodore Boback

Eleana Silk

Rev. David Garretson

Dr. Faith Skordinski

V. Rev. Theodore Bobosh

Protodeacon Peter Danilchick

Diocese of Alaska

V. Rev. Michael Oleksa

Anna Cheryl Andrew

Albanian Archdiocese

V. Rev. Joseph Gallick

William Peters

Archdiocese of Canada

David Grier

Diocese of Eastern Pennsylvania

V. Rev. John Onofrey

Members of the Lesser Synod: His Eminence, Archbishop Job; His Grace, Bishop Benjamin;
also attending: His Eminence, Archbishop Seraphim

Guest: Rev. Thomas Moore [Alternate elected by the 15th All-American Council]

Absent: V. Rev. Cyprian Hutcheon; V. Rev. Alexis Vinogradov; Peter Bohlender

Diocese of the Midwest

V. Rev. Michael Matsko

Mark Stokoe

Diocese of New England

V. Rev. Robert Arida

Rev. Dn. John Zarras

Diocese of the South

V. Rev. Philip Reese

Gary Popovich

Diocese of Washington and New York

John Kozey

Diocese of the West

V. Rev. Matthew Tate

Dr. Dmitri Solodow

Diocese of Western Pennsylvania

V. Rev. John Reeves

Gregory Nescott

A.3. Approval of Agenda – see attached

MOTION -- G. Nescott/Dr. F. Skordinski -- In order that the discussion on finances precede the discussion on legal issues, the agenda items concerning finances and the strategic plan are to be switched, with the strategic plan discussed Thursday afternoon and finances discussed Friday morning. [CARRIED UNANIMOUSLY]

MOTION: Fr. M. Oleksa/G. Popovich -- To accept agenda as revised. [CARRIED UNANIMOUSLY]

B. Approval of Previous MC Minutes Fr. Alexander

MOTION -- Fr. M. Tate/Fr. J. Gallick: To accept minutes as presented. [CARRIED UNANIMOUSLY]

C. Opening Address of Metropolitan Jonah – [see posting on OCA.org](http://OCA.org)

In discussion after His Beatitude's address, a note was made concerning the Metropolitan's reference to the legal expenses related to the OCA and Robert S. Kondratich. The figure of \$350,000.00 noted by Metropolitan Jonah is not an accurate number. This number would include all legal expenses in recent past. Fees strictly related to legal work over the past year are less.

Metropolitan Jonah noted that there is a wider movement between heads of Orthodox Theological Schools to harmonize their programming and structures.

Regarding His Beatitude's comments on a reevaluation of the relationship between St. Vladimir's Seminary and St. Herman's Seminary, Fr. Michael Oleksa noted that this discussion is still in process. The intent is to solve St. Herman's accreditation problem through an affiliation with St. Vladimir's Seminary, which would offer St. Herman's support in structure and resources.

Another question was raised concerning the whether or not the Holy Synod has endorsed the Best Practices policies. At a previous joint session of the Metropolitan Council and Holy Synod, the hierarchs informed the Council members that certain concerns have been raised concerning possible conflicts with Canon Law in the policy. It was noted that this issue had not yet been addressed by the Holy Synod; however, it could be included in the agenda of their meeting in Colorado next week.

When Metropolitan Jonah was asked if his paper reflects the vision of the rest of the Holy Synod, the His Beatitude noted that, although they have not yet seen this specific document, the issues addressed in it have been discussed by the hierarchs at previous meetings and will be discussed further at their retreat next week.

In discussing the restructuring of administrative entities in the Church, Metropolitan Jonah

said that an important part this process would be creating administrative organs that better reflect the diocesan structure of the OCA. The current structures, he said, are still rooted in the structure of a nation-wide Metropolia.

Metropolitan Jonah added that when speaking of the responsibilities of the Metropolitan Council he emphasized fund-raising and development because he sees that this is an area mandate by the OCA Statute that the Council is currently lacking in its duties.

Responding to a question of where the fiduciary responsibilities should lay in Church administration, His Beatitude stated that this responsibility should be shared between Holy Synod and Metropolitan Council.

D. Organization of the Metropolitan Council Metropolitan

D.1. Metropolitan Council Committees

Metropolitan Jonah explained that to facilitate greater communication and coordination between the administrative bodies of the Church, he is recommending that each Metropolitan Council include a members of the Holy Synod and one of the Chancery administrative staff Church officers as liaisons.

It was noted that, especially given that there are so many new people serving on the Council at this time, it would be important to have a process in place to brief incoming Metropolitan Council members, helping them understand their role and responsibilities and to get oriented to current matters.

Fr. Eric Tosi also noted that New York not-for-profit law states that committees of boards must consist of a minimum of three members of the board. A committee constituted of less than three board members must be set up as a “special” committee.

In a discussion of term limits for MC members, it was noted that there should be some uniformity among dioceses and among MC members elected by an AAC. A balance must be achieved between allowing new members and ensuring that there is continuity on the Council.

Related to the population of committees, it was noted that the Metropolitan Council already has a procedure in place and there is no need to start populating committees “from scratch.” Those MC members that are not part of a committee should be encouraged to take part in committees by speaking directly with the chair of a committee(s) that they are interested in. Metropolitan Jonah stated that it is his desire that every Metropolitan Council member sits on a committee.

It was noted that one committee that has been neglected for some time now is the Internal Audit Committee, charged with a review of the internal operations of the OCA Chancery.

The following is a listing of committees and their current members. A list will be circulated for MC members

Charity: J. Reeves; D. Solodow
Ethics: G. Nescott; W. Peters
Finance: M. Tate, E. Silk, G. Popovich, J. Onofrey
Investment: P. Reese; J. Kozey
Legal: G. Nescott
SIC Implementation: P. Reese; M. Matsko, D. Skordinski
Crisis: D. Solodow; G. Popovich
Strat. Vision:
Internal Audit:
Council Development:

It was recommended that Metropolitan Council meetings be scheduled in such a way that committee members come together ahead of time to meet before the full Council meets in order to address agenda items in their purview.

MOTION – Fr. M. Tate/Fr. R. Arida: That the MC create a Special Council Development Committee, whose first task would be to create a draft charter to be presented to the MC for review at its 2009 Fall Meeting. [CARRIED UNANIMOUSLY]

In looking at committee composition and mandates, it was recommended that the Financial Committee and Investment Committee be merged into a single Finance and Investment Committee. Both components of this committee would better be able to conduct their work with a clearer understanding of the other's work. The possible cross pollination of ideas will also help take a longer vision on the financial state of the Church.

There was a concern about the division of responsibilities and also about the committee becoming too large to function properly. Given that there are different functions, it might be better to keep the two committees and have them come together when necessary. A possibility could be that both committees could have the same chair, with essentially one committee with two working groups; this is true especially in light of the fact that it sometimes cannot be discerned when one committee would be needed so having them both accessible in one entity makes sense.

MOTION -- J. Kozey/Pdn. P. Danilchick: That the finance and investment committees be merged into one Finance and Investment Committee. [CARRIED UNANIMOUSLY]

Discussion turned to the recommendation that each committee include as non-voting liaisons one member of the Lesser Synod and one member of the Chancery administrative team. Members of the Lesser Synod shared their belief that this structure would be particularly helpful to the Holy Synod, because it would provide it with current information on the work of committees and the ongoing work of the Church. This facilitates the type of open communication that has been earmarked as critical in the healing and growth of the Church.

It was stressed by members of the Metropolitan Council that the hierarchical liaisons must function only in a non-voting capacity, offering the committees support and a channel of information to the Holy Synod.

MOTION – W. Peters/Dn. J. Zarras: That every MC committee include one non-voting

liaison, recommended by the Metropolitan, from both the Holy Synod and the chancery administration. [CARRIED UNANIMOUSLY]

A sign up sheet was distributed to Metropolitan Council members. Each member was asked to sign up for the committee(s) on which they would like to take part.

MOTION – G. Nescott/Fr. J. Reeves: That the Charity Committee and the Legal Committee be designated as “Special” Committees to comply with New York State law regarding their composition. [CARRIED UNANIMOUSLY]

D.2. Discussion on nomination of Audit committee as per the Statute Revision at 15th All-American Council

Names of various OCA members who met the qualifications outlined in the Statute amendment passed at the 15th All American Council were presented as possible Auditing Committee members. A search committee consisting of Dr. Faith Skordinski; Gary Popovich; Fr. T. Bobosh was formed to form a list of possible Auditing Committee members, review resumes, and make selection recommendations.

MOTION to TABLE formation of Auditing committee -- G. Nescott: As no one seconded Mr. Nescott’s motion, discussion moved to item D.3. The formation of the audit committee is deferred to the next meeting of the MC to give adequate time for consideration of prospective candidates.

D.3. Appointment of Administrative Committee

There was great concern expressed by Council members regarding the idea of reactivating an Administrative Committee. It was noted that this provision for the formation of this committee originated at a time when communication was not as readily available as it is now. Also, given the history of the previous administrative committee, this is not favorable idea at this time.

E. Committee Reports Committee chairs

E.1. Charity Committee: Fr. J. Reeves -- see attached

MOTION – G. Popovich/J. Kozey: To accept the Charity Committee as presented [CARRIED UNANIMOUSLY]

Fr. Michael Tassos was asked about the status of the funds from the Honesdale Bank loan allocated for meeting OCA charity commitments. He replied that all funds from the loan allocated for charities have been distributed.

E.2. Ethics: G. Nescott

Mr. Nescott informed the Council that there have been no new formal ethics complaints submitted since the complaint filed and addressed last year. Responding to a question regarding how an ethics complaint is formally submitted, Mr. Nescott stated that there is a specific form to be filled out and submitted to the committee chair. The committee then investigates the complaint to determine whether or not the situation in question is as ethics violation as outlined in the OCA's "Best Practices" ethics policies.

MOTION – Fr. J. Gallick/G. Popovich: Top accept the Ethics Committee report as presented [CARRIED UNANIMOUSLY]

E.3. Investment: Fr. Philip Reese

In 2008 OCA investments lost approximately \$614,000.00. As of December 31, 2008, there is approximately \$1,795,000.00 in investment accounts. A number of OCA accounts have been moved to Honesdale Bank, although some are still at Wachovia Bank. These accounts at Wachovia could not be moved initially because of the way they were set up, but all Wachovia accounts will be moved once their status is changed.

It was also reported that, given the extreme volatility of equity markets at this time, the committee has passed a conditional policy that all funds be in cash or cash equivalent, which they now are.

The committee is looking into working with a financial advisor from Philadelphia Trust who has worked quite successfully with both St. Vladimir's and St. Tikhon's Seminaries. The committee will be considering the possibility of him serving as manager of OCA investments as well.

Fr. Philip said that at this point the first priority for the committee will be the formulation of investment policy statement. The next step will be the formation of an asset allocation.

A question was raised concerning the OCA's use of Honesdale Bank, given the bank's involvement in the issues stemming out of St. Tikhon's. The following motion was made.

MOTION – G. Nescott/Fr. D. Garretson: That the Finance and Investment Committee be authorized to move all OCA assets out of Honesdale Bank as soon as practical. [CARRIED UNANIMOUSLY]

Responds to a question on deferred compensation funds, Fr. Tassos reported that all funds were paid out by 2008 year end. Fr. Michael Tassos informed the MC that all deferred compensation funds have been distributed.

MOTION -- G. Popovich/Fr. J. Onofrey: To accept the report of the Investment Committee as presented [CARRIED UNANIMOUSLY]

E.4. Crisis Management – Dr. D. Solodow

Dr. Solodow reported that a procedure was drafted December for the development of the crisis management plan. Metropolitan Jonah recently have his blessing to proceed with this procedure. The plan will include definitions and criteria for the definition of a crisis and a recommended methodology for how to address crises when they arise. It was noted that this committee is not a crisis management team itself, but a short-term committee struck to develop the plan for crisis management.

MOTION -- Dr. F. Skordinski/Fr. P. Reese: To accept the Crisis Management Committee report as presented. [CARRIED UNANIMOUSLY]

F. SIC Implementation Report Archbishop JOB – see attached

His Eminence reported that all of the immediate SIC recommendations have been completed with the exception of seeking recovery of funds from named individuals and the presentation from General Counsel on fiduciary responsibility of boards, which is an agenda item of this meeting.

Various long-term recommendations have also been met. There is a logistic issue regarding the recommendation that the Church publish monthly financial reports. Fr. Michael Tassos said that, while monthly reports would be the ideal situation, given the amount of work required to ensure accurate reporting, a more realistic expectation might be quarterly reports.

MOTION – Fr. M. Oleksa/D. Grier: To accept the SIC Implementation Committee report as presented. [CARRIED UNANIMOUSLY]

G. Report of Officers

G.1. Chancellor – see attached

Commenting on his report, Fr. Alexander began by stating that the our Church continues to encounter difficulties and the challenges are immense. We are at a point of change and change can be difficult. But with a new Metropolitan we have a new day before us, with new possibilities.

Fr. Alexander also stated that, in looking at the relationship between the Chancery administration and the Metropolitan Council, it should not be assumed to be adversarial. In fact, he said, the chancery administration could be seen as that part of the Metropolitan Council charged with executing its decisions on a day-to-day basis.

Reporting on his work, Fr. Alexander gave the Metropolitan Council an overview of the Paul Sidebottom case. He informed the Council that, in fulfillment of part of the case settlement,

the OCA will be reviewing and revising its policies and procedures on sexual harassment. Fr. Alexander said that this revision is only in its beginning phases, and suggestions for qualified individuals to help with this process are welcomed from Council members.

Together with this will be the development of sexual harassment awareness training for clergy and psychological testing for seminarians and candidates for ordination.

Council members noted that the resources needed for this work are already available from other Churches; it is a matter of tapping into these and adapting them to our situation and tradition.

Fr. Alexander also stated that the OCA's Office of Sexual Harassment needs a complete overhaul, as stated by Metropolitan Jonah yesterday. In a question related to this, Fr. Alexander informed the Council that Fr. Alexy Karlgut is no longer involved in this office's work; the office is currently vacant.

Metropolitan Jonah said that he has zero tolerance for clergy sexual abuse issues; he added that sexual abuse on the part of a lay person is also unacceptable. Metropolitan Jonah, in response to a question from the Council, stated that homosexuality would be viewed as an impediment to ordination, clearly outlined in canon law.

Fr. R. Arida noted that there is a difficulty in applying canon law to practical issues. There is a clear challenge related to how canon law should be applied regarding qualifications for ordination, given that issues related to sexuality are only one possible impediment.

His Beatitude continued by stating that, in response to an allegation of clergy sexual abuse the first step would be determining the veracity of the allegation. Next, if the allegation is found to be true, the clergyman must be suspended and the Holy Synod must decide what further action to take, depending on the nature of the situation. The response of the Holy Synod could involve both ecclesiastical consequences and possibly civil prosecution, if the action involves criminal behavior.

When the clergyman in question is a hierarch, it was noted that the Metropolitan is the person to be contacted who, through the Holy Synod, will investigate and proceed based on their findings.

Regarding the revision of the sexual abuse policies, it was noted that this revision must be approached from both a canonical perspective and from a forensic perspective so that just as Church order is maintained due process is also given to the issue in the eyes of the law.

To this point, it was stated, our responses to such allegations of sexual misconduct and abuse has been far from adequate and this has damaged the Church's credibility with its membership. Metropolitan Jonah's words on this issue are very reassuring, but they must be backed up by concrete and decisive actions when the time comes.

Metropolitan Council members asked Fr. Alexander to give a time line of when work on addressing the Sidebottom settlement point will be complete. Fr. Alexander responded by saying that the agreement gives a six-month time line.

Fr. Eric Tosi noted that we still have vast a number of parishes that have not signed off on their compliance with sexual harassment policies. This puts the Church at risk as a result and this is an issue that needs to be addressed immediately. The best way to follow up on this is through diocesan hierarchs.

Fr. Alexander was asked the extent of his involvement in legal issues pertaining to the OCA at this time. He stated that he was the point of contact at the Chancery for some issues. He works with Fr. Eric on some other issues, but Fr. Eric will be overseeing legal matters that come up in the future.

G.2. Secretary – see attached

In discussion of Fr. Eric's report, a question was raised as to whether there is or might be an asbestos problem at the chancery office. Fr. Eric said that, to his knowledge, there is no open asbestos in the building.

MOTION -- Fr. D. Garretson/G. Nescott: The Metropolitan Council directs the Secretary to investigate the issue of asbestos at the OCA chancery and to report back to the Council. [CARRIED UNANIMOUSLY]

It was also noted that the chancery needs a fire evacuation plan.

G.3. Director of Ministries and Communications – see attached

In addition to the material in his written report, Fr. Andrew mentioned changes to the publication of “The Orthodox Church” magazine. In order to cut printing and mailing costs, the first change implemented was to go to a quarterly format. The chancery is also considering publishing “The Orthodox Church” exclusively on the OCA.org web site. In discussion, it was noted that there are still many OCA members who do not have internet access. The Council directed Fr. Andrew to look into alternatives for publication of “The Orthodox Church” that would involve neither printing and mailing to the whole OCA mailing list nor publishing on line only.

Council members also discussed the necessity to update the OCA data base software. A new data base solution is part of the Blackbaud package and will come on line once training has been completed.

H. Legal Matters

MOTION – G. Nescott/G. Popovich: That this session of the Meeting of the Metropolitan Council go into executive session. [CARRIED UNANIMOUSLY]

H.1. Responsibilities of MC Thaddeus Wojcik

OCA General Counsel, Thaddeus Wojcik, gave a presentation on the fiduciary responsibilities of MC members. Mr. Wojcik emphasized that ultimately, the Church is the Body of Christ. However, in the eyes of the State, as the Church has elected to become a registered not-for-profit organization, the Church is an entity with specific bodies of law that apply to it: not-for-profit organization law and religious corporation law. The essential responsibilities of the board member of a not-for-profit entity are to take actions in good faith, with reasonable diligence, care and skill. He stressed that if board members do what is morally right, and seek qualified assistance when unsure of how to proceed, they should be in good state.

H.2. Kondratick Suit Legal Committee

In executive session, attorney Jon Ward, who is representing the OCA in the Kondratick litigations, OCA General Counsel Thaddeus Wojcik, and Metropolitan Council Legal Committee chair Gregg Nescott updated the Council in detail on the suits against the OCA filed by Elizabeth Kondratick and Robert Kondratick, and the counterclaims filed by the OCA in response. These matters are now in pretrial discovery. All legal options were discussed and the Metropolitan Council agreed, without dissent, that the defense of these suits should continue. Specific legal strategies and decisions as to this matter and others remain confidential, and cannot be reported at this time.

The following motion, made during this discussion was brought out of executive session:

MOTION – G. Nescott/Fr. M. Tate: The Metropolitan Council authorizes the Legal Committee to make a decision, in consultation with the Metropolitan on behalf of the Holy Synod, on a choice between a jury or non-jury trial should this choice become necessary in the Elizabeth Kondratick lawsuit. [CARRIED UNANIMOUSLY]

H.3. Koumentakos Suit

Gregory Nescott reported that the lawsuit of Elizabeth Koumentakos in Maryland against the OCA, the Diocese of Washington and New York, and others, is being defended by counsel retained for the OCA in Maryland. A motion to dismiss the case has been filed by the OCA, and we are awaiting the decision of the court, expected soon.

Mr. Nescott also informed the Council that legal counsel in New York has been retained by the OCA to defend the lawsuit recently filed by Bishop Nikolai, in which he is seeking millions of dollars in damages. The merits of that case were discussed. The OCA's response to that lawsuit is expected to be filed shortly.

He also spoke about the lawsuit filed against the retired Bishop of Alaska; on the recommendation of the Legal committee, the Orthodox Church in America by blessed the engaging the law firm of Eaton & Van Winkle to represent the OCA in this case. Gregg also

spoke about the settlement reached in the issue with Paul Sidebottom.

A recommendation of the SIC that restitution be sought against Metropolitan Theodosius was briefly discussed, with a complete report to be made at the next MC meeting

Per recommendation of the Special Investigating Committee, the SIC report and its findings have been formally reported to the Nassau County (NY) District Attorney's Office.

H.4. Other legal matters

Thaddeus Wojcik noted that the Metropolitan Council must review any severance agreements with Chancery personnel.

H.6. EEOC

It was reported that the Chancery is taking the lead in studying changes in and implementation of church policies based on the agreement in the Paul Sidebottom (Alaska) case

MOTION -- G. Nescott/Fr. J. Reeves: That the Meeting of the Metropolitan Council exit out of executive session. [CARRIED UNANIMOUSLY]

MOTION -- Fr. J. Reeves/Fr. P. Reese: That the letters of employment for the OCA chancery administrative team -- Chancellor, Secretary, Treasurer and Director of Ministries and Communications -- be produced to the Legal Committee and General Counsel for their review and that the committee and/or General Counsel present report on these letters at the next MC meeting. [CARRIED UNANIMOUSLY]

MOTION -- Fr. D. Garretson/Fr. J. Reeves: The Metropolitan Council directs the OCA Secretary to acquire bonds for Church officers and all Church staff that handle Church finances. [CARRIED UNANIMOUSLY]

MOTION -- Fr. D. Garretson/Fr. J. Gallick: The Metropolitan Council reminds all Church officers, staff and members of the Holy Synod and Metropolitan Council to immediately inform the OCA Secretary, Chancellor and Chair of the Metropolitan Council Legal Committee about any circumstances that could reasonably lead to any legal action against the Church. [CARRIED UNANIMOUSLY]

MOTION -- Fr. D. Garretson/Dr. D. Solodow: The Metropolitan Council directs the OCA Secretary to acquire employment practices coverage for the OCA. [CARRIED UNANIMOUSLY]

ACTION ITEM: Fr. Eric will provide the Metropolitan Council with a copy of the D&O policy that covers the Church.

I. St. Tikhon's Monastery and Seminary

MOTION – G. Nescott/Fr. E. G. Tosi: G. Nescott/Fr. J. Reeves: That this session of the Metropolitan Council Meeting go into executive session. [CARRIED UNANIMOUSLY]

In Executive Session, His Grace, Bishop Tikhon of Philadelphia and Eastern Pennsylvania presented a detailed report on the situation at St. Tikhon's Monastery and Seminary in South Canaan and the attempt to unravel the finances of the monastery and its properties, including the bookstore and other entities. Supplemental reports were offered by Fr. Sergius (Bowyer) of the monastery, and OCA Treasurer Fr. Michael Tassos and Controller Fr. Dennis Swencki, based on their examination of certain records and documents. The investigation will continue..

MOTION – G. Nescott/Fr. J. Gallick: G. Nescott/Fr. J. Reeves: That the Meeting of the Metropolitan Council exit out of executive session. [CARRIED UNANIMOUSLY]

Metropolitan Jonah thanked and acknowledged Bishop Tikhon and Fr. Sergius for their work facilitating healing at St. Tikhon's Monastery and Seminary and bringing these institutions to the next phase of their life.

J. Finances – Fr. Michael Tassos; Fr. Matthew Tate

J.1. 2008 Finances – see attached

Fr. Matthew Tate introduced the report on finances by stating that, after three years of balanced budgets, 2008 was a failure. At the first half of 2008, the budget was balanced; overages came through unexpected expenses in the second half of the year, in particular the fourth quarter. He apologized in behalf of the finance committee. The 15th All-American Council set an assessment of \$105.00 and the Church must work within this limit. Last year there was an overage of approximately \$200,000.00. There was an expected overage of about \$100,000.00 because of legal expenses but the real issue, Fr. Matthew said, was that the budget was used as a suggestion list and not a concrete guideline for spending; Fr. Matthew emphasized that this cannot be the case.

Fr. Michael Tassos also expressed his personal regret for the overages in 2008. He said that we have looked for truth and accountability; while we have done much in the way of embracing truthfulness, we were negligent in accountability.

Fr. Michael said that, while salaries, benefits and departmental expenses were under budget, one area where there were great overages was travel expenses. A number of factors contributed to this situation, including a number of extra meetings of the Holy Synod and Metropolitan Council in 2008 as a result of the legal issues and other matters.

Fr. Michael noted that in 2009 Chancery administrative staff are taking cuts to their compensation packages. He invited Metropolitan Council members to offer their help with Church finances by covering their own expenses whenever possible.

It was noted that, in order to stay within budget, the Chancery must know on a regular basis where departments and offices are as far as their annual budgets. Fr. Matthew noted that an agreed-to action item regarding finances is that Fr. Michael will do a monthly reconciliation with staff, so that they know month-to-month where they are in relation to the budgetary allotments.

Responding to a question on expenses for a housekeeper at the chancery, Fr. Matthew clarified that it was decided to keep this position. Fr. Michael noted that he is looking into possible contract positions for housekeeping, but he felt that if rates are comparable he would not recommend a change, especially in light of the breadth of the current staff member's work which exceeds housekeeping. This position was also left as-is in an effort to allow Metropolitan Jonah to assess his own needs regarding Chancery staffing.

When asked when an annual representation letter will be signed, as required in "Best Practices," Fr. Michael responded that it will be presented by Monday, February 23, 2009.

MOTION – Fr. M. Tate/G. Popovich: The Metropolitan Council declares that the Church will live within the constraints of the budget that is passed. Any possible changes will be referred to the finance committee and considered in accordance with guidelines previously agreed to. [CARRIED UNANIMOUSLY]

MOTION Fr. M. Tassos/E. Silk: All FOS contributions are to be used exclusively to support Church departments. [CARRIED UNANIMOUSLY]

MOTION – Dn. J. Zarras/Fr. M. Oleksa: The the Metropolitan Council strives to have 100% participation from all its members to supporting FOS. [CARRIED UNANIMOUSLY]

MOTION J. Kozey/G. Popovich: That the Holy Synod be encouraged to support FOS as the MC has committed to. [CARRIED UNANIMOUSLY]

MOTION Fr. E. G. Tosi/D. Solodow: That travel and lodging expenses for Metropolitan Council meetings be covered by the central Church for representatives elected at All-American Councils and by the dioceses for their respective diocesan representatives. [CARRIED UNANIMOUSLY]

J.2. 2009 Budget

MOTION – Fr. M. Tate/M. Stokoe: To accept the following additions to the 2009 budget recommended by the Finance Committee:

Publishing & Printing limited run of "The Orthodox Church"	\$50,000.00
Cell attendant for Metropolitan Jonah	\$18,000.00
Additional International travel for	\$20,000.00

Metropolitan Jonah

**Review and development of Policies and
Procedures Regarding Sexual Misconduct \$5,000.00**

[CARRIED UNANIMOUSLY]

MOTION -- Pdn. P. Danilchick /G. Nescott: That Finance & Investment Committee review alternatives to the tax principles currently in effect at the OCA chancery and report a recommendation to the Metropolitan Council at the next meeting. In particular, the Committee is asked to review making the payroll taxes and principles to be the same for clergy and laity as well as male and female employees. [CARRIED with 2 NAYS & 1 ABSTENTION]

Fr. M. Tate stated that the Finance Committee welcomes any discussion/correspondence on the above. He also noted that if the Church can keep to this budget for the year 2009, the year should end with a surplus of over \$400,000.00.

K. Strategic Plan / Strategic Planning Committee -- see attached

Dr. Dmitri Solodow began with offer background into the establishment of the strategic planning process. Protodeacon Peter Danilchick and Deacon John Zarras also gave portions of the Strategic Planning Committee report.

It was stressed that there is a unique opportunity before the Church that cannot be taken lightly because such an opportunity will not come again any time soon. When Dr. Solodow was asked what his opinion was on the reality of making the radical changes necessary to make such a plan work, he said the first step is looking at readiness and possible barriers to change. The challenge is getting “buy-in” from all stake holders.

A question was raised as to whether it was realistic to expect this process to be completed in a three year period –the term between All-American Councils. The answer was yes, as long as there is no delay in beginning the process.

It was also clarified that the three individuals mandated with making this presentation are not the strategic planning committee, but were a team gathered to discuss possible scenarios for working out the plan.

A key approach to this plan is to answer the question, “What do we have to offer North America that no one else has.” Our most basic vision is the salvation of the world.

L. Other Business Fr. Alexander

L.1. Alaska Lands

A question was raised on the status of the Alaska Lands. There has been very little spoken

about this and it would not be responsible for the Metropolitan Council to neglect this issue.

MOTION -- M. Stokoe/Fr. R. Arida: The Metropolitan Council representatives from Alaska will compile a report on Alaska Lands, to be presented at the next meeting of the MC. [CARRIED UNANIMOUSLY]

MOTION to ADJOURN -- G. Popovich/E. Silk Meeting adjourned Friday, February 20, 2:20 PM.