

METROPOLITAN COUNCIL REPORT

NEW YORK/NEW JERSEY DIOCESAN ASSEMBLY

NOVEMBER 2, 2022

Since we last gathered virtually as a diocese on November 3, 2021, the Metropolitan Council (MC) of the OCA met on five occasions, all via *Zoom* teleconference: four times in special session (December 2, June 27, July 13 & August 25) and once in full session (a three-day meeting held February 9-10 & April 11). All the meetings were chaired by His Beatitude, Metropolitan TIKHON, and included clergy and lay representatives from throughout the U.S., Canada and Mexico, as well as at-large members elected at the 19th All-American Council (AAC) in St. Louis, MO in July 2018. Our responsibility as this group was to gather to discern God's will; to work together for His Church; and to discuss and take action on issues that will continue to move the OCA forward into the 21st century.

The following is a description of matters discussed and decisions rendered throughout the past year:

REPORT OF THE METROPOLITAN

Work continues on the results from the expanded joint meeting of the Holy Synod and Metropolitan Council that took place in Cleveland, OH last October. At this gathering, eight groups, comprised of hierarchs, MC members, diocesan chancellors, seminary representatives and monastic superiors, were assigned specific aspects of vocation in the life of the Church. Each group discussed and suggested solutions to vocational challenges. With the blessing of the Metropolitan, the Chancery staff has been meeting to analyze the results and determine actionable next steps.

His Beatitude continues to serve as *Locum Tenens* for both the *Diocese of New England* and the *Albanian Archdiocese*. The search for episcopal candidates is ongoing and the Metropolitan is actively involved in this process.

In accordance with his need to canonically and statutorily reside in his archdiocese, Metropolitan TIKHON has been living in the Washington, DC area since the middle of June. He is renting a townhouse in Falls Church, VA—20 minutes from *Saint Nicholas Cathedral*, his primatial church, as well as six of his diocesan parishes, and 15 minutes from the office space which is serving as a temporary chancery. Although there continues to be mixed feelings about moving the Chancery, the Metropolitan strongly believes that this was a good and proper decision.

His Beatitude is completing a series of 10 podcasts, entitled *Our Apostolic Voyage*, articulating his four-pillar vision for the fulfillment of the Apostolic work of the Church.

REPORT OF THE CHANCELLOR

Chancellor Archpriest Alexander Rentel contracted COVID-19 in late November, which subsequently lessened his work for five weeks. With His Beatitude's blessing, the Chancery and Chapel were, once again, closed to outsiders, due to the surge in the Omicron variant. Two personnel changes took place: (1) Priest Kyle Parrott is now the Director of Communications and (2) Emily Waters is now the acting coordinator of the *Office of Review of Sexual Misconduct Allegations (ORSMA)*. Finally, the formal process of finding a successor to Judge E.R. Lanier, General Counsel to the OCA, was expected to begin in late February.

REPORT OF THE SECRETARY

In his role as head of Chancery Management, Secretary Priest Alessandro Margheritino reported that general maintenance on the property on Long Island remained low. In preparation for the move, the staff worked diligently decluttering rooms and closets.

Over the past year, a number of info technology changes and improvements within the Chancery were implemented; so far, they have proven to be very effective in helping the staff work more efficiently. The digitization of parish folders has begun, with clergy folders to follow.

The Sexual Misconduct Policy Advisory Committee (SMPAC) continues to operate in an advisory capacity, providing support on how to improve the effectiveness and content of the *Policies, Standards and Procedures (PSPs) on Sexual Misconduct*; reviewing the extent to how the Church's PSPs are implemented; and ensuring compliance. Fr. Alessandro continues to oversee PSP compliance for the Stavropegial institutions; he has also been working with ORSMA to reorganize and digitize files; to process background checks through *Protect My Ministry*; and to look at various policies that need updating.

Father Alessandro continues to work well with the Director of Communications in preparing articles, press releases and statements that are posted on the OCA website and other social media platforms.

REPORT OF THE TREASURER

Treasurer Andrew Smith delivered the financial and budget reports. Despite the ongoing pandemic, 2020 was a solid year financially. Cash/cash equivalents increased by \$775,000 and investments rose by \$393,000. Accounts receivable decreased by \$31,000. Net assets were close to \$1 million. Final audited statements were issued last November and formally received by the MC. Preliminary FY2021 revenue collection was good (112% of budget), with diocesan contributions coming in 7.5% higher than expected. Individual giving, primarily through the *Stewards of the OCA* campaign, exceeded expectations by over 40%. Expenses were well below anticipated (81% of overall budget), due to staff vacancies and the curtailment of meetings and travel expenses. Net income was \$583,000.

An amendment to the FY2022 budget, which was adopted by the MC last October, was presented by Andrew and the Finance & Investment Committee. An increase of \$125,000 from unrestricted funds to help facilitate the move of most Chancery operations to the Washington, DC area was proposed and approved.

SALE OF THE CHANCERY

Because any offers for the property were short of the \$6.5 million asking price, the listing was taken off the market on December 31, 2021. Moving forward, OCA-friendly developers will be contacted to see if co-development is an opportunity. Listing the property as a commercial entity is also a possibility. Once the current chancery is vacated, it will cost approximately \$100,000 a year to maintain; it would cost \$1-2 million to bring the building up to par to sell as a residential property.

RELOCATION OF THE CHANCERY

By a majority vote, the MC approved a three-year lease agreement for temporary office space for the Chancery in the Washington, DC area (Springfield, VA). All documentation was thoroughly discussed, reviewed and edited by the MC Legal & Property Committees, the OCA insurance carrier, OCA officers and a commercial real estate professional. Other businesses in the building include several accounting firms, a vision care establishment and an insurance company. The edifice is clean, quiet and located across the parking lot from the *Hilton Hotel* (which is generally used by the Holy Synod). There is a large room where the MC or Synod can meet and plenty of office space. Finally, although it is not anticipated, this lease can be renewed.

It is the expectation of the MC Property Committee that a permanent chancery will be secured by 2025, for an estimated cost of \$3-3.5 million, including land, permits and construction.

OCA PENSION PLAN

As part of its charge in exercising faithful, competent and socially responsible stewardship, the MC unanimously adopted a resolution authorizing the OCA Chancellor to enter into an agreement with *Cherion, Inc.*, an outside actuarial firm, to conduct a review of the *OCA Pension Plan*, in accordance with the Requests for Proposals (RFP) process conducted by the Pension Subcommittee of the MC. An executive summary was presented, commenting on the soundness and health of the Plan and its ability to accumulate sufficient assets to meet the OCA's goal of providing financial security to clergy and lay employees in retirement.

The primary findings and recommendations were as follows:

- The Plan has a significant deficit, only having enough assets to cover about 50% of pension benefits accrued. Without corrective action, this deficit is projected to grow.
- *Milliman*, the current actuarial and consulting firm overseeing the Plan, did not provide all risks and liabilities to both the Pension Board and Plan participants. Future reports should include graphs, actual vs. expected experience and discussion of credibility, as this will enhance the analysis and Plan participants' understanding.
- Administrative expenses need to be increased from 1.5% to 2% of payroll; as a result, the required contribution rate would increase from 26.8% to 27.3%.

The report was received by the Holy Synod, along with all diocesan chancellors and treasurers and the Pension Board at the end of June. Based on its results, a proposed statute amendment to have the MC oversee the Pension Board and end the role of the AAC in the selection of Board members was reintroduced. (*This amendment was first discussed in April.*) Despite the opposition of our diocese, as well as the Diocese of the West, the amendment was not withdrawn and was on the agenda at the 20th AAC in Baltimore this past July.

A resolution to have each territorial diocese, excluding Canada, Mexico and Alaska, remit an additional 2% of their current year budgeted net operating revenue restricted for the purpose of covering administrative expenses, as related to the OCA Pension Plan, was presented. After a lengthy discussion, it was defeated by the MC.

Finally, in fulfillment of the resolution that was adopted at the Fifth Plenary Session of the 20th AAC, Mr. David Lane, Lay Delegate of the Diocese of the West, was appointed as MC liaison to the Pension Board.

RELOCATION OF THE ARCHIVES

Secretary Father Alessandro Margheritino again confirmed what was reported by His Eminence at our *Annual Diocesan Assembly* held last November: because of financial difficulties, *Miami University* had withdrawn its proposal to house the Archives. Even with its recent decision to relocate, *Saint Vladimir's Seminary* is still willing to accept all archival material. In late January, Fr. Alessandro and a small group of MC members went to visit the *Florovsky Library* where the Seminary proposes the Archives to be housed. The meeting was very positive. The Seminary is both offering a lot more room and is willing to take much more than what it initially stated in its proposal. The space is climate-controlled and in very good condition. The Seminary is also willing to digitize video and audio files, as long as these materials have historical value and are, indeed, part of the Archives. Bottom line: *Saint Vladimir's* has both the professionalism and desire to house the history of the Orthodox Church in America. Accordingly, with the blessing of the Holy Synod, a resolution to authorize the Chancellor and Secretary to engage in logistical and contractual discussions with *Saint Vladimir's Seminary* regarding the relocation of the Archives was presented and passed.

To fund the relocation of the Archives, the Church will transfer the remaining balance of a restricted archives fund (approximately \$108,000) to the Seminary, which will hold this money in a separate account that will be exclusively used for the preservation of the Archives. Additionally, the OCA will subsidize the continued digitization of the Archives, up to and not exceeding the value of the remaining funds of an anonymous grant received in 2018 for this project. The Seminary will hire an archivist at its own expense and the current OCA Archivist, Mr. Alexis Liberovsky, will offer support to the Seminary during the transitional period up until his retirement, after which no replacement for him will be hired. In the event the Seminary relocates, the Archives will be moved to the new location only upon approval of the MC and confirmation by the Holy Synod. Finally, if the Seminary dissolves or transfers to another ecclesiastical jurisdiction, the Archives will be physically returned to the OCA.

OTHER MATTERS

Archpriest Thomas Soroka, Departments Program Manager, requested input from the members of the MC and Holy Synod regarding possible goals and the ongoing structure of the departments.

His Beatitude requested that a review of the compensation structure and salary/stipend levels for all Chancery officers and staff, including the Metropolitan, be conducted by the OCA Treasurer and the MC Finance & Investment Committee to ensure that they are in compliance with the compensation guidelines of the OCA, taking into consideration the relocation to the greater Washington, DC area.

Daily posts are now on the OCA's social media channels: *Facebook, Twitter, Instagram* and *Telegram*. Also, Alexis Liberovsky, OCA Archivist, has been engaged to write articles, approximately one per month, highlighting important events and individuals in the history of the OCA.

The *Thriving in Ministry (TIM)* and *Synaxis* programs continue to be highly successful and beneficial.

The MC unanimously approved grants to the following three missions: *Saint John the Merciful* in Kissimmee, FL, *Archangel Gabriel* in Azle, TX and *Saint Cyril of Jerusalem* in The Woodlands, TX. A review of this program may be necessary to address the current needs of priests and missions, possibly increasing the 50% salary threshold; considering regional cost of living; customizing a grant for needs beyond a priest's salary; and modifying the program to help legacy parishes that have a strong possibility of continued fruitful ministry and growth.



This is our final report. It's been an honor and pleasure to be your MC clergy and lay delegates for the past six and seven years, respectively. Serving on this administrative body has been an experience we will never forget and one that we encourage others to strongly consider, for as Saint Melito of Sardis says: *"The chief of your good works is this: that you know the Lord and serve Him."*

For the last time, thank you for allowing us to represent our diocese and for the privilege of doing the Lord's work *"on behalf of all and for all."*

Respectfully submitted,

Archimandrite Joseph (Hoffman)
Metropolitan Council Clergy Delegate

James P. Kornafel
Metropolitan Council Lay Delegate