

Report of Diocesan Metropolitan Council Representatives

Since the prior report submitted last December, the Metropolitan Council met virtually for its spring session on March 14 and 16, with special meetings on February 3 and May 4.

Metropolitan's Report: His Beatitude Metropolitan Tikhon noted the conveniences of residing in Virginia and within the Archdiocese of Washington. He announced the membership of the Synodal Pension committee appointed by the Holy Synod: Archbishop Daniel (chair), Archbishop Michael, Archbishop Mark; Pension Board members Fr. John Dresko, Matushka Mary Buletza-Breton, Mary Ann Bobulsky; and Metropolitan Council members Fr. John Baker, David Lane and Joshua Godbold.

The **Property Committee** engaged the services of a commercial real estate broker, RIPCO Real Estate LLC, confirmed through a special meeting of the MC on February 3 to sell the Westwood property in Syosset. The new efforts will target commercial (developer) prospects, but the sale efforts will not exclude those seeking a residential use purchase. There is no commercial zoning in the municipality. A reasonable expectation for closure, given this sales plan, is reported to be 9 to 18 months. A significant obstacle to a sale is the extremely high tax assessment of \$12M (the listed selling price is \$5.2M), which would result in taxes to a non-exempt buyer of \$263,000 per year; the OCA doesn't pay the full tax rate and is therefore said to be without standing for a dispute. A tax grievance has been filed and the OCA is expecting expenses for legal and professional services.

The Preconciliar Commission received only two feasible bids for the **21st All American Council**: the Hyatt Regency at Chicago O'Hare (Rosemont) and Arizona Grand Resort in Phoenix Arizona. The consensus favored the Phoenix recommendation; a subsequent special session authorized the contract with the Arizona Grand Resort, scheduled for July 14-18, 2025.

Resolutions approved included (1) designating an unrestricted bequest of \$50,000 received from the estate of Al Foundos for youth activities, broadly defined, with the right to reverse the decision, although not planning or intending to do so (2) returning a \$120,000 grant intended for St. Catherine's Representation Church in Moscow for an iconostasis project, at the request of the dean of St. Catherine's. The OCA administration and legal counsel determined that there is currently no way to send funds to Russia in light of sanctions. The funds will be returned to Chenega Corporation, an Alaskan Native corporation.

OCA Pension Plan: Much of the second day's business involved discussions of the Pension Plan and the Pension Board's response to questions from the MC Pension

Committee. Archbishop Daniel in his report to Metropolitan Tikhon and the Metropolitan Council identified the specific mandate for the Synodal Pension Committee is to “explore issues surrounding compliance and plan structure.” This includes (1) review of the mandate for certain employees (and the employers) to participate in the Plan, (2) ascertain where the Church stands on compliance, (3) review updated actuarial analysis to determine the impact of recent Plan changes and market conditions on the Plan’s status, (4) begin looking to the Plan’s future and consider what Plan structure would be most beneficial to the Church and clergy, and (5) explore ways to reduce, over time, the existing net pension liability.

Additionally, the Metropolitan Council’s Pension Committee exists to facilitate communications between the Pension Board and the Metropolitan Council. Per a resolution approved at the Fall 2022 MC session, “The function of the Pension Committee is to review the recommendations of the Pension Board, analyze the recommendations, and make a report to the Metropolitan Council. The Pension Board shall make a report with recommendations to the Pension Committee no later than 30 days prior to the regular session of the Metropolitan Council where the recommendations will be considered.”

Financially, the OCA has a balanced budget for 2023 (with use of unrestricted reserves), considering the reduced contributions from the Dioceses (including the Midwest) that are invoiced at a rate greater than 34%. Despite unrealized losses on investments in 2022, overall, the endowment is well "above water", that is, greater than the net invested capital. Overall, the investment accounts were down a collective 15%, versus the 20% decline of the S&P 500 in 2022. Revenue collection in 2022 was 97% of expectation, with expenses at 93% of budget, giving a modest increase in unrestricted net assets, without having to draw on unrestricted reserves as budgeted. The All American Council was within budget, resulting in a modest net income of \$2,405. The AAC overspent on youth activities, but this was offset by using the contingency funds budgeted. The OCA is engaging a firm to prepare and apply for an Employee Retention Tax Credit (ERTC), with an estimated credit of \$189,000, net of fees, for the years 2020-2021. This is different from and in addition to what was obtained through the Paycheck Protection Plan loan forgiveness.

Respectfully submitted,
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Fr. John Baker
May 25, 2023