Plenary Session II
Tuesday, July 19, 2022

OPENING PRAYER
The session was convened at 10:44 a.m. with the singing of “O Heavenly King.”

Archpriest Andrew Jarmus, Clergy Vice Chair, asked all to keep Judge E. R. Lanier in their prayers, as he is undergoing surgery this week.

CREDENTIALS COMMITTEE REPORT
Hierarchs: 12
Clergy Delegates: 260
Lay Delegates: 223
Total Voters: 495

Clergy Observers: 23
Lay Observers: 75

NOMINATING PROCEDURES
Archpriest Steven Voytovich, Chair, thanked the other committee members. Nominations were posted on the website on June 12, and are now updated with further nominations. Nominations—with Bishop’s signature—may still be submitted through Vespers tonight. He thanked all who wish to serve the Church.

RESOLUTION PROCEDURES
Archpriest Timothy Sawchak, Chair, asked that any resolutions be turned in as soon as possible. He recognized the other members of the committee. He noted that resolutions may be sent to resolutions.20aac@oca.org.

METROPOLITAN’S REPORT
His Beatitude, Metropolitan Tikhon delivered his attached report covering the following practical aspects of his primatial ministry:
1. The COVID-19 Pandemic
2. Our vacant dioceses
3. Chancery restructuring, relocation, and operations
4. Clergy health
5. External Affairs

PENSION BOARD REPORT

Mr. Barry Gluntz offered the report in place of Priest Gleb McFatter, who was unavailable due to ill health. He introduced and thanked Mr. Michael Stieglitz, the Pension Administrator. Mr. Gluntz thanked His Beatitude and the Metropolitan Council for the agenda change, which gives the Pension Board a chance to speak prior to the amendment discussion.

He acknowledged that the Pension Board and the Metropolitan Council have been struggling with communications. His Beatitude had both groups meet jointly on July 14, 2022. Many points of agreement were reached at that meeting: All agreed that the Plan should be better funded. Mr. Gluntz noted the 2% increase in January 2021. The participation mandate must be enforced by the Holy Synod and Metropolitan Council. The OCA should contribute a reasonable amount of the administrative costs of the program. Pension Board members need to be present at every regular Metropolitan Council meeting.

Mr. Gluntz noted that the Pension Plan funding levels are not where they need to be. The Market is down, so the pension fund is down. The funding levels must be increased by at least 2% as soon as we can. One reason for this is that the ratio of beneficiaries to contributors has increased. It is also important to increase participation, which is presently at 85%.

In reply to those who say we should convert the Pension Plan to a 401(k). Mr. Gluntz noted that the benefit of the Pension Plan is the brotherhood of priests all helping each other with this investment rather than having to each become a canny investor.

When the Pension Plan office moved out of the Chancery, a lot of time was spent digitizing the files, which has been a blessing. Mr. Stieglitz was largely responsible for this and for building the pension website.

Regarding the amendment, the Pension Board believes it needs to remain an autonomous body. Mr. Gluntz asserted that there is nothing in the Statute which prevents the Metropolitan Council from vetting prospective Pension Board members and presenting them for election at the All-American Council.
DISCUSSION

Joshua Godbold, Holy Transfiguration Church, Raleigh, NC and Metropolitan Council member: The actuarial value of benefits promised is $55 million. But you just told us you have $24 million in assets. We are about $30 million in debt. That’s $60,000 per parish. The Board states that the solution to make up the deficit is to increase participation.

Mr. Gluntz explained that these amounts describe termination funding; long-term funding ratio is closer to 77%.

Robert Graban, Holy Transfiguration Church, Livonia, MI and Metropolitan Council member: Thanked Barry for a good straightforward report. The report in the Delegate Handbook states that the Pension is healthy and strong. Why does the report not mention that at least a 2% increase of the employer portion will be needed to make up the deficit?

Mr. Gluntz: Our report goes to the end of the year and we try to do our metrics at that point rather than continually updating them. Markets dip and rebound.

Mark Linnehan, Holy Apostles Church, Mechanicsburg, PA, Metropolitan Council member, and Treasurer of the Diocese of Eastern PA: Please explain the difference between terminal funding (40%) and operational funding (77%).

Mr. Gluntz: The actuaries look at our aging population. The baby boomers are retiring. This has given rise to having more benefits to pay out than contributions coming in. The terminal rate means if the program would end today, the plan would only pay beneficiaries 40% of the benefits for the remainder of their life. The operational level is a projection based on the present rate of growth.

Mr. Stieglitz: Our termination rate is in line with other church and nonprofit plans of similar size. And our operational funding rate is sufficient to pay benefits for 20 to 25 years.

His Eminence, Archbishop Mark: Operational funding is based on projections that contain many variables — such as speculation and the assumption that things will remain the same. With the fund being down 18%, it will take a while to dig out of the hole.

Mr. Gluntz: It is true that there is data we don’t have. Many parishes are aging. The Dioceses of the West and South are on a growth trajectory. We need these younger parishes which are going
to be participating for a long time. He reiterated that everyone must participate in the plan and that many problems have been created by lower participation in the past and by clergy joining the program later in their careers.

**STATUTE AMENDMENT: PENSION PLAN**

Mrs. Hollie Benton, Lay Vice Chair, reviewed *The Statute of the Orthodox Church in America*, Article XVII, regarding Statute amendments.

Mr. Andrew Smith, OCA Treasurer, presented the Statute amendment regarding the Pension Board. In 2020, many questions arose across the OCA regarding the health of the Pension Plan. It has been on a path of steady decline for two decades, and on the current path, the deficit is projected to grow, but it can be corrected and restored to health.

Mr. Smith reviewed the process of arriving at this amendment. Three elements were identified as the reason for the decline: investment performance, demographics, and plan structure.

Mr. Smith stated that whereas the funded status is presently 76%, a reasonable goal is 100%; and the funding ratio is 48.8%; but a reasonable goal would be at 65% - 80%.

Mr. Smith asserted that information needs to be regularly reported by the Pension Board to the Metropolitan Council. But more importantly there needs to be a real sense of urgency. Finally, there must be a wider range of solutions for the sake of long-term viability.

He outlined three goals of the Amendment:

1. to codify basic reporting expectations of the Pension Board,
2. to give oversight of the Pension Plan statements to the OCA Auditing Committee, and,
3. to change the composition of the Pension Board to make for more direct representation of the key constituents, plan participants, and employers.

It was felt that “independence” was a more appropriate word than “autonomy” since the Metropolitan Council does have oversight.

**DISCUSSION**

The Lay Vice Chair introduced the proposed amendment and the period of deliberation as outlined in the Delegate Handbook.
Proponent: Priest John Cox, Holy Ascension Church, Mount Pleasant, SC: The amendment is based on sound theological principles—sobornost’. Raising percentages will not address the fundamental problem of low salaries.

Opponent: Priest Michael Rozdilski, Holy Apostles Church, Vancouver, WA: Expressed greater confidence in an independent Pension Board. Did not believe that changing the composition of the Board would change anything.

Proponent: Mr. Graban: Financial advisors state that one should plan to live to 95 years old. It has been difficult to get Pension Board members to come in and give a report other than a snapshot in time of the fund. Too often they have been no-shows, and we have had to pry the information from them.

Opponent: Archpriest Emilian Hutnyan, St. Andrew Church, Maple Heights, OH: How does changing the method of selecting board members solve the funding of the plan?

Proponent: Archpriest John Hopko, SS. Cyril and Methodius Church, Terryville, CT: I left the Kondratick Chancery due to misdeeds. The present primate and chancery is not the same — competent and honest. Mr. Smith’s report was much more articulate and prepared than the Pension Board’s report.

Neutral: Priest James Parnell, Military Chaplain: When will the mandate be enforced? All clergy and lay employees should participate.

Opponent: Priest Stephen Osburn, St Mary’s Holy Dormition Church, Calhan, CO: Why not dissolve the Pension Fund entirely and return the money to the parishes so they can make their own retirement plans?

Proponent: Mr. Eldred Brown, St. Nicholas Church, Portland, OR: In a crisis situation, more accountability to a central authority is appropriate.

Neutral: Priest Nikolai Breckenridge, St. Nicholas Church, Bethlehem, PA: The Pension Plan has 91% participation among the territorial dioceses. Are extraterritorial dioceses bound to the mandate?

Opponent: Archpriest John Dresko, retired: This seems to be “a solution looking for a problem.” It pains me to hear “we” and “they” (Pension Board and Metropolitan Council). I agree our
Metropolitan and administration is trustworthy. But there is no guarantee that they will be here a year from now. The market is down 20% but the pension plan is down ONLY 18%. This was stated by both Mr. Gluntz and Mr. Smith. I have great confidence in Mr. Stieglitz.

Proponent: Mr. Ray Steeb, St. Alexander Nevsky Cathedral, Allison Park, PA and Metropolitan Council member: Things need to change. The Pension Board seems unaware of the demographics in the Church. It takes years for them to deliver information to the Metropolitan Council.

Opponent: Archpriest Joseph Lickwar, SS. Peter and Paul Cathedral, Jersey City, NJ: The issues are already known by the Pension Board.

Proponent: Ms. Maureen Jury, St. Seraphim Cathedral, Dallas, TX: How many AAC delegates read the curriculum vitae of all Pension Board nominees? This is a crucial time for the health of the Pension Fund. The decisions need to be made by those who give the most serious consideration to the issue.

Opponent: Mr. Joseph Pecevich, St. Mark of Ephesus Mission, Kingston, MA: How is the election going to be conducted? Is there going to be a slate presented to the Pension participants? Or individual candidates? Who is in the pool of candidates—are there restrictions? It is not clear how this will result in an improvement.

Proponent: Ms. Donna Dimitri, St. John Chrysostom Church, Philadelphia, PA and Metropolitan Council member: Why wouldn’t Pension participants want to be able to pick their own representatives?

Opponent: Pdn. Peter Danilchick, Protection of the Holy Mother of God Church, Falls Church, VA: This is an “omnibus bill.” The Corporate Finance Institute states that an effective trustee will act impartially to represent all stakeholders in the plan, and to treat with caution trustees who are appointed by the plan’s sponsor. Parishes should be represented, since they are major contributors to the plan. The AAC is where they may be represented.

Proponent: Archpriest Joseph Ciarciaiglino, St. Philip the Apostle Mission, Tampa, FL and Metropolitan Council member: The OCA has an interest and should have a seat at the table. A $25 million debt will not disappear; it will fall on the OCA.

Opponent: Archpriest David Garretson, SS. Peter and Paul Church, South River, NJ: This Statute amendment does not solve the problem. This is a complex problem and does not have a simple solution.
Neutral: Mr. Jason Homiak, SS. Peter and Paul Church, Burr Ridge, IL: Saddened that there are two lines, “for” and “against.” If this amendment does not pass, will a middle-ground be considered? Will there be a follow-up amendment? Ms. Benton clarified that there would not.

Proponent: Matushka Evelyn Kreta, Metropolitan Council member: She expressed that the Metropolitan Council cares deeply about all delegates and has been extremely diligent in coming up with this amendment.

Opponent: Mr. Mark Linnehan, Holy Apostles Church, Mechanicsburg, PA and Metropolitan Council member: Agrees with Mr. Smith regarding the three problems — plan structure, performance, and demographics. Some say we should replace the actuary, the financial advisors, and/or the leadership. Statutes are to protect us from “nefarious” leadership that may exist in the future; not a statement of mistrust for current trustworthy leadership.

Neutral: Mr. Kurt Ries, St. Innocent Church, Olmsted Falls, OH: Would it be possible to hold two separate votes on two separate issues? Ms. Benton clarified that it would not. This same question was later raised by Archpriest Steven Voytovich, Holy Transfiguration Church, New Haven, CT (to the same result).

Proponent: Mr. Godbold: Doing the same thing over again will get you the same results. Right now if something goes wrong, each parish is liable for $60,000. It could get worse. The Pension Board needs to be professional and responsive to the body that is financially responsible. It needs better-picked leadership. We have been told over the years that everything is fine. And we have had to fight tooth and nail to get this information. This has been a Kondratick-level scandal. We can “right the ship” now.

Opponent: Priest Matthew Brown, St. Mary Magdalen Church, New York, NY: This amendment tacitly states that the AAC is not fully competent to select members of the Pension Board.

Fr. Parnell: Can the actual change to the Statute be read?

Fr. Garretson: Point of Order: How did the amendment arrive on the floor? Who made the motion?

Ms. Benton clarified that the Metropolitan Council proposed it. The Council Parliamentarian, Mr. Donald Garrett, further clarified that when a board or committee brings a proposal to the floor,
it is inherent that there is a mover and a seconder. No further motion is necessary. Since the Council adopted the Agenda, this was the time and place for discussion on the amendment.

Mr. Smith reviewed the Statute change.

Dn. Matthew Prentice, St. Mark Church, Bethesda, MD and Metropolitan Council member: Asked how many votes are necessary to reach two-thirds. Mr. Garrett clarified that, per the Statute, it is two-thirds of those present and voting. Therefore, that number can only be determined after the vote has been taken.

**Results:** 266 in favor and 209 against, for a total of 475 votes. The amendment failed.

**HOUSEKEEPING**

Dn. Peter Ilchuk gave some housekeeping announcements. The session was adjourned at 1:59 p.m. with the singing of “It Is Truly Meet.”