



**Unitarian Universalist Church
of Medford**

**Annual Report
2017-2018**

Annual Report 2017-2018

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Latest updates to this report may be found online at this URL:
http://uumedford.org/docs/UUCM_2018_Annual_Report.pdf

Annual Meeting Agenda – May 20, 2018

1. Call to Order.
2. Chalice lighting and invocation.
3. Choose a moderator.
4. Act upon the minutes of the congregational meeting of June 4, 2017.
5. To vote on the new church covenant.
6. Receive and act upon the written or oral annual reports of the Minister, the Director of Religious Education, the Board of Trustees, and various committees.
7. To receive a report from the Board of Trustees regarding expenditures beyond the previously approved 2017-2018 operating budget.
8. Accept and approve the proposed financial operating budget for 2018-2019.
9. To accept nominations and vote on candidates for the offices of Trustee, Treasurer, Assistant Treasurer, Clerk, Collector, and Nominating Committee.
10. To elect delegates to the General Assembly of the Unitarian Universalist Association.
11. New business from the floor.
12. Adjourn

WARRANT

For an Annual Meeting of the Congregation of the Unitarian Universalist Church of Medford to be held May 20, 2018 at 12:00 noon, or immediately following church services.

GREETINGS

You are hereby to notify and warn the members of the Unitarian Universalist Church of Medford, Massachusetts to meet in the Sanctuary on Sunday, the 20th of May, 2018, at 12:00 noon, or immediately following Church services, at which time and place the following articles are to be acted upon and determined exclusively by Voting Members, in accordance with and subject to the bylaws of the Unitarian Universalist Church of Medford.

1. To choose a moderator;
2. To act upon the minutes of the congregational meeting of June 4, 2017;
3. To vote to accept as the Covenant of the church the following:
Love is the heart of this church. We commit to:
Being a diverse, welcoming community of mutual care and respect;
Supporting each other's spiritual journey and search for truth and meaning;
Promoting justice and serving the wider community.
We hold ourselves to this promise with compassion and understanding.
4. To receive and act upon the written or oral annual reports of the Minister, the Director of Religious Education, the Board of Trustees, and various committees;
5. To receive a report from the Board of Trustees regarding any expenditures beyond the previously approved 2017-2018 operating budget;
6. To accept and approve the proposed financial operating budget for 2018-2019;
7. To accept nominations and vote on candidates for the offices of Trustee, Treasurer, Assistant Treasurer, Clerk, Collector, and Nominating Committee;
8. To elect delegates to the General Assembly of the Unitarian Universalist Association;
9. To act on such other business as may legally come before the meeting.

Faithfully submitted,

The Board of Trustees of the Unitarian Universalist Church of Medford

Brendan Shea, Chair

Robert Heintz, Vice Chair

Loren Bernardi

Nancy Kurtz

Molly Ruggles

Joan Trudell

Betty Walters

Minutes from June 4, 2017 Annual Congregational Meeting

The meeting was called to order by Nancy Kurtz, clerk, at 12:40 pm. Rev. Marta offered opening words and the chalice was lit.

1. Nancy Kurtz was selected to be moderator without objection. Karen Johnston served as clerk pro tem for the meeting. A quorum was present.
2. Without objection, the minutes of the June 5, 2016 Annual Meeting were accepted.
3. The annual reports of the Minister, the Director of Religious Education, the Board of Trustees, and various committees were submitted in written form in the Annual Report available at the meeting, a link to which had been sent by email. By unanimous vote, the reports were accepted.
4. Geoff Ward reported on expenditures for building and grounds in excess of the 2016-2017 operating budget, notably lining of the gutter and cleaning of the sewer lines. There was discussion of how to cover such deficits in the future, such as holding a special collection. This suggestion was taken under advisement until the final figures for the budget are known. In light of the unusual year, we may not have a significant deficit. Geoff reported that repair of parking lot potholes is scheduled for the coming year over the summer.

5. Proposed budget for 2017-2018

Brendan Shea, as Board Chair, introduced the budget developed by the Board in conjunction with the finance committee. He highlighted the increase in pledges over the prior year, the decrease to a more realistic goal for fundraising (but still above last year's), an increase in building usage fees to come from a review of and increase in existing rates, the use of all remaining funds of the Music Fund, a generous gift that has been drawn down over the past four years for purposes of the music program, increases in staff salaries following the review of UUA fair compensation guidelines, and an increase in the building and grounds budget to reflect a higher baseline. The planned deficit, to be covered by withdrawal of income and capital gains from the Ministerial Fund, is \$5,720. Our goal is to continue to work toward reducing this number to zero in the future.

After motion and second to approve the budget, there was discussion.

Comments included concerns that we still continue to pull from our endowment and seem to be falling behind, despite the healthy increase in pledges, a misunderstanding that the cost of the Soul Matters worship program was \$3000, whereas it is only \$500, suggestions that we take a special collection to close the budget gap rather than taking money from the endowment and to hold a special session to explain the budget in more detail to those who wish to understand it prior to the annual meeting, that the operating budget be presented in a way that makes the drawdown of funds clearer, a question whether there was a way to vote on a budget after the prior fiscal year had closed, and the comment that the increase in attendance we have been experiencing is a very exciting development.

Responses:

Geoff Ward clarified that in the past we funded our deficits from the NPO (general) fund as well as with the income from the Ministerial Fund. He acknowledged we still have work to do to achieve our goal of full sustainability without dipping into endowment assets. He pointed out that increases in the value of our endowment funds were achieved with a very conservative investment approach.

Michael Glenn clarified that we have stopped taking money from the NPO fund which is now valued at \$110,000. This fund has actually increased in value over this year. In past years we took as much as \$17,000 per year from the Ministerial Fund (income and accrued capital gains), now valued at \$237,000. Last year we budgeted a withdrawal of \$500 per month (\$6000 per year) which will continue in the coming year. This fund also increased over the current year. His sense is that we are budgeting a mild deficit which is likely to be covered by the annual increase in assets. Going forward, we do need to work on increasing both pledges, including through new membership, and fundraising.

Susan Jhirad clarified that the \$500 spent for Soul Matters offers wonderful resources for lay services and that reducing the money spent for guest ministers is something the worship committee can consider. She also suggested that fundraising efforts be directed at the greater community, as is the rummage sale.

David Parker added that despite being without a minister this year for several months, we did not increase our spending on guest ministers.

Nancy Kurtz offered that the proposed budget also had to fund the full costs of the music program without the amount that had been available from the Music Fund, but is still projecting a smaller deficit than last year's projected deficit.

After discussion, the motion to accept the budget as submitted was passed 28-0.

6. Geoff Ward presented the Nominating Committee's slate for Trustees and Officers as follows:

Trustees: 2 slots

Molly Ruggles - three year term

Loren Bernardi - three year term

Officers

Russell Tripp- Collector

Nancy Kurtz - Clerk

Michael Glenn - Treasurer

Emily Hanna - Assistant Treasurer

Nominating Committee

Geoff Ward

Tammy McKanan

Liz Ammons

Upon motion and second, it was voted unanimously to approve the election of Trustees, Officers, and Nominating Committee as submitted to the meeting.

7) Upon motion and second, it was unanimously approved to designate Tammy and Dan McKanan as our delegates to the General Assembly this year. Comments on the many issues to be addressed should be forwarded to Dan and Tammy. These are outlined in the insert to the order of service for June 4, 2017.

Rev. Marta commented that this was an extraordinary time to be involved with our denominational folks. The three co-presidents have been working hard and will present changes at the GA. She noted the passing this week of Jim Key, the moderator of the UUA who resigned in May due to illness. She encouraged all to tune in the live stream of the plenary sessions during the General Assembly.

8) Susan Jhirad was recognized to present a request from Laura Rotolo of the ACLU for the congregation's support of pending legislation in the Massachusetts House and Senate known as the Safe Communities Act. This is supported by Safe Medford. There is a hearing on June 9 and support is helpful. The legislation provides that tax dollars not be used for activities of ICE as well as additional measures to protect immigrants.

It was moved and seconded to support this legislation. Expressions of support were heard. There was a question as to whether this was something a church could support without jeopardizing its tax exempt status. Members clarified that lobbying and supporting or opposing legislation is permissible as long as it does not constitute a substantial portion of the church budget. It was also noted that other churches in Medford are supporting the legislation.

The motion to support the legislation passed with a vote of 31-0.

With no further business to come before the meeting, upon motion and second, it was unanimously voted to adjourn at 1:40 pm.

Note: A quorum of the congregation was present. The sign-in sheet shows 30 members and 5 non-members were in attendance.

Respectfully submitted,

Karen Johnston

Clerk *Pro Tem*

Annual Report from the Board of Trustees – May 20, 2018

The powers and responsibilities delegated to the Board of Trustees by the UUCM congregation, as specified in our church Bylaws, include:

- Appoint annually the chairs and other members of the Religious Education, Finance, Property, Membership, and Worship committees, and define their responsibilities and powers.
 - Appoint, from time to time, the chairs and other members of such special committees as it deems advisable, define the responsibilities and powers, and receive the reports of such committees.
 - Administer, directly or by delegation, all the affairs of the church except as expressly provided otherwise in the Constitution and Bylaws and report its actions at the Annual Meeting, including a report of the proposed annual financial budget.
-

This year has been, in many ways, a year of steady growth for us. I am glad to see a slow but steady increase in – at least by my unofficial eyes – the average number of attendees to our services, and it was fantastic to welcome nine new members to our congregation. We have also undertaken a number of challenging but ultimately rewarding projects, in particular the process we undertook to re-imagine our covenant to one that is more inclusive of our congregation as a whole. That process was initiated by our church leaders and assisted by the vision and guidance of Rev. Marta. We will of course vote on whether to adopt that covenant at our annual meeting, but I believe that by virtue of being an open and transparent process that was undertaken with respect and love, it has helped us to come together and bond more as a congregation, regardless of the outcome of that vote.

I also want to say how proud I am of our response to the vandalization of our Black Lives Matter banner. By stepping up and publicly reaffirming our commitment to the Black Lives Matter statement, and inviting other church and community leaders to our sanctuary to join us in that reaffirmation, we made a statement that says we will not back down in the face of bigotry and hate, but instead will speak louder to affirm what is right and just. The event was beautiful and uplifting, and it was wonderful to hear the words of our own David Concepcion and Rev. Marta along with all the other speakers and performers at the event.

We were also lucky to receive a Growth Grant at the beginning of the year from the closing Tyngsborough UU church, and we have been working to put that grant to good use. We have been undertaking projects to help improve our accessibility, from acquiring large-print hymnals for sight-impaired visitors, to helping ensure our sanctuary is accessible; you may have noticed the new accessible door handles on the church bathroom door – thanks to Loren Bernardi for undertaking that work. We will continue to execute those projects as they are feasible from a budget standpoint.

During the year, a committee made up of Nancy Kurtz, Marsha Lawson and Mimi Olivier was convened to review and update our safety policies. Their hard work has paid off in an updated safety policy, which you can find on our church website at <http://uumedford.org/about-us/safety/>. We are now starting the process of forming a Safe Congregations Task Force, which is a new team proposed by this policy. (In the absence of a standing task force, the Board will fill that role.)

Another one of our goals going into the year was to have more fun – and I think we have achieved that. From the wonderful music and spontaneous dancing and singing that we have seen at the ends of our services, to events like the Family Dance, the Pancake Breakfast and the Ice Cream Social, we have

continued to offer opportunities to have fun in fellowship and again strengthen the bonds we have as a congregation. It has been fantastic to also see people from outside the church attend these events, in particular the Family Dance. Going forward, I think we can continue to build off of events like that and help expand our footprint and awareness in the community, and help use it as a springboard to continue to grow.

Perhaps most importantly, we are completing our first full year with Rev. Marta! It has been great to get to know Rev. Marta better through her sermons and services, and also through events such as the previously mentioned covenant process, the leadership retreat at the beginning of the year, and more. I look forward to another year of growing the relationship between Rev. Marta and the congregation, and am excited about what the future will bring. In addition, we've extended the contract for our music director, Alex Cummings, and our Director of Religious Education, Mimi Olivier, and so we will enjoy an upcoming year of having the same talented staff in place that we can build upon for the future.

The news is not all good, unfortunately. One area we continue to face challenges with is our budget. While our pledge income has grown incrementally, our expenses have overall grown more rapidly – in particular in building maintenance – and we have fallen short of our goal in fundraising. All of the other good work that we have undergone would be for naught if we cease to be able to fund our operations, and while the time frame in which we will run our reserves dry is not as imminent as it had been previously, at our current pace and with our current reserves we are looking at a time frame on the order of a couple decades – which is not that far out. The Board and I believe this is a critical issue that needs to be addressed, and we plan to do so with the following three-pronged approach:

1. *Awareness.* In order to make it easier for everyone to understand our financial situation, we are going to set up a couple of workshops where our finance team will review how the church's finances work, as well as walk through how to read our financial statements. The first one of these will be set for June 3 shortly after the service.

2. *Appeal.* In the Fall, we plan to have a special appeal to members and friends to help raise money and shore up our more immediate financial situation, as well as build awareness of our financial situation overall well ahead of our annual recommitment. This may be in conjunction with a fundraising event. Stay tuned.

3. *Growth.* Over the longer term, we believe we need to continue to grow and help accelerate our growth, in order to have a larger base from which to draw. (It is also fun and exciting to welcome new members to our congregation!) To assist with that, the Board will be establishing an Outreach Committee, who will be responsible for helping the community learn who we are, what we are all about, and that we always welcome new visitors. The Outreach Committee will be responsible for things like our overall web and social media presence, publishing of articles in local papers, and finding new ways to advertise who we are. I will be heading up this committee as I move off of the Board.

Finally, I wanted to thank everyone who has contributed to the church in some way, whether that is financially, serving on a committee, organizing a service, running or helping out at a fundraiser, helping to clean up after service, bringing a friend to church, or just being present. The church can't run without you! We need your contribution, your efforts, your presence – we need you. For all of you who have done that ... thank you!!

In peace,

Brendan Shea, Board Chair

Minister's Annual Report to the Congregation

Entry

Well, we are beyond “entry” now having completed a full year with you and almost a full church year as well. I think together we have done some good ministry (and have had fun along the way!) as we continue to strive to improve on and share our community.

Governance

Once again, I have enjoyed working with your Board of devoted and dedicated people. Everything I said last year applies: great care is taken as decisions are made mindful of the challenges the church faces balanced against who we say we are and want to be as Unitarian Universalists; I continue to feel welcomed at the table, my concerns have felt heard and responded to by the best of their abilities. I am pleased that the Board has voted to offer me a new contract for next year even as I continue to manage this new thing for me called a part-time ministry. While it has been challenging for some of you to understand what I am able to manage in that small window, it has been equally challenging for me to have to hold back on some aspects of ministry. My main questions still are: What are we trying to build? Are we trying to build?

I am glad that as we proceed we will now be fully staffed, without any “acting” before any titles. It has been a joy working with Mimi Olivier (DRE), Alex Cumming (Music Director), and Brenda Bonetti (Administrator). UUCM is blessed with talented and dedicated staff to fulfill the ministry of the church.

Covenanting Process

A big piece of work we all did together this year was to create a new covenant the weekend of February 9-11. A special thank you goes out to the facilitators who did the bulk of the work during the weekend, while Mimi and I did the work leading up to it along with the help of the Board and Brenda Bonetti. Those facilitators were: Lourie August, Carolyn Cronin, Michael Glenn, Ann Heintz, Robert Heintz, Susan Jhirad, Karen Johnston, David Parker, and Steve Schmidt, and I will never forget their excited faces when they entered Benker Hall for the big revealing!

Soul Matters

This year we also added the Soul Matters program to our church community. Thank you to Lourie August, Michael Glenn, Susan Jhirad, Carolyn Cronin and Ann Heintz for being faithful facilitators of the small groups that allow the participants to go deeper with the themes. We had some bumps along the way, but all in all it's been a good year, and folks seem to like the themes and unpacking them over a month's time during the services. We have decided to continue into next year, so all groups will begin again with new configurations to keep it fresh. I was leading the new member group and hope to have a new group again for the 2018/2019 church year.

Worship

Some of the special services (or that had special components) that I have led include: Black Lives Matter Banner Rededication, Stewardship Sunday, Membership Sunday – where we welcomed nine (!) new members, Bridging Ceremony, Volunteer Appreciation (for all you wonderful “keep the church going” folks!), and a Child Dedication (June). I officiated at the wedding of Ariana Fiorello (who grew up in the church and is the daughter of Chris Fiorello). This year in addition to our regular guest speakers (Revs. Laura Randall and Elizabeth Nguyen, Matt Meyer, we also welcomed and supported three ministerial students from Harvard Divinity School, Sana Saeed (UU Muslim), Andrew Bennett, and Fran Cipriani, Rev. Ed Lynn (retired), Rev. Ian Maher (who we are building a relationship with as financial dispersers

for a project he is working on), Rev. Tim House, Rev. Annie Gonzalez-Milliken, Rev. Lilia Cuervo (Latina). Special thank you and kudos to our in-house speakers: Dan McKanan, Tammy McKanan, Steve Schmidt, Susan Jhirad, Susan Jordan, Carolyn Cronin and all the voices from the multi-voiced services.

In addition, for the musical talents of Russell Tripp, Molly Ruggles, Joe Walters, Brendan Shea, Marsha Lawson, and the wonderful choir members! And our outside guests: Valerie Thomforde, Sayida Rivers Farmer, Ricky Richardson, and Will McMillan.

In this month of “creativity” clearly we have many partners!

Midweek Musings

I started what I was calling “Midweek Musings,” as an opportunity to send you a note every Wednesday and keep you updated on what’s happening in the larger UU world, uplift you with a piece of poetry or prayer, or simply share my thoughts in real time. I found it a little time consuming and I haven’t really gotten the sense of whether most of you think it’s a good idea or not. Since I am trying to manage my time I have been using it more periodically, but still welcome your feedback!

Pastoral Care

I have maintained pastoral care as best as I could, both in-person and by phone. I imagine as I gain your confidence it may increase, but I won’t take it personally if it does not. There appears to be a strong caring community here that communicates to each other.

Denominational Participation

I participated in the annual “Finding Our Way Home” Retreat for religious professionals of color in March, this year in Albuquerque, New Mexico and will be at Ministry Days and General Assembly in Kansas City (June 19-25). This year I get to attend General Assembly because of my consulting work with the GA Planning Committee on decentering whiteness in their work. I will be in observation mode and it will inform our work going forward. Since I can be there, I will be able to participate in the first ever bilingual worship on Thursday morning. I was also fortunate this year to be invited to write a song with Rev. Jason Shelton for Cycle of Song: Anthems for Small UU Church Choirs (Vol. 1), his eight-part offering. Finally, while I have been preaching around the region, I also had an opportunity to preach in Rochester, New York (an invitation that came after my Berry Street poem from last year’s panel that I shared about in that annual report), at an ordination in Arlington, Massachusetts for a new minister of color, and at a forthcoming installation for a new Latinx minister (June 3rd). Most of these are on my own time, but these are some ways in which UUCM is recognized in the larger denominational world because of my connection to you!

Thank you for a great year, looking forward to more ministerial mischief together next year!

Respectfully submitted,

Reverend Marta I. Valentín

Annual Report from the Director of Religious Education

The Religious Education Committee was staffed this year by Dan McKanan, Jeanne Feeley, and Elizabeth Dowey.

Religious Education Classes

K-1 Class This brand new class started for younger children this March. Nine teachers were trained and the classroom redecorated. The Soul Matters RE packets are used to plan classes along with other materials. The class is a huge success. Families and children love it!

Elementary Class This class continued from last year. Between one and seven students attend each class; attendance is a struggle. Two families are almost always at church and the other two are very erratic in attendance, with the latter having more than one child each. Often there are only two students in the class. The Religious Education Committee met with the Board of Directors in March to discuss this issue. We suggested that an Outreach Committee be formed to help bolster church and R.E. attendance. The Soul Matters curriculum resources are used for this class along with “Tapestry of Faith” from the UUA.

OWL “Our Whole Lives” is the flagship human sexuality program offered by UU churches to children and adolescents around the world. It is a program for youth that models and teaches caring, compassion, respect, and justice. UUCM presented the OWL program for 7-9 graders this year. We have four youth from our congregation and we recruited seven youth from the community, so our class has 11 participants. The class is 25 sessions, and will conclude on May 20th. Four trained teachers rotated through the sessions. In order to teach OWL a weekend-long course is required with each training is \$400. The program is self-sustaining due to a \$100 fee paid by families of participants who do not attend our church. The program is free for church families. This year’s class was a huge success and a pleasure to teach.

Youth Group This class is for high school students who have completed the “Coming of Age” program. The group meets every other Sunday evening. The class addresses topical issues of the day as well as focusing on self-esteem, decision-making, and planning for the future. The group is co-facilitated by the DRE and Youth Advisor Lily MacNamee, providing a balance of youth and experience in leadership. This year we are sending one of our teens off to college and will have a Bridging Ceremony on May 20th to celebrate her transition.

Community-Building Events

The Religious Education Committee plans social events for the church. These events bring the generations together, help us get to know each other, and are just plain FUN! This year we planned the following events:

R.E. Welcome Breakfast

Halloween Party

Holiday Cookie Extravaganza

Family Dance

Ice Cream Social

The R.E. department also supported the Christmas Pageant and the Thanksgiving Food Pantry Event.

Other Projects

This year the DRE also spent considerable time supporting the Covenant Project and working as part of the Safe Congregations Committee.

Coming Up ...

In the fall we look forward to continuing with the Younger Kids Class and the Elementary Kids Class. The youth who are completing OWL this year will participate in the Coming of Age program next year. The Youth Group will continue. We plan to continue offering a range of Family Activities. The Family Dance was so successful (Thank you Alex!!!) that we plan to have several throughout the year. We are looking forward to more teamwork with our new Music Director! This year he helped the children write a song they loved performing at the pageant, and the Family Dance was a great start to our continuing collaboration. As this year winds down, we will celebrate our R.E. volunteers on RE Sunday, June 10th.

Thanks to everyone who helped make R.E. programming happen this year!!

Respectfully submitted,

Mimi Olivier, Director of Religious Education

Report from the Music Committee

The year began with a vacancy in the position of music director as Vivian Montgomery resigned over the summer and took a full-time position with the Fallon Church in Lexington, Massachusetts. Our church was incredibly enriched by her musical leadership and contributions to the music of our church.

The vacancy was happily soon filled by the dynamic Alex Cumming, who agreed to take the position on an interim basis in October following his fall tour. This interim agreement was extended through April when he went on tour again. However, he has accepted the position on a permanent basis and in future can shape his touring more around our needs. We are thrilled!

Under Alex, the choir thrived and increased in number. Alex directed the choir for 13 Sunday services, writing or arranging much of the music that we sang himself. We sang everything from Harriet Tubman to the brand new Noble Souls (a Vietnamese prayer “While Eating Fruit” which Alex set to music) to a four-part choral arrangement of “How Can I Keep from Singing.” Congregation involvement increased as Alex led group songs and provided uplifting accordion solos for our Parting Music (which inspires many of us to dance). Alex worked with the Religious Education classes to help them write their own holiday song which they performed at the Christmas Pageant. Alex led with DRE Mimi Olivier a wonderful afternoon of family dancing. We hope those activities will continue.

When Alex was not with us, music was generously provided by the amazing Molly Ruggles (11 services, some with guests Sayida Rivers Farmer, Ricky Richardson and Will McMillan) and the invaluable and talented Russell Tripp (17 services). Hank Driscoll also helped out with his piano playing. The choir performed on Christmas Eve with guest conductor Valerie Thomforde.

The Music Committee led the effort to provide some kind of special music during worship services when the choir did not sing. In September, we prepared the Muslim Song of Welcome (“Alhamdoulillah”) which we also performed for the annual Muslim Festival in Malden. Some Sundays featured our in-house band – Joe Walters, clarinet; Marsha Lawson, flute; Brendan Shea, guitar; and Carole Bundy, ukulele – and some featured our singers –Marsha Lawson, Carole Bundy, Brendan Shea, Melissa Radzyski, Ilene Lerner and Nancy Kurtz – in solos or small groups. For Easter, our band and singers combined for a joyful “Calypso Alleluia.” For our April service on abolitionist leaders who grew up in First Parish, one of our predecessor churches, Nancy led the congregation and choir in singing abolitionist hymns, one of which was written by the church’s former minister John Pierpont.

It was a music-filled year and we look forward to more to come with Alex in residence for the full year.

Review of Fiscal Year 2017-18 Finances

Fiscal year 2017-18 was what we might now relate to as a standard irregular year. Our previous Music Director left at the beginning of the year and was only partially replaced, leading to a savings vs. what was planned for (for now). More than offsetting that, as outlined in the [Buildings & Grounds report](#) below, were multiple property upkeep and improvement projects mandated by damages from summer and winter storms that resulted in a significant budgetary overrun in that category – for the second straight year. Specific line items worthy of note from the Income & Expenditures table include:

Income: (1) Increased pledged amounts are projected to be realized, continuing a favorable trend where the slippage between delivered vs. promised amounts has essentially disappeared. (2) Plate collections and other non-pledge gifts exceeded expectations. Since these gifts are anonymous we have no readily available explanation for the largess, but of course welcome it. (3) Fund raising deriving, largely but by no means solely, from the church rummage sale generated a projected \$4,200 in income, somewhat short of what was budgeted. Fundraising achievements vs. planned and budgeted has consistently fallen short since we stopped holding the auction several years ago. (4) Building use fees came in under expectations. No new major user has emerged in several years to replace the one lost; however, we do have one committed for the coming year that will make a sizable difference in income from that source.

Expenses: (1) Spending on the Music Director position was over \$7,650 less than budgeted. This will normalize this coming year with Alex becoming full-time Director. (2) As telegraphed above, building repair and maintenance expenses totaled over \$10,000 above budget. (3) The above-average cold winter in conjunction with higher oil and natural gas prices is reflected in the increase in heating expenses vs. the previous year and what was budgeted. Snow removal expenses, however, totaled within a few percentage points of the amount budgeted. (4) Due to favorable loss experience among Church Mutual insureds we received a rebate during the year, substantially reducing our net property & liability insurance premium totals. (5) The anticipated savings from switching payroll services from ADP to Paychex did not materialize, as the latter raised fees consistently during the year, resulting in the almost \$1,200 overrun listed (nevertheless some savings were achieved vs. had we not switched). We anticipate changing payroll services again, having been given a firm quote whose cost savings are reflected in the 2018-19 budget proposal. While the absolute savings to be realized might seem small, they will accumulate over time, as will any other incremental but permanent cost cuts attained.

Our church continues to function well on a lean budget – providing a vital liberal voice in Medford and surrounding areas – one we regard as having at most a marginal amount of “fat.” That stated, costs in various categories, including but not limited to energy, crept up. In this year’s proposed budget we accede to experience and suggest we assume permanently higher ongoing maintenance costs. Increases from income sources have not tracked these cost increases, although if recent increases in interest rates do not reverse the income we are able to draw from our endowment funds will also increase.

As we do in this space every year, the Finance Committee acknowledges the people involved in the church’s day-to-day financial operations: Collector Russell Tripp, church administrator Brenda Bonetti, and Assistant Treasurer Emily Hanna. Without their ongoing nuts and bolts work handling the invoices, payments, and deposits there would be no numbers to report or budget to propose.

Respectfully submitted,

Geoff Ward and Michael Glenn,
UUCM Finance Committee

Fiscal Year 2017-18 Income & Expenditures, Projected Actual* vs. Budgeted

| | FY 2017-18 Estimated Income & Spending* | FY 2017-18 Budgeted | Actual vs. Budgeted |
|---|---|------------------------|------------------------|
| Income | | | |
| Pledges | 70,600 | 70,600 | \$0 |
| Plate and Other Gifts | 6,200 | 5,500 | \$700 |
| Fund-raising | 4,200 | 6,000 | -\$1,800 |
| Flower Sponsorship (net) | 50 | 100 | -\$50 |
| Building Use | 12,050 | 15,500 | -\$3,450 |
| Investment Income from NPO Fund | 2,525 | 2,000 | \$525 |
| Lawrence Fund Distributions | 4,400 | 4,500 | -\$100 |
| Investment Income from Ministerial Fund | 5,500 | 4,000 | \$1,500 |
| Drawdown of Music Program Fund | 931 | 1,840 | -\$909 |
| Income Total | 106,456 | 110,040 | -\$3,584 |
| Expenses | | | |
| Minister | 38,951 | 38,500 | -\$451 |
| DRE | 14,954 | 15,580 | \$626 |
| Sexton | 9,300 | 9,200 | -\$100 |
| Administrator | 4,640 | 4,260 | -\$380 |
| Music Director | 4,950 | 12,920 | \$7,970 |
| Payroll Service | 2,089 | 900 | -\$1,189 |
| Workers Compensation Insurance | 2,487 | 2,100 | -\$387 |
| Staff-Related | 77,371 | 83,460 | \$6,089 |
| Utilities & Heat | 10,345 | 12,400 | \$2,055 |
| Snow Removal | 5,654 | 5,400 | -\$254 |
| Property & Liability Insurance | 5,846 | 7,600 | \$1,754 |
| Buildings & Grounds Maintenance, Repairs, Upkeep | 16,114 | 6,000 | -\$10,114 |
| Sunday Service | 3,560 | 3,550 | -\$10 |
| Religious Ed Supplies & Programming | 200 | 200 | \$0 |
| Music Program | 931 | 2,000 | \$1,069 |
| General & Administrative Supplies, Services, Equipment | 3,625 | 3,300 | -\$325 |
| Affiliations | 250 | 250 | \$0 |
| Expenses Total | 123,896 | 124,160 | \$264 |
| Deficit | -17,440 | -14,120 | |

* Full fiscal year projections based off of actual income and expenses through May 15.

Treasurer's Report

Principal church assets are comprised of our properties and their contents, and four major church financial funds. Those funds are (1) the NPO Fund (the name derives from "Non-Profit Organization"), which functions as a reserve fund in our financial planning; (2) the Ministerial Fund, whose distributions are limited to offsetting compensation for the UUCM minister but which effectively serves as a reserve fund as well, (3) the Charity Fund, and (4) the Lawrence Fund.

Below is a listing of the funds' net asset values (NAVs) as of the April 30 statements except where noted, and their respective influence on our finances. NAVs change due to income generated, fluctuations in market values of fund assets, investment management fees, and withdrawals from the funds. The NPO, Ministerial, and Charity Funds are managed by LPL Financial, located in Winchester, Massachusetts. The Lawrence Fund is managed by the PNC Bank in Pittsburgh.

Change of Portfolio. Back in December of 2015 members of the then Finance Committee – Geoff Ward and Michael Glenn – met with Mark Shepherd of LPL to discuss our investment strategy for the church accounts. We noted that the church running a balanced budget was in sight, with a concomitant reduction in significant withdrawals from our accounts over the coming years. Because of this, Mark suggested that we might want to consider changing the allocation of our funds. He suggested that we look at all our funds together, and then reinvest them in a diversified and balanced, but still conservative portfolio, which might bring us a higher return. The Committee discussed the matter and agreed to go along with Mark's proposal.

The new model notional benchmark is as follows: Cash: 30%; Fixed Income (short and intermediate bond funds): 40%; Equities: 30% (large-cap 25%, mid-cap 3%, small-cap 2%; the large-cap figure includes 3% international)

NPO Fund. NAV: \$107,218. This fund has no restrictions on withdrawal of principal or income. Income from interest and dividends is accounted for as investment income in the budget report. Income from the NPO fund is treated as income in the church financial statement, whether or not the income is withdrawn from the fund.

During the past 12 months, from April 30, 2017 to April 30, 2018,, the NAV of the NPO fund fell from \$111,910 to \$107,218.

Ministerial Fund. NAV: \$229,445. Income from the fund has been accounted for as income upon distribution. The use of distributions of this fund is limited to contributing to the UUCM minister's compensation.

During the past 12 months the NAV of this fund has decreased from \$ 237,710 to \$229,445.

Decreases in the NAVs of the NPO and Ministerial funds reflect the drawdowns beyond the incomes generated by these funds as well as normal market value fluctuations on account of the funds' stock market exposes, as detailed above.

Lawrence Fund. NAV: \$176,937 as of this April 1. A year earlier, the fund had a NAV of \$173,118. Distributions from the funds are determined by the Trustee – PNC Bank of Pittsburgh – and according to the fund’s indenture are limited to the income earned by the fund. Distributions are accounted for as income upon receipt, and totaled \$3,325 through the first three quarters of this fiscal year. There is no restriction on the use of the distributed incomes, once received. The Trustee in effect exercises near absolute discretion on the fund’s investment policy, and to date has proved somewhat amenable to our requests or suggestions. The Finance Committee will continue to offer suggestions in an attempt to align the fund’s investment policy more closely with the one arrived at in consultation with Mark Shepherd, in essence emphasizing current income and less risk of capital loss. The current fund allocations of 35% equity and 61% fixed income – the average duration of the fixed income portfolio unclear – is, in fact, fairly close to the allocation advocated and put into place by the LPL people.

Charity Fund. NAV: \$53,084 as of April 30. Fund income, liberally defined in the fund’s covenant to include realized capital gains, may be paid out at the minister’s discretion to causes and church members in need. While the Fund’s terms do not preclude the financing of certain church expenditures, this has not been the practice to date. Thus the Charity Fund does not effectively enter into church budget-related considerations. These two fund accounts (investment and checking) had total assets of \$52,567 on April 30, 2017.

Small Funds. *Music Fund:* This is a special-purpose fund, endowed in late 2013 by a generous former member of the church, earmarked specifically for funding the UUCM music program. Effective the beginning of the 2018 fiscal year the fund’s dedicated bank account was closed and the fund carried on as a virtual account inside the accounting system. Drawdowns, for musical guests and other music program expenditures, from that virtual account are effectively treated as income in the years church budget. The current account balance is around \$770, which is forecast to be spent down to zero this coming fiscal year (absent additional contributions to the fund).

Russell Fund: This is a small account held by the UUA as custodian and managed by their asset management arm, with current NAV of about \$1,427. Right now it is generating virtually no income. The fund’s terms prevent it from being liquidated, so it is essentially no more than a curiosity at this point.

Other small funds. The UU Tyngsborough Grant cited in the Trustee’s report, the “Woburn Grant” received from the UUA, and tuition collected from non-UUCM participants in the RE OWL program all beget notional funds in the accounting system. They are used to defray expenses associated with the funds’ purposes, such as for growth initiatives in the first two and for teaching training in the latter. Fund inflows and outflows do not directly impact the church budget.

The Finance Committee’s investment philosophy in the past several years has been extremely conservative – aimed at limiting any risk of capital loss which we can ill afford. Historically, current stock market valuation levels have been associated with low total expected returns and substantial risk of what Benjamin Graham and Warren Buffett call “permanent capital loss” – that is, a situation where if valuations subsequently returned to historical norms the loss would be substantial and the chance of a later recovery back to starting levels any time soon thereafter would be slim. Consequently, we have chosen not to gamble on eking out a few extra percentage points of return while incurring that risk – “Picking up nickels in front of a moving steam roller” in the parlance of some cynical but knowledgeable financial commentators. Should stock markets return to levels where the prospective returns compensate one for the risks undertaken we will consider recommending a more aggressive asset allocation for the main church funds.

Annual Report from the Worship Committee

The Worship committee is tasked, in collaboration with Rev. Marta, to oversee Sunday worship and worship related activity throughout the year. We also work closely with the Music committee and thank them and all our musicians who contributed to services this year.

The 2017-18 Worship committee included Hank Driscoll, Susan Jhirad, Russell Tripp, Ann Heintz, Nancy Kurtz, Melissa Radzysinski, and co-chairs Carolyn Cronin and David Parker. Also contributing to our discussions and planning were Director of Religious Education, Mimi Olivier, and Director of Music, Alex Cumming.

Since September, UUCM has participated in the Soul Matters program which offers one theme for each month backed by extensive resources for Worship, Music, TFAA, Religious Education and Small Groups. The program has been well received and we recommended renewal for the coming year.

This year, we expanded the role of Worship Associate from just assisting guest ministers to also assisting Rev. Marta and lay leaders. We wish to thank Karen Johnston, Tom Phillips, Geoff Ward, Robert Heintz, Cathy Collins and all others who fulfilled Worship Associate roles this past year.

Services: Highlights of Rev. Marta's services included Whole Church services on Home Coming Sunday, Thanksgiving Sunday, Christmas Eve, Earth Day/New member, and upcoming Bridging and Flower Communion. We were delighted by Rev. Marta's cameo appearance in the wonderful no-rehearsal pageant organized by Susan Jhirad and Mimi Olivier.

Since September, lay leaders of the church have led 11 services including multi-voice services on Welcoming, Finding Balance in Aging, and Creativity. We thank our leaders Tammy McKanan, Susan Jordan, Susan Jhirad, Steve Schmidt, Carolyn Cronin, David Concepcion, and Dan McKanan for leading services and thank all others who participated in the multi-voice services.

The worship committee arranged for 13 services with guest ministers/leaders, including some who had preached before at UUCM: Rev. Elizabeth Nguyen (2 services), Rev. Laura Randall (2 services) and Matt Meyer. Preaching at UUCM for the first time were: Rev. Tim House, Rev. Annie Gonzalez-Milliken, Rev. Ed Lynn, Rev. Ian White-Maher, Rev. Lilia Cuervo, and Harvard Divinity students: Francisca Cipriani, A.J. Bennett (May 27) and Sana Saeed (June 3).

Summer Services: Lay leaders will provide services every Sunday at 10 a.m. from June 17 through Labor Day Weekend, including June 17 Animal Blessing and June 24 Pride Service.

Future plans: We will be scheduling a planning retreat with Rev. Marta and hope to offer a church-wide retreat early in the church year.

Overall, it has been a year full of richness and variety in worship that we hope only to improve on in the future.

Respectfully submitted,

Carolyn Cronin, for the Worship Committee

Leaving Committee: Ann Heintz, David Parker

Joining Committee: To Be Determined

Annual Report from the Caring Team

The Caring Ministry has evolved from an intentional team-led effort to an unstructured Congregation-wide response. Steve Schmidt remained as the contact person to whom some requests for needs were addressed. The trend that began to emerge in the past few years has continued to grow: Much caring within the UUCM community is being provided “behind the scenes,” and Steve was not directly involved.

Most needs for Care were addressed directly to the Congregation via the UUCM announcement email list.

Steve Schmidt will continue to serve as the contact person for the shared Caring Ministry of UUCM.

The Caring Ministry, on behalf of the Congregation, would like to extend a heart-felt thank you to all those who helped provide care for fellow members and friends of UUCM.

Respectfully submitted by the Caring Ministry.

Annual Report from the Buildings & Grounds Committee

Climate change came home to roost in a big way this past year and concomitantly had a significant impact on the church maintenance work and expenditures. As a result our year ago optimistic projection of an off-year regarding large nonrecurring expenditures proved to be rather the polar (sorry) opposite. In particular:

(1) A rainstorm of deluge proportions last summer coincided with the end-of-life failure of the basement sump pump – and perhaps accelerated its demise. As a result the church gas burner suffered substantial damage from the rising water. (An underground stream runs just below the level of the church basement floor.) Whereas during previous times when the pump had approached the end of its useful life we had ample warning and could replace it time to prevent any harm, this was not the case this time around. Thus we decided to install a backup pump on its own separate electrical circuit, at a cost of \$6,900 (including the burner repairs) – that amount in itself being more than the 2018 fiscal year maintenance budget.

(2) That same rainstorm revealed that the copper valley running the length of the notch where two slate roof sections meet over the church library off Benker Hall had eroded through to the point of allowing substantial water to enter through the library ceiling during the storm. Two other valleys have been replaced over the last several years, while the remaining one *appears* to be in good shape. Thus we hope that this completes the valley replacements requirements for some time. That work plus the accelerated replacement of broken slates, routinely performed every three years, cost \$5,540. We have a suggestion, and quote, from our roofer recommending that we install roof “brakes” in order to decelerate the snow sliding down the steep roof into the area over the east entrance, the concept being that this will extend the lifespan of slates in the snow’s path.

(3) Measures taken during the past several years to prevent pipes in the Osgood House from freezing and bursting proved insufficient in the face of the unprecedented cold spell this past January. In the process of researching where the weak links in the system lay we discovered that the downstairs bathroom radiator had essentially stopped functioning. Repairs taken included replacing that old radiator with a modern baseboard one. Also, the loop in the heating circulatory system going through the now unused old doorway beyond the back of the kitchen was isolated and shut off. And the burst copper pipes were replaced with PEX piping – which is somewhat more resistant to breaking when the water inside freezes because it has some capacity to expand. Co-committee member Loren Bernardi

also added vents in the bathroom wall that will enable warmed air from the bathroom to enter the otherwise isolated crawlspace between the upstairs and downstairs bathrooms where the pipes that froze reside. Plumbing and heating repair costs applying to the Osgood repairs and improvements totaled approximately \$2,600. Hopefully the Osgood House plumbing will now exhibit more robustness when encountering future extreme cold.

Other maintenance expenditures were for routine church boiler system maintenance, fire inspection, clearing of the main church sewer line, and gutter cleaning.

Potential priorities for future projects include the aforementioned installation of roof brakes and, most importantly, repairing the seams around the skylight over the pulpit area in the sanctuary. Signs of water entry into the surrounding ceiling area are apparent, and it makes sense to effect the needed repairs now before the problem becomes more serious. Also, our plumber has suggested that if the main church sewer line were straightened out we would need to clean it out less frequently than the current once a year – the cost/benefit ratio of this work to be determined once more information is available regarding costs. And, as everyone can readily observe, the lower Osgood House exterior needs repainting.

Loren has generously contributed his substantial craftsmanship skills to numerous smaller projects around the church and Osgood House, which cumulatively add up to a nicer experience for all users of our spaces, congregants and guests alike. He has a ready list of further projects amenable to his abilities in his in-box, such as fixing up the part of the library damaged by the water. Loren has also assumed a material portion of the coordinating and directing of the building and grounds service providers, such as the plumber and boiler people involved with the projects synopsis above.

The very industrious community garden group continues to put our church grounds to good use, growing vegetables for the church Food Pantry clients while in the process providing an appealing and aesthetic feel to the church east side grounds and Osgood back yard. We are happy to have the gardeners as partners in our mission to be good shepherds of our grounds.

As usual, I would like to recognize the dedication of our sexton, Fred Humphries, which goes above and beyond the official charter of his position. Many times he alters his normal routine to meet with service providers or potential building renters. He is a community treasure.

Respectfully submitted,

Geoff Ward,

Building & Grounds chairman

Annual Report from the Membership Committee

Growth in our community is vital to its survival. So “membership work” is a basic part of church life. Our work this year was helped by money still remaining from last year’s Woburn Grant of \$3,600 from the New England Regional UUA. Funds went for the “welcome bag” we give to first-time visitors who stayed for Social Hour, as well as to Lily and Jahna MacNamee for helping to staff our Sunday morning nursery.

Many members contributed to the warm welcome our visitors experienced at Sunday services and at social hour in Benker Hall, and we want to thank them all. We also want to thank our team of official “Red Apron” greeters at social hour: Dana MacNamee, Tammy McKanan, Hank Driscoll, and Michael Glenn. Sunday service greeters at the side door included Cheryl Bell, Hank Driscoll, Robert Heintz, Susan Jordan, and Bill Stevenson. Steve Schmidt was a consistent welcoming presence at our front entrance, introducing newcomers to our church and inviting them to sign our visitors’ book. Rev. Marta offered a Membership Class in February, and then held our new members ceremony on April 22nd.

We were delighted to welcome nine new members this year, as approved by the Board: Carole Bundy, Elina Cymerman, Daric Delfino, Marsha Lawson, Lillian MacNamee, Donna Ruck, Sy Salinas, Nicholas Sargent, and Skal Swinton.

~~ Michael Glenn

Fiscal Year 2018-19 Budget Proposal

| | FY 2018-19 Proposed | Explanation |
|--|------------------------|--|
| Pledges | 71,359 | This year's canvass total |
| Plate and Other Gifts | 6,000 | Level with FY 2018 |
| Fundraising | 4,200 | Level with FY 2018 |
| Flower Sponsorship (net) | 50 | Level with FY 2018 |
| Building Use | 14,000 | New major user |
| Investment Income from NPO Fund | 2,300 | Rising interest rates on lower principal |
| Lawrence & Other Restricted Fund Distributions | 5,000 | Higher interest rates |
| Ministerial Fund Income Distributions | 4,000 | Anticipated income from Fund |
| Drawdown of Music Program Fund | 771 | Remaining fund amount |
| Income | \$107,680 | |

| | | |
|--|------------------|---|
| Minister | 39,270 | Small raise from FY 2018 |
| DRE | 15,245 | Small raise from FY 2018 |
| Sexton | 9,600 | Level with FY 2018 |
| Administrator | 4,456 | Level with FY 2018 |
| Music Director | 7,525 | Alex for 10 months |
| Payroll Service | 1,200 | Switch from Paychex to SurePayroll |
| Workers Compensation Insurance | 2,310 | Level with FY 2018 |
| Staff-related | \$79,606 | |
| Utilities & Heating Oil | 13,400 | Higher energy costs |
| Snow Removal | 5,700 | FY 2018 experience |
| Property & Liability Insurance | 6,000 | Slight increase of FY 2018 assumed |
| Buildings & Grounds Maintenance, Repairs, Upkeep | 10,000 | Increase in annual baseline |
| Sunday Service-related expenses | 3,560 | Level Funding |
| Religious Ed Supplies & Programming | 200 | Net of grant |
| Music Program | 1,000 | Planned program spending |
| General & Administrative Supplies, Services, Equipment | 3,450 | Level with projected FY 2018 experience |
| UUA/MBD contribution | 250 | Level with FY 2018 |
| Expenses | \$123,166 | |

| | | |
|----------------|------------------|--|
| Deficit | -\$15,486 | Planned drawdowns of principals from NPO and Ministerial Funds |
|----------------|------------------|--|

Appendix: Fiscal Year 2016-17 Income & Expenditures, Actual vs. Budgeted

| | FY 2016-17 Actual | FY 2016-17 Budgeted | Actual vs. Budgeted |
|---|----------------------|------------------------|------------------------|
| Income | | | |
| Pledges | 69,733 | 66,800 | \$2,933 |
| Plate and Other Gifts | 5,600 | 4,800 | \$800 |
| Fund-raising | 4,793 | 7,500 | -\$2,707 |
| Flower Sponsorship (net) | 110 | 100 | \$10 |
| Building Use | 13,515 | 14,500 | -\$985 |
| Investment Income from NPO Fund | 1,931 | 3,000 | -\$1,069 |
| Restricted Fund Distributions | 4,345 | 4,500 | -\$155 |
| Investment Income from Ministerial Fund | 4,346 | 4,000 | \$346 |
| Drawdown of Music Program Fund | 3,828 | 4,000 | -\$172 |
| Total | 108,201 | 109,200 | -\$999 |
| Expenses | | | |
| Minister | 31,363 | 38,000 | \$6,637 |
| DRE | 12,692 | 15,580 | \$2,888 |
| Sexton | 8,866 | 8,800 | -\$66 |
| Administrator | 2,144 | 3,000 | \$856 |
| Music Director | 12,918 | 12,920 | \$2 |
| Payroll Service | 2,135 | 2,300 | \$165 |
| Workers Compensation Insurance | 1,201 | 1,550 | \$349 |
| Staff-Related | 71,319 | 82,150 | \$10,831 |
| Utilities & Heat | 9,742 | 12,400 | \$2,658 |
| Snow Removal | 5,284 | 5,400 | \$116 |
| Property & Liability Insurance | 7,639 | 7,600 | -\$39 |
| Buildings & Grounds Maintenance, Repairs, Upkeep | 13,773 | 4,500 | -\$9,273 |
| Sunday Service | 3,697 | 3,050 | -\$647 |
| Religious Ed Supplies & Programming | -15 | 900 | \$915 |
| Music Program | 1,828 | 2,000 | \$172 |
| General & Administrative Supplies, Services, Equipment | 3,955 | 3,800 | -\$155 |
| Affiliations | 200 | 200 | \$0 |
| Total | 117,422 | 122,000 | \$4,578 |
| Deficit | -9,221 | -12,800 | |