

**Unitarian Universalist Church
of Medford**

**Annual Report
2015-2016**

Annual Report 2015-2016

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Any updates of this report may be found online at this URL:
http://uumedford.org/docs/UUCM_2016_Annual_Report.pdf

Annual Meeting Agenda – June 5, 2016

1. Call to Order.
2. Chalice lighting and invocation.
3. Choose a moderator.
4. Act upon the minutes of the congregational meeting of June 7, 2015.
5. 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.
6. To receive a report from the Board of Trustees regarding expenditures beyond the previously approved 2015-2016 operating budget.
7. Accept and approve the proposed financial operating budget for 2016-2017.
8. To accept nominations and vote on candidates for the offices of Trustee, Treasurer, Assistant Treasurer, Clerk, Collector, and Nominating Committee.
9. To elect delegates to the General Assembly of the Unitarian Universalist Association.
10. New business from the floor.
11. Adjourn

WARRANT

For an Annual Meeting of the Congregation of the Unitarian Universalist Church of Medford to be held June 5, 2016 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 5th of June, 2016, 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 7, 2015;
3. 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;
4. To receive a report from the Board of Trustees regarding expenditures beyond the previously approved 2015-2016 operating budget;
5. To accept and approve the proposed financial operating budget for 2016-2017;
6. To accept nominations and vote on candidates for the offices of Trustee, Treasurer, Assistant Treasurer, Clerk, Collector, and Nominating Committee;
7. To elect delegates to the General Assembly of the Unitarian Universalist Association;
and
8. 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

Dana McNamee, Chair

Brendan Shea, Vice Chair

Cathy Collins, Past Chair

Susan Driscoll

Omri Schwarz

Betty Walters

Joan Trudell

Minutes from June 7, 2015 Annual Congregational Meeting

The meeting was called to order by Nancy Kurtz, clerk, at 12:25 pm. Rev. Tess gave opening words and the chalice was lit.

1) Nancy Kurtz was selected to be moderator without objection. Omri Schwartz served as clerk for the meeting.

2) Without objection, the minutes of the June 8, 2014 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. Cathy Collins summarized the Board report. By unanimous vote, the reports were accepted.

4) Geoff Ward reported on current year expenditures. Major expenses were snowplowing expense (\$2,000 over budget). Planned roof repairs for Osgood House came in under budget, but unanticipated plumbing expenses for Osgood House, due to pipes freezing over the winter despite having the water turned off, resulted in additional expenses of approximately \$1000 over budget. This will result in an expected distribution of \$20,540 from the Ministerial Fund, or \$3,440 over the budgeted amount. This represents a drawdown of approximately \$16,000 from the Ministerial Fund above income received.

The Finance Committee will work to provide more clearer reporting in future reports of the impact of the approved budget and operating deficits on the various reserve funds (Ministerial, NPO, and other).

5) Geoff Ward and Michael Glenn presented the proposed operating budget for 2015-2016. The proposed budget reflects an adjustment to pledge income to reflect the expected collection rate, a 2% salary adjustment for staff based on hours worked in 2014, and projects a deficit of expenses over income of \$7,040, to be covered by additional fund raising, pledge increases, and/or withdrawals from reserves.

Comments included support for increasing our UUA contribution to the full amount to achieve right relation with UUA, priority on more fund-raising activities drawing outside participation commensurate with the rummage sale, collaboration with art or music groups for more concert events, and holding more special collections to cover unanticipated expenses.

Upon motion and second, it was voted 31 in favor and none opposed to approve the budget for 2015-2016 as submitted.

6) Proposed amendments of the Constitution and Bylaws were included in the Warrant for the meeting. Nancy Kurtz presented a summary of the proposed changes. Because no printed copies of the proposed Bylaws were provided at the meeting, the Moderator suggested that this item be postponed to an adjourned meeting on a certain date, following acceptance of a main motion on approval.

A motion was made and seconded to approve the proposed amendments, either after separate discussion of each amendment or as a group.

Upon motion made and seconded, it was voted 29 in favor and none opposed to postpone further action on this motion to Sunday, September 20, 2015, at 12:30 at which this meeting will continue.

7) Dana McNamee presented the Nominating Committee's slate for Trustees and Officers as follows:

Trustees: 4 slots

Susan Driscoll – one-year term

Betty Walters – three-year term

Brendan Shea – three-year term

Joan Trudell – three-year term

Officers

Russell Tripp – Collector

Nancy Kurtz – Clerk

Michael Glenn – Treasurer

Emily Hanna – Assistant Treasurer

Nominating Committee

Geoff Ward

Tammy McKanan

Carol Schachet

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

8) Upon motion and second, it was voted to approve Dan McKanan and Tammy McKanan as delegates to the UUA General Assembly. In the future, off-site delegates may also be considered.

9) With no further business to come before the meeting, upon motion and second, it was unanimously voted to adjourn at 1:20 pm to September 20, 2015 at 12:30 pm.

Note: A quorum of the congregation was present. The sign-in sheet shows 31 members and 2 non-members were in attendance.

Respectfully submitted,

Omri Schwarz

Clerk *Pro Tem*

Minutes from September 20, 2015 Adjourned Annual Congregational Meeting

The annual meeting, adjourned to this date on June 7, 2015, was reconvened and called to order by Nancy Kurtz, clerk, at 12:25 pm on September 20, 2015. Nancy Kurtz continued as moderator and Karen Johnston served as clerk pro tem. A quorum was present.

1) The first order of business was to consider a supplemental budget for the music program. Upon motion and second, it was voted with 22 in favor and none opposed to approve the additional amount of \$2,000 in the budget for 2015-2016 to fund the music program, for the purpose of piano repair, guest musicians, music stands and music purchases, to be funded from the dedicated Music Fund. This is limited to the current fiscal year and will be so reflected in the budget reports.

2) Proposed amendments of the Constitution and Bylaws were next addressed.

Upon motion and second it was voted with 9 in favor and 8 opposed to consider the amendments article by article.

Article I, Name and Purpose. Upon motion and second, it was voted 20 in favor with none opposed to approve this amendment, which adds a non-discrimination clause in Section 3.

Article II, Membership. Upon motion and second, it was voted 23 in favor with none opposed to approve the amendments to Article II.

Article III, Officers. Upon motion and second it was voted with 12 in favor and 4 opposed to consider the proposed amendments section by section (Sections 2, 3, 8, 10 and 11).

Upon motion and second, it was voted 22 in favor with 2 opposed to approve Section 2 as amended, to allow the Board to determine the number of trustees, within the range of 5 to 9.

Upon motion and second, it was voted with 22 in favor and none opposed to approve Section 3 as amended, which removed the requirement for formal swearing in of certain officers.

Upon motion and second, it was voted with 24 in favor and none opposed to approve Section 8 as amended, which permits the Treasurer to delegate functions to the Finance Committee as well as the Assistant Treasurer.

Upon motion and second, it was voted unanimously by voice vote to defer action on the amendment to Section 10 until the next annual or special meeting of the Congregation to allow further research on the costs and necessity of requiring bonds for the Treasurer, Assistant Treasurer, and Collector.

Upon motion and second, it was voted unanimously by voice vote to approve the amendment to Section 11, making Board attendance optional for the Clerk, Treasurer, and Collector.

Article IV, Powers and Responsibilities Delegated to the Board of Trustees.

It was moved and seconded to consider the amendments on a section by section basis. The motion failed to carry with 4 in favor and 10 opposed.

Upon motion and second, it was voted unanimously by voice vote to discuss and consider Article IV, Section 1(f) with the proposed amendments to Article V.

Upon motion and second, it was voted to approve the amendments to Article IV, not including Section 1(f), with 16 in favor and none opposed. This action in effect repeals Articles VIII and IX of the existing bylaws.

Article V, Power and Responsibilities Reserved to the Church.

Upon motion and second, it was voted unanimously by voice vote to approve the amendments to Article V, Section 1 (b).

It was moved and seconded to approve the amendments to Article IV, Section 1 (f) and Article V, Section 1 (a) which clarify that a two-thirds vote of the Congregation is required to call or dismiss a called minister and that the Board as the authority to enter into and terminate employment agreements with a minister other than a called minister. This would deal with the situation where the church has an interim or part-time minister who has not been hired through the approved UUA process for called ministers. Discussion included objections to granting this authority to the Board. Concern was expressed that the Congregation's role should be specified. In the process used last year, the Board presented the candidate to the Congregation for a confirming vote. Questions were also asked about use of the Ministerial Fund for other than a called minister.

A vote on the motion to accept the amendment was taken, but since there was some misunderstanding about the meaning of the vote, the vote was not finalized and it was declared not to pass. Moreover, the initial vote was not a two-thirds vote of those present, and therefore the motion to amend would not have passed.

Article VI, Meetings.

Upon motion and second it was voted to approve the amendments to Article VI, Section, with regard to notice of the annual meeting, unanimously upon voice vote.

Upon motion and second the meeting was adjourned at 2:00 pm.

The proposed amendments on which action was deferred or not taken at this meeting were:

Article III, Section 10 (bonds for financial officers)

Article IV, Section 1(f) (Board's authority to contract for non-called minister)

Article V, Section 1(a) (Congregation's power to call or dismiss a minister)

Article VI, Section 3 (no voting by proxy)

All other amendments submitted to the meeting were approved by a two-thirds vote of those present and voting.

Note: A quorum of the congregation was present. The sign-in sheet shows 27 members and 1 non-member were in attendance.

Respectfully submitted,

Nancy Kurtz, Clerk

Karen Johnston, Clerk *Pro Tem*

Annual Report from the Board of Trustees – June 5, 2016

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 the board facilitated and/or oversaw a number of wonderful developments, beginning with our fabulous fall retreat! As a result of the retreat, we started the year with some ambitious goals: to improve community outreach and congregational growth; to increase fundraising and become self-sustaining over the next 3 years; and to maintain and improve our physical plant.

Outreach and Growth

There are many “pluses” here: We participated in Medford Community Day again, updated the website, shared a Sunday collection with the Medford High School Gay Straight Alliance, added a “Black Lives Matter” banner to our public face, improved our welcoming of visitors, initiated sending the monthly Board minutes out to the congregation, cooperated with the Food Pantry in starting up a Community Garden, and we have just welcomed 9 new members!

Fundraising and Balanced Budget

Good stuff here as well: In addition to our usual bang-up Rummage Sale (thank you, Lourie August and crew!), we had a fabulous “ceilidh” music and dance fundraiser (thank you, Vivian Montgomery and Music Committee!). This was partly inspired and partly financed by our financial advisor, Mark Shepherd, who was very generous with his time, energy, and checkbook. And what a fun Valentines Chocolate Auction we had, thanks largely to our own Rev. Tess! Rev. Tess and canvass chairperson Loren Bernardi attended a full day stewardship workshop, and the Board devoted one entire meeting to an online stewardship workshop. Treasurer Michael Glenn has streamlined our bank accounts; and our investments have been reviewed and revised, with Mark Shepherd’s guidance, to afford us a better return. Our pledge income this year projects to be HIGHER than the actual pledged amounts, and our budget is in fact closer to being balanced than it was last year! The 3-year plan has a good start!

Maintain and Improve Physical Plant

Successes again: The Osgood plumbing is now functional and fully winterized (Thanks, Geoff Ward!). We had a HUGE cleanup day during which the choir area was cleaned and revamped, many, many bags of leaves were raked up, the Osgood House was immaculately cleaned and reorganized, and more. We have instituted a plan to insure reliable, functional heat on Sundays throughout the cold months. And the Community Garden must be mentioned here as well!

Updates and General Housekeeping

We had the continued portion of last year’s annual meeting in September, passing many needed revisions to the by-laws. One by-law that was not changed was the stipulation that the board obtain bonding for our money handlers, and an application for same has been submitted to an insurance agency recommended by our financial advisor, Mark Shepherd.

An evaluation subcommittee reviewed Rev. Tess’s ministry (very favorably!) and the board and Rev. Tess subsequently agreed to a new contract for the next year (2016-2017). (Editorial “YAY!!”)

The Gentle Dragon Preschool is not planning to move back to Medford this year, so there is no current plan for them to rent our space. If that were to change in the future, UUCM would need to obtain a zoning variance to allow a preschool on the property. We plan to contact the city to find out what that would entail, just in case the issue arises in the future.

Of course we had terrific annual events such as our Thanksgiving Potluck, Easter Pancake Breakfast, Christmas Pageant, Flower Communion, Water Communion, as well as inspired lay-led services and guest ministers, our wonderful RE program (gratitude to DRE Sara Bossen!), Chalice Circles, Circle Dinners, Song Circles, Meditation Group, warm and delicious coffee hours, and on and on ...

The Board wishes to thank the entire UUCM community for wonderful support, timely input, and for each of your time and effort in the various aspects of maintaining our church family

For the board, in peace,

Dana MacNamee

Chairperson

Minister's Annual Report to the Congregation

Our second year together seems to have flown by! It has been a year of recognizing our strengths and working towards clearly-articulated goals, deepening our shared ministry.

In August I attended an ecumenical retreat where I met one of my spiritual heroes, Parker Palmer. The retreat focused on taking the risk of belonging, one of five tasks in his book *Healing the Heart of Democracy* which we may do as a “congregational read” this fall. It was inspiring.

In September I facilitated our leadership retreat, focusing on our strengths and successes. We came up with three goals. *The first goal was to enhance our outreach.* To that end we attended Medford Community Day and participated in the mayor’s parade last fall. We blessed and displayed our Black Lives Banner and refreshed our rainbow flag. Our social justice committee is active again, and we have ten raised beds to grow veggies for our food pantry. Thanks to Melissa, our website is regularly updated and we are working on expanding our Facebook presence.

The second goal was to increase fundraising. Both board and congregation learned from financial advisor Mark Shepherd about raising money from people in the wider community, offering them chances to learn about our community. We incorporated his ideas into the ceilidh in early April and the rummage sale later that month (much thanks to Vivian, Brendan, Nancy, and Lourie). The entire Board attended a stewardship workshop which has given us good ideas for next year.

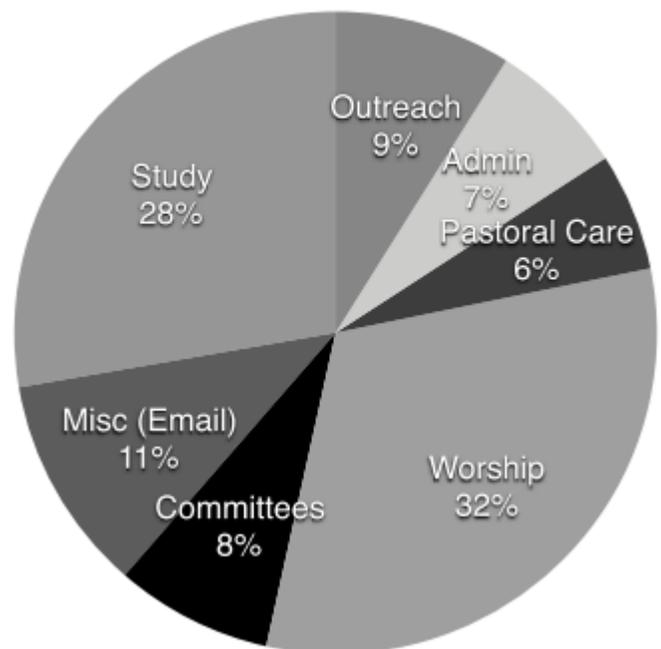
The third goal was to work on our physical plant. Staff and Sunday School are grateful for year-round plumbing in Osgood House! We had a clean-up day in March with over 30 volunteers working indoors and out. The choir loft, shed, and Religious Education closets are clean and organized, as are many other spaces on the premises. Thank you to all who helped out! As a special project, I worked on making the kitchen in Osgood House more homey. Donations of a microwave and electric kettle helped. We having increasing need for spaces for small groups to meet, so Sara and I are working on making our offices available when we are not using them.

Besides all this work, there have been many joyful, memorable community events over the course of the year, from the Water Communion in September to the upcoming Flower Ceremony, our worship life, music and food-centered celebrations have been uplifting, community-forming events.

Vivian has brought us wonderful guest musicians, including a Klezmer band, Alex Cummings for Christmas Eve and the ceilidh, and Langey School students for Easter. Sara has ably led our Sunday School program through the transition to a one-room schoolhouse model.

In worship, Sunday School, and in Chalice groups we have explored the UU principles all year. The Worship Committee has done us proud, with a smooth transition in leadership from Susan Jhirad to David Parker. Next year we will explore the Sources of our Living Tradition in all three venues. Having an integrated “curriculum” for the whole congregation helps foster unity and community. I look forward to another year of sharing your ministry.

Distribution of Minister's Hours 2015-2016



	Admin	Pastoral Care	Worship	Committees	Misc (Email)	Study	Outreach	TOTAL
%	7	6	32	8	11	28	9	100

Respectfully submitted,

Rev. Tess Baumberger

May 2016

Annual Report from the Director of Religious Education

The Unitarian Universalist Church of Medford (UUCM) Religious Education (RE) offered programming to children through age 18 this 2015-2016 program year. We had 14 students registered and 24 students in regular attendance. Many thanks to RE Committee members: Karen Johnson (chair), Elizabeth Dowey (secretary), Mary MacNamee, and Melissa Radzyminski.

Our one-room-schoolhouse model of religious education class started this fall. This model allowed for more flexibility, and diversity of learning styles. We used the RE Express curriculum which provided ample quality content and adaptable activities. Each Month of the RE Express curriculum explored one of the Unitarian Universalist's Seven Principles. This theme coordinated with the theme of the adult services, and the program concluded with a multigenerational UU principles culmination service on May 15th. Throughout the year we had students from 1 to 2 years old, participating along with preteens and teens. I am grateful to Lisa Bouley, and to Karen Johnson for being my co-teachers.

Twice a month, youth group met separately with their youth advisors, Cathy Collins, and Lourie August. The youth group used the social justice based curriculum "Heeding the Call: Justice Makers." This curriculum is characterized as a rich social justice curriculum that focuses around "concepts" such as awareness, UU social justice heritage, understanding, and empathy.

Multigenerational highlights this year included an all-ages rendition of "A Christmas Carol – What the Dickens!" on Sunday, December 20th. Karen Johnson and Susan Jhirad helped coordinate the play. Jennifer Vento directed the endeavor. On February 28th our RE students contributed to the "Question Box/Stump the Preacher" service with meaningful and silly questions alike. Our Easter multigenerational service on March 27th focused on rebirth and the women of the Easter story. The RE program will close this year on June 5th with the Variety in the Garden of Leadership service and a Bridging Ceremony for high school senior, and lifelong RE participant, Jahna MacNamee.

Professional development was one of my goals this year. I attended the Renaissance Module: Ministry with Youth this spring on May 9th and 10th. The philosophy of youth ministry encouraged by the Unitarian Universalist Association is that youth will be ministered to by UU congregations when they are respected as community members. As youth are empowered to be full members of UU communities, both they and the community will be strengthened. I plan to use the skills and information I gained at this Renaissance Module to create a youth advisor training in the fall.

Respectfully submitted,

Sara Bossen

Director of Religious Education

Review of Fiscal Year 2015-16 Finances

Fiscal year 2015-16 lacked any dramatic deviations from what was anticipated and budgeted for, and where the differences were largest they were in our favor. To offset budget deficits in recent years, we have withdrawn money from our Ministerial Fund, whose income and capital can be tapped to pay part of the minister's salary. The drawdown from the Ministerial Fund was close to \$13,000 this year, of which slightly more than \$3,000 was income and the rest was a drawdown of principal.

Income: (1) Pledged amounts both promised and actually delivered came in higher than expected. This is a heartening sign and trend. (2) Fund raising, mostly from the ceilidh and the church rummage sale, generated \$5,743 in income, somewhat short of the budgeted but nevertheless a major contribution. We are maybe one additional event a year from hitting that target. (3) Building use fees fell as a major user cut back his hours, which was anticipated although not to the extent that occurred. We continue to get more one-time users, but will need another steady weekly user to move this back up to 2014-15 levels. (4) Continued extraordinarily low, near-zero, interest rates limit the income derived from the major church asset funds. Here the church shares the challenge of countless retirees, whose savings are not generating the anticipate incomes. This will almost surely not continue indefinitely, but the timing and consequences of its cessation are not clear (and the subject of much debate).

Expenses: (1) The mild winter is reflected in the major reduction in heating and snow removal expenses vs. the previous year, the former having also been helped by reductions in heating oil and natural gas prices. (2) There were no major building repairs required this year, allowing buildings and grounds maintenance, etc. expenses to return to a more normal level for the first time in several years. (3) We suspect in part due to the aforementioned low interest rates, which minimizes income insurance companies earn on their loss reserves and thus forces them to raise rates, our property and casualty insurance cost was \$944 higher than expected. (4) Our DRE and Religious Education Committee kept RE program expenses down to a notable degree.

Our church continues to function well on what amounts to a shoestring budget. Nevertheless, there continues to be a modest drawdown of our endowment fund accounts. In a normal interest rate environment this would not be the case, but for now that is the situation.

As we do this time every year, the Finance Committee acknowledges the people involved in the church's day-to-day financial operations: Assistant Treasurer Emily Hanna, church administrator Lynn Battinelli, and Collector Russell Tripp. Their ongoing work in doing the primary setup, monitoring, and entering the transactions that go into generating the reported numbers discussed above and in the proposed budget for the coming fiscal year is absolutely necessary for our functioning and planning.

Sincerely,

Geoff Ward and Michael Glenn,

UUCM Finance Committee

Fiscal Year 2015-16 Income and Expenditures, Projected* vs. Budgeted

	FY 2015-16 Estimated*	FY 2015-16 Budgeted	Actual vs. Budgeted
Pledges	66,800	62,500	\$4,300
Plate and Other Gifts	4,800	4,000	\$800
Fund-raising	5,743	7,500	-\$1,757
Flower Sponsorship (net)	80	100	-\$20
Building Use	14,250	16,000	-\$1,750
Investment Income from NPO Fund	2,000	4,000	-\$2,000
Restricted Fund Distributions	4,557	4,040	\$517
Ministerial Fund Distributions	12,890	12,000	\$890
Drawdown of Music Program Fund	4,000	4,000	\$0
Income	115,120	114,140	\$980
Minister	36,420	38,000	\$1,580
DRE	15,565	15,580	\$15
Sexton	9,133	8,800	-\$333
Administrator	2,705	3,200	\$495
Music Director	12,920	12,920	\$0
Payroll Service	2,279	2,200	-\$79
Workers Compensation Insurance	1,530	1,400	-\$130
Total Staff-Related	80,552	82,100	\$1,548
Utilities & Heat	9,930	13,400	\$3,470
Snow Removal	3,412	6,300	\$2,888
Property & Liability Insurance	7,494	6,550	-\$944
Buildings & Grounds Maintenance, Repairs, Upkeep	4,100	5,000	\$900
Sunday Service	2,554	2,750	\$196
Religious Ed Supplies & Programming	471	1,100	\$629
Music Program	2,245	1,980	-\$265
General & Administrative Supplies, Services, Equipment	3,781	3,800	\$19
Affiliations	200	200	\$0
Expenses	114,739	123,180	\$8,441
Deficit	381	-9,040	

* Full fiscal year projection based off of actual income and expenses through May 31.

Treasurer's Report

Principal church assets are our properties and their contents, and four major church funds. Those funds are (1) the NPO Fund, which functions as a reserve fund in our financial planning; (2) the Ministerial Fund, whose distributions are limited to compensation for the UUCM minister, (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. In December, the Financial Committee (Geoff Ward and Michael Glenn) met with Mark Shepherd to discuss our investment strategy for the church accounts. We noted that it appears the church is close to a balanced budget, and we do not expect significant withdrawals in our accounts over the coming years – except for the money we have budgeted from the Ministerial Fund for this year and next. 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, balanced, conservative portfolio, which might bring us a higher return than our current positions. The new portfolio is, to be noted, still very conservative. The Committee discussed the matter and agreed to go along with Mark's proposal.

The new model basically 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: \$106,092. 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. The fund contains approximately \$500 in tuition collected from OWL program participants, set aside for use in defraying future OWL teacher training costs.

During this year, the NAV of the NPO fund rose from \$101,814 to a May 1 value of \$106,033, a rise of \$4,219. Redemption and transfer of assets from the Tucker Fund and the Cotting Fund (see below) represented \$3,075.51 of this. *Thus it can be seen that the NPO fund's overall value has been relatively constant this year.* There was a sharp fall off during the first half of the year, and a rise close to its original value in the second half of the year.

The fund's current NAV reflects the effects of the following for the ten months from July to April: fees of \$586, dividends of \$2010.81, and a decline in asset value of \$249.84.

Small Funds. *Music Fund:* Formerly partly segregated within the NPO fund. On July 1, 2015, the NPO fund's NAV was \$110,316. But \$8,502 of this was the remainder of a segregated gift to our music program, called the Music Fund, which had been deposited in the NPO fund when they were originally gifted. At the beginning of this year, the NPO fund's NAV, exclusive of the Music Fund, was therefore \$101,814. During the year, we withdrew the Music Fund's \$8,502 from the NPO and joined it to another \$1,000 gift to the Music Fund, to total \$9,502. We then put \$4,000 of this money into the church checking account, as the Music Fund's \$4,000 contribution to the 2015-2016 budget. This left \$5,502 in the Music Fund, which we placed in its own separate account in the Citizens Bank. The Music Fund currently has a value (reflecting bank account fees) of \$5,476.

Tucker Fund: Among the church's smaller assets was a fund called the Tucker Fund. It had been invested in a CD in the Citizens Bank. In the fall of 2015, when the CD matured, we redeemed the CD and transferred the balance of \$2,014.88 into the NPO Fund.

Cotting Fund: In the fall we located another small fund called the Cotting Fund. It, too, was invested in a CD at Citizens Bank. We redeemed the CD, and deposited its amount of \$1,060.63 into the NPO Fund.

Russell Fund: This is a small account invested with the UUA with current NAV of about \$1,430. Right now it is generating virtually no income and, unlike the Cotting and Tucker Funds, cannot be summarily liquidated and rolled into the NPO Fund.

Ministerial Fund. NAV: \$231,516. Distributions from the fund, determined by Financial Committee in consultation with the LPL advisor, are accounted for as income upon receipt. The use of distributions of this fund is limited to contributing to the UUCM minister's compensation.

So far this year, the NAV of this fund has declined from \$239,557 to \$231,516, a total of \$8,041. The major cause of the fund's decline has been budgeted monthly withdrawals of \$1,000 plus accrued dividends. In the first ten months of this year, these withdrawals totaled \$9,890. More than another \$3,000 will be withdrawn before the end of the fiscal year. The current NAV also reflects the effect of fees of \$1,282, dividends of \$3,632, and a gain in asset value of \$499.

The Financial Committee feels strongly that we resolve to bring a halt to further principal withdrawals from the Ministerial Fund. Implementing this policy involves a combination of pledges, fundraising, and space use proceeds. Towards this end, we propose that the 2016-2017 budget reduce the principal withdrawals from this fund.

Lawrence Fund. NAV: \$165,850 as of April 1. At the beginning of the fiscal year, this fund had a NAV of \$175,470. Distributions from the funds, as determined by the Trustee – PNC Bank of Pittsburgh – and limited to the income on the account, are accounted for as income upon receipt. There is no restriction on the use of distributed income, once received. This fund appears to have regained less money in the second half of the year than it lost in the first. The Trustee very tightly controls the fund's investment policy, and to date has proved only modestly amenable to our request or suggestions, but the Finance Committee will continue to attempt to effect some reallocation of assets.

Charity Fund. NAV: \$49,763. Fund income, which is 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. This fund has remained relatively constant over the past year.

This two fund accounts (investment and checking) began the fiscal year with total assets of \$50,759. As of May 1, Rev. Tess had dispersed \$700 in charitable contributions. The fund had also incurred fees of \$292, received dividends of \$885, and sustained a loss in value of \$689.

The Finance Committee's investment philosophy in the past several years has been extremely conservative – aimed at limiting any risk of capital loss. Historically current valuation levels have been associated with low total returns and substantial risk of major loss. Consequently, we have chosen not to gamble on eking out a few extra percentage points of return while incurring that risk.

Annual Report from the Worship Committee

The 2015-16 worship committee was comprised of Susan Jhirad, Russell Tripp, Ann Heintz, Elaine LaMacchia and David Parker. Shortly after the start of the church year, Susan, chairperson at that time, asked David to assume duties of the chair for the remainder of the year. Throughout the year, the committee worked in very close collaboration with Rev. Tess, Vivian Montgomery, Sara Bossen, and Karen Johnston to ensure coherence between Religious Education and worship experiences.

Rev Tess announced in the Fall that the church's overarching theme for the year would be the seven Unitarian Universalist Principles. That theme was carried across Religious Education, Chalice Groups and worship services. In addition to Rev. Tess's development of the theme, worship experiences explicitly focusing on the Principles included congregational sharing on the Sunday following Thanksgiving with reflections on *Living Thankfully* and connecting to the Principles, a Poetry Service orchestrated by Ann Heintz, and a culmination service in which seven persons in the congregation shared brief reflections based on one of the Principles. This has been a creative and enriching theme for everyone.

We worked very closely with the Religious Education program to coordinate a wonderful holiday pageant composed by Rev. Tess and based on Dickens' *A Christmas Carol*. Jennifer Vento provided excellent direction with broad involvement from the church community. The resulting program was inspirational!

Through the course of the year, we arranged for ten services with guest ministers, including Matt Meyer, Sarah Gibb Millspaugh, Laura Randall, David Miller, Laura Wagner, Elizabeth Nguyen, John Gibb Millspaugh, Rabbi Brian Walt, and Colin Bossen.

Numerous persons from the UUCM community stepped up to present or facilitate services. Susan Jhirad invited her friend Zainab Mahmoud to speak about Tolerant Islam. Steve Schmidt, Tammy McKanan, Ann Heintz, Dan McKanan, Lisa Bouley, and David Parker also led services. In addition, we were fortunate to have a growing number of worship assistants contribute to components of worship.

One of the dynamic lay-led services was based on the theme *This I Believe*, from a concept first developed in the 1950s by Edward R. Murrow and recently revised by NPR. Five persons shared beliefs, feelings and experiences from their life journeys in a service that was thoughtful, touching, and sometimes humorous. Thanks to everyone who risks vulnerability to help all of us grow.

Two of the year's services were focused on food mindfulness: one with guest minister John Gibb Millspaugh, and one with Dan McKanan and Lisa Bouley. Both were stimulating and thought provoking.

Plans for summer services are developing well. Worship leaders for most, though not all, weeks of the summer are identified.

Looking forward, we have a committee retreat planned for August, and we are already thinking about next year's theme: the Unitarian Universalist Sources.

Overall, we have had a very busy year with a rich variety of worship experiences including a large number of participants. The services have all be well organized and well presented, and we are confident that they have contributed to the spiritual growth of the UU Medford congregation. It has been a pleasure and a privilege to contribute.

Respectfully submitted,

David Parker

for the Worship Committee.

Annual Report from the Music Committee

Formed as an adjunct of the Worship Committee, the Music Committee supports the Music Director and acts as “shepherds” of music for Sundays when the Music Director is not present. Members consult with worship leaders about music needs and schedule special music when possible. The committee consists of Vivian Montgomery, Nancy Kurtz, Brendan Shea, and Molly Ruggles. The committee held seven meetings and was able to provide special music for ten services.

A significant project this year was to sponsor a music fundraising event, the Ceilidh, on April 2, 2016. The Ceilidh is a multi-part community musical event in the British Isles tradition, which included a workshop, meal, concert and dance, with guest musicians specializing in music of the British Isles, Alex Cumming and Nicola Beazley. Net proceeds raised were \$1004. Attendance was about half from the church and half from the outside community. We established a mechanism to take advance sales and about half the ticket sales came from advance sales. Our estimate is that about 16 attended the workshops for singers and musicians, 30 attended the dinner, 30-40 attended the concert, and 40-50 attended the dance.

The meal was organized by Brian Wolf and hearty British fare provided by congregation members. Goods for a bake sale were also provided. Sue Driscoll organized two raffle baskets for which tickets were sold. The proceeds from the raffle were \$236. Brendan obtained posters and postcards through a discount from his employer and the event was promoted on Facebook and various lists for dance events, as well as in Medford and surrounding towns through posters. Molly prepared a brochure about our church that was distributed at the event. Many volunteers assisted at the event as well.

In future years, we should have a Fundraising Committee that organizes early in the year to plan several fundraising events throughout the year. Not all future events need to be musically-based, but this event proved to be a wonderful use of our space – both the sanctuary and Benker Hall.

The Music Committee is also interested in targeted fundraising for music program needs. In the fall, we expect to review the need to provide some major overhaul of our Mason and Hamlin grand piano from 1894. It is as old as the church, although it was donated later, sometime during the 20th century. It is a quality piano and could be significantly improved with work to replace strings and replace hammers and various other pieces in a partial action rebuild. The estimate for this work is around \$3300. It would have to be done over a summer.

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 seems to have continued to grow: Much caring within the UUCM community is being provided “behind the scenes,” and Steve was not directly involved.

Caring was coordinated through the “Team” in one major long-term medical recovery situation. Most needs for Care, however, were addressed directly to the Congregation via the announcements email list. Once again, the most common request was for rides to church.

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 for the Annual Report by the Caring Ministry.

Annual Report from the Buildings & Grounds Committee

I am grateful to report that there were no major building and grounds dramas this past year. After water pipe breaks in the Osgood House due to deep freezes the previous two winters, the interior water lines to the most susceptible areas were rerouted away from the uninsulated exterior walls. Except for a cautionary water turnoff and draining of the pipes during the brief but very intense cold snap in February, the Osgood water was left running the whole winter without incident.

The church boiler continues to evince an annoying tendency to intermittently fail to fire up, and a priority will be to figure out the component in the system that is the cause of that. This past winter a routine to check on and, if necessary, restart the boiler early Sunday mornings was largely successful in keeping the sanctuary warm for Sunday service. Also, several building users were empowered and given instructions on how to check and restart the heat if necessary. Not ideal, but it worked.

A major event during the year was an inside/outside rehab and cleanup organized by Reverend Tess in late March, as reported in the Board and minister reports above. The church and Osgood House interiors and the grounds reflected the efforts of the 30+ people who contributed their efforts, and Music Director Vivian realized her wish for a reconfigured piano/choir placement arrangement.

A community garden group who will supply produce to the church Food Pantry was granted use of the patch of ground outside Benker Hall and of part of the area bordering the Osgood yard. While the change in the scenery is noticeable, we are grateful for the ongoing help with grounds maintenance that comes as part of the deal.

Immediate plans include replacing the rear church door and shed doors, and replacing or reseating the four downspouts on the east side of the church building, all of which were dislodged by cumulative snow and ice since they were installed. The rear driveway will get its biyearly patch job.

As usual, I would like to recognize the dedication of our sexton, Fred Humphries, which goes well above and beyond the official charter of his position. His commitment is an ongoing help and comfort.

Respectfully submitted,

Geoff Ward,

Building & Grounds chairman

Annual Report from the Social Justice Committee

Although we have a strong history of social justice activity at UUCM, we began the year with no functioning group. Even so, various people organized events in the fall and winter that touched on social justice issues.

- A letter-signing event after a Sunday service, to support a bill providing transgender rights in the state.
- A guest sermon on the situation in Israel and Palestine by the activist Rabbi Brian Walt.
- A letter drive to State Senators and Representatives to support a constitutional amendment endorsed by UU Mass Action. The amendment would combat economic inequality in the State by adding a surtax to very high income people. This drive came in conjunction with a guest sermon by UU Mass Action Director Laura Wagner.
- In February, we called for an SJC organizational meeting. Sixteen people came. We decided then on a number of activities for the rest of the year.

- Ten people took a month-long course (four Monday nights in April) on the History of Islam (“A History of the World Through Muslim Eyes”) given by Lori Kenschaft at the neighboring First Parish Church of Arlington. In addition to giving us a deeper understanding of the history of Islam, the course introduced us to many people from other UU churches in the area.
- Three people, including Rev. Tess, participated in UU Mass Action’s Lobbying Day on April 12th. They spent the morning preparing for workshops on immigration, prisons, climate change and the economy, and then went to the State House to speak with our legislators. Before this event, we collected signatures on letters supporting bills backed by UU Mass Action.
- We supported the “Food Service” in April, by Lisa Bouley and Dan McKanan.
- In May, we participated in a postcard drive led by Susanna Schroeder to urge the Legislature to increase funding for the Alternative Housing Voucher Program, thereby bolstering affordable housing opportunities for low-income individuals with disabilities.
- In June, inviting the Malden First Parish Church to work with us, we organized a book drive for prisoners, via the Prison Book Program in Quincy.
- We planned for members Ilene Lerner and Susan Jordan to report to the congregation on their recent trip to Honduras with the group “Witness for Peace” by giving a summer sermon in June. While there, the two women and their group met with indigenous people’s activist Berta Cáceres, who was assassinated the week after they were there.

At a meeting on April 1st, we voted to concentrate our following year’s work on issues around immigration: the border, immigration reform, the situation in Central America that drives people to our country, the situation of refugees in the Middle East and in Europe, and Islamophobia. We will also plan some programs that deal with the Black Lives Matter movement, racism and mass incarceration. A group of five “planning core” members met at the end of May and will meet again during the summer to coordinate plans for the coming year.

In planning next year’s work, we hope to be continue partnering with other local UU churches, as well as with other churches in Medford.

Annual Report from the Welcoming Team

The UUCM Welcoming Team tries to make our church a warm and welcoming place for newcomers. In truth, almost everyone in our church does this. More formal welcoming involves our members who wear the “Red Apron” of hospitality, standing ready to answer questions about the church community – this year principally Annette Bloom and Tammy McKanan. But we appreciate everyone who talks to newcomers, responding to their curiosity about our community and to their particular questions as they look for the “right church” for them and their family.

The team is also grateful to Rev. Tess who personally sends a note to everyone who signs the contact sheets. Welcoming activity also includes bringing new members into the church. This year, we were pleased to welcome eight new members into our church community: Carolyn Cronin, Gio Ferrini, Susan Jordan, Kailin Kaufmann-Jewel, Michael Lowe II, Ben Marder, Mimi Oliver, and Susanna Schroeder.

Our plans next year involve expanding the team of folks who wear the “Red Apron,” as well as trying to be even more responsive to the new people who come through our doors.

Fiscal Year 2016-17 Budget Proposal

	FY 2016-17 Proposed	Explanation
Pledges	66,800	Projected from this year's pledge drive
Plate and Other Gifts	4,800	Approximate previous FY projected
Fundraising	7,500	Assumed additional event in fall
Flower Sponsorship (net)	100	
Building Use	14,500	Slightly decrease from previous FY
Investment Income from NPO Fund	3,000	New investment strategy
Lawrence & Other Restricted Fund Distributions	4,500	Level with previous FY
Ministerial Fund Distributions	10,000	\$4,000 income / \$6,000 principal drawdown
Drawdown of Music Program Fund	4,000	Level with previous FY
Income	\$115,200	

Minister	38,000	Level with previous FY
DRE	15,580	Level with previous FY
Sexton	8,800	Level with previous FY
Administrator	3,000	Slight increase from previous FY
Music Director	12,920	Level with previous FY
Payroll Service	2,300	Level with previous FY
Workers Compensation Insurance	1,550	Level with previous FY
total staff-related	\$82,150	
Utilities & Heating Oil	12,400	More typical winter this year
Snow Removal	5,400	More typical winter this year
Property & Liability Insurance	7,600	Slight increase from previous FY
Buildings & Grounds Maintenance, Repairs, Upkeep	4,500	Baseline standard year
Sunday Service-related expenses	3,050	12 guest speakers, coffee
Religious Ed Supplies & Programming	900	Some additional expenses
Music Program	2,000	Slight reduction from previous FY
General & Administrative Supplies, Services, Equipment	3,800	Level with previous FY
UUA/MBD contribution	200	Nominal contribution
Expenses	\$122,000	

Deficit **-\$6,800** Planned drawdown from NPO Fund

Church Finances Appendix

In the appendix we present an annotated display taken from reports provided by LPL Financial – the asset manager of three of UUCM’s four most important endowment funds – which the Financial Committee believes will be of interest to the community. Also included are final financial results from the previous fiscal year, which only become clear and available over a month after the publication of the previous year’s Annual Report.

Church History Through a Financial Lens

To the right is a concise graphic history of the NPO, Ministerial, and Charity Fund values.

The first two histories vividly display the effects on the church’s fund values from the Madeline Benker bequest early this century, followed by its extensive drawdown from spending for extensive rehabilitation of the church’s physical structure physical, coextensive with ongoing operating deficits until spending was brought more in line with sources of income 2011-14 – as noted in the annotations.

Summarizing key elements of this history:

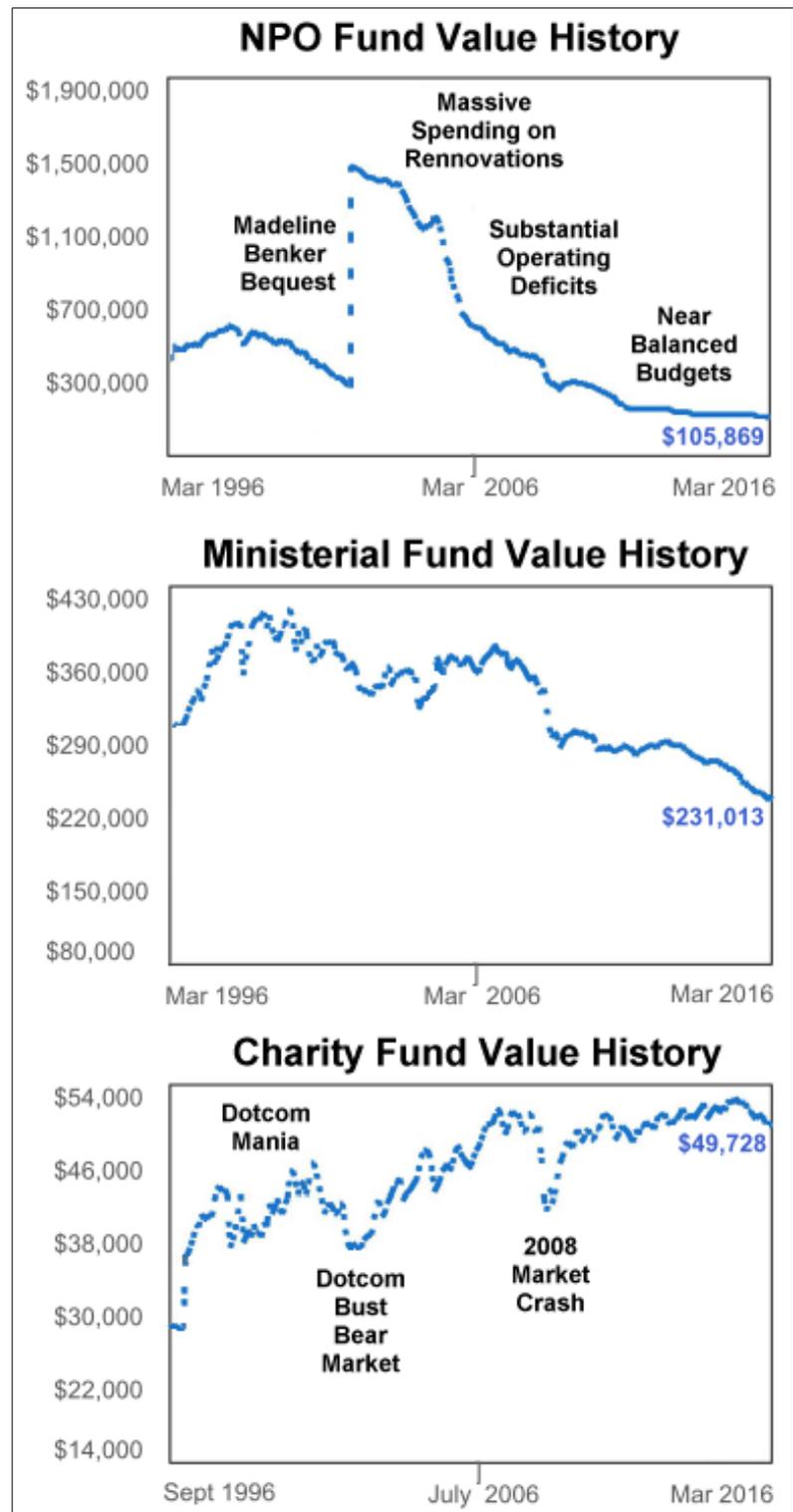
2001-05: Extensive work on the church, including restoring the main stain glass window in the sanctuary, restoring Benker Hall, restoring the bell tower.

2006-15: Further work on physical plant, such as repainting Osgood House, replacement of sanctuary roof cap, major replacement of cracked or missing church roof slates, replacement of membrane roof over the church side entrance, replacement of church main water input pipe, conversion of church boiler from oil to gas, church and Osgood plumbing work.

2001-11: High operating budget deficits with full-time minister and other staff.

2011-14: Change to ¾-time minister, other staff cutbacks result in substantial reductions in operating deficits.

2014-date: Change to ½-time minister and other operational changes results in small (but still positive) budget deficits.



Fiscal Year 2014-15 Income and Expenditures, Actual vs. Budgeted

	FY 2014-15 Actual	FY 2014-15 Budgeted	Actual vs. Budgeted
Pledges	64,716	65,000	-\$284
Plate and Other Gifts	5,094	6,000	-\$906
Fund-raising	4,916	7,500	-\$2,584
Flower Sponsorship (net)	37	150	-\$113
Building Use	18,390	12,500	\$5,890
Investment Income from NPO Fund	2,483	2,050	\$433
Restricted Fund Distributions	4,038	4,040	-\$2
Ministerial Fund Distributions	21,340	17,100	\$4,240
Drawdown of Music Program Fund	150	1,500	-\$1,350
Income	121,164	115,840	\$5,324
Minister	37,406	37,400	-\$6
DRE	14,923	15,275	\$352
Sexton	8,480	8,800	\$320
Administrator	2,968	3,425	\$457
Music Director	11,055	10,500	-\$555
Payroll Service	2,197	1,100	-\$1,097
Workers Compensation Insurance	1,201	1,614	\$413
Total Staff-Related	78,230	78,114	-\$116
Utilities & Heat	14,395	13,400	-\$995
Snow Removal	7,996	5,800	-\$2,196
Property & Liability Insurance	6,554	5,950	-\$604
Buildings & Grounds Maintenance, Repairs, Upkeep	7,020	6,000	-\$1,020
Sunday Service	2,611	2,500	-\$111
Religious Ed Supplies & Programming	566	600	\$34
General & Administrative Supplies, Services, Equipment	4,063	3,800	-\$263
Affiliations	0	200	\$200
Expenses	121,435	116,364	-\$5,071
Deficit	-271	-524	