

Sanctuary and its members and friends are embarked on a journey. We're not taking the Interstate. We're on the local back roads.

We moved from 400 to 458 High Street in the fall of 2014. In 2015, we began offering a different style of Sunday worship, Wednesday evening services, and we initiated new programming in Arts & Inspiration, with Faith and Film, Music for the Soul, and Art Church with monthly gallery exhibits and receptions.

2016 was a year of significant progress for Sanctuary. We gathered a larger permanent staff, a team, increasing our capabilities in multiple respects. We hired our first Community Minister, Rev. Lambert Rahming. As a full-time employee, Rev. Lambert is reaching out to various audiences within our greater community, establishing Sanctuary's presence at Tufts University, Medford High School, City Hall, and more. Rev. Lambert brings a multitude of new and different gifts to his tasks; we can expect to see a significant increase in our visibility in and value to our community. Second, Grady Deaton moved to Alaska and was replaced by Linda Malik, who brings many personal and organizational gifts to Sanctuary. She began attending Sanctuary because of its programming and then volunteered to help out. She was initially hired as a part-time bookkeeper, but on Grady's departure that was rolled into a larger role for the Church Administrator. We also added Ramon (Ray) Santiago to the staff as Sexton. His personality and reliability have been a boon in preparing our small space for multiple events. We now have a strong permanent team in place.

We achieved several other important administrative goals in 2016. Through the intensive efforts of our Treasurer, Amanda Coughlin, we have completed a challenging migration from an outdated version of QuickBooks, to a new, online version designed for nonprofits, considerably improving our financial tracking and reporting capabilities. This was particularly challenging because we have changed many of the ways in which we (and most traditional churches) conducted business, with a variety of new programs, new cost centers, and new sources of Revenue, beyond offerings and pledges. Linda has been a major part of this financial transformation as well, as our account numbers changed and we developed new protocols for tracking and reporting. Though this is largely transparent to our members and friends, we are a much stronger organization for their efforts. Second, we selected and began using a new Church Management System, called Breeze, to track our contacts, communications and planning. We will complete our migration to this leading Church Management System in 2017. Flipcause, our online fundraising and event registration system has been further woven into our ministries as we move to electronic and automated giving and online fundraising efforts in 2017. Flipcause has also allowed us to support registration of community programs such as Medford Overcoming Addiction and the Medford Conversations Project thus increasing our visibility in the city. Finally, with the help of community volunteer Jim Silva, the owner of Avlis Consulting, we are piloting a project management tool to help smooth lines of communication and task assignment across our staff and volunteer efforts.

We fully implemented several kinds of innovative programming in 2016, some as part of Arts & Inspiration – Faith and Film, Art Church, and Music for the Soul. We began developing our Circles of Care Ministries. Most visible is a new program called Lakota YouthStay, conceived by Joy and Bruce Roberts, to bring a modest number of Lakota Youth from Pine Ridge to Medford for a week each summer to meet people here and learn more about the world off the reservation and opportunities available to them on and off the reservation. To give them hope for a brighter future for them and for the Lakota. Less visible but still valuable programs were developed by regular support for the Outdoor Church in Cambridge and

with North Prospect Union Church serve meals monthly for the Short Stop Teen Shelter in Medford. Sanctuary members developed a program to provide regular bimonthly meal support for Bread of Life in Malden, and through Rev. Lambert we are now teaming-up with Shiloh Baptist on the project. We conducted a "White Sock" campaign to aid the homeless in the Boston area. This summer Rev. Lambert developed and led the *AM2PM Program*, developing news ways for twelve Medford high school youth to serve and learn more about their community. It was very successful, so Rev. Lambert is planning for two sessions this coming summer. Pretty impressive for a small congregation and its friends. We have come a long way since 2014; more than just a few city blocks.

Several of our new programs developed real "traction" in 2016, drawing new people to Sanctuary and generating some incredible discussions and learning. Faith & Film has developed an audience that has provoked moving discussions and insights into faith through contemporary film. Art Church regularly attracts the most people, again leading to new insights into our fellow members, friends, community, and our faith. I am continually impressed by how discussions in Art Church affect everyone there, including the artists. The Music for the Soul programs attracted a regular audience, but did not provide the opportunities for discussion and insight that were generated by our other programs, and they were more costly. Thus, we are not pursuing them in 2017, but are seeking to build on the success of our other programs. That said, the highly successful Butterfly Music Transgender Chorus concert, which combined music, art and justice, provides a model for potential music programming. Monthly Dinner Church with North Prospect Union Church continues to attract a small but dedicated base from both congregations, and is continuing going forward, generating more interest in how the two congregations can do more together to serve our God and our community.

Thus, we have developed a variety of small but clearly successful programs that bring people into Sanctuary and help them find Sanctuary in multiple senses of the word. For 2107 we are proposing to continue and gradually expand these programs but we also know that we need to develop and experiment with additional programs to serve several different and rather large audiences, such as young families with children and millennials. During early 2017 we need to determine how we might best meet the needs of these segments in our community and act accordingly. (Some of those contingencies are built into the draft budget.)

2016 was a strong year financially. We operated under budget with a smaller deficit than planned. That was in part because we had cautiously budgeted for new expenditures in case we implemented programs that required renting facilities away from 458 High Street, and because we had a full-time Community Minister for only three quarters, rather than four. Revenues were also less than budgeted, but pledges from the core congregation and offerings and donations from friends of Sanctuary were very encouraging and growing. Revenues from several of our programs suggested they could become self-sustaining. Our invested funds performed well above forecast and the recent market average. We withdrew \$258,191.54 from the proceeds of the sale of 400 High Street, but the actual decrease in the market value of the sales proceeds was only \$102,943.79, due to interest, dividends, and appreciation. (On a broader scale, the market value of our entire United Church Funds declined by only \$25,046.81, while we withdrew \$240,000 from one of the funds.) That means we are in good financial shape going into 2017. We cannot reasonably expect similar investment performance in the next year or two. Thus, 2017 appears to be the time to invest more in extending our programming into new areas and to build on the success of our current programs. To creatively grow Art Church, The Gallery and Faith and Film, and introduce new initiatives to build our presence in and better serve our community.

Our overall financial performance in 2016 also suggests that with comparable or smaller budget deficits going forward, Sanctuary reasonably has five more years in which to gradually reduce the annual deficit to be on course towards becoming self-sustaining while expanding our presence in and service to our community.

Many challenges remain. The “core congregation” of members attending Sunday morning service four Sunday's a month remains small. The services are meaningful to those who attend, but they are not “classic church “ with stained glass windows, a choir, a Sunday school or babysitting program, etc. Over the next half year we need to carefully consider how our current members and friends want to worship going forward, and what we need to do to develop perhaps a second track for worship that would attract more “new” people. We need additional volunteers to help with programming, so we need to expand our volunteers beyond the core congregation that meets on Sunday. We need the community we serve to assume more responsibility for how we serve. We must remember that many of those we want to serve in Sanctuary left the “classic church” for a multitude of reasons, and need to see the value of worship in different circumstances, different environments.

We cannot “become CCWM” again. Over forty years we saw the increasing limitations of that model in our community. Fewer people are attending church in virtually all age and economic segments across the U.S., and all denominations, and many other countries. How do we make faith and worship relevant... important... to people who have literally lost faith? At times I am concerned that too many are focused on “being comfortable” with elements from the old days. Stained glass windows. Choral music. A minister preaching sermons from on high, looking down on the congregation. I understand that. I miss some those aspects. But I think that what is so important about Sanctuary is that our focus is not on “what is familiar, what makes you the most comfortable in your faith,” but on helping others in our community to meet their critical needs, to see the importance of faith and worship in their life, in different, nontraditional ways. Achieving that would be an invaluable contribution to our community while making your faith – our faith – richer and more fulfilling.

2017 is the time to leverage our successes, build on and expand programs that met needs in our community, expand our circles of care model of being sanctuary, build out the “Medford Cares” (aka: Called to Care) model of volunteerism and participate in the Leadership Development Initiative (LDI) which will prepare us to do this. There is a lot of opportunity for us in 2017 and beyond.

Based on the investment performance this year, it is also time for us to invest in repairs/improvements of the parsonage, something we have put off for three years. The parsonage requires extensive fundamental maintenance, and some capital improvements that are both necessary for the Miller-Olapade family AND that will enhance the long-term market value of the house going forward. The parsonage is now our single biggest physical asset. We are proposing a one-time larger maintenance budget to compensate for the sums budgeted but that were not spent over the past three years. Secondly, there is a small capital improvement budget for the parsonage that will be treated as a one-time expense, not part of a regular maintenance budget. These steps are necessary whether Rev. Miller-Olapade and her family or a future minister should live there or the congregation decides to sell the parsonage. It is a necessary investment.

Finally, the draft 2017 budget contains a recommended 5% raise for Rev. Miller-Olapade and the annual extension of her contract (guarantee) for another year, through 2018. Rev. Miller-Olapade has poured

herself into the many challenges of Sanctuary UCC, fulfilling many more roles than the traditional minister does. It is an enormous challenge and we need to recognize her efforts and accomplishments. She has had one other raise since she was hired in 2013.

To put that recommended increase into better perspective, Rev. Wendy single-handedly researched, applied for, and won a UCC New Ministry Matching Fund Grant for Sanctuary. In 2016, we received the first \$10,000 of that grant, and in 2017 will receive an additional \$30,000, "earned" by "our" performance in raising additional funds for Sanctuary's programs – particularly the Lakota YouthStay program. The grant is a tribute to Wendy's efforts, to your efforts, to make Sanctuary a living reality, and to the United Church of Christ for innovatively pursuing and supporting new ways of worship and faith in a rapidly changing religious landscape.

I'd like to say we've survived the hardest part, that we've accomplished our goals. The truth is that "next year" should almost always be the hardest. We've accomplished much in the past four years, but the most critical year in our existence as a church is 2017. We thank you for everything you have done in 2016 (and earlier) and ask for your active support for this innovative effort with your presence, your ideas and your financial support, in the challenging year ahead. Keep the faith!

Faithfully,

A handwritten signature in cursive script that reads "Paul".

Paul M. Roberts
Moderator