

Franklin Academy Board Meeting November 9 2015

The meeting was called to order at 6:10pm. Members present were Bob Luddy, Al Merritt, and Rick Eddins.

Minutes from previous meeting were reviewed and Al Merritt motioned for resolution for approval and Rick Eddins seconded. All approved.

Bill Francis gave an update on the school's finances to date and reported on the recent audit. Franklin Academy is in the final stages of our annual audit that is conducted by Batchelor, Tillery, and Roberts. So far, there are no issues noted and we are waiting on the final report, which is due to, be complete in the next week or so. Mr. Francis gave reported on the status of FA's bonds. In 2010 we issued 11.5 million tax-exempt bonds. We are five and half years down line and our balance is 7.7 million. The original payoff date was May of 2031 and we calculated a payment rate of 4.5%, however, the interest rates have remained low which means we were able to pay an additional amount each month towards the principle than originally planned. If the interest rates remain low, we should be able to pay the bonds back 4 to 5 years earlier than expected. But if rates were to go up, we have already paid a significant amount towards the loan so that our payment should still remain the same as planned. No questions from the board.

Dave Mahaley presented the change to grading scale that has changed across the state. FA has made the change to the 10-point scale from the 7-point scale. We will put this in our grading system and transcripts for High School however we are doing an augmented system where every value will have different weight. For example, the current scale for the state gives an 80 and 89 the same, a 3.0. However we have augmented that scale so that students would receive a greater value for an 88 as opposed to an 80. We feel that a student who does work that earns an 80 is just not equal to the work of a student who earns an 89. The board passed the resolutions to change the scale. Rick moves to motion Al seconds all in favor.

Al Merritt is concerned about the number of members on the board. Currently there are three members and Mr. Merritt would like to add one to two people on the board in case one of the current was unable to complete their duties. Bill Francis stated that we are with in our by laws with three members. Tom Lehr has to step down due to his wife being an employee of Franklin Academy. The state legislator passed this rule. Eddins asked that we research and see if this rule still stands or what is the current rule. Merritt suggested that we still look for an additional board member and question if they have a conflict of interest. Mr. Luddy said we would look into this and report at next meeting. Bill Francis reminded them that every year, the board signs a conflict of interest statement. Meaning that if there is a vote that the member feels they have a conflict then they would be excluded from that vote.

Meeting adjourned 6:25pm.