

SARASOTA MILITARY ACADEMY
BOARD OF DIRECTORS MEETING
DECEMBER 10, 2008
MINUTES

Board Members in Attendance:

Dr. Robert Windom, Chairman

Gen. Howard Crowell

Mr. Fred Derr

Dr. Gene Pillot

Mr. Woody Wolverton

Mr. Herb Jones

Mr. Billy Robinson

Administration in Attendance:

Dan Kennedy, Headmaster, CEO

Col. Cork, Chief Financial Officer

Mr. Robert Lechner, Director of Instruction

Guests:

Ms. Kim Walker, Attorney, Williams Parker Law Firm

Mr. Peter Calfee, Consultant

Dr. Windom, Chairman of the Board, called the meeting was called to order at 2:33 p.m.

Old Business:

1. Dr. Windom requested approval of the minutes from the last meeting. There was no discussion on the minutes. No objections. The motion was passed unanimously.
2. Dr. Windom ask Mr. Derr to inform the Board of the meeting on October 8th with the Wachovia Representatives and what impact it would have on the school. No action was necessary.

Financial Report:

1. Mr. Derr said our finances look good. He commented that the audit costs were more this year. He referred to the handouts. Mr. Derr went over the handouts with the Board. He mentioned that we had an increase of revenue due to the increased number of students. Expenses also increased but net income is roughly \$40,000. We will be getting back from the district \$66,000 which is due to arrive by next week. We are ahead by approximately \$11,000. Motion to approve Financial Report. No objection. The motion was passed unanimously.

New Business:

1. Mr. Kennedy informed the Board that they can now take the on-line training session to get their four hour training. He will send this out to each Board member. This is to be completed by December 31st.

2. Dr. Pillot wanted to commend Mr. Lechner on a great job on the Southern Association Accreditation.
3. Mr. Calfee is here to give his report. Mr. Calfee handed out his report to all of the Board for their review. He also sent this to everyone by e-mail and what his recommendations were for compensation to Dan Kennedy. The various ways to go about coming to some conclusion on this were discussed in detail and are in the handouts. This included salary, retirement and compensation. These were his recommendations to the Board and the Board will have a workshop to discuss what they will do concerning this. There was discussion on the different plans and programs that could be adopted (457B program). Or the Board could choose not to adopt the 457B. The Board has flexibility. What Mr. Kennedy is getting for retirement at this time from the Florida Retirement System was discussed.
4. Ms. Walker explained the IRS's penalties. She spoke of the qualified plans and non-qualified plans.
5. Dr. Pillot stated that we have three (3) tasks to vote on: One is to determine salary Mr. Kennedy is to be paid; two, any additional compensation that is to be given to Mr. Kennedy; three, what pension is he going to get besides the Florida Retirement System's that he is already receiving.
6. The workshop would discuss: Performance and/or goals, Mr. Kennedy's salary now and how much to raise his salary. The Board could (develop a document which Mr. Kennedy would have to meet certain requirements), the amount of time he needs to stay as Headmaster of SMA. How much retirement do you want to pay him. What about the future of SMA and the future Boards. Is the school projected to have sufficient revenue. How much money does the Board want to put on top of the Florida Retirement he is already getting. Mr. Kennedy would like a full qualified plan. Mr. Calfee recommends getting the 457B adopted and bumping his salary to \$115,000 maybe \$120,000 maximum and pick some very strong goals. Mrs. Walker reiterated that if the IRS comes back and thinks this is reasonable or if SMA is outside of those parameters and then considered unreasonable then SMA would be fined. Mr. Calfee needs to sign off on the letter that the outcome is reasonable. Mr. Jones would insist on getting Mr. Calfee's signature on the letter.
7. Teacher salaries. Mr. Derr feels the board needs to talk about teacher salaries in the workshop. Mr. Calfee agrees with this and feels that is the first thing you should do.

Make sure the teachers are paid as much as they would be paid if they were teaching in the district. It was mentioned that Mr. Kennedy should bring to the workshop the current salaries of the faculty and the salaries of the district teachers to compare.

8. Dr. Pillot asked what will be done for Mr. Lechner and Mr. Calfee said since he has already announced his retirement that the Board would need to do a cash payment.
9. Mr. Derr mentioned that it will take several hours to go over this.
10. Mr. Calfee recommends not going over \$125,000 and justify what he has done. This agreement can be anything you want. Any time frame and any restrictions. The school needs to come first. You need to protect the school. He recommends getting the teachers salaries up immediately.
11. Dr. Windom would like the Board to discuss the size of the school and where it is going. General Crowell would like to discuss the size also. General Crowell feels that the real value of the schools is it's size. Never should demand determine size.
12. The workshop will be on Monday, December 15th at 2:30. Mr. Robinson will not be able to attend. Mrs. Walker can be there

Meeting adjourned at 4:30 p.m.

Robert Windom, M.D., Chairman

Mr. Daniel Kennedy, Headmaster, CEO

