Meeting Minutes of the BFCS Corporate Board

BFCS Central Office
2450 S. Gilbert Rd., Suite 101
Chandler, AZ 85286

Office of the Board
Maricopa County, Arizona
July 16, 2026
1:00pm

1. **Call to Order**

Name	Action	Time
James Candland	called the meeting to order at	1:01

2. **Governing Board Member Roll Call**
Also in attendance: Tina Costagliola, Max Porter, Joanne Poirier, Karly Chasteen, Eddie Farnsworth

Name	Present	Absent
James Candland	x	
Aaron Wilcox	x	
Brett Garner	x (joined late)	

3. **Discussion: Year-End Review Letter**
Notes: Discussion item only - no action needed.

James shared a Year-End Review Letter with Aaron and Brett on 7/14/26. Aaron confirmed receiving and reported not having read it yet. Aaron and Brett were encouraged to review it and bring questions to the next board meeting.

4. **Approval of the BFCS Corporate Board Structure**
Notes:

James discussed the benefits of adding Janet Farnsworth to the Corporate Board. Aaron requested additional time to speak with people who have worked with the candidate, gather background information, and compare multiple potential candidates before the board makes a decision. James emphasized that Janet helped to found BFCS and had 30 years of knowledge of the organization. Brett joined the meeting and agreed with Aaron. Brett raised the possibility of expanding to five members, but James reiterated that while the board is able to add up to seven members, experience has shown that larger boards can be less effective.

Brett asked for clarification on governing board members and their responsibilities. James stated that they had voted on the governing board and shared out members and duties.

After discussion, James asked if the board was ready to take a vote on adding Janet to the Corporate Board. Brett and Aaron declined to take a vote and requested additional time. James reminded the board to ensure compliance with conversations outside of board meetings. Aaron would like to meet with Eddie and Janet to understand their thinking regarding business direction. James offered to arrange a meeting between Aaron, Janet, and Eddie.

5. **Discussion: Financial Standing of the Organization**
   Notes: In a previous executive session, Aaron requested that Eddie Farnsworth join a board meeting for historical context. Eddie Farnsworth joins the call at this point.

   James provided context, explaining that the board had been discussing its fiduciary responsibilities to the organization and its bondholders.

   Eddie shared his perspective of what a successful board should look like and its fiduciary responsibility. He discussed board member qualifications, including the potential conflict of interest of a parent-controlled corporate board, the conflict being that they have dual fiduciary responsibilities: one to their children and one to the company. Eddie clarified that the board has authority when it meets and acts as a board, but an individual member has no independent authority to direct operations, other than James as President.

   Eddie expressed concerns about the increase in staffing over the last few years to roughly two and a half to three times the level he had operated with in a similarly sized organization. He proposed that operating debt was increased to an unsustainable level. Eddie said James recognized what was happening and took a stronger role in correcting the excessive hiring and streamlining operations. However, Eddie emphasized that the board must distinguish between oversight and daily management. A board member's authority exists in the context of a properly called board meeting, not as independent authority over daily operations.

   Eddie reminded the board of their fiduciary responsibility to the organization and not to individuals. Eddie further suggested that the board should consider changes to its membership. The original structure, when Eddie appointed James, was intended to preserve the organization's integrity over time. James was intended to serve as a long-term source of continuity, while the other original board members were expected to remain for a three year term, not indefinitely.

   Aaron asked Eddie whether we needed a formal contract to consult with him. Eddie said he’s not acting as an advisor or legal counsel but to provide historical context. He told Aaron that the board can consult its own attorneys regarding whether a formal agreement or nondisclosure arrangement is necessary.

   Aaron shared that he believes it is important for board members to understand the culture of Franklin and worries about where the organization could find people who understand that culture and would be willing to establish policies and hold leadership accountable for preserving it.

Eddie explained that the structure was intentionally divided between the corporate board and the school governing structure. He said the school governing board, under the stewardship of Governing Board President Karly and James, is responsible for ensuring that the schools maintain the appropriate culture and operate as they should. That governing structure is ultimately accountable to the corporate board, but day-to-day responsibility for the educational culture belongs to the school leadership.

Eddie reiterated the corporate board was intended to consist of people who bring appropriate expertise and understand that the corporation provides educational services. The corporate board should focus on the financial aspects of the corporation and its operations rather than the daily details of the schools. He says Karly and the school governing board should handle curriculum, teacher performance, and other day-to-day educational matters because they are the people directly involved in those areas.

Aaron asked for clarification on cash flow and days cash on hand. Max provided clarification on this.

Eddie argued that the corporate board should concentrate on whether the organization is in debt, whether it can pay its bills, whether enrollment is sufficient, and other fundamental corporate matters. School cultural or educational concerns are not addressed by this board.

Aaron acknowledges that Eddie has helped clarify the proper division of responsibilities and states that the organization needs to address culture problems. Eddie responds that maintaining the culture of the schools is primarily the responsibility of the governing board, principals, and school leadership. That is an operational function of the schools, not the day-to-day responsibility of the corporate board.

Aaron summarized Eddie's advice as meaning that one of the current parent members should resign, a non-parent should be appointed, and the corporate board should focus on corporate responsibilities, especially fiduciary matters, while cultural issues should primarily be handled through the governing board. Eddie corrected this characterization slightly. He said fiduciary responsibility is not a separate category but is required in every decision. Every decision must be made with the organization's interests placed first.

Brett acknowledged that, although the conflict may be small at times, his own children do attend the school and therefore there is some potential for competing interests. He said he ultimately wants what is best for Benjamin Franklin and appreciates Eddie's point.

Karly was invited to address several items that had been posted for discussion and to explain the organization's next steps.

Karly discussed improvements to the budget over the 2025-2026 school year. A major cost-saving decision made during the year was to reduce the number of itinerant substitutes across the four campuses from eleven to four, with one itinerant assigned to each campus. The organization also reduced costs through the central-office move and other changes. Karly projects that with continued efforts the organization is on track for better financial standing.

Karly identified three areas of opportunity: leadership staffing, marketing, and curriculum. Aaron expressed support for the effort, saying he is pleased that the organization is looking for ways to reduce costs while continuing to develop leaders within the organization.

6. **Call to Public**
Notes: No public comment

7. **Next Board Meeting**

Notes: Discussion item only - no action needed.

Discussion	Next Board Meeting Date	Location
Board member confirms the next board meeting.	August 20, 2026	BFCS Central Office 2450 S. Gilbert Rd., Suite 101 Chandler, AZ 85286

8. **Adjourn Meeting**

Name	Action	Time
James Candland	adjourned the meeting.	2:56pm