

NO: IX
Minutes of the
Board of School Directors
DERRY TOWNSHIP SCHOOL DISTRICT
Hershey, PA 17033

April 18, 2011

OPENING ITEMS

1.01 Call to Order

A meeting of the Board of School Directors, Derry Township School District was held on Monday, April 18, 2011, in the High School Auditorium. Dr. Henry Donahue, Board President, called the meeting to order at 7:03 p.m.

Dr. Donahue: I'd like to call the April 18, 2011 meeting of the Derry Township School Board to order.

The first order of business on the agenda is to please have all of you in the audience turn off your cell phones or put them on vibrate if you have that option.

1.02 Roll Call

Directors Present: Mrs. Beulah Chabal
Dr. Donna Cronin
Dr. Henry Donahue
Mr. John Gräb
Dr. Mary Beth Hagan
Mr. Christopher Morelli
Dr. William Parrish (Late Arrival)
Mrs. Ellen Sheffey
Mr. Charles Stover

Acting Superintendent: Dr. Bernie Kepler

Secretary: Mr. Stephen Rineer

Solicitor: Mr. Brian Jackson (Not Present)

Student Representative: Miss Emma Witwer

Press: Ms. Elizabeth Kotz THE PATRIOT-NEWS
Mr. Nick Malawskey THE PATRIOT-NEWS

Representatives of the Administrative Staff: Mr. Dan Tredinnick, Ms. Lori A. Dixon, Ms. Jackie Castleman, Ms. Joy L. MacKenzie, Ms. Lynn Dell, Dr. Sue King, Ms. Lisa M. Sviben Miller, Mr. David Yarian, Mr. Al Harding, and Dr. David Lillenstein.

Representatives of the Staff and Community: Brian L. Palmer, Jose Ortiz, Alicia Dunlop, Patricia McCorkle, Sallyann Talley, Rachel Stull, A. Unal, Margaret A. Boman, David E. Fisher, Tiffany A. Dugan, Mary Collins, Justin Cowan, Richard Gamble, Joel Hammer, Annmarie Schupper, Susan Foxx, Leslie Shearer, Diane Leonard, Michelle O'Brien, Peggy A. Donahue, Alison Crouse, Daniel Crouse, Jeff Schmidt, Brian Shiflett, Daisy Williams, M. C., James Ingalzo, Scott Schwartz, Beckie Freigberg, Seth Freiberg, Thomas W. Allen, Janice E. Mark, Kathleen Nardone, Bunny Hottenstein, Heidi Eby, John Waters, Debra Heckman, Stacey Risser, Bruce Hancock, Jim Mulvey, Diane Cerminara, Bob Cerminara, Kristen Ober, John Lutes, John Dunn, Maryellen Sheehan.

1.03 Flag Salute

Mr. Stover led those gathered in the Salute to the American Flag.

APPROVAL OF MINUTES

2.01 Approval of the April 4, 2011 School Board Meeting Minutes

A motion was made by Mrs. Chabal and seconded by Mrs. Sheffey to approve the minutes of April 4, 2011 School Board meeting.

All Board members present signified by a Yes vote.

MOTION CARRIED

INFORMATION AND PROPOSALS

3.01 Announcement of Executive Session

Dr. Donahue: I would like to announce the Board met in Executive Session prior to this meeting to discuss employment issues and matters of personnel, labor relations and arbitrations, and consultation with attorneys and other professional advisors.

3.02 Announcement of Working Session

Dr. Donahue: When the meeting adjourns this evening, the Board will reconvene in a public work session. Tonight the Board will discuss one issue during the less formal session and that will be the 2011-2012 budget development.

During the regular meeting, the Board will be provided with a Finance Committee meeting update. This occurs prior to the public comment on non agenda items. Therefore, the public will have an opportunity to speak about the budget developments towards the end of the meeting.

3.03 Recognition of Citizens (Agenda Items)

Dr. Donahue: This is the opportunity for residents and taxpayers to address the Board on matters related to the agenda, but as I said, if they are budget related issues, we'd like to hear those afterwards. If there are non-budget related issues that you would like to speak to, please come up to the microphone at the front.

None.

3.04 Student Representatives' Report

Miss Royer & Miss Witwer: This time of year is busy, so I have a few things to share with you. This past weekend, six high school students participated in All State Ensemble. Erin Vrana participated in Choir All States, Jingwei Li and Irene Tsai participated in All State Orchestra, and Sam Krug, Chen Zhuang and Sarah Marie Bruno participated in All State band, so that was very successful. They had a lot of fun and learned a lot.

MASH, the spring play, I said this last Board meeting, but it is April 28 and 29. Tickets for adults are \$5, \$3 for students and it will be at 7:30 p.m.

There is a jazz night tomorrow – there is one jazz concert, I think, every year, and it's the jazz band and After 8, the jazz singing ensemble. That will be tomorrow in this high school auditorium.

Sophomore/Junior prom is coming up, so we're very excited about that. Tickets are on sale on April 30.

Also, May 11, there will be a student panel discussion about the themes presented in Race to Nowhere, so if community members have ideas or questions that they want discussed at this panel, they should e-mail Mr. Murphy or Mr. Tredinnick, and there will be more information about this on the website this week.

That's all I have for you today.

Dr. Donahue: Great, thank you very much.

3.05 Standing Committee Report

Dr. Donahue: Today the Finance Standing Committee met. Mrs. Sheffey, do you have a report?

Mrs. Sheffey: I do. I'll start with the easy stuff. Last Friday was the deadline for citizen advisors to the Finance Committee. We had a vacancy. We will approve two new citizen advisors on May 9, but given the critical need for citizen input, we invited those citizen advisors we planned to appoint to join our meeting. I wanted to welcome Heidi Eby, who was able to attend and Phillip Ward, who was not able to attend.

Now the hard stuff. I hope everybody had an opportunity to view the webcast on our website about closing the budget gap. I think it gave a very good overview of where we are, the work we've done to date, and the decisions we have to make moving forward. I believe there was the packet as you came in that shows on Page 1 of the document the reductions that we've made to date. You see at the bottom, even with those reductions that we've made to date, we are looking at a budget gap. If we were to go with a 3.1% tax increase utilizing the exceptions for PSERS and special education, we would be looking at a deficit of about \$450,000. If we did not use the exceptions and we went with a tax increase of only 1.4%, the Act 1 index, we're looking at a deficit of approximately one million dollars. In both these situations you'll see in parenthesis "with \$300,000 reserve." That's because we do have a line item in our budget for \$300,000 – just a reserve. We have never utilized it. It's always been in our budget. We have never utilized it, so it would be reasonable to assume we could take this deficit down by the \$300,000.

We had a lot of discussion – I guess our two decisions that we as a Board have to make are: what kind of tax increase we believe the community is willing to support and that we are willing to support and then the second decision is how are we going to get there? As the Finance Committee discussed the issues, it became clear that we really wanted to focus on how do we want to get there and let that drive what tax increase we would recommend, because we as a Finance Committee were split on the recommended tax increase. If everybody can go to the second page in their document. It's called "1A". This really is the critical discussion. You'll see the black column represents all the reductions we have made to date. There are two new items in that black column. If you had seen the webcast, the two items in green, they were not a part of the reductions to date in our webcast. Those are for our contribution to HACC. We have heard the good news that there will be a 30% reduction in our contribution, which is a \$100,000 savings to us. We've also decided that we will make the reduction for our Microsoft lease. We, to date, have made almost one million dollars in cost saving initiatives.

The second column represents, let me actually, sorry, I should have said this first – you'll see the sentence on the top of the page "Our Guiding Principle" and that determined what column each item is in. Really, what we had drive our decision was our want to limit the impact on the quality and effectiveness of our day to day core instruction in the classroom and then also to minimize negative impacts to our students. These columns represent: green, we believe, has the least negative impact and red represents the greatest negative impact.

In the green column, the items are: CASA, we have in our budget for students to attend CASA for \$11,000. Actually this year we have three students who have applied and who would share that \$11,000. It is our recommendation that that would be one of the first items to be removed from the budget.

Also the indoor track – we are not talking about eliminating indoor track as a program, but rather the stipend that is paid towards the coach. We would still offer, is this correct, Bernie? We would still offer indoor track and we would for the transportation, but the stipend for the coach we would no longer pay.

There was some furniture that was in the budget that we can do without.

The 635 accounts – I think Bernie appropriately named our hospitality accounts. Currently, we provide food at Back to School nights. It's actually my favorite thing. We actually provide breakfast to our teachers on opening day and the Board gets to serve them, but at this point, we can no longer afford to do that so our recommendation is to remove \$20,000 for those types of programs.

Educational software for \$10,000. I'm going to skip the next two items. Copying and printing for \$35,000.

Then I'll go back up. Those two items I skipped we would like to have more discussion on. The field trips – that includes all of our field trips so Kenbrook, Sandy Hill, Gettysburg, the Holocaust Museum. So all of our field trips for our students across the District – about \$150,000. We wanted to have some discussion about "could we have parents, for some of the less expensive field trips, not Kenbrook and Sandy Hill obviously, but for our less expensive field trips could we have parents contribute \$5 per child and perhaps cover the cost of that". Then some discussion on Kenbrook and Sandy Hill – is it an essential field trip? We did not make any decisions. We have no recommendation to make to this Board. I think this Board is going to have to have more discussion on it.

We actually did not have the time to discuss MASH and TEAM, but I think we as a Board need to discuss this, because this is after school assistance for students. Is that something that we really want to be eliminating?

In the yellow column: that represents, obviously, the middle group, but you'll see there's a section of green in the yellow column. It's green because our HR Committee has

reviewed it and said we need to discuss it. It's prioritized. You'll see there's a white gap between them, but our administration has suggested it belongs in the yellow column or do I have that reversed? The administration said yellow?

Dr. Kepler: Ellen, I'll jump in. Administratively, we weighed. The yellow indicates caution, considerations if we need to make cuts beyond those items in the green column. It's kind of like tier two if you will.

Mrs. Sheffey: Got it. Those include: the walking area – right now, we bus all of our students. This would eliminate busing for our elementary kids up to two blocks away from the school. For our middle school and high schoolers, we would eliminate transportation up to, and I wrote it down, Mill Street. That would save us about \$50,000. Also on the recommended list was our high school social studies – a half time position, and a physical education position. These are positions that are vacant. They were people who have taken retirement, so it was recommended that these positions not be filled and then eliminated.

Then the second tier is a school resource officer. This is a position that we share with the Derry Township Police Department. We pay 75% of the salary plus overtime. This represents 75% of the salary. We are in discussion with the Township right now to see what could be done about sharing that cost.

Another position was the high school counselor. There was a lot of discussion about whether we really want to eliminate this position. This position provides essential services to our students and the case load right now already exceeds guidelines, so if we were not to replace this position, I think we said it would be 1 to 300 approximately. We need to have some more discussion on that.

The elementary librarian: if we do not fill this position, we would only have two elementary librarians for 1,800 students, right now we have three.

Last in this green category is English as a Second Language teacher. This was an addition. This is not a position that we had in our budget. We put it in our budget and it's based on the increased number of students who require this service. It's not mandated, per se, but there are guidelines. We have exceeded the state guideline.

The next item: it's red, because it would have a significant direct negative impact on our students, but it's yellow in that the impact on the day to day class. That is the elimination of our elementary 4th grade instrumental program. Keep in mind that we just put on a new addition, so we value the music program, so that's why it's red.

Next on this yellow list was the one to one computer initiative. We already had a work session on that, so I don't need to go into detail on that.

These other items are "to be determined." What we've asked the administration to do is to give us the total amount of the budget so we can have an order of magnitude – what

are we talking about here? The one area we do have a total amount was the athletic budget. You can see that if you go to Document 5, I believe. This is our athletic budget – Document 5, last page – it shows our total athletic budget for 2011-2012. We had some discussion about if we were to reduce this budget, where would we do it, and there was talk about perhaps you reduce the middle school athletic programs, because there are alternatives. There are youth programs, but then it was pointed out that those youth programs at the middle school are not as intensive as we offer at the middle school. We did ask for more detail. You'll see there is an expenditure column – a breakout of what is included in that expenditure column for all the athletic programs.

We did not discuss the red column. We did not feel we needed to move to the red column at this point, so anything in the red, we would recommend not be eliminated.

Tonight at our work session, hopefully we'll get some feedback from many of you in the audience tonight, your thoughts on these proposals. Tonight in our work session we are going to need to prioritize these reductions. The one thing we do have to have an answer on and I didn't realize this at the time in our Finance meeting, the administration needs to start planning for next school year, so they need to have an answer on the positions. When we talk about the high school social studies half position, the physical education teacher, the high school counselor, the elementary librarian, and the English as a Second Language teacher, we need to give them an answer tonight as best as we can so that they can start making plans.

I believe that is everything, if I missed anything, anybody from the Finance Committee please share.

Dr. Donahue: Thanks, Ellen. I think what is important to emphasize is that, at least in my tenure on the Board and in talking to people that have been on the Board for quite a long time and a lot of administrators, this is by far the most detailed the Board has look at the budget at such an early point and certainly the most transparent examination of our budget in my memory. I think this speaks to the sort of grave situation we are in regarding the financial situation, that all school districts in the Commonwealth and indeed in the United States are dealing with at this time. Unless there are specific questions of clarity from the Board, I think Ellen suggests we move on, because we'll be talking about this at the work session.

UNFINISHED BUSINESS

4.01 Unfinished Business

Dr. Donahue: There is some unfinished business and this is a result of me trying to run the meeting off of the computer instead of reading it in the manual and so I messed up and actually didn't ask for seconds and stuff on some business.

During the April 4, 2011 Board meeting, the Board acted on the resignations via a consent vote, however no motion or second was obtained. That was my mistake. Tonight, the Board is asked to approve the resignations, therefore, Dr. Kepler, will you present the personnel resignations again.

Dr. Kepler: I will, Dr. Donahue. Under "Unfinished Business", the Administration recommended the approval of the following resignations:

Professional:
Proithis, Despina French/Spanish Teacher High School Reason: Personal Effective: 06/07/2011
Classified:
Herr, Marie Teachers' Aide Elementary School Reason: Retirement Effective: 06/07/2011

Mrs. Chabal moved the Board approve the resignations and was seconded by Dr. Cronin.

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

NEW BUSINESS

5.01 Approval of Finance Report for March 2011

1.	The Treasurer's Report for the month ending March 31, 2011 was summarized as follows:	
	• General Fund Revenues	\$1,393,979
	• General Fund Expenditures	3,533,728

	<ul style="list-style-type: none"> Balance of Cash Plus Investments (Includes \$4,754,265 Capital Reserve) 	21,914,803
2.	The listed schedule of investment transactions for the period beginning March 1, 2011 through March 31, 2011 had total interest earnings of \$5,827 comprised of the following:	
	<ul style="list-style-type: none"> General Fund 	\$42
	<ul style="list-style-type: none"> Money Market 	4,337
	<ul style="list-style-type: none"> Capital Reserve 	1,211
	<ul style="list-style-type: none"> PA Local Government Investment Trust 	237
	The average interest rate for March 2011 was 0.29%	
3.	The March 2011 expenditures for the paid bills for all funds totaled \$1,642,021 excluding net payroll, retirement contributions, and debt service.	
4.	The April 2011 expenditures for the unpaid bills for all funds totaled \$1,098,539.	
5.	The estimated expenditures of the General Fund for the month of April 2011 were in the following amounts:	
	<ul style="list-style-type: none"> Operating Expenses 	\$1,000,000
	<ul style="list-style-type: none"> Utilities 	132,900
	<ul style="list-style-type: none"> Net Payroll (2 Pays) 	1,258,000
	<ul style="list-style-type: none"> Employer Provided Insurance 	381,100
	<ul style="list-style-type: none"> Payroll Deductions 	609,000
	<ul style="list-style-type: none"> Employer Payroll Taxes (FICA/RET) 	143,000
	<ul style="list-style-type: none"> Debt Service 	<u>0</u>
	Total Estimated Expenditures	\$3,524,000

Dr. Parrish moved the Board approve the Finance Report and was seconded by Dr. Cronin.

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

5.02 Budget Transfers

Section 687 (d) of the Public School Code provides: The Board of School Directors shall have the power to authorize the transfer of any unencumbered balance, or any portion thereof, from one class of expenditures or item, to another, but such action shall be taken only during the last nine (9) months of the Fiscal Year."

The Administration recommended the Board authorize the April 2011 budget transfers.

Mrs. Sheffey moved the Board approve the budget transfers and was seconded by Dr. Hagan.

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

5.03 Requests for Payment - Construction Projects

The Administration recommended the approval of the following invoices as reviewed and approved by Mr. Consalo:

	Parking Lot Improvements:	
1.	Handwerk (General Contractor) Application No: 06R	\$102,419.14
	Elementary School/LGI:	
2.	East Coast Contracting (General Contractor) Application No: 9477-09	20,220.06

	Middle School Expansion:	
3.	eci Construction LLC (General Contractor) Application No: 11	156,274.07
4.	A.H. Moyer (HVAC) Application No: 10	17,477.63
5.	Guy M. Cooper, Inc. (Fire Systems) Application No: 09	1,584.00
6.	Leer Electric (Electrical) Application No: 10	34,561.39
7.	SchraderGroup Architecture, LLC Invoice No: 910	1,968.30
8.	Advantage Engineers Invoice No: 100236701-7	292.00

Mr. Gräb moved the Board approve the payments and was seconded by Mr. Morelli.

Roll Call Vote:

Chabal – Yes

Cronin – Yes

Donahue – Yes

Gräb – Yes

Hagan – Yes

Morelli – Yes

Parrish – Yes

Sheffey – Yes

Stover - Yes

9 Yes

MOTION CARRIED

5.04 Approval of HEA Side Letter

The HR Committee recommended that the Board approve a side letter agreement between the Hershey Education Association and Derry Township School District that provides a one-time-only early retirement incentive of \$15,000 for any professional employee who by June 30, 2011, has attained either 30 years of recognized state service or 60 years of age and 15 years of recognized state service provided that the employee notifies the District of his or her intent to retire by Thursday, May 5, 2011.

Dr. Donahue: This is a recommendation from the HR Committee.

Dr. Hagan moved the Board approve the HEA Side Letter and was seconded by Dr. Parrish.

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

5.05 Approval of Dauphin County Technical School 2011-2012 Proposed Budget

The Administration recommended the approval of the 2011-2012 Dauphin County Technical School proposed budget. The proposed budget includes an estimated \$506,601.00 operating cost contribution by Derry Township School District based on an estimated 4.72% student population from Derry Township. The proposed budget also includes a \$287,721.42 debt service contribution, and a \$8,335.30 capital reserve contribution, for a total contribution of \$802,657.72.

Mr. Gräb moved the Board approve the proposed budget and was seconded by Mrs. Chabal.

Mr. Gräb: One quick discussion, thank you Dr. Donahue. Even though we are voting on this in the public this evening, by this time you should have all received your mail ballot. That also needs to be returned.

Dr. Cronin: John, I just wanted for all of our edification, could you let us know how that compares to last year's budget? Or maybe Steve?

Mr. Gräb: It's about \$14,500 less than last year's budget.

Dr. Cronin: Thank you.

Dr. Donahue: Any other discussion?

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

5.06 Harrisburg Area Community College (HACC) Amended Two-Year Sponsorship Agreement

The Administration recommended the approval of an amended two-year sponsorship agreement with Harrisburg Area Community College (HACC) for school years 2011-2012 and 2012-2013 that includes a 30% tuition reduction for both fiscal years as well as confirmation that the HACC Board of Trustee and sponsoring school districts will work to achieve solutions which will relieve the local sponsoring districts of all or part of its financial obligations to HACC.

Dr. Hagan moved the Board approve the HACC sponsorship agreement and was seconded by Dr. Cronin.

Dr. Parrish: Bernie, how much is this saving us this year?

Dr. Kepler: The savings this year, Dr. Parrish, is \$105,000 on the tuition side. Our capital expenditure, although we've known this, will go up slightly. I think it's about a \$14,000 increase in the capital. In 2012-2013, we'll see another approximate \$15,000 increase in capital, but the two year agreement keeps that tuition rate locked at exactly what we're paying with the 30% reduction.

Dr. Donahue: I just wanted to thank Donna and Bernie for keeping the pressure on the Board of Trustees for HACC and hopefully this will just be the first step and maybe we'll see even some more movement on this issue.

Roll Call Vote:

Chabal – Yes

Gräb – Yes

Parrish – Yes

Cronin – Yes

Hagan – Yes

Sheffey – Yes

Donahue – Yes

Morelli – Yes

Stover - Yes

9 Yes

MOTION CARRIED

5.07 Approval of 2011-2012 Harrisburg Area Community College (HACC) Proposed Budget

The Administration recommended the approval of the 2011-2012 Harrisburg Area Community College proposed budget. The proposed budget fixes the District contribution at \$245,461. In addition, the proposed budget includes a \$50,633 capital contribution. Therefore, Derry Township School District's total contribution to this budget is projected to total \$296,094.

Mrs. Sheffey moved the Board approve the HACC proposed budget and was seconded by Dr. Cronin.

Dr. Cronin: Hank, I just want to make a note. I think it's important to note that the HACC votes that we are currently making and just made as well as the Dauphin County vote and the HEA side letter offering early retirement, I think they are three very important things that we're doing to reflect the hard economic times we're in. I just want to thank everyone who has played a role in that to make sure that costs are either frozen or going down.

Dr. Donahue: Good, thanks.

Dr. Kepler: Dr. Donahue, if I may, your vote this evening as a full Board is basically giving authorization for Donna, who is your delegate to vote on Wednesday night of this week.

Dr. Donahue: Excellent. Any other questions or discussion?

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

5.08 Approval of Policies: 239 Foreign Exchange Students; 530 Overtime; 707 Use of School Facilities

The Administration recommended the approval of the following policies of the Derry Township School District Policy Manual which have been on public review for thirty days in the following locations: Hershey Public Library, Derry Township Tax Office, Derry Township Municipal Office, Hershey High School Library, and the District Office.

- 239 Foreign Exchange Students
- 530 Overtime
- 707 Use of School Facilities

Dr. Hagan moved the Board approve the policies and was seconded by Mrs. Chabal.

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

5.09 Approval of Usage Fees

The Joint Finance/General Services Standing Committee recommended the Board approve the following usage fees:

- (1) \$200 per student for participation in the driver's education Behind the Wheel program;
- (2) \$25 per semester for student parking access at the high school; and
- (3) an increase in the price of athletic tickets to \$3.00 for students and \$5.00 for adults.

Mrs. Chabal moved the Board approve the usage fees and was seconded by Mrs. Sheffey.

Roll Call Vote:

Chabal – Yes

Cronin – No

Donahue – Yes

Gräb – Yes

Hagan – Yes

Morelli – Yes

Parrish – Yes

Sheffey – Yes

Stover - Yes

8 Yes, 1 No

MOTION CARRIED

Dr. Cronin: Hank, we need a mirror so you can see the rest of us, I can't get your attention. I wanted to make a comment. There was only one aspect of that that I wasn't comfortable voting for and that was raising the ticket prices for students, because I think we should do anything in our power to try to encourage students to support each other, so that's why I voted no. I was fine with the parking.

Dr. Donahue: Thank you.

5.10 Approval of Overnight Field Trip/Excursion - High School Marching Band - October 2011 - Boston, MA

The Administration recommended the approval of the overnight field trip/excursion as listed:

<i>Group:</i>	High School Marching Band
<i>Number of Participating Students:</i>	60
<i>Grade Level:</i>	9-12

<i>Destination:</i>	Boston, MA
<i>Purpose:</i>	Educational/Recreational Trip including Professional Performance, Performance Clinic and/or Public Performance
<i>Depart:</i>	October 8, 2011
<i>Return:</i>	October 10, 2011
<i>Trip Leader:</i>	Richard Miller

The District reserves the right to cancel the excursion based on events that could pose a heightened safety or security risk.

Dr. Hagan moved the Board approve the overnight field trip excursion and was seconded by Mrs. Sheffey.

Mr. Gräb: No discussion, Dr. Donahue, but when this appeared on the School website, I got a telephone call and I told the people I would raise the question in the public session. Is it possible since the high school band is going to Boston to perhaps have them also march in the Memorial Day parade? I don't need an answer to that question this evening, but I was asked to raise it.

Dr. Donahue: Thank you. Other points?

Dr. Parrish: I would second that. That comes back from the Parks & Rec Committee also in town who is sponsoring the Memorial Day parade and we, as a committee, as well as our citizens, would love to see some participation from our band in that parade.

Dr. Kepler: Administratively, I can speak to that. Last year, the inaugural year of the event, I understand that it was a late request to the band, and it was understood that they couldn't participate. This year, the feeling, what I understand, was that the number of the students that participate in the band are away on a long weekend, so, therefore, the full band couldn't participate. Mr. Murphy and I have dialogued via e-mail about the potential to have some type of ensemble and Mr. Miller's schedule for PMEA has been very busy. He's been out the tail end of last week, so we've not been able to converse, but we will be holding those discussions to see if there is anything that can be done to support that effort.

Dr. Donahue: Thanks.

Mr. Morelli: Thanks, Bernie. I know this parade is only in its second year, but I agree with John and Bill that this is probably one of the most important events that a band could participate in above and beyond holiday parades or sports, so I highly encourage us to follow up on this. Thank you.

Dr. Donahue: Thank you, Chris. Any other comment?

Roll Call Vote:

Chabal – Yes
 Cronin – Yes
 Donahue – Yes

Gräb – Yes
 Hagan – Yes
 Morelli – Yes

Parrish – Yes
 Sheffey – Yes
 Stover - Yes

9 Yes

MOTION CARRIED

5.11 Request for the Use of School Facilities

The Administration recommended the approval of the following Request for the Use of School Facilities:

<i>Group:</i>	Hershey Lacrosse Association
<i>Date/Time:</i>	April 17, 2011 (retroactive) 9:00 a.m. - 6:00 p.m.
<i>Requested Facility:</i>	Track Turf Field, 322 Turf Field Middle and High School Grass Field Hockey Fields (If rain on Saturday, grass fields will not be available; not even for warm-ups)
<i>Event:</i>	Youth Lacrosse Tournament
<i>Fee:</i>	As per Lease Agreement
<i>Group:</i>	Harrisburg Bicycle Club/PA State Police - HEMC
<i>Date/Time:</i>	April 28 & 29, 2011 3:00 p.m. - 10:00 p.m.
	April 30, 2011 5:00 a.m. - 5:00 p.m.
<i>Requested Facility:</i>	Middle School LGI, Parking Lot in front of the Middle School, Parking Lot between Middle School and Elementary School, Parking Lot between Middle School and High School
<i>Event:</i>	7th Annual PA State Police Benefit Bicycle Ride
<i>Fee:</i>	None
<i>Group:</i>	Derry Township Parks & Recreation Department
<i>Date/Time:</i>	June 1, 2011 4:00 - 8:00 p.m.
<i>Requested Facility:</i>	Elementary Multi-purpose Room
<i>Event:</i>	Parents Night for Summer Day Camp

<i>Fee:</i>	None
<i>Group:</i>	Derry Township Parks & Recreation Department
<i>Date/Time:</i>	June 13 to August 12, 2011 6:30 a.m. - 6:00 p.m. (Building Open on Fridays just for drop-off and pick-up)
<i>Requested Facility:</i>	Primary and Intermediate Elementary School: <ul style="list-style-type: none"> • 9 Classrooms • Boys'/Girls' Restrooms • Kitchen • Cafeteria • Gym • Multi-Purpose Room
<i>Event:</i>	Summer Day Camp Program
<i>Fee:</i>	None

Dr. Parrish moved the Board approve the request and was seconded by Dr. Hagan.

Dr. Cronin: I will be abstaining, because I am involved in one of the organizations.

Dr. Donahue: Any other discussion?

Roll Call Vote:

Chabal – Yes

Cronin – Abstain

Donahue – Yes

Gräb – Yes

Hagan – Yes

Morelli – Yes

Parrish – Yes

Sheffey – Yes

Stover - Yes

8 Yes, 1 Abstention

MOTION CARRIED

5.12 Personnel – Resignations

The Administration recommended the approval of the following resignations:

Classified:
Bedleyoung, Dawn General Food Service Worker High School Reason: Personal Effective: 04/12/2011

Boyer, Norma
 Custodian
 Middle School
 Reason: Retirement
 Effective: 08/09/2011

Dr. Hagan moved the Board approve the resignations and was seconded by Dr. Parrish.

Roll Call Vote:

Chabal – Yes	Gräb – Yes	Parrish – Yes
Cronin – Yes	Hagan – Yes	Sheffey – Yes
Donahue – Yes	Morelli – Yes	Stover - Yes

9 Yes

MOTION CARRIED

5.13 Personnel – General

1.	The Administration recommended the approval of the following appointments:
	Professional:
	<p>Stets, Alys Transfer of Entity Position - Multiple Disability Support Teacher (New classroom moving from an IU 15 class to a District operated class) High School Professional Bachelors, Step 4 Salary: \$45,115 (pending HEA Collective Bargaining Agreement) Effective: 08/22/2011 (pending receipt of Act 34, 151, and 114 clearances)</p>
	Transfer of Classified Staff:
	<p>Bryce, Jana * From: Cafeteria Aide Elementary School Level A: 3.0 hours per day To: Recess Aide (replacing Patricia Nelson) Elementary School Level A: 4.5 hours per day Salary: \$11.24 per hour Effective: 04/19/2011</p>
2.	The Administration recommended the approval of the following request in accordance with District Policies 435 & 439:

	<p>Baird, Julie Grade 2 Teacher Elementary School Extension of Paid/Unpaid Childbearing/Rearing Leave Effective: 04/26/2011 through the end of the 2010-2011 school year</p>
3.	The Administration recommended the approval of the Limited Service Contract List for the 2011 Summer School Staff, contingent upon enrollment.
4.	The Administration recommended the approval of the following additions to the 2010-2011 Substitute Teacher List:
	<p>Bennett, Ashley M.S. in Special Education from The John's Hopkins University with certification in English, Spanish, Special Education, and Supervisor in Special Education</p>
	<p>Maloskey, Michelle B.E. in Elementary Education from The Pennsylvania State University</p>
*	This individual is currently an employee and/or volunteer. Clearances are on file.

Dr. Cronin moved the Board approve the personnel recommendations and was seconded by Mrs. Sheffey.

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

5.14 Approval to Appoint and Retain Dr. Richard H. Faidley as Superintendent

The Human Resources Committee recommended the Board appoint and retain Dr. Richard H. Faidley as Superintendent of Derry Township School District for a term of four (4) years and one (1) month, commencing June 1, 2011 pending Pennsylvania Letter of Eligibility and Act 34, 151, and 114 Clearances, and authorize the execution of a Superintendent Contract between the District and Dr. Faidley. The District's Solicitor has prepared the proposed Contract and copies of the proposed Contract have been provided to the members of the Board in advance of this meeting.

Mr. Morelli moved the Board approve the appointment and was seconded by Mr. Gräb.

Mr. Stover: I'd just like to state that having been through this selection process twice and this being one of the most important decisions that we have to make, I commend our decision to hire Ray & Associates, who I think did an outstanding job of presenting several quality candidates for us and specifically the job that the person that we directly work with, Jon Rednak. It was money well spent and I think we were very successful.

Dr. Donahue: Thank you, Chuck. I'd just like to thank the Board for all the work they put into this effort. The citizens that both came to our Town Hall meeting and forwarded their opinions to us online, as well as the administration and the faculty and staff that spoke with all the finalists, and especially Dan Tredinnick who organized the whole thing and really did a fantastic job. I agree with what Chuck said. We had a really good team working on this and it worked out really well.

Roll Call Vote:

Chabal – Yes
Cronin – Yes
Donahue – Yes

Gräb – Yes
Hagan – Yes
Morelli – Yes

Parrish – Yes
Sheffey – Yes
Stover - Yes

9 Yes

MOTION CARRIED

DELEGATES REPORTS

6.01 Dauphin County Technical School Report

Mr. Morelli: The Dauphin County Tech School met last Wednesday. On top of the budget, we had a presentation on their health assistant program. They also approved the school calendar, which is pretty much like ours, because they need to, obviously, match their calendar with the rest of the supporting districts that they deal with.

They are also thinking about adding or expanding another one of their current programs. I believe last year they did away with warehouse and logistics program that had low enrollment. They are looking for possible candidates to replace that next year.

That's about it, John did you have anything else?

Mr. Gräb: Outstanding job, Chris. Thank you.

Mr. Morelli: The next meeting will be May 11.

Dr. Hagan: Chris, I have a question. You said what kind of program were they updating about a health assistant?

Mr. Morelli: It's a health assistant program with the juniors and seniors. My understanding of it is, and we have a pamphlet if you want to look at it, a lot of their students are hired by nursing homes, especially Spring Creek Manor in Harrisburg. As a matter of fact, I believe last year they said they had 100% placement after graduation. It's the same state sponsored and certified program that an adult would take at HACC or something like that.

Dr. Hagan: Thank you.

Dr. Donahue: Any other questions for Chris? Thanks, Chris.

6.02 Harrisburg Area Community College Report

Dr. Cronin: I am very happy to report that I will be attending the voting session meeting on Wednesday evening which will be voting to adopt the budget which does include the 30% decrease for us. Thank you.

Dr. Donahue: Thank you. Any questions for Donna?

6.03 Capital Area Intermediate Unit Report

Mrs. Chabal: First of all the next regular meeting is not until Thursday, the 28th, however, a number of us did meet on Wednesday, the 13th. The search committee is utilizing PSBA services to find an Executive Director for the IU. That search committee met, as I said, the 13th for the first time and we'll proceed from there.

Dr. Donahue: Thank you. Any questions for Beulah?

6.04 Derry Township Tax Collection Association Report

Mr. Stover: The next Tax Association meeting is next Thursday, the 28th. The next Dauphin County Tax Collection Committee meeting will be this Wednesday, the 20th.

Dr. Donahue: Thanks, Chuck. Questions?

SPECIAL REPORTS

7.01 School Community Information Report

Mr. Tredinnick: As usual, the Student Representative has done a fine job of presenting many of the items I was going to bring to your attention, so I just wanted to expand briefly on jazz night, which will be occurring tomorrow evening here in this auditorium.

In addition to the high school ensembles that were mentioned, we'll also have ensembles from the elementary and middle school levels as well.

Dr. Donahue: Thank you.

7.02 Board Members' Report

No report.

7.03 Acting Superintendent's Report

No report.

7.04 Board President's Report

Dr. Donahue: I would like to take this opportunity to officially thank Dr. Kepler for his outstanding performance as Acting Superintendent. Bernie demonstrated very strong leadership during a challenging period. He supervised two successful contract negotiations and is currently supervising a third. He took the lead in a budget process unprecedented in its transparency, detail analysis and austerity. He maintained morale amongst the faculty, staff, and administrators during a period where school districts across the country are unjustly coming under fire. He dealt with an unprecedented number of costly and time consuming right to know requests and is leading the District's transition to a new Superintendent. The District is very fortunate to employ leaders of such high caliber as Bernie, and on behalf of the Board, I'd like to thank you.

Dr. Kepler: Thank you.

Dr. Donahue: Any other comments?

RECOGNITION OF CITIZENS (Non-Agenda Items)

8.01 Recognition of Citizens (Non-Agenda Items)

Dr. Donahue: The next item on the agenda is Recognition of Citizens on Non-Agenda items, which will include the budget. Please come up. We're going to limit your, if there's a lot of people coming up, we're going to limit it to 2 or 3 minutes, because we want to give everybody the opportunity. I think I'll limit it to 2 minutes, because if I say 2 or 3 it will be 3.

Richard Gamble: I am a resident of Derry Township and I think most of the Board members know I've been here before on other issues. One of the things we came to

reality tonight as you all are aware and discussed is the crisis that this Township is looking at. If you recall two years ago when the development of the practice field continued to grow and grow and grow from a practice field to a small stadium to lights, security fence, cameras, lights, and action and today, I refer to it as a land development plan. I'm glad the new superintendent has a good background and is not a land developer, but a student developer, so I'm very proud of the decision of the Board to select somebody in this capacity.

The main reason I'm here, I'm here representing veterans: myself one, future veterans and past veterans. I reviewed on your minutes where you approved the field trip of the marching band to go to Maine or Massachusetts. I forget which one it was. What I'm asking the Board – now, I did talk with a representative from the school after learning about the response that the Township received – not only last year, but this year. I realize that people have commitments to make and I realize it's a long weekend. One of the excuses I got was it's a three day holiday. Well, I think if the band wants to participate in activities, I think there should be some commitment, not just to the fun things, but things such as the Memorial Day parade. Now granted, it's in its second year. I go back many many years and this was an activity where we had the Milton Hershey School, Hershey High, and any other band that would participate to honor our fallen veterans that give these students the rights they have today and everyone sitting here. I realize that rules are made for a reason and sometimes plans have to be changed. I'm strongly encouraging Mr. Kepler, you responded to what you're looking at, and I'm strongly encouraging that you make some type of recommendation that we reconsider just a small ensemble. If we only had a small ensemble of veterans participating, we wouldn't have what we have today. I think this is something very serious. I, myself, am a Vietnam veteran and many veterans that aren't here tonight speaking for feel the same as I do. At least if you could put a commitment to the Township that from here on any future organizations/town type things like this of importance that you would commit to this and not let the decision up to the student.

The reason I'm saying this is I've had an opportunity to work with many students and I got a report that I read on one of your students that instead of standing up properly during the reciting of the Pledge of Allegiance, he was allowed to turn his back in the classroom. Now, as a veteran, that's a personal insult to me, and as teachers and leaders, I don't hope you allow such activity. At least stand there quietly with some respect. Your meeting, you go through the same process. I think students should be taught what that means and the privilege.

I am asking again on behalf of our fallen veterans who don't have the opportunity to come here and speak and myself as a veteran who does and our future veterans that you reconsider and make it almost mandatory that if they are going to attend the field trip in Maine, they have to participate in a community activity and also that this Board decides and makes a commitment that in future years when events important as this that the school commit to it well in advance.

You're not the only school I've talked to . . .

Dr. Donahue: I'm going to have to ask you to finish up, because we have a lot of people.

Mr. Gamble: Okay, Milton Hershey basically gave me the same information that it's a three day holiday and kids go home for the weekend. As a veteran serving in Vietnam, I couldn't go home on holidays or weekends.

Dr. Donahue: Thank you, Mr. Gamble.

John Dunn: I'm a retiree, so I'm out there on the lam. This will be very challenging knowing I'll only get two minutes.

Dr. Donahue: I'll give you three, because I gave Mr. Gamble three.

Mr. Dunn: The gentlemen before me had some very rich insights about veteran participation, but also in the community. If you look at our community events, what has been devoid is the fact that the band has not shown up to participate and give back to those who are basically paying tax dollars to their efforts. I kudo Mr. Gamble on that.

Second of all, I know we're here wrestling with budget and what not and I also would like to give tremendous recognition to Bernie Kepler who has done a noble job in the process of providing background, factual insights, and information in order for all of you on this Board here to make better calculated decisions as to how we guide ourselves through these troubled waters.

Having said all of that, and also I will say that I am a proponent for the 3.1% tax increase for other future concerns that we see on the horizon. Not this year, just get by one year, we're looking out and the Financial Committee has done a noble job of trying to look at about a 3 to 4 year horizon. So, stuff that doesn't seem totally sensible right now for one year actually are decisions that are being made that will help up in what we need to do in the years ahead.

However, we had one area that I would like you to look at and we brought it up today which is the undesignated fund balance where the records show that Hershey has carried a unidentified fund balance of roughly 9.7% of our expenditures for the needs of the school. Our projection this year based off the last numbers is that there is going to 12.4% and then in the budget we're looking at 11.1%. It's important that everybody that's not into this newbie stuff of numbers to understand that you need to carry a capital budget in order to create a positive impact on your bond ratings, which this School District has done. As a result, we've had favorable ratings with Lou Verdelli on getting an actual savings for the taxpayer. The state mandates that we have to carry 8%, but right now this thing is sort of growing above that and those monies could actually be leveraged to help temper whatever the challenges are here.

I would like you to sit down and have a serious conversation about what is the proper level. Should it 8% versus 11.1 that right now is the projected amount that we're going to have. If you got yourself back to a 9.7% average, which is the last five years, you would free up about \$600,000. Of course, Steve Rineer is probably rolling his eyes, because I'm throwing out numbers and he's going to have to be the auditor to these facts.

Thank you very much and you're doing a spectacular job on trying to figure out what is an enriched educational program that we have in Derry. Don't compromise that as a lot of school districts are doing like downsizing and taking away from the quality of education that our kids so richly need. Thank you.

Dr. Donahue: Thank you, Mr. Dunn.

Maryellen Sheehan: I wanted to first expound a little bit on Mr. Dunn's comment regarding interest and missed opportunities that we as a District have missed and some financial interests. If you actually look at Document 2, our budgeted amount for 2010-2011 was \$150,000 interests and the 2011-2012 is \$85,000. Has the Board consulted with Mr. Verdelli to see if there's any opportunities such as bond swapping that we can take advantage of during this time?

Secondly, I'd like to point out that I think there are some areas that have been overlooked in terms of cut backs. I commend you for cutting back on your hospitality code 635 - \$20,000. However, that account has \$61,000 in it or at least \$61,000 to spend in various areas. Can you look at the other \$41,000 and see if those areas are more important than a music program or a foreign language?

Secondly, the Administration has over \$100,000 for training services and staff development. Could that be looked at at all?

Thirdly, the 580 travel code or budget fund has over \$206,000 for travel expenses. Could the Board look at possibly cutting back some travel expenses?

Finally, the biggest area is clerical support. We, as a District, are spending over a million dollars on clerical support salaries – not even including benefits. I would really like to see some streamlining in that area that we could cut back on budget code 151 – clerical support.

Thank you.

Dr. Donahue: Thank you and that was less than 2 minutes. Mrs. Sheffey, as Finance Chair or Bernie, would you like to make comment on any of those comments?

Mrs. Sheffey: I thought we would save it for the end. I think we should let everybody talk and then I can address.

Dr. Donahue: That's fine. Sure.

Brian Palmer: I'm the parent of two students in the School District. I have a 5th grader and a 7th grader and some of their teachers are in the back here, I recognize them. I would just like to put in a pitch for a couple of things that were discussed as sort of being on the block. One is 4th grade music. I have a child who has been studying violin since kindergarten basically. The music program here is great. The sooner you get them into it the better. My other son did start the viola in 4th grade and it's definitely enriched their lives. I would not – try not to cut that stuff. Music is a whole other language.

The other thing is the MASH program. I saw that was discussed. I would very very much encourage moving that from that sort of second yellow column to the red column. One of my kids has been in that for two years now. Homework with him is a total battle and for him to do it at school, it makes life at home much much easier. For kids that are struggling in school, homework can be a real conflict between the parent and the kid and cutting that out is a big help. Just keep that in mind. It's \$15,000, it's not much money, but it makes a big difference for a lot of kids.

The field trips – if you want me to pay for my kid, I'll do it. I'll even pay for kids who can't afford to go. I was a chaperone at Kenbrook and there are a lot of kids and they're not going to get out there and tramp in a stream. There are a lot of kids that are never going to go fishing. That's probably the first time those kids has done that so just keep that in perspective. There's enough money in this community, and I think we can keep kids doing that sort of stuff. Thank you.

Dr. Donahue: Thank you and just to clarify the elementary instrumentals in Grade 4 was in the red section which means that would be the very least likely thing to cut out of the things that are on this program.

Mrs. Sheffey: It got moved to the middle.

Dr. Donahue: It's red though.

Dan Crouse: I want to thank the Board for its service to our students and to our community. I'd just like to put a pitch in to try to maintain the funding for the CASA program. I think it's important that the School District supports not only those students who are looking at a business career or a medical field, whatever the standard business type approaches are, but also those students who are looking at careers in the arts – whether that's dance, sculpture, graphic design, whatever that might be. I think that's a very good program for the District to partner with. Obviously, the District has invested quite a bit of money in the athletic facilities over the last several years, and I understand the benefits that our student athletes derive from those investments. My son played four years varsity soccer for the high school. He learned a lot about dedication, teamwork, and hard work. Those students that are involved in the arts also can learn those same valuable life lessons by being involved in a program like CASA. I think it's a

very good benefit to those students who have aspirations in that regard. They want to take that to the next level. They want that to be their life's work. To build on the earlier comments about how important arts are, I think it is very important that you maintain that program at the earlier ages, but we can't forget about those students as they grow older and get into their high school years, particularly for those who really love and have a passion for that type of career. This School District should be providing the same type of support and opportunities for those students as we give to a lot of the other ones in our School District that might be looking at the medical field where they have the internships with the Medical Center.

I just ask you to consider that during your discussions and once again, thanks for your hard work.

Alison Crouse: I came along with him. We have the same children. I just wanted to kind of give you a little background about the child that we're fighting for. We did it for the son so now it's the daughter's turn. She had taken the time to write a letter to Mr. Kepler and I think to the Board, and I'm sure that you all read that letter.

Two minutes: the last 14 years of Lizzie's life she started at age 3 and time me, I'll keep it to 1 minutes. She started taking ballet and tap classes at the Harrisburg Dance Conservatory. As fate would have it, it was with Rosemary Batista who is a Hershey resident. Her daughter went through CASA program. She's also the dance teacher at CASA. That's who Lizzie would have the experience of starting her dance career with. Ending her high school dance career with her next year as a senior.

Lizzie started ballet and tap at 3. We moved from the West Shore to the East Shore. She spent some time at the Hershey School of Dance. She spent some time at Company Dance. She moved on to E Dance in Elizabethtown studying all different types of dancing. She also at the young age of 10 decided to not follow in her brother's footsteps to give up the travel soccer, commit to dancing.

She also started when she was at the age of 4, she started Irish step dancing. Last year, when she was in 10th grade, she decided in addition to being able to dance in River Dance and Lord of the Dance, this is a very competitive dance form. Of course, with anything else, it's also very expensive. Her current dress that was handmade in Ireland we foolishly spent \$1,800 for. But, anyways, last year she decided to take her dancing to another level through their regional competitions that are held in Philadelphia every Thanksgiving to national competitions to the world competition. She decided in the 10th grade that she wanted to compete at the world level. So, this was her Olympics.

That meant she had to transfer to a more experienced teacher who happens to teach classes in Pennington, New Jersey and Scotch Plains, New Jersey. So twice a week we drive her to these classes in New Jersey. This past Thanksgiving at her regional competition, her team of 8 girls qualified for Worlds. They finished 1st out of 52 teams.

Actually tomorrow, my husband and I should be home tonight packing, because tomorrow we're going to be flying to Dublin, Ireland for her to compete at the world level.

This is something that she's made the commitment to. She does her homework in the car on the way to these classes, sleeps on the way back. She also decided in 9th grade that she would get the majority of her traditional classes at the high school and then her senior year she would focus on her alternative education, which would be at CASA. This is a plan: she auditioned in February hoping to go next year. I just kind of wanted to put a face to one of the three students that Mr. Kepler, you were stated in The Sun last week as saying that you were adamant about cutting any items that would affect students' education. So, I just wanted to present to you Lizzie who, this student, her education will be affected by your cuts.

Thank you for your time and thank you for volunteering.

Dr. Donahue: Thank you very much.

Brian Shiflett: First of all, I just want to thank you for the packet that contains the expense projections out a few years. What I think is worth reviewing is looking at the deficits are going to be two year, three years from now. Right now we're looking at just two years out having a deficit of over \$1.5 million dollars and the year after that over \$3.2 million dollars. Those deficits include a revenue stream which includes the Act 1 exceptions, which I think people should know that there is legislation on the table to permanently remove those. So, you have to add another about \$600,000 to the deficits to make them real possibilities.

A couple things: one is just as guidance as you think about the recommendations, you ought to look and say, "Well, will this particular program that's being recommended for cut make the list this year?" Well, if it's going to make the list in two years, let's just get it off the table now. Okay? Because you're going to have to lower this whole expense structure to fit the budget, not just for next year, but for the year after and the year after. There is some really hard work that needs to be done, so let's get things off the table that are not going to make the cut for down the road.

Also, as you look at those future budgets, think about how you're going to downsize the expense structure in a long-term view. So, for example, right now you have certain vacancies that pop up, you say, well should I backfill those or not backfill them? What you really should be doing is listing and prioritizing what positions you wouldn't backfill for the long term in order to bring expense structure down, so that as an individual resignation comes up, you can say, "Well, where does that resignation fit in the list? Is it really high priority to keep that position? Well, let's go ahead and backfill it and we'll take the one that hits further down the list." That's just smart planning. Otherwise, you're going to get yourself into making some short term decisions to not backfill positions that are going to come back to bite you. Likewise, you may make decisions to go ahead and backfill positions now that a year from now you'll be regretting, because

you would have wished you'd have taken advantage of that position now. You need that 3, 4, 5 year plan in order to close the gap on these budgets.

Also, I want to respond to a comment that was made during the Finance Committee meeting earlier. We talked in that meeting and in previous meetings about how really cutting back on the programs could start a downward cycle in property values which puts upward press on the tax rates. I guess pretty well understood. I think we also have to be cognizant that really, not only in Pennsylvania, but all throughout the country, school districts are going through the same thing. We need to be competitive as a community. [not audible], but that may be outcompeting our neighbors. So, yes, we may have to pull back on things that we currently offer, but we just have to do it in a smart way, so that we're still the better place to live. If we don't change and everybody else does, then we'll look really extravagant and the taxpayers are going to really be mad about that.

Lastly, the colored list was a result of the brainstorm list that was presented to the Finance Committee two weeks ago. I think there are things that are missing from that list. I believe that the cuts that are recommended really affect the programs, the staff, and the school buildings disproportionately compared to the District office. You can go back and look at the list and see what I mean. Basically, there's really, not looking at staff cutbacks at 30 E. Granada Avenue. Not that I'm saying that they should be cutting staff back, but it should be on the table. It should be there for you to consider, to understand, what's the impact of going from a full time position in a given area to a part time position. You're going to have to look at that at some point. Unfortunately, it's not in the list now. Please get it there. It's a serious recommendation, because we're asking the community for input on programs that are going to affect education and other programs at the school level. Thank you very much.

Dr. Donahue: Thank you very much.

Donna Lotonzio: I have three daughters. One of them is a freshman at Syracuse University. Technically, she is a first semester sophomore this semester due to the AP classes she took last year. We are fairly new to the District. We moved back here in 2003 and I am here on behalf of my daughter Jackie Cosoff and her good friend Chelsea Wicklam, the other two girls who were accepted to Capital Area School for the Arts last week. Neither could be here tonight because they are both at dance class.

Both girls took the initiative on their own with very little guidance from either teachers here or their school counselors to go through the motions to apply, to do the paperwork on their own, to schedule their audition. They were given, at various times, conflicting information. As a matter of fact, my daughter Jackie was told that she was a shoe in, because she was the first girl to get her application in and that she would be going to CASA next year. Then, her guidance counselor called me and apologized and said, no. She was told that in error.

I was also asked two weeks ago, because the money is not there, if I would be willing to pay for 1/3 of her tuition. Yes, I will. I'm not asking anybody here to foot the bill entirely for my daughter. Dance is important to her. I've been told not only does she have good feet, she's got a great eye for choreography. This is what she wants to do. She's been to a couple schools already, and I am asking not only for her, but for anybody coming through that this program be considered not to be cut. The same as I would also ask that the after school programs, the MASH program, also stay on the table. I'm a working parent. I'm a single parent. Fortunately, my girls have not needed that program, but it's an incredibly important and should stay. Thank you.

Dr. Donahue: Thank you very much.

Diane Cerminara: I'd like to speak on behalf of middle school sports. A product of Title 9 myself, sports was very important to me. I'm a volunteer field hockey coach here. There are 40 girls in our program after school. Some of them can't afford to play on the travel teams. Some of them, this is it for them; they won't make the high school team. I think you'd all agree that the developmental process in middle school is an interesting one and I witness it first hand for about 2 ½ hours after school every day. I often say to the other coaches, some of these girls need to be here. I don't know what happens when they go home. Sometimes, I want to take them home. There are 450 kids involved in these programs. Now, there may be some cross over there with those numbers. If for nothing else, for that reason alone, I think you need to consider keeping these programs. Where are these kids going after school?

I agree with the other people who spoke about MASH? Where are those kids going to get that support if not here? I understand there have to be concessions made, but for the \$134,000, I think those kids are worth it.

Dr. Donahue: Thank you very much.

Dr. Bruno: I'll stand two minutes here, not longer. My daughter left us 6 years ago, no 7 years ago. She went to Julliard. I paid every penny for her every activity. I'm here not for her only, she's a public defender, so she's serving the public. She went to a Catholic school before she came here, so she learned English. I'm here for my neighbors who cannot pay their taxes and have to sell their homes. I came here with \$300 in my pocket to this country. I deal with people who cannot pay their bills, who cannot buy their pain medicine. I see the whole spectrum. I grew up in Turkey. My father was a teacher. He had the best handwriting in the world. But the only means I was provided was with teachers and that was from everybody's help – from Turkish high school, my American English teachers. My neighbors have to sell their homes, because they cannot afford taxes. I never took a field trip in Turkish high school. We had only one pair of shoes for 4 years, so figure it out. I'm not saying that I won't – I'll pay my taxes. I pay a lot of taxes - \$24,000. That's a lot of tax, but I feel for the other people.

John Dunn: Consider this a double dip. Very rich conversation tonight and insights from the community. With the gentleman that just left, I feel his pain as we all have to

do what we have to do to support our community. With that thought in mind, I'm fairly passionate about the enrichment of the field trips as an extension of what's going on in academia into the classes. I know, from our meeting earlier today with the Financial Committee, as I understand, there's like a \$70 charge per child to do the prom. We have two very rich programs that are on the block which is Sandhill and Kenbrook. I'm thinking that if we could institute the prom fee for probably a better quality evening for the child that that may help temper the cost of preserving those acts.

The other thing is that Brian Shiflett got up and was very good about the insights about the admin budget not being on the block or identifying areas of efficiency at that level. I would like to echo his request to look at that to make sure that it's balanced where everybody is giving back to the cause. However, I also would like for everybody in our community to realize that we have probably one of the lowest millages, even though we're challenged today, we have one of the lowest millages in Central Pennsylvania primarily because of the cost containment measures that this whole Board has actually done over the years.

If you take a look at this list, the cost containment, the color charts, the first column on the far left, the cost containments there was at 3.1% millage avoidance by the fact that they've identified things that should be – probably be taken out of the budget that doesn't affect the quality. Ironically, we're talking here today about 1.4 versus 3.1 and already the exercise has generated 3.1 of cost containment reductions. If you look at the second list, that amount represents 0.8%, so actually the process has already generated far more reductions in millage increases in order to provide the enrichment program that we have here in Derry Township. So, I am an advocate of 3.1% primarily because, not because of this year, but because of next year and the following years with the challenges that this District has to deal with with the retirement and pension program that the state government has not recognized and basically has kicked it back to us and is now a more costly program than it was before they enacted what they did back in December. We need the 3.1 to protect ourselves from higher rates 3 years out and 4 years out. Thank you.

Dr. Donahue: Thanks, John.

Susan Foxx: I'm here to advocate for the guidance counselor position at the high school. With Mrs. Burke retiring, it was very disappointing to me, my daughter will be a senior next year and Mrs. Burke would have been her guidance counselor. Guidance counselors are hugely important and especially in a district like Derry. Not only do they help with the scheduling and the interpersonal problems that they solve – student to student, teachers and students, the letters of recommendation that they write for students are huge. They really do play a very important part in the colleges that will accept students. I can't imagine that this position would not be filled, that somehow you take the more than 300 students that she has been working with and just kind of disperse them with the other counselors. I think it's a huge disservice. Many of your kids have already been through college. In all my reading and research about college admissions, right up there with the SATs and your GPA and your athletics and whatever

else you bring is sometimes that letter of recommendation from your counselor, because it is a bit objective. It's not the person you went to who you know will write a very good letter for you. It's the person that's known you for 4 years and really what you have to offer, what you will bring to a college.

I would hope that that would be a position that you wouldn't cut or postpone filling for a year – that you would see that it really is quite important. Thank you.

Dr. Donahue: Thank you, Susan.

Diane Leonard: I did not intend to talk tonight, but as I was sitting here looking at the numbers, I felt compelled just to stand before you and share a story from Sandy Hill.

Last year I was a chaperone at Sandy Hill and within my group, I had one boy who I know in the neighborhood is from an at risk family. A family that struggles with drug issues, with drug dealing, with countless situations that most of us only see in the movies. During the course of the week, it felt like a week, it was 2 ½ days, this young man started with black pants, long sweater; he had his long hair down in his face. By the end of the couple of days, he was borrowing shorts from other kids and singing. Our group we were wacky chaperones. The kids loved us, the parents I think were ready to see us go home, but we had the kids singing through the common area. By the end of this week, this young man was skipping and the kids were saying, "Come on, we need your baritone" and he was with his deep voice singing Sunday, Monday, Tuesday, Wednesday. It was awesome.

I think a lot of our programs here at Derry for those kids that are at risk and I help some of them in my home with homework on the days that MASH is not offered, we do a lot with our at risk kids outside of the regular curriculum. Kenbrook, Sandy Hill and our other field trips are one opportunity where these kids are forced to be in a group situation and interact with their peers. Their peers see them in a totally different light. I don't know how you put a number on that. When I look at the budget, I see we offer some incredible field trips and I've gone on a number of these. We don't ask the parents to donate anything toward the cost of that. I would advocate that we look at potential revenue stream in that rather than redlining items.

The at risk, you know, my kids, yeah it's great for them, but what I saw, there was another girl as well who had never been in a swimming pool and we hooked her up with some things to swim with and to see this goth girl laughing and carrying on in the swimming pool, interacting with peers that she never would have interacted with. You can't quantify that when you're looking at pages and numbers. Thank you.

Dr. Donahue: Thank you very much.

John Dunn: Sorry. I'm like a broken record, I keep coming back. Dip three – I would like to echo and support Susan Foxx's recommendation to preserve the guidance counselor. If you look at the numbers, and you're all managers and whatnot and you

look at taking that one body out and looking at what the work load will be and think about the quality of insight that that guidance counselor is going to be giving to our children in Derry Township, it's probably going to be a pretty superfluous type of brush off. I can speak as a parent who spent thousands of dollars to have our son diagnosed – not that he had ADD or anything like that, but he was basically a couch potato. It was actually the guidance counselor, Frank Bayshore, who basically poked him in the butt and got him up and got him involved and my son ended up graduating from Colby-Sawyer magna cum laude. This kid was barely scraping the barrel with Ds and Cs at Derry Township until the intervention of Frank Bayshore. If I recall the numbers, currently the work load of our guidance counselors are around 290 kids per counselor and we get rid of this puppy, we end up having the work load go up to like 390. Think of you as managers of business where a lot of you are involved with that. Can you imagine 390 reports trying to give them insight? I don't think it's effective and I think what you're doing is you're diminishing the quality of the enrichment that we're trying to do here in Derry Township. Don't cut the guidance counselor. In the overall scheme of things, \$75,000 divided by \$52 million – work within the budget to try to retain that quality of insight to our kids. They are looking for help. Thanks.

Dr. Donahue: Thanks, John.

Rachel Stull: I just wanted to say that I moved here because of Derry Township School District and many of us did and it's a top priority. Our children are our number one priority, and I personally will pay whatever taxes need to be paid to keep the quality of our schools top notch. That's just another point of view that I'd like you to consider.

Dr. Donahue: Thank you very much.

Mr. Gamble: I'm coming back for a second round too. One of the things, as I said, I've been absent from him because of other things I've been involved with in the community and veterans, but one of the issues that I did recall, I apologize for the phone calls, but I'm still a free consultant, which made me remember this. I understand the Board voted to hire our previous Superintendent as a consultant. My question to this Board is have we ever had a consultant for any other supervisor and what is the importance of a consultant supervisor when we're hiring somebody that is highly recommended and approved by this Board, why are we paying 2 for 1? I mean, I think if we took that fee and introduced it to those guidance counselors, I think we could save a guidance counselor and help these children. Let's forget about the administration. Let's not get overloaded. Let's put the emphasis back on the students, back on the benefit of the child. I really, and if somebody can address why do we need a consultant Superintendent to this school? My recommendation, I'll make it very public, to me, she was not a student developer, she was a land developer and here look what we have. We have a parking lot, we have a ball field, and we're broke.

Dr. Donahue: Thank you, I'll just address this. Actually we didn't hire the previous Superintendent as a consultant at any time, correct?

Dr. Kepler: The Board approved a motion to do so. Since that time, not one penny has been expended on that contract.

Mr. Gamble: So, the motion was approved, correct? So is she not hired as a consultant?

Dr. Donahue: She is not at this point.

Mr. Gamble: Okay, what I would recommend the Board review that and make a motion not to hire her.

Michelle Taylor: I've been living here since 1988. I am a teacher in this District. I am having my third child graduate from this District this year and, obviously, I have been paying taxes here for quite some time.

Against my better judgment to be talking, but I do have some expertise in a couple of different areas. Number 1, I very much respect Dr. Kepler and this Board, but other than a very casual remark about asking the teachers where we should cut, I don't think it's been looked at seriously. We're in the trenches every day and we might have some different ideas than you do. In fact, I know we do. Number 2, I don't have any children that are in CASA or have ever been in CASA and I have nothing against dancing, but my son competed in the national event a few weeks ago and I had to pay for it myself. That's just the way it goes. When he qualifies for worlds, I said, "Oh well, you're not going to worlds." That's life. You have to make choices and so does this Board.

As far as field trips, I love field trips. I think we have some opportunities that are awesome and Sandy Hill and Kenbrook are two of the best, no question. The Holocaust Museum is way up there. There are a lot of very effective – Gettysburg – very effective, important field trips. Why don't we use some PTO dollars? Get rid of some assemblies and get the PTO to split them. I have a sister that lives in San Diego, the PTO pays for the school nurse, the librarian, and teachers and they are bragging about it, because they were able to do that. She's got three children, the oldest is going into 5th grade next year and she is calling me constantly for budget cutting ideas, because they have 27 kids in kindergarten class. They do have aides, but they have 27 students. California is broke. San Diego area schools are broke, but that's where she lives. They are looking at a lot of really hard choices. We don't have the same scenario, but we have some hard choices. I'm living here, because I chose to live here, I wanted to raise my children here, I love teaching here, and I think we do a bang up job, but ask the teachers where we can make some cuts. We're willing to suck it up. I don't think guidance counselors is the way to go. I personally don't think that's the way to go, but I think there are some other things that we can look at.

Dr. Donahue: Thank you very much.

Brian Shiflett: One more thought as far as the tax increase. We had this discussion about 1.4 versus 3.1, I would counsel you to look at what it's going to take to get to 0%,

because that's what so many in the community want you to do. They expect you to consider what it's going to take to get to 0%. Now, this is a hint: if you want to put varsity football on there, that might be a way to see what you're trying to obtain, but long term, you've got this big deficit problem in the next few years, you're going to basically sell the revenue increases. That's up to you to determine what the tax increase is going to be, but I think you're better served by showing the deep sacrifices you'll have to make to get to 0 and make the community understand how that affects them if we go to 0% on tax increases in the next few years. But if you don't do that, then people will say we didn't even try. At least show that you're trying to the community, because there are so many people out there who are not here tonight who expect you to be working towards the 0% tax increase scenario. Thank you.

Dr. Donahue: Thank you.

John Dunn: The woman who was talking before, the theme I'm hearing here is pay to play. Pay for the incremental services beyond just academia and that seems to be the common theme whether it's the prom or it's Sandhill or it's football or baseball or whatever it is, all the incremental programs are coming into the cost of our education. There should be some recognition of a fee participation rate that goes back to those that will help temper the cost. Nothing against you, Brian, but the fact is that we've already recognized 3.1% cost containment in cutbacks to the program, so we are identifying line items and it basically has been identified and it's probably going to be eliminated once they vote on this thing, and there's a potential of another 0.9%, so 4.2% of the original budget has already been identified for potential elimination, so I think these lovely people who volunteer their time, I don't know why the hell you do it, but you do it and you've already identified a 4.2% reduction and basically in return you're looking in order to preserve the enrichment of what we have here without cutting the program, we're asking for possibly a 3.1% increase. On \$100,000 assessed house, that's only \$90 in the overall scheme of things versus possibly \$30 over a whole year's time. It's not much to ask for to preserve what we're dealing with in Hershey. You can go and look at other school districts like Palmyra who 20 years ago tried to do cost containment at 0 cost, 0 increases and they ended up nickeling and diming and cutting down the quality of their education, but they're still paying for it. Bottom line, we have precedence in the past that shows that this is not the way to go by having a 0 based budget when you know you have incremental costs in order to preserve the enrichment that we provide in Derry. Thanks.

Dr. Donahue: Thank you, John. I think we'll give Bunny the last opportunity. Bunny gets the last word.

Bunny Hottenstein: I've been serving on the Finance Committee for a long time and I just want to say in my first 30 seconds or whatever I'm allowed, I wish other school districts could understand the value of this committee structure that we have here in Derry Township. It has been invaluable, not only in Finance, but in General Services, in Curriculum. In every aspect the citizens have been invited to participate. I've been attending School Board meetings, as many of you know, for probably 25 or something

years with hardly any absences and for most all of those years, I was the only member of the public that sat in the audience for those School Board meetings. In recent years, I am thrilled to say that many more people are coming to School Board meetings and now more people are realizing that they can come to committee meetings too and sit in the audience and listen to the discussions that we have in Finance Committee meetings and Curriculum meetings and whatever you're interested in, we've got a committee.

That said, I want to respond to some of the concerns we have about increasing taxes and have people realize that Derry Township is a growing school district. For every student who moves into this District into a middle to upper middle class home, that family only pays half, no matter how rich that house looks or how much the property value of that house would be, their taxes only pay for half of the education of the students that live in that house. We have to pick up the rest with other taxes and our Township does not have commercial tax base. We just don't have much commerce. We've got to get it from ourselves. That said, knowing that we're a growing student population, we cannot possibly stay with a stagnant tax level. We can't stay with 0 tax increases. There is no way to do it unless you close the doors and don't let anybody else live here. In fact, you'd have to close the doors for people who move out and not let anybody move in to replace them. So, we're going to have to have some kind of tax increases over time.

The next thing is, did people get this sheet about Facts to Consider? Okay, you didn't get this. We have a sheet that we got in our Finance Committee meeting called Facts to Consider – the deficit at 3.1 tax which you got versus 1.4. You have to keep in mind, and I think Brian was the one that alluded to this, there is legislation pending to remove the allowable exceptions under Act 1 which we currently would use if we take a 3.1 tax increase this year. This would be the only year and the last year that we could possibly use that tax increase for our PSERS and special ed exceptions. Then Act 1 index which is the index the state tells us how much we're allowed to raise our taxes each year without a referendum to the tax payer is going to be at or below 1%, but we're growing at a rate much faster than that, so how are we going to pay taxes with what amounts to a reduced and reducing income. So that's a problem. A 1% tax increase equals only \$350,000, so if you look at your sheet that had all those columns and you take out all the greens and all the yellows an even take out middle school sports, what else did I have to take out to get that, and the field trips – take all the field trips out and all the middle school sports out, we could balance the budget at the million dollars and we could not take the 3.1% tax increase. I think that's way too much to ask and that's why I am in favor of increase the taxes to whatever we need to do to preserve those programs and those sports that as many people have spoken here at the mics today have said are invaluable to many students – not only those who can afford them and those who have parental backing and family backing, but particularly those students who do not have those advantages who do live here in Derry Township. Thank you.

Dr. Donahue: Thanks, Bunny. I think we're going to spend a few minutes responding to a few of the issues, but I wanted to preface that by saying how much I appreciate and the Board appreciates everybody coming out and providing their opinion. I think

everybody appreciates that there are diverse opinions on how we should approach the budget and what, if any, programs we should cut, and how much we should raise taxes. It's refreshing to see that everybody agrees that whatever we do, the most important thing is to maintain a very high quality education for all of our children and that's what we're going to do. I'm not so naïve that I think we're going to be able to please everybody in this room or even some of the people in this room, but we're going to try our very best. Our guiding principal is going to be to do what's very best for our children's educational experience. With that, I'll turn it over to the Finance Chair, Ellen Sheffey, to address a few of the issues that were brought up prior to our ending this meeting and going into the work session.

Mrs. Sheffey: I'm not sure which ones you're talking about.

Dr. Donahue: Start with the easy ones.

Mrs. Sheffey: None of them were easy.

Dr. Donahue: If the Board would prefer to do it in the work session, that's fine.

Mrs. Sheffey: I think it's part of the discussion.

Dr. Donahue: Then, I will adjourn the meeting.

ADJOURNMENT

9.01 Adjournment

Dr. Donahue: The next public School Board meeting will be held Monday, May 9, 2011 starting at 7:00 p.m. in the District Office Board Room.

Mr. Gräb moved to adjourn, with a second by Dr. Cronin and, approved by unanimous voice vote by all members. The meeting was adjourned at 8:48 p.m.

Respectfully submitted,

Stephen E. Rineer
Secretary to the Board
Approved at the May 9, 2011 meeting

Dr. Henry Donahue
President of the Board

LDM