



**Wenatchee School District No. 246  
Wenatchee, Washington**

**Minutes of January 26th, 2010 Regular Board Meeting**

Board

Staff

Walter Newman, President  
Kevin Gilbert, Vice President  
Laura Jaecks  
Jesús Hernández  
Gary Callison

Brian Fones, Superintendent

**I. REGULAR MEETING – 7:00 p.m.**

Dr. Walter Newman, President, opened the regular board meeting at the Central Office at 7:00 p.m., with the Pledge of Allegiance.

**II. CONSENT AGENDA**

Dr. Newman asked for a motion to approve the consent agenda. Motion made by Laura Jaecks, seconded by Gary Callison and the motion carried unanimously. The following items included in the consent agenda:

1) **MINUTES** of 1-12-10 regular board meeting.

**2) PERSONNEL REPORT:**

PREPARED BY: Lisa Turner, Human Resources Director

- January 26<sup>th</sup>, 2010 personnel report on file.

**3) VOUCHERS/PAYROLL:**

**PAYROLL:** January 2010 \$4,909,223.89

**VOUCHERS:**

<b>Date: 2009-10 Budget 1/2010</b>	<b>Check REGISTER #</b>	<b>AMOUNT TOTAL</b>
<b>General Fund:</b>	<b>538199-538417</b>	<b>\$362,370.29</b>
<b>ASB Fund:</b>	<b>538419-538448</b>	<b>423,662.11</b>
<b>Capital Projects</b>	<b>538418-538418</b>	<b>\$13,414.82</b>

**4) CONTRACTS:**

<b>Date</b>	<b>New or Renewal or Revision</b>	<b>Agency</b>	<b>Purpose</b>	<b>Amount</b>	<b>Effective Dates</b>	<b>Staff Person Responsible for Contract</b>	<b>Approved by Les?</b>	<b>PO Required?</b>
01/19/10	Renewal	North Central ESD	Information Specialist Coordinator services	\$20,000	9/01/2009-8/31/2010	Janet Hill & Les Vandervort	Yes	No
				<b>Budget Code</b>				
				Revenue				

**III. RECOGNITIONS:**

**1. WSD Board of Directors:**

- Superintendent Brian Fones recognized the board members for the National School Board Appreciation Month by reading the Governor’s Proclamation and presenting certificates to each board member. Several schools and principals recognized the board with thank you cards, posters & gift cards. They were also hosted a dinner from Garlini’s by Mission View Elementary School. Lincoln Elementary presented each board member with a framed “Thank You” collage of pictures of staff and students, WSD Special Programs presented individual fruit baskets for each board member and a WSHS student made hand painted sweatshirts personalized with each board members’ name. WenEA and the WSD Cabinet presented thank you cards and gift cards also. The board received many appreciative sentiments from individuals and departments in the form of cards. The Superintendent welcomed former board member Chuck Largent who was visiting to congratulate the 21 Nationally Certified teachers.

**2. 21 WSD Nationally Certified Teachers**

- Lisa Turner, Director of HR and Sandra Mueller, assistant, presented engraved WSD travel mugs and certificates for each of the recently 21 Nationally Certified Teachers from WSD. Ms. Turner announced that our district is 2<sup>nd</sup> in the nation for the number of teachers to receive this honor and she read the following statement:

The National Board for Professional Teaching Standards announced the 2009 National Board Certified Teachers on December 16, 2009. I am proud to announce that Wenatchee School District has twenty-one new National Board Certified teachers:

1. Lani Lynch at Columbia
2. Dacia Schoengarth-Myhre at Columbia
3. Jan Woodley at Lewis & Clark
4. Camille Jackson at Abraham Lincoln
5. Dianna Williams at Abraham Lincoln
6. Kathryn Anderson at Mission View
7. Daisy Barragan at Mission View
8. Joni Britt at Mission View
9. Rebecca Britt at Mission View
10. Dan Gemeinhart at Mission View
11. Carol Hill at Mission View
12. Erin Coyle at Orchard
13. Patrice Dahlin at Orchard
14. Eric Merriman at Orchard
15. Susan Cox at Pioneer
16. Stacy Moody at Pioneer
17. Brian Vickery at Pioneer
18. Scott Benner at Wenatchee High School
19. Holly McPhetridge at Wenatchee High School
20. Mary Parsley at Wenatchee High School
21. Malia Renner-Singer at Wenatchee High School

“National Board Certification builds confidence in our teacher corp as well as the students and families our teachers serve.”

*Washington State Governor Christine Gregoire*

“National Board Certification is the most prestigious credential a teacher can earn. Like board-certified doctors and accountants, teachers who achieve National Board Certification have met rigorous standards through intensive study, expert evaluation, self-assessment and peer review. Research is consistently positive about the impact of National Board Certification on improvements in teacher practice and areas of school improvement critical to raising student achievement.”

*NBPTS, President and CEW Joseph A. Aguerreberre*

This year Washington State ranked 2<sup>nd</sup> in the nation for the number of new National Board Certificated teachers. Today the number of National Board Certified Teachers across the country reaches more than 82,000.

Congratulations to all our new Board Certified teachers! You are an inspiration to all of us and I believe your path will be followed by many other great Wenatchee School District certificated employees.

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The board & superintendent congratulated all the teachers for their hard work and accomplishment of this prestigious certification. WSD considers it an honor to have these 21 distinguished teachers in our district.

#### **IV. HIGH SCHOOL ASB REPORTS:**

1) **WHS:** The ASB President Kelly Kurz reported details on the following activities and gave appreciation cards and Starbucks gift cards for board appreciation month.

- February 4<sup>th</sup> assembly for Academic Awards
- ASB Leadership seminars will be conducted for the middle schools - teaching the 8 essentials
- Rundown on the winter sports: Swimming, Wrestling, Basketball – Pep Assembly
- Tie-Dye T-Shirt activity planned Feb. 23<sup>rd</sup>
- Janice Franz Talent Show Feb. 18<sup>th</sup> & 19<sup>th</sup>

2) **WSHS:** Student Body Officer, Aggie Melton reported on the following activities and presented hand painted sweatshirts for each board member for board appreciation month.

- Students fund raised over \$200 for Salvation Army
- WSHS students participated in an “Adopt-a-family” campaign
- A WSHS student painted and sold sweatshirts for WSHS at the mall
- Report on Tie-Dye Student project, Aggie was wearing one of the shirts.

The board thanked both students for the gifts and updates.

#### **V. CITIZEN COMMENT:**

- Reporter for the Wenatchee World, Rachel Schleif, shared information about a 3-day series in which the subject will be online learning and she pointed out the live forum that will be taking place. She invited the board and public to participate.

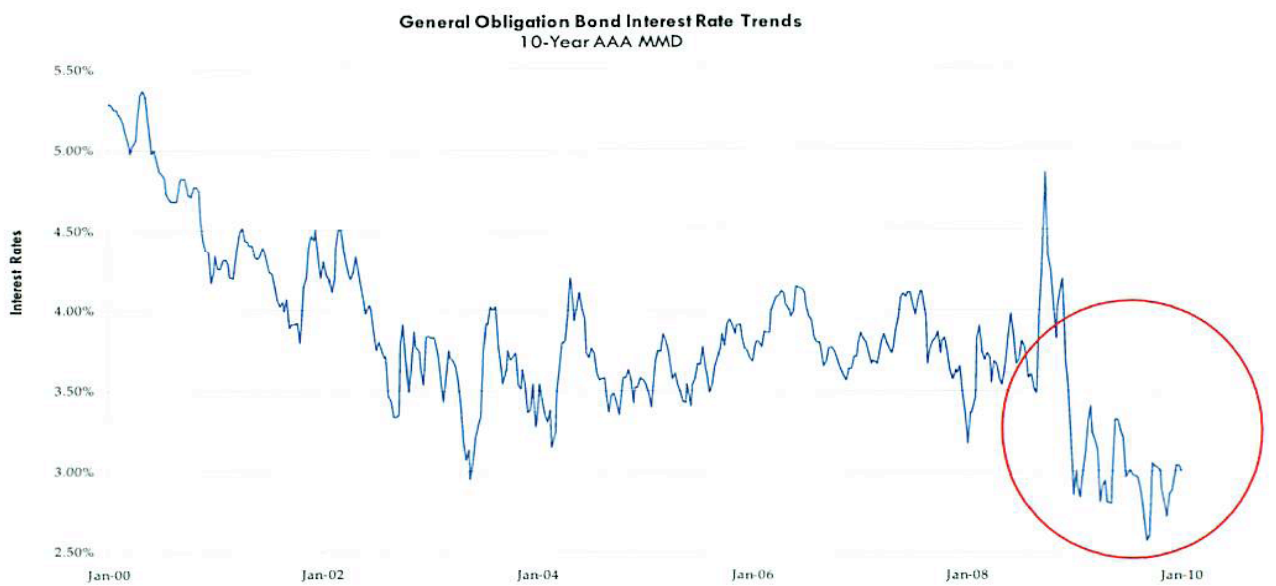
#### **VI. SPECIAL PRESENTATIONS:**

1) **Resolution #02-10 Bond Refunding** – SNW Securities representatives Annette Sommers and Jim McNeil presented the following to the board for approval. They answered questions as they presented the materials:

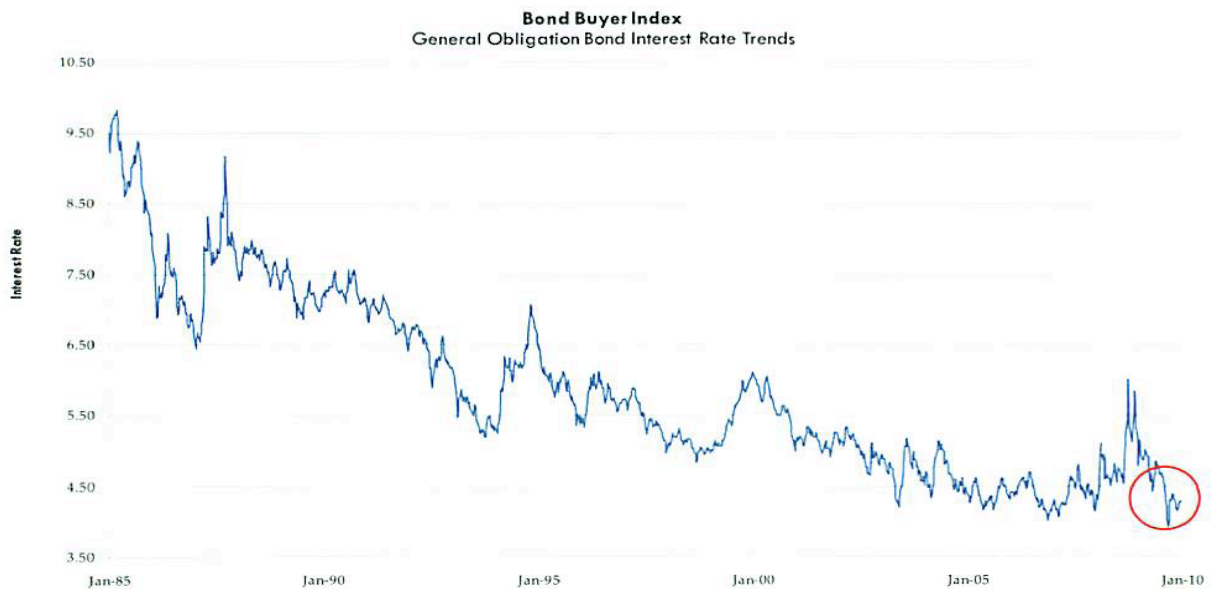
## Bond Sale Goals

- A. Refinance the callable portion of the 2002 bonds to produce net present value savings of at least 5.0% of the refunded amount of refunded bonds (\$1,454,000).
- B. Produce a savings pattern that is approximately even in each year of the remaining life of the bonds.
- C. Utilize the Washington School Bond Credit Enhancement Program to provide lower interest rates.
- D. Confirm the District's A2 underlying rating.
- E. Designate the bonds bank-qualified to help lower interest rates.

## Bond Market Conditions



Current interest rates are near historic lows.



## Refunding Bond Candidate

	<b>2002</b>
Dated:	6/1/02
Principal Amount of Refunded Bonds:	\$21,090,000
Maturities:	2012, 2015 Term, 2017 Term, 2019 Term, & 2021 Term
<b>Average Coupon:</b>	<b>5.28%</b>
Call Date and Price:	6/1/12 @ Par

## Refunding Results

Principal Amount of New Bonds	\$21,650,000
Call Feature	6/1/20 @ Par
Final Maturity	12/1/21
<b>Net Interest Cost</b>	<b>3.12%</b>
Savings Pattern	Level
<b>Total Savings – Net of all costs</b>	<b>\$1,565,823</b>
Present Value of Net Savings	\$1,315,710
<b>PV as % of Old Bonds</b>	<b>6.24%</b>

## Order Summary

Maturity	Par (\$000's)	Coupon (%)	Yield (%)	Order Count	Total Orders (\$000's)	Unsold Balance	Subscription	Investor Category
12/1/2010	445	2.00	0.35	1	445	-	1.00	Bank Portfolio
12/1/2011	130	2.00	0.66	2	130	-	1.00	Money Manager
12/1/2012	1,580	2.00	0.91	1	1,580	-	1.00	Bank Trust
12/1/2013	1,165	3.00	1.25	0	-	1,165	0.00	Bank Trust
12/1/2013B	500	3.50	1.25	1	500	-	1.00	Bank Trust
12/1/2014	200	2.50	1.66	1	200	-	1.00	Bank Trust
12/1/2014B	1,065	3.00	1.66	1	250	815	0.23	Bank Trust
12/1/2014	500	3.50	1.66	1	500	-	1.00	Bank Trust/Money Manager
12/1/2015	175	3.00	2.15	2	175	-	1.00	Bank Portfolio/Bank Trust
12/1/2015B	1,705	4.00	2.15	2	1,870	-	1.10	Bank Trust
12/1/2016	310	3.00	2.53	2	310	-	1.00	Bank Trust
12/1/2016B	1,690	4.00	2.53	1	1,245	445	0.74	Bank Portfolio
12/1/2017	2,135	4.00	2.79	2	2,140	-	1.00	Bank Portfolio/Retail
12/1/2018	2,275	4.00	3.04	2	3,275	-	1.44	Bank Portfolio
12/1/2019	2,425	4.00	3.21	5	4,020	-	1.66	Bank Trust/Bank Portfolio/Money Manager
12/1/2020	2,580	5.00	3.34	2	3,580	-	1.39	Bank Portfolio
12/1/2021	2,770	5.00	3.42	1	2,770	-	1.00	Money Manager
<b>Total</b>	<b>21,650</b>			<b>27</b>	<b>22,990</b>	<b>2,425</b>		

Note: The 2018, 2019 and 2020 maturities included orders from a local bank.

## Issuance Costs

### Underwriting Spread

\$ / \$1,000 in Par amount of bonds

Management Fee	\$ 1.05
Takedown	2.50
Expenses	<u>0.45</u>

Underwriting Spread \$ 4.00

### Costs of Issuance

Bond Counsel	\$ 40,658.00
Moody's Investors Service	10,200.00
Refunding Trustee	1,200.00
Escrow Verification	2,500.00
Official Statement Printing and Mailing	<u>500.00</u>
<b>Total Costs of Issuance</b>	<b>\$ <u>55,058.00</u></b>

**SUMMARY OF REFUNDING RESULTS**

**WENATCHEE SCHOOL DISTRICT NO. 246  
UTGO Refunding Bonds, 2010 (2-16-10)  
Final Numbers - Revised**

Dated Date	02/16/2010
Delivery Date	02/16/2010
Arbitrage yield	2.829200%
Escrow yield	0.950112%
Bond Par Amount	21,650,000.00
True Interest Cost	2.941280%
Net Interest Cost	3.118986%
All-In TIC	2.977186%
Average Coupon	4.207665%
Average Life	7.627
Par amount of refunded bonds	21,090,000.00
Average coupon of refunded bonds	5.283329%
Average life of refunded bonds	7.934
PV of prior debt to 02/16/2010 @ 2.829200%	24,936,005.20
Net PV Savings	1,315,710.30
Percentage savings of refunded bonds	6.238550%
Percentage savings of refunding bonds	6.077184%

**SAVINGS**

**WENATCHEE SCHOOL DISTRICT NO. 246  
UTGO Refunding Bonds, 2010 (2-16-10)  
Final Numbers - Revised**

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 02/16/2010 @ 2.8292000%
06/01/2010	557,865.63	245,364.58	312,501.05	-	309,950.87
12/01/2010	557,865.63	865,625.00	-307,759.37	4,741.68	-300,990.08
06/01/2011	557,865.63	416,175.00	141,690.63	-	136,641.16
12/01/2011	557,865.63	546,175.00	11,690.63	153,381.26	11,116.75
06/01/2012	557,865.63	414,875.00	142,990.63	-	134,074.76
12/01/2012	1,992,865.63	1,994,875.00	-2,009.37	140,981.26	-1,857.80
06/01/2013	526,475.00	399,075.00	127,400.00	-	116,146.98
12/01/2013	2,076,475.00	2,064,075.00	12,400.00	139,800.00	11,147.04
06/01/2014	483,850.00	372,850.00	111,000.00	-	98,392.16
12/01/2014	2,168,850.00	2,137,850.00	31,000.00	142,000.00	27,095.60
06/01/2015	437,512.50	345,625.00	91,887.50	-	79,194.13
12/01/2015	2,272,512.50	2,225,625.00	46,887.50	138,775.00	39,846.77
06/01/2016	387,050.00	308,900.00	78,150.00	-	65,488.43
12/01/2016	2,372,050.00	2,308,900.00	63,150.00	141,300.00	52,180.53
06/01/2017	332,462.50	270,450.00	62,012.50	-	50,525.88
12/01/2017	2,482,462.50	2,405,450.00	77,012.50	139,025.00	61,872.17
06/01/2018	273,337.50	227,750.00	45,587.50	-	36,114.32
12/01/2018	2,598,337.50	2,502,750.00	95,587.50	141,175.00	74,667.96
06/01/2019	209,400.00	182,250.00	27,150.00	-	20,912.34
12/01/2019	2,719,400.00	2,607,250.00	112,150.00	139,300.00	85,178.80
06/01/2020	140,375.00	133,750.00	6,625.00	-	4,961.55
12/01/2020	2,850,375.00	2,713,750.00	136,625.00	143,250.00	100,893.09
06/01/2021	72,625.00	69,250.00	3,375.00	-	2,457.56
12/01/2021	2,977,625.00	2,839,250.00	138,375.00	141,750.00	99,354.59
	<b>30,163,368.78</b>	<b>28,597,889.58</b>	<b>1,565,479.20</b>	<b>1,565,479.20</b>	<b>1,315,365.58</b>

Savings Summary

PV of savings from cash flow	1,315,365.58
Plus: Refunding funds on hand	344.72
Net PV Savings	1,315,710.30

WENATCHEE SCHOOL DISTRICT NO. 246  
 UTGO Refunding Bonds, 2010 (2-16-10)  
 Final Numbers - Revised

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Call Date for Arb Yield	Call Price for Arb Yield	Premium (-Discount)
<b>2010 through 2012 Serial Bonds:</b>											
	12/01/2010	445,000	2.000%	0.350%	101.303	-	-	-	-	-	5,798.35
	12/01/2011	130,000	2.000%	0.660%	102.382	-	-	-	-	-	3,096.60
	12/01/2012	1,580,000	2.000%	0.910%	102.997	-	-	-	-	-	47,352.60
		<u>2,155,000</u>									<u>56,247.55</u>
<b>2013 Serial Bonds:</b>											
	12/01/2013	1,165,000	3.000%	1.250%	106.459	-	-	-	-	-	75,247.35
	12/01/2013	500,000	3.500%	1.250%	108.305	-	-	-	-	-	41,525.00
		<u>1,665,000</u>									<u>116,772.35</u>
<b>2014 Serial Bonds:</b>											
	12/01/2014	200,000	2.500%	1.660%	103.852	-	-	-	-	-	7,704.00
	12/01/2014	1,065,000	3.000%	1.660%	106.146	-	-	-	-	-	65,454.90
	12/01/2014	500,000	3.500%	1.660%	108.439	-	-	-	-	-	42,195.00
		<u>1,765,000</u>									<u>115,353.90</u>
<b>2015 Serial Bonds:</b>											
	12/01/2015	175,000	3.000%	2.150%	104.603	-	-	-	-	-	8,055.25
	12/01/2015	1,705,000	4.000%	2.150%	110.021	-	-	-	-	-	170,858.05
		<u>1,880,000</u>									<u>178,913.30</u>
<b>2016 Serial Bonds:</b>											
	12/01/2016	310,000	3.000%	2.530%	102.913	-	-	-	-	-	9,030.30
	12/01/2016	1,690,000	4.000%	2.530%	109.117	-	-	-	-	-	154,077.30
		<u>2,000,000</u>									<u>163,107.60</u>
<b>2017 through 2021 Serial Bonds:</b>											
	12/01/2017	2,135,000	4.000%	2.790%	108.417	-	-	-	-	-	179,702.95
	12/01/2018	2,275,000	4.000%	3.040%	107.353	-	-	-	-	-	167,280.75
	12/01/2019	2,425,000	4.000%	3.210%	106.588	-	-	-	-	-	159,759.00
	12/01/2020	2,580,000	5.000%	3.340%	114.352 C	3.400%	06/01/2020	100.000	06/01/2020	100.000	370,281.60
	12/01/2021	2,770,000	5.000%	3.420%	113.605 C	3.575%	06/01/2020	100.000	06/01/2020	100.000	376,858.50
		<u>12,185,000</u>									<u>1,253,882.80</u>
		<u>21,650,000</u>									<u>1,884,277.50</u>

**BOND PRICING**

WENATCHEE SCHOOL DISTRICT NO. 246  
 UTGO Refunding Bonds, 2010 (2-16-10)  
 Final Numbers - Revised

<b>Dated Date</b>	<b>02/16/2010</b>	
<b>Delivery Date</b>	<b>02/16/2010</b>	
<b>First Coupon</b>	<b>06/01/2010</b>	
<b>Par Amount</b>	<b>21,650,000.00</b>	
<b>Premium</b>	<b>1,884,277.50</b>	
<b>Production</b>	<b>23,534,277.50</b>	<b>108.703360%</b>
<b>Underwriter's Discount</b>	<b>-86,600.00</b>	<b>-0.400000%</b>
<b>Purchase Price</b>	<b>23,447,677.50</b>	<b>108.303360%</b>
<b>Accrued Interest</b>	<b>-</b>	
<b>Net Proceeds</b>	<b>23,447,677.50</b>	

**SOURCES AND USES OF FUNDS**

**WENATCHEE SCHOOL DISTRICT NO. 246  
UTGO Refunding Bonds, 2010 (2-16-10)  
Final Numbers - Revised**

Dated Date                    02/16/2010  
Delivery Date                02/16/2010

**Sources:**

<b>Bond Proceeds:</b>		
Par Amount		21,650,000.00
Premium		1,884,277.50
		<hr/>
		23,534,277.50
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**Uses:**

<b>Project Fund Deposits:</b>		
Deposit to the DS Fund		344.72
 <b>Refunding Escrow Deposits:</b>		
Cash Deposit		1.78
SLGS Purchases		23,392,273.00
		<hr/>
		23,392,274.78
 <b>Delivery Date Expenses:</b>		
Cost of Issuance		55,058.00
Underwriter's Discount		86,600.00
		<hr/>
		141,658.00
		<hr/>
		23,534,277.50
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**COST OF ISSUANCE**

**WENATCHEE SCHOOL DISTRICT NO. 246  
UTGO Refunding Bonds, 2010 (2-16-10)  
Final Numbers - Revised**

Cost of Issuance	\$/1000	Amount
<hr/>		
Bond Counsel Fee	1.87797	40,658.00
Moody's Rating Fee	0.47113	10,200.00
Refunding Trustee Fee	0.05543	1,200.00
Escrow Verification Fee	0.11547	2,500.00
OS Printing & Mailing	0.02309	500.00
		<hr/>
	2.54309	55,058.00
		<hr/> <hr/>

Global Credit Research - 25 Jan 2010

**\$24.3 MILLION OF DEBT AFFECTED, INCLUDING CURRENT REFUNDING**

Primary & Secondary Education  
WA

**Moody's Rating**

ISSUE	UNDERLYING RATING	RATING
Unlimited Tax General Obligation Refunding Bonds, 2010	A2	Aa1
<b>Sale Amount</b> \$21,745,000		
<b>Expected Sale Date</b> 01/26/10		
<b>Rating Description</b> Unlimited Tax General Obligation Refunding Bonds; Washington School Bond Guaranty Program		

**Opinion**

NEW YORK, Jan 25, 2010 -- Moody's Investors Service has assigned an underlying A2 rating to the Chelan County School District No. 246 (Wenatchee), Washington, Unlimited Tax General Obligation Refunding Bonds, 2010 in the amount of \$21.7 million. At this time, Moody's has also affirmed the underlying A2 rating on the district's outstanding parity debt totaling \$2.5 million, post-refunding. The current offering is secured by the district's full faith, credit, and unlimited property tax pledge. The bond proceeds will refund certain maturities of the district's outstanding Unlimited Tax General Obligation Bonds, 2002. The underlying A2 rating assignment primarily reflects the district's relatively small but growing tax base, prudent financial management and above average reserve levels, and manageable debt profile.

The current offering will also receive the Aa1 rating of the Washington School Bond Guarantee Program, which currently carries a negative outlook, reflecting the negative outlook on the state's rating. The Aa1 rating is based upon the assumption that the bonds will qualify for, and be backed by, the Washington School Bond Guarantee Program. Under this program, the state pledges its full faith, credit, and taxing power to guarantee debt service when due on qualified school districts' voter-approved general obligation bonds. The Aa1 program rating reflects the pledge of the State of Washington (rated Aa1 with negative outlook); strong state oversight of local school districts; and the program mechanics. For more detailed information on the state guarantee program, please refer to Moody's Global Credit Research Rating Update dated January 4, 2010.

**TAX BASE EXPECTED TO GROW IN 2010; BELOW AVERAGE WEALTH MEASURES**

Located in central Washington, the 239 square mile district primarily serves the City of Wenatchee (UTGO rating of A2). The local economy relies heavily on fruit production and related food processing operations. As of October 2009, the district's unemployment rate was 6.4%, which was relatively low compared to state (8.8%) and national (9.5%) levels.

Assessed valuation for the district grew at an average annual rate of 5.3% for the years 2003 through 2009 to \$3.1 billion, including an above average single-year gain of 16.2% in 2007 due primarily to support from residential and commercial-related new construction. Significant growth of 13.5% is expected in 2010 to \$3.5 billion despite a slowdown for new construction and strained economic conditions. The top ten taxpayers represent 9.3% of assessed value (2010), which includes several food processing entities related to local fruit production. The largest taxpayer, Aluminum Company of America (ALCOA) is expanding smelting operations within the district over the next two years, including an investment of \$20.0 million in Chelan County Public Utilities District No. 1 (revenue bonds rated Aa2 with negative outlook) for hydroelectric power transmission upgrades as part of a 17-year contract with the utility provider that begins 2011.

As of the 2000 census, wealth indicators were below average compared to the state with a per capita income at 86.7% of state levels and median family income equal to the median for A2 rated school districts in the state at 90.3% of state levels. Full value per capita of \$74,570 for 2009 was below average relative to other A2 rated school districts in the state.

**PRUDENT FINANCIAL MANAGEMENT INCREASES GENERAL FUND RESERVES**

For the six fiscal years 2003 through 2008, the district's annual unreserved general fund balance grew significantly and averaged 13.1% of general fund revenues (\$7.8 million), which was significantly above the median for A2 rated school districts in the state for the period. In each of these years, the district's performance exceeded management's target of maintaining an unreserved general fund balance equal to 5.0% of budgeted general fund expenditures. Typical of other Washington school districts, state aid comprised the majority of the district's fiscal 2008 operating revenues (71.6%), followed by local revenues (16.6%). Unaudited fiscal 2009 financial data show an ending unreserved general fund balance of 16.0% of general fund revenues (\$11.5 million) due to prudent budgetary management and a commitment to growing general reserves.

**For fiscal 2010, management conservatively projected general fund balance would decline significantly to 7.7% of general fund revenues (\$6.0 million). State aid reductions of \$3.2 million enacted so far in fiscal 2010 were absorbed by federal stimulus funds and operating efficiencies. Officials currently anticipate that annual unreserved general fund balance for 2010 will decline less dramatically than budgeted expectations to approximately 10.5% of general fund revenues (\$8.0 million), including a drawdown of \$2.5 million for the anticipated purchase and renovation of property from Wenatchee Valley College.**

For the seven fiscal years 2003 through 2009, enrollment grew moderately at an average annual rate of approximately 1.5%, including above average annual growth of 8.6% in 2005 that contributed significantly to aggregate growth during the period. Officials projected an enrollment decline of -1.0% for 2010; however, officials currently estimate that enrollment will realize annual growth of 1.9%. For the period 2011 through 2014, officials project enrollment will grow slightly at an average annual rate of 0.6%.

The district benefits from a four-year maintenance and operation (M&O) levy renewed by 64.1% of voters in March 2009. The levy will generate an average of \$10.3 million annually in years 2011 through 2014. Moody's notes that the district's M&O levy is assessed based upon a specified annual dollar amount, not a levy rate; as a result, revenues from the levy are unaffected by tax base growth. Lastly, the district does not benefit from technology or capital outlay levies, and management currently does not plan to seek voter approval for any additional levies.

**MANAGEABLE DEBT PROFILE; NO REMAINING GENERAL BOND AUTHORIZATION**

Moody's expects the district's debt profile to remain manageable given no remaining general bond authorization and prudent financial management. The current offering will refund certain maturities of the district's outstanding Unlimited Tax General Obligation Bonds, 2002. Management is currently considering a \$50.0 million general obligation bond authorization initiative to expand and remodel district facilities and anticipate possibly going to voters in 2011.

The district's direct and overall debt burdens of 0.7% and 1.3%, respectively, are below the medians for A2 rated Washington school districts. Payment of principal is above average at 77.8% in ten years with all currently outstanding debt repaid by 2021. All of the district's voted debt consists of fixed-rate obligations.



**KEY STATISTICS**

Estimated population: 41,167

2009 full value: \$3.1 billion

Estimated 2010 full value: \$3.5 billion

Average annual growth in full value (2004-2009): 6.1%

2009 full value per capita: \$74,570

1999 Per capita income: \$19,921 (86.7% of state)

1999 Median family income: \$48,569 (90.3% of state)

Direct debt burden: 0.7%

Overall debt burden: 1.3%

Payout of principal (10 years): 77.8%

Fiscal 2008 total general fund balance: \$9.4 million (14.0% of revenues)

Fiscal 2008 unreserved general fund balance: \$9.3 million (13.9% of revenues)

Unaudited fiscal 2009 total general fund balance: \$11.6 million (16.0% of revenues)

Unaudited fiscal 2009 unreserved general fund balance: \$11.5 million (16.0% of revenues)

The last rating action was on August 6, 2003 when the unlimited tax general obligation bond rating of A2 was affirmed for Chelan County School District No. 246 (Wenatchee).

The principal methodology used in rating Unlimited Tax General Obligation Refunding Bonds, 2010 of Chelan County School District No. 246 (Wenatchee) was General Obligation Bonds Issued by U.S. Local Governments, published in October 2009, which can be found at [www.moodys.com](http://www.moodys.com) in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating this issue can also be found in the Credit Policy & Methodologies directory.

**WENATCHEE SCHOOL DISTRICT NO. 246  
CHELAN COUNTY, WASHINGTON**

**RESOLUTION NO. 02-10**

**A RESOLUTION of the Board of Directors of Wenatchee School District No. 246, Chelan County, Washington, relating to contracting indebtedness; providing for the issuance, specifying the maturities, interest rates, terms and covenants and fixing the form of \$21,650,000 principal amount Unlimited Tax General Obligation Refunding Bonds, 2010, to provide money with which to pay the cost of refunding, paying and redeeming the callable portion of the District's outstanding Unlimited Tax General Obligation Bonds, 2002; providing for and authorizing the purchase of certain obligations out of the proceeds of the sale of the bonds herein authorized and for the use and application of the money derived from those investments; authorizing the execution of an agreement with U.S. Bank National Association, Seattle, Washington, as refunding trustee; providing for the call, payment and redemption of the outstanding bonds to be refunded; providing that payment of the bonds be guaranteed by the State of Washington; and approving the sale and providing for the delivery of the bonds to Seattle-Northwest Securities Corporation, Seattle, Washington.**

**ADOPTED: JANUARY 26, 2010**

**Discussion Points during the presentation:**

- History leading up to this date for the resolution approval
- Locking in interest rate process
- 11% not sold - SNW absorbs (buys) the balance
- Excellent feedback from Moody's on WSD credit report
- Terms in resolution outlined for the board
- Fees built in for SNW
- Cashmere Valley Bank's involvement
- Taxpayers savings equal over \$15 per year & total savings of \$150
- Meaning of "Call Date 2012"

Jim McNeil thanked the board, Brian Fiones and Les Vandervort (Joanne Johanson) for the professionalism in handling this transaction. He said WSD was very helpful and cooperative in assisting SNW in obtaining the excellent package for all parties and taxpayers. He wanted to acknowledge everyone who worked so hard for this return. The board thanked SNW for the good job in making this happen for the district and taxpayers.

**MOTION MADE:** By Kevin Gilbert to approve Resolution #02-10 Bond Refunding as presented by SNW.

**SECONDED & PASSED UNANIMOUSLY:** Seconded by Jesus Hernandez and passed unanimously.

**2) Chelan Co. Port Option NC Tech Skills Center:**

Superintendent presented the Termination of Lease Agreement between Eastmont School District and Wenatchee School District pertaining to the NC Tech Skill Center property. It is coming to the board as an information item and for consideration of approval at the 2/09/10 board meeting. It is as follows:

**TERMINATION OF LEASE AGREEMENT**

THIS AGREEMENT for termination of lease is between Wenatchee School District No. 246 (“Assignee”) and Eastmont School District No. 206 (“Tenant”).

**R E C I T A L S:**

- A. Assignee is owner of the following described real property (“the real property”):  
See Exhibit “A,” which is attached hereto and incorporated herein by this reference.
- B. Tenant leased from the Port of Chelan County (“the Port District”) portions of the real property pursuant to the following Leases (“the Leases”):
  - 1. Industrial Building No. 1: Lease Agreement, July 10, 2002; Lease Addendum No. 1, October 15, 2002; Lease Addendum No. 2, March 27, 2003; and Lease Addendum No. 3, September 11, 2006.
  - 2. Industrial Building No. 2: Lease Agreement, October 29, 2003; Lease Addendum No. 1, August 2, 2004; Lease Addendum No. 2, November 4, 2005; and Lease Addendum No. 3, September 11, 2006.
- C. Assignee acquired the real property by Statutory Warranty Deed recorded August 28, 2009, under Chelan County Auditor No. 2310463 (“the Deed”).
- D. The Port District’s interest in the Leases was transferred to Assignee pursuant to the Deed and Agreement Regarding Commercial Leases dated August 28, 2009.
- E. Portions of the real property are being used by area School Districts as a Skills Center.
- F. At the time of the execution of the Leases, Tenant was the Host District for the Skills Center.
- G. Assignee is now the Host District for the Skills Center.
- H. Assignee and Tenant desire to terminate and cancel the Leases.

NOW, THEREFORE,

- 1. The Leases are terminated as of August 28, 2009 (“the effective date”).
- 2. Assignee and Tenant agree that the Leases are cancelled and the terms brought to an end as of the effective date with the same force and effect as if the term of the Leases were fixed to expire on the effective date by the provisions of the Leases.
- 3. This Agreement shall bind and inure to the benefit of the parties to it and their respective successors and assigns.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2010.

**3) Procedure 2161P Revision: Special Education and Related Services for Eligible Students**

Ms. Colleen Obergh, Special Education Director, presented the following revisions to Procedure 2161P as an information item to the board. She explained these are recommended changes by WSSDA for the procedure and pointed out there are no changes to the policy.

**UPDATES AND REVISIONS TO LANGUAGE:** (excerpts of the actual language changes to the procedure)

**Change #1)** The district will ensure parents have access to their child’s classroom and school-sponsored activities for purposes of observing class procedures, teaching material and class conduct. Such access must not disrupt the classroom procedure or learning activities.

**Change #2)** Elementary or secondary schools includes public schools, nonprofit institutional day or residential schools and private schools;

**Change #3)** The student no longer receives special education services based upon a parent’s written revocation of services.

**Change #4)** Measurement of the student’s progress will be based on data.

Change #5) The district will establish a process for evaluating the effects of the use of aversive interventions, at least every three months during the school year

**Change #6)** Services to students in private schools ~~not subject to sectarian control or influence including private sectarian schools~~ may be provided on-site. District personnel may be made available to ~~nonsectarian~~ private schools only to the extent necessary to provide the services required, if those services are not normally provided by the private school. Services shall not include payment of ~~nonsectarian~~ private school teachers’ or other employees’ salaries, except for services performed outside regular private school hours and under public supervision and control.

Equipment and/or supplies may be placed on ~~nonsectarian~~ private school premises for the period of time necessary for the services plan program, but the district shall retain and exercise title and administrative control of said equipment/supplies. The district shall keep records and make an accounting assuring that said equipment/supplies is/are used solely for the services plan program. Said equipment/supplies shall be removed if necessary to avoid its/their use for other purposes or if

no longer needed for the services plan program. No district funds shall be used for repairs, minor remodeling or construction of private school facilities.

The district shall provide services to students in private schools ~~subject to sectarian control or influence~~ in a manner that: (1) maintains physical and administrative separation between the private and public school programs; and (2) does not benefit the private school at public expense

**Change #7) Revocation of Consent**

If a parent revokes consent after the district has provided special education and related services, the district will not amend the student's educational records to remove any reference to the student's receipt of special education and related services.

Upon receipt of the parent's written notice of revocation, the district:

- A. Will provide prior written notice before ceasing services;
- B. Stop providing special education and related services after the effective date contained in the district's prior written notice;
- C. Will not use mediation of the due process procedure to obtain agreement.

Discontinuation of special education and related services in response to the parent's written revocation will not be in violation of FAPE and eliminates the district's requirement to convene an IEP meeting or develop an IEP.

**Change #8) Transfer of Educational Rights to an Adult Student.** When a student eligible for special education reaches the age of 18, all educational rights under Part B of the IDEA, previously exercised by the parent, transfer to the student, unless the student is determined incapacitated in a guardianship proceeding **or the district has appointed an educational representative for the student.** When the student turns 18, the district will notify the parent and student that the educational rights have transferred to the student and will send any required notices to both the parent and the adult student. The special education department is responsible for providing the notice. At an IEP meeting occurring one year before the student turns 18, the district will inform the parents and the student that educational rights will transfer to the student and the district will inform the student about those educational rights. This information will be documented on the IEP

**Change #9) Appointment of an Educational Representative**

The district may determine that a student over the age of eighteen and not legally incapacitated is unable to provide informed consent or to make educational decisions and appoint an educational representative. This determination will only be made if two separate professionals state that they conducted an examination and interviewed the student, and concluded the student is incapable of providing informed consent. The district will inform the student of the decision and appoint: either the spouse, the student's parents, another adult or a surrogate educational representative to represent the student. **The appointment of the educational representative will continue for one year.**

The student or other adult may challenge the certification at any time. If a challenge occurs, the district will not rely on the education representative, until the representative is recertified.

**Change #10)** All employees will hold such credentials, certificates or permits as are now or hereafter required by the SBE for the particular position of employment and shall meet such supplemental standards established by the district. **The Wenatchee School District requires that all certificated staff hired to teach special education are endorsed by Washington state to teach special education and are highly qualified. Classified staff must meet the highly qualified standard if they are working in a school with a Title funded school-wide program.**

The board thanked Ms. Obergh for the update after getting some of their questions answered.

**4) Approval of School Improvement Plans**

Assistant Superintendent Jon DeJong presented the following memo along with the NC Tech Skills Center Special Education and Skill Source Learning Center Improvement Plans. He asked for approval from the board.

Informational Memo as follows:

The No Child Left Behind Act of 2001 (NCLB) requires "adequate yearly progress" (AYP) determinations in mathematics and reading for each public school in the state.

NCLB further requires that states establish a minimum subgroup size of students assessed to ensure that reliable AYP determinations are made. For the proficiency determinations, students must be continuously enrolled from October 1 through the assessment period. In accordance with NCLB, AYP determinations must be made in all schools, even if they have fewer than 30 students in the "all students" group. The state's AYP Accountability Plan reads: "Any school and district that would not be held accountable using the AYP definition (i.e., fewer than 30 students in the "all students" group) will be held accountable through the approval of their School Improvement Plan by the local school board and an annual review by OSPI to determine goal attainment. This requirement also applies to schools with no WASL tested populations.

Under this definition, OSPI has identified three additional "schools" in the Wenatchee School District that must submit board approved improvement plans in order to meet AYP. Those schools include the Wenatchee Valley Technical Skills Center, Skills Source, and the Special Education School. Students at WVTSC are either enrolled in a high school residing in a consortium school district or a GED program. If a student is enrolled in a high school, he/she takes the WASL at that high school and his/her results are included in that high school's overall results. GED students, such as those enrolled at Skill Source, do not take the WASL. The Special Education School is not an actual school, but is rather a temporary alternative placement that delivers special education services to IEP students with disciplinary problems that preclude them from attending a school for a time. Because of the unique nature of each of these programs, their improvement plans are more generic in nature and typically do not address WASL improvement. The plans focus on making needed improvements in the program that may include core academics, but the

improvement is not measured by the WASL. For these reasons, the improvement plans for each of these “schools” is distinctly different from our typical improvement plans (i.e. CIPP plans).

After a brief discussion with the board, Jeff Johnson answered questions about collaboration with the agencies/schools involved and Mr. DeJong explained that they are being submitted for school board approval this evening.

**MOTION MADE:** By Jesus Hernandez to approve the NC Tech Skills Center, Special Education and Skill Source Learning Center Improvement Plans as presented by Mr. DeJong.

**SECONDED & PASSED UNANIMOUSLY:** Seconded by Gary Callison and passed unanimously.

**VII. OLD BUSINESS:**

**1) Resolution # 01-10**

Chief Financial Officer Les Vandervort presented Resolution #01-10 – Small Works Roster and asked if there were any questions before approval. The board had two weeks to review the resolution before approving.

**WENATCHEE SCHOOL DISTRICT  
RESOLUTION #01-10 SMALL WORKS ROSTER**

A resolution of the Wenatchee School District establishing a “Small Works Roster”.

**WHEREAS,** RCW 28A.335.190 and RCW 39.04.155 require local governments to adopt a resolution authorizing the use of a small works roster for the awarding of contracts for public works; and

**WHEREAS,** House Bill 1196-2009-10, amending the RCW relating to small works rosters, was adopted by the Washington State Legislature and took effect April 5, 2009; and

**WHEREAS,** the Wenatchee School District #246 wishes to obtain a competitive price for all public works projects by utilizing a small works roster; and

**WHEREAS,** the Wenatchee School Board believes it is in the best interest of the Wenatchee School District #246 to establish such a roster;

**THEN,** the Wenatchee School District hereby authorizes the establishment of a small works roster to award public works contracts.

ADOPTED AT A REGULAR OPEN MEETING OF THE BOARD OF DIRECTORS HELD ON JANUARY 26, 2010.

**MOTION MADE:** By Jesus Hernandez to approve Resolution # 01-10 Small Works Roster as presented by Mr. Vandervort. **SECONDED & PASSED UNANIMOUSLY:** Seconded by Kevin Gilbert and passed unanimously.

**2) Board Policy No. 2410 High School Graduation Requirements revisions:** Assistant Superintendent Jon DeJong presented the revised policy No. 2410 to the board for approval, he gave a brief summary of the changes. After a few clarifying questions from the board Mr. DeJong asked for approval. Credits as outlined in policy:

<b><u>Class of 2009-2012</u></b>	<b><u>WHS</u></b>	<b><u>WSHS</u></b>	
English (reading, writing and communications)	3.5	4.0	credits
*Mathematics	2	2.5	credits
Science (physical, life and earth; one laboratory credit)	2.5	2.5	credits
Social Studies (civics, history and geography)	3	3	credits
Health and Fitness	2	2	credits
Arts	1	1	credit
Occupational Education	1.5	1	credits
Electives	<u>6.5</u>	<u>6</u>	<u>credits</u>
TOTAL	22	22	credits

<b><u>Class of 2013 &amp; Beyond</u></b>	<b><u>WHS</u></b>	<b><u>WSHS</u></b>	
English (reading, writing and communications)	3.5	4.0	credits
**Mathematics	3	3	credits
Science (physical, life and earth; one laboratory credit)	2.5	2.5	credits
Social Studies (civics, history and geography)	3	3	credits
Health and Fitness	2	2	credits
Arts	1	1	credit
Occupational Education	1.5	1	credits
Electives	<u>6.5</u>	<u>6</u>	<u>credits</u>
TOTAL	23	22.5	credits

**MOTION MADE:** By Kevin Gilbert to approve the Board Policy No. 2410 as presented by Mr. DeJong.  
**SECONDED & PASSED UNANIMOUSLY:** Seconded by Gary Callison and passed unanimously.

**3) Sunnyslope Parking Lot Lease Agreement:**

Superintendent Flonas presented the Sunnyslope Parking Lot Lease Agreement to the board for approval. He summarized the issues leading up to the decision to set up the lease agreement. The board asked some clarifying questions and Mr. Flonas asked for approval. He explained that it is a temporary fix but something needs to be done now until a more permanent solution can be decided on later.

**MOTION MADE:** By Laura Jaecks to approve the Sunnyslope Parking Lot Lease Agreement as presented by Mr. Flonas.

**SECONDED & PASSED UNANIMOUSLY:** Seconded by Jesus Hernandez and passed unanimously.

**IX. PRESIDENT’S REPORT:**

- Parent Advisory Meeting had a good turnout at WHS
- Laura Jaecks reported meetings with John Magnus about illness and with Jack Eidikas about apprenticeship program
- Dr. Newman reported that a civil engineer is looking at the exit problem at Newbery
- Facilities Committee is going ahead with a long range plan in Feb/March
- Mr. Gilbert reported that he was the Master of Ceremonies at the recent Jazz night and how wonderfully talented the students and musicians are, he felt proud and privileged to represent WSD.

**X. SUPERINTENDENT’S REPORT:**

- Reminder about WenEA calendar of meetings.
- Legislative Conference is coming up, everyone attending except Mr. Hernandez. 8 a.m. meeting on Sunday with legislators. Board Meeting following Tuesday, 2/09/10.
- Chamber of Commerce Leadership presentation by Ms. Jaecks and Dr. Newman.
- February 5<sup>th</sup> workshop changed to March 19<sup>th</sup> at CTC (8 am – 2 pm)
- Mariachi Calendar shared with flyer on festival, and invitation to the board
- Mr. Flonas shared the last several weeks of CIPP reviews with the board and about the excellent work the principals are doing. He shared Lincoln’s report with the board to see the PLC format.
- Schools share common goals, collaboration and commitment to get all students to reach standards. Board invited to visit schools to see the good work they are doing and the Continuous Improvement Plans at work.

**EXECUTIVE SESSION:** Open meeting adjourned into the executive session at 8:30 p.m., in accordance with board policy 1410 section A and RCW 42.30.110 to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price, and in accordance with board policy 6122 to review the performance of the superintendent. The school board will not be taking any action. The executive session is expected to last 45 minutes.

The meeting was reconvened in open session – 10:00 p.m.

**MEETING ADJOURNED:** President Dr. Walter Newman adjourned the meeting at 10:00 p.m.

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President

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Superintendent