



FINANCE/ENROLLMENT/ --- BUDGET UPDATES

Wenatchee School District No. 246
MEMORANDUM

To: Wenatchee School Board
Brian Fones, Superintendent

From: Larry Mayfield, Chief Financial Officer

Date: October 23, 2018

Re: Enrollment Reports for **October 2018**

The **October 2018** count of K-12 students is **7,676.64 full-time equivalents (FTE)**. Running Start enrollment is not included since Running Start is reported for the months of October through June.

Based on a two-year trend it appears average annual full-time equivalent enrollment (AAFTE) compared to budgeted enrollment will be:

- | | |
|---|---------------------------------------|
| a. Elementary Schools | greater than budget by 47 FTE |
| b. Middle School Schools | greater than budget by 13 FTE |
| c. Wenatchee High School | less than budget by (73) FTE |
| d. Westside High School | less than budget by (9) FTE |
| e. Valley Academy | less than budget by (10.5) FTE |
| f. Wenatchee Valley Tech Skills Center | less than budget by (28) FTE |
| g. Subtotal (excluding Run Start & Open Doors) | less than budget by (60.5) FTE |
| h. Running Start | greater than budget by 37 FTE |
| i. Open Doors/Reengagement | less than budget by 2 FTE |

Reduction in apportionment revenues is estimated to be **(\$306,000)** net of estimated Running Start and Open Doors budget surplus.

Running Start, Open Doors/Skill Source and Alternative Learning FTE are shown as separate line items for comparison to budget numbers on the original F-195 Budget.

Exhibit A - Monthly FTE Enrollments.

Exhibit B - Annual Average FTE enrollment, as reported to SPI, since 2006-07.

Exhibit C - FTE enrollment by school and by grade level for the current month and the same month in the prior year (2017-18).

Exhibit D - Graph #1 - Monthly Total Enrollment.

Exhibit E – Graph #2 – Monthly Total Enrollment – Excluded for October since graph did not align with projections included in Exhibit H. Will work on realigning for November.

Exhibit F – Graph #3 – FTE Enrollment by Building & Program.

Exhibit G – Elementary Classification Sheet.

Exhibit H – Official Count Day Enrollment by Grade Level, Building and Program. Budgeted enrollment and predictions are displayed as well.

WENATCHEE SCHOOL DISTRICT NO. 246

Monthly Average FTE Enrollment 2018-19 School Year

GRADE	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	AVERAGE	2018-19 BUDGET	AVG to BUD DIFFERENCE
1/2 Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	0	0.00
All-Day Kindergarten	486.48	497.95									492.22	498	(5.78)
FIRST	518.00	520.29									519.15	498	21.15
SECOND	558.36	558.36									558.36	541	17.36
THIRD	564.00	566.00									565.00	566	(1.00)
FOURTH	574.00	575.00									574.50	566	8.50
FIFTH	562.00	565.00									563.50	565	(1.50)
SIXTH	555.80	554.80									555.30	545	10.30
SEVENTH	589.48	591.48									590.48	578	12.48
EIGHTH	549.16	551.02									550.09	561	(10.91)
NINTH	588.65	591.07									589.86	595	(5.14)
TENTH	541.11	539.29									540.20	612	(71.80)
ELEVENTH	457.05	441.06									449.06	483	(33.95)
TWELFTH	501.56	459.08									480.32	444	36.32
Kindergarten	486.48	497.95	-	-	-	-	-	-	-	-	492.22	498	(5.78)
GRADES 1-5	2,776.36	2,784.65	-	-	-	-	-	-	-	-	2,780.51	2,736	44.51
GRADES 6-8	1,694.44	1,697.30	-	-	-	-	-	-	-	-	1,695.87	1,684	11.87
GRADES 9-12	2,088.37	2,030.50	-	-	-	-	-	-	-	-	2,059.44	2,134	(74.57)
K-12 Subtotal	7,045.65	7,010.40	-	-	-	-	-	-	-	-	7,028.03	7,052	(23.98)
Running Start	-	289.34									289.34	240	49.34
Open Doors	66.36	80.99									73.68	90	(16.33)
Alternative	229.89	295.91									262.90	290	(27.10)
TOTAL	7,341.90	7,676.64									7,653.94	7,672	(18.06)

Exhibit A

WENATCHEE SCHOOL DISTRICT NO. 246

Average Annual FTE Enrollment 2006-07 to Present

													Thru Oct
GRADE	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
KINDERGARTEN	325.23	256.86	116.96	122.84	112.17	133.51	116.35	76.00	80.90	20.80	-	-	-
ALL DAY KINDER		79.00	323.67	337.56	345.67	363.68	335.50	437.61	429.60	533.21	526.18	499.11	492.22
FIRST	583.11	639.86	591.49	571.00	587.64	542.76	617.63	575.55	620.01	596.50	572.57	544.35	519.15
SECOND	546.18	582.82	614.54	585.44	550.85	563.55	541.33	613.44	557.85	581.99	556.40	569.19	558.36
THIRD	577.61	517.25	576.33	618.96	588.12	545.74	549.19	566.04	606.64	547.60	566.76	561.23	565.00
FOURTH	522.99	574.31	529.02	569.18	614.14	576.66	536.59	546.98	571.30	593.90	541.37	565.31	574.50
FIFTH	486.97	531.43	578.29	536.22	560.76	607.33	573.57	544.19	560.36	539.50	589.77	541.00	563.50
SIXTH	620.13	510.27	559.34	622.04	549.62	590.30	649.06	589.00	543.32	554.94	544.35	581.06	555.30
SEVENTH	548.39	612.88	516.99	576.10	617.67	545.57	606.48	654.62	584.36	528.73	567.70	556.42	590.48
EIGHTH	554.19	539.08	613.53	539.12	574.79	625.61	552.01	620.59	644.19	584.41	522.79	564.69	550.09
NINTH	651.42	604.75	599.07	630.85	561.78	584.60	652.18	548.75	619.92	622.99	584.43	528.06	589.86
TENTH	620.21	596.66	569.28	548.37	611.61	545.59	570.70	620.98	553.04	599.52	613.12	576.93	540.20
ELEVENTH	524.59	569.84	527.16	591.15	593.50	625.30	562.71	568.94	573.12	536.48	497.09	516.07	449.06
TWELFTH	384.40	465.71	511.17	674.92	690.73	659.13	665.68	583.40	594.84	543.74	437.01	458.52	480.32
KINDERGARTEN	325.23	335.86	440.63	460.40	457.84	497.19	451.85	513.61	510.50	554.01	526.18	499.11	492.22
GRADES 1-5	2,716.86	2,845.67	2,889.67	2,880.80	2,901.51	2,836.04	2,818.31	2,846.20	2,916.16	2,859.49	2,826.87	2,781.08	2,780.51
GRADES 6-8	1,722.71	1,662.23	1,689.86	1,737.26	1,742.08	1,761.48	1,807.55	1,864.21	1,771.87	1,668.08	1,634.84	1,702.17	1,695.87
GRADES 9-12	2,180.62	2,236.96	2,206.68	2,445.29	2,457.62	2,414.62	2,451.27	2,322.07	2,340.92	2,302.73	2,131.65	2,079.58	2,059.44
Total K-12	6,945.42	7,080.72	7,226.84	7,523.75	7,559.05	7,509.33	7,528.98	7,546.09	7,539.45	7,384.31	7,119.54	7,061.93	7,028.03
Running Start	101.59	86.18	128.56	140.00	138.52	138.34	133.51	125.55	172.90	155.49	203.80	268.61	289.34
Skill Source/Open Door								89.23	89.98	101.14	90.41	86.20	73.68
Alternative										253.49	313.53	301.00	262.90
TOTAL	7,047.01	7,166.90	7,355.40	7,663.75	7,697.57	7,647.67	7,662.49	7,760.87	7,802.33	7,894.43	7,727.28	7,717.74	7,653.94
Percent Change		1.7%	2.6%	4.2%	0.4%	(0.6%)	0.2%	1.3%	0.5%	1.2%	(2.1%)	(0.1%)	(0.9%)

Exhibit B

WENATCHEE SCHOOL DISTRICT NO. 246

Current Month 2018-19 FTE Comparison to same month 2017-18

School	REF ONLY		REF ONLY		increase (decrease)	Grade	REF ONLY		REF ONLY		increase (decrease)	from 17-18 to 18-19
	Oct 2015	Oct 2016	Oct 2017	Oct 2018			Oct 2015	Oct 2016	Oct 2017	Oct 2018		
Columbia	463	445	436	394	(43)	1/2 Day K	22				0	
Lewis & Clark	463	485	479	469	(10)	ADK	527	521	505	498	(7)	
Lincoln	522	501	521	521	0	1	602	576	546	520	(26)	
Mission View	524	540	506	540	34	2	584	560	570	558	(12)	
Newbery	540	518	477	479	2	3	548	569	555	566	11	
Sunnyslope	293	301	306	318	12	4	596	539	569	575	6	
Washington	620	572	559	562	3	5	546	597	540	565	25	
Elementary	3,425	3,361	3,284	3,283	(1)		3,425	3,361	3,284	3,283	(1)	
Foothills	624	586	604	586	(18)	6	558	545	578	555	(23)	
Orchard	393	431	494	490	(4)	7	529	574	560	591	32	
Pioneer	657	634	604	622	18	8	587	532	564	551	(13)	
Middle Schools	1,673	1,651	1,702	1,697	(5)		1,673	1,651	1,702	1,697	(5)	
WHS	2,034	1,850	1,777	1,751	(26)	9	633	589	531	591	60	
WSHS	233	283	261	254	(6)	10	615	614	581	539	(42)	
High Schools	2,267	2,133	2,037	2,005	(33)	11	551	505	528	441	(87)	
						12	586	459	478	459	(19)	
Skill Source	7	2	4	0	(3)		2,385	2,167	2,119	2,031	(89)	
Skill Source/Open Door	96	82	82	73	(9)							
Open Doors/Grad Alliance	0	2	1	8	7	Total Regular	7,484	7,179	7,105	7,010	(95)	
Valley Academy	156	169	184	170	(15)							
WV.Tech.Ctr.	202	189	198	152	(46)							
Other Enrollment	461	444	469	403	(66)							
Subtotal Enrollment	7,827	7,589	7,492	7,387	(105)	ALE	247	326	304	296	(8)	
Running Start	159	218	280	289	10	Open Door	96	84	83	81	(2)	
Total Enrollment	7,985	7,807	7,772	7,677	(95)	Running Start	159	218	280	289	10	
Juvenile Detention Center	10	13	6	6	0							
Special Ed	887	876	887	942	55							

Exhibit C

Full Time Equivalent (FTE) Enrollment 18-19

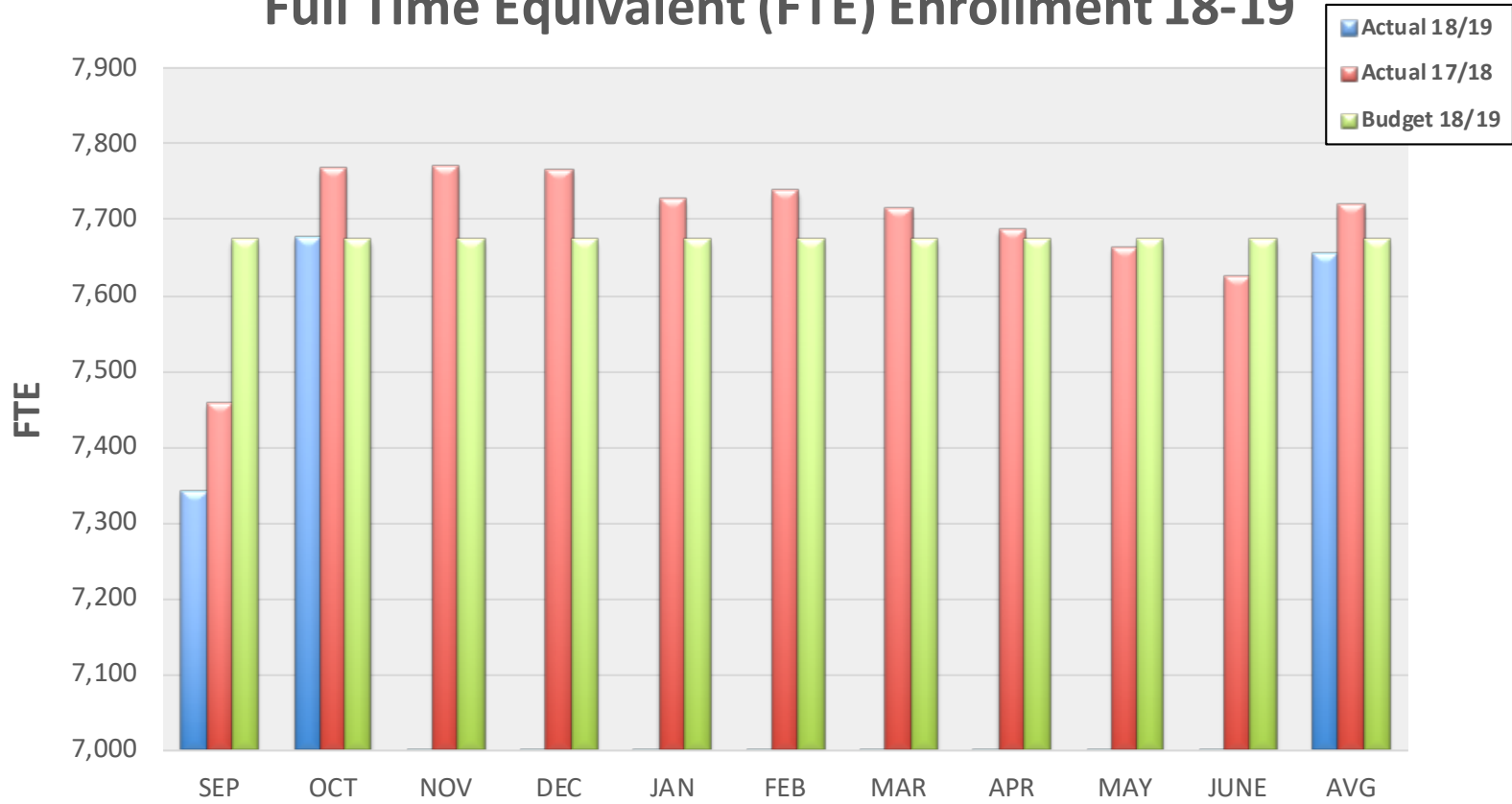
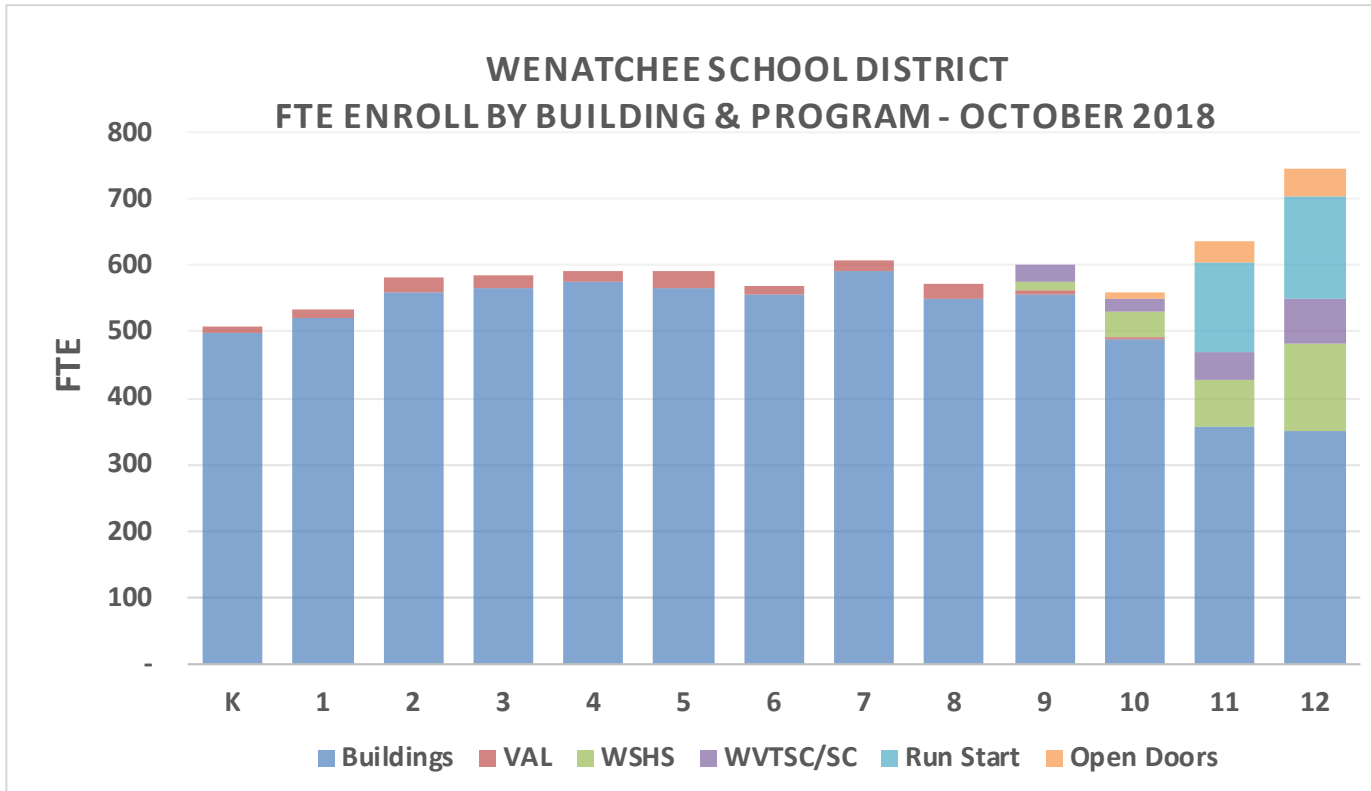


Exhibit D



	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Buildings	497.95	520.29	558.36	566.00	575.00	565.00	554.80	591.48	551.02	554.70	490.00	355.82	350.06	6,730.48
VAL	9.00	14.00	22.96	19.46	16.50	25.71	14.85	15.09	21.12	8.00	3.00			169.69
WSHS										13.42	37.58	70.64	132.54	254.18
WVTSC/SC										23.92	17.89	42.60	67.55	151.96
Run Start												135.88	153.46	289.34
Open Doors										-	10.00	30.63	40.36	80.99
	506.95	534.29	581.32	585.46	591.50	590.71	569.65	606.57	572.14	600.04	558.47	635.57	743.97	7,676.64

VAL = Valley Accademy of Learning
 WSHS = Westside High School
 WVTSC = Wenatchee Valley Technical Skill Center

Exhibit F

Elementary Classification Sheet

	24		24		25		25		27		27		Ave			
	KINDER		GRADE 1		GRADE 2		GRADE 3		GRADE 4		GRADE 5		Class	Tchrs	SpEd	
	#		#		#		#		#		#		Size			
Columbia	Ryan-Kelzenberg (Shel)	18	Ells, Joe	21	Bentsen, Carolyn B	21	Armen, Moira	16	Avila, Dahlia	23	Cline, Gretchen	24				
	Wiggins, Cameron	19	McCarl, Megan	21	Card-Roley, Laurie	19	Heffron, Rebecca	17	Haug, Alison	17	Hill, Courtney	23	FTE			
	Young, Ann	18	Weaver, Katie	19	Vanatta	19	Kniveton, Jenifer	17	Hetterle, Rachel	20	Honeycutt, Tamara	22	393.60			
	Speech	1					Searles, Rachel	17	Smith, Lynette	21			Head			
		56		61		59		67		83		69	395	19.70	20	1
Lewis & Clark	Jarvis, Oliva B	19	Jagla, Angelita	19	Alvarez, Itzia B	22	Black, Maria B	21	Malloy, Juanita B	18	Brandt, Theresa	24	FTE			
	Limon, Donna	18	Navarro, Nancy B	20	Collins, Alanna	21	De La Mora B	22	Pulse, Fonda	19	Ross, Melodie	25	468.78			
	Rumley-Wells, Kim	17	Solis, Adelita B	20	Lopez, Daniz B	21	Nunez, Ginger	21	Roberts, Teresa	19	Sanchez, Juan B	25	Head			
	Yanez, Carmen B	17	West, Marie	19	Martinez, Eva	21	Rudell, Laura	22	Zavala, Hugo B	19			469	20.39	23	
		71		78		85		86		75		74				
Lincoln	Charles, Katie	20	Blankenship, Marea E	19	Guerrero, Marta	24	Heinz, Teresa	22	Gaytley, Todd	22	Bullis, Jake	22	FTE			
	Clive, Cassandra	20	Hurt, Allison (Shelt'c	21	Rodriguez, C Shelt'd	18	Mason, Kristina B	23	Mahler, Cynthia	23	Ferson, Darrin	21	521.20			
	Gonzalez, Rocio B	17	Pattison, Lisa	18	Schmidt, Sandra	22	Nelson, Tessa	23	Parr, Kevin Shelt'd	23	Nicpan-Brown, Tina	22	Head			
	Smith, Candy (Shelt'd)	17	Rodriguez, Melody	20	Vath, Danielle	22	Williams,Dianna B	23	Rang, Kadie	24	Williams, Jeffrey B	21				
	SpEd McFarland	1	SpEd McFarland	2	SpEd McFarland	2	SpEd McFarland	3	SpEd McFarland		SpEd McFarland	0				
	SpEd Noble	2	SpEd Noble	4	SpEd Noble	1	SpEd Noble		SpEd Noble		SpEd Noble	1	Head			
		77		84		89		94		92		87	523	21.13	24	16
Mission View	Hepton, Tiffany	18	Berdine, Mary	21	Avila, Armando	26	Brown, Sarah	26	Avila, Mario B	27	Pass, Scott B	25	FTE			
	Martinez, Lupe	19	Chang Marr, Maria B	19	Christensen, Jen	26	Chavez, Gabriela B	24	Downey, Coni	26	Phelps, Theresa	26	540.00			
	Mendoza, Liliana	19	Montalvo, Patricia	22	Vander, Holly	26	Martinez, Brandy	26	Lewis, Lisa	25	Wirth, Debra	24	Head			
	Orozco Blanco, Eliza B	16	O'Banion, Heidi	23	Zavala, Guadalupe B	26	Savage, Tamara	26	Moon, Robyn	24			540	23.48	23	
	Ingram, Cathy	72		85		104		102		102		75				
Newbery	Wright, Carrie	1	Wright, Carrie	3	Wright, Carrie	2	Dickson, Kimberly	20	Peterson, Tracy	25	Brooks, Ingrid	25	FTE			
	Fischer, Leticia	16	Arneson, Imelda B	14	Gousie, Gabrielle	20	Gutierrez-Zamora B	20	Schott, Robert B	24	Kniveton, Kyle B	24	479.00			
	Valdovinos, Cari	19	Garza, Ashley	19	Morrell, Blake	20	Kansky, Ana	18	Stubbe, Stephanie	23	London, Flora	25	Head			
	Vivanco, Matilde B	24	McLaughlin, Lori	19	Page, Brooke B	15	Keene, Stephanie	20			Preuss, J. Austin	25				
	Wise, Jill	19	Woolsey, Tami	18	Riggan, Brooke	18	Wright, Carrie		Wright, Carrie		Wright, Carrie	3	Head			
		79		73		75		78		72		102	479	20.70	23	3
Sunnyslope	Holland, Courtney	20	Anspach, Julie	26	Gale, C	26	Dalbeck, Abby	24	Baier, Erika	23	Lammert, Amy	30	FTE			
	LeFebvre, S	20	Springer, M	27	Howard, Jeri	26	Martin, Peggy	23	Weber, K	24	Morgan, T	29	318.00			
	Steitz, Lisa	20											Head			
		60		53		52		47		47		59	318	24.46	13	
Washington	Arredondo, Zuly	21	Hannah, Betsy	22	Anguiano, Stephanie	23	Bucholz, Heidi	22	Gillespie, Terry	25	Christensen, Monika	25	FTE			
	Connor, Michelle	20	Oltman, Erin	22	Clayson, Wendi	25	McGinnis, Lance	22	Parr, Maia	26	Roche, Laura	25	562.02			
	Reiber, Erin	21	Porter, Leandra	21	Huson, Lynda	24	Reinfeld, Jill	23	Smeller, Sarah	26	Sutton, Jana	24	Head			
	Rolfs, Kristi	21	Wilkins, Renee	22	Lake, Caroline	23	Williams, David	23	Smith, Jodee	26	Walsh, Tracy	24				
	SpEd Poirier, Emile	2	SpEd Poirier, Emile		SpEd Konshuk, Ladonna		SpEd Poirier, Emile	2	SpEd Poirier, Emile	1	SpEd Poirier, Emile	1	Head			
		1			SpEd Poirier, Emile								563	23.17	24	7
		86		87		95		92		104		99				
TOTAL FTE		497.95		520.29		558.36		566.00		575.00		565.00	3282.60			
TOTAL Head Count		501		521		559		566		575		565	3287			
Special Ed Count		8		9		5		5		1		5				
Average Class size		18.96		20.48		22.16		21.58		22.96		24.35				
# of BEA Teachers/Classes		26		25		25		26		25		23	150			

B = Bilingual
D = Dual Language

October 1, 2018

Enrollment by Grade Level, Building & Program

Official Count Day

	K	FTE	1	FTE	2	FTE	3	FTE	4	FTE	5	FTE	Head Total	FTE Total	Budget	Over (Under)	Prediction	Affect on Apport.			
Columbia	56	55.02	61	61.00	59	58.58	67	67.00	83	83.00	69	69.00	395	393.60							
Lewis & Clark	71	71.00	78	78.00	85	84.78	86	86.00	75	75.00	74	74.00	469	468.78							
Lincoln	77	75.91	84	83.29	89	89.00	94	94.00	92	92.00	87	87.00	523	521.20							
Mission View	72	72.00	85	85.00	104	104.00	102	102.00	102	102.00	75	75.00	540	540.00							
Newbery	79	79.00	73	73.00	75	75.00	78	78.00	72	72.00	102	102.00	479	479.00							
Sunnyslope	60	60.00	53	53.00	52	52.00	47	47.00	47	47.00	59	59.00	318	318.00							
Washington	86	85.02	87	87.00	95	95.00	92	92.00	104	104.00	99	99.00	563	562.02							
Total	501	497.95	521	520.29	559	558.36	566	566.00	575	575.00	565	565.00	3287	3,282.60	3,234.00	48.60		47.00			
Foothills	194	193.54	200	199.82	194	192.30							588	585.66							
Orchard	160	159.11	181	181.45	149	149.00							490	489.56							
Pioneer	202	202.15	210	210.21	210	209.72							622	622.08							
Total	556	554.80	591	591.48	553	551.02							1700	1,697.30	1,684.00	13.30		13.00			
WHS	576	554.70	506	490.00	432	355.82	428	350.06					1942	1,750.58	1,800.00	(49.42)	(73.00)				
WSHS	14	13.42	38	37.58	75	70.64	140	132.54					267	254.18	262.00	(7.82)	(9.50)				
Total	590	568.12	544	527.58	507	426.46	568	482.60					2209	2,004.76	2,062.00	(57.24)					
Skillsource	1	0.43	0.00	0.00	0	0.00	0	0.00					1	0.43	0.00	0.43		0.45			
Valley Academy	18	9.00	14	14.00	23	22.96	20	19.46	17	16.50	26	25.71	118	107.63	120.00	(12.37)					
	15	14.85	16	15.09	21	21.12							52	51.06	37.00	14.06					
	8	8.00	3	3.00									11	11.00	15.00	(4.00)					
Total	181	169.69	172.00	(2.31)									181	169.69	172.00	(2.31)		(10.50)			
Special Ed-Bldg 511	0	0.00	0	0.00	0	0.00	0	0.00					0	0.00	0.00	0.00		0.00			
WVTSC	0	23.49	0	17.89	35	42.60	58	67.55					93	151.53	190.00	(38.47)	(28.00)				
Running Start	1st Count in October												311	289.34	240.00	49.34		37.00			
Open Doors - Skillsource	0	0.00	9	9.00	31	30.63	34	33.36					74	72.99	90.00	(17.01)					
Open Doors - Grad Alliance	0	0.00	1	1.00	0	0.00	7	7.00					8	8.00	0.00	8.00					
Total	0	0.00	10	10.00	31	30.63	41	40.36					82	80.99	90.00	(9.01)		2.00			
Total FTE													7,676.64	7,672.00	4.64	(21.55)					
Juvenile Detention Center													4	4.00	0.00						
Special Education	Age	FTE	Age	FTE	Age	FTE													48.00	0-2	0.50
	0-2	55.00	3-5	76.00	K-21	811.00													69.00	3-5	24.50
													942	942.00	800.00	K-21	35.50				

Exhibit H



Date: October 23, 2018
To: Board of Directors
From: Brian Flonas, Superintendent
Larry Mayfield, Executive Director of Business and Finance
Re: Administrative Recommendation Regarding Alterations to Expenditures from State Financing Assistance

INTRODUCTION

Recognizing that educational needs and conditions can change, the Washington Legislature has provided a mechanism for school districts to alter specific voter-approved expenditures from bond proceeds and State of Washington financing assistance.¹

Wenatchee School District No. 246, Chelan County, Washington (the “District”) currently has excess State financing assistance received in connection with the District’s 2014 voter-approved capital improvements. For the reasons set forth below, this memorandum recommends that it is in the best interests of the District and its students and residents for the Board of Directors to exercise its discretion to alter the specific voter-approved expenditures from the State financing assistance to permit the District to: (a) make District-wide security and safety upgrades and improvements; (b) provide new classroom additions; and (c) make health, energy efficiency and infrastructure upgrades and improvements, all after complying with the requirements of RCW 28A.530.020(2).

DISCUSSION

1. Authority to Alter Expenditures; Public Hearing Requirement

Washington law authorizes school districts to alter the expenditures to be funded by bond proceeds and State financing assistance. The applicable provision is commonly referred to as the alteration of expenditures statute, which provides:

If the school board subsequently determines that state or local circumstances should cause any alteration to the specific expenditures from the debt financing [i.e., bond proceeds] or of the state assistance, the board shall first conduct a

¹ RCW 28A.530.020(2). The phrase “State of Washington financing assistance” (commonly known as “State match”) refers to state assistance to school districts in providing school facilities under chapter 28A.525 RCW.

public hearing to consider those circumstances and to receive public testimony. If the board then determines that any such alterations are in the best interests of the district, it may adopt a new resolution or amend the original resolution at a public meeting held subsequent to the meeting at which public testimony was received.

RCW 28A.530.020(2).

The alteration of expenditures statute provides a two-step process.

The *first step* requires the school board to hold a public hearing to consider the facts and circumstances that require the alteration of expenditures. The purpose of the hearing is to provide the public an opportunity to present information and opinions to the board regarding the proposed alterations. But the alteration of expenditures statute does not allow the school board to approve alterations at the meeting in which it held the public hearing.

The *second step* therefore requires the school board to consider approving the alterations at a second public meeting (usually at the next regularly scheduled board meeting). If the school board determines the alterations are in the best interests of the district, it will adopt a new resolution to amend the initial election resolution that placed the specific capital projects before the voters (*i.e.*, in the form of a bond measure).

2. Voter Approval and State Financing Assistance

(a) Voter Approval of Bonds. On October 10, 2013, the Board adopted Resolution No. 07-13 (“Resolution No. 07-13”), providing for the submission to the District’s voters at a special election on February 11, 2014, of a ballot proposition authorizing the District to issue its general obligation bonds in the principal amount of no more than \$66,500,000 (the “Bonds”) to pay costs to “remodel and expand Lincoln Elementary School, construct and equip a new Washington Elementary School, remodel Special Education/Early Childhood Learning Center, make safety improvements and remodel gymnasium at Pioneer Middle School and make safety improvements at Mission View Elementary School” (collectively referred to herein as the “Projects”). Resolution No. 07-13, which was incorporated by reference in the ballot proposition, further defined the Projects in Section 2.

(b) Bonds Approved and Issued. At the February 11, 2014 special election, the District’s voters approved the Bonds. Pursuant to this authorization, the District issued the Bonds.

(c) Authorized Use of State Financing Assistance. Section 7 of Resolution No. 07-13 provides that the District may receive money from the State of Washington as state financing assistance under chapter 28A.525 RCW with respect to the Projects (the “State Financing Assistance”). The State Financing Assistance must be used, when and in such amounts as it may become available, to carry out and accomplish the Projects. Section 7 further provided that if the State Financing Assistance is more than sufficient to carry out and accomplish the Projects, the District may use such excess State Financing Assistance to, among other things, make other capital improvements to the District’s facilities, all as the Board may determine by resolution after holding a public hearing thereon pursuant to RCW 28A.530.020.

(d) Alteration of Expenditures from State Financing Assistance. Section 8 of Resolution No. 07-13 also provided: “If the Board shall subsequently determine that state or local circumstances, including, but not limited to, changed conditions or needs, regulatory considerations or incompatible development, should cause any alteration to the Projects, the District shall not be required to accomplish the Projects and may apply the State Financing Assistance (or any portion thereof) to: (a) other portions of the Projects; (b) acquire, construct, install, equip and make other capital improvements to the District’s facilities; or (c) retire and/or defease a portion of the Bonds or other outstanding bonds of the District, all as the Board may determine by resolution after holding a public hearing thereon pursuant to RCW 28A.530.020.”

(e) Prior Alteration of Expenditures from State Financing Assistance. Due to lower than expected construction costs, the District had State Financing Assistance available for other District capital improvements (“Excess State Financing Assistance”). On July 28, 2015, the Board adopted Resolution No. 20-15 (“Resolution No. 20-15”). Resolution No. 20-15 altered the specific expenditures from the State Financing Assistance to permit the District to use the Excess State Financing Assistance to carry out and accomplish a portion of the District’s next phase of capital projects (the “Phase II Projects”), including, but not limited to, the feasibility analysis and design of the Phase II Projects not originally included in the Projects (the “2015 Alterations”). Resolution No. 20-15 also amended the Resolution No. 07-13 to incorporate the 2015 Alterations into the Projects. References below to the Projects therefore include the 2015 Alterations.

3. Alteration of Expenditures

(a) State and Local Circumstances. Since the adoption of Resolution No. 07-13, the 2014 Election, and the adoption of Resolution No. 20-15, the following state and local circumstances have occurred related to the specific expenditures from State Financing Assistance and Excess State Financing Assistance for the Projects (collectively, the “State and Local Circumstances”):

(i) The District has Excess State Financing Assistance available to pay costs of other capital improvements to the District’s facilities (“Additional Excess State Financing Assistance”); and

(ii) Due to increasing safety and security concerns and deteriorating and educationally outdated infrastructure, there is an immediate need to (a) make District-wide security and safety upgrades and improvements; (b) provide new classroom additions; and (c) make health, energy efficiency and infrastructure upgrades and improvements.

(b) Additional Alterations Warranted. In view of State and Local Circumstances, District Administration recommends that the Board, after satisfying the public hearing requirements contained in RCW 28A.530.020, take the following actions:

(i) *Alter* the specific expenditures from Excess State Financing Assistance for the Projects, all as originally authorized by Resolution No. 07-13, as amended by Resolution No. 20-15, to permit the District to use the Additional Excess State Financing Assistance to pay costs to: (A) make District-wide safety and security improvements, all as determined necessary and advisable by the Board; (B) provide new classroom additions (including, but not limited to,

purchasing, constructing, installing and renovating portable or permanent classroom additions) at schools to be determined by the Board, all as determined necessary and advisable by the Board; and (C) make District-wide health, energy efficiency and infrastructure improvements, all as determined necessary and advisable by the Board (collectively, the “Additional Alterations”); and

(ii) *Adopt a new resolution or amend* Resolution No. 07-13 and Resolution No. 20-15 to reflect the Additional Alterations; provided that, the District may still use the Additional Excess State Financing Assistance as originally authorized by Resolution No. 07-13 and Resolution No. 20-15.

(c) Additional Findings. District Administration further believes that the Additional Alterations will, among other things: (i) address urgent and necessary improvements to school facilities; (ii) improve the quality of the educational programs offered by the District; (iii) achieve efficiency in the construction, maintenance and operation of District facilities; and (iv) promote the best interest of the District and its students and residents. If the Additional Alterations are made, the District may still use Bond proceeds and the proceeds from the Additional Excess State Financing Assistance as originally authorized by Resolution No. 07-13 and Resolution No. 20-15

Thank you for your consideration.

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

RESOLUTION NO. 12-18

A RESOLUTION of the Board of Directors of Wenatchee School District No. 246, Chelan County, Washington, setting the time and place for a public hearing to be held on November 13, 2018, to consider whether state or local circumstances should cause alterations to the specific expenditures from the District's State of Washington financing assistance originally authorized in Resolution No. 07-13, as amended by Resolution 20-15, and to receive public testimony; directing that notice be given of the public hearing; and providing for related matters.

ADOPTED: OCTOBER 23, 2018

This document prepared by:

*FOSTER PEPPER PLLC
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Spokane, Washington 99201
(509) 777-1602*

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

RESOLUTION NO. 12-18

A RESOLUTION of the Board of Directors of Wenatchee School District No. 246, Chelan County, Washington, setting the time and place for a public hearing to be held on November 13, 2018, to consider whether state or local circumstances should cause alterations to the specific expenditures from the District's State of Washington financing assistance originally authorized in Resolution No. 07-13, as amended by Resolution 20-15, and to receive public testimony; directing that notice be given of the public hearing; and providing for related matters.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WENATCHEE SCHOOL DISTRICT NO. 246, CHELAN COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Directors (the "Board") of Wenatchee School District No. 246, Chelan County, Washington (the "District") takes note of the following facts and makes the following findings and determinations:

(a) On October 10, 2013, the Board adopted Resolution No. 07-13 ("Resolution No. 07-13"), providing for the submission to the District's voters at a special election on February 11, 2014, of a ballot proposition authorizing the District to issue its general obligation bonds in the principal amount of no more than \$66,500,000 (the "Bonds") to pay costs to "remodel and expand Lincoln Elementary School, construct and equip a new Washington Elementary School, remodel Special Education/Early Childhood Learning Center, make safety improvements and remodel gymnasium at Pioneer Middle School and make safety improvements at Mission View Elementary School" (collectively referred to herein as the "Projects"). Resolution No. 07-13, which was incorporated by reference in the ballot proposition, further defined the Projects in Section 2.

(b) At the February 11, 2014 special election, the District's voters approved the Bonds. Pursuant to this authorization, the District issued the Bonds.

(c) Section 7 of Resolution No. 07-13 provides that the District may receive money from the State of Washington as state financing assistance under chapter 28A.525 RCW with respect to the Projects (the "State Financing Assistance"). The State Financing Assistance must be used, when and in such amounts as it may become available, to carry out and accomplish the Projects. Section 7 further provided that if the State Financing Assistance is more than sufficient to carry out and accomplish the Projects, the District may use such excess State Financing Assistance to, among other things, make other capital improvements to the District's facilities, all as the Board may determine by resolution after holding a public hearing thereon pursuant to RCW 28A.530.020.

(d) Section 8 of Resolution No. 07-13 also provided: "If the Board shall subsequently determine that state or local circumstances, including, but not limited to, changed conditions or needs, regulatory considerations or incompatible development, should cause any alteration to the Projects, the District shall not be required to accomplish the Projects and may apply the Bond Proceeds or State Financing Assistance (or any portion thereof) to: (a) other portions of the Projects; (b) acquire, construct, install, equip and make other capital improvements to the District's facilities; or (c) retire

and/or defease a portion of the Bonds or other outstanding bonds of the District, all as the Board may determine by resolution after holding a public hearing thereon pursuant to RCW 28A.530.020.”

(e) RCW 28A.530.020(2) provides that “[i]f the school board subsequently determines that state or local circumstances should cause any alteration to the specific expenditures from the debt financing or of the state assistance, the Board shall first conduct a public hearing to consider those circumstances and to receive public testimony. If the board then determines that any such alterations are in the best interests of the district, it may adopt a new resolution or amend the original resolution at a public meeting held subsequent to the meeting at which public testimony was received.”

(f) Due to lower than expected construction costs, the District had State Financing Assistance available for other District capital improvements (“Excess State Financing Assistance”). On July 28, 2015, the Board adopted Resolution No. 20-15 (“Resolution No. 20-15”). Resolution No. 20-15 altered the specific expenditures from the State Financing Assistance to permit the District to use the Excess State Financing Assistance to carry out and accomplish a portion of the District’s next phase of capital projects (the “Phase II Projects”), including, but not limited to, the feasibility analysis and design of the Phase II Projects not originally included in the Projects (the “2015 Alterations”). Resolution No. 20-15 also amended the Resolution No. 07-13 to incorporate the 2015 Alterations into the Projects. References below to the Projects therefore include the 2015 Alterations.

(g) Based on review and analysis, District Administration has provided a recommendation to the Board as to whether state and local circumstances should cause alterations to the specific expenditures from the District’s Excess State Financing Assistance, which is on file with the District and incorporated by this reference (the “Recommendation”).

(h) Since the adoption of Resolution No. 07-13, the 2014 Election, and the adoption of Resolution No. 20-15, the following state and local circumstances have occurred related to the specific expenditures from State Financing Assistance and Excess State Financing Assistance for the Projects (collectively, the “State and Local Circumstances”):

(i) The District has Excess State Financing Assistance available to pay costs of other capital improvements to the District’s facilities (“Additional Excess State Financing Assistance”); and

(ii) Due to increasing safety and security concerns and deteriorating and educationally outdated infrastructure, there is an immediate need to (a) make District-wide security and safety upgrades and improvements; (b) provide new classroom additions; and (c) make health, energy efficiency and infrastructure upgrades and improvements.

(n) In view of the foregoing and after research and analysis, the Recommendation proposes, after satisfaction of the public hearing requirements contained in Resolution No. 07-13 and RCW 28A.530.020, that the District (i) *Alter* the specific expenditures from Excess State Financing Assistance for the Projects, all as originally authorized by Resolution No. 07-13, as amended by Resolution No. 20-15, to permit the District to use Additional Excess State Financing Assistance to pay costs to: (A) make District-wide safety and security improvements, all as determined necessary and advisable by the Board; (B) provide new classroom additions (including, but not limited to,

purchasing, constructing, installing and renovating portable or permanent classroom additions), at schools to be determined by the Board, all as determined necessary and advisable by the Board; and (C) make District-wide health, energy efficiency and infrastructure improvements, all as determined necessary and advisable by the Board (collectively, the “Additional Alterations”); and (ii) *Adopt a new resolution or amend* Resolution No. 07-13 and Resolution No. 20-15, to reflect the Additional Alterations; provided that, the District may still use the Additional Excess State Financing Assistance as originally authorized by Resolution No. 07-13 and Resolution No. 20-15.

Section 2. Public Hearing. Pursuant to Resolution No. 07-13 and RCW 28A.530.020(2), the Board shall conduct a public hearing on November 13, 2018, starting at 6:00 P.M., in the Boardroom located in the District’s Administrative Office, 235 Sunset Avenue, Wenatchee, Washington, to: (a) consider whether the State and Local Circumstances should cause the District to carry out the Additional Alterations; and (b) receive public testimony.

Section 3. Subsequent Public Meeting to Consider the Additional Alterations. If the Board determines that the Additional Alterations are in the best interests of the District, taking into account the State and Local Circumstances and public testimony presented at the public hearing, the Board may, at a public meeting held subsequent to the public hearing, adopt a new resolution or amend Resolution No. 07-13 and Resolution No. 20-15 to approve and order the Additional Alterations. Among the objectives of the Board in making its decision will be: (a) addressing urgent and necessary improvements to school facilities; (b) improving the quality of the educational programs offered by the District; (c) achieving efficiency in the construction, maintenance and operation of District facilities; (d) promoting the best interest of the District, its students and the community; and (e) such other criteria as the Board may determine appropriate.

Section 4. Notice of Public Hearing. Notice of the public hearing shall be given by publication in a newspaper of general circulation within the District, as soon as practicable after adoption of this resolution. In addition, any local radio or television stations, other newspapers of general circulation that have a written request to be notified of special meetings shall also be given such notice. The notice shall also be posted on the District’s website. Further, such notice shall be posted in locations throughout the District, if the District has a practice of posting such notices. The published, posted, mailed or otherwise distributed notices shall be in substantially the form attached hereto as Exhibit “A,” which is incorporated by this reference.

Section 5. General Authorization and Ratification. The Secretary, the President of the Board, the District’s Executive Director of Business and Finance, and other appropriate officers of the District and the District’s special counsel, Foster Pepper PLLC, are further severally authorized to take all other actions and execute all other documents necessary to effectuate the provisions of this resolution, and all prior actions taken in furtherance of and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

Section 6. Effective Date. This resolution takes effect from and after its adoption.

[Remainder of page intentionally left blank; signature page follows]

ADOPTED by the Board of Directors of Wenatchee School District No. 246, Chelan County, Washington, at a regular open public meeting held this 23rd day of October, 2018, the following Directors being present and voting in favor of the resolution.

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

President and Director

Vice President and Director

Director

Director

Director

ATTEST:

BRIAN L. FLONES
Secretary to the Board of Directors

EXHIBIT "A"

FORM OF NOTICE OF PUBLIC HEARING

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

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, pursuant to Resolution No. 12-18, that the Board of Directors (the "Board") of Wenatchee School District No. 246, Chelan County, Washington (the "District") will hold a public hearing on November 13, 2018, at 6:00 P.M., or as soon thereafter as possible, in the Boardroom located in the District's Administrative Office, 235 Sunset Avenue, Wenatchee, Washington. The purpose of the public hearing is to: (a) consider whether certain state and local circumstances should cause alterations to the specific expenditures from the State of Washington financing assistance originally authorized in Resolution No. 07-13, as amended by Resolution No. 20-15; and (b) receive public testimony. If the Board determines that the alterations are in the best interests of the District, the Board may, at a future public meeting, adopt a new resolution or amend Resolution No. 07-13 and Resolution No. 20-15 approving the alterations.

All residents of the District wishing to be heard should appear at the public hearing and present their views. Alternatively, or in addition, such interested residents may submit their views in writing and deliver them to: Larry Mayfield, Executive Director of Business and Finance, 235 Sunset Avenue, Wenatchee, Washington 98801, on or before the date of the public hearing. Copies of Resolution No. 12-18, which set the time and place for the public hearing will be posted on the District's website at <http://home.wsd.wednet.edu> or may be obtained by contacting Larry Mayfield, at (509) 663-8161.

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

/s/ Brian L. Flonas
Superintendent and Secretary to the
Board of Directors

CERTIFICATION

I, BRIAN L. FLONES, Secretary to the Board of Directors (the “Board”) of Wenatchee School District No. 246, Chelan County, Washington (the “District”), hereby certify as follows:

1. The foregoing Resolution No. 12-18 (the “Resolution“) is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board held at its regular meeting place on October 23, 2018, as that Resolution appears on the minute book of the District, and the Resolution is now in full force and effect; and

2. A quorum of the members of the Board was present throughout the meeting and a sufficient number of members of the Board present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of October, 2018.

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

BRIAN L. FLONES
Secretary to the Board of Directors