

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 2024-04

A resolution of the Board of Commissioners (the “Board”) of Public Hospital District No. 2, Snohomish County, Washington (the “District”), **approving and adopting the District’s budget and regular property tax levy for calendar year 2025 and approving the limit factor for the District’s regular property tax levy in calendar year 2025.**

WHEREAS, RCW **70.44.060** requires the Superintendent of the District (the “Superintendent”) to prepare a proposed budget of the contemplated financial transactions of the District for the ensuing year and to file the budget in the records of the Board on or before the first day in November; and

WHEREAS, RCW 70.44.060 further requires the District to publish public notice of the proposed budget and the date and place of a hearing on the budget, which is required to be held on or before the fifteenth day of November, for two consecutive weeks in a newspaper printed and of general circulation in Snohomish County; and

WHEREAS, in compliance with the requirements of RCW 70.44.060, the Superintendent has prepared, filed and provided notice of the District’s proposed 2025 budget, which proposed budget is attached hereto as **Exhibit A (the “2025 Legal Budget”)**; and

WHEREAS, the Board held a public hearing on the 2025 Legal Budget on October 16, 2024, in compliance with the requirements of RCW 70.44.060 and RCW 84.55.120; and

WHEREAS, RCW 84.55.010 and RCW 84.55.092 provide that the levy for a taxing district in any year must be set so that the regular property taxes payable in the following year do not exceed the “limit factor” multiplied by the amount of regular property taxes lawfully levied for such district in the highest of the three most recent years in which such taxes were levied for such district, or the highest amount that could have been levied in any year since 1985, plus an additional dollar amount calculated by multiplying the regular property tax levy rate of that district for the preceding year by the increase in assessed value in that district resulting from: (i) new construction; (ii) increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere; (iii) improvements to property; and (iv) any increase in the assessed value of state-assessed property; and

WHEREAS, RCW 84.55.005 provides that the limit factor for taxing districts with a population equal to or greater than 10,000 is the lesser of 101% or 100% plus the rate of inflation, which inflation rate is calculated by the Washington State Department of Revenue based on the percentage change in the implicit price deflator for personal consumption

expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce by September 25th of the year before the taxes are payable; and

WHEREAS, the Board attests that the population of the District is more than 10,000; and

WHEREAS, the Washington State Department of Revenue has determined that the rate of inflation for property taxes to be collected in **2025 is 2.57%**; and

WHEREAS, the highest amount of regular property taxes that the District could have levied **for 2024 was the amount of \$2,613,831.01**; and

WHEREAS, RCW 84.69.180 and RCW 84.68.040 authorize taxing districts to levy a tax on the taxable property of the district for the purpose of (i) funding property tax refunds, including interest, as ordered by the county treasurer or county legislative authority within the preceding twelve months; and (ii) reimbursing the taxing district for taxes abated or cancelled within the preceding twelve months; and

WHEREAS, the Snohomish County Treasurer has reported to the District that the amount of the **refunds for the District's regular levy for collection in 2025** is currently estimated to be **\$9,788.42**; and

WHEREAS, the Board, in the course of considering the budget for calendar year 2025 reviewed all sources of revenues and examined all anticipated expenses and obligations; and

WHEREAS, the Board has met and considered all relevant evidence and testimony presented with respect to its budget for the calendar year 2025; and

WHEREAS, the Board has determined that there is substantial need to increase the regular property tax in the amount of 101% in order to provide sufficient funds to carry out its budget for 2025; NOW, THEREFORE,

BE IT RESOLVED by the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, that:

Section 1. Finding of Substantial Need. Pursuant to RCW 84.55.010 and 84.55.0101, the Board hereby finds that there is a substantial need to adopt a limit factor in the maximum amount permitted by law. The Board hereby adopts a limit factor for the District's regular property tax levy for calendar year 2024 of 101% of the highest amount of regular property taxes levied by the District in the highest of the three most recent years, or the highest amount that could have been levied in any year beginning in 1986, plus an additional dollar amount calculated by multiplying the District's regular property tax levy rate for the preceding year by the increase in assessed value in the District resulting from new construction; construction of electricity-generating wind turbine, solar, biomass, and geothermal facilities, whether classified as real or personal property; improvements to property; and any increase in the assessed value of state-assessed property.

Section 2. Approval of Budget. The Board hereby approves and adopts the **2025 Legal Budget as the budget for the District for calendar year 2025.**

Section 3. Approval of Regular Property Tax Levy. The Board hereby approves and adopts a regular property tax levy in the amount of **\$2,641,942.86** which is **an increase of 1.00%** over the amount levied in 2024, or such amount as is determined to be accurate by the Snohomish County Assessor's Office, (i) plus such actual increase as is calculated by multiplying the increase in assessed value in the District resulting from **new construction**, currently estimated at **\$24,690.21**, construction of electricity-generating wind turbine, solar, biomass and geothermal facilities whether classified as real or personal property, improvements to property, and any increase in the assessed value of state-assessed property, by the regular property tax levy rate of the District for the preceding year, (ii) plus such additional amount required for **prior year refunds**, which is currently estimated to be the amount of **\$9,788.42**. Should these calculations need to be adjusted for any reason in order to maximize the 2025 Levy in accordance with the authority provided in RCW 84.55.010 and 84.55.092, the Board authorizes the District Treasurer to do so in conjunction with the Snohomish County Assessor's Office.

Section 4. Collection of Taxes. The Treasurer of Snohomish County, Washington, is hereby authorized and directed to collect and deliver on or before the fifteenth day of each month to the Treasurer of the District the sum of all taxes collected on behalf of the District during the preceding month together with a proper accounting therefor.

Section 5. Delegation of Authority. The Superintendent is directed to **certify to the County Assessor, no later than November 30, 2024**, a copy of this Resolution showing its adoption. The Superintendent and such other persons as the Superintendent may designate are hereby further authorized and directed to take all action and to do all things necessary to carry out the provisions of this Resolution.

ADOPTED AND APPROVED by the Board of Commissioners of Public Hospital District No. 2, Snohomish County, Washington, at a regular open public meeting thereof this **23rd day of October, 2024**, and the following Commissioners being present and voting in favor of the adoption of the resolution.

Signed by:
Karianna Wilson
A28865545A4B4A8...

President and Commissioner

Signed by:
[Signature]
389DBECS8A34C0...

Commissioner

Signed by:
J S Distelhorst
463092734B124E1...

Commissioner

Signed by:
Deana Knutsen
FD6BDBA5DCD3457...

Commissioner

Signed by:
Carolyn Brennan
04DDC86CAD8A42E...

Secretary and Commissioner

CERTIFICATION

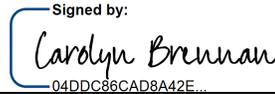
I, the undersigned, Secretary of the Commission of Public Hospital District No. 2, Snohomish County, Washington (the “District”), hereby certify as follows:

1. The attached copy of **Resolution No. 2024-04** (the “Resolution”) is a full, true and correct copy of a resolution duly adopted at a regular open public meeting of the Commission of the District held **on October 23rd, 2024**, as that resolution appears on the minute book of the District; and

2. A quorum of the members of the Commission was present throughout the meeting and a majority of those members 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, 2024**.

PUBLIC HOSPITAL DISTRICT NO. 2
SNOHOMISH COUNTY, WASHINGTON

Signed by:

04DDC86CAD8A42E...

Secretary of the Commission

Exhibit A

Public Hospital District No. 2 Snohomish County, dba Verdant Health Commission

Final Legal Budget Calendar Year 2025

Public Hospital District #2, Snohomish County, dba Verdant Health Commission			
2025 Proposed Legal Budget - Exhibit A			
Calendar year Ending 12/31/2025			
Line Ref			
1	Operating Revenue		12,924,522
2	Operating Expenses		
3	Program	(6,528,933)	
4	All Other Operating	(4,139,834)	
5	Depreciation and Amortization	(1,400,243)	
6	Total Operating Expenses		(12,069,010)
7			
8	Non Operating Revenue		
9	Levy-at calculated amount	2,676,421	
10	Investment Interest	1,789,905	
11	Total Non Operating Revenue		4,466,326
12			
13	Non Operating Expenses		
14	Self Insured L&I-Stevens Hosp	(26,046)	(26,046)
15			
16	Budgeted 2025 Net Income		<u>5,295,793</u>