

1 **Resolution of the Air Pollution Control District Board of Directors of**
2 **the County of Santa Barbara, State of California**

3 In the Matter of:) APCD Resolution No. _____
4 Making District Contributions to the)
5 District's 401 (h) Retiree Medical Account)
6 for fiscal year 2014-15)
7 in Accordance with Internal Revenue)
8 Code Section 401(h))

9 **Whereas**, it is in the best interest of employees and retirees of the County of Santa
10 Barbara Air Pollution Control District ("District") and the beneficiaries of those employees and
11 retirees that the Santa Barbara County Employees' Retirement System ("System") be maintained
12 as a qualified pension plan under Internal Revenue Code ("Code") Section 401 (a); and

13 **Whereas**, the District has determined that certain Eligible Retired Participants will
14 receive a health plan subsidy from the System, which subsidy constitutes an "other post
15 employment benefit;" and

16 **Whereas**, the System, as a qualified plan, may pay medical benefits on a tax preferred
17 basis to retirees, and their spouses and dependents, through the establishment of a 401(h) account
18 within the Trust Fund for the System; and

19 **Whereas**, the District Board of Directors ("Board") has established a health plan for
20 retirees, and their spouses and dependents; and

21 **Whereas**, the Board has established a 401 (h) Post Employment Benefits Trust Account
22 in the System as governed by the provisions of Code Section 401 (h) and Treasury Regulation
23 Section 1.401-14 ("Applicable Treasury Regulations"); and

24 **Whereas**, the 401 (h) Account can only be funded by District contributions, designated
25 for this purpose.

26 **Now, Therefore, It Is Hereby Resolved**, as follows:

27 1. In accordance with Code Section 401 (h) and Applicable Treasury Regulations,
28 the District shall contribute to the 401 (h) Account for the fiscal year 2014-15 in an amount based
29 on periodic actuarial valuations that will not exceed the lesser of the following:

30 a. the annual required contribution for the health benefits for Eligible Retired
31 Participants (as defined in the Section 401 (h) Regulations); or

1 b. 25 percent of the total contributions to the System, excluding past service costs as
2 defined in the Section 401 (h) Regulations.

3 2. The Board authorizes the Control Officer to determine the exact amount of District
4 contributions within the previously established ranges.

5 3. At the time any contribution is made to the 401 (h) Account, the Control Officer shall
6 designate in writing to the Board of Retirement of the System that such contribution is
7 being made only to the 401 (h) Account.

8 4. This resolution is only applicable to contributions made during fiscal year 2014-15.
9 Future contributions shall be determined by the Board on a fiscal year by fiscal year basis.

10 **Passed and Adopted** by the Air Pollution Control District Board of the County of Santa
11 Barbara, State of California, this 19th day of June, 2014, by the following vote:

12 Ayes:

13 Noes:

14 Abstain:

15 Absent:

16 ATTEST:

17
18 Clerk of the Board

Chair, Santa Barbara County
Air Pollution Control District Board

19 BY: _____

20
21 APPROVED AS TO FORM:
22 Michael C. Ghizzoni
23 County Counsel

APPROVED AS TO
ACCOUNTING FORM
Robert W. Geis, CPA
Auditor-Controller

24 BY: Victoria Parks Tuttle
25 Deputy County Counsel

BY: Kate Roth
Auditor-Controller