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

In the Matter of: ) APCD Resolution No. ______
Making District Contributions to the )
District’s 401 (h) Retiree Medical Account )
for fiscal years 2010-11 and 2011-12 )
in Accordance with Internal Revenue )
Code Section 401(h) )

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

Whereas, the District has determined that certain Eligible Retired Participants will receive a health plan subsidy from the System, which subsidy constitutes an “other post employment benefit;”

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

Whereas, the District Board of Directors (“Board”) has established a health plan for retirees, and their spouses and dependents;

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

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

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

1. In accordance with Code Section 401 (h) and Applicable Treasury Regulations, provided that the Board of Retirement agrees to the Section 401 (h) Regulations, the District shall contribute to the 401 (h) Account for the fiscal years 2010-11 and 2011-12 in an amount that will:
   a. not be less than the annual required contribution for the health benefits for Eligible Retired Participants (as defined in the Section 401 (h) Regulations); and
b. not be more than 25 percent of the total contributions to the System, excluding past service costs as defined in the Section 401 (h) Regulations.

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

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

4. This resolution is only applicable to contributions made during fiscal years 2010-11 and 2011-12. Future contributions shall be determined by the Board on a fiscal year by fiscal year basis.

Passed and Adopted by the Air Pollution Control District Board of the County of Santa Barbara, State of California, this 20th day of June, 2011, by the following vote:

Ayes: 
Noes: 
Abstain: 
Absent: 

ATTEST: 

Chair, Santa Barbara County 
Clerk of the Board 

APPROVED AS TO 
ACCOUNTING FORM 

Dennis Marshall 
County Counsel 

Robert W. Geis, CPA 
Auditor-Controller 

Deputy County Counsel 

Auditor-Controller