

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT**

IN THE MATTER OF MAKING DISTRICT  
CONTRIBUTIONS TO THE DISTRICT'S  
401(h) RETIREE MEDICAL ACCOUNT  
FOR FISCAL YEAR 2015-16 IN  
ACCORDANCE WITH INTERNAL  
REVENUE CODE SECTION 401(h)

APCD Resolution No. \_\_\_\_\_

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**RECITALS**

**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); and

**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;" and

**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; and

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

**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.

APCD RESOLUTION MAKING DISTRICT CONTRIBUTIONS TO THE  
DISTRICT'S 401(H) RETIREE MEDICAL ACCOUNT FOR  
FISCAL YEAR 2015-16 IN ACCORDANCE WITH  
INTERNAL REVENUE CODE SECTION 401(H)

**NOW, THEREFORE, IT IS HEREBY RESOLVED,** as follows:

1. In accordance with Code Section 401(h) and Applicable Treasury Regulations, the District shall contribute to the 401(h) Account for the Fiscal Year 2015-16 in an amount based on periodic actuarial valuations that will not exceed the lesser of the following:
  - a. The annual required contribution for the health benefits for Eligible Retired Participants (as defined in the Section 401(h) Regulations); or
  - b. 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 Year 2015-16. Future contributions shall be determined by the Board on a fiscal year by fiscal year basis.

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APCD RESOLUTION MAKING DISTRICT CONTRIBUTIONS TO THE  
DISTRICT'S 401(H) RETIREE MEDICAL ACCOUNT FOR  
FISCAL YEAR 2015-16 IN ACCORDANCE WITH  
INTERNAL REVENUE CODE SECTION 401(H)

**PASSED, APPROVED AND ADOPTED** by the Air Pollution Control District Board of  
the Santa Barbara County, State of California, this 18th day of June, 2015, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

SANTA BARBARA COUNTY  
AIR POLLUTION CONTROL DISTRICT

By \_\_\_\_\_  
Chair

**ATTEST:**

LOUIS D. VAN MULLEM, JR.  
Clerk of the Board

By \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

MICHAEL C. GHIZZONI  
Santa Barbara County Counsel

By \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

ROBERT W. GEIS, CPA, CPFO  
Auditor-Controller

By \_\_\_\_\_  
Deputy