

**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 2016-17 IN
ACCORDANCE WITH INTERNAL
REVENUE CODE SECTION 401(h)

APCD RESOLUTION NO. _____

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 2016-17 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 2016-17 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 2016-17. 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 2016-17 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 16th day of June, 2016, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

SANTA BARBARA COUNTY
AIR POLLUTION CONTROL DISTRICT

ATTEST:

AERON ARLIN GENET
Clerk of the Board

By _____
Deputy

By _____
Chair

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI
Santa Barbara County Counsel

By *Victoria Parks Little*
Deputy

APPROVED AS TO FORM:

THEODORE A. FALLATI, CPA, CPFO
Auditor-Controller

By *Kate Ruter*
Deputy