

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

In the Matter of:)	Resolution No. 10- ____
Making District Contributions to the)	
District's 401 (h) Retiree Medical Account)	
for FY 2009-10 in Accordance with Internal)	
Revenue Code Section 401(h))	

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);

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 year FY 2009-10 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 Year 2009-10. Future contributions shall be determined by the Board on a fiscal year by fiscal year basis.

PASSED, APPROVED, AND ADOPTED by the Santa Barbara County Air Pollution Control District Board, County of Santa Barbara, State of California, this 18th day of March 2010, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Clerk of the Board

BY: _____

APPROVED AS TO FORM:

Dennis A. Marshall
County Counsel

BY: _____
County Counsel

Chair, Santa Barbara County
Air Pollution Control District Board

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

BY: _____
Auditor-Controller