

Kim
Simpson

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Comments/Concerns from Kim C. Simpson, CPA – Retiree Health Contributions 4/28/2008

1. My Background

- Served as Assistant City Auditor and Acting City Auditor – 1981-1984
- City of Gainesville Regional Utilities, ending career as Chief Financial Officer in 2004
- Approx \$1 Billion of GRU Financing & Obtainment/Maintenance of GRU “Double A” Bond rating
- One of Proudest Accomplishments was Lease/Leaseback Deal which generated \$30 Million for GRU and Over \$5 Million for General Government used for many facility improvements such as Rosa B. Williams Center Renovation, Ironwood Golf Course Clubhouse Replacement
- Born, raised and live in City of Gainesville.
- Am eligible for, but now do not use, City of Gainesville retiree health plan
- Serve on City’s Retiree Health Investment Advisory Committee
- Represent myself but, hopefully, speak for many retired employees

2. Served on Committee Who Studied City Contribution for Retiree Health in Mid-1990s

- Several major principles at that time:
 - Communication – many written communications, meetings
 - Personally stood in front of retirees to explain the decrease to the City’s contribution in many cases with a promise of more, but not absolute, assurance for the future
 - Transition for those retirees and current employees who didn’t have as much time to plan for changes
 - Inflation protection provided to retirees was important with less City contribution in return for this inflation protection
 - Put into ordinance and started funding – one of first in nation – well known in our government and utility industry.

3. Observations, Concerns, Suggestions

- Recognize the tough financial position General Government and GRU is in.
- Recognize that City’s contribution toward retiree health insurance is one of the many pressures on the budget
- Very concerned that there is no future inflation protection for retirees