

**Moore, Karen A.**

---

**From:** Gable, Lynda C [GableLC@aetna.com]  
**Sent:** Wednesday, January 30, 2002 10:22 AM  
**To:** 'Moore, Karen A.'  
**Cc:** Gable, Lynda C  
**Subject:** RE: George Sullivan

I have no idea. Is he possibly covered as an elected official or something currently? Given he potentially is not an active employee, I don't know how they were classifying him to be eligible -- and also might be concerned about the contract actually recognizing him as eligible. Can you provide any other details from what you show in the files? What were the dates he was the active mayor? Another thought might be if you still have an outreach to Gwen any longer as a consult?

My concern is if we imply to him there is coverage but if there is no contractual basis -- his claim could actually be denied if he passes away. So, I think some digging is in order to make sure everyone is on the same page.

-----Original Message-----

**From:** Moore, Karen A. [mailto:MooreKA@ci.anchorage.ak.us]  
**Sent:** Wednesday, January 30, 2002 11:07 AM  
**To:** Gable, Lynda C  
**Subject:** George Sullivan  
**Importance:** High

Lynda:

Do you recall or know of anything in file regarding life insurance on former Mayor Sullivan. Diane Pain is no longer working for us and all I find in the file is a resolution providing for Mayor Sullivan to have continued coverage. The premium is paid annually.

Any clues for me?

Karen

**Moore, Karen A.**

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**From:** Susan Lindemuth [Lindemuths@akrr.com]  
**Sent:** Wednesday, January 30, 2002 11:40 AM  
**To:** MooreKA@ci.anchorage.ak.us  
**Subject:** Re: George Sullivan's life insurance

George has been paying for it. A check for the annual premium was sent to the MOA and deposited in the insurance fund. I wouldn't think it matters who (from the Sullivan family) pays for it...but it isn't an MOA expense.

Make sense?

>>> "Moore, Karen A." <MooreKA@ci.anchorage.ak.us> 01/30/02 10:47AM >>>  
Hi Susan:

Can you shed some light on the continued life insurance for George Sullivan? His son Dan wants to pay the premium, but I can't find anything in file that says who is covering the risk, only that the Salary and Emolument Commission passed this resolution saying the MOA must continue to provide life insurance coverage.

Your help is greatly appreciated.

Karen

**Moore, Karen A.**

---

**From:** Gable, Lynda C [GableLC@aetna.com]  
**Sent:** Wednesday, January 30, 2002 11:23 AM  
**To:** 'Moore, Karen A.'  
**Cc:** Gable, Lynda C  
**Subject:** RE: George Sullivan

Okay, thanks for the update. I'll share this with Melissa as well so she is aware that it is an open issue being investigated.

-----Original Message-----

From: Moore, Karen A. [mailto:MooreKA@ci.anchorage.ak.us]  
Sent: Wednesday, January 30, 2002 12:10 PM  
To: Gable, Lynda C  
Subject: RE: George Sullivan

I've asked Susan Lindemuth via email to bring me up to speed on this. I'll let you know more later. Could be Aetna wasn't on the risk at that time. He was Mayor prior to 1983.

Karen

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> From: Gable, Lynda C [SMTP:GableLC@aetna.com]  
> Sent: Wednesday, January 30, 2002 10:22 AM  
> To: 'Moore, Karen A.'  
> Cc: Gable, Lynda C  
> Subject: RE: George Sullivan  
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> have continued coverage. The premium is paid annually.  
>  
> Any clues for me?  
>  
> Karen

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**Moore, Karen A.**

**From:** Shroyer, Beverly J.  
**Sent:** Wednesday, January 30, 2002 11:18 AM  
**To:** Moore, Karen A.  
**Subject:** RE: ancient history question

Yes, it was a special deal that he made. We kept his personnel file in the "Do not microfilm" files because of this. Maybe there is info in that file. Pam Barbeau or Susan Lindemuth dealt with it directly, not me, so they might shed more light. - bev

-----Original Message-----

**From:** Moore, Karen A.  
**Sent:** Wednesday, January 30, 2002 11:16 AM  
**To:** Shroyer, Beverly J.  
**Subject:** ancient history question

Do you remember anything regarding George Sullivan and continuation of life insurance coverage, post retirement?

Karen

**Moore, Karen A.**

---

**From:** Gable, Lynda C [GableLC@aetna.com]  
**Sent:** Wednesday, January 30, 2002 12:32 PM  
**To:** 'Moore, Karen A.'  
**Cc:** Gable, Lynda C  
**Subject:** RE: George Sullivan's life insurance

This means Muni kept those dollars on hand in the claim funds. I don't know if intent was to have them handle a death claim directly, but Aetna never received any premiums. The insurance fund was the reserves that Muni held and those funds were never submitted to Aetna nor included in any of our premium calculations from a risk standpoint to the best of my knowledge. How much life insurance is he supposed to have???

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From: Moore, Karen A. [mailto:MooreKA@ci.anchorage.ak.us]  
Sent: Wednesday, January 30, 2002 1:11 PM  
To: Gable, Lynda C  
Subject: FW: George Sullivan's life insurance  
Importance: High

Hi Lynda:

Here's what Susan Lindemuth is saying. Under the minimum premium arrangement, MOA apparently deposited his premium into the insurance fund. Since we have changed coverage arrangement to fully insured, how would this affect his coverage?

Karen

> -----Original Message-----

> From: Susan Lindemuth [SMTP:Lindemuths@akrr.com]  
> Sent: Wednesday, January 30, 2002 12:00 PM  
> To: MooreKA@ci.anchorage.ak.us  
> Subject: RE: George Sullivan's life insurance

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> He was covered as part of the MOA group and therefore, part of that  
> "risk". There was no separate policy with Aetna or any other  
> insurance carrier for him...and no separate "premium" was paid to any  
> outside party. As the life insurance rates changed over the years, he  
> was informed and paid the appropriate premium amount...or the kids  
> paid on his behalf.

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> We had a split funded agreement with Aetna...so we paid the  
> "retention" monthly and funded the life insurance claims when  
> incurred. His coverage amount (\$93,000) was included in the volume  
> reported to Aetna.

>  
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> >>> "Moore, Karen A." <MooreKA@ci.anchorage.ak.us> 01/30/02 11:45AM

> >>> >>>  
> Yes, that makes sense. Who was on the risk? There is nothing in the  
> file to indicate who to pay the premium to...

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> Karen

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> > From: Susan Lindemuth [SMTP:Lindemuths@akrr.com]  
> > Sent: Wednesday, January 30, 2002 11:40 AM  
> > To: MooreKA@ci.anchorage.ak.us  
> > Subject: Re: George Sullivan's life insurance

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> > Your help is greatly appreciated.  
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## Moore, Karen A.

**From:** Susan Lindemuth [Lindemuths@akrr.com]  
**Sent:** Wednesday, January 30, 2002 12:00 PM  
**To:** MooreKA@ci.anchorage.ak.us  
**Subject:** RE: George Sullivan's life insurance

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We had a split funded agreement with Aetna...so we paid the "retention" monthly and funded the life insurance claims when incurred. His coverage amount (\$93,000) was included in the volume reported to Aetna.

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**From:** Gable, Lynda C [GableLC@aetna.com]  
**Sent:** Wednesday, January 30, 2002 1:31 PM  
**To:** 'Moore, Karen A.'  
**Cc:** Gable, Lynda C  
**Subject:** RE: George Sullivan's life insurance

Unfortunately this is one piece of history I don't have. Conversion is definitely expensive and really intended for those individuals who can't get replacement life insurance if they needed to pass a physical. If you send us copies of any documents you have, we can have some research done. AT this time, I can't really promise an outcome -- not having the historical knowledge or what would have continued to make him eligible after he left office. We'll look forward to the documents to continue our review.

-----Original Message-----

**From:** Moore, Karen A. [mailto:MooreKA@ci.anchorage.ak.us]  
**Sent:** Wednesday, January 30, 2002 1:40 PM  
**To:** Gable, Lynda C  
**Subject:** RE: George Sullivan's life insurance

Amount was \$193,000. I see a letter in the file from Aetna (James Hickey) regarding "Assignment of Group Coverage" that set up a trustee for his irrevocable trust and dated 1/8/84. I also found a memo from Susan Lindemuth to the MOA Clerk's office that gave the premium under Aetna group coverage and the cost of converting coverage at his then age. I can see why he wouldn't have wanted to convert it.

Karen

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> **To:** Gable, Lynda C  
> **Subject:** FW: George Sullivan's life insurance  
> **Importance:** High

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**Moore, Karen A.**

**From:** Otto, David K.  
**Sent:** Friday, February 01, 2002 4:10 PM  
**To:** Kieling, Harry J.  
**Cc:** Moore, Karen A.  
**Subject:** FW: George Sullivan's Life Insurance

**Importance:** High

We need to meet on this as it has been news to me. Dan Sullivan, who has been trying to make the annual payment for his father, does not know the data below, thanks, David

-----Original Message-----

**From:** Moore, Karen A.  
**Sent:** Wednesday, January 30, 2002 3:38 PM  
**To:** Otto, David K.  
**Subject:** George Sullivan's Life Insurance  
**Importance:** High

At your direction, I have researched Mayor Sullivan's life insurance situation with the MOA. Here is what I have found out.

On February 24, 1982, by resolution of the Salary and Emoluments Commission (Resolution 82-1), Mayor Sullivan was granted life insurance for the "remainder of his life at the same rate and at the same coverage as in existence on January 1, 1982." A memo dated August 4, 1982 from Susan Lindemuth set out that the coverage amount was \$193,000 and that the monthly premium was \$77.20. Another memo from the Clerk's office in support of the Salary and Emoluments Commission clarified that Mayor Sullivan was to pay the premium himself. Other than assigning the proceeds to an irrevocable trust and identifying a trustee, that is the only documentation in the file.

For clarification on who was on the risk, I emailed Susan Lindemuth. Susan indicated that under the former "split premium" agreement with Aetna, MOA paid retention monthly and funded the life claims as they incurred. Susan included Mayor Sullivan in the group. When we went fully insured in March of last year, we no longer fund or pay life claims as they incurred. That risk belongs to Aetna. Our agreement (contract) with Aetna was and is to cover active lives. In email conversations with Lynda Gable, long time account executive for Aetna's MOA coverage, Aetna is not aware of Mayor Sullivan's continued participation in the active group insurance. Lynda tells me they would have denied payment when it became evident that he was not an active employee. Susan indicated that premiums received from Mayor Sullivan were deposited into the insurance fund. I suspect she intended to have the MOA pay any death claim from the 603 account, rather than have Aetna pay the claim and then reimbursing Aetna.

Bottom line is that Aetna does not have a policy for Mayor Sullivan, nor would they cover him under our group plan since it is limited to active employees. We can rectify this by any one of the following:

1. Set up a sub-fund in 603 in the amount of \$193,000 to be paid out upon Mayor Sullivan's death
2. Don't fund the \$193,000 and pay it when he dies from some source to be identified at that time, upon  
Assembly approval.
3. Set-up sub-fund in 603, credit past premiums and continue to add yearly premiums as paid. MOA to fund difference upon his death and with Assembly approval.

The family premium payments should go into an account that would then reduce the overall liability to the MOA as yearly premiums are paid. For example, the family has paid nearly \$18,000 in premiums since 1982. Therefore, the actual MOA liability is \$175,000, since \$18,000 has been received and deposited into the 603 fund.

Once we decide how to proceed, I will document the file to make sure that future employees will know how to handle this situation when it comes time to pay out.

Karen A. Moore  
Records and Benefits Manager

**To:** Kieling, Harry J.  
**Cc:** Moore, Karen A.  
**Subject:** FW: George Sullivan's Life Insurance  
**Importance:** High

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3. Set-up sub-fund in 603, credit past premiums and continue to add yearly premiums as paid. MOA to fund difference upon his death and with Assembly approval.

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Karen A. Moore  
Records and Benefits Manager

To: Kielling, Harry J.; Frasca, Cheryl L.; Otto, David K.; Greene, William A. (Law)  
Cc: Smith, Glenn C.  
Subject: RE: George Sullivan's Life Insurance

Folks,

We had better get together on this issue. We just can't make payments of this nature from the self insurance or any fund without assembly approval. Mr. Sullivan had an insurance policy, apparently, for the last several years for which he paid premiums. The policy in effect was an illegal commitment unless the Assembly approves it. I would recommend we get together with legal to see what we have here.

Kate

-----Original Message-----

**From:** Smith, Glenn C.  
**Sent:** Monday, February 04, 2002 3:36 PM  
**To:** Giard, Kate H.  
**Subject:** FW: George Sullivan's Life Insurance

Kate; another issue presented to me and my response. I wonder at this late date if this is the only former employee we should buy him a separate policy.

-----Original Message-----

**From:** Smith, Glenn C.  
**Sent:** Monday, February 04, 2002 3:17 PM  
**To:** Moore, Karen A.  
**Subject:** RE: George Sullivan's Life Insurance

No lunch please as these situations make me sick. Is this the only former employee in this situation? If so I say go with #3 crediting the premiums paid to date. Additionally set up a sub-fund to maintain the \$193,000.00 and reduce the fund by additional premiums are received. As to investing the fund if that is an option under 603 do that at the direction of Kate, Tony Price and Rick Miller. You could set up a 193K fund and invest the 18k which ain't a bad deposit premium at this late date. You have lost the spread of risk in this situation. Glenn

-----Original Message-----

**From:** Moore, Karen A.  
**Sent:** Monday, February 04, 2002 2:20 PM  
**To:** Smith, Glenn C.  
**Subject:** FW: George Sullivan's Life Insurance  
**Importance:** High

Harry suggested I forward this onto you to see if you had any creative ideas on how to fund this. Read my email -- it's pretty self-explanatory. Bottom line, he can't be on the active group insurance because he isn't actively employed anymore. Let me know your thoughts. I'll have to take you out to lunch for all this extra brain work I've caused you! How's McDonald's sound???

Karen

-----Original Message-----

**From:** Otto, David K.  
**Sent:** Friday, February 01, 2002 4:10 PM

File in TM file.

-----Original Message-----

**From:** Greene, William A. (Law)  
**Sent:** Wednesday, March 13, 2002 11:39 PM  
**To:** Giard, Kate H.  
**Cc:** Frasca, Cheryl L.; Otto, David K.  
**Subject:** RE: George Sullivan's Life Insurance

You need to read the optional solutions mentioned in the preceding e-mail. The answer to your question depends on which alternative is chosen, but I suggest that something be done soon or MOA will have to come up with nearly \$200K all of a sudden. (I trust this is life and not double indemnity.) I'm outa here unless someone needs legal help.

-----Original Message-----

**From:** Giard, Kate H.  
**Sent:** Wednesday, March 13, 2002 6:54 AM  
**To:** Greene, William A. (Law); Frasca, Cheryl L.; Otto, David K.  
**Subject:** RE: George Sullivan's Life Insurance

Cool. I'm all for not meeting if Otto's shop has the ball and the matter is concluded. Do we have to budget for it each year til the old gentleman passes on?  
Kate

-----Original Message-----

**From:** Greene, William A. (Law)  
**Sent:** Tuesday, March 12, 2002 5:14 PM  
**To:** Frasca, Cheryl L.; Giard, Kate H.; Otto, David K.  
**Subject:** FW: George Sullivan's Life Insurance

Be glad to meet, but don't think its necessary. Karen Moore's three options are it and number three seems the most reasonable. There is no option to not provide the coverage. I'm copying the underlying documentation to you all. via internal snail mail.

-----Original Message-----

**From:** Greene, William A. (Law)  
**Sent:** Saturday, March 09, 2002 2:46 PM  
**To:** Giard, Kate H.; Otto, David K.  
**Cc:** Meyer, Kathie S.  
**Subject:** FW: George Sullivan's Life Insurance

WHERE ARE WE ON THIS???? IS LAW TO DO SOMETHING??? We will obtain AR 82-1 and provide

-----Original Message-----

**From:** Smith, Glenn C.  
**Sent:** Tuesday, February 05, 2002 10:12 AM  
**To:** Giard, Kate H.; Kielling, Harry J.; Frasca, Cheryl L.; Otto, David K.; Greene, William A. (Law)  
**Subject:** RE: George Sullivan's Life Insurance

Kate; they were not recommending to use our SIF. Depending on what action ER has to take will determine what route to take with the Assembly. I would like to see resolution 82-1 if there is a meeting on this.---One thing for sure this must be worked out and we must be positive this is the only former employee that is in this situation.

-----Original Message-----

**From:** Giard, Kate H.  
**Sent:** Tuesday, February 05, 2002 10:02 AM

**Moore, Karen A.**

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**From:** Otto, David K.  
**Sent:** Friday, March 22, 2002 7:26 AM  
**To:** Giard, Kate H.; Greene, William A. (Law)  
**Cc:** Moore, Karen A.  
**Subject:** FW: Life Insurance Policy on former Mayor Sullivan

**Importance:** High  
**Sensitivity:** Confidential

For our discussion

-----Original Message-----

**From:** Moore, Karen A.  
**Sent:** Thursday, March 21, 2002 11:16 AM  
**To:** Otto, David K.  
**Subject:** FW: Life Insurance Policy on former Mayor Sullivan  
**Importance:** High  
**Sensitivity:** Confidential

Aetna has researched their files and cannot find a policy for Mayor Sullivan. As indicated below, he cannot be covered under our active group plan. The best solution seems to be to create an account within 603 (where his premiums have been deposited over the years), credit that account the amount of premiums received and then fund the difference between premiums collected and the \$193,000 amount set forth by the salary and emoluments commission resolution at the time of death.

What I need is some direction on how to set this up, and then document it so future Benefits Managers don't have to guess what's happening when Dan Sullivan comes in and pays the premium.

Perhaps we should set up a meeting with Kate Giard and someone from legal to be sure this is done according to hoyle???

Karen

-----Original Message-----

**From:** Deitrick, Melissa [SMTP:DeitrickM@AETNA.com]  
**Sent:** Thursday, March 21, 2002 9:49 AM  
**To:** 'Karen Moore, Anchorage'  
**Cc:** 'Ron Smith, Mercer'; 'Kathi McGinnes, Mercer'  
**Subject:** Life Insurance Policy  
**Importance:** High  
**Sensitivity:** Confidential

Karen, I have mailed you the signed, hard-copy of this letter today. As you probably suspected, Aetna does not have the former mayor on the group insurance policy due to lack of eligibility. I did confirm with Ann Wells that premium for the basic and supplemental life insurance is only paid for active employees who meet current group eligibility guidelines.

Though I did not include this in my letter to you, it may be that there is an individual life insurance policy for the former mayor currently in place. However, it is not through Aetna.

Our legal department advised the Muni return the premium money paid for the mayor's \$193,000 life insurance coverage. This would only apply for the period after the mayor was ineligible for the Aetna coverage. Of course, this would not be appropriate if the premium money is used for payment on a non-Aetna policy.

The bottom line situation from Aetna's perspective is that Anchorage's former mayor is not eligible for the current group life insurance coverage, and does not have \$193,000 life insurance policy underwritten by Aetna. If there were a death claim filed for this benefit, Aetna is not financially liable.

Please understand that this determination was made based on available information and on our insurance coverage records. If you find records which indicate otherwise, please provide them to me for review.

If you have additional questions or need to discuss this issue in detail, you are welcome to call me at the number listed below.

<<Sullivan Letter.doc>>

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Sullivan Letter.doc

Thank you.

**Moore, Karen A.**

---

**From:** Otto, David K.  
**Sent:** Friday, March 22, 2002 8:08 AM  
**To:** Moore, Karen A.  
**Subject:** FW: Life Insurance Policy on former Mayor Sullivan

**Sensitivity:** Confidential

-----Original Message-----

**From:** Greene, William A. (Law)  
**Sent:** Friday, March 22, 2002 7:36 AM  
**To:** Otto, David K.  
**Cc:** Giard, Kate H.  
**Subject:** RE: Life Insurance Policy on former Mayor Sullivan  
**Sensitivity:** Confidential

Dave: My eyes aren't that good even with glasses. Someday it will be your turn. I'd be glad to participate, but I don't know what I might add. Your solution appears to make sense to me. Kate can tell how to do it. The only thing that's left is to document, get the \$, and put a notice somewhere where it won't be forgotten. If there's something else I can do, please let me know.

-----Original Message-----

**From:** Otto, David K.  
**Sent:** Friday, March 22, 2002 7:26 AM  
**To:** Giard, Kate H.; Greene, William A. (Law)  
**Cc:** Moore, Karen A.  
**Subject:** FW: Life Insurance Policy on former Mayor Sullivan  
**Importance:** High  
**Sensitivity:** Confidential

For our discussion

-----Original Message-----

**From:** Moore, Karen A.  
**Sent:** Thursday, March 21, 2002 11:16 AM  
**To:** Otto, David K.  
**Subject:** FW: Life Insurance Policy on former Mayor Sullivan  
**Importance:** High  
**Sensitivity:** Confidential

Aetna has researched their files and cannot find a policy for Mayor Sullivan. As indicated below, he cannot be covered under our active group plan. The best solution seems to be to create an account within 603 (where his premiums have been deposited over the years), credit that account the amount of premiums received and then fund the difference between premiums collected and the \$193,000 amount set forth by the salary and emoluments commission resolution at the time of death.

What I need is some direction on how to set this up, and then document it so future Benefits Managers don't have to guess what's happening when Dan Sullivan comes in and pays the premium.

Perhaps we should set up a meeting with Kate Giard and someone from legal to be sure this is done according to hoyle???

Karen

-----Original Message-----

**From:** Deitrick, Melissa [SMTP:DeitrickM@AETNA.com]  
**Sent:** Thursday, March 21, 2002 9:49 AM  
**To:** 'Karen Moore, Anchorage'  
**Cc:** 'Ron Smith, Mercer'; 'Kathi McGinnes, Mercer'  
**Subject:** Life Insurance Policy  
**Importance:** High  
**Sensitivity:** Confidential

Karen, I have mailed you the signed, hard-copy of this letter today. As you probably suspected, Aetna does not have the former mayor on the group insurance policy due to lack of eligibility. I did confirm with Ann Wells



that premium for the basic and supplemental life insurance is only paid for active employees who meet current group eligibility guidelines.

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**Moore, Karen A.**

---

**From:** Giard, Kate H.  
**Sent:** Wednesday, March 27, 2002 6:52 AM  
**To:** Frasca, Cheryl L.  
**Cc:** Otto, David K.; Kielsing, Harry J.; Greene, William A. (Law); Moore, Karen A.  
**Subject:** RE: Sullivan's Life Insurance

Cheryl et. al,

My recommendation is that the potential payout amount goes into your fund balance "reserve" account and leave it at that. If you put it in the budget, it's just going to lapse every year. Its not so much money, thank god, that when the unfortunate event occurs, we simply take the money out of the reserve and get assembly approval for payment. (My recollection is that the total is somewhere in the \$150,000 range. If it is much higher than that, my recommendation may change.)

As long as ER has all of the documentation showing that a prior Assembly intended to provide this benefit and can also show that in the past there was, in fact, no insurance policy acquired with the proceeds paid to us by the Sullivan family, then we do have an obligation to pay, as required by prior assembly action.

We could terminate this obligation by simply telling the Sullivan family we will no longer provide this insurance....I would not recommend that course of action, however, it is an option the Administration may consider.

We could also try to acquire a life insurance policy for the former Mayor, but the cost would very likely be prohibitive, given his age.

In summary, I would recommend that you put aside the payout amount as part of the reserve of fund balance and when Mayor Sullivan dies, we will obtain assembly approval and pay out the proceeds.

CFO

-----Original Message-----

**From:** Frasca, Cheryl L.  
**Sent:** Tuesday, March 26, 2002 5:01 PM  
**To:** Giard, Kate H.  
**Subject:** Sullivan's Life Insurance

My assumption is that this issue is getting addressed outside of the budget process. If that's incorrect, I need to know.

<< OLE Object: Picture (Metafile) >>

**Cheryl Frasca**

**Director, Office of Management & Budget**  
**Municipality of Anchorage • (907) 343-4490**

**Moore, Karen A.**

---

**From:** Greene, William A. (Law)  
**Sent:** Thursday, March 28, 2002 4:02 AM  
**To:** Frasca, Cheryl L.; Otto, David K.; Kieling, Harry J.; Moore, Karen A.  
**Subject:** FW: Sullivan's Life Insurance

-----Original Message-----

**From:** Greene, William A. (Law)  
**Sent:** Thursday, March 28, 2002 3:05 AM  
**To:** Giard, Kate H.  
**Subject:** RE: Sullivan's Life Insurance

**See below**

-----Original Message-----

**From:** Giard, Kate H.  
**Sent:** Wednesday, March 27, 2002 6:52 AM  
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**Cc:** Otto, David K.; Kieling, Harry J.; Greene, William A. (Law); Moore, Karen A.  
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We could terminate this obligation by simply telling the Sullivan family we will no longer provide this insurance....I would not recommend that course of action, however, it is an option the Administration may consider. **[Greene, William A. (Law)]** This is not an option from a legal point of view. We're obligated.

We could also try to acquire a life insurance policy for the former Mayor, but the cost would very likely be prohibitive, given his age.

In summary, I would recommend that you put aside the payout amount as part of the reserve of fund balance and when Mayor Sullivan dies, we will obtain assembly approval and pay out the proceeds.

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<< OLE Object: Picture (Metafile) >>

**Cheryl Frasca**

**Director, Office of Management & Budget  
Municipality of Anchorage • (907) 343-4490**

**Moore, Karen A.**

---

**From:** Giard, Kate H.  
**Sent:** Tuesday, April 02, 2002 12:47 PM  
**To:** Frasca, Cheryl L.  
**Cc:** Moore, Karen A.  
**Subject:** RE: Sullivan's Life Insurance

Yea, the revenue could be used to accumulate. I'm not clear on the details of what the amounts are, I didn't think it was much. I'll send off to Karen Moore and have her send us some info.  
Kate

-----Original Message-----

**From:** Frasca, Cheryl L.  
**Sent:** Tuesday, April 02, 2002 7:22 AM  
**To:** Giard, Kate H.  
**Subject:** RE: Sullivan's Life Insurance

Since his family is paying for this, shouldn't the receipts go into some kind of restricted account vs. using tax pay payer dollars?

<< OLE Object: Picture (Metafile) >>

**Cheryl Frasca**

**Director, Office of Management & Budget  
Municipality of Anchorage • (907) 343-4490**

-----Original Message-----

**From:** Giard, Kate H.  
**Sent:** Monday, April 01, 2002 5:36 PM  
**To:** Frasca, Cheryl L.  
**Subject:** RE: Sullivan's Life Insurance

Yeah, seeing as how we can't project when he may pass along, I thought you probably didn't want to specifically budget for it every year.....  
Kate

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**Sent:** Wednesday, March 27, 2002 9:53 AM  
**To:** Giard, Kate H.  
**Subject:** RE: Sullivan's Life Insurance

What is the fund balance "reserve" account? Do you mean the amount set aside for potential supplemental spending during the year?

<< OLE Object: Picture (Metafile) >>

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**Director, Office of Management & Budget  
Municipality of Anchorage • (907) 343-4490**

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**Moore, Karen A.**

---

**From:** Giard, Kate H.  
**Sent:** Tuesday, April 02, 2002 3:11 PM  
**To:** Moore, Karen A.  
**Subject:** RE: Sullivan's Life Insurance

What is paid annually?  
kate

-----Original Message-----

**From:** Moore, Karen A.  
**Sent:** Tuesday, April 02, 2002 12:56 PM  
**To:** Giard, Kate H.  
**Subject:** RE: Sullivan's Life Insurance

Currently the receipts are deposited to Fund 603. The insurance amount is \$193,000. Guy could probably run a query to determine how much has been paid to date. I'm guessing about \$10,000.

Karen A. Moore  
Records and Benefits Manager

-----Original Message-----

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**Cc:** Moore, Karen A.  
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**Cheryl Frasca**

**Director, Office of Management & Budget  
Municipality of Anchorage • (907) 343-4490**

How to handle  
Sullivan Life  
Insurance

1. Collect premium  
Annually in Jan  
(Dan usually comes  
in 4 pays)

2. Deposit to 603  
Fund

3. When proceeds  
need to be paid  
out - payout  
of 603 fund

4. Needs Assembly  
approval when  
payout is made.