

Yeske, Misti L.

From: Hanscom, Joanne
Sent: Tuesday, January 23, 2007 4:29 PM
To: Sinz, Jeffrey E.; LeBlanc, Denis C.; Abbott, Michael K.
Cc: Otto, David K.; Turner, Karen L.

Attachments: George Sullivan2.doc

Jeff, Denis and Mike,

I am attaching information for an MOA liability on Mayor George Sullivan that I am not sure you know about. I would like to discuss this at our Thursday meeting if possible. I will be bringing the paperwork that I have, but if you would like your copy sooner, please let me know.



George
Sullivan2.doc (36 KB)

Joanne Hanscom
Plan Administrator/Privacy Officer
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Jeff, Denis and Mike,

The MOA will have to payout \$193,000 to the estate of Mayor George Sullivan upon his death. Mr. Sullivan has continued to pay the monthly premium costs. This cost was based on the amount of the premium at the time of his leaving office, and was to include any changes to that premium. This is according to Resolution 82-1 that was adopted on January 19, 1982. There has been no life insurance policy in place since he left municipal employment. The total amount that Mr. Sullivan has paid is \$17,995.32 per the receipts that I have found. The family has not yet paid the 2007 premium.

Below is a timeline of the events;

- January 19, 1982 - Resolution 82-1 Adopted
- February 18, 1982 - Memo to Ruby Smith, Municipal Clerk, from Susan Lindemuth on the premium cost to the MOA at the time of leaving office \$1,042.20 per year.
- July 12, 1982 - Handwritten note to Barb (Municipal Manager's office – last name unknown) from Susan Lindemuth stating she doesn't see any problem with self paying, but she did have a problem with the same rate. Barb responded agreeing with her.
- August 4, 1982 - Letter to Mr. Sullivan from Susan Lindemuth telling him how much he is entitled to (\$193,000) and that the annual cost was \$1,042.20.
- November 22, 1982 - Memo from Judy Flitter (Clerk's Office) to Susan Lindemuth reiterating the fact that Mr. Sullivan would need to pay the premiums himself, not the Mayor's office.
- January 9, 1984 - Letter to Susan Lindemuth from James Hickey (Aetna) regarding the group policy number 392680 and George Sullivan. I do not think anyone at the MOA informed Aetna that Mr. Sullivan was no longer employed by the municipality. However, he was kept on the census and Mr. Sullivan kept making the annual premium payments.
- January 7, 1992 - Letter to Mr. Sullivan from Christine Kendrick, MOA Records and Benefits employee, informing him that his new premium was \$833.76 per year.
- November 29, 1995 - Letter to Mr. Sullivan from Pamela Barbeau, MOA Records and Benefits employee, informing him that his new premium amount is \$555.84 per year.
- March 21, 2002 - Letter to Karen Moore from Melissa Deitrick (Aetna) informing the MOA that Aetna does not have an individual policy on Mr. Sullivan

and that because of Mr. Sullivan's age he is not eligible for an individual policy and is not eligible for the group policy because he is not an active employee. Aetna also recommended that the MOA return all of the premium payments paid to the MOA by Mr. Sullivan.

- March 27, 2002 - E-Mail from Kate Giard (CFO) to Cheryl Frasca (OMB) on how the MOA needs to handle this situation. When the unfortunate happens the MOA should get assembly approval and then take the money out of reserves.

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From: Abbott, Michael K.
Sent: Tuesday, January 23, 2007 5:23 PM
To: Hanscom, Joanne; Sinz, Jeffrey E.; LeBlanc, Denis C.
Cc: Otto, David K.; Turner, Karen L.
Subject: RE:

This is an interesting little nugget. Do we need to set reserves aside at this time? Have we "booked" this liability?

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From: Hanscom, Joanne
Sent: Wednesday, January 24, 2007 10:59 AM
To: Abbott, Michael K.; Sinz, Jeffrey E.; LeBlanc, Denis C.
Cc: Otto, David K.; Turner, Karen L.
Subject: RE:

Mike,

At this time I am not aware of reserves begin set aside or that the liability has been booked. It in on the agenda for tomorrow.

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