

*Postponed Indefinitely  
3/23/10*

Submitted by: ASSEMBLY MEMBER CLAMAN  
Reviewed by: Assembly Counsel  
For reading: March 23, 2010

**ANCHORAGE, ALASKA  
AR NO. 2010-105**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY, REGARDING  
PAYMENT OF \$193,000 IN MUNICIPAL FUNDS TO THE GEORGE M. SULLIVAN  
IRREVOCABLE LIFE INSURANCE TRUST.**

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WHEREAS, pursuant to Assembly Memorandum No. AM 76-2010, the Assembly was requested by and behalf of the Mayor to appropriate One Hundred Ninety Three Thousand Dollars (\$193,000.00) from the Areawide General Fund (Fund 101) for disbursement to the George M. Sullivan Irrevocable Life Insurance Trust; and

WHEREAS, Assembly Memorandum No. AM 76-2010 declared that disbursement would be made under a life insurance contract; and

WHEREAS, Assembly Memorandum No. AM 76-2010 did not disclose that the George M. Sullivan Irrevocable Life Insurance Trust was administered by the Mayor in his private capacity as the son of George M. Sullivan and Trustee of the life insurance trust; and

WHEREAS, AR 2010-33 was passed and approved by the Assembly, on February 16, 2010, authorizing disbursement subject to receipt of proper documentation from the George M. Sullivan Irrevocable Life Insurance Trust; and

WHEREAS, the full circumstances purporting to legally obligate the Municipality to make a payout of \$193,000.00 in public funds are more complicated than provided in the summary under AM 76-2010; and

WHEREAS, the current Mayor is also actively serving as Trustee of the George M. Sullivan Irrevocable Life Insurance Trust, creating a situation in which he both signs the check as Mayor, and receives the funds as Trustee, thus serving on both sides of a significant financial transaction involving public funds;

WHEREAS, the payout of \$193,000.00 in public funds for life insurance without a life insurance policy has raised many concerns in the mind of the public;

WHEREAS, as Mayor, the incumbent is required to represent and act in the Municipality's best interests; and

WHEREAS, as Trustee of the George M. Sullivan Life Insurance Trust, the Trustee has a fiduciary duty to the Trust to represent and act in the best interests of the Trust and its beneficiaries; and

1 WHEREAS, prior to submitting AR 2010-33 to the Assembly, the current Mayor did not  
2 refer the matter to the Municipal Ethics Board to determine whether he had a conflict of  
3 interest in representing the Trust in dealings with the Municipality;

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5 NOW, THEREFORE, the Anchorage Assembly resolves:

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7 **Section 1.** Until the Assembly and the public are afforded an open and full  
8 disclosure to assure that payment of \$193,000.00 in public funds is legally  
9 appropriate, the Mayor, in his private capacity as Trustee for the George M.  
10 Sullivan Irrevocable Trust, is respectfully requested to place all of the  
11 \$193,000.00 in funds in an escrow account with instructions to the escrow agent  
12 to maintain the escrow until full disclosure and review by the Ethics Board under  
13 the Ethics Code and Section 2 of this Resolution is complete, and the Assembly  
14 has the opportunity to take action after requirements concerning mayoral  
15 disclosure and Ethics Board action on potential conflict have first been met. The  
16 Mayor, in his private capacity as Trustee for the George M. Sullivan Irrevocable  
17 Trust, may request that all of the \$193,000.00 be held in a special, segregated  
18 account by the Municipality, in lieu of a third-party escrow agent.

19 **Section 2.** The current Mayor shall submit the question of whether he had a  
20 conflict of interest, and if so, how the conflict should be managed, to the Ethics  
21 Board for public hearing, complete review, and written report.

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23 PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_day of  
24 \_\_\_\_\_, 2010.

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28 \_\_\_\_\_  
29 Chair

30 ATTEST:

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32 \_\_\_\_\_  
33 Municipal Clerk  
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