



Northeast Michigan Council of Governments

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MINUTES

OF THE

NORTHEAST MICHIGAN COUNCIL OF GOVERNMENTS

BOARD OF DIRECTORS' MEETING

June 26, 2025

University Center  
Gaylord, MI

1. **Call to Order**

The Northeast Michigan Council of Governments (NEMCOG) Board of Directors meeting was called to order by R. Pallarito, Board President, at 10:01 a.m., a quorum was declared.

2. **Roll Call (by sign in sheet)**

Board Members Present

In Person: Terry Small, Dan Ludlow, John Wallace, Dana Wingo, Bob Brietzke, Jessica Topp, Lindsey Meisner, Ted Fines, Kelli Stockwell, Travis Hewitt, Dave Post, Danny Mitchell, Scott McLennan, and Rob Pallarito.

Virtual: None

Staff Present: Doug Baum, Denise Cline, Theresa Huff, and Chelsea Goodwin.

3. **The Pledge of Allegiance:** The pledge of Allegiance was recited.

4. **Approval of Agenda**

D. Mitchell moved, seconded by T. Small, to approve the agenda as presented. Yes all, motion carried.

5. **Approval of Minutes**

R. Pallarito presented the Minutes of May 15, 2025, meeting. S. McLennan moved to approve the minutes as presented, seconded by J. Wallace. Yes all, motion carried.

6. **Financial Report**

C. Goodwin reviewed the Revenue and Expenditure report for the period ending May 31, 2025. Some line items are over but also have some budget amendments. D. Post briefly reviewed the minutes of the June 10, 2025, Finance Committee Meeting. Still within budget overall. Budget adjustments allow for funds to be moved around. D. Post moved to approve budget, seconded by K. Stockwell. Yes all, motion carried.

D. Post moved to receive and file the Revenue and Expenditure report for the period ending May 31, 2025, as presented, seconded by K. Stockwell. Yes all, motion carried.

7. **Special Presentation:** Richard Douglass, Co-Principal Investigator, Rural Health Group. He provided his brief history, history of health care, issues within the health care industry and health status of Michigan residents. The cost of care for cancer treatment is extremely expensive. Plus, the cost of travel, meals and other travel related expenses, hotels, etc. Then they want you to come back in two or three weeks for more testing. Each trip averages about \$1,400 each to go to Ann Arbor. That's just cancer. May be more for PTSC or "ABC Soup" diseases/illnesses. Or other facilities. "AARP" stamp on northern part of state is true. The northern half of the state is aging faster than the southern half of the state. He provided a handout that is in the meeting packet. Sample patients were from all sides of the spectrum from very poverty stricken to wealthy. 9.4% had discounted or cancelled care. If you don't get regular treatment/care, then you are at higher risk of emergent care which is much more costly. You have to drive long distances to get specialty care, to areas such as Traverse City, Ann Arbor, etc. You may reach out to Richard at richard.douglass@gmail.com or 810-599-4642. He'd be happy to come to speak to your board or committee.
8. **President's Report**  
A. Regional Project Review, June 2025 – R. Pallarito stated there is/are (1) Federal Grant project(s); (0) State project(s), (0) other project(s) and (1) public notice project(s) for regional review.  
B. Other: None.
9. **Appointments to the Board**  
A. There is 1 County Administrator vacancy on the Board. Paul Compo, Crawford County Administrator, is interested and willing to sit on our board and will commit to attending the meetings. D. Baum has known and worked with him for many years. D. Post moved to nominate Paul Compo to fill the County Administrator position, seconded by D. Wingo. Yes all, motion carried.  
B. Other: none.
10. **Director's/Staff Report**  
D. Baum briefly reviewed his Directors Report handout. Discussed US23 marketing, merchandising to fund the US23 website. Asking for Boards blessing/approval to ask for donations and fund raise from Chambers, DDA's, etc. for seed money to purchase merchandise to sell to fund site. One concern he had was can we do it or not? Discussed with the auditor; we don't need to do anything special. They said if we sell \$1 million that would be different, just set up a fund for expense and revenues to track it. We'll pay sales tax as we do now. We have a person that owns 5 stores and will provide us with an endcap in each store. S. McLennan moved to allow NEMCOG to fund raise, seconded by T. Small. Yes all, motion carried.

Conclusion of A. Ross case. The court hearing was held on May 19, 2025. The case was handed over to the Assistant Prosecuting Attorney at the last minute. Was able to meet with the Prosecuting Attorney on Friday, May 16. He was able to attend court on May 19, 2025, and met with the Judge in his quarters. The judge denied the request to turn the hearing into a restitution hearing because the Assistant Prosecuting Attorney already stipulated as a sentencing hearing. Was sentenced to pay us \$6,500. He was going to let it rest. D. Rekowski sent to some Board members a letter and packet this past week expressing her disappointment with NEMCOG, specifically D. Baum. He said he is sick of this case. He felt enough was enough and this needed to be addressed. C. Goodwin gave a detailed presentation providing an explanation on how things were discovered, and what led us to pursue an investigation. There were many invoices, discrepancies, issues with equipment, limited access to accounts, software and we had difficulty getting information from Mr. Ross when requested. The board was grateful for the efforts of NEMCOG and courage for doing the right thing and putting a stop to this behavior and expressed their full support.

## **11. Committee Reports**

- A. Finance Committee – D. Post covered the meeting that was held on June 10, 2025, previously under the financial report.
- B. Executive Committee – R. Pallarito said the committee met this morning just before the board meeting. Discussed the Executive Director's 3-year contract and recommends it for Board Approval.

## **12. Previous Business: none.**

## **13. New Business**

- A. Executive Director Contract: R. Pallarito said the committee recommends Board approval of the Executive Directors 3-Year contract as presented. The contract was provided to the Board at last month's meeting. D. Baum asked the Board to review it and to let him know if they had any questions, concerns, comments, or recommendations before today's board meeting. No one sent any. However, R. Pallarito did receive some comments from D. Post. S. McLennan moved to open comments, seconded by K. Stockwell. D. Post expressed some concerns regarding sick pay, graduated scale and "just cause termination" under B and C. D. Baum explained the difference between "just cause" and "at will." The difference is a "just cause" contract as a body you must have "just cause" to terminate the position that is covered under the contract. That does not mean you can't fire a person if they are not doing their job. The intent of the contract was to set it up for the future. With "just cause," what would happen is if there is a concern, the Executive Committee or Board would bring the concern or issue to the Director. If the Director fails to correct the problem, then you have "just cause" to take action. Under an "at will" situation, you don't have to bring a concern or issue, you can just say "you're done," and they are out the door. In basic terms that's the difference. "Just cause" allows you to have a paper trail to show a cause for termination. It creates a situation where the governing body has to put together a justifiable reason to terminate the contract and gives the person who is covered under the contract the ability to correct the problem. T. Hewitt feels people may not realize you can terminate during the contract term, not just at the time of a yearly review with a paper trail. You can give them a chance to change behavior throughout the year. D. Post understands "just cause" but has worked with many "at will" contracts and has never had any issues with them. J. Wallace feels it would be covered by periodic evaluations.

D. Baum confirmed the other issue D. Post had was regarding sick time. He said the contract follows the current employee handbook policy that has already been approved by the Board.

D. Post asked D. Baum about doing project work. Will D. Baum be doing project work too, not just staff? D. Baum said, "yes I am." R. Pallarito asked D. Baum, "you are already doing project work, correct?" D. Baum replied "yes."

D. Post also stated that the contract says if the CEO dies, all sick, comp time and vacation pay is paid to the wife/children within two weeks of his death. That wasn't included when his wife passed away. D. Baum said he used the City of Graylings contract as a template. This contract was developed by their municipal attorney at the time. There were concerns with medical situations and felt it was better to have it be well defined than it not be well defined. Also, it is for "earned" paid time off, therefore it is still owed to his heirs.

R. Pallarito feels that this is an administrative position at an executive level. He also feels that a contract should protect both sides, in this case NEMCOG and D. Baum. T. Hewitt said he couldn't agree more. T. Hewitt feels this is a standard contract, nothing out of the ordinary. Feels this is a heck of a deal for a year for a leadership position to take care of the agency and we should take care of him. He doesn't feel that D. Baum is asking for anything out of the ordinary. J. Wallace agreed. J. Wallace moved for a roll call vote to approve the Executive Director 3-year contract as presented. A roll call vote was taken, 13 ayes, 1 nay, motion carried.

14. **County/Member Updates** – skipped due to lack of time.

15. **Public Comment:** none.

16. **Adjournment/Next Meeting:** The next meeting will be held on Thursday, August 21, 2025, at the Kirtland University Center in Gaylord. Remember, there is no meeting in July. J. Wallace moved to adjourn the meeting; seconded by D. Wingo. Yes all, motion carried. The meeting adjourned at 12:25 p.m.