

Statement of John Gallagher

I, John Gallagher, state as follows:

On January 6, 2026, I was contacted by multiple Leelanau County officials regarding the County's self-insured health plan. Specifically, I participated in at least several separate discussions on that date. Several discussions involved the County Clerk and the Chief Deputy Clerk. I also had a separate discussion with the Finance Director.

In each of these discussions, the primary subject was the potential impact on county cash flow should the County deviate from the existing \$20,000 stop-loss for the County's self-insured health insurance plan. The proposed change was described to me as creating cash flow difficulties in the first quarter of 2026, and serious financial risk for the County. The consequences were portrayed as potentially devastating to County finances. The obvious objective of these discussions was to motivate me to take a position at the Special Board of Commissioners Meeting scheduled for Friday, January 9, 2026, to discuss health insurance. It appeared to me that these three individuals were asking me to take a position contrary to the recommendation of the County Administrator to change to a \$50,000 stop loss in the Health Insurance plan.

The next day, I received a text message from the Finance Director asking if I could sit down with her and the Deputy Clerk regarding health insurance. The message specifically requested that we meet prior to the special meeting of the County Board scheduled for January 9.

During the meetings with the County Clerk and Chief Deputy Clerk, the discussion extended beyond financial considerations. In that meeting, statements were made indicating that if the County implemented the change to the stop-loss attachment point, or if the County Board waived its requirement for a Request for Proposals and selected a different insurance program, efforts would be made to terminate the employment of the County Administrator and to seek the recall of the County Board Chair.

This statement is made based on my personal knowledge and recollection of the events described above. I affirm that this statement is true and accurate to the best of my knowledge and belief.

Signed: _____

John Gallagher

Date: _____