

09/08/25 Working Session

Monday, September 8, 2025 6:00 PM

District Office Board Room, 405 School Avenue, Carlton, MN 55718

1. Call Meeting to Order

1.1. Roll Call

2. Approve Meeting Agenda

3. Financial Review

4. Business

4.1. Review Regular Board Meeting Agenda

4.2. Consolidation / Joint meeting update

4.3. Update on staff computer purchase

4.4. Review Insurance Brokerage Agreement - Gallager

4.5. Move to Closed Session to discuss Certified Negotiations.

4.6. Move to re-open the Public Meeting.

5. Adjourn

Carlton Independent School District 93
 Check Register by Bank and Check

Check Number: 0-2147483647 Payment Date: 08/01/2025-08/31/2025 Period: 0-99999999

Batch	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Pmt/Void Date	Amount
1		36451	64046	Check	1	2119	REMIT	AVIBEN BENEFIT PARTNERS, ELEVA	Yes	No	No	08/04/2025	272.78
		36458	64047	Check	1	3415	REMIT	CARLTON BUS SERVICE	Yes	No	No	08/04/2025	3,877.44
		36449	64048	Check	1	15507	REMIT	CARLTON COUNTY PUBLIC HEALTH	Yes	No	No	08/04/2025	25.00
		36453	64049	Check	1	2397		CENTURYLINK	Yes	No	No	08/04/2025	1,303.07
		36450	64050	Check	1	17200		CITY OF CARLTON	Yes	No	No	08/04/2025	490.22
		36457	64051	Check	1	3281		CLOQUET SANITARY SERVICE	Yes	No	No	08/04/2025	1,111.18
		36460	64052	Check	1	3824		CLORE CHARLES T.	Yes	No	No	08/04/2025	105.00
		36463	64053	Check	1	4153		Culligan of Cloquet	Yes	No	No	08/04/2025	141.97
		36461	64054	Check	1	3960		IMAGINE LEARNING LLC.	Yes	No	No	08/04/2025	24,462.50
		36459	64055	Check	1	36506		ISD #0100 - WRENSHALL	Yes	No	No	08/04/2025	22,271.52
		36465	64056	Check	1	4259		Junior's Backyard Grill	Yes	No	No	08/04/2025	1,500.00
		36447	64057	Check	1	1206		LAKE SUPERIOR ZOO EDU DEPT	Yes	No	No	08/04/2025	156.00
		36468	64058	Check	1	47575		MADISON NATIONAL LIFE	Yes	No	No	08/04/2025	514.56
		36464	64059	Check	1	4167		Meetings Northwest, Inc.	Yes	No	No	08/04/2025	2,290.00
		36469	64060	Check	1	47724		MENARDS INC	Yes	No	No	08/04/2025	408.89
		36454	64061	Check	1	2545		MINNESOTA ENERGY RESOURCES	Yes	No	No	08/04/2025	418.91
		36470	64062	Check	1	47970		MINNESOTA POWER INC	Yes	No	No	08/04/2025	3,785.11
		36452	64063	Check	1	2356		MSBA	Yes	No	No	08/04/2025	3,225.00
		36471	64064	Check	1	53716		NORTHEAST SERVICE COOPERATIV	Yes	No	No	08/04/2025	200.00
		36466	64066	Check	1	4261		SELL HARDWARE	Yes	No	No	08/04/2025	19.50
		36455	64067	Check	1	2591	1099	SQUIRES, WALDSPURGER & MACE.	Yes	No	No	08/04/2025	4,763.32
		36456	64070	Check	1	3010		TWIN PORTS PEST & LAWN MANAGI	Yes	No	No	08/04/2025	374.00
		36462	64071	Check	1	3979		WEX HEALTH, INC.	Yes	No	No	08/04/2025	138.75
		36479	64074	Check	1	36500		ISD #0094 - CLOQUET	Yes	No	No	08/11/2025	4,288.72
		36481	64075	Check	1	36502		ISD #0095 - CROMWELL	Yes	No	No	08/11/2025	1,027.75
		36480	64076	Check	1	36501		ISD #0097 - MOOSE LAKE	Yes	No	No	08/11/2025	5,556.18
		36483	64077	Check	1	36505		ISD #0099 - ESKO	Yes	No	No	08/11/2025	2,549.32
		36484	64078	Check	1	36506		ISD #0100 - WRENSHALL	Yes	No	No	08/11/2025	348.26
		36485	64079	Check	1	36514		ISD #0381 - LAKE SUPERIOR	Yes	No	No	08/11/2025	22,342.35
		36474	64080	Check	1	1155		ISD #0577 - WILLOW RIVER	Yes	No	No	08/11/2025	1,010.35
		36475	64081	Check	1	1272		ISD #0700 - HERMANTOWN	Yes	No	No	08/11/2025	4,460.38
		36486	64082	Check	1	36519		ISD #0704 - PROCTOR	Yes	No	No	08/11/2025	20,796.80
		36477	64083	Check	1	3486		ISD #6096 - NORTHERN LIGHTS ACA	Yes	No	No	08/11/2025	4,588.93
		36488	64084	Check	1	47970		MINNESOTA POWER INC	Yes	No	No	08/11/2025	1,298.25
		36478	64085	Check	1	3486	REMIT	NORTHERN LIGHTS ACADEMY	Yes	No	No	08/11/2025	2,099.86
		36487	64086	Check	1	3828		NORTHSTAR MEDIA, INC.	Yes	No	No	08/11/2025	339.10
		36489	64087	Check	1	82560		WKLK-FM, WKLK-AM & WMOZ-FM	Yes	No	No	08/11/2025	75.00
		36493	64088	Check	1	3391		CREATIVEDGE DESIGNS, LLC	Yes	No	No	08/20/2025	2,875.91
		36491	64089	Check	1	36503		ISD #0091 - BARNUM	Yes	No	No	08/20/2025	25,195.61

Carlton Independent School District 93

Check Register by Bank and Check

Check Number: 0-2147483647 Payment Date: 08/01/2025-08/31/2025 Period: 0-99999999

Batch	Bank	Pymt No	Check No	Pay Type	Grp	Code	Rcd	Vendor	Print	Recon	Void	Pmt/Void Date	Amount
1		36492	64090	Check	1	53774		NORTHLAND FIRE & SAFETY INC	Yes	No	No	08/20/2025	795.00
		36494	64091	Check	1	2580		MONT DU LAC RECREATION	Yes	No	No	08/20/2025	4,001.16
		36495	64092	Check	1	1378		STACK BROTHERS	Yes	No	No	08/20/2025	1,781.16
		36496	64093	Check	1	1331		AMAZON CAPITAL SERVICES	Yes	No	No	08/21/2025	261.54
		36509	64094	Check	1	3347		BENCHMARK EDUCATION	Yes	No	No	08/21/2025	9,147.00
		36498	64095	Check	1	15507	REMIT	CARLTON COUNTY PUBLIC HEALTH	Yes	No	No	08/21/2025	25.00
		36503	64097	Check	1	28660		FOND DU LAC TRIBAL AND COMMUN	Yes	No	No	08/21/2025	400.00
		36500	64098	Check	1	2063		GREAT LAKES AQUARIUM	Yes	No	No	08/21/2025	120.00
		36514	64099	Check	1	4264		Holden Electric Co., Inc.	Yes	No	No	08/21/2025	20,367.50
		36505	64100	Check	1	3145	REMIT	INNOVATIVE OFFICE SUPPLIES	Yes	No	No	08/21/2025	39.77
		36515	64101	Check	1	45535	REMIT	L&M SUPPLY INC	Yes	No	No	08/21/2025	525.57
		36504	64102	Check	1	3084	REMIT	MARCO INC	Yes	No	No	08/21/2025	1,578.31
		36516	64103	Check	1	47663	REMIT	MCGRAW-HILL SCHOOL EDUCATION	Yes	No	No	08/21/2025	3,555.87
		36517	64104	Check	1	47950		MESPA	Yes	No	No	08/21/2025	1,202.00
		36502	64105	Check	1	2545		MINNESOTA ENERGY RESOURCES	Yes	No	No	08/21/2025	679.30
		36507	64106	Check	1	3211		MINNESOTA HISTORICAL SOCIETY	Yes	No	No	08/21/2025	355.00
		36508	64107	Check	1	3302	NEWRE	MRI SOFTWARE LLC	Yes	No	No	08/21/2025	20.00
		36513	64108	Check	1	4174		New Dominion School	Yes	No	No	08/21/2025	15,083.08
		36518	64109	Check	1	53774		NORTHLAND FIRE & SAFETY INC	Yes	No	No	08/21/2025	718.60
		36512	64110	Check	1	4002		PAPER STORM	Yes	No	No	08/21/2025	361.80
		36510	64111	Check	1	3534		PINE KNOT NEWS	Yes	No	No	08/21/2025	55.00
		36511	64112	Check	1	3749	REMIT	SAVVAS LEARNING COMPANY	Yes	No	No	08/21/2025	1,663.20
		36497	64113	Check	1	1378		STACK BROTHERS	Yes	No	No	08/21/2025	9,490.17
		36506	64114	Check	1	3202		TRG TRUCK REPAIR LLC	Yes	No	No	08/21/2025	68.53
		36519	64115	Check	1	76350		UPPER LAKES FOODS INC-127514	Yes	No	No	08/21/2025	95.00
		36501	64116	Check	1	2334	REMIT	WELLS FARGO-PAYMENT REMITTAN	Yes	No	No	08/21/2025	1,319.60
		36520	64117	Check	1	87510		YOUNG & ASSOCIATES AGENCY, INC	Yes	No	No	08/21/2025	529.00
Bank Total: 1													\$244,945.65
Report Total:													\$244,945.65

Carlton Independent School District 93
Detail Payment Register By Check
Fund Summary

Fund	Description	Total
01	General Fund	\$198,578.37
02	Food Service Fund	\$95.00
03	Transportation Fund	\$3,945.97
04	Community Service Fund	\$1,118.23
05	Capital Outlay Fund	\$37,050.79
11	Student Activities	\$4,157.29
Report Total		\$244,945.65

**INDEPENDENT SCHOOL DISTRICT 93 CARLTON
PAYROLL INFORMATION
August 2025**

Fund	15th	Gross Pay by Fund	Benefit by Fund
FUND 01	GENERAL	\$104,678.37	\$34,704.24
FUND 02	FOOD SERVICE	\$2,218.31	\$829.36
FUND 03	TRANSPORTATION	\$0.00	\$0.00
FUND 04	COMMUNITY SERVICE	\$6,097.19	\$833.72
FUND 05	CAPITAL	\$175.88	\$54.89
FUND 45	OPEB	\$0.00	\$0.00
ALL	TOTAL	\$113,169.75	\$36,422.21

Wire Transfers	
\$11,829.92	MN Teachers Retirement Assoc
\$24,911.63	Internal Revenue Service
\$4,220.21	MN Department of Revenue
\$0.00	MN State Retirement System
\$2,265.83	Employee Benefit Consultants
\$5,297.21	Public Employees Retirement Assoc
\$0.00	
\$48,524.80	TOTAL WIRES

Fund	29th	Gross Pay by Fund	Benefit by Fund
FUND 01	GENERAL	\$107,416.97	\$30,750.28
FUND 02	FOOD SERVICE	\$1,634.58	\$594.60
FUND 03	TRANSPORTATION	\$0.00	\$0.00
FUND 04	COMMUNITY SERVICE	\$6,918.34	\$1,009.58
FUND 05	CAPITAL	\$175.88	\$54.89
FUND 45	OPEB	\$0.00	\$0.00
ALL	TOTAL	\$116,145.77	\$32,409.35

Wire Transfers	
\$11,838.05	MN Teachers Retirement Assoc
\$23,735.42	Internal Revenue Service
\$3,984.90	MN Department of Revenue
\$6,764.81	MN State Retirement System
\$2,265.99	Employee Benefit Consultants
\$4,951.58	Public Employees Retirement Assoc
\$0.00	VEBA
\$53,540.75	TOTAL WIRES

Fund	Total for the Month	Gross Pay by Fund	Benefit by Fund
FUND 01	GENERAL	\$212,095.34	\$65,454.52
FUND 02	FOOD SERVICE	\$3,852.89	\$1,423.96
FUND 03	TRANSPORTATION	\$0.00	\$0.00
FUND 04	COMMUNITY SERVICE	\$13,015.53	\$1,843.30
FUND 05	CAPITAL	\$351.76	\$109.78
FUND 45	OPEB	\$0.00	\$0.00
ALL	TOTAL	\$229,315.52	\$68,831.56

Total for the Month Wire Transfers	
\$23,667.97	MN Teachers Retirement Assoc
\$48,647.05	Internal Revenue Service
\$8,205.11	MN Department of Revenue
\$6,764.81	MN State Retirement System
\$4,531.82	Employee Benefit Consultants
\$10,248.79	Public Employees Retirement Assoc
\$102,065.55	TOTAL WIRES

\$298,147.08 Total Payroll (Salary & Benefits)

09/15/25 Regular Board Meeting
Monday, September 15, 2025 6:00 PM

Carlton Middle/High School Library
405 School Avenue
Carlton, MN 55718

Agenda

1. Call Meeting To Order
 - 1.1. Pledge of Allegiance
 - 1.2. Roll Call Attendance
2. Approve Meeting Agenda
3. Recognition of Public
 - 3.1. Notice Regarding Public Comment
 - 3.2. Public Comments
4. Presentations
5. Congratulations & Commendations
6. Reports
 - 6.1. Community Education Director - Daisy Rose
 - 6.2. South Terrace Principal - Kari Solarz
 - 6.3. MS/HS Principal - Warren Peterson
 - 6.4. Student Report
 - 6.5. Food Service Director - Val Dahl
 - 6.6. American Indian Education Director - Gracie Evans
 - 6.7. Positive Community Norms Director - Dawn Shoberg
 - 6.8. Athletic Director - Brent Pokornowski
 - 6.9. Superintendent - Mark Messman
 - 6.10. Board Committee Reports
 - 6.10.1. Policy Committee
 - 6.10.2. Facilities Committee
7. Consent Agenda
 - 7.1. August Payroll, Wires & Finance Checks
 - 7.2. Approve Previous Month's Meeting Minutes

- 7.3. Recommendation to Hire - Rebecca Davidson as Special Education teacher BA Step 1. FTE 1.0 for the 2025-2026 school year.
- 7.4. Approve At-Will Employment - Due Process Specialist - M Lippitt
- 7.5. Recommendation to Hire - Student Data Specialist / MARSS Coordinator. Laura Nilsen
- 7.6. Accept resignation of Jaslyn Wolfe, ST Indian Education Home School Liaison, effective 8/22/25.
- 7.7. Accept resignation of Gwen Spychalla, MS/HS Paraprofessional, effective 8/25/25.
- 7.8. Approve the hire of Robie Forte as an at-will Kids Care Aid - as needed hourly, through 6/30/26.
- 7.9. Accept resignation of Angela Loven, food service, effective 8/27/25.
- 7.10. Approve the hire of the Youth Group Leader Positions through the PCN Grant - 9/1/25 - 6/30/26. Bethany Thompson & Shawn Filipiak
- 7.11. Approve the hire of Kaylynn (KJ) Lambeth as a Food Service Cook, Step 1 for 2025-2026 at the Middle/High School.

8. Old Business

- 8.1. Consolidation Update
- 8.2. Enrollment Report

9. New Business

- 9.1. RESOLUTION TO BEGIN THE PROCESS OF SCHOOL DISTRICT CONSOLIDATION
- 9.2. Approve Student Activities Handbook - **TBD**
- 9.3. Approve School Board Handbook
- 9.4. Revise food service prices per MDE Guidelines
- 9.5. TBD? Approve the tuition agreement between Carlton and Cloquet for an Auto Mechanics Class.
- 9.6. TBD-Approve the tuition agreement between Carlton and Wrenshall for a Construction Class and General Band.
- 9.7. TBD? Approve the Truth and Taxation Meeting for December 15th at 7:00 p.m.
- 9.8. TBD? - Approve the allotted portion of the PCN Grant for administrative needs as a stipend for Donita Stepan at \$5500.00 and Angela Lind at \$2000.00.

10. Policies

11. Personnel

- 11.1. Approve the hire of Schedule C 2025-2026 Advisors

11.2. Approve the assignment of David Luukkala as the MS/HS building substitute for the 2025-2026 school year.

12. Reminders & Future Meetings

13. Adjourn

Next JOINT SESSION

SEPTEMBER 11, 2025

6:00 – 7:30 PM

WRENSHALL SCHOOL COMMONS

**Joint Session of the
Wrenshall and Carlton
Boards of Education**

At the meeting, ICS will walk the joint board through:

- ▶ General Update / Timeline
- ▶ Facility Assessment Results
 - Carlton South Terrace quick review
 - Wrenshall review
- ▶ Applied Insights
 - Analysis of historic enrollment
 - Base year projections for student enrollment
 - Introduce the projection matrix for POC team
- ▶ Next Steps
 - Student Listening Session
 - Educational Adequacy Assessments
 - Widseth – Next Steps
 - POC No. 1 - Projections Matrix
 - Ehlers Introduction/Financial Meeting
 - Rapp Strategies Voter Profile Analysis – Next Joint Board Meeting

We are moving forward, taking steps to create the best plan for a combined learning community. *You* are a stakeholder. Please attend this meeting. Strong stakeholder engagement will help shape the best plan.



CONSULTING AGREEMENT

This Consulting Agreement (this “**Agreement**”) is made by and between Gallagher Benefit Services, Inc., (“**Gallagher**”) and Carlton School District (“**Client**”).

Client wishes to enter into a consulting relationship with Gallagher on the terms and conditions set forth in this Agreement, and Gallagher is willing to accept such a consulting relationship. In consideration of and in reliance upon the terms and conditions contained in this Agreement, Client and Gallagher agree as follows:

1. **Engagement of Services**

Client hereby engages Gallagher as a professional consultant to provide the consulting and/or brokerage services as more fully described in Exhibit A attached to this Agreement and incorporated herein. During the time that Gallagher is performing services for Client under this Agreement, and for all purposes outlined in this document, Gallagher’s status will be that of an independent contractor for Client.

2. **Term and Termination**

The Effective Date of this Agreement is January 1st, 2026. The term of Gallagher’s engagement under this Agreement (the “**Consulting Period**”) will begin as of the Effective Date and will remain in effect for one (1) year from the Effective Date. The Consulting Period will be automatically extended for an additional year on each anniversary of the Effective Date. Either party may terminate this Agreement by giving the other party at least ninety (90) days written notice of its intent to terminate. In the event such termination is effective during the Consulting Period (including any renewed Consulting Period), Client shall be responsible for compensating Gallagher for any services performed prior to the date of termination and Gallagher shall be responsible to Client to continue to provide services until the date of termination of this Agreement.

3. **Compensation**

As compensation for its services under this Agreement, Gallagher will receive carrier commissions and/or direct fees paid by the Client, as set forth in the Compensation Disclosure Statement attached hereto as Exhibit B. Additional information regarding Gallagher compensation can also be found in Exhibit B. Gallagher shall disclose the amount of commissions payable, if any, to it by each insurance company at the time it presents rates to Client. The parties hereby agree that any Direct Client Fees for Consulting Services specified under Exhibit B shall be increased by an amount not to exceed three percent (3%) annually after the initial Consulting Period under this Agreement, unless otherwise agreed to by Gallagher. Client is responsible for payment of Gallagher’s fees (if applicable) within thirty (30) days of invoice receipt. Any amounts not paid when due will accrue interest at the rate of one percent (1%) per month or the highest rate permitted by applicable law, whichever is less. If any amount is not paid in full when due without a good faith basis to withhold, that nonpayment will constitute a material breach of this Agreement.

4. **Performance and Scope**

(a) Representations and Warranties. Each party represents, warrants and covenants to the other that: (i) it has full power and authority to make, execute, deliver and perform its obligations under this Agreement; (ii) the performance of its obligations pursuant to this Agreement shall be in accordance with all applicable laws; (iii) this Agreement has been duly executed and delivered by an authorized representative of such party and constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms; and (iv) there are no other agreements presently in force which would encumber or prevent either party’s compliance with any terms of this Agreement.

(b) Standard of Care. Gallagher will perform its duties, responsibilities and obligations with the care, skill, prudence and diligence that a prudent employee benefits consultant or insurance broker

acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims under the circumstances then prevailing. As appropriate, Gallagher may coordinate fiduciary review services and other related duties with the plan's claims administrator and/or insurance carrier(s). However, Gallagher does not accept any fiduciary duties or obligations with respect to a plan as these remain the duties and obligations of the plan's claims administrator or insurance carriers.

(c) Reliance. In the performance of its duties, Gallagher may rely upon, and will have no obligation to independently verify the accuracy, completeness, or authenticity of, any written instructions or information provided to Gallagher by Client or its designated representatives and reasonably believed by Gallagher to be genuine and authorized by Client.

(d) No Practice of Law. Gallagher will not be obligated to perform, and Client will not request performance of, any services which may constitute the unauthorized practice of law. Client will be solely responsible for obtaining any legal advice, review or opinion as may be necessary to ensure that its own conduct and operations, including the engagement of Gallagher under the scope and terms herein, conform in all respects with applicable State and Federal laws and regulations (including ERISA, the Internal Revenue Code, State and Federal securities laws and implementing regulations) and, to the extent that Client has foreign operations, any applicable foreign laws and regulations.

(e) Subcontractors. Gallagher may cause another person or entity, as a subcontractor to Gallagher, to provide some of the services required to be performed by Gallagher hereunder; provided that Gallagher shall remain responsible for all acts and omissions of any such subcontractors (each of which shall be bound by Gallagher's obligations under this Agreement). Gallagher shall seek prior written approval from Client for any subcontractors providing substantive consulting, professional or managerial services. Prior written approval shall not be required for clerical, office, secretarial, IT back-up, administrative or similar support services.

(f) Conflict of Interest. Gallagher's engagement under this Agreement will not prevent it from taking similar engagements with other clients who may be competitors of Client. Gallagher will, nevertheless, exercise care and diligence to prevent any actions or conditions which could result in a conflict with Client's best interest.

(g) Acknowledgements. In connection with Gallagher's services under this Agreement, Client agrees that:

(i) Although Gallagher will apply its professional judgment to access those insurance companies it believes are best suited to insure Client's risks, there can be no assurance that the insurance companies Gallagher has accessed are the only or are the best suited to insure Client's risks. Therefore, Client, in its sole and absolute discretion, remains responsible for its choice of insurance company, and all risks associated with Client's choice, including but not limited to the company's financial solvency or security. Gallagher does not guarantee, nor does it assume any responsibility for Client's decisions or its final choice of insurance company, as all such decisions and risks are outside of Gallagher's control.

(ii) Any compensation of the types described above and disclosed to it does not constitute a conflict of interest and Client expressly waives any claims alleging any such conflict of interest.

(iii) The compensation payable to Gallagher is solely for the services set forth under this Agreement, as detailed in Exhibit A. To the extent any additional administrative, claims representative or other services are required, the parties may enter into a separate agreement covering such additional services.

5. **Confidentiality**

(a) Confidential Information.

(i) As used in this Agreement, "**Confidential Information**" means any nonpublic, proprietary or personal data and information furnished by either party or its agents or

representatives to the other party or its agents and representatives, whenever furnished and regardless of the manner or media in which such information is furnished, which the receiving party knows or reasonably should know to be confidential. Each party shall treat Confidential Information as confidential and only use it in the performance of its obligations under this Agreement. As part of the services Gallagher offers for the benefit of its clients, Client understands that Gallagher may de-identify and aggregate client confidential information such that no information may reasonably be linked to any client or any specific individual, and may use such information for conducting data analytics, benchmarking, service enhancements, or similar business purposes.

(ii) The parties acknowledge that Confidential Information includes personal data provided to Gallagher by Client for the benefit of Client and/or its employees to facilitate the performance of services set forth in Exhibit A. Both Parties also agree that the Confidential Information may include information that alone, or in combination with other information, uniquely identifies an individual. Client agrees that Gallagher is permitted to disclose and transfer Client's Confidential Information to Gallagher's affiliates, agents or vendors that have a need to know the Confidential Information in connection with the services provided under this Agreement (including insurance carriers, as necessary, for quoting and/or placing insurance coverages). Gallagher has established security controls to protect Client Confidential Information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.aig.com/privacy-policy/>.

(iii) Both Gallagher and Client agree to comply with all state and federal laws, rules, and orders that relate to privacy and data protection which are, or which in the future may be, applicable to Confidential Information, the services or the performance of obligations under this Agreement. Upon request, Gallagher will cooperate with Client pursuant to applicable law(s) to comply with requests from individuals regarding their personal information.

(b) HIPAA Privacy. Gallagher and Client will each comply with any prohibitions, restrictions, limitations, conditions, or other requirements to the extent they apply to them directly or indirectly pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulation concerning privacy of individually identifiable health information as set forth in 45 CFR Parts 160-164, as amended from time to time. When required, Client, as a representative of the health plans, and Gallagher will enter into a separate Business Associate Agreement.

(c) Use of Names; Public Announcements. Neither party will use, in any commercial manner, the names, logos, trademarks or other intellectual property of the other party without the other party's prior written consent. Except as may be required by law, neither party will issue any press releases or make any public announcements of any kind regarding the relationship between the parties without the other party's prior consent.

6. Indemnification Rights and Limitation of Liability

(a) Indemnification. Each party agrees to defend, indemnify and hold the other party and its affiliates and their respective directors, officers, employees and agents harmless from any and all losses, liabilities, exposures, damages and all related costs and expenses, including reasonable legal fees, to the extent arising from or relating to any third party claims, demands, suits, allegations, or causes or threats of action based on the indemnifying party's: (i) grossly negligent acts or omissions, or (ii) intentional and willful misconduct; provided, however, that the indemnifying party's indemnification obligations hereunder shall be reduced to the extent that such losses and damages arise from the acts or omissions of the other party or its employees or agents.

(b) LIMITATION OF LIABILITY. NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THIS AGREEMENT, EACH PARTY SHALL ONLY BE LIABLE FOR ACTUAL, DIRECT DAMAGES INCURRED BY THE OTHER PARTY, AND SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, EXEMPLARY, RELIANCE, CONSEQUENTIAL, OR PUNITIVE DAMAGES, EVEN IF A PARTY KNEW OR SHOULD HAVE KNOWN OF THEIR EXISTENCE, (WHETHER INCURRED IN A DISPUTE OR AN ACTION AGAINST THE OTHER, OR AS ALLEGED DAMAGES THAT ANY PARTY INCURRED IN ANY INSURANCE COVERAGE DISPUTE, OR OTHERWISE). FURTHERMORE,

UNLESS OTHERWISE NOTED IN EXHIBIT A, THE AGGREGATE LIABILITY UNDER THIS AGREEMENT, IF ANY, OF EITHER PARTY TO THE OTHER FOR CLAIMED LOSSES OR DAMAGES SHALL NOT EXCEED \$1,000,000. THIS PROVISION APPLIES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW. NO CLAIM OR CAUSE OF ACTION, REGARDLESS OF FORM (TORT, CONTRACT, STATUTORY, OR OTHERWISE), ARISING OUT OF, RELATING TO OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY SERVICES PROVIDED HEREUNDER MAY BE BROUGHT BY EITHER PARTY ANY LATER THAN TWO (2) YEARS AFTER THE ACCRUAL OF SUCH CLAIM OR CAUSE OF ACTION.

7. Notices

Any notices, requests or other communications pursuant to this Agreement will be addressed to the party at its address listed below. Such notices will be deemed to have been duly given, (i) if delivered in person or by courier, upon delivery; (ii) if sent by an overnight service with tracking capabilities, upon receipt; (iii) if sent by registered or certified mail, postage prepaid, within five (5) days of deposit in the mail; or (iv) if sent by fax or electronic mail, at such time as the party which sent the notice receives confirmation of receipt by the applicable method of transmittal.

If to the Client: Carlton School District
Attention: Mark Messman
405 School Avenue
Carlton, MN 55718

If to Gallagher: Gallagher Benefit Services, Inc.
Attention: Brian Lomas
2850 W Golf Road
Rolling Meadows, IL 60008

Either party may, by written notice to the other, change the address to which notices to such party are to be delivered or mailed.

8. Miscellaneous

(a) Severability. The various provisions and subprovisions of this Agreement are severable and if any provision or subprovision or part thereof is held to be unenforceable by any court of competent jurisdiction, then such enforceability will not affect the validity or enforceability of the remaining provisions or subprovisions or parts thereof in this Agreement.

(b) Entire Agreement; Amendment. This Agreement, including all exhibits hereto, constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, between the parties regarding the subject matter hereof. Except for changes in carriers and/or lines of coverage noted in Exhibit B, which may occur upon unilateral approval of Client, this Agreement may be modified or amended only by a written instrument executed by both parties.

(c) Waiver. No covenant, term or condition or the breach thereof will be deemed waived, except by written consent of the party against whom the waiver is claimed. Any waiver by either party hereto of any provision of this Agreement shall not be construed as a waiver of any other provision of this Agreement, nor shall such waiver be construed as a waiver of such provision with respect to any other event or circumstance, whether past, present or future.

(d) Governing Law; Rule of Construction. This Agreement will be construed, interpreted and enforced in accordance with the laws of the State of Illinois without giving effect to the choice of law principles thereof or any canon, custom or rule of law requiring construction against the drafter.

(e) Successors. This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in the interest of the parties hereto.

(f) Warranties. Except as expressly set forth in this Agreement, Gallagher makes no other warranties of any kind with respect to the Services, including, without limitation, warranties that may be implied from a course of performance, dealing or trade usage.

(g) Force Majeure. Neither party shall be liable to the other for any delay or failure to perform any of its obligations under this Agreement (other than payment obligations) as a result of flood, earthquake, storm, other act of God, fire, derailment, accident, labor dispute, explosion, war, act of terrorism, sabotage, insurrection, riot, embargo, court injunction or order, act of government or governmental agency or other similar cause beyond its reasonable control.

(h) Assignment. This Agreement shall apply to and bind the successors and assigns of the parties hereto, including, in the event of a party's insolvency, debtors-in-possession and any appointed trustee or administrator. This Agreement shall not be assignable by either party, except with the prior written consent of the other party; provided, however, that either party may assign this Agreement to an affiliate or in the event of a merger or sale, provided the assignee is willing and able to assume such party's obligations hereunder.

(i) Counterparts. This Agreement may be executed in multiple counterparts (including by scanned image or electronic signature), each of which shall be considered one and the same agreement, and shall become effective when signed by each of the parties hereto and delivered to the other party.

(j) Survival of Provisions. Sections 3, 5, 6, and 8 will survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first written above.

Carlton School District

By: _____
Name: Mark Messman
Title: Superintendent
Date: _____

GALLAGHER BENEFIT SERVICES, INC.

By: _____
Name: Brian Lomas
Title: President | Great Lakes Region
Date: _____

EXHIBIT A SCOPE OF SERVICES

Subject to any changes and additions as may be mutually agreed by the parties in writing, availability and delivery of data from the insurance carrier and other third party vendors, Gallagher will provide the following Services to Client on an “as needed” basis:

RENEWAL ANALYSIS:

- Review and evaluate carrier projections
- Coordinate carrier negotiations
- Create employee contribution modeling reports
- Assist with budget projections
- Provide renewal alternatives with cost impact of benefit plan changes

PERIODIC PLAN FINANCIAL REPORTS: (FREQUENCY TO BE MUTUALLY AGREED UPON)

- Summary of plan costs
- Employee contributions
- Large claims tracking
- Comparison to prior claim period
- Plan trends

ANNUAL FINANCIAL REPORTS (END OF YEAR ACCOUNTING):

- Comparison of current costs to renewal costs
- Dollars saved by contract negotiation
- Percent of benefit dollars paid by employee
- Plan funding/budget comparison

CARRIER MARKETING AND NEGOTIATIONS, AS DIRECTED BY CLIENT:

- Work with Client to develop a strategy to identify goals, analyze program costs and review both current and alternative funding arrangements
- Manage the renewal process with the current carrier to control costs
- Implement carrier renewal strategies with Client
- Develop timeline covering every aspect from RFP preparation to the delivery of employee communications
- Manage RFP development that tailors the RFP to the desires, needs and financial directions provided by Client
- Explore alternative funding solutions
- Evaluate vendor responses to track variations in coverage and costs as they are identified

LEGISLATIVE AND REGULATORY COMPLIANCE SUPPORT:

- Provide legislative updates, including Compliance Alerts, Webinars, Technical Bulletins and Directions newsletter
- Evaluate plan design to assist with compliance with state and federal regulations
- Provide general information and guidance to assist with compliance with ERISA, ACA, COBRA, HIPAA and other Federal legislation that directly affects the administration of plan benefits
- Provide template or sample compliance notices and enrollment forms as reasonably requested by Client

DAY TO DAY ADMINISTRATIVE ASSISTANCE:

- Provide assistance to Client’s HR/benefits contacts to help with resolving carrier service issues
- Coordinate and participate in annual service meetings with Client and select carriers

COMMUNICATION MATERIALS:

- Assist with the drafting and distribution of Open Enrollment-New Member Orientation summary information and any other communications pertaining to the health and welfare program
- Provide annual open enrollment guidance and employee meeting materials

BENEFIT ADMINISTRATION ASSESSMENT:

- Periodic evaluation of internal plan enrollment and benefit termination processes
- Review, coordinate and implement Client agreed upon plan “best practices” to help limit plan liability and increase participant satisfaction
- Help identify opportunities for streamlining and improving administration procedures

MARKET BENCHMARKING STUDIES:

- Local Area Surveys
- Industry Surveys

BENEFIT PLAN DESIGN (OR REDESIGN):

- Help Client identify business and HR objectives that impact benefits
- Review with Client possible benefit strategies to meet their objectives
- Help Client evaluate/review current scope of benefits package – e.g., types & levels of coverage
- Work with Client to develop funding and contribution strategies
- Assist with budget projections for design alternatives

**EXHIBIT B
COMPENSATION DISCLOSURE STATEMENT**

Line of Coverage / Service	Company	Commission¹	Third Party Compensation	Direct Client Fees²	Effective Date
Medical	PEIP or Alt. Carrier	\$30 PEPM	n/a	n/a	Jan. 1 st 2026

It should also be noted that:

- Gallagher is not an affiliate of the insurer or vendor whose contract is recommended. This means the insurer or vendor whose contract is recommended does not directly or indirectly have the power to exercise a controlling influence over the management or policies of Gallagher.
- Gallagher’s ability to recommend other insurance contracts or vendors is not limited by an agreement with any insurance carrier or vendor and Gallagher is affecting the transaction for applicable plan(s) in the ordinary course of Gallagher business. Thus, pertinent transaction(s) are at least as favorable to the applicable plan(s) as an arm’s length transaction with an unrelated party.
- Gallagher is not a trustee of the plan(s) and is neither the Plan Administrator of the plan(s), a Named Fiduciary of the plan(s), nor an employer which has employees in the plan(s).
- Gallagher may receive supplemental compensation from insurance carriers and vendors, normally calculated at the end of each calendar year, that are contingent on a number of factors including the overall number of employer plans represented, plan retention rates, and overall premium growth. Historically, supplemental compensation has ranged, on average, between 0-3% based on specific carrier programs. These plans have no effect on premiums. Further, Gallagher may receive non-cash compensation from plan vendors or service providers that are not in connection with any particular client. If you have any questions regarding direct or indirect compensation received by Gallagher, contact your dedicated Gallagher advisor or refer to the Gallagher Global Standards of Business Conduct.

For Employers and Plan Sponsors Subject to ERISA: This Disclosure Statement is being given to the Client (1) to make sure Client knows about Gallagher’s and Gallagher affiliates’ income before purchasing the insurance product and/or vendor services and (2) for plans subject to ERISA, to comply with the disclosure, acknowledgment and approval requirement of Prohibited Transaction Class Exemption No. 84-24³, which protects both Client and Gallagher⁴, and the disclosure requirements under ERISA §408(b)(2), as amended by Div. BB, Title II, §202 of the Consolidated Appropriations Act, 2021. Disclosure must be made to responsible plan fiduciary for the ERISA Plan(s), and Client acknowledges and confirms that this is a reasonable transaction in the best interest of participants in its ERISA Plan(s).

For more information on Gallagher’s compensation arrangements, please visit www.ajg.com/us/about-us/disclosures. In the event a client wishes to register a formal complaint regarding compensation Gallagher receives, please send an email to Compensation_Complaints@ajg.com.

¹ Commissions include all commissions/fees paid to Gallagher that are attributable to a contract or policy between a plan and an insurance company, or insurance service. This includes indirect fees that are paid to Gallagher paid by a third party, and includes, among other things, the payment of “finders’ fees” or other fees to Gallagher for a transaction or service involving the plan.

² Direct Fees include compensation to Gallagher paid for directly by the plan sponsor/Client.

³ Which allows an exemption from a prohibited transaction under Section 408(a) of the Employee Retirement Income Security Act of 1974 (ERISA).

⁴ In making these disclosures, no position is taken, nor is one to be inferred, regarding the use of assets of a plan subject to ERISA to purchase such insurance.