

Otter Express Joint Powers Board

Public Transit Joint Powers Agreement

This Joint Powers Agreement ("Agreement") is made and entered into on the 20th day of May, 2025, by and among the cities and counties participating in the Otter Express Public Transportation System (hereinafter referred to as "Otter Express"), pursuant to Minnesota Statutes §471.59, the Joint Powers Act.

WHEREAS:

The Parties to this Agreement seek to collaborate in providing, managing, and expanding public transit services through Otter Express to ensure effective, efficient, and equitable service to residents;

The Parties are authorized to jointly exercise powers to operate public transportation systems under Minnesota law;

The Parties are committed to the sustainability, accessibility, and long-term development of Otter Express to promote mobility, community vitality, and economic opportunity;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and all applicable statutes, rules and regulations, the Parties agree as follows:

1. PARTIES TO THE AGREEMENT

The Parties to this Agreement include:

- City of Fergus Falls
- City of Parham
- Otter Tail County
- Wilkin County

2. PURPOSE

To establish a Joint Powers Board (the "Board") responsible for governance, oversight, and administration of the Otter Express Public Transportation System, including budget approval, planning, service delivery, and strategic development.

3. CREATION OF THE JOINT POWERS BOARD

The Board is hereby established with the authority to manage the Otter Express system. It shall enter into contracts, establish policies, procure services, and oversee operations in accordance with applicable laws and this Agreement.

4. COMPOSITION OF THE BOARD

- A. Each participating entity may appoint an elected official or employee to serve on the Board.

- B. The total number of voting members shall be 7
- C. The total number of voting members per participating entity shall be proportionate to their financial obligations to the Board.
 - 1. City of Pergus Falls: 2
 - 2. City of Perham: 1
 - 3. Otter Tail County: 3
 - 4. Willdn County: 1
- D. Alternates may be designated with full voting rights in the absence of regular members. Non-voting ex officio members may be appointed as needed.
- E. A quorum shall consist of no less than fifty-one percent (51%) of board members or alternates eligible to vote. Board action shall be determined by a majority of the votes cast at the meeting. Abstentions shall not be counted as votes cast for the purpose of this section.
- F. Of the board members initially appointed, two members shall have their terms expire December 31, 2025, two members shall have their terms expire December 31, 2026, and three members shall have their terms expire December 31, 2027. Thereafter, all members shall be appointed for two-year terms, beginning January 1 and expiring December 31.
- G. Should a voting member no longer be an elected official or employee of the participating entity, the appointing body of the participating entity shall appoint a new member to complete the remaining term.
- H. Officers:
 - 1. Officers shall include a Chair and Vice-Chair, elected annually from among the voting members.
 - 2. Elections shall occur at the first regular meeting each calendar year, with terms ending December 31.

5. DUTIES AND RESPONSIBILITIES

The Board shall:

- A. Oversee all aspects of Otter Express operations and planning
- B. Approve and monitor annual budgets and financial reports
- C. Set and revise routes, schedules, fares, and capital plans
- D. Manage federal, state, and local funding and grant compliance
- E. Engage stakeholders through meetings and public hearings
- F. Adopt policies on safety, equity, accessibility, and sustainability
- G. Hire and supervise executive staff
- H. Establish advisory committees as needed

6. FUNDING AND BUDGET

- A. Otter Express operations will be primarily funded through grants, fares, and contracts.
- B. The Board shall annually approve an operating and capital budget
- C. The Otter Express fiscal year shall begin January 1 and end December 31.

- D. Each Party shall contribute an annual operating match. The Board shall establish the local match annually as part of their annual budget. The operating match for each Party in 2026 shall be:
 - 1. City of Fergus Falls: \$50,000
 - 2. City of Perham: \$20,000
 - 3. Otter Tail County: \$110,000
 - 4. Wilkin County: \$20,000
- E. Each Party is responsible for a proportionate share of capital investments and unanticipated operating expenses. The proportionate responsibility of each Party is:
 - 1. City of Fergus Falls: 29%
 - 2. City of Perham: 14%
 - 3. Otter Tail County: 43%
 - 4. Wilkin County: 14%
- F. The Board may seek additional funding sources, including state/federal grants and public-private partnerships.

7. FINANCES

- A. Otter Tail County shall serve as the fiscal agent.
- B. Otter Express will independently manage accounts payable/receivable.
- C. Board approval is required for any expense of \$5,000 or more.
- D. No votes shall be taken on financial matters exceeding \$20,000 unless one representative from each member entity is present.
- E. Monthly financial reports shall be provided to the Board.
- F. Parties may be asked to provide working capital advances based on:
 - 1. Board-approved amounts by majority vote
 - 2. Proportional contributions aligned with local share formulas
 - 3. Return of advance (without interest) within 30 days of audit following withdrawal
- G. Audits:
 - 1. MnDOT shall conduct required financial audits
 - 2. Federal Single Audit compliance shall be met, with costs included in the MnDOT Operating Grant budget

8. MEETINGS AND VOTING

- A. The Board shall meet at least quarterly.
- B. A majority of appointed members constitutes a quorum.
- C. Each member holds one vote; decisions require a majority vote of the quorum.
- D. Meeting procedures, schedules, and public notices shall be set by the Board.

9. TERM AND TERMINATION

- A. This Agreement remains in effect unless terminated by unanimous consent.
- B. Any Party may withdraw with a one-year written notice, subject to settlement of obligations.

- C. **Withdrawing Parties remain responsible for obligations incurred prior to withdrawal.**

10. DISPUTE RESOLUTION

The Parties agree to pursue good-faith negotiation in resolving disputes. Failing that, mediation may be pursued. If unresolved, litigation may proceed in a Minnesota court of competent jurisdiction.

11. AMENDMENTS

Amendments require written consent from all Parties and shall become effective upon execution.

12. INDEMNIFICATION

Otter Express shall be considered a separate and distinct public entity to which the Parties have transferred all responsibility and control for actions taken pursuant to this Agreement. Otter Express shall comply with all laws and rules that govern a public entity in the State of Minnesota and shall be entitled to the protection of Minn. Stat. Sec. 466.

Otter Express shall fully defend, indemnify and hold harmless the Parties against all claims, losses, liability, suits, judgments, costs and expenses by reason of the action or inaction of the Board and/or employees and/or the agents of Otter Express. This Agreement to indemnify and hold harmless does not constitute a waiver by any participant of limitations on liability provided under Minn. Stat. Sec. 466.04. Each Party shall indemnify and hold harmless the others from liabilities arising from its own actions or omissions, except where caused by the negligence or misconduct of the indemnified Party.

To the full extent permitted by law, actions by the parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the parties that they shall be deemed a "single governmental unit" for the purpose of liability, all as set forth in Minnesota Statutes, Section 471.59, subd. 1a provided further that for purposes of the statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other party. Each party also specifically intends that the single tort cap limits specified for cooperative agreements under Minn. Stat. § 471.59, subd. 1a, or as such statute may be amended or modified from time to time, shall apply to this Agreement and to the activities of the parties hereunder. The statutory limits for the parties may not be added together or stacked to increase the maximum amount of liability for either party.

Each party to this agreement shall be liable for the acts of their own officers, employees, and/or agents and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other party, its officers, employees and/or agents. It is understood and agreed the provisions of the Municipal Tort Claims Act, Minn. Stat. Ch. 466, and other applicable laws govern liability arising from the parties' acts or omissions. Each party warrants they can comply with the indemnity requirements through an insurance or self-insurance program and each has minimum coverage consistent with the liability limits contained in Minn. Stat. Ch. 466.

13. SEVERABILITY

If any provision is found invalid, the remainder of this Agreement shall remain in full force and effect.

14. DISSOLUTION

- A. Upon termination, the Board shall settle debts and distribute assets proportionally based on contribution.
- B. Any remaining property shall be returned to members accordingly.
- C. The Board shall cease to exist upon approval of its final report by majority vote confirming that all obligations have been discharged.

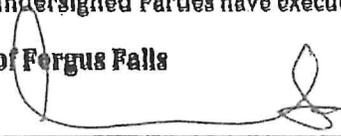
15. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Minnesota.

IN WITNESS WHEREOF

The undersigned Parties have executed this Agreement as of the date first written above.

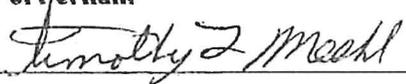
City of Fergus Falls

By:  _____

Name: Anthony Hicks

Title: Mayor

City of Berham

By:  _____

Name: Timothy Meehl

Title: Mayor

Otter Tail County

By:  _____

Name: Wayne Johnson

Title: Chair, Board of Commissioners

Wilkin County

By:  _____

Name: Dennis Larson

Title: Chair, Board of Commissioners

