

# Otter Express Joint Powers Board Meeting Minutes

March 9, 2026

The Otter Express Joint Powers Board Meeting was called to order by Chair Anthony Hicks at 1:00pm on Monday, March 9, 2026. Attendance was as follows:

Board Member	Representing	Present	Absent
Hicks, Anthony Chair	City of Fergus Falls	X	
Bucholz, Dan	Otter Tail County	X	
Kvamme, Scott	City of Fergus Falls	X	
Lahman, Bob	Otter Tail County	X	
Sandbakken, Stephanie	Wilkin County	X (Teams)	
Sjostrom, Deb	Otter Tail County	X	
Smith, Jonathan	City of Perham	X (Teams)	
Staff in Attendance	Representing	Present	Absent
Groothuis, John	MnDOT	X	
Lauinger, Adam	Condit CPAs	X (Teams)	
Sullivan, Kayla	Otter Express JPB	X	

## Approval of the Agenda

A motion and second were made by Bob Lahman and Scott Kvamme and unanimously carried to approve today's agenda.

## Approval of Minutes

A motion and a second were made by Dan Bucholz and Bob Lahman and unanimously carried to approve the minutes from the February 9, 2026, meeting.

## Finance

Kayla brought to the board the idea to have the finance committee create a finance policy. The MnDOT accounting questionnaire was submitted in the board packet. Kayla mentioned these are the questions that she will need to answer for the MnDOT financial audit. Deb requested another agency's finance policy for a starting point.

A discussion was held on the debit card that is connected to the checking account and if we should have a credit card. The board and Kayla agreed on keeping the debit card and if there are travel-related expenses that those would be approved by

the board first and if expenses were paid by staff that those expenses would be reimbursed by Otter Express.

Kayla discussed the current process for expense checks. The process is that any checks written >\$2,500 are signed by Chair Hicks. Kayla lets him know and then gives that information to the CPA prior to sending out those checks. The board agreed to have Kayla sign checks up to \$5,000 and Chair Hicks will sign checks >\$5,000. A motion and second were made by Dan Bucholz and Bob Lahman.

Finance Reports – Chair Hicks asked if the board could get budget to actuals. Kayla will work with Adam on getting any data to him to make this report happen. Kayla does submit to MnDOT monthly financials and that report does list what is remaining in each line item. This report can be incorporated with Adam's other financial reports.

#### **Board Members Compensation**

A discussion was held on board members' compensation for board meetings as some travel for the board meetings and for others time at the board meetings. Kayla mentioned some other JPBs do not participate in any compensation as that is usually on the county or city to put that into their budgets. If the JPB was to provide any compensation for board members it would have to be taken out of the local share and managed separately from MnDOT funds. It was agreed by the board that the JPB will not contribute to any compensation of board members and that it will be up to each county and/or city to decide.

#### **JPB Agreement**

Stephanie presented a draft version of the JPB Agreement she tweaked a bit. The Wilkin County attorney did not review it yet. If any board member has comments or suggestions, they should contact Stephanie. Stephanie noted that she hopes to have a final version to the next board meeting.

#### **Selling Buses**

A mechanic came from CCT to look at our BlueBird that they are considering purchasing. The mechanic said it was in great shape. We are proposing to sell it to CCT for \$60,000. The board meeting for CCT is later in March and we will wait to

hear on their board's decision to purchase the bus. Our mechanics will remove all graphics prior to them coming to pick up the bus. John explained the replacement process through MnDOT. The replacement process under the MnDOT grant is that a bus meets 5 years or 150,000 miles it is eligible for replacement. The entire MnDOT fleet is about 1,000 vehicles. Typically, there is about 10% requests and MnDOT can only do about 5% of the replacement vehicles with federal and state funds. All the state's requests for replacements are put into a ranking system. Those are the ones that are awarded. If an agency disposes of a vehicle too early, then they would fall off of that ranking and not be eligible for replacement. When it is awarded, then the agency gets a contract and then the agency places the order. Then, it takes about a year to get the bus. In total, it is about a three-year process. We submit annually to MnDOT the mileage at the end of the year, and the cost of repairs for that year. A MnDOT staff compiles all the fleet data and that is how the rankings come out. This report might be available at the next meeting and if not most likely at the May meeting. The board discussion was to keep our fleet as is to see how the rides and service levels are like in the next six months and then a decision can be made sometime after that. Zach, OE Fleet Manager, has a rotation of the fleet so the buses are not sitting for long periods of time.

### **Facilities**

Kayla discussed facilities and the need to keep it in mind for all board members. If we want additional garages this needs to be built into the budget. This would include lease amounts, supplies, and time for staff to visit the facility and drivers, etc. A scenario with one of our current garage spaces was discussed (the propane cost). Kayla has spent a lot of time with the owner on various issues. Kayla wanted the board to understand from her point of view about having additional facilities.

### **PERA**

A discussion was held to get board approval to increase wages 6.5%. PERA is a new program for Otter Express. Kayla had zero knowledge going into this. Kayla finally got a contact at PERA and asked them questions. Otter Express employees came from a 401K/Roth offering where they could opt out, change contributions, etc. PERA does not give an employee any of those options. John mentioned that it is difficult to find drivers and to have this amount taken out could have a negative impact. Kayla advocated that some employees would resign if wages are not

increased. John mentioned this is all a reimbursable expense with MnDOT. Jonathan said that he understood that this percentage was already figured into the wages and was discussed last fall/winter. Kayla was asked if the staff got an increase in 2026 and yes there was an increase of about 3% for most employees. John mentioned that a lot of the drivers live paycheck to paycheck and an additional 6.5% taken out of their paycheck would be a negative to the employees. John said that this would be an additional \$1.30/hour in wages. Kayla said that she does speak of this as a great benefit to employees. She has also told employees it is even greater if you stay longer term to be vested. John spoke about the wages and that we (Otter Express) are the lowest in his region. The driver's wages start at \$20/hr (Otter Express) to starting at \$30/hr. John said there is sufficient money in the budget for this, and that this is an opportunity to say that we appreciate all the staff. Jonathan said the employees should feel lucky because they have got an extra 6.5% for the last two months. Kayla mentioned that that is not how the employees will see this. Then, Kayla said she would take the blame for this and now we are at this point so now what will we do. Jonathan responded that Kayla would have to deal with it and if we lose drivers then we're going to find new drivers. The board wants to ensure the Executive Director will be sure that all employees and future employees are aware of the full benefit package to include PERA. A motion and a second to increase wages by 6.5% were made by Scott Kvamme and Bob Lahman. A vote was held and in favor was Hicks, Bucholz, Sjostrom, and voting against was Sandbakken and Smith. The motion passed.

### **MnDOT Consultants**

A discussion was given by Kayla on the future work from the MnDOT consultants. Kayla had submitted in the packet what the consultants had previously done for Otter Express as far as contacting radio stations and newspapers. The consultants are waiting for the go ahead from MnDOT to start a marketing/advertising project for Otter Express. MnDOT is hiring for a service level position. That position has not been hired yet so MnDOT is deciding if they should wait and have the internal staff help Otter Express or have the consultants do this project.

### **Service Levels**

Exit 54 on I94 is going to be closed in both directions in Fergus Falls from about the middle of May through October. Chair Hicks approached Kayla about possibly doing

a fixed route during this time. There was an informational meeting at the City of Fergus Falls, and this was discussed as a possible option. This is the major exit in Fergus Falls for shopping and dining. It would be helpful to implement this so that it will get residents out to that area and help with the flow of traffic. This type of fixed route could be picking up at a few regular apartment buildings and going to the stores and restaurants. Chair Hicks mentioned the possibility of making a direct marketing approach to help with this route during construction. Kayla talked about brochures and magnets and that both are currently being passed around the towns and that the drivers have magnets on their buses. Chair Hicks discussed having a free ride coupon to areas we would want to target. Kayla discussed that Otter Express had done a free ride promo in Barnesville, Battle Lake, and Pelican Rapids and none of the coupons were used.

### **Denials**

A spreadsheet of denials was included in the board packet. Dan spoke about the denials in Perham. He thought 18 was too many and that people talk in small towns and this could be a detriment to the bus service. Jonathan asked about the process for denials and if someone calls for a specific time can that driver get more than one person at a time. Kayla responded that an alternate time is offered and yes more than one person can be on a bus at a time. A marketing discussion was brought up to target certain populations and/or service areas. Some ideas such as being a part of a Chamber was brought up. Kayla mentioned we are part of the Fergus Falls Chamber. Other ideas were to hand out brochures at the YMCA, printing or advertising for a free ride. A concern with the consultants was that some of the construction may have already started by the time they are done with the project and to have them focus on marketing for Perham and other regular routes.

### **Staffing**

A discussion was held on hiring additional drivers. There is a job posting for a driver and possibly when one is hired to be the additional driver in Perham. Kayla spoke about the need to have an additional driver in Fergus Falls. There is demand for late days, around 3pm to 5:30pm. Interviews are scheduled for next week. The Operations Manager is out on medical leave. Some admin staff have taken on extra duties due to his absence. We recently hired a part-time dispatcher, and this is her second full week of being out. Kayla is concerned with the dispatcher being new and

then being out for two weeks how she will be when she returns to work. We discussed our probation period, and Stephanie confirmed it is 12 months. A discussion continued regarding drivers giving free riders in communities where they are local and know a lot of the residents. Kayla discussed how most drivers are hired to drive in all service areas so that when a need comes up it doesn't matter which driver goes to that area to drive. Dan mentioned that he would like us to start our service in Perham before 8am to get people to work. Jonathan spoke of the various shifts at the manufacturing facilities in Perham. Jonathan said OTC has decided to allow their garage to use for little to no money to house one of our buses. Kayla spoke of managing a garage, the driver, bus maintenance. Dan and Jonathan will work with OTC in getting a garage space.

### **Dispatch Software (CTS)**

Kayla spoke about the dispatching software and the features. We have an auto responder feature that calls riders and reminds them of their ride time, and the driver can alert them the bus is on the way. The riders get calls and then continue to call us to check on their ride time, so this is counterproductive. The driver's alerts are not always timely so this is also an issue. We share the software with Wadena and Becker County and sometimes those riders get our reminder calls. They offer another feature where a rider can pay the office a dollar amount and that amount gets put into their electronic account in the software. Every time that rider rides the bus that bus fare is automatically taken out of their electronic account. The riders wouldn't have to have their bus fare on them for each ride. Kayla's recommendation is to nix the autoresponder calls and add in the electronic fares. This feature is at a cost of \$4300. This discussion was informational and no decision was needed.

### **Travel/Classes/Conferences**

Kayla discussed upcoming conferences. There is a federal drug/alcohol conference in April 14-16 in Portland, CTAA in June, DC Fly In in Sept, and CTS in October. Deb had a concern with the Operations Manager being out and it is unknown when he will return with Kayla going to the drug/alcohol conference. Bob said since I'm on the board of MPTA that I should go to the DC Fly In. Scott made a motion for the executive director to attend CTAA in June and DC Fly in in Sept, and no one seconded the motion. The board would like to discuss the conferences again.

### **Employee Appreciation**

Kayla thanked Chair Hicks, Deb, and Scott for attending the employee appreciation lunch. The employees liked that some of the board came to get to know them. We used Caseys rewards for the pizza for the lunch. The buses would get fuel there and we would earn rewards. John mentioned that we shouldn't use rewards or any type of reward system similar to that. He didn't say we can't use that in the future but just to be aware of it.

The meeting was adjourned at 3:10pm.

