

MEMORANDUM



TO: MAYOR AND CITY COUNCIL
FROM: JEFF MUCK, PRCS DIRECTOR
KIT KIESER, OAS MANAGER
VICTOR CARDENAS, CITY MANAGER
SUBJECT: NOVI SENIOR TRANSPORTATION STATUS
DATE: FEBRUARY 23, 2024

At the January 23, 2023, meeting, City Council, led by Mayor Gatt, passed a resolution creating the Older Adult Needs Committee. Three City Council members and four community members were appointed:

- Laura Casey, Mayor Pro Tem
- Brian Smith, City Council
- Ericka Thomas, City Council
- Kathy Crawford, Historical Commission
- Kim Nice, Historical Commission
- Debbie Wrobel, Historical Commission
- Jay Dooley, PRCS Commission

Older Adult Needs Committee's responsibilities outlined in the resolution included: advise City Council on the needs of older adults in Novi, identify best practices for service delivery needs, and formulate and recommend plans to meet critical needs of older adults and adults with disabilities.

Senior Transportation was one of the focus areas identified for research and discussion by the Older Adult Needs Committee. City staff provided ridership statistics and discussed the challenges facing Novi's Senior transportation services. The OAS Needs Committee presented their findings and recommendations to the Mayor and City Council on October 9, 2023. At that time, the Committee recommended City Council contract a 3rd party provider covered under the Oakland County transportation millage to expand transportation to include more hours and days of service and potentially open services to all residents.

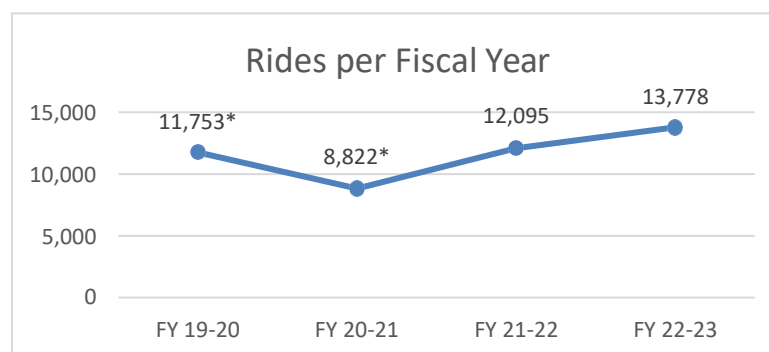
The Committee cited:

- **Gaps in scheduling availability.** Riders are often unable to schedule rides with fewer than 7 days' notice due to driver and vehicle availability.
- **Expansion of evening and weekend hours.** This may exclude residents from evening events and activities with the City or elsewhere. The City does not currently offer service on Sundays.
- **An increase in rides from private senior living facilities.** Multiple facilities have increased the cost of their transportation pricing to encourage riders to use free City transportation or have eliminated their service entirely.

- **High cost and 12+ month lead time to obtain ADA accessible vehicles.** We would need to increase our fleet by several vehicles to meet the demand. Each vehicle purchase is estimated to cost \$80,000.
- **Challenges with driver recruitment and retention.** Current Novi driver wages fall short of market, made more difficult by our part-time-only staffing model. To be competitive, the City would need to move to a full-time staffing model for drivers and schedulers, increase hourly wages by \$6-10 an hour, and add additional drivers to the roster of employees.
- **Frequent rides for ongoing medical treatments (up to 6 rides per-person each week).** Appointments for ongoing treatments can be made indefinitely, challenging our ability to provide rides with shorter notice. Medical rides are prioritized, leaving less availability for social, work, and daily errand requests.
- The Committee's recommendation included maintaining a few vehicles to be utilized for PRCS/OAS programming that is currently limited due to availability.

Additional items not cited in the OAN Committee's presentation:

- With an average staff team age of over 70 years old, many of our staff members are near retirement, work limited hours and have their own mobility concerns, limiting those who can provide assistance to riders who need it.
- The free-to-ride model has increased no-shows and same-day cancellations to 6-10 rides per week.
- Ride demand is trending upward. FY 22-23 saw a 13.9% increase over the previous year. We anticipate FY 23-24 to be an additional increase of 4% or higher.



*Only medical rides were provided during COVID-19 pandemic.

Oakland County Transit

In November 2022, Oakland County voters approved the Oakland County Public Transportation millage. This is a 10-year, .95 mill tax dedicated to expanding and maintaining public transit services throughout Oakland County. The millage amounts to approximately \$4.4 million paid by Novi residents to Oakland County for public

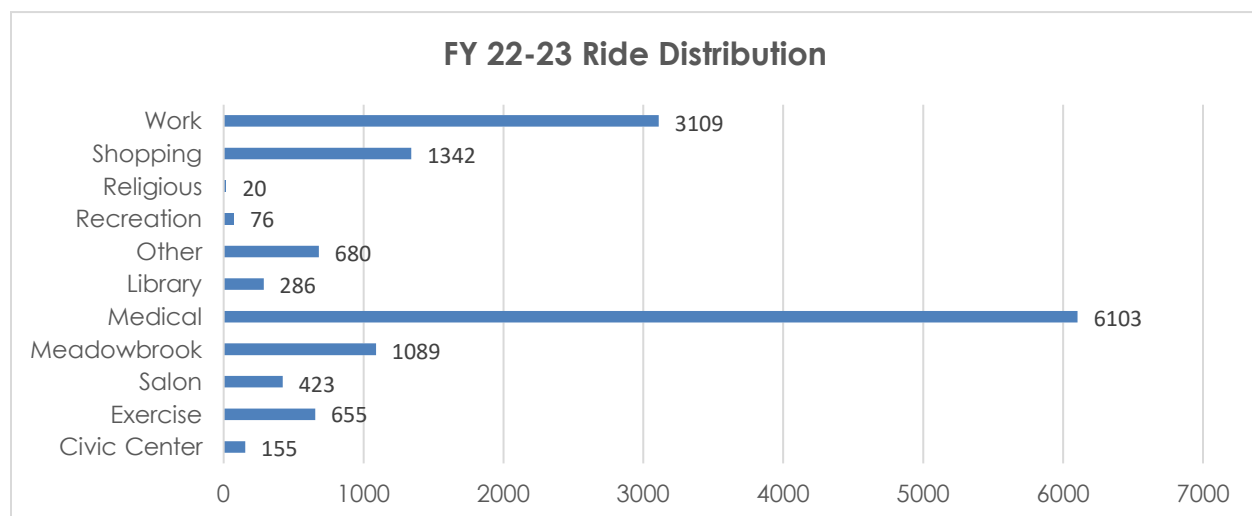
transportation services. Current services provided to Novi by the millage are the two SMART fixed bus routes operating on 12 Mile and Grand River Ave.

Novi Senior Transportation averages an expense of \$170,000 per year. The City receives approximately \$50,000 in credits from the Suburban Mobility Authority for Regional Transportation (SMART). SMART contracts with cities, villages, and townships (CVT) to provide Municipal Credit funds, which are made available to it by the Michigan Legislature pursuant to Michigan Public Act 51 of 1951. Additionally, after the passing of the millage, Oakland County developed a reimbursement program for CVTs already offering transit services. This was a one-time reimbursement program, and Oakland County has informed us that they do not plan on developing another in 2024. As stipulated in the correspondence sent to City Council in August of 2023, Oakland County's model utilizes selected providers (People's Express, WOTA, NOTA, OPC, and SMART) to provide curb-to-curb services within each community. Novi is currently the only community operating their own system. Independence Township was in a similar position but began the process to negotiate with the North Oakland Transit Authority (NOTA) this past Monday.

The County is utilizing selected providers (People's Express, WOTA, NOTA, OPC and SMART) to provide curb-to-curb services within each community.

City of Novi – OAS and Senior Transportation are operated through PRCS

Number of vehicles:	7 total vehicles, 4 ADA
Staffing:	3 PT schedulers/dispatchers, 17 PT drivers
Rides per year:	~14,000
Cost to rider:	Free within Novi city limits and \$5 outside of Novi (within 10 miles of Civic Center)
Service hours:	Monday - Friday 8am – 4pm, Saturday 9am-3pm
Expense:	~\$386,000 in FY 22-23, with an average net negative of \$274,000 per year over the last 5 years



Below is information regarding transportation programs in neighboring communities Novi has historically referenced in benchmarking programs and services it offers:

Independence Township – Negotiating services with NOTA

Canton Township - Services contracted to Nankin Transit Commission (with SMART vehicles)

Sterling Heights – Minibus Service is operated by the Parks and Recreation Senior Center

Number of vehicles: 10 ADA vehicles
Staffing: 1 FT coordinator, 19 PT drivers
In need of additional dispatch/office staff
Service hours: Monday - Friday 8:30am – 3:30pm
Cost to rider: Free
Rides per year: ~12,000
Expense: ~\$275,000, with SMART credits and 5310 funding

Troy - Troy R.Y.D.E. is operated by the Department of Public Works

Number of vehicles: 7 ADA vehicles, vehicles are leased from SMART
Staffing: 1 FT coordinator, 1 PT dispatcher, 15 PT drivers, 1 FT driver.
Anticipating an increase to FT driver pool.
Service hours: Monday - Friday 8am - 4pm
Cost to rider: Free
Rides per year: ~20,000
Expense: ~\$700,000, trending +\$50,000 each year, with 5310 funding

Livonia – Community Transit is operated by their Housing Department

Number of vehicles: 19 with 9 on the road at a time
Staffing: 1 FT coordinator, 1 FT dispatcher, 2 PT dispatchers, 15 PT drivers
Service hours: Monday - Friday 7 a.m. to 6:30 p.m.
Cost to rider: \$2 per stop
Rides per year: ~15,000
Expense: ~\$1,000,000

Following OAN Committee's recommendation and to complete due diligence in order to make a recommendation to City Council, a request for proposal (RFP) was sent to three County-approved entities operating in the Novi area: Western Oakland Transportation Authority (WOTA), People's Express (PEX), and Suburban Mobility Authority for Regional Transportation (SMART). SMART elected not to respond to the RFP.

Request for Proposals

To assist City staff with identifying which of the county-approved providers could best serve the community, a request for proposals (RFP) was sent to the three providers operating around Novi: WOTA, PEX, and SMART. Only WOTA and PEX submitted proposals. A representative from SMART shared the following:

"SMART will not be submitting a response to the RFP. As the Federal Transit Administration's designated public transportation provider for metro Detroit, we do not compete with our sub-recipients (like WOTA and People's Express) to provide service. SMART has over 100 communities in its service area, and it would be chaotic if each of those individual cities wanted us to apply to be their provider.

In addition, our microtransit service, FLEX, is still in a pilot project phase, and no decisions have been made about where expansion of that service will occur next."

A group of City employees evaluated the two proposals and deemed that PEX would offer the best services to Novi residents for many reasons; one being that they offer services to all residents—not just seniors and adults with disabilities. Their service hours, extensive and diverse vehicle fleet, and driver training and safety protocols propelled them to the top of all the evaluators scoring.

Recommendation

In hopes of expanding and improving Senior Transportation for Novi residents, staff recommends entering negotiations via Oakland County with People's Express. They have an established operation, offering more hours and a much shorter time to make a ride reservation (three days, compared to a week). PEX's driver pool is well-trained with a full-time support network to ensure they are up to date on all necessary protocols/procedures related to offering services to vulnerable populations. If the City of Novi were to ramp up operations to meet this level of service, it would be a significant financial investment with the need to shift to a full-time staffing model, adding employees, and increasing the current fleet of vehicles.

If Council agrees with this course of action, City administration can engage PEX representatives regarding ridership fare deals or programs for Novi residents, using the current budget allocation. More importantly, the proposed move to PEX through the County's expanded transportation millage means there is no increase in expenditure from the City's budget. These expanded hours and services to all residents (including non-disabled) all fall under the new millage.

Additional Options for Consideration

If Council elects to continue Novi Senior Transportation operations in-house, the following are additional options for consideration:

- 1. Maintain existing service as-is, recognizing challenges will increase with additional rider demand, length of time for scheduling services and recruitment and retention of staff. PRCS will subsidize the program at approximately \$170,000 annually.**

2. Maintain current services with significant adjustments to staffing and wages including the addition of full-time staff.

Staff	Qty	Wage	Base salary	Hours	Weeks	FICA	Benefits	Yearly staffing cost
FT Coordinator	1	\$26.00	\$54,080.00	40	52	1.0765	\$27,750.00	\$85,967.12
PT Dispatcher	2	\$22.00		20	50	1.0765		\$47,366.00
FT Drivers	4	\$24.00	\$49,920.00	40	52	1.0765	\$27,750.00	\$325,955.52
PT Drivers	16	\$22.00		10	50	1.0765		\$189,464.00
Safety Coordinator	1	\$24.00		10	50	1.0765		\$12,918.00
total staffing								\$661,760.64
Add. ops costs	Qty	Expense						
ADA Ford Transit	4	\$80,000.00						\$320,000.00
Software	1	\$6,800.00						\$6,800.00
GPS tracking	12	\$225.00						\$2,700.00
Based on 8 vehicles running 8am-5pm M-F; 320 on-road staff hours per week						Total Non-staff		\$329,500.00
Not included: staff training & development, fuel, maintenance						Total		\$991,170.64

3. Move to a medical rides-only model, operating M-F 8am-5pm.

	Qty	Wage	Base salary	Hours	Weeks	FICA	Benefits	Yearly staffing cost
FT Coordinator	1	\$26.00	\$54,080.00	40	52	1.0765	\$27,750.00	\$85,967.12
PT Dispatcher	1	\$22.00		20	50	1.0765		\$23,683.00
PT Drivers	16	\$22.00		10	50	1.0765		\$189,464.00
Safety Coordinator	1	\$24.00		10	50	1.0765		\$12,918.00
								\$312,032.12
Add. ops costs	Qty	Expense						
ADA Ford Transit	1	\$80,000.00						\$80,000.00
Software	1	\$6,800.00						\$6,800.00
GPS tracking	12	\$225.00						\$2,700.00
Based on 4 vehicles running 8am-5pm M-F; 170 on-road staff hours per week						Total Non-staff		\$89,500.00
Not included: staff training & development, fuel, maintenance						total		\$401,532.12

4. Expand days and hours to match Oakland County contracted services:

Staff	Qty	Wage	Base salary	Hours	Weeks	FICA	Benefits	Yearly staffing cost
FT Coordinator	1	\$26.00	\$54,080.00	40	52	1.0765	\$27,750.00	\$85,967.12
FT Dispatcher	2	\$24.00	\$49,920.00	40	52	1.0765	\$27,750.00	\$162,977.76
FT Drivers	21	\$24.00	\$49,920.00	40	52	1.0765	\$27,750.00	\$1,711,266.48
Safety coordinator	1	\$24.00	\$49,920.00	40	52	1.0765	\$27,750.00	\$81,488.88
total staffing								\$2,041,700.24

Add. ops costs	Qty	Expense	
ADA Ford Transit	4	\$80,000.00	\$320,000.00
Software	1	\$6,800.00	\$6,800.00
GPS tracking	12	\$225.00	\$2,700.00
Based on 10 vehicles running 6am-9pm M-F; 5 vehicles 8am-5pm Sa-Su			Total non-staff \$329,500.00
840 on-road staff hours per week			Total \$2,371,200.24
Not included: staff training & development, fuel, maintenance			