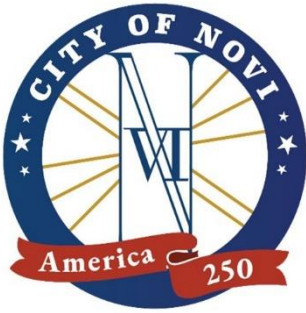


MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
JEFF MUCK, PRCS DIRECTOR

FROM: KIT KIESER, OAS MANAGER

SUBJECT: PEOPLE'S EXPRESS FY25-26 SUMMARY

DATE: AUGUST 6, 2026

Background:

In November 2022, Oakland County voters approved a 10-year countywide public transportation millage at a rate of 0.95 mills, effective from 2022 through 2031. The measure replaced the previous SMART and local transportation millages. The millage generates approximately \$66 million annually, with about \$4 million of that total coming from Novi. The revenue is distributed to Oakland County for administration and oversight.

People's Express (PEX) is one of several local service providers (LSPs) contracted by Oakland County to provide microtransit under the millage. PEX has been providing curb-to-curb public transportation services in Novi since July 1, 2024.

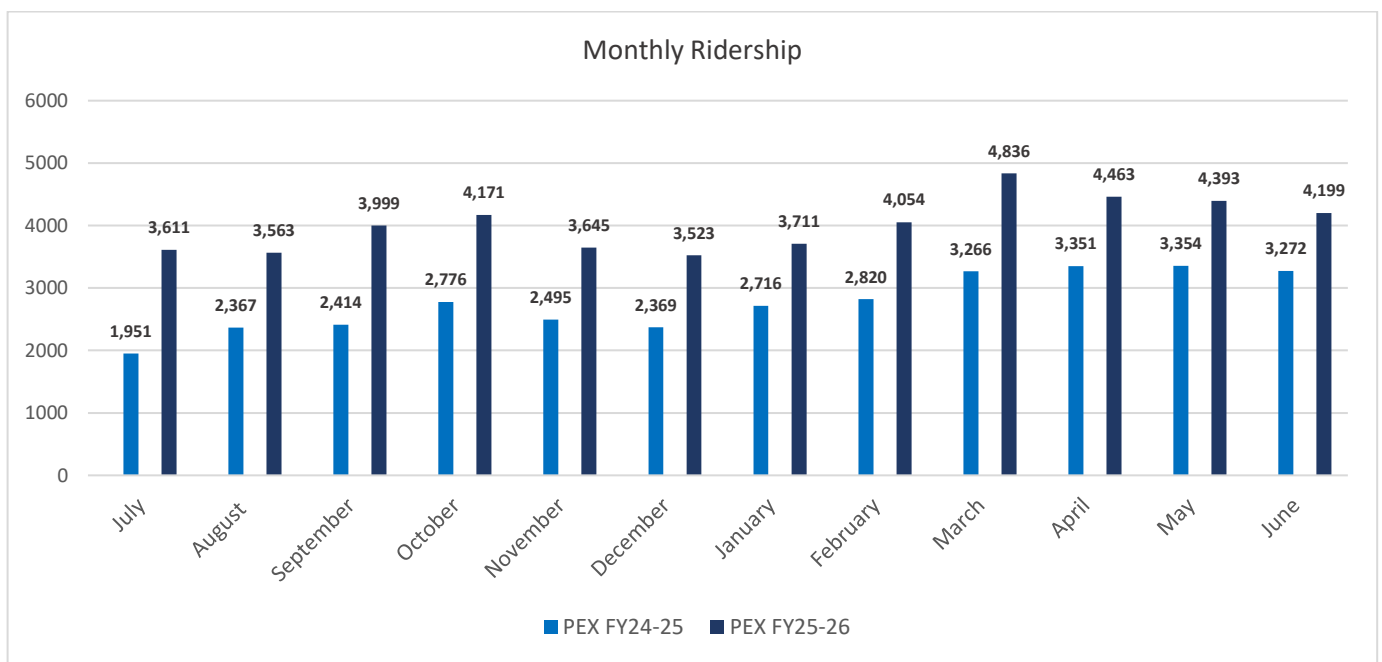
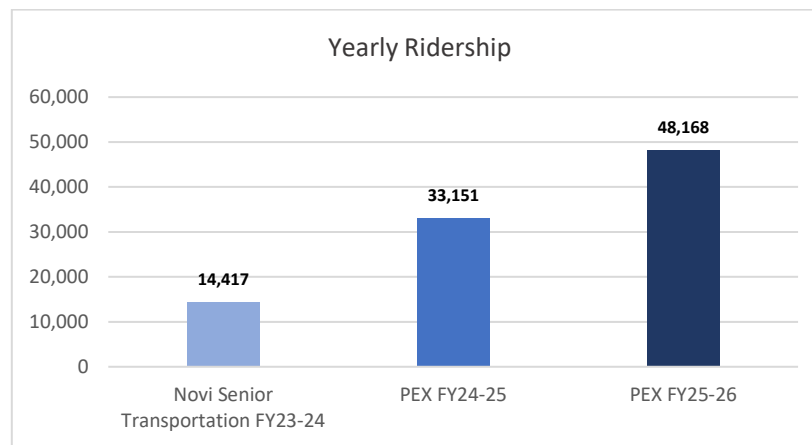
The City currently maintains two agreements with PEX: one addressing rider subsidies and one addressing use of City facilities.

The rider subsidy agreement, extended through December 31, 2031, provides subsidized in-boundary rides at no cost for Novi residents aged 55 and older and those with qualifying disabilities. The City subsidizes fares at \$2 per ride, consistent with the rate established by Oakland County for these rider categories. Veterans ride free, with fares fully funded by Oakland County.

The facilities use agreement, extended through December 31, 2026, provides PEX with 200 square feet of office space and 20 designated parking spaces at the Novi Civic Center.

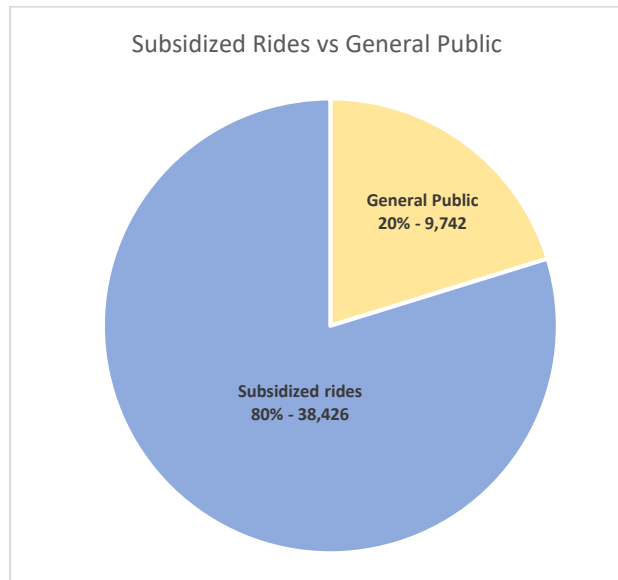
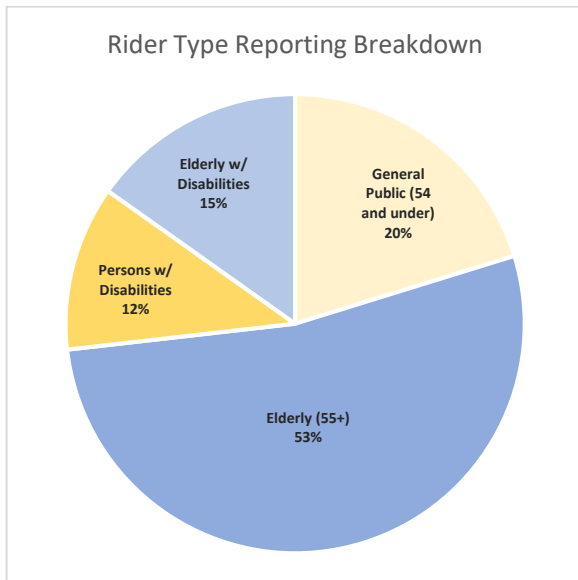
FY25-26 Ridership:

In FY25-26, PEX provided 48,168 total rides to Novi residents, a 45% increase over FY24-25 (33,151 rides). For context, Novi Senior Transportation provided 14,417 rides in FY23-24, the final year of City-operated service. Since the transition to PEX, total annual ridership has increased by 234%.



In FY25-26, approximately 80% of riders (38,426 rides) were residents aged 55 and older or those with qualifying disabilities, reflecting the continued primary use of the service by the populations the subsidy is designed to serve. The remaining 20% (9,742 rides) were general public riders, who are not subsidized by the City.

PEX's monthly ridership reports categorize riders into four demographic groups — general public, elderly, persons with disabilities, and elderly persons with disabilities — consistent with state and regional transit reporting requirements. This is the same format previously used by Novi Senior Transportation.



Medical and dialysis rides accounted for 12,753 rides, or approximately 26.5% of total ridership, consistent with prior years.

Novi continues to represent approximately 40% of all PEX Oakland County ride volume.

Subsidy Costs and Facility Revenue:

The City paid \$76,852 in ride subsidies to PEX in FY25-26, based on 38,426 subsidized rides at \$2 per ride. This compares to \$54,758 in subsidy costs in FY24-25.

The City collected \$15,600 in lease revenue from PEX in FY25-26 — \$3,600 from July through December 2025 at \$600 per month, and \$12,000 from January through June 2026 at \$2,000 per month following the rate adjustment.

Continued PEX Property Search:

PEX continues to seek a permanent facility in southwest Oakland County to accommodate their operational needs, including parking for at least 50 vehicles, administrative office space, and a secure site perimeter. As of August 2026, PEX has connected with local landlords and toured several properties but has not yet identified a suitable location.

Next Steps:

Staff will continue to monitor progress and anticipates returning to City Council in the fall of 2026 to consider a further extension of the facilities use agreement if a permanent location has not been secured prior to the December 31, 2026 expiration.