



CITY OF NOVI CITY COUNCIL DECEMBER 15, 2025

SUBJECT: Consideration of a Transit Enhancement Agreement with People's Express (PEX) to continue subsidies for eligible residents for the period of January 1, 2026 to December 31, 2031.

SUBMITTING DEPARTMENT: Parks, Recreation and Cultural Services – Older Adult Services

KEY HIGHLIGHTS:

- Since July 1, 2024, People's Express (PEX) has been providing curb-to-curb public transportation services in Novi.
- Ridership has increased approximately 130% PEX began services.
- PEX provided 27,379 rides to Novi residents 55 and older and residents with disabilities. An additional 5,772 non-subsidized rides were provided to Novi residents, totaling 33,151 rides for FY24-25.
- The City reimbursed PEX \$54,758 for ride subsidies in FY24-25.
- The proposed agreement focuses on continuing City-funded subsidies for in-boundary transportation for eligible residents aged 55 or older and residents with disabilities for 5 years from January 1, 2026, to December 31, 2031.
- If the ridership fares change during the term then both parties will meet and determine if the subsidy should continue in its current form

BACKGROUND INFORMATION:

Since July 1, 2024, People's Express has been providing curb-to-curb public transportation services in Novi. Under the former agreement, which expires on December 31, 2025, the City provided subsidies for in-boundary transportation to eligible Novi residents aged 55 and older and residents with limiting disabilities who cannot drive. These subsidies allow eligible riders to access free in-boundary rides within PEX's Oakland County service area.

Ridership has increased approximately 130% year-over-year since PEX began operations in July 2024. The increase is due to the addition of evening and weekend service hours and growing awareness of the program.

From July 2024 through June 2025, the City reimbursed PEX \$54,758 for ride subsidies. From July 2025 through November 30, 2025, the City reimbursed PEX \$32,728 for ride subsidies for 16,364 rides for Novi residents.

This proposed amendment focuses on continuing subsidies for eligible riders from January 1, 2026, to December 31, 2031. The amendment also provides that if fares are increased during the term of the Agreement, if requested by the City, the City and PEX will meet to discuss whether the City wishes to continue its subsidy at the current level.

RECOMMENDED ACTION: Approval of the proposed Transit Enhancement Services Agreement with People's Express (PEX) to continue providing subsidies for eligible Novi residents for the period of January 1, 2026 through December 31, 2031.