

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
DANIELLE MAHONEY, ASSISTANT CITY MANAGER
JEFF MUCK, PRCS DIRECTOR

FROM: KIT KIESER, OAS MANAGER

SUBJECT: PEOPLE'S EXPRESS OCTOBER 2025 UPDATE

DATE: OCTOBER 30, 2025

Mayor and Council –

Per questions that have been received, please see the follow-up to last week's memo regarding People's Express (PEX)

- Victor

This memo is provided in response to a request for information on the procedures used to ensure subsidized rides meet the eligibility criteria established by the City.

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, passing with 57.1% approval countywide and 58.9% approval from Novi voters.

The millage generates approximately \$68 million annually, with \$4.5 million of that total coming from Novi. The revenue is distributed to Oakland County for administration and oversight, with independent audits and supervision by the Board of Commissioners.

Roughly 79% of the millage revenue is allocated to transit service providers, including Suburban Mobility Authority for Regional Transportation (SMART), People's Express (PEX), North Oakland Transportation Authority (NOTA), Western Oakland Transportation Authority (WOTA), and the Older Persons' Commission (OPC) to support curb-to-curb services and fixed-route transit. The remaining funds are allocated for capital improvements, future service expansion, service access enhancements, and administrative expenses.

According to the resolution, the public transportation millage is intended to operate, maintain, improve, and expand transit services throughout Oakland County, sustaining existing operations, connecting local communities through new routes, and enhancing transportation options for seniors, veterans, and people with disabilities.

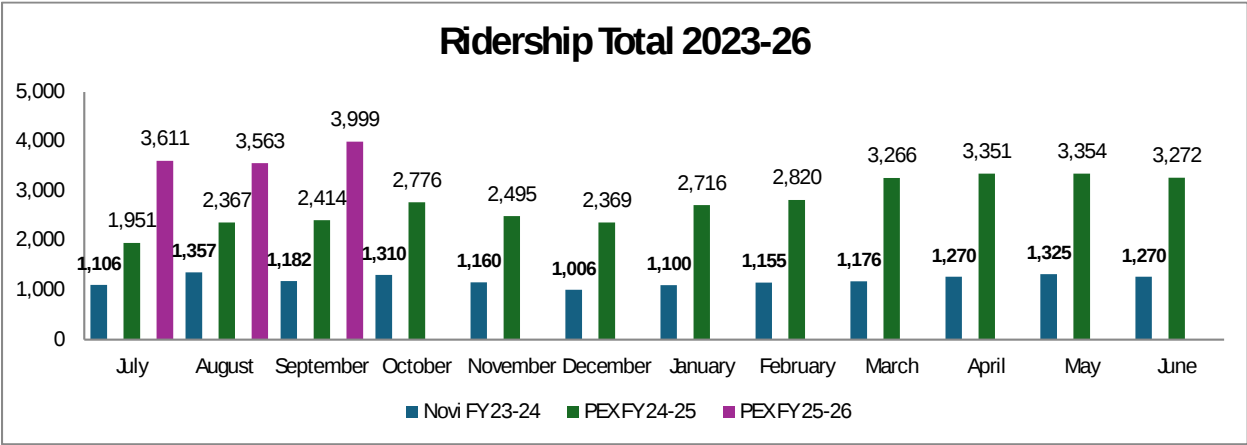
City of Novi Transportation Subsidies:

Since transitioning transportation services to PEX on July 1, 2024, the City of Novi has provided additional support to ensure eligible residents continue receiving no-cost in-boundary rides, as they did under Novi Senior Transportation, in accordance with a City Council decision on June 17, 2024.

The City directly subsidizes fares for residents aged 55 and older, as well as those with disabilities that prevent them from driving. These subsidies are provided at the rate of \$2 per ride, are separate from Oakland County millage allocations, and are consistent with the fare established by Oakland County for these rider categories.

Increasing Service Demand:

Since PEX began operating in Novi, ridership has increased significantly and continues to trend upward. In FY23–24, the City's Novi Senior Transportation program provided 14,417 rides to eligible residents aged 55 and older or adults with a disability. In FY24–25, PEX provided a total of 33,131 rides to Novi residents, more than doubling the previous year's volume. Of those, 27,379 rides were for residents aged 55+ or with a disability. Demand has continued to grow into the first quarter of FY25–26, with monthly ride totals increasing steadily over the previous fiscal year.



Reporting and Invoicing:

PEX provides monthly ridership reports to the City of Novi that follow the same format and content submitted to Oakland County and MDOT and previously reported by Novi Senior Transportation to SMART for municipal credit reporting.

Rider demographic information, including age and disability status, is collected by PEX through an intake form completed by dispatchers when a rider first enters the system. The intake form captures several data points, such as age and use of mobility devices, to help determine rider eligibility, vehicle needs, and categorize trip purposes.

The reports include data on total rides and several categories of rider demographics, including the general public, elderly individuals, persons with disabilities, and elderly individuals with disabilities. They detail medical and dialysis rides and summarize the highest-frequency destinations.

The September 2025 report and corresponding invoice are attached for reference.

Facilities agreement:

City staff have engaged commercial real estate firm CBRE to determine the market rate for 200 square feet of office space and 14 standard parking spaces at the Civic Center. PEX currently pays the City of Novi \$600 per month for use of this space. PEX intends to continue operating a satellite location at the Civic Center in 2026 until it acquires a suitable location for 50+ vehicles, including a secure perimeter and office accommodation.