



CITY OF NOVI CITY COUNCIL
APRIL 22, 2024

SUBJECT: Consideration of recommendation from the Older Adults Needs Committee to subsidize senior transportation medical rides through People's Express for residents age 55+ and for any individual with a limiting disability who cannot drive beginning July 1, 2024.

SUBMITTING DEPARTMENT: City Manager
Parks, Recreation, and Cultural Services/OAS

BACKGROUND INFORMATION:

The Older Adult Needs Committee was formed by City Council in January 2023 to advise Council on the needs of older adults in Novi, identify best practices for service delivery needs, as well as to formulate and recommend plans to meet the critical needs of older adults and adults with disabilities.

The Committee has previously 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. On March 18, 2024, City Council approved a resolution requesting Oakland County amend its agreement with People's Express (PEX) to add transportation services to the City of Novi.

The current fare structure for Novi Senior Transportation includes free rides for individuals 55+ or adults under 55 with a limiting disability within the City limits and \$5 per one-way rides between the City limits and a 10-mile radius boundary. Fees within the City limits were waived by City Council in 2018.

Oakland County sets the pricing on fares for PEX. Individuals 55+, people with disabilities, low-income individuals, and veterans receive a discounted fare of \$2 per one-way ride. Out-of-boundary rides are an additional \$1.25 per mile. The fare for general public riders is \$4 per one-way ride, with out-of-boundary rides costing an additional \$2.50 per mile.

The Older Adult Needs Committee met on April 15 to discuss a recommendation to City Council on the waiver of rider fees. The Committee is recommending rider fees

should be waived for medical rides through People's Express for residents age 55+ and for any individual with a limiting disability who cannot drive.

If City Council directs staff to pursue this option, an agreement would be developed with PEX in which PEX would invoice Novi for the rides given. Based on previous ride totals in these categories, the annual expense is estimated at approximately \$15,000-20,000; funds for these rides are allocated in the proposed FY2024-25 PRCS/OAS budget (i.e., the previous operating expenses for the City's transit service) .

RECOMMENDED ACTION: Consideration of recommendation from the Older Adults Needs Committee to subsidize senior transportation medical rides through People's Express for residents age 55+ and for any individual with a limiting disability who cannot drive beginning July 1, 2024.

MEMORANDUM



TO: VICTOR CARDENAS, CITY MANAGER
 JEFF MUCK, PRCS DIRECTOR
FROM: KIT KIESER, OAS MANAGER
SUBJECT: OAS TRANSPORTATION RIDER SUBSIDIES
DATE: APRIL 11, 2024

Mayor and Council –

To properly plan for a transition in a few months, we'll seek a decision on this matter at your next meeting (April 22nd). Please let us know if you need additional information.

- Victor

Novi Senior Transportation has begun preparations to transition operations from The City of Novi to People's Express (PEX).

The current fare structure for Novi Senior Transportation includes free rides for individuals 55+ or those under 55 with a limiting disability within the City limits and \$5 per one-way rides between the City limits and a 10-mile radius boundary. Fees within the City limits were waived by City Council in 2018. Novi currently averages 3 no call-no shows and 11 same-day cancellations per week.

Oakland County sets the pricing on fares for PEX. Individuals 55+, people with disabilities, low-income individuals, and veterans receive a discounted fare of \$2 per one-way ride. Out-of-boundary rides are an additional \$1.25 per mile. The fare for general public riders is \$4 per one-way ride with out-of-boundary rides costing an additional \$2.50 per mile.

The changes to transportation service will include additional hours per week and days per year.

	Days per year	Hours per week
Novi	290	46
PEX	356	94

Medical rides comprise a majority of our current rides at nearly 44%. Most medical rides occur on weekdays during regular business hours, with the exception of riders going to dialysis treatment on Saturdays. The next highest group is residents utilizing transportation to go to work. All other rides—shopping, exercise, City programs, etc.—are combined into "other" in the table below.

		Medical	Work	Other	Days Operated	Total Trips
FY 22-23	Q4	1,460	723	1,180	74	3,363
FY 23-24	Q1	1,609	633	1,447	77	3,689
FY 23-24	Q2	1,502	592	1,419	69	3,513

FY 23-24	Q3	1,509	465	1,318	70	3,292
	Total	6,080	2,413	5,364	290	13,857
	% of rides	43.88%	17.41%	38.71%		

Following are options for City Council's consideration on subsidizing resident fares with PEX. One-year cost projections are based on Novi operating hours and rider data from the previous calendar year, not including allowances for an increase in hours or days of operation with PEX or out-of-boundary rides:

1. **Eliminate all rider subsidies-** Riders are subject to pricing set by Oakland County. No use of City funds.
2. **Subsidize medical rides only:**

Medical rides	Fare	Est subsidy cost
6,080	\$2	\$12,160

3. **Subsidize individuals 55+ and people with disabilities:**

Total rides	Fare	Est subsidy cost
13,857	\$2	\$27,714

4. **Subsidize all rides** – would include all rides Novi currently provides (#3), plus fares for new riders incurred as a result of PEX's expanded services. Staff is unable to project an estimate due to the unknown number of new riders who will opt to use the service. PEX has indicated that an average of 90% of their current ridership is 55+ and/or have a disability in the other communities they service.

If City Council directs staff to pursue options #2, #3 or #4 as listed above, an agreement would be developed with PEX in which PEX would invoice Novi for the rides given. Staff is currently in discussion with PEX and the County on the possibility of our annual SMART funds being used to offset the cost of resident rides.

This matter will be brought forward for City Council discussion and action at the April 22 meeting.