



## 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 October 31, 2025, the City reimbursed PEX \$26,464 for ride subsidies.

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.

**AMENDMENT #1 TO  
TRANSIT ENHANCEMENT SERVICE AGREEMENT  
FOR  
PROVISION OF SUBSIDIES BY CITY**

This Amendment #1 to the Transit Enhancement Services Agreement for Provision of Subsidies By City is between the City of Novi, a Michigan municipal corporation located at 45175 Ten Mile Road, Novi, Michigan 48375, ("City") and People's Express Inc., a 501(c)3 nonprofit organization with its principal place of operation located at 175 Barker Road, Whitmore Lake, Michigan 48189. ("Transit Provider"). This Amendment shall be effective on the date that both Parties sign it. ("Effective Date")

In consideration of the mutual covenants promises made herein, and other valuable considerations, receipt of which is hereby acknowledged the Parties do hereby bind themselves to the terms and conditions of this Amendment.

**1. Amendment Purpose:** The purpose of the Amendment is to extend the term of the Agreement from December 31, 2025, to December 31, 2031.

**2. The following sections of the Agreement shall be amended:**

**Section 3.1 Term and Termination:** Shall be amended to delete the prior wording and replace it with the following wording:

The services shall begin on January 1, 2025, at 12:01 a.m., and shall continue until December 31, 2031, at 11:59:59 p.m., unless terminated or extended as provided below.

**3. A new Section 4.5 Discussion of Fare Increases shall be added to read as follows:**

**4.5 Discussion of Fare Increases:** If the Charges for Riders provided in Section 4.3 increase during the term of the Agreement, if requested by the City, the parties agree to meet to discuss whether the City wishes to continue its subsidy at the current level.

All other terms and conditions of the Agreement shall remain unchanged and in full effect.

**PEOPLE'S EXPRESS INC.**

\_\_\_\_\_  
Date

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By: Eveliina Taylor, Interim Managing Director

**FOR CITY OF NOVI**

\_\_\_\_\_  
Date

\_\_\_\_\_  
By: Justin Fischer, Mayor