



# CITY of NOVI CITY COUNCIL

**Agenda Item B**  
**September 30, 2013**

**SUBJECT:** Approval of the 2014 Suburban Mobility Authority for Regional Transportation (SMART) Municipal Credit Fund Contract and Resolution for the Older Adult Transportation Program in the amount of \$54,454.

**SUBMITTING DEPARTMENT:** Parks, Recreation and Cultural Services

**CITY MANAGER APPROVAL:** 

<b>EXPENDITURE REQUIRED</b>	<b>\$126,620 (offset by \$54,454 credit, \$40,000 farebox and advertising, Providence grant \$20,000)</b>
<b>AMOUNT BUDGETED</b>	<b>\$126,620</b>
<b>APPROPRIATION REQUIRED</b>	<b>n/a</b>
<b>LINE ITEM NUMBER</b>	<b>208-695.00-960.557</b>

**BACKGROUND INFORMATION:**

The City of Novi is eligible to receive \$54,454 in Suburban Mobility Authority for Regional Transportation (SMART) Municipal Credit Funds for 2014. These funds are utilized to support the Older Adult Transportation Program for Novi residents age 55 and over and physically challenged non-senior residents. The first priority of the program is to transport older adults to medical appointments and then for shopping, restaurants, visiting friends, going to the movies and allowing them to participate in activities they may not otherwise be able to do. The Older Adult Transportation program began in February 1990 with one van funded by The Independence for Life Association and one part-time driver funded by Novi Parks and Recreation. The first full year of operation of the curb to curb service, the department provided a surprising 3,390 one-way rides. It soon became apparent that as residents discovered this essential new service, the demand would increase dramatically. In the past five years, we have provided **52,783** one-way rides with the program, averaging over 10,000 rides per year. The transportation program also provides rides for other older adult residential housing and although they also have their own transportation vehicle, many of their residents in their community take advantage of our low fares and dedicated service. Fox Run is one establishment that utilizes the transportation service and in FY 2011—2012 Novi Older Adult Transportation provided 1,081 one way rides compared to the prior years of 771 rides for Fox Run residents.

The Older Adult Transportation program has been supported by the City of Novi General Fund, Community Development Grants (CDBG), user fees and Suburban Mobility Authority for Regional Transportation (SMART) Municipal Credits funding. Funding has changed and communities as a whole have experienced decreases in outside funding. Currently, the transportation program is supported with revenue from SMART, farebox revenue and Parks, Recreation and Cultural Services by providing vehicles as well as funding for operations. SMART monies are determined by the population of the city but it was inferred earlier this

year that funding would be reduced, however, a short time later current funding was restored. SMART funding is slated to change again next year and the amount is expected to be lower.

The Older Adult Transportation program estimates the program will receive an estimated amount of \$25,000 in farebox revenue and \$15,000 in vehicle advertising. In addition, a yearly grant is written through Providence Hospital that will help support the program by \$20,000 for program operations if accepted. For FY 2013-2014 the budgeted operating amount of the transportation program is **\$126,620** of which \$12,166 is absorbed into the Parks, Recreation and Cultural Services budget.

The chart below shows the percentages of the funding sources received for the transportation program.

<b>Funding Sources</b>	<b>Amount</b>	<b>% of Funding</b>
Fare Box	\$25,000	20%
Parks, Recreation Budget	\$12,166	9%
SMART	\$54,454	43%
Providence Hospital & Advertising	\$35,000	28%
<b>TOTALS</b>	<b>\$126,620</b>	<b>100%</b>

It is important to know locations are further away as so many of our population need to go to many doctor appointments, medical testing and other procedures. Many times, the driver needs to stay in one location for up to two hours because of the distance, traffic and making sure we are there when the appointment is done. As doctors continue to overbook, the length of time the passengers, our drivers and equipment must wait lengthens.

Below are a few communities in our area who also manage a transportation program.

**Farmington Hills:** has a curb to curb service, operates Monday-Friday from 8:30am-3:30pm (totaling 35 hours). Their budget is approximately \$200,000 and they receive funding from SMART, farebox, fundraisers, memorial funds and agencies in the community. Farmington Hills utilizes 14 drivers, has 10 vehicles, 1 full time coordinator and averages 115 rides per day. There is a \$2 suggested donation each way.

**Livonia:** curb to curb service operates Monday-Friday, 7am-7pm, Sat and Sun 8am-2:30pm (totaling 73 hours). Fares are \$2 each way. They also drop off at SMART hubs in the city. Livonia transportation has 24 drivers with 17 buses and average 900 rides per week and their budget is from a millage.

**Northville:** has curb to curb service, operates Monday-Friday from 9am-4pm (totaling 35 hours). Northville charges \$3 each way within the city, \$4 within a 4 miles radius of the city each way and 8 miles outside the city is \$5 each way. They have 2 part-time drivers and 1 scheduler and have 10-15 rides per day. Northville Funding is received through SMART, City and Township funds and farebox.

### **CURRENT PROGRAM**

The Older Adult Transportation program currently operates a total of 7 vehicles. The table below shows year, seating, mileage, purchase price, depreciation value and the useful life of all seven vehicles.

Vehicle	Seating	Mileage (updated 9/18/12)	Purchase price	Current Depreciation value	Useful life
2011 Ford Bus (#1)	9 pass or 4 pass and 2 w/chair	50,128	\$31,918	\$27,359	7
2009 Ford Bus (#9)	14	30,024	\$39,977	\$22,844	7
2012 Ford Bus (#5)	9 pass or 4 pass 2 w/chairs	24,681	\$35,798	\$33,241	7
2009 Ford Crown Vic (car) (#7)	3	91,887	\$20,601	\$11,772	7
2005 Ford E350 Van (#3)	8 pass or 2 pass w/2 w/chairs	118,152	\$33,996	-	7
2007 Chrysler Mini Van (#8)	6	112,583	\$31,522	\$9,006	7
2007 Ford E350 Van (#2)	5 pass or 2 wheel chairs & 1 pass	52,365	\$30,522	\$8,721	7

Number 3 vehicle will be replaced with a new vehicle mid-October. The range of purchase cost for any of the transportation vehicles depends on the size of the vehicle, if a lift is installed, how many seats are needed and range anywhere from \$35,000 to \$55,000. When a vehicle is purchased, the old vehicle is traded in for from \$1,000 to \$1,500 depending on the condition of the vehicle.

Maintenance costs for all vehicles for FY 2012-2013 totaled approximately \$24,000 which includes, oil changes, body work, tires, GPS monitoring and general work done on the vehicles. Fuel during the same time frame was approximately \$16,000 for all seven vehicles.

Transportation employees include 1 part-time transportation coordinator, 2 part-time driver/schedulers and 9 part-time drivers. The program is supervised by the Older Adult Services Manager.

The transportation program operates Monday through Friday from 8am-9pm and Saturday 9-5pm (totaling 73 hours). Advance reservation of 72 hours is required for transports after 4pm. No rides are available on Sundays, after 6pm on weekdays or 5pm on Saturdays. Passengers may ride anywhere within the City of Novi for a nominal fee of \$3 per one-way ride and \$5 per one-way ride for up to 10 miles outside the City of Novi. There is also a "discounted" fee of \$1 each way to go to the Senior Center, Civic Center or the Novi Public Library or to any program sponsored by Parks, Recreation and Cultural Services. We have created 3 separate "punch cards" for our passengers that allow them to purchase a card for the following rates:

- 10 rides within the City \$30
- 6 rides outside the City \$30
- 20 rides to Senior Center, Civic Center, Library \$20

The punch card is used in place of cash, makes it easier for the passengers and ensures us of collecting fees. Transportation is provided to Novi residents only. We encourage residents to call 48 hours in advance by calling the scheduler at (248) 735-5617.

The Older Adult Transportation program is an essential service for many older adults in Novi. The service is a direct lifeline to the many older adults in Novi and allows them to keep scheduled doctor appointments, medical testing and going to the many places in Novi which allows a good quality of life at an affordable rate, supplementing family and private taxi services.

**RECOMMENDED ACTION:** Approval of the 2014 Suburban Mobility Authority for Regional Transportation (SMART) Municipal Credit Fund Contract and Resolution for the Older Adult Transportation Program in the amount of \$54,454.

	1	2	Y	N
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Casey</b>				
<b>Council Member Fischer</b>				

	1	2	Y	N
<b>Council Member Margolis</b>				
<b>Council Member Mutch</b>				
<b>Council Member Wrobel</b>				

## **EXHIBIT A**

### **PROJECT DESCRIPTION**

COMMUNITY: City of Novi

PROJECT: MUNICIPAL/COMMUNITY CREDIT PROGRAM  
FISCAL YEAR 2014 – JULY 1, 2013 THROUGH JUNE 30, 2014

#### **Overall Project Description**

The City of Novi Senior Transit System is an "advance reservation" transportation service for older adults and disabled non-seniors provided by the City of Novi Parks, Recreation and Cultural Services Department. The priority of the Van Transportation program is to provide rides for medical appointments, trips to the hospitals, grocery stores, banks, malls, as well as numerous other facilities. Particular emphasis is placed on transporting riders to the senior citizen center, city hall and the library as well as other City sponsored events. The City promotes the program through the Parks, Recreation & Cultural Services brochure, Engage!, Enhance, the Older Adult newsletter, as well as flyers, advertisement on the local cable station, community presentations, etc. Riders are also given a brochure with information about the transportation program the first time they use the service.

#### **Service Area (please provide geographic boundaries):**

Service for Van Transportation is available to residents for trips within the City of Novi boundaries, as well as up to 10 miles outside the City. In some cases, the medical facility may be located just outside the 10 mile radius and consideration will be given to include those special requests, if timing is appropriate.

#### **Service Times (please provide days and hours of service):**

Regular on-demand Van Transportation is available 8am-4:30pm Monday-Friday and 9-2pm Saturday. Advance notice of 2 days is required for transports during regular business hours. There are no Sunday hours. Clients may schedule rides between the hours of 7:30am and 4:30pm daily by calling (248) 735-5617. Riders should allow some flexibility in their appointment scheduling to account for traffic, construction and weather conditions. We may be up to 15 minutes early or late, depending on the conditions.

#### **Eligible User Groups (please set forth users eligible to use the service):**

All Novi residents, age 55 and above, are eligible for the transit service, as well as disabled non-seniors approved by the Novi Parks, Recreation and Cultural Services Department. The highest priority is given to seniors who have no other form of transportation.

**Fare Structure:**

Fares within the City are \$3.00 one-way (per stop) and \$5.00 one-way outside the City limits. A \$1 fee is charged per one way ride to the Meadowbrook Activity Center, Civic Center and Library. A punch card is also available to passengers to use in place of money and is purchased from a driver or at the Older Adult Services Office. Rides are available to those with income restrictions.

**Service Mode (please describe the amount and type of vehicles available, and whether they are wheelchair lift-equipped):**

The program utilizes:

- 1 vehicle with 9 seats without wheelchair or 2 wheelchair and 4 seats
- 1 vehicle with 5 seats without wheelchairs or 2 wheelchair and 1 seat
- 1 vehicle with 2 wheelchair and 8 seats or 4 people in wheelchairs with 2 transferring to seats
- 1 vehicle with 9 seats without wheelchairs or 2 wheelchairs and 4 seats
- 1 car with on front seat and 3 in back
- 1 van with 1 in front, 2 in middle and 3 in rear
- 1 vehicle with 14 seats

Note: We do provide wheelchairs to those that need one from our loan closet if in stock, but we cannot accommodate all types of motorized chairs, due to limitations of our lifts.



**Employment Data (continued)**

Employment at this establishment-Report all permanent, temporary, or part-time employees including apprentices and on-the-job trainees. Enter the appropriate figures.

Job Categories	Current Workforce					Under-utilization		Estimated Number of Vacancies	2014 Goals				Ultimate Goals			
	No. of Employees	Minority		Female		Min.	Fem.		Minority		Female		Minority		Female	
		#	%	#	%				#	%	#	%	Year	%	Year	%
Officials/Managers	1		0%	1	100%											
Professionals			####		####											
Technicians			####		####											
Sales Workers			####		####											
Office and Clerical Staff	2		0%	1	50%											
Craftsmen (Skilled)			####		####											
Operators (Semi. Skilled)	1		0%		0%											
Laborers (Unskilled)			####		####											
Service Workers	9	1	11%	1	11%											
Journey Workers			####		####											
Apprentices			####		####											
<b>Total</b>	<b>13</b>	<b>1</b>	<b>8%</b>	<b>3</b>	<b>23%</b>											

**Certification**

Name of au Rachel Zagaroli Older Adult Services Manager

Signature *Rachel Zagaroli* Date 9/17/13

Name of person to contact Rachel Zagaroli Title Older Adult Services Manager

regarding this report

Address 45175 Ten Mile City Novi

(number and street)

State MI Zip Code 48375 Area Code 248 Telephone Number 347-0403 Ext.

How was information as to race or ethnic group obtained?  Visual Survey  Employment Records

**Do not write below this line. For SMART Only.**

Date	Awardable		Signature	Comments
	Yes	No		



EXHIBIT B

PROJECT OPERATION BUDGET

COMMUNITY: City of Novi  
PROJECT: MUNICIPAL/COMMUNITY CREDIT PROGRAM  
FISCAL YEAR 2014 - JULY 1, 2013 THROUGH JUNE 30, 2014

OPERATING EXPENSES:

Administrative Fee (max. is 10% of MC/CC Funds)	\$ -
Driver Wages	\$ 86,120.00
Fringe Benefits	\$ -
Gasoline & Lubricants	\$ 24,500.00
Vehicle Insurance	\$ -
Parts, Maintenance Supplies	\$ 16,000.00
Mechanic Wages	\$ -
Fringe Benefits	\$ -
Dispatch Wages	\$ -
Cell phones or other overhead costs (Specify)	\$ -
<b>Sub Total (Operating Expenses)</b>	<b>\$ 126,620.00</b>

PURCHASED SERVICE

Taxi Service	\$ -
Charter Service	\$ -
SMART Bus Tickets	\$ -
SMART Shuttle Service	\$ -
SMART Dial-A-Ride	\$ -
<b>Sub Total (Purchased Service)</b>	<b>\$ -</b>

CAPITAL EQUIPMENT

(Only list purchases to be made with Community Credits)

Computer Equipment	\$ -
Software	\$ -
Vehicle	\$ -
Maintenance Equipment	\$ -
Other (Specify)	\$ -
<b>Sub Total (Capital Equipment)</b>	<b>\$ -</b>

**TOTAL EXPENSES**

**(Operating Expenses, Purchased Service and Capital Equipment)**

**\$ 126,620.00**

REVENUES:

Municipal Credit Funds	\$ 54,454.00
Community Credit Funds	\$ -
Specialized Services Funds	\$ -
General Funds	\$ 12,166.00
Farebox Revenue	\$ 25,000.00
In-Kind Service	\$ -
Special Fares (Contracted Service)	\$ -
Other (Specify) Grants and advertising	\$ 35,000.00

**TOTAL REVENUE:**

**\$ 126,620.00**

Submitted By:

Title

Date

Paul E. Fugere

Oliver Adams Sr. Manager

July 23, 2013

(Note: Total Expenses MUST equal Total REVENUE)

# MUNICIPAL CREDIT and COMMUNITY CREDIT CONTRACT for FY - 2014

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I, \_\_\_\_\_, as the \_\_\_\_\_ of City of Novi (hereinafter, the "Community") hereby apply to SMART and agree to the terms and conditions herein, for the receipt and expenditure of **Municipal Credits** (Section 1 below), and **Community Credits** (Section 2 below); and further agree that the **Municipal and Community Credits Master Agreement** between the parties is incorporated herein by reference. A description of the service the Community shall provide hereunder is set forth in Exhibit A, and the operating budget for that service is set forth in Exhibit B, both of which are attached hereto and incorporated herein.

1. The Community agrees to use \$ 54,454 in **Municipal Credit** funds as follows:

- (a) Transfer to \_\_\_\_\_ Funding of: \$ \_\_\_\_\_  
TRANSFeree COMMUNITY
- (b) Van/Bus Operations At the cost of: \$ \_\_\_\_\_  
(Including Charter and Taxi services)
- (c) Services Purchased from SMART At the cost of: \$ \_\_\_\_\_  
(Including Tickets, Shuttle Services/Dial-a-Ride)

**Total \$ 54,454**

SMART intends to provide Municipal Credit funds under this contract to the extent funds for the program are made available to it by the Michigan Legislature pursuant to Michigan Public Act 51 of 1951. Municipal Credit funds made available to SMART through legislative appropriation are based on projected revenue estimates. In the event that revenue actually received is insufficient to support the Legislature's appropriation, it will result in an equivalent reduction in funding provided to the Community pursuant to this Contract. In such event, SMART reserves the right, without notice, to reduce the payment of Municipal Credit funds by the amount of any reduction by the legislature to SMART. All funding must be spent by September 30, 2015; all funds not spent by that date will revert back to SMART pursuant to Michigan Public Act 51 of 1951, for expenditure consistent with Michigan law and SMART policy.

2. The Community agrees to use \$ 0 in **Community Credit** funds available as follows:

- (a) Transfer to \_\_\_\_\_ Funding of: \$ \_\_\_\_\_  
TRANSFeree COMMUNITY
- (b) Van/Bus Operations At the cost of: \$ \_\_\_\_\_  
(Including Charter and Taxi services)
- (c) Services Purchased from SMART At the cost of: \$ \_\_\_\_\_  
(Including Tickets, Shuttle Services/Dial-a-Ride)
- (d) Capital Purchases At the cost of: \$ \_\_\_\_\_

**Total \$ 0**

# MUNICIPAL CREDIT and COMMUNITY CREDIT CONTRACT for FY - 2014

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Capital purchases permitted with Community Credits are subject to applicable state and federal regulations, and SMART policy, including procurement guidelines. When advantageous, SMART may make procurements directly. Reimbursement for purchases made by Community requires submission of proper documentation to support the purchase (i.e. purchase orders, receiving reports, invoices, etc.). Community Credit dollars available in FY 2014, may be required to serve local employer transportation needs per the coordination requirements set forth in the aforementioned Master Agreement. All Community Credit funds must be spent by June 30, 2016 unless approval from SMART General Manager is obtained to extend Community Credits for an additional 2 years to allow accrual for major capital projects; any funds not spent by that date may revert back to SMART for expenditure consistent with SMART policy.

This agreement shall be binding once signed by both parties.

City of Novi

By: \_\_\_\_\_

Date \_\_\_\_\_

Its: \_\_\_\_\_

Suburban Mobility Authority for  
Regional Transportation

Date \_\_\_\_\_

By: \_\_\_\_\_

John C. Hertel  
General Manager