

CEQA Resolution

**RESOLUTION IN ACCORDANCE WITH CEQA FINDING THAT THE PURPOSE OF
THE FARE RESTRUCTURING PLAN IS TO PAY OPERATING EXPENSES**

WHEREAS, Motion 36 “Emergency Relief” by Directors Garcetti, Solis, Hahn, Kuehl, and Butts instructed staff to initiate promotional pricing at 50% off full-price day passes, 7-day passes, and 30-day passes, and to report back on the status of pass sales and recommendations for permanent reductions to the cost of full-price passes

WHEREAS, Metro will implement fare capping— an equitable, pay-as-you-go fare payment model that ensures customers only pay for the rides they take and never overpay

WHEREAS, Additional revenues from fare capping and fare change will be approximately \$101M, which will be used toward operating costs.

WHEREAS, all Metro fare revenues are credited to the Enterprise Fund, an account which is used solely to pay for bus and rail operating costs, including operating employee wages and fringe benefits, fuel and propulsion power, materials and supplies, contract transportation services, professional services for operations, Public Liability/Property Damage and other insurance related to operations, utilities, taxes and overhead allocated to bus and rail operations; and

WHEREAS, the Enterprise Fund is prepared in accordance with all applicable standards of the Government Accounting Standards Board and supported by reports of all operations-related transactions; and

WHEREAS, internal controls, such as authorization, verification, and monitoring, are in place to ensure that fares are used solely to fund bus and rail operations, and Metro’s financial transactions are audited annually by an independent CPA firm.

NOW, THEREFORE, the Metro Board of Directors finds that any future fare structure adopted on this date will be solely used for the purpose of meeting operating expenses, including employee wage rates and fringe benefits, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects, necessary to maintain service within existing service areas.

Adopted this _____ day of _____, 2022.