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C-2

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February 3, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Resolution of the City Council of the City of Long Beach Amending and Restating a Policy Regarding Tickets or Passes to Events.

DISCUSSION

Regulation 18944.1, promulgated by the Fair Political Practices Commission ("FPPC"), requires cities to adopt a written policy governing the use and distribution of tickets and passes, and to require various disclosures by the City. In 2008, the City adopted such a policy to conform to the requirements of the regulation.

Subsequently, the FPPC revised Regulation 18944.1 to clarify, among other things, the scope and application of this rule, the limitations on ticket distributions and posting ticket distribution records on the FPPC website.

The attached resolution amends and restates the policy to remove outdated references, to reflect the broadened definition of "public purpose" in the FPPC regulation and to bring the policy in line with the best practices of other cities.

SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

CHARLES PARKIN, City Attorney

By

A handwritten signature in black ink, appearing to read "Amy R. Webber", with a horizontal line extending to the right from the end of the signature.

AMY R. WEBBER
Deputy City Attorney

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AMENDING AND RESTATING A
5 POLICY REGARDING TICKETS OR PASSES TO EVENTS
6

7 WHEREAS, on December 11, 2008, the California Fair Political Practices
8 Commission ("FPPC") adopted new rules relating to the use of tickets and passes to
9 events by public officials, and which requires that any distribution of such tickets or
10 passes must be made pursuant to an adopted written policy containing certain elements
11 required by the FPPC; and

12 WHEREAS, on December 24, 2008, the City of Long Beach ("City")
13 adopted such a written policy; and

14 WHEREAS, the City now desires to update and clarify certain provisions of
15 the policy in order to improve administration and reporting;

16 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
17 follows:

18 Section 1. The City Council of the City of Long Beach hereby amends
19 and restates its Policy Regarding Tickets and Passes as set forth in Attachment "A," for
20 the distribution and receipt of tickets and passes, pursuant to state law.

21 Section 2. The policy attached hereto as Attachment "A" is incorporated
22 herein by this reference as if fully set forth.

23 Section 3. This resolution shall take effect immediately upon its adoption
24 by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2015, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

EXHIBIT "A"

CITY OF LONG BEACH POLICY
REGARDING THE USE AND DISTRIBUTION OF
TICKETS AND PASSES PROVIDED TO THE CITY
FOR ENTERTAINMENT PURPOSES

I. APPLICATION OF POLICY

- A. This policy applies to tickets and passes which provide admission to any facility or event for an entertainment, amusement, recreational or similar purpose and are either:
1. gratuitously provided to the City by any outside source; or
 2. acquired by the City; or
 3. acquired by the City as consideration pursuant to the terms of any contract; or
 4. acquired and distributed by the City in any other manner.
- B. This policy does not apply to:
1. a single ticket provided to and used by a City Official to an event at which the official performs, on behalf of the City, a ceremonial role or function, as those terms are defined in Fair Political Practices Commission ("FPPC") Regulations, Section 18942.3 (Title 2, Division 6, California Code of Regulations);
 2. any other item of value provided to the City or any City Official, regardless of whether received gratuitously or for which consideration is provided;
 3. tickets for which the City Official pays the City the value of the ticket.
- C. This policy, and procedures established to implement this policy, shall supersede and replace any other City policies and procedures relating to tickets and passes provided to the City or to City Officials.

II. DEFINITIONS.

Unless otherwise expressly provided herein, words and terms used in this policy shall have the same meaning as that ascribed to such words and terms in the California Political Reform Act of 1974 (California Government Code section 81000 et seq., as the same may be amended from time to time) and the FPPC Regulations (Title 2, Division 6 of the California Code of Regulations, Sections 18110 et seq., as the same may be amended from time to time).

- A. "City" or "City of Long Beach" shall mean and include the City of Long Beach, the Long Beach Housing Authority, the Water Department, the Successor Agency to the City of Long Beach Redevelopment Agency, and any other affiliated agency created or activated by the Long Beach City Council, and all departments, boards and commissions thereof.
- B. "City Official" means every elected official, officer, employee, commissioner or consultant of the City of Long Beach required to file an annual Statement of Economic Interests (FPPC Form 700).
- C. "Immediate Family" means the spouse or registered domestic partner and any dependent children as defined in California Government Code section 82089 and Family Code section 297.5.
- D. "Ticket" means and includes any form of admission privilege to a facility, event, show or performance.
- E. "Ticket Administrator" shall be the City Manager or designee who in his or her sole discretion has the authority to establish procedures for the distribution of tickets in accordance with this policy, and to implement the policy.

III. GENERAL PROVISIONS.

- A. No Right to Tickets. The use of complimentary tickets is a privilege extended by the City and not the right of any person to which the privilege may from time to time be extended.
- B. Limitation on the Transfer of Tickets. Unless otherwise provided herein, tickets distributed to a City Official pursuant to this policy shall not be transferred to any other person, except to members of such City Official's Immediate Family solely for their personal use or no more than one guest solely for their attendance at the event.

- C. Prohibition Against Sale of Tickets. No person who receives a ticket pursuant to this policy shall sell or receive reimbursement for the value of such ticket.

IV. TICKET ADMINISTRATOR.

- A. The City Manager or designee shall be the Ticket Administrator for purposes of implementing the provisions of this policy.
- B. All requests for tickets which fall within the scope of this policy shall be made in accordance with the procedures established by the Ticket Administrator.
- C. The Ticket Administrator shall determine the value of tickets distributed by the City as necessary to implement this policy.
- D. The Ticket Administrator, in his or her sole discretion, may revoke or suspend the ticket privileges of any person who violates the provisions of this policy or the procedures established by the Ticket Administrator for the distribution of tickets in accordance with this policy.

V. CONDITIONS UNDER WHICH TICKETS MAY BE DISTRIBUTED.

Subject to the provisions of this policy, complimentary tickets may be distributed by the Ticket Administrator, as available, to City Officials under the following conditions:

- A. The City Official reimburses the City for the face value of the ticket(s).
 - 1. Reimbursement shall be made at the time the ticket is distributed to the City Official.
 - 2. The Ticket Administrator shall, in his or her sole discretion, determine which event tickets, if any, shall be available under this Section.
- B. The City Official treats the tickets as income consistent with applicable federal and state income tax laws; or
- C. The City Official uses or behests such tickets for one or more of the following public purposes:
 - 1. If performing a ceremonial role or function representing the City at the event, the City Official may receive enough tickets for him/herself and each member of his or her immediate family.

2. The job duties of the City Official require his or her attendance at the event, for which the City Official may receive enough tickets for the City Official and his or her immediate family.
3. Economic or business development purposes on behalf of the City.
4. Intergovernmental relations purposes, including but not limited to attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.
5. Attracting or rewarding volunteer service.
6. Supporting or showing appreciation for programs or services rendered by non-profit organizations benefitting Long Beach residents.
7. Encouraging or rewarding significant academic, athletic or public service achievements by Long Beach students, residents or businesses.
8. Attracting and retaining highly qualified employees in City service.
9. As special recognition or reward for meritorious service by a City employee.
10. For use in connection with a City employee or resident competition or drawing.
11. Recognition of contributions made to the City by former City Council members, City Managers or City Officials.
12. Encouraging Long Beach resident and business support for and attendance at local events.
13. Encouraging participants in City sponsored programs to attend local events.
14. Encouraging City Officials and employees to attend local events on City-recognized holidays by being accompanied by their parents, children, grandchildren, siblings, nieces or nephews.

VI. TICKETS DISTRIBUTED AT THE DIRECTION ("BEHEST") OF A CITY OFFICIAL

- A. Subject to Section VIII, below, tickets and passes subject to this policy must be received and distributed by the Ticket Administrator.
- B. Only the following City Officials shall have authority to request distribution of tickets: City Attorney, City Auditor, City Prosecutor, Mayor, City Council Members, City Manager, Assistant City Manager, City department heads.
- C. Tickets shall be distributed at the request of a City Official only for one or more public purposes as set forth in Section V.C, above.
- D. If tickets are distributed at the behest of a City Official, such Official shall not use one of the tickets to attend the event.

VII. DISCLOSURE REQUIREMENTS.

- A. Tickets distributed by the City to any City Official either: i) which the City Official treats as income pursuant to Section V. B, above, or ii) for one or more public purposes described in Section V. C, above, shall be posted on a form provided by the FPPC in a prominent fashion on the City's website ("Ticket Policy Report Page") within thirty (30) days after distribution. Such posting shall include the following information:
 - 1. The name of the recipient, except that if the recipient is an organization, the City may post the name, address, description of the organization and number of tickets provided in lieu of posting the names of each recipient; and
 - 2. a description of the event; and
 - 3. the date of the event; and
 - 4. the face value of the ticket; and
 - 5. the number of tickets provided to each person or organization; and
 - 6. if the ticket was distributed at the direction ("behest") of a City Official, the name of the City Official who provided such direction; and

7. a description of the public purpose(s) under which the distribution was made, or alternatively, that the City Official is treating the ticket as income.

B. Tickets distributed by the City for which the City receives reimbursement from the City Official as provided under Section V.A, above, shall not be subject to the disclosure provisions of this Section VII.

VIII. DISPOSITION OF TICKETS RECEIVED.

Tickets received by a City Official other than pursuant to this Ticket Policy must, within 30 days of receipt, either be:

- A. Returned to the source unused; or
- B. Provided to a 501(c)(3) organization for which the City Official does not take a tax deduction; or
- C. Delivered to the Ticket Administrator for distribution and use consistent with this policy.
- D. If tickets are disposed of pursuant to this Section VIII A or B, the City Official must notify the Ticket Administrator of their disposition, including the name of the 501 (c)(3) organization, the number of tickets and the date of return or delivery.

IX. INCOME TAX CONSIDERATIONS.

Tickets which are provided free of charge or at a price below the fair market value may have tax consequences for the recipient and may be reportable and taxable as regular income or as taxable fringe benefits to a recipient. Recipients of tickets must consult with their tax advisors to determine the reporting requirements for income tax purposes, as well as the tax consequences of any tickets received.

X. CAUTION:

This policy and any implementing guidelines are not a substitute for legal advice. Only the FPPC can provide immunity from prosecution for the legal advice that it offers. Please consult the City Attorney's Office if you have questions about reporting, disclosure and disqualification requirements regarding tickets and passes, and the City Attorney's Office can assist in obtaining advice from the FPPC.