



# Agenda Report

**TO:** CITY COUNCIL

**DATE:** March 2, 2009

**FROM:** CITY ATTORNEY

**SUBJECT: ADOPTION OF CITY TICKET POLICY TO CONFORM TO CALIFORNIA CODE OF REGULATIONS, SECTION 18944.1, AS AMENDED BY THE FAIR POLITICAL PRACTICES COMMISSION**

**RECOMMENDATION:**

That the City Council adopt a Resolution Of The City Council Of The City Of Pasadena Adopting A Ticket Policy For The Rose Bowl Stadium, The Rose Parade, Pasadena Convention Center And Other Tickets Provided To The City For Entertainment Purposes, submitted herewith, applicable to tickets which provide admission to a facility or event for an entertainment amusement, recreational or similar purpose in order to conform to the provisions of California Code of Regulations, Section 18944.1, as amended by the Fair Practices Commission, effective February 8, 2009.

**DISCUSSION:**

On December 11, 2008, the Fair Political Practices Commission ("FPPC") amended Section 18944.1 of the California Code of Regulations relating to tickets or passes to events distributed to Public Officials. The new regulation, which became effective on February 8, 2009, sets forth the conditions under which a ticket or pass to an entertainment event distributed by an agency to its officials will not be treated as a gift to the official under the Political Reform Act and the FPPC regulations.

Under the new regulation, one ticket to an event distributed by an agency to its public officials will not be considered a gift and is therefore not subject to the proposed policy if it is a single ticket provided to and used by a City Official for an event at which the official performs a ceremonial role or function on behalf of the City. The proposed policy also does not apply to any other item of value provided to the City or any City Official, regardless of whether received gratuitously or for which consideration is provided; tickets provided by sources other than the City, nor tickets for which the City Official pays the City the value of the ticket.

Tickets to an event are subject to the proposed policy and may be provided to a public official if: 1) the public official uses or directs the tickets for a public purpose as defined

in the proposed ticket policy, or 2) the public official treats the tickets as income in accordance with applicable state and federal income tax laws.

Additionally, in order to avoid a distribution of tickets from an agency to its officials from being treated as a gift, Section 18944.1 requires an agency to adopt a ticket policy which contains, at a minimum: 1) a provision setting forth the public purposes of the agency to be accomplished by the distribution of tickets or passes; 2) a provision requiring that the distribution of any ticket or pass by the agency to, or at the behest of, an official accomplish a public purpose of the agency; and 3) a provision prohibiting the transfer by any official of any ticket or pass, distributed to such official pursuant to the agency policy, to any other person, except to members of the official's immediate family, solely for their personal use.

Finally, the amended regulation requires that the agency disclose on its website all complimentary tickets distributed to its officials for a public purpose as well as those which the official will treat as income. Such disclosure is to be made within 30 days after the distribution on a form provided by the FPPC, which shall include 1) the name of the person or organization receiving the tickets; 2) a description of the event; 3) the date of the event; 4) the face value of the ticket; 5) the number of tickets provided to each person/organization; 6) if the ticket was behested, the name of the official who behested the ticket; and 7) a description of the public purpose under which the distribution was made or, alternatively, that the ticket will be treated as income by the official.

The proposed policy conforms to the requirements of Section 18944.1 as set forth above. Additionally, it designates the City Manager, Rose Bowl Operating Company Chief Executive Officer/General Manager, and Pasadena Center Operating Company Chief Executive Officer as the Ticket Administrators for purposes of implementing policy and establishing the ticket distribution procedures in accordance with the policy.

Respectfully submitted,

  
MICHELE BEAL BAGNERIS

Concurrence:

  
MICHAEL J. BECK  
City Manager

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA  
ADOPTING A TICKET POLICY FOR THE ROSE BOWL STADIUM, THE ROSE  
PARADE, PASADENA CONVENTION CENTER AND OTHER TICKETS  
PROVIDED TO THE CITY FOR ENTERTAINMENT PURPOSES**

WHEREAS, in February of 2009 the California Fair Political Practices Commission ("FPPC") amended its regulations regarding tickets as potential gifts prohibited by the California Political Reform Act ; and

WHEREAS, as a result of the changes recently adopted by the FPPC, the City's policy on ticket distribution must be revised; and

WHEREAS, the revised policy complies with the requirements of the FPPC Regulations.

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Pasadena that the attached CITY OF PASADENA TICKET POLICY: THE ROSE BOWL STADIUM, THE ROSE PARADE, PASADENA CONVENTION CENTER AND OTHER TICKETS PROVIDED TO THE CITY FOR ENTERTAINMENT PURPOSES is hereby adopted, and effective immediately.

Adopted at the \_\_\_\_\_ meeting of the City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2009 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Mark Jomsky, CMC, City Clerk

Approved as to form:

  
Michele Beal Bagneris  
City Attorney

**CITY OF PASADENA TICKET POLICY:**

(March 2, 2009)

**THE ROSE BOWL STADIUM, THE ROSE PARADE,  
PASADENA CONVENTION CENTER AND OTHER TICKETS  
PROVIDED TO THE CITY FOR ENTERTAINMENT PURPOSES  
AND DISTRIBUTED TO CITY OFFICIALS**

**I. APPLICATION OF POLICY**

- A. This policy applies to tickets which provide admission to a facility or event for an entertainment, amusement, recreational or similar purpose, and are either:
1. gratuitously provided to the City by an outside source; or
  2. acquired by the City by purchase; or
  3. acquired by the City as consideration pursuant to the terms of a contract for the use of a City venue; 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 a ceremonial role or function on behalf of the City;
  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 provided by sources other than the City, or
  4. tickets for which the City Official pays the City the value of the ticket.
- C. This policy, and any procedures established to implement this policy, shall supersede and replace any other City policies and procedures relating to tickets provided to the City or 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 (Government Code Sections 81000, *et seq.*, as the same may from time to time be amended) and the Fair Political Practices Commission (“FPPC”) Regulations (Title 2, Division 6 of the California Code of Regulations, Sections 18110 *et seq.*, as the same may from time to time be amended).

- A. “City” or “City of Pasadena” shall mean and include the City of Pasadena, the Rose Bowl Operating Company, the Pasadena Center Operating Company , any other affiliated agency created or activated by the Pasadena City Council, and any departments, boards and commissions thereof.
- B. “City Official” means every member, officer, employee or consultant of the City of Pasadena required to file an annual Statement of Economic Interests (FPPC Form 700), and includes, without limitation, City board or commission members or other appointed officials or employees.
- C. “City Venue” means and includes the Rose Bowl Stadium, Pasadena Convention Center, or any other facility owned, controlled or operated by the City of Pasadena.
- D. “Ticket” means and includes any form of admission privilege to a facility, event, show or performance, and excludes working credentials.
- E. “Ticket Administrator” shall be the person with the authority, in his or her sole discretion, to establish procedures for the distribution of tickets in accordance with this policy, and to implement the policy.
  - 1. The City Manager shall be the Ticket Administrator.
  - 2. The Rose Bowl Operating Company Chief Executive Officer/General Manager may also be the Ticket Administrator for tickets to events at the Rose Bowl.
  - 3. The Pasadena Center Operating Company Chief Executive Officer may also be the Ticket Administrator for tickets to events at the Pasadena Center.

### **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 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.
- C. Prohibition Against Sale of Tickets: No person who receives a ticket pursuant to this policy shall sell or receive payment for such ticket.

### **IV. TICKETS DISTRIBUTED AT THE DIRECTION OF THE TICKET ADMINISTRATOR.**

This section shall apply to those tickets that are given to the City.

- A. 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.
- B. The Ticket Administrator shall determine the value of tickets distributed by the City as necessary to implement this policy.
- C. The Ticket Administrator, in his or her sole discretion, may revoke or suspend the ticket privileges of any person who violates any provision 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, as available, to City Officials under the following conditions:

- A. The City Official treats the tickets as income consistent with applicable federal and state income tax laws; or
- B. The City Official uses, or provides, such tickets for one or more of the following public purposes:

1. If performing of a ceremonial role or function representing the City at the event, for which the City Official may receive enough tickets for 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 each member of 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 public service.
  6. Supporting and/or showing appreciation for programs or services rendered by non-profit organizations benefiting Pasadena residents.
  7. Encouraging or rewarding significant academic, athletic, or public service achievements by Pasadena 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 competition or drawing.
  11. Recognition of contributions made to the City by former City Council Members or City Managers.
- C. Prior to receipt of any tickets, City Officials shall acknowledge receipt of the tickets and knowledge of this policy and its effects through signature on a form substantially similar to the attached Exhibit A.

## **VI. TICKETS DISTRIBUTED AT THE DIRECTION OF A CITY OFFICIAL.**

This section shall apply to those tickets that are given directly to a City Official on behalf of the City.

- A. Only the following City Officials shall have authority to distribute tickets: City Council Members, the City Manager, the Assistant City Manager, Department Heads, the Rose Bowl Operating Company Chief Executive Officer/General Manager, Rose Bowl Operating Company Board Members, the Pasadena Center Operating Company Chief Executive Officer, and Pasadena Center Operating Company Board Members.
- B. Tickets shall be distributed at the direction of a City Official only for one or more public purposes as set forth in Section V.B above.

## **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.A above, or ii) for one or more public purposes described in Section V.B above, shall be posted on a form provided by the FPPC in a prominent fashion on the City's website ("Gift to Agency Report" page as maintained by the City Clerk) 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 to the organization 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; and
  - 6. if the ticket was distributed at the direction 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.

#### **VIII. 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 own tax advisers to determine the reporting requirements for income tax purposes, as well as the tax consequences of any tickets received.

**DRAFT**

“EXHIBIT A”

ACKNOWLEDGEMENT AND RECEIPT  
OF COMPLIMENTARY TICKETS

The undersigned has received the complimentary tickets described below:

<u>Date ticket</u>	<u>Event</u>	<u>Number of tickets</u>	<u>Value per ticket</u>
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The undersigned here by acknowledges the following:

1. I have received a copy of the City of Pasadena Ticket Policy, dated March 2, 2009 (“Ticket Policy”).
1. I am being provided these complimentary tickets for a public purpose as described in the Ticket Policy.
2. I will use these complimentary tickets for a public purpose as described in the Ticket Policy and not for personal profit or gain.
3. I understand and agree that my name, along with the description and value of these complimentary tickets will be posted on the City of Pasadena website and that this Acknowledgement and Receipt is a public document.
4. I understand that these tickets may be reportable by me as income and may be taxable, and will rely on the advice of my own tax adviser in meeting any reporting and tax obligations.

Printed Name and Title

Signature

Date