



Board Report

File #: 2021-0634, File Type: Policy

Agenda Number: 36.

EXECUTIVE MANAGEMENT COMMITTEE OCTOBER 21, 2021

SUBJECT: TICKETS OR PASSES DISTRIBUTION POLICY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING the Tickets or Passes Distribution Policy in Attachment A; and
- B. AUTHORIZING the Chief Ethics Officer to amend the policy consistent with any changes in state law or Metro priorities.

ISSUE

Currently, Metro does not have a Tickets or Passes Distribution Policy. The policy provides required standards set by the California Fair Political Practices Commission ("FPPC") so that the tickets or passes provided to Metro from outside sources, and then appropriately distributed to the Metro Board, Board staff, Metro employees and designated consultants, are not considered gifts under state law.

BACKGROUND

Throughout 2020 and 2021, Metro received offers of tickets or passes during the COVID-19 pandemic from outside sources generally seeking to boost the morale of frontline workers and other agency personnel. Under state law, to properly accept and distribute these tickets or passes without requiring potential disclosure on California Form 700 as gifts, the Metro Board of Directors must adopt a policy consistent with regulations issued by the FPPC.

Dozens of California cities, counties, and other governmental entities (e.g., Los Angeles County and the City of Los Angeles) have adopted similar policies. In adopting the policy, Metro would align with the rest of the state and ensure that all offers of tickets or passes are accepted under the standards set by state law.

DISCUSSION

The FPPC permits the acceptance and distribution of tickets or passes provided to public agencies from outside sources, without considering the tickets or passes as gifts under state law, only if agencies adopt policies consistent with FPPC regulations (currently contained in FPPC Regulation § 18944.1). Once adopted, assuming compliance with the policy, Metro may accept ticket offers and distribute the tickets to agency personnel without requiring individual Form 700 reporting requirements. The policy also sets specific standards for distribution so that outside entities do not earmark tickets for specific Metro employees. It also provides a list of permissible purposes for acceptance and distribution, furthering Metro's goals and serving the public's best interests. Lastly, the policy requires public disclosure on Metro's website, consistent with state requirements.

Given that future ticket offers may be intended for distribution to hundreds of Metro employees, it is necessary that a policy guide the distribution process so that individual employees do not trigger potential reporting requirements. The policy also ensures the public's trust in any Metro ticket distribution to agency personnel by implementing appropriate standards set by the FPPC.

DETERMINATION OF SAFETY IMPACT

There is no safety impact by adopting this policy.

FINANCIAL IMPACT

There is no financial or budgetary impact by adopting this policy.

EQUITY PLATFORM

There is no direct equity impact by adopting this policy. However, Section 2.7 states that "Disproportionate use of tickets or passes by the Agency Board of Directors, Chief Executive Officer or any Agency Department head is prohibited." As policy administrator, the Communications Department will track the tickets to ensure an equitable distribution across all Metro departments.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Goal 5.2: Metro will exercise good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

If the Board does not approve the policy, tickets or passes provided to Metro from outside sources and then distributed to Metro officials may be reportable gifts. Metro must then make considerable efforts to track the gifts to ensure compliance with state law and FPPC regulations. Additionally, Metro would not adopt publicly available standards set by the FPPC for ticket acceptance and distribution.

NEXT STEPS

If approved, Metro will engage with outside sources, and distribute any tickets or passes, consistent with the policy.

ATTACHMENTS

Attachment A - Tickets or Passes Distribution Policy

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Los Angeles County
Metropolitan Transportation Authority

Metro

Tickets or Passes Distribution Policy

POLICY STATEMENT

Metro receives offers of tickets or passes to a variety of events from various sources. These tickets or passes are distributed pursuant to California Fair Political Practices Commission (FPPC) Regulations.

PURPOSE

The purpose of this policy is to comply with FPPC Regulations, which require that any distribution of tickets or passes by Metro to its Board or employees be made pursuant to a written policy adopted by the Metro Board of Directors.

This policy does not concern tickets, passes or other items of value which may be reportable on California Statements of Economic Interest (Form 700). All tickets or passes distributed under the terms of this policy are not gifts under FPPC Regulations.

APPLICATION

This policy and its procedures shall apply to all represented and non-represented Metro employees, Metro consultants designated as Form 700 filers, Members of the Metro Board of Directors and Board staff.

1.0 DEFINITION OF TERMS

Unless otherwise expressly provided herein, terms in this policy shall have the same meaning as that ascribed to such terms in the California Political Reform Act of 1974 (as amended) and FPPC Regulations (as amended).

For the purposes of this policy, the following definitions will apply:

1. "Agency" means the Los Angeles County Metropolitan Transportation Authority.
2. "Ticket" means anything that provides access, entry, or admission to a specific future event or function and for which similar tickets are sold to the public to view, listen to, or otherwise take advantage of the attraction or activity for which the ticket is sold and includes any benefits that the ticket provides.
3. "Pass" is a ticket that provides repeated access, entry, or admission to a facility or series of events and for which similar passes are sold to the public.
4. "Official" means any represented or non-represented Agency employee, Agency consultant designated as a Form 700 filer, Members of the Agency Board of Directors and Board staff.

2.0 GENERAL

The Communications Department will administer this policy and may create distribution procedures. The Ethics Department will respond to all Agency inquiries regarding application of the policy.

Tickets or passes are distributed pursuant to FPPC Regulations and as follows:

1. The ticket or pass shall not be earmarked by an outside source for use by a specific Agency Official.
2. The Agency shall determine in its sole discretion which Official(s) may use the tickets or passes.
3. Tickets or passes to an Agency Official performing a ceremonial role, as defined by applicable FPPC regulations, shall be governed by those regulations.
4. Distribution of any ticket or pass by the Agency to an Official shall accomplish one of the following public purposes of the Agency:

- a. As part of the Agency's community outreach efforts;
 - b. Representing the Agency at an event to sustain or build relationships with customers, businesses, or local, regional, state or federal agencies;
 - c. Representing the Agency at an event of a non-governmental organization, which will sustain or build relationships with that non-governmental organization in support of the Agency's Mission, Vision, or Strategic Plan;
 - d. The event will provide educational information that will benefit the Agency or Official(s) attending the event;
 - e. The Official's job duties require the Official to appear at the event;
 - f. Attendance of an Official of the Agency at the event will in some other way support the Agency's Mission, Vision or Strategic Plan;
 - g. The event is being attended in an effort to generate business or similar activity in the furtherance of the purposes of the Agency; and
 - h. To support general employee morale, retention or to reward public service (this purpose does not apply to tickets or passes provided to a Member of the Board of Directors, Chief Executive Officer, Agency Department head, or designated consultants).
5. Any ticket or pass distributed pursuant to the policy shall not be transferred to any other person, except to members of the Official's immediate family or no more than one guest solely for their attendance at the event.
 6. No Official who receives a ticket or pass pursuant to this policy shall sell or receive reimbursement for the value of such ticket or pass.
 7. Disproportionate use of tickets or passes by the Agency Board of Directors, Chief Executive Officer or any Agency Department head is prohibited.
 8. The record of the distribution of a ticket or pass pursuant to this policy shall be maintained as a public record and be subject to inspection and copying under California Government Code. In addition, the policy will be posted on the Agency's website no later than 30 days after the adoption.
 9. Within 45 days of distribution of a ticket or pass, the distribution must be reported on an appropriate disclosure form. The form will be posted on the Agency's website.

10. The Agency will not accept offers of tickets or passes from Agency contractors, subcontractors, bidders, proposers, lobbyists, lobbying firms, lobbyist employers, or anyone else doing business with the Agency, unless the Ethics Department determines that acceptance would be permissible under applicable Agency codes and state law.

3.0 PROCEDURE

1. Agency departments receiving offers of tickets or passes must forward the offer(s) to the Communications Department for initial review and assessment.
2. The Communications Department will forward the offer to the Ethics Department to review for compliance with applicable Agency codes and state law.
3. The Ethics Department will then issue an approval or denial. An approval will include a state issued disclosure form to be completed by the Communications Department.
4. The disclosure form will then be forwarded to the Agency's Chief Executive Officer (or designee) for signature.
5. The Agency will post all completed disclosure forms to its website, in compliance with applicable disclosure requirements.

4.0 REFERENCES

FPPC Regulation § 18944.1.

5.0 ATTACHMENTS

California Form 802.

6.0 PROCEDURAL HISTORY

xx/xx/xx Board Adopted