# Agenda Report



**Date:** March 24, 2009

**To:** Stephen W. Helvey, City Manager

From: Nancy Mendez, Assistant City Manager

**Subject:** Gift Ticket Distribution Policy

## **RECOMMENDATION**

It is recommended the City Council approve a gift ticket distribution policy in compliance with Fair Political Practices Commission Regulation 18944.1 and authorize the City Manager to implement the policy.

## **BACKGROUND**

A recent revision of the State of California's Fair Political Practices Commission (FPPC) Regulation 18944.1, "Gifts: Tickets or Passes to Events," significantly restricts the use of gift tickets by City officials. Gift tickets are event tickets or passes given free to the City by an outside organization, or tickets which the City purchases and then distributes for free to City officials. The term "City officials" includes City Council members and every City employee or consultant.

If the requirements of the new regulation are met, the City and not individual officials report the use of gift tickets, and there is no limit on the value or number of gift tickets that can be used. If the requirements have not been met, officials must report tickets worth more than \$50 as a gift and are limited to \$420 from a single source annually.

#### **DISCUSSION**

The old FPPC rule effectively exempted many gift tickets from reporting requirements. The new rule mandates that tickets can only be distributed pursuant to a written "gift ticket distribution" policy adopted by the City Council. The City Attorney drafted a model policy that meets the FPPC requirement for the City Council to consider for approval (Attachment A). The new rule also requires that the ticket is disclosed on Form 802, is not earmarked, and serves a valid public purpose.

#### Website Disclosure

The new rule requires that the gift tickets must be disclosed in detail on the City's website with the new FPPC Form 802 (Attachment B). The City Manager or his staff would complete and publicly post the form, so there is no further need for the City official to disclose the gift ticket on an individual Form 700. If the Form 802 is not completed and posted, however, the City official must disclose any gift ticket valued at \$50 or more on Form 700 in an individual annual filing.

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The new rule governs any event tickets that the City buys or receives free from an outside organization that are then given free to City officials. It is a long-standing practice in Whittier and virtually all cities to not require Council members or staff to pay for their individual tickets at community events that serve a public purpose. For example, the City may buy a table for a Whittier non-profit dinner event and allow City Council members and staff to attend the dinner. That attendance is now required to be posted on the City's website.

### Tickets Not Earmarked

The City, not the outside agency, must determine who actually gets the tickets received from any outside source. In practical terms, the City Manager or his designee would determine who gets the tickets, rather than allowing an outside group to earmark tickets for specific City officials. Once an official receives a ticket, the official may not give it away to any person other than his or her spouse or child.

#### Valid Public Purpose

The distribution of any ticket by the City, whether purchased with City funds or donated by an outside group, should accomplish a governmental or public purpose. There is an absolute exemption from the new regulation, however, at events where the City official is serving a ceremonial function on behalf of the City. In these cases, the ticket does not have to be reported on either the website Form 802 or the individual Form 700. The City Attorney advises, however, that the exemption is unclear and FPPC opinions have reached opposite conclusions in recent cases. In an abundance of caution, City staff will apply this exemption only for City-funded events, such as the dedication of the Greenway Trail and the Senior Center volunteer lunch.

#### FISCAL IMPACT

There will be additional staff responsibilities in the City Manager's office to track tickets and complete forms and in Information Technology related to website postings. Staff costs will be absorbed within the FY 2008-09 budget.

Nancy Mendez
Assistant City Manager

Attachments: A – Gift Ticket Distribution Policy

B – FPPC Form 802