

Meeting Date: 9/6/2016

Report Type: Staff/Discussion

Report ID: 2016-00829

Title: Acceptance, Distribution, Use and Reporting of Tickets Policy

Location: Citywide

Recommendation: Pass a Resolution 1) repealing Resolution 2009-296; 2) approving a Ticket Policy; 3) deleting a 1.0 FTE vacant Accountant Auditor position in the Department of Public Works and adding a 1.0 FTE Ticket Policy & Event Services Manager position to the City Clerk's Office; and 4) authorizing the Department of Finance to make the necessary budgetary transfers associated with the position changes.

Contact: Shirley Concolino, City Clerk, (916) 808-5442, Office of the City Clerk

Presenter: Shirley Concolino, City Clerk, (916) 808-5442, Office of the City Clerk

Department: City Clerk

Division: City Clerk

Dept ID: 04001011

Attachments:

1-Description/Analysis

2-Resolution

3-Exhibit A (Policy)

City Attorney Review

Approved as to Form

Matthew Ruyak

9/1/2016 10:54:49 AM

Approvals/Acknowledgements

Department Director or Designee: Shirley Concolino - 8/29/2016 9:27:27 AM

Description/Analysis

Issue Detail: In May 2009, the City Council adopted Resolution 2009-296, which established a policy on the distribution, use, and reporting of tickets. The policy was drafted to meet the requirements of Fair Political Practices (FPPC) Regulation 18944.1. By having a policy that complies with that regulation, tickets distributed and accounted for in compliance with the policy are not considered gifts to City officials and employees who make use of those tickets.

In partial consideration of the City's contribution to the Golden 1 Center, the City will be entering into an agreement with Sacramento Kings Limited Partnership for the City's license to use a suite inside the Golden 1 Center. As the previous policy doesn't address the use of the suite, the policy needed to be updated, thus providing an opportunity to reorganize the policy so that it is easier to read and follow.

Under the updated policy (Exhibit A) the ticket administrator will establish procedures for the actual distribution of tickets. The written procedures will be posted on the City's website in a prominent fashion.

To ensure proper oversight, management and the reporting requirements associated with this policy it is recommended that an existing vacant General Fund position (Accountant Auditor in the Department of Public Works) be deleted and a position be added to the City Clerk's Office.

Policy Considerations: The City must adopt a policy compliant with FPPC regulations if the distribution of tickets to entertainment events, sporting events, etc., are not to be treated as gifts by City officials or employees who use the tickets. The opening of the Golden 1 Center in October 2016 and the City's use of a suite provides an opportunity to update the existing ticket policy.

Economic Impacts: Distribution of tickets pursuant to the ticket policy supports opportunities to enhance economic development, promote City business, and reward public service.

Environmental Considerations: None.

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: Updating the ticket policy provides greater transparency and accountability in the use of tickets by City officials and employees, including the use of the City's suite within the Golden 1 Center.

Financial Considerations: The addition of a Ticket Policy & Event Services Manager in the City Clerk's Office will be offset by the elimination of a vacant Accountant Auditor position in the Department of Public Works. The associated budget for the vacant position will be transferred resulting in no impact on the General Fund.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO. 2016-

Adopted by the Sacramento City Council

, 2016

APPROVING THE ACCEPTANCE, DISTRIBUTION, USE, AND REPORTING OF TICKETS POLICY (TICKET POLICY)

BACKGROUND

- A. On May 10, 2009, the City Council adopted Resolution 2009-296, which established a city policy on ticket distribution, use, and reporting. Tickets distributed and accounted for in compliance with that policy (and Fair Political Practices Commission regulations) are not considered gifts to city officials and employees who make use of those tickets.
- B. In partial consideration of the city's contribution to the Golden 1 Center, the city will be entering into an agreement with Sacramento Kings Limited Partnership for the city's license to use a suite inside the Golden 1 Center.
- C. The existing ticket policy does not address the City's suite in the Golden 1 Center, current reporting requirements, is not well organized and is difficult to follow and should be repealed.
- D. The proposed Ticket Policy adds clarity, is easier to use, and expressly addresses the use of tickets for the city's suite at the Golden 1 Center.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Resolution 2009-296 is hereby repealed.
- Section 2. The Acceptance, Distribution, Use, and Reporting of Tickets ("Ticket Policy") attached as Exhibit A is adopted.
- Section 3. The City Manager is authorized to delete a 1.0 FTE vacant Accountant Auditor position in the Department of Public Works and add a 1.0 FTE Ticket Policy & Event Services Manager position to the City Clerk's Office.
- Section 4. The Finance Department is authorized to make the necessary budgetary transfers associated with the position changes referenced in Section 3.

Table of Contents:

Exhibit A - Acceptance, Distribution, Use, and Reporting of Tickets Policy ("Ticket Policy")

1. Purpose

This Ticket Policy is provided to ensure that the City of Sacramento’s distribution of tickets to entertainment, amusement, recreational, or similar events furthers a public purpose in accordance with title 2, section 18944.1, of the California Code of Regulations. Tickets that are distributed as provided in this policy will not result in a gift to the city official who receives the tickets.

2. Definitions

“**Accept**” means to take actual possession of a ticket or to take any action exercising direction or control over the ticket.

“**Behest**” means under the control or at the direction of, in cooperation, consultation, coordination, or concert with, at the request or suggestion of, or with the express, prior consent of a city official.

“**Ceremonial Role**” means “ceremonial role” as defined in title 2, section 18942.3, of the California Code of Regulations, as it now exists or as it may be amended in the future.

“**City**” means the City of Sacramento.

“**City official**” means every member, officer, employee, or consultant of the city who is required to file a Statement of Economic Interests (Form 700) under state law or the city’s current conflict of interest code.

“**Community Groups**” means recognized community groups, non-profit organizations, schools, youth groups, and similar groups and organizations.

“**Immediate family**” means a person’s spouse and dependent children.

“**Pass**” means a ticket that provides repeated access, entry, or admission to a facility or series of events for which similar passes are sold to the public.

“**Suite License Agreement**” means the agreement between the City of Sacramento and Sacramento Kings Limited Partnership for the city’s license to use a suite inside the Golden 1 Center.

“**Ticket**” means anything that provides access, entry, or admission to a specific event or function 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. “Ticket” includes a “pass” as defined in this section, so that wherever this policy uses the term “ticket,” it means both tickets and passes. “Ticket” includes access to and use of the City’s suite at the Golden 1 Center City Suite pursuant to the Suite License Agreement. A ticket includes any benefits that the ticket provides.

“**Ticket Administrator**” means the city clerk or city clerk’s designee.

3. Applicability

- a.** This policy applies to a ticket only if all of the following conditions are met:
 - (i) it has been accepted by the ticket administrator;
 - (ii) it is for admission to a facility, event, show, or performance;
 - (iii) it is for an entertainment, amusement, recreational, or similar purpose; and
 - (iv) it is either:
 - (A) provided by the ticket administrator to a city official, or
 - (B) provided by the ticket administrator at the behest of a city official.
- b.** This policy does not apply to a ticket if:
 - (i) the ticket administrator has not accepted the ticket;
 - (ii) the city official treats the ticket as income consistent with applicable state and federal income tax laws and the city reports the distribution of the ticket as income to the city official in compliance with the reporting requirements in Section 8 of this policy;
 - (iii) the city official reimburses the city for the ticket;
 - (iv) the ticket is received from an outside source and the ticket is earmarked by the outside source for use by the city official who uses the ticket; or
 - (v) it is for a city official to perform a ceremonial role on behalf of the city.
- c.** This policy applies only to the benefits that the city official receives from the ticket that are provided to all members of the public with the same class of ticket. If the city official receives benefits, such as food and beverages, that are not provided to all members of the public with the same class of ticket, then the city official shall treat those benefits as gifts unless the city official provides consideration of equal or greater value for the benefits.

4. Public Purpose.

- a.** Tickets may only be distributed to, or at the behest of, a city official for one or more of the following public purposes:
 - (i) to promote economic development;
 - (ii) to promote city business, resources, programs, and facilities;

- (iii) to monitor and evaluate city venues and city-sponsored events;
 - (iv) to promote cultural, recreational, and educational facilities, services and programs available to the public within the City of Sacramento;
 - (v) to support general employee morale or retention; or
 - (vi) to reward public service.
- b.** The distribution of any ticket to a city official (except members of the city council) for his or her personal use to support general employee morale, retention, or to reward public service serves a public purpose if the city receives the ticket:
- (i) pursuant to the terms of a contract for use of public property;
 - (ii) because the city controls the event; or
 - (iii) by purchase at fair market value.

For purposes of this subsection, “personal use” means use by the city official, his or her immediate family, or no more than one guest.

5. Distribution of Tickets - Generally.

- a.** The city council hereby delegates the authority to implement this policy to the ticket administrator.
- b.** The ticket administrator shall establish written procedures for the distribution of tickets in accordance with this policy. The procedures may provide for the distribution of tickets to the city clerk as long as the distribution is consistent with this policy. The written procedures must be posted on the city’s website in a prominent fashion.
- c.** All requests for tickets under this policy must be made in accordance with the procedures established by the ticket administrator.
- d.** The ticket administrator shall determine the face value of tickets for purposes of Section 3.b.(ii) and 3.b.(iii) of this policy.

6. Golden 1 Center.

- a.** Tickets received by the city for events at the Golden 1 Center are subject to this policy.
- b.** For tickets provided to the city pursuant to the Suite License Agreement, the ticket administrator shall use best efforts to achieve an annual allocation of events as follows:

- (i) Community Groups: 30%
 - (ii) Economic development purposes: 30%
 - (iii) City Manager, City Attorney, City Clerk, and City Treasurer: 4% for these offices combined
 - (iv) City Departments and Non-Charter Offices (Independent Budget Analyst and City Auditor): 10% for these offices and departments combined; their use shall be primarily for the public purposes identified in subsections (i) or (vi) of Section 4.a.
 - (v) Mayor: 10%
 - (vi) Councilmembers: 2% for each councilmember
 - (vii) The city desires to maximize the effective use of the tickets for economic development purposes; therefore, the ticket administrator may give priority to requests for tickets that are to be used for economic development purposes.
 - (viii) Tickets behested by a city official count toward the percentage allocations above.
 - (ix) The ticket administrator may distribute any remaining tickets to city officials, local businesses, economic development prospects, members of other governmental entities, or other third parties in accordance with this policy. Tickets distributed under this subsection (ix) do not count toward the percentage allocations above.
- c. The written procedures established under Section 5.b. must include specific procedures for the distribution of tickets to the Golden 1 Center in accordance with this policy.

7. Prohibition on Transfer.

A city official who has received tickets under this policy shall not transfer any of the tickets to any other person except to the city official’s immediate family or one guest solely for their attendance at the event.

8. Return of Tickets.

A city official, or any member of the city official’s immediate family, may return an unused ticket. A returned ticket may be redistributed in accordance with this policy.

9. Reporting.

- a. Within 45 days of distribution of a ticket, the ticket administrator shall report the

distribution on the Fair Political Practices Commission’s Form 802 as provided in this Section 9.

- b.** Except as provided in subsections c and d below, the ticket administrator shall report the following information on the Form 802:
 - (i) The name of the person receiving the ticket;
 - (ii) A description of the event;
 - (iii) The date of the event;
 - (iv) The face value of the ticket;
 - (v) The number of tickets provided to each person;
 - (vi) If the ticket is behested, the name of the city official who behested the ticket; and,
 - (vii) A description of the public purpose under which the distribution was made or, alternatively, that the ticket was distributed as income to the city official.
- c.** If tickets are distributed to an organization outside the city pursuant to this policy, the ticket administrator may report the name, address, description of the organization, and the number of tickets provided to the organization in lieu of reporting the names of each individual from the organization as otherwise required in subsection b above.
- d.** If tickets are distributed to an office or department of the city pursuant to this policy, the ticket administrator may report the name of the office or department and the number of tickets provided to the office or department in lieu of reporting the names of each individual city official as otherwise required in subsection b above.

10. Website Posting.

The city shall post all completed Form 802s, or a summary of the information on the Form 802, on its website.

11. Tickets not Covered by this Policy.

Tickets not covered by this policy may be subject to separate disclosure requirements and the annual gift limit under the California Political Reform Act and related regulations. A city official who receives or behests tickets not covered by this policy is solely responsible for determining, and complying with, all reporting requirements and the annual gift limit applicable to such tickets.