



## Board Report

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**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**

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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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