CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM:

DATE: October 3, 2016

Resolution approving a 28E Agreement between the Iowa Alcoholic Beverages Division and the City of West Des Moines for the purposes of providing and funding local tobacco enforcement activities.

FINANCIAL IMPACT:

There will be limited positive financial impact to the City of West Des Moines when the City performs tobacco compliance checks in West Des Moines on behalf of the State of Iowa.

BACKGROUND:

Pursuant to state law and an intergovernmental agreement with the Iowa Department of Public Health, the Iowa Alcoholic Beverages Division (ABO) possess the authority and provides for the enforcement of the State of Iowa's tobacco laws. For a number of years, the Iowa ABO has delegated the responsibility to perform tobacco sale to minor compliance checks of local business to the City of West Des Moines and its Police Department. In return, the City receives a flat fee of $50.00 from the State of Iowa for each reported tobacco compliance check.

The Iowa ABO prepared a 28E Agreement for the local authorities to sign for purposes of these tobacco enforcement efforts to formally establish each party's respective obligations. This 28E Agreement is a renewal of the same agreement reviewed by the West Des Moines City Attorney's Office and approved by the City Council on October 5, 2015.

OUTSTANDING ISSUES (if any): None

RECOMMENDATION:

Approve the 28E Agreement between the Iowa Alcoholic Beverages Division and the City of West Des Moines for the purposes of providing and funding local tobacco enforcement activities.

Lead Staff Member: Shawn E. LaRue

STAFF REVIEWS

Department Director		9-28-16
Appropriations/Finance		
Legal		
Agenda Acceptance		

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Date Reviewed			
Recommendation	Yes	No	Split

RESOLUTION APPROVING A 28E AGREEMENT BETWEEN THE IOWA ALCOHOLIC BEVERAGES DIVISION AND THE CITY OF WEST DES MOINES FOR THE PURPOSES OF PROVIDING AND FUNDING LOCAL TOBACCO ENFORCEMENT ACTIVITIES

WHEREAS, the provision of tobacco enforcement efforts within the City of West Des Moines promotes the health and well-being of West Des Moines citizens and visitors; and

WHEREAS, the State of Iowa, through the Iowa Alcoholic Beverages Division, has offered to reimburse the City of West Des Moines and the City's Police Department for performing tobacco sale to minor compliance checks of local businesses; and

WHEREAS, the Iowa Alcoholic Beverages Division and the City of West Des Moines have negotiated an agreement under Iowa Code Chapter 28E to provide and fund local tobacco enforcement activities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA:

1. The 28E Agreement between the Iowa Alcoholic Beverages Division and the City of West Des Moines is hereby approved.

2. The Mayor and City Clerk are authorized to sign the signature page to be attached to the 28E Agreement on behalf of the City of West Des Moines.

3. The City Clerk is directed to forward the signed signature page to Karen Freund, Deputy Administrator of Regulatory Affairs, Iowa Alcoholic Beverages Division, 1918 SE Hulsizer Road, Ankeny, Iowa 50021, with the executed signature page to be attached to the 28E Agreement, which the Iowa Alcoholic Beverages Division will then electronically file with the Secretary of State of Iowa.

PASSED AND APPROVED this 3rd day of October, 2016.

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson
City Clerk

ALCOHOLIC
BEVERAGES
DIVISION
State of Iowa

Terry E. Branstad *Governor of Iowa*
Kim Reynolds *Lieutenant Governor*

Stephen Larson *Administrator ABD*

September 7, 2016

Dear I-PLEDGE Partner,

The Iowa Alcoholic Beverages Division (ABD) invites your department to participate in the **I-PLEDGE** program for fiscal year 2017 (July 1, 2016 – June 30, 2017). The benefit of a partnership between ABD and law enforcement agencies is evidenced by the **91%** statewide compliance rate obtained by tobacco retailers in FY2016.

In order to be an **I-PLEDGE** partner in fiscal year 2017, you must sign and return the enclosed 28E Agreement. After reviewing the agreement and verifying the contact information for your department, please sign the agreement with a witness on the last page and return it in the self-addressed envelope provided. A copy of the executed agreement will be returned to your office.

It is important to remember that ABD is required to conduct **one (1) compliance check** of each tobacco, alternative nicotine and vapor product retailer during FY2017, **with a repeat check of any business that fails the first compliance check.** Section 5.1.2 of the 28E Agreement details the dates by which compliance checks need to be performed.

Keep in mind that alternative nicotine and vapor products are age-restricted according to Iowa Code § 453A.2, and therefore included as part of the I-PLEDGE program. Attempts to purchase alternative nicotine and vapor products may be conducted at any retailer that sells these products. Details and examples of these age-restricted products will be included in the enforcement handbook.

The necessary materials to carry out the agreement will be sent to the contact person specified in Section 13.10 of the 28E Agreement. In the meantime, contact Investigator Bill Missman at 515.314.3654 or myself at 515.281.7434, with questions regarding the enclosed agreement. If you prefer, you may also email iapledge@iowaabd.com.

Sincerely,

Jessica Ekman
Tobacco Program Coordinator

28E AGREEMENT FOR TOBACCO, ALTERNATIVE NICOTINE AND VAPOR PRODUCT ENFORCEMENT

SCHEDULE 3

THIS AGREEMENT is made and entered into on this _____day of _____, 2016 by and between the Iowa Alcoholic Beverages Division ("ABD"), and the City of West Des Moines ("City"). The parties agree as follows:

SECTION 1. IDENTITY OF THE PARTIES.

1.1 **Iowa ABD.** The ABD is authorized pursuant to Iowa Code Chapter 142A and a Memorandum of Understanding with the Iowa Department of Public Health to provide enforcement for Iowa's tobacco, alternative nicotine and vapor product laws. The ABD's address is: 1918 SE Hulsizer Road, Ankeny, Iowa 50021.

1.2 **City of West Des Moines.** The City is a municipal corporation organized and existing pursuant to the laws of the State of Iowa, and operates a duly recognized Iowa law enforcement agency. The City's address is:

4200 Mills Civic Parkway, PO Box 65320, West Des Moines, IA 50265-0320

SECTION 2. PURPOSE. The parties have entered into this Agreement for the purpose of providing and funding tobacco, alternative nicotine and vapor product enforcement activities in compliance with Iowa Code § 453A.2.

SECTION 3. TERM. The term of the Agreement shall be from the aforementioned date through June 30, 2017, unless earlier terminated in accordance with the terms of the Agreement.

SECTION 4. FILING. Pursuant to Iowa Code § 28E.8, the ABD shall electronically file the Agreement with the Iowa Secretary of State after the parties have executed the Agreement.

SECTION 5. RESPONSIBILITIES OF THE PARTIES.

5.1 **Responsibilities of the City.**

5.1.1 **Local Tobacco, Alternative Nicotine and Vapor Product Enforcement.** The City shall provide tobacco, alternative nicotine and vapor enforcement of Iowa Code Chapter 453A.

5.1.2 **Compliance Checks.** "Compliance checks" mean activity to enforce Iowa Code § 453A.2 within the jurisdiction of the City. Compliance checks also may include enforcement of § 453A.2 within additional jurisdictions upon agreement of the

Parties. ABD shall make available to the City the location of each tobacco, alternative nicotine and vapor product permit holder subject to a compliance check by the City at https://tobacco.iowaabd.com/.

The City shall perform one (1) compliance check of each tobacco, alternative nicotine and vapor product permit holder within the jurisdiction of the City during the term of the Agreement. Please note that alternative nicotine and vapor products are age-restricted pursuant to Iowa Code § 453A.2, and therefore included in the I-PLEDGE program. Attempts to purchase alternative nicotine and vapor products may be conducted at any retailer that sells these products.

The City shall not conduct any retailer compliance checks until October 1, 2016.

The compliance check shall be completed and submitted for reimbursement to ABD by **February 15, 2017**. The City should try to complete a compliance check of all seasonal businesses such as golf courses, marinas and bait shops before the businesses close for the 2016 business year, but not before October 1, 2016.

The City shall conduct a second compliance check on any retailer that is found to be non-compliant during the first inspection. The second compliance check on the non-compliant retailer shall be completed and entered no later than **May 15, 2017**.

Clerks that fail compliance checks shall be ticketed criminally.

The City shall, within seven (7) business days, notify the retail owner or manager of any violation. Within seventy-two (72) hours of the City issuing a citation for a violation of Iowa Code § 453A.2(1) to a permit-holder or employee of a permit-holder, the City must notify the local permit-issuing authority that issued the tobacco, alternative nicotine and vapor product permit to the retailer where the offense was committed.

If the City fails to complete and submit reimbursement for compliance checks to ABD by **February 15, 2017,** ABD will consult with the City to establish a plan for completing the remaining compliance checks. In the event that the City fails to execute the agreed upon plan, the City agrees that ABD may authorize the Iowa State Patrol or other law enforcement agency to conduct any remaining compliance checks.

5.1.3 **Youth Volunteers.** Utilization of youth volunteers is strongly encouraged where feasible. The City may compensate the youth involved in the compliance checks in a manner consistent with Section 6. Keep in mind that the federal government (SYNAR) ***will no longer allow minors under the age of sixteen (16)*** to be used to conduct compliance checks. Please ensure that the officers assigned to conduct the compliance checks do not work with a youth younger than age 16.

5.1.4 **Routine Enforcement.** In addition to conducting compliance checks, the City agrees to regularly enforce youth tobacco, alternative nicotine and vapor product laws by ticketing youth offenders.

5.1.5 **Civil Proceedings.** The City shall cooperate with city, county and state prosecutors if civil permit proceedings are initiated against a tobacco, alternative nicotine and vapor product permit holder. The City shall also cooperate in proceedings against cited clerks and minors. Cooperation shall include, but not be limited to, sharing investigative reports and copies of issued citations, as well as providing witness statements and testimony.

5.1.6 **Compliance Reports.** The City shall provide monthly reports to the ABD in the manner prescribed by the ABD.

5.1.7 **Miscellaneous.** The City shall be responsible for the day-to-day administration of its tobacco, alternative nicotine and vapor product enforcement activities. The City shall provide all office space, equipment and personnel necessary to conduct tobacco, alternative nicotine and vapor product enforcement activities under the Agreement. The City is solely responsible for the selection, hiring, disciplining, firing and compensation of its officers.

5.2 **Responsibilities of the ABD.**

5.2.1 **Enforcement Guidance.** The ABD shall provide guidance on tobacco, alternative nicotine and vapor product enforcement to the City, if needed, and cooperate with the City in the performance of the Agreement.

5.2.2 **Payment.** The ABD shall pay the City in the manner described in Section 6.

5.2.3 **Cooperation.** If ABD believes that any officer of the City fails to perform duties in a manner that is consistent with the Agreement, the ABD shall notify the City. The City shall then take such action as necessary to investigate and, if appropriate, discipline or reassign the officer away from tobacco, alternative nicotine and vapor product enforcement activities. The ABD shall have no authority to discipline or reassign an officer, except that the ABD shall have the authority to stipulate that a particular officer not be assigned to provide services under the Agreement.

5.2.4 **Insurance, Benefits and Compensation.** The ABD shall not provide for, nor pay, any employment costs of the City's officers including, but not limited to, worker's compensation, unemployment insurance, health insurance, life insurance and any other benefits or compensation, nor make any payroll payments with respect to the City's officers. The ABD shall have no liability whatsoever for all such employment costs or other expenses relating to, or for the benefit of, the City's officers.

SECTION 6. PAYMENT TO CITY.

6.1 **Method of Payment.** In consideration for providing the services required by the Agreement, the City shall be paid on a flat fee basis of seventy-five dollars ($75) per reported compliance check. The flat fee payment for each compliance check constitutes the full and exclusive remuneration for the compliance checks. For example, compensation of youth participants, if provided, is the sole responsibility of the City and is to be paid from the flat fee payment.

6.2 **Eligible Claims.** Compliance checks that are conducted on or after **October 1, 2016,** are eligible for payment provided that the results are reported in accordance with Section 5. Any compliance checks that were funded by a non-city entity are not eligible for payment.

6.3 **Allocations.** The costs of the services referred to in Section 6.1 shall be allocated as follows:

6.3.1 **Sole Activity.** Money paid to the City, pursuant to the Agreement, shall be used to fund overtime of full- or part-time peace officer positions solely for tobacco, alternative nicotine and vapor product enforcement activities described in the Agreement. Money also shall be used for compensation, if any, of youth participants. In addition, the City may use money paid pursuant to the Agreement for reasonable City expenditures, including, but not limited to, officer training and equipment, provided that such expenditures do not impair the City's ability to perform tobacco, alternative nicotine and vapor product enforcement activities.

6.3.2 **Payment in Arrears.** The ABD may pay all approved invoices in arrears and in conformance with Iowa Code § 8A.514. The ABD, consistent with Iowa Code § 8A.514, may pay in less than the specified time period. Payment by the ABD in fewer than sixty (60) days, however, does not constitute an implied waiver of that Code section.

SECTION 7. ADMINISTRATION OF AGREEMENT. The ABD and the City shall jointly administer the Agreement.

SECTION 8. NO SEPARATE ADMINISTRATIVE ENTITY. No new or separate legal or administrative entity is created by the Agreement.

SECTION 9. NO PROPERTY ACQUIRED. The ABD and the City, in connection with the performance of the Agreement, shall acquire no real or personal property.

SECTION 10. TERMINATION.

10.1 **Termination For Convenience.** Following thirty (30) days written notice, either party may terminate the Agreement, in whole or in part, for convenience without the payment of any penalty or incurring any further obligation to the non-terminating party. Following termination for convenience, the non-terminating party shall be entitled to compensation, upon submission of invoices and proper proof of claim, for services provided under the Agreement to the terminating party up to and including the date of termination.

10.2 **Termination for Cause.** The occurrence of any one or more of the following events shall constitute cause for any party to declare another party in default of its obligations under the Agreement:

10.2.1 Failure to observe and perform any covenant, condition or obligation created by the Agreement;

10.2.2 Failure to make substantial and timely progress toward performance of the Agreement;

10.2.3 Failure of the party's work product and services to conform with any specifications noted herein;

10.2.4 Infringement of any patent, trademark, copyright, trade dress or any other intellectual property right.

10.3 **Notice of Default.** If there occurs a default event under Section 10.2, the non-defaulting party shall provide written notice to the defaulting party requesting that the breach or noncompliance be immediately remedied. In the event that the breach or noncompliance continues to be evidenced ten days beyond the date specified in the written notice, the non-defaulting party may either:

10.3.1 Immediately terminate the Agreement without additional written notice; or,

10.3.2 Enforce the terms and conditions of the Agreement and seek any available legal or equitable remedies.

In either event, the non-defaulting party may seek damages as a result of the breach or failure to comply with the terms of the Agreement.

SECTION 11. INDEMNIFICATION.

11.1 **By ABD.** Consistent with Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 669, ABD agrees to defend and indemnify the City and hold it harmless against any and all liabilities, damages, settlements, judgments, costs and expenses, including

reasonable attorney fees of counsel required to defend the City, related to or arising out of ABD's negligent or wrongful acts or omissions in the performance of the Agreement.

11.2 **By the City.** Consistent with Article VII, Section 1 of the Iowa Constitution and Iowa Code Chapter 670, the City agrees to defend and indemnify and hold the State of Iowa and ABD harmless from any and all liabilities, damages, settlements, judgments, costs and expenses, including reasonable governmental attorney's fees and the costs and expenses of attorney fees of other counsel required to defend the ABD, related to or arising from any negligent or wrongful acts or omissions of the City in the performance of this Agreement.

SECTION 12. CONTACT PERSON.

12.1 **Contact Person.** At the time of execution of the Agreement, each party shall designate, in writing, a Contact Person to serve until the expiration of the Agreement or the designation of a substitute Contact Person. During the term of the Agreement, each Contact Person shall be available to meet, as otherwise mutually agreed, to plan the services being provided under the Agreement.

SECTION 13. CONTRACT ADMINISTRATION.

13.1 **Amendments.** The Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to the Agreement must be fully executed by the parties.

13.2 **Third Party Beneficiaries.** There are no third party beneficiaries to the Agreement. The Agreement is intended only to benefit ABD and the City.

13.3 **Choice of Law and Forum.** The terms and provisions of the Agreement shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with the Agreement shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. This provision shall not be construed as waiving any immunity to suit or liability that may be available to the State of Iowa, ABD or the City.

13.4 **Assignment and Delegation.** The Agreement may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the other party.

13.5 **Integration.** The Agreement represents the entire Agreement between the parties and neither party is relying on any representation that may have been made which is not included in the Agreement.

13.6 **Headings or Captions.** The paragraph headings or captions are for identification purposes only and do not limit nor construe the contents of the paragraphs.

13.7 **Not a Joint Venture.** Nothing in the Agreement shall be construed as creating or constituting the relationship of a partnership, joint venture, association of any kind or agent and principal relationship between the parties. Each party shall be deemed an independent contractor acting toward the expected mutual benefits. No party, unless otherwise specifically provided for herein, has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon the other party to the Agreement.

13.8 **Supersedes Former Agreements.** The Agreement supersedes all prior Agreements between ABD and the City for the services provided in connection with the Agreement.

13.9 **Waiver.** Except as specifically provided for in a waiver signed by duly authorized representatives of ABD and the City, failure by any party at any time to require performance by the other party or to claim a breach of any provision of the Agreement shall not be construed as affecting any subsequent breach or the right to require performance with respect thereto or to claim a breach with respect thereto.

13.10 **Notices.** Notices under the Agreement shall be in writing and delivered to the representative of the party to receive notice (identified below) at the address of the party to receive notice as it appears below or as otherwise provided for by proper notice here under. This person shall be the Contact Person. The effective date for any notice under the Agreement shall be the date of delivery of such notice (not the date of mailing) which may be effected by certified U.S. Mail return receipt requested with postage prepaid thereon or by recognized overnight delivery service, such as Federal Express or UPS. Failure to accept "receipt" shall constitute delivery.

If to ABD:

Jessica Ekman
Tobacco Program Coordinator
Iowa Alcoholic Beverages Division
1918 SE Hulsizer Road
Ankeny, Iowa 50021
515-281-7434
Email: ekman@IowaABD.com

If to City:

Chief Shaun La Due
West Des Moines Police Department
250 Mills Civic Parkway
West Des Moines, IA 50265
Email: Shaun.ladue@wdm.iowa.gov

13.11 **Cumulative Rights.** The various rights, powers, options, elections and remedies of any party provided in the Agreement, shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed any party by law, and shall in no way affect or impair the right of any party to pursue

any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

13.12 **Severability.** If any provision of the Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of the Agreement.

13.13 **Time is of the Essence.** Time is of the essence with respect to the performance of the terms of the Agreement.

13.14 **Authorization.** Each party to the Agreement represents and warrants to the other that:

13.14.1 It has the right, power and authority to enter into and perform its obligations under the Agreement.

13.14.2 It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of the Agreement, and the Agreement constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

13.15 **Successors in Interest.** All the terms, provisions and conditions of the Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

13.16 **Record Retention and Access.** The City shall maintain books, records and documents which sufficiently and properly document and calculate all charges billed to ABD throughout the term of the Agreement for a period of at least three (3) years following the date of final payment or completion of any required audit, whichever is later. The City shall permit the Auditor of the State of Iowa or any authorized representative of the State and where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records of the City relating to orders, invoices, or payments or any other documentation or materials pertaining to the Agreement. The City shall not impose a charge for audit or examination of the books and records.

13.17 **Additional Provisions.** The parties agree that any Addendum, Rider or Exhibit, attached hereto by the parties, shall be deemed incorporated herein by reference.

13.18 **Further Assurances and Corrective Instruments.** The parties agree that they shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of the Agreement.

SECTION 14. EXECUTION.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the Agreement and have caused their duly authorized representatives to execute the Agreement.

By Alcoholic Beverages Division

Stephen Larson, Administrator	**Date**

By City of West Des Moines

Steven K. Gaer, Mayor	**Date**
Ryan Jacobson, City Clerk	**Date**