



CITY OF DEL REY OAKS

Staff Report

DATE: September 24, 2024

TO: Honorable Mayor and Council Members

FROM: John Guertin, City Manager

SUBJECT: Approve Resolution No. 2024-18 Authorizing the City Manager to Execute a Memorandum of Understanding with the County of Monterey for Tobacco Retail Licensing and Administration and Enforcement Service

CEQA: This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an administrative activity of the City that will not result in direct or indirect physical changes in the environment.

Recommendation

Approval of Resolution No. 2024-18 authorizing the City Manager to execute a memorandum of understanding with the County of Monterey for tobacco retail licensing and administration and enforcement service.

Discussion

On January 23, 2024, the City Council enacted DROMC 5.28, Tobacco Retailer License (TRL), which in turn refers to existing Monterey County Code Chapter 7.80 entitled Tobacco Retailer License. Enacting Chapter 5.28 was step 1 to implement the TRL program.

Further administrative steps are needed to implement the program, including execution of the proposed MOU between the City of Del Rey Oaks and County of Monterey.

Fees associated with the TRL program will be included in the forthcoming Master Fee schedule update.

Fiscal Impacts

None.

ATTACHMENTS:

- Resolution 2024-18
- TRL MOU Between the City of Del Rey Oaks and County of Monterey

Respectfully submitted,

John Guertin
City Manager

RESOLUTION NO. 2024-18

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS
AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF
UNDERSTANDING WITH THE COUNTY OF MONTEREY FOR TOBACCO RETAIL
LICENSE ADMINISTRATIVE AND ENFORCEMENT SERVICES**

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FINDINGS

WHEREAS, upon the request of the County of Monterey (County), the City adopted Ordinance No. 316 on January 23, 2024 to add Tobacco Retail Licensing requirements to the City's Code; and,

WHEREAS, the administration and enforcement of the Tobacco Retail Licensing Ordinance is under the purview of the County, and the City and the County wish to execute a Memorandum of Understanding regarding this relationship as it pertains to Tobacco Retail Licensing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEL REY OAKS:

1. The City Council determines that each of the Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Resolution.
2. The Council authorizes the City Manager to execute a Memorandum of Understanding with the County for Tobacco Retail License Administrative and Enforcement Services.
3. The Memorandum of Understanding is hereby approved as attached to this Resolution, which by this reference are incorporated as set forth in its entirety.
4. This Resolution shall become effective immediately following passage and adoption thereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF DEL REY OAKS this 24TH day of September, 2024, by the following vote:

AYES:

NOES:

ABSENT:

Scott Donaldson, Mayor

ATTEST:

Karen Minami, City Clerk

**AGREEMENT BETWEEN
CITY OF DEL REY OAKS AND COUNTY OF MONTEREY
FOR TOBACCO RETAIL LICENSE ADMINISTRATIVE AND ENFORCEMENT
SERVICES**

THIS AGREEMENT ("Agreement") is made and entered into this _____ ("Effective Date"), by and between the City of Del Rey Oaks, a municipal corporation of the State of California ("City"), and the County of Monterey, a political subdivision of the State of California ("County").

RECITALS

WHEREAS, the City, by Ordinance No. 316 ("Ordinance"), adopted a tobacco retail license program; and

WHEREAS, the City enacted the Ordinance in order to encourage responsible tobacco retailing and to discourage violations of tobacco-related laws, particularly those which prohibit or discourage the sale or distribution of tobacco products to minors; and

WHEREAS, the County agrees to assist the City in enforcing the Ordinance by providing such administrative and enforcement services as are specified under the Ordinance, on the terms and condition specified in this Agreement; and

WHEREAS, any costs borne by the County to administer and enforce the Ordinance within the City limits shall be recovered by the fees approved by the County and received by the County from tobacco retailers within the City, pursuant to the Ordinance.

AGREEMENT

NOW, THEREFORE, the City and County agree as follows:

Section 1. Incorporation of Recitals.

The above recitals, including the paragraph preceding the recitals, are hereby incorporated into this Agreement as if set forth herein in full.

Section 2. Responsibilities under the Agreement.

a. County Responsibilities: County shall do the following:

1. Subject to the terms of this Agreement, and provided that the terms of Section 2(b) below have been satisfied, the County shall provide all of the administrative and enforcement services specified under the Ordinance, including but not limited to: receiving, reviewing, and processing tobacco retail applications and the information contained therein; issuing licenses; administering the licensing program, retailer education, retailer inspection and compliance checks; documenting violations; issuing and collecting penalties; and hearing any appeals ("Services").
2. Meet with the appropriate City personnel as reasonably requested by City from time to time, , at a time and location to be chosen convenient for both parties, to

assess the status of this Agreement and the Services, and to discuss any modifications thereto.

3. Communicate from time to time with the City, as needed or requested, regarding the administrative and enforcement services provided by the County under this Agreement.

b. City Responsibilities. City shall do the following:

1. Provide information regarding the Ordinance to any business applying for a business license under the Ordinance.
2. Communicate from time to time, as needed, with Tobacco Retailers (as that term is defined in the Ordinance) regarding the Ordinance.
3. Not interfere with, or in any way hinder, County's, or any of County's employees, officers, agents, or designated representatives in the performance of their duties pursuant to this Agreement.
4. Assist the County so far as reasonably appropriate in carrying out the terms of this Agreement.
5. Communicate with reasonable notice, as needed or requested, regarding any proposed action by the City to amend, modify, or repeal the Ordinance.
6. Meet with the appropriate County personnel as reasonably requested by the County from time to time, at the time and location chosen convenient for both parties, to assess the status of this Agreement and the Services, and to discuss any modifications thereto.

c. County and City Responsibilities.

1. The responsibilities listed hereunder shall not be construed so as to preclude existing or future County or City rights and responsibilities.

Section 3. Compensation and Fees.

The parties agree that the City will not compensate the County for providing the Services specified herein. The County's shall be entirely covered through the fees it will collect from Retailers pursuant to the Ordinance, including fees charged to obtain or renew a License (as that term is defined in the Ordinance). Such fees shall be established by the County, and collected by the County, and the City shall make no claim to any portion of such fees during the term of this Agreement.

Section 4. Term.

This Agreement shall commence on the Effective Date and shall remain in effect so long as not terminated by either party pursuant to Section 7.

Section 5. Mutual Indemnification.

a. County shall indemnify, defend, and hold harmless the City, its officers, agents and employees from any claim, liability, loss, injury, or damage arising out of, or in connection with, performance of this Agreement by County and/or its agents, employees, or County's sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by the City. The County shall reimburse the City for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any litigation in which the County is obligated to indemnify, defend, and hold harmless the City under this Agreement.

b. City shall indemnify, defend, and hold harmless the County, its officers, agents and employees from any claim, liability, loss, injury, or damage arising out of, or in connection with, performance of this Agreement by City and/or its agents, employees, or City's sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by the County. The City shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any litigation in which the City is obligated to indemnify, defend, and hold harmless the County under this Agreement.

Section 6. Insurance.

Each party recognizes and accepts the other party is self-insured. Either party may purchase commercial insurance to cover its exposure hereunder, in whole or in part.

Section 7. Termination.

This Agreement may be terminated by either party for the following reasons:

- a. Upon the termination of the Ordinance or the County's Tobacco Retail License Ordinance, or a substantial change in either one; or
- b. For any reason by either party at any time during the term of this Agreement, provided that written notice is given pursuant to Section 11 at least six (6) months prior to the effective date of termination.

Section 8. Conflict between Agreement and Ordinance.

Any conflict between the terms of this Agreement and the Ordinance shall be resolved in favor of the Ordinance.

Section 9. Applicable Laws/Venue.

In the performance of the Services required by this Agreement, both parties shall comply with all applicable Federal, State, County and City statutes, ordinances, regulations, directives, and laws. The interpretation and performance of this Agreement shall be governed by the laws of the State of California. Any action or proceeding arising out of this Agreement shall be filed in the Superior Court of the County of Monterey.

Section 10. Ownership of Documents.

All reports, data, and other documents prepared by the County pursuant to this Agreement ("Reports and Other Documents") are the property of the County. In accordance with statutes specifically exempting from disclosure certain records, the County shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any Reports and Other Documents prepared by the County pursuant to this Agreement. Upon termination of this Agreement, the County shall transfer copies of such Reports and Other Documents necessary for the City, should it so choose, to provide the County Responsibilities enumerated in Section 2(a).

Section 11. Notice.

All notices, consents, demands, and other communications from one party to the other given pursuant to the terms of this Agreement or under the laws of the State of California, shall be deemed to have been delivered when deposited in the United States mail, certified or registered, postage prepaid, addressed to City or County at the respective addresses specified below or to such other place as City or County may from time to time designate in a written notice to the other:

Attn: John Guertin, City Manager
City of Del Rey Oaks
City Hall
650 Canyon Del Rey Boulevard
Del Rey Oaks, CA 93940

Attn: Director of Health Services
County of Monterey: County of Monterey
Health Department
Public Health Bureau
1270 Natividad Road
Salinas, CA 93906

Nothing herein shall prevent service of notice by other reliable means, except to the extent required by law, including but not limited to personal service, Express Mail, or other forms of reliable mail service other than the U.S. Postal Service.

Section 12. Complete Agreement.

There are no oral agreements between City and County affecting this Agreement, and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between City and County with respect to the subject matter of this Agreement. There are no representations between City and County other than those contained in this Agreement, and all reliance with respect to any representation is based solely upon the terms of this Agreement.

Section 13. Amendment.

This Agreement may be amended by the City and County only by a written agreement signed by both parties.

Section 14. Assignment.

Neither the City nor the County shall assign its rights or obligations hereunder.

Section 15. Severability.

If any provisions of this Agreement shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Agreement, and all such other provisions shall remain in full force and effect. In the event the entire Agreement is unenforceable, then this Agreement shall immediately terminate.

Section 16. Attorney's Fees.

In the event that any legal action or proceeding is commenced to enforce or interpret the provisions of this Agreement or any rights arising out of this Agreement, each party in such legal action shall bear its own attorneys' fees, including expert fees and the costs of enforcing any judgment.

Section 17. Non-liability of Officials, Employees and Agents.

No governing board member, official, employee, agent, or volunteer of either party shall be personally liable for any damages related to any default or breach by the other party, or for any obligations under the terms of this Agreement. Nothing in this Agreement shall create, or be construed to create, the relationship of employer and employee between the County and the City, or as principal and agent; nor shall County's governing board members, officials, employees, agents, or volunteers be considered or construed to be the employees of the City for any purpose whatsoever; nor shall the City's governing board members, officials, employees, agents, or volunteers be considered or construed to be the employees of the County for any purpose whatsoever.

Section 18. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this Agreement may contain more than one counterpart of the signature page and may be executed by the affixing of the signatures of each of the parties to any one of such counterpart signature pages; and all of such counterpart signature pages shall read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

Section 19. Authorization to Execute Agreements.

The County warrants that the execution of this Agreement been approved and authorized by County, and that the person who executes this Agreement has been authorized to perform said act. The City warrants that the execution of this Agreement been approved and authorized by City, and that the person who executes this Agreement has been authorized to perform said act.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective on

COUNTY OF MONTEREY By: _____

Chair, Board of Supervisors

Date: _____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL
SUSAN K. BLITCH
COUNTY COUNSEL

By: _____

Office of County Counsel

APPROVED AS TO FINANCIAL TERMS:
AUDITOR-CONTROLLER

By: _____

Chief Deputy

APPROVED:
ELSA MENDOZA JIMENEZ
DIRECTOR OF HEALTH
COUNTY HEALTH DEPARTMENT

By: _____

Director

APPROVED:

CITY OF DEL REY OAKS

By: _____

City Manager