

BOARD OF ALDERMEN

ITEM NO. (3)

AGENDA ITEM ABSTRACT

MEETING DATE: June 13, 2006

TITLE: Insurance Recommendations for Events

DEPARTMENT: Recreation and Parks	PUBLIC HEARING: YES/NO <input checked="" type="checkbox"/>
ATTACHMENTS: A. Resolution B. Unofficial Recreation and Parks Commission Minutes C. North Carolina League of Municipalities Insurance Policy Additional Exclusions D. Insurance Recommendations E. Insurance Requirements for Events	FOR INFORMATION CONTACT: Anita Jones-McNair 918-7381

PURPOSE

The purpose of this agenda item is for the Board to review and discuss the insurance recommendations for events on town property and town events conducted off town property.

INFORMATION

On April 25, 2006, the Alderman Coleman requested insurance recommendations for a future Board discussion. During that meeting and several other meetings, concerns have been raised about when and why does the Town require groups, etc to provide insurance during events held on town property.

On November 1, 2005, the Board approved a text amendment to Section 14-20 of the Town Code to allow non-profit groups to conduct fundraisers on town property and adopted the updated reservation guidelines which included: *“that the nonprofit shall at all times maintain general liability coverage of not less than two million dollars per accident Bodily Injury and Property Damage and that a current certificate of insurance must accompany the attached application. The certificate of insurance should name the Town of Carrboro as an additional insured”*.

In a memo to the Town Manager on November 23, 2005, staff responded to concerns about the insurance requirements. Here is an excerpt from that memo:

“There is no legal requirement for non-profit organizations to provide insurance. However, the Town allows a broad range of non-profit groups to hold fundraising activities on Town property with little or no oversight by the Town. Given the nonrestrictive nature of the Town’s policy on the use of its facilities, the insurance requirement seems to provide a balanced approach to fundraising on Town property. Removing the requirement will place the liability on all of our residents through the potential increase in insurance premiums, if there were ever a serious claim as a result of non-profit fundraising activities. Having insurance not only provides some protection to the Town, but it will also protect organizations and its members when they are working within the community.”

Staff conducted a phone survey of neighboring municipalities to see if they require insurance of groups who rent a town owned facility regardless if they were private, nonprofit, or for profit. Here are the results of the survey:

Raleigh: Any groups that rent a facility for an event open to the public are required to provide \$500,000 general liability, \$500,000 property, and \$1 million aggregate.

Apex: No insurance requirement. Rental groups sign waiver and provide \$100 damage deposit.

Chapel Hill: No insurance requirement for renters/participants. The only instances where they have insurance requirement is when vendors are hired directly (such as stage companies for Apple Chill) to have \$1 million general liability, \$2 million aggregate.

Durham: Events with less than 50 people do not require insurance. Events with more than 50 people that would potentially adversely affect a business, church or individuals, such as family reunion, require a special events application that town staff approves. If event is a fundraiser, has food, stages, tents, alcohol, electricity, requires emergency personnel on site, then \$1 million general liability insurance is required.

Cary: Nonprofits and private events do not require insurance. Any formal agreement the town enters into with a vendor/contractor requires proof of general liability insurance and adds the town as additional insured with \$2 million per occurrence and aggregate.

Orange County: No current insurance requirements at this time. Staff is working on a proposal with the development of new facilities that will require general liability in the amount of \$1 million and add the County as additional insured.

The NCLM endorses the insurance recommendations for town events and encourages The Town to be proactive and think about exposure when addressing future activities. Robert Haynes, Associate Director for Risk Management & Member Services will be at the meeting to answer any questions.

FISCAL IMPACT

None

STAFF RECOMMENDATION

Staff recommends that the Board of Aldermen adopt the resolution approving the insurance recommendations.