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Title: CONSIDER AMENDING CITY FACILITY RENTERS CONTRACTS AND PERMITS TO REQUIRE PROOF OF LIABILITY INSURANCE (CITY COUNCIL)

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Attachments: 1. Survey Rent City Facilities Insurance 7.28.16, 2. Liability Language Rent City Facilities Insurance 7.28.16, 3. Permits Parks and Community Center 7.28.16, 4. City Council Policy and Procedure Rent City Facilities Insurance 7.28.16

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, August 02, 2016

Consent

SUBJECT:

CONSIDER AMENDING CITY FACILITY RENTERS CONTRACTS AND PERMITS TO REQUIRE PROOF OF LIABILITY INSURANCE (CITY COUNCIL)

I. SUMMARY

The current contracts and permits used to rent City facilities do not require that renters obtain liability insurance to protect the City against financial loss.

II. RECOMMENDATION

TAKE the following action:

1. APPROVE amending the current contracts and permits to include the requirement that renters of City facilities provide commercial general liability insurance.
2. APPROVE COUNCIL POLICY & PROCEDURE NUMBER 01.04.01, RENTERS OF

CITY FACILITIES/REQUIREMENT FOR LIABILITY INSURANCE.

1.

III. ALTERNATIVES

1. TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The City does not currently require that renters of City facilities obtain commercial general liability insurance (“general liability”) to protect the City against financial loss. The majority of the neighboring cities as well as other public entities require this insurance when renting their facilities (Exhibit 1). The renter’s \$1,000,000 general liability per occurrence/\$2,000,000 general aggregate insurance requirement would effectively transfer the risk of financial loss from the City to the renter’s insurance policy.

Liability Insurance Requirements for City Facility Rentals is referenced as Exhibit 2. The Park Facility Permit and Community Center Rules, Regulations and Conditions of Use are referenced as Exhibit 3. The City Attorney’s Office recommends amending the indemnity language in the Parks Facility Permit and Community Center Rules, Regulations and Conditions of Use as follows:

“To the full extent permitted by law, Permittee agrees to indemnify, defend and hold harmless the City, its officers, employees and agents (“indemnified Parties” against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claims by any person, firm or entity arising out of or in connection with use and/or occupation (whether such use and/or occupation is authorized or not authorized by Permittee) of the facilities described in the permit by Permittee, its officers, employees, agents, subcontractors, invitees, guests, patrons or any individual or entity for which Permittee is legally liable (“indemnitors”), or arising from Permittee’s or indemnitors’ conduct, or arising from Permittee’s or Indemnitors’ negligent performance of or failure to perform any term, provision, covenant, or condition of this permit or applicable law except claims or liabilities occurring as a result of City’s sole negligence or willful acts omissions. The indemnity obligation shall be binding on successors and assigns of Permittee and shall survive termination of this permit. Permittee shall pay, upon written demand from the City, for any and all damages to the property of the City, or for loss or theft of such property, arising out of or in connection with use and/or occupation (whether such use and/or occupation is authorized or not authorized by Permittee) by indemnitors of the facilities described in the permit. If the City and/or Permittee are/is required to initiate or defend or made a party to any action or proceeding in any way connected with this indemnity obligation, the prevailing party in such action or proceeding, in addition to any other relief to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney’s fees, whether or not the matter proceeds to judgement.”

Staff is requesting that the City Council approve COUNCIL POLICY & PROCEDURE

NUMBER 01.04.01, RENTERS OF CITY FACILITIES/REQUIREMENT FOR LIABILITY INSURANCE (Exhibit 4).

Otherwise, claims will be presented to the City for resolution. The City is self-insured for the first \$250,000.00. The City will provide a list of vendors to assist renters with purchasing the required general liability insurance if they need assistance.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. May 17, 2016 Study of Neighboring Cities Insurance Requirement to rent facilities. (page 4)
2. Proposed Liability Insurance Language for Renting City Facilities (page 5)
3. Current Park and Community Center Contracts and Permits (pgs. 6 - 10)
4. COUNCIL POLICY & PROCEDURE - RENTERS OF CITY FACILITIES/REQUIREMENT FOR LIABILITY INSURANCE (pgs. 11 - 13)

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