



michigan municipal league

Liability & Property Pool Workers' Compensation Fund

RISK CONTROL SOLUTIONS

A Service of the Michigan Municipal League Liability and Property Pool and
the Michigan Municipal League Workers' Compensation Fund

MUNICIPAL FACILITIES AND SPECIAL EVENTS

Municipalities often provide their citizens with special events such as fairs, parades, or displays of fireworks. These events -- whether the municipality or an outside organization sponsors them -- may create liabilities and hazards that the municipality must control. Securing the sponsorship of an outside organization can be an effective way to reduce the exposure to the municipality.

Organizations including civic groups and non-profit charities, the Chamber of Commerce and the Rotary Club are often eager to participate in such events. Special events provide these groups a means of promoting their organizations and of raising funds for their activities. These organizations usually do an excellent job of securing volunteers, selecting vendors, and providing additional staff to police the event once it is underway.

For a municipality, using such organizations may make it easier to implement risk transfer thus minimizing its exposure if the special event results in claims of any kind.

Evaluate the Event

Before trying to seek the participation of an outside organization(s) to sponsor an event, the municipality should evaluate how hazardous the event may be. To do this, the municipality should evaluate:

- (1) The activity itself,
- (2) Any physical activity the event may require of participants, and
- (3) Any exposure to participants.

This process is essential in determining if the outside organization is capable of handling the event.

1) The Activity

Some activities such as displays of fireworks may be inherently dangerous. Fireworks have the potential to kill and maim. They also are very popular and draw large crowds -- often in the thousands. This increases the hazard. Other events such as small concerts or theatrical performances are low hazard. Activities such as picnics, ice cream socials, dances, and parades pose only a moderate hazard. Generally, activities that draw small audiences or numbers of participants and require little active participation pose fewer problems than do activities, such as carnivals with amusement rides, which invite physical participation by citizens.

(2) Size

Another factor that contributes to the hazard is size. The municipality must consider its size and resources compared to the size of the crowd it anticipates the event will draw. For example, a small community of 500 that holds a summer fair may draw a crowd of 1,500 people. The temporary tripling of the population might pose significant problems in crowd control if the fair area is not sufficiently large, if there is inadequate parking, or if fair vendors sell alcohol. A larger community, with greater facilities and law enforcement resources, would more readily be able to handle such a situation effectively.

(3) Exposure to Participants

Municipalities should also consider the safety of participants and/or spectators. Some activities expose participants to little danger. Others may result in injuries to spectators or participants. Events that present a low hazard include outdoor social gatherings at which the municipality prohibits alcohol, small theatricals, and community garage sales that do not require participants to physically participate or to participate minimally.

Dances, family concerts such as holiday sing-alongs, parades that have no floats, or picnics with games or competitions that offer the opportunity to participate pose a moderate hazard.

Marathons, animal shows, parades with floats, circuses and similar events are high hazard because they pose a moderate to severe exposure to spectators or require major participation by those who attend the event. In addition, any event that draws a crowd of 1,000 to 5,000 people falls in this group.

Fireworks, rodeos, rock concerts, professional sporting events, and any event where event sponsors permit alcohol increase the potential for serious problems, as do events that draw crowds over 5,000 people. Municipalities should review these types of events very carefully. Municipalities should ensure that they can adequately control the crowd at the location, direct traffic and monitor the sale of alcoholic beverages. They must also consider medical emergencies and emergency evacuation plans.

ALCOHOLIC BEVERAGES

The municipality must strictly control and monitor the serving of alcoholic beverages on municipal premises or at functions that the municipality sponsors or approves.

1. The municipality should first carefully consider whether serving alcohol is essential to the event's success, especially if the municipality itself is the sponsor.
2. The state may require a Liquor License for any function on municipal premises at which event sponsors serve alcoholic beverages and money changes hands. The event does not have to set specific per drink charges for the liquor, beer, or wine. For example, the sponsors of party held in a community center may charge all participants an entry fee of \$10.00.
3. The group sponsoring the event -- not the municipality -- should apply for and secure the Liquor License.
4. Although the municipality should always review the specific statutes and regulations regarding alcoholic beverage sales, in general, only licensees are subject to claims under the law.
5. The municipality should require the licensee to secure liquor liability and general liability insurance coverage in the licensee's name for the event. The coverage documents should name the municipality as an additional insured. Before the event, the licensee should provide the municipality with the proof of insurance.
6. The limits of liability should be adequate for the type of event, the size of the crowd, and other factors that may contribute to the exposure to participants as well as to the municipality. The municipality should determine and establish acceptable minimum limits of liability.
7. The municipality should allow adequate time before the event for the event's sponsor to obtain appropriate coverage.

Use of Facilities

Outside groups may wish to use municipal halls, parks, meeting rooms or other facilities to hold events. These events may range from business meetings to flea markets. These outside groups fall into three broad categories: individuals, non-profit or charitable groups, and for profit groups.

Individuals rent or request the use of municipal facilities for events such as bridal showers, weddings, or anniversary parties. The municipality should require individuals to enter a hold harmless/indemnity agreement and to provide the municipality with proof that they have adequate limits of personal liability coverage. This coverage is normally part of the individual's homeowner's or renter's insurance policy.

Non-profit or charitable groups include civic groups such as the Chamber of Commerce, churches, and service groups. Their activities usually take the form of fund-raising events or meetings. The municipality should require the organization to enter a hold harmless/indemnity agreement. In addition, the municipality should establish an acceptable minimum of complete liability coverage. Depending on the nature of the event, coverage might include personal, bodily injury, and property damage as well as products liability and completed operations and contractual liability. The policy should name the municipality as an additional insured. When appropriate, the municipality should have the organization demonstrate it has adequate workers' compensation insurance coverage.

For-profit groups use municipal facilities for commercial purposes. These groups may wish to hold garage sales, to conduct seminars or other educational events for which participants pay a fee, or to hold craft shows. The municipality should require such groups to enter into hold harmless agreements that shift liability from the municipality to the groups. The municipality should also establish acceptable minimums of complete commercial general liability coverage (occurrence) depending on the nature of the event. The policy should name the municipality as an additional insured. If applicable, the municipality should require the organization to demonstrate adequate workers' compensation coverage. The for-profit group should also have auto liability and no-fault coverages, including owned, non-owned, and hired vehicles if applicable.

Municipalities can effectively manage the use of their facilities by use of written agreements or contracts. No single form will meet every need, but the forms do not have to be complicated. All agreements or contracts should contain:

- Date(s) and time(s) of the event
- Location(s) of the event
- Exact premises involved
- The name(s) of the individuals and/or groups involved
- The exact reason for the agreement (in this case, rental of a municipal facility)
- Compensation and/or consideration
- Hold harmless/indemnity language
- The signatures of all parties involved.

Municipalities should seek legal counsel when developing such agreements or contracts.

Before entering a rental agreement, the municipality should require the individual or group renting the facility to provide evidence of insurance.

In addition, the municipality should consider having groups and individuals that rent municipal facilities sign documents that address the following:

1. Clean up instructions and responsibilities.
2. Pick up and return of municipal keys.
3. Forfeiture of deposit if the individual or group does not meet all conditions.
4. Permanent or temporary alterations to municipal facilities.

Risk Transfer

Insurance Coverage

The municipality should consider coverage for all events, but especially for any events that create a moderate to severe exposure for the municipality, for its employees, and for participants.

If an outside organization sponsors the event, the municipality should establish an acceptable minimum amount of liability coverage based on an evaluation of the degree of risk. Besides complete liability coverage, including liquor liability or coverage for fireworks when appropriate, the municipality may also require or need auto liability coverage, and workers' compensation.

Pool members who require assistance in determining minimum coverage limits may contact their Municipal Account Executive at 248-204-6123.

HOLD HARMLESS/INDEMNITY AGREEMENTS

Hold harmless/indemnity agreements are written agreements whereby one party agrees to hold the other party harmless should a loss occur. When renting facilities, the municipality should consider requiring all renters to assume all liability for any claims arising from the event and/or use of the facilities.

	Important Phone Numbers:
MML Risk Management Services	734/662-3246 800/653-2483
Loss Control Services	800/482-0626

Note:

This document is not intended to be legal advice. It does not identify all the issues surrounding the particular topic. Public agencies are encouraged to review their procedures with an expert or an attorney who is knowledgeable about the topic.



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	YES	NO	NA
ACCIDENT REPORTING AND INVESTIGATION			
Procedures in place for reporting & investigating event-related accidents?			
Appropriate municipal employees receive notification if an unsafe condition caused the accident?			
Risk manager or safety director receives a copy of the accident report?			
ALCOHOL SALES			
Servers meet age requirements?			
Servers prohibited from drinking alcoholic beverages while on duty?			
Servers trained in alcohol awareness techniques, state law and handling intoxicated persons?			
Servers check photo identification to verify that customers are of legal age?			
Measures in place to deny entry to the event to intoxicated persons?			
Sale of alcohol to obviously intoxicated persons prohibited?			
Steps in place to prevent participants from bringing alcoholic beverages to the event? Is the prohibition clearly posted?			
Appropriate limits set for the size of containers in which event sponsors can serve alcohol?			
Limit established of no more than two drinks per person per alcohol sale?			
Times for the beginning and end of alcohol sales designated and clearly posted?			
Food available for purchase at the event to help participants absorb alcohol?			
Sponsor encourages the use of designated drivers?			
Security or law enforcement personnel available to control unruly or intoxicated persons?			
Possession of appropriate licenses by alcohol concessionaires verified?			
Sponsors who serve alcohol have adequate liquor liability insurance and have named the municipality as an additional insured?			
AMUSEMENT RIDES AND CARNIVALS			
Ride owners and operators in compliance with law regarding amusement rides?			
Ride owners and operators have adequate liability insurance?			
Ride owner and operator's liability policy names the municipality as an additional insured?			
Event sponsors have a qualified person inspect electrical ride hook ups, wiring and cords daily?			
Ride owners and operators inspect rides daily for safety? Inspection documented?			
Ride operators receive proper training? Training documented?			
Emergency equipment available if a ride malfunctions and a rescue of participants becomes necessary?			
Ride owners and operators are able to provide ride accident records for at least the past two years?			

	YES	NO	NA
Manufacturers' instruction manuals available for each ride?			
Ride owners and operators adjust and/or modify equipment according to manufacturers' recommendations?			
Ride operators receive proper training? Training documented?			
Emergency equipment available if a ride malfunctions and a rescue of participants becomes necessary?			
Ride owners and operators are able to provide ride accident records for at least the past two years?			
ANIMALS			
Animals allowed in the event area?			
Event complies with local and state ordinances on leash and enclosure laws?			
Participants permitted to interact with the animals (for example, a petting zoo)?			
Animals accustomed to crowds and to anticipated noises at the event?			
Animals accustomed to strangers handling them?			
Appropriate safety measures in place to prevent injury to participants?			
Animal enclosures located away from food preparation and dining areas?			
Adequate, clear routes to remove the animals in place in case of emergency?			
Any of the animals known to be dangerous? Adequate steps taken to prevent contact with participants?			
Animal trainer or handler on site at all times? Individual has appropriate training?			
Provision in place that the animals' owners must reimburse the municipality or property owners for damage to trees, buildings, shrubs, etc.?			
Documented proof from a qualified veterinarian of the health of the animals?			
Written plans and information from the animals' owners that they will ensure sanitary conditions and will make adequate provisions for feeding, cleaning up and other needs? Owners have adequate equipment?			
Animals' owners have arranged for emergency veterinary care?			
COMMUNICATIONS			
Means of communication in place between event sponsors, municipal departments, police, fire, and EMS and any other necessary departments or agencies?			
Communication system tested? Daily?			
Event sponsors, volunteers, and employees know how to call for help?			
Telephone number for the local weather bureau available?			
Emergency numbers posted conspicuously?			
Sponsors, volunteers, and employees as well as municipal departments and emergency services have a list of the names and phone numbers of essential event sponsors?			
Sponsors, employees and volunteers as well as municipal departments and emergency services have complete and accurate maps of the event area?			
Event sponsor and/or municipality have designated a spokesperson to handle the media if a serious incident occurs?			
Employees and volunteers know to direct all questions to the designated spokesperson?			
CONTRACTS			
Will any other party than the municipality plan or handle the event?			
If yes, does the contract clearly define each party's responsibilities and obligations?			
Have the appropriate parties drafted, reviewed, approved and signed contracts in advance of the event?			
Do the contracts include:			
Indemnification/hold harmless provisions?			
Municipality, officers, employees included as additional insureds?			
Language requiring sponsor compliance with anti-discrimination laws such as the ADA?			
Municipality has a copy of the policy/policies?			

	YES	NO	NA
Alternate plans in place if municipality cancels or postpones event?			
Deposit required for use of municipal facility/building?			
Provisions in place to account for the sale of tickets, if any?			
INSURANCE			
<i>MUNICIPALITY</i>			
Municipality has contacted insurance representative to obtain information on special events coverage and/or to confirm appropriateness of coverage and limits?			
<i>OTHERS</i>			
Sponsor has adequate limits?			
Municipality named as additional insured?			
Sponsor has provided proof of insurance?			
Municipality has reviewed coverage for adequacy?			
CROWD CONTROL			
If the event requires admission tickets, are provisions in place to avoid overselling?			
Has municipality and event sponsor evaluated the size, characteristics and anticipated conduct of attendees?			
If the location is an indoor facility, has the municipality or sponsor evaluated it for life safety?			
Plans and controls in place to limit crowd size?			
Emergency plans in place to control unruly crowds or to take care of emergencies?			
Security personnel or police presence adequate?			
Public address system works properly? Instructional posters clearly visible to attendees?			
Sponsors, employees and volunteers clearly identifiable to attendees?			
Sponsors, employees and volunteers trained in crowd observation and control?			
Are there adequate routes to control crowd movement between activities and out of the event site?			
Do event workers know what they should do if a participant becomes unruly, intoxicated or belligerent?			
If the forecast is for hot weather, are there adequate drinking water facilities and other measures to prevent heat stroke or illness?			
DISABLED PARTICIPATION			
Do contracts require event sponsors to comply with the ADA?			
Is the site handicap accessible (ramp, lift or elevator) if indoors?			
Is there adequate handicap parking with ramps where appropriate?			
If the site is indoors, are routes of travel at least 36" wide. Do doorways have at least 32" of clear opening?			
Are there handicapped restrooms, drinking fountains and telephones?			
If applicable, is seating handicap accessible and intermixed with standard seating?			
Sponsor provides auxiliary services such as Braille materials, cassette tapes describing the event, and/or event workers to assist disabled individuals to participate fully in the event?			
EMERGENCY PLANS			
Emergency plans in place for the event?			
Event sponsors consulted with the police, fire and emergency medical services during the planning stages?			
Plans address the needs of persons with disabilities?			
Adequate routes for emergency vehicles in place?			
Municipality has mutual aid agreements with other municipalities, if necessary?			
Arrangements in place for backup power and other utilities if an interruption of essential services occurs?			
Plans in place to protect workers and the public if adverse weather strikes?			

	YES	NO	NA
FOOD AND BEVERAGE SALES			
Health department has inspected and approved health and sanitation?			
Event sponsor will monitor food and beverage service throughout the event?			
Event sponsor will ensure regular clean-ups of service and preparation areas?			
Event sponsor will ensure the regular emptying of trash containers?			
Event sponsor has trained volunteers and employees in proper health and sanitation procedures, including hand washing?			
Reminders to wash hands posted where people who prepare and serve food can see them?			
Event sponsors will follow fire department regulations if they are cooking with open flame?			
If sponsors transport food in vehicles, has the health department approved the vehicles?			
Sponsor has secured all propane gas cylinders properly and securely?			
Sponsor has developed and implemented proper cash handling procedures?			
Preparation and service areas separate to reduce the likelihood of collisions between workers?			
Workers have received training in customer relations?			
Sponsor has all the appropriate permits and license, including liquor license if applicable?			
FIRST AID AND MEDICAL EMERGENCIES			
Potential hazards based on type of activity assessed?			
Consulted with qualified medical provider on potential medical needs?			
Coordination of activity between medical staff, security, police and fire departments in place?			
Notified appropriate EMS of event?			
Chain of command in place in case of major, multiple injuries?			
Area hospitals notified of event?			
First aid and/or emergency medical service highly visible at event?			
Availability of first aid publicized?			
Procedures in place for ambulance notification and access to event site?			
Dedicated ambulance available where appropriate and feasible?			
Landing site available if helicopter lift is necessary?			
Policy in place regarding dispensing of over-the-counter and prescription drugs?			
CPR and first aid providers have certifications?			
First aid tent and/or EMS maintains log of patient name, nature of complaint, time of visit, nature of treatment if any?			
Refusal of treatment forms available? Signed?			
First aid staff and EMS have appropriate training in bloodborne pathogens?			
Event staff trained to maintain individuals' confidentiality and privacy?			
TRAFFIC CONTROL/PARKING			
Is adequate parking available? (Allow 2 people per car.)			
Walkways in the parking area accessible and safe?			
Handicap accessible parking available and marked?			
Traffic patterns allow free movement of vehicles and for emergency access?			
Dedicated parking available for emergency vehicles?			
Dedicated parking available for staff, VIP's, media, buses and service vehicles?			
Sponsor has consulted with police regarding parking as well as entrance and exit arrangements?			
Parking rules posted as vehicles enter? Has warning about towing if applicable?			
Staff available to assist motorists locate parking spots and to direct traffic?			
Staff has reflective vests and flashlights for nighttime parking?			
If charge for parking, are cash handling procedures in place?			
Plans in place to restore parking areas to former condition after event?			
If night parking, do parking areas have adequate lighting?			

YES	NO	NA
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SANITARY FACILITIES			
Adequate facilities in place for anticipated size of crowd?			
Facilities easy to locate?			
Arrangements in place for regular cleaning of facilities and replacement of supplies?			
Agreement to restore facilities to condition before event?			
Periodic checks of facilities to ensure security and safety of facilities?			
When necessary, adequate warning signs, such as "Caution-Wet Floors," in use?			
SECURITY			
Master plan for event security in place?			
Plan contains provisions for incidents such as bomb threats, crowd control, unruly participants, robbery, mass evacuation, etc.?			
Security personnel and/or police have access to radio communication?			
Number of personnel adequate for size of event?			
Security personnel have appropriate training for assignment?			
If event sponsor uses private security, is a signed and approved contract in place with insurance provisions? References checked?			
Security company's policy and procedures available for review?			
Private events billed for police protection?			
Command center in place?			
Emergency back-up communication established?			
Chain of command established?			
Incidents reported to the command center? Log maintained?			
Plan in place for collecting cash, limiting cash on hand, and transporting it to a secure location?			
Individuals collecting cash have passed background checks?			
People responsible for cash closely supervised or bonded?			
Cash immediately counted and recorded by source when received at safe location?			
Armed guards used to transport cash?			
SITE SAFETY			
<i>INSIDE</i>			
Building handicap accessible and in compliance with ADA?			
Indoor facilities inspected before and daily during event to identify and correct unsafe conditions?			
Qualified people available during event to correct unsafe conditions?			
Emergency lights, sprinklers, extinguishers and other safety devices in good working condition?			
Exits free of obstructions? Properly lighted?			
Evacuation plan in place? Event staff knows plan?			
Policy and procedures exist to limit crowd size to maximum allowable occupancy for facility?			
Floors free of slip, trip and fall hazards (cracks, holes, uneven surfaces, liquid and grease)?			
Lighting in facility, including entries, hallways and restrooms, adequate?			
Is electrical equipment of sufficient capacity, free from defects, and accessible to authorized event staff only?			
Is use of extension cords limited? Used in non-traffic areas only? Free of defects? Equipped with ground prongs?			
Seating is properly installed and in good condition?			
Bleachers, if any, installed properly?			
Stage, if any, free of recognized hazards?			
Barricade or security between audience and performers in place, if necessary?			
No smoking signs in place?			
Is facility usually used for any hazardous or potentially hazardous activities?			
If so, have such activities been cancelled for the duration of the special event?			

	YES	NO	NA
OUTSIDE			
Site is handicap accessible and complies with ADA?			
Outdoor areas inspected before and daily during event to identify and correct hazardous or unsafe conditions?			
Qualified people available during event to correct unsafe conditions?			
Evacuation plans and routes in place?			
Plans in place for adequate walkways, exits and entrances as well as access for emergency vehicles?			
Entrances to and exits from event clearly identified?			
Signs for restrooms, first aid, food, restricted areas, etc. clearly visible?			
Firefighting equipment on hand and accessible?			
Maximum crowd size for area of event established and enforced?			
Is electrical equipment of sufficient capacity, free from defects, and accessible to authorized event staff only?			
Is use of extension cords limited? Used in non-traffic areas only? Free of defects? Equipped with ground prongs? Protected from water and other liquids?			
Utilities contacted before digging, if any?			
If night event, adequate lighting for concessions, parking, restrooms, and event areas?			
Walking surfaces free of slip, trip and fall hazards (guy wires, holes, uneven surfaces, etc.)?			
Seating is properly installed and in good condition?			
Bleachers, if any, installed properly, with back and handrails?			
Stage, if any, free of recognized hazards?			
Barricade or security between audience and performers in place, if necessary?			
Scaffolding, if any, erected by qualified persons? Measures in place to prevent access to attendees?			
Tents and booths set up by qualified persons? Installers have adequate insurance and have name municipality as additional insured?			
Tents and booths capable of withstanding high winds and bad weather?			
Guy wires and stakes for tents clearly marked and/or protected?			
Flammable liquids and/or gases inaccessible to public? Separated from sources of ignition and combustible materials?			
Qualified personnel available to apply pesticides to trash receptacles to reduce bees, wasps, and other insects?			
Security in place for adjacent areas that pose hazards to the public such as bridges, construction areas or manholes?			
Security in place for natural hazards such as rivers, ponds, or cliffs?			
VEHICLE SAFETY			
Vehicles allowed on event site?			
Access limited to specified area or for emergency access only?			
Window stickers or other means used to control access?			
Sponsor has verified adequate limits of all vehicles in use for event?			
Transport vehicles used to carry attendees from parking lots to event?			
Transport vehicles accessible to persons with disabilities?			
Volunteers or employees operating vehicles for event have appropriate licenses?			
Motor vehicle records reviewed for operators?			
Drivers have received training in rules, procedures, accident reporting?			
Vehicles inspected at start of shifts for unsafe conditions? Documented?			
Vehicles have seatbelts?			
Accident reporting kit in each vehicle?			

FIREWORKS			
Sponsor or contracted fireworks operator has proper licenses and permits for storage and display of fireworks?			
Display operator has appropriate coverages and limits of insurance?			
Contractor/operator holds the municipality harmless for liability from fireworks display?			
Display operator has appropriate training and certification? Documented?			
Municipality named as additional insured on contractor's policy?			
Fireworks transported according to Department of Transportation requirements?			
Event sponsor/contractor conforms to Uniform Fire Code, National Fire Protections standards, and state law for the display and storage of fireworks?			
Storage area for fireworks secured to prevent unauthorized entry, clean, orderly, and free of rubbish?			
Smoking prohibited in storage and discharge areas? Other ignition sources removed?			
Smoking prohibited signs posted and rule strictly enforced for both event workers and attendees?			
Emergency equipment and portable fire extinguishers available?			
Event workers trained in use?			
Distance between discharge area, spectators, vehicles and combustible materials sufficiently large too prevent injury to persons, damage to vehicles, or spread of fire?			
Event workers monitor access to discharge and storage areas?			
Policies and procedures in place to cancel fireworks if necessary because of inclement weather, high winds, etc.?			
Procedure in place and enforced to inspect discharge and storage areas immediately following the display? Unexploded shells removed?			
Procedure in place and enforced to inspect discharge and storage areas the day after the display? Unexploded shells removed?			



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