



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Request For Modification of the City's Insurance Program for Rental of City Facilities

MEETING DATE: April 7, 1993

PREPARED BY: City Attorney

RECOMMENDED ACTION: Discussion and direction on the Council's existing policy on insurance coverage in connection with rental of City facilities.

BACKGROUND: At the March 17, 1993 City Council meeting, Mr. Richard Pelton, of Encore Productions, asked the Council to reconsider its policy on insurance coverage for his proposed use of Hutchins Street Square facilities. Mr. Pelton asked that he be allowed to use his own insurance coverage instead of paying for the special coverage package required by the City.

Pursuant to a policy adopted in June 1990 (Attachment A), parties renting City facilities are required to purchase standard coverage from the Elson Insurance Company. The daily rates run from \$40 for small social gatherings to \$750 or more for large groups conducting activities considered more hazardous. This rate structure has not changed since it was set up. The Elson agency was utilized because it was the only insurance brokerage which had a single insurance plan available that would cover all kinds of events which might be held. Several other insurance firms were contacted, but could offer no similar plan. The City receives no part of the premiums paid.

The need to adopt a uniform approach for insurance was based on a number of factors. First, individual insurance policy coverage varies widely. It was impractical for City staff to try and evaluate each policy because of the number of rentals. In most cases, we didn't even see the actual policy, but only a one-page certificate of coverage. On at least one occasion, coverage was denied for an injury to a spectator based on a technicality involving the time of reporting the incident to the insurance company. The City ended up paying some of the loss.

In other cases, renters simply failed to supply proof of coverage until the day before or day of the event. It was then necessary that a staff member scramble to get the necessary documents with the alternative being to cancel the event or let it occur without insurance coverage. There were also a few cases where renters submitted obviously altered proofs of insurance forms, leaving the City to try and confirm coverage. All of this was very time consuming.

APPROVED _____

THOMAS A PETERSON
City Manager



recycled paper

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As stated in the City Manager's original Council Communication, the policy was intended to apply to all "private use and/or private enterprise-staged productions." This has been interpreted and applied since adoption to allow certain nonprofit groups who already had an established track record with the City to provide their own coverage. Those groups which are for-profit or which have no history of using City facilities have consistently been required to get the standard coverage package. In fact, individual members of the Hutchins Street Square Foundation, when using the facilities for private parties, have been required to buy the same standard coverage.

Mr. Pelton's theater group (Encore Productions) is a privately-owned for-profit organization. Although he has indicated he intends to donate a portion of his proceeds to community causes, the fact remains he operates his business for profit. He has accurately pointed out that his insurance policy is the same one the City has accepted in the past for Tokay Players (a nonprofit group). However, several staff hours went into confirming that fact, which was one of the reasons the Council adopted the policy in the first place.

While Mr. Pelton is a reputable businessman and the insurance he carries is similar to that accepted by the City from some nonprofit groups, the fact remains he is requesting different treatment than that given to other similar organizations. If he is allowed to do as requested, fairness and equal protection guarantees require that all other groups be treated the same. That effectively repeals the 1990 City Council policy and puts staff back into the position of having to evaluate each individual renter's policy and in some cases, of tracking down renters who fail to supply documents. With current staff workloads, that would create major problems.

There has been a great deal of discussion lately about users of City services being required to pay the actual cost of delivering those services. If renters of City facilities were obligated to pay for the staff time it takes to gather documents, evaluate coverage, and work with the insurance carriers, I suspect it would be cheaper overall for renters to simply pay for the standard coverage now required.

While the effect of the policy may be harsh in Mr. Pelton's case, countervailing considerations outweigh the benefits of waiving it. Based on the foregoing, it is the staff recommendation that the City Council policy remain in place.

FUNDING: Unknown.

Respectfully submitted,


Bob McNatt
City Attorney

BM/vc

attachment

cc: City Manager

INSCC/TXTA.01V

RENTAL RULES & REGULATIONS

Hutchins Street Square

125 S. Hutchins Street, Suite A
Lodi, California 95240
(209) 333-6782



RESERVATION PROCEDURE

1. Reservations will be accepted a maximum of one year in advance.
2. A cleaning deposit of \$100 and insurance premium must be paid before date is confirmed.
3. The entire rental fee must be paid two (2) weeks prior to date of event. If not, event will be cancelled and deposit forfeited. Damage to the building or extra cleaning will be deducted from this amount. You will be billed for any damages not covered by your deposit. Deposits will be mailed to you within two (2) weeks of your event.

CANCELLATIONS

1. Deposits are returned if cancellations are made more than two (2) weeks prior to the date of event. Less than two (2) weeks, the deposit and half of the rental fee are forfeited.

SERVICES PROVIDED

1. A maintenance man will be on site to open and close the facility.
2. Tables and chairs will be provided and set up to your specifications.
3. Time for all pre-event preparations and clean up will be included in rental hours.
4. The maintenance man will check the condition of the facility prior to your departure to determine if any additional damage, cleaning or overtime has occurred.

YOUR CLEANING RESPONSIBILITIES

1. Wiping down tables, chairs and all kitchen facilities used.
2. Picking up trash and placing in bins located outside the building.
3. Cleaning up all spills of food and drink from floors.

DECORATIONS

1. Decorations are limited to table centerpieces or free-standing items. NO EXCEPTIONS. NO items may be hung on walls or from ceilings. NO tape, nails, tacks, pins or staples may be used on walls, ceilings, or floor.
2. If there are questions regarding decorations that may be considered flammable, please contact the Lodi Fire Marshal directly at 369-3531.

SECURITY

Licensed security guards must be hired by sponsoring group or organization whenever a public function is held. All wedding receptions and parties must hire a licensed security guard(s). A minimum of one guard for each 100 people. All activities must conclude by 1:00 a.m. If persons leasing the building refuse to leave at that time, the maintenance man will call the Police Department and have them removed. If this occurs, the deposit will not be returned.

INSURANCE

Insurance will be provided by the City, with additional fee determined by the City at the time of rental. Coverage does not include liquor liability.

ALCOHOLIC BEVERAGES

Wine and beer are permitted; other alcoholic beverages require approval of the Community Center Director.

NO SMOKING

All city buildings are no smoking facilities. Rooms are posted and renters are expected to insist their guests comply.

RENTAL RATES & MISCELLANEOUS FEES

Hutchins Street Square

125 S. Hutchins Street, Suite A

Lodi, California 95240

(209) 333-6782

NORTH HALL

Any 10-hour period	\$ 600.00
Kitchen	50.00
Deposit	100.00
Additional hours/per hour	60.00

FINE ARTS THEATRE

Any 10-hour period	\$ 150.00
Deposit	100.00
Piano (lessee responsible for tuning)	25.00
Additional hours/per hour	15.00

MULTIPURPOSE BUILDING

Any 10-hour period	\$ 200.00
Kitchen	75.00
Deposit	100.00
Additional hours/per hour	20.00

ALSO AVAILABLE WITH ADDITIONAL FEE

Risers and skirt (2)	\$ 20.00
Canopies (on site use only)	25.00/each

ALSO AVAILABLE AT NO ADDITIONAL FEE

Overhead projector
Coffee urns
Amplified lectern
TV/VCR



- North Hall
- Multipurpose Room
- Fine Arts Theater

Rental Agreement & Information

Hutchins Street Square

125 S. Hutchins Street, Suite A • Lodi, California 95240 • (209) 333-6782



Rental Date(s): _____

Arrival Time (including set-up): _____ Departure Time: (including clean-up): _____

Nature of Event: _____

Contact Person: _____

Address: _____ City _____ Zip _____

Phone: Home _____ Business _____

Estimated Attendance _____ Alcohol Served: Yes No

Number Chairs Needed: _____ Set-Up Option Number: _____

Number Tables Needed: _____

Security Company: _____ Phone: _____

Please check additional items that will be needed for your event. Staff will open, close, set-up and take down equipment.

- Coffee Urn(s)
- Riser(s) (6'x8')
- Amplified Lectern
- Lecture Equipment
- Canopies (additional fee)
- Other _____

The rules and regulations, facility insurance, and rental requirements are hereby incorporated and made a part of this lease agreement. Deposit and insurance premium are required at the time of request to hold reservation. BALANCE DUE TWO WEEKS PRIOR TO THE EVENT, failure to make payment at this date will automatically cancel the event. All city buildings are no smoking facilities.

Rental Charge \$ _____ Paid _____

Deposit \$ _____ Paid _____

Insurance \$ _____ Paid _____

Other Charges \$ _____ Paid _____

SIGNATURE (LESSEE)

STAFF SIGNATURE

DATE

DATE

BALANCE DUE DATE: _____

Maintenance Man's Comments: _____

FOR OFFICE USE ONLY	Security _____	Approved Insurance _____
	Deposit _____	Rental Balance _____
	Set Up _____	