

**CITY OF COOS BAY
JOINT CITY COUNCIL / URA WORK SESSION
Agenda Staff Report**

MEETING DATE March 14, 2017	AGENDA ITEM NUMBER
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TO: Mayor Benetti and City Councilors

FROM: Jim Hossley, Director of Public Works

THROUGH: Rodger Craddock, City Manager

ISSUE: Consequences of Waiving Insurance Requirements for Memorial Day Parade and the Tall Ship Event

SUMMARY:

The City Council has traditionally waived insurance requirements for the AMVETS' Memorial Day Parade which is held on City right-of-way. AMVETS do not carry any insurance and do not require participants in their parade to carry insurance.

Typically, the organizers of the Tall Ship event at City docks have provided a certificate of insurance naming the City as additionally insured. Last year, the City Council waived the requirement for them to provide the certificate. The Tall Ship event organizer, The Grays Harbor Historical Seaport Authority, does carry insurance.

The City's insurance provider, Citycounty Insurance Services (CIS), has stated the City should not be waiving the insurance requirement for special events on City property. CIS will not extend coverage to a 3rd party that is not acting as an "agent" of the City and CIS coverage will not respond for the sole negligence of the 3rd party.

Should the City want to provide funds to AMVETS to purchase insurance coverage for the Memorial Day Parade, the cost is estimated to be \$775 including a certificate of insurance naming the City as additionally insured. The cost to providing a certificate of insurance naming the City as additionally insured for an existing policy ranges from \$0 to \$150.

ACTION REQUESTED:

Consider the consequences of waiving insurance requirements and the possibility of providing funds to AMVETS to purchase an insurance policy for the Memorial Day Parade.

BACKGROUND:

The AMVETS organization sponsors the annual Memorial Day Parade in the City. As in past years, the organization has submitted a Special Event Permit Application for the parade. Because City services are used, the application is warranted. In past years, AMVETS was not asked to provide a certificate of insurance naming the city as additionally insured. Pursuant to City of Coos

Bay Administrative Directive #6, Insurance Coverage, AMVETS is required to provide a certificate of insurance to the City naming the City as an additional insured on the AMVETS' policy of insurance.

The AMVETS do not carry insurance. The AMVETS also do not charge entrants to be in the Memorial Day parade and thus do not collect funds to pay for an insurance premium. Pursuant to Section 5 of Administrative Directive #6, insurance policy limits may be reduced or waived at the discretion of the City Council. The Council has always waived.

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The Grays Harbor Historical Seaport Authority requests moorage and special event permit each spring for moorage of the Lady Washington and Hawaiian Chieftain. Grays Harbor Historical Seaport Authority has adequate insurance. Last year the City Council waived the need for a certificate of insurance to the city naming the city as an additional insured on their insurance policy as there is sometime a cost to the policy owner to do so. Cost range from \$0 to \$150. As with the parade, this leaves the City at risk as CIS will not cover the City due to negligence of the 3rd party.

The City's insurance requirements are as follows:

Level 1 Insurance Requirements: Special Events and other events held on City/Agency property require the following insurance policy limits. If alcohol is being served the insurance policy limits increase to Level 2, except for the requirement to provide Professional Errors and Omissions liability. With the current local Oregon Tort Claims Act (OTCA) limits (including the limit for property damage or destruction) at \$1,566,700, the City/Agency elects to retain a minimum \$566,700 (7/1/2011 \$633,300 and increasing thereafter pursuant to statute) exposure per occurrence if a claim should occur involving more than one claimant.

<u>Commercial General Liability</u> Per occurrence	\$ 1,000,000
<u>Workers' Compensation</u>	Statutory Limit
Applicable Federal (e.g., Longshoremen's) Employer's Liability	Statutory Limit
	\$ 500,000
<u>Automobile Liability</u> Per occurrence	\$1,000,000

BUDGET IMPLICATIONS:

The cost to the City for an accident on City property related to the parade or Tall Ship event as a result of waiving insurance requirements is unknown but potentially significant. The cost to AMVETS for providing insurance is estimated to be about \$775.