



Department Source: City Manager

To: City Council

From: City Manager & Staff

Council Meeting Date: July 2, 2018

Re: Special Event Best Practices

## Executive Summary

Staff has prepared a report regarding best practices for alcohol management and insurance liability limits for special events held across the country.

## Discussion

In 2008, the Special Event Committee was established to oversee special events and assist organizers in the planning and permitting of events on city owned property and right-of-ways; this followed the inaugural Roots and Blues and BBQ festival and the growing need for coordination and communication between organizers and the city. This Committee was comprised of departments across the city from public safety to solid waste; each department having their own respective interest in events occurring in the City.

In 2011, Council adopted a new ordinance and process pertaining to special events occurring inside city limits and on public property. With this ordinance, the previous special event committee was renamed the City Event Committee; still comprised of liaisons from various departments around the City. The charge of this committee was to aid organizers in understanding the permit process, ordinances and regulations, streamline the permitting experience, and give recommendations on best practices to improve the overall quality and safety of events held in the City.

### **Brief Event History:**

In 2007 the inaugural Roots and Blues and BBQ festival was held in Downtown Columbia by Boone County National Bank in celebration of their 150<sup>th</sup> Anniversary; the event closed numerous downtown streets, allowed for possession and consumption of alcohol (beer and wine) in designated areas, and was free to attend. In 2008 the festival remained in Downtown Columbia, and, again, closed numerous streets, allowed the consumption and possession of alcohol (beer, wine, "special" Southern Comfort malt beverage), and was free to attend.

In 2009 the festival integrated ticketed and non-ticketed areas of the event and procedures for alcohol management were lined out in the operations agreement in response to festival organizers asking for an increase in the area not subject to the open container ordinance. A couple of these alcohol management regulations were the service of only beer, wine and Southern Comfort slushies; serving sizes of 14 ounces for beer and wine service in 5 ounce cups; two drinks per sale; and, alcohol service only in designated, roped off areas (for the full list see R163-09 Attachment A). These requirements remained in effect until the event moved to Stephens Lake Park in 2013.



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Upon moving to Stephen's Lake Park, the entire festival footprint became ticketed and for profit. Many of the free activities, such as the BBQ Contest and family activities, like those previously held at Flat Branch, were discontinued. The festival continues to be free for children 12 and under and has few art exhibits and activities for children; the addition of the music stage wagon was added a couple years ago to increase children's activities.

City Staff has worked with festival organizers throughout the years to accommodate requests when possible, including relaxing alcohol service requirements. In 2015, organizers asked for the per sale drink limit to be increased to three (3) drinks per sale to aid in the festival's customer experience and alleviate long lines. The City Event Committee approved this request on a trial basis since, historically, the festival had not had alcohol or law enforcement issues. The limit was decreased to two (2) drinks per sale for all subsequent festivals; this was due to visible over-intoxication of attendees and the need for medical attention due to over-intoxication at the conclusion of two nights of the festival.

Festival organizers are asking that in 2018, they be allowed to serve four (4) drinks per sale.

## **Best Practices:**

Best practices across the country have changed through the years depending on outlying circumstances, national threat levels, previous incidents/disasters, and are generally accepted practices across cities, counties, and states.

Alcohol management is a key component to the safety of special events. State and City governments, insurance providers, private event venues and many event organizers recognize the importance of effective alcohol management to minimize the risk and liability associated with events at which alcohol is sold and/or consumed.

Staff has researched best practices as it applies to responsible alcohol management and insurance requirements for special events and festivals around, not only the country, but the world. A basic outline is provided below.

- Limiting the amount of alcohol served to an individual at one time (including limiting the number of alcoholic drinks that can be purchased or obtained at one time).
- Limiting the type of alcohol served to only beer and wine.
- Limiting cup size to 12-16 ounces for beer and 5 ounces for wine.
- If minors are allowed into the event venue, restricting the service and consumption of alcohol to designated areas that are separated/fenced off from the rest of the venue (beer gardens). Minors are not allowed into these areas.
- Managing areas designated for alcohol sales with event personnel and signage to prevent minors from entering the areas and consuming alcohol and to prevent attendees from leaving those areas with alcohol.
- Prohibiting servers from serving alcohol to anyone who appears to already be intoxicated.
- Only serving beverages in plastic or paper cups – no cans or glassware/bottles.



City staff have attended numerous trainings on special events, alcohol management, liability, including a nationwide seminar on special event safety and liability. In this course (which some Thumper representatives have also attended), some of the recommended best practices for alcohol policies include limiting individuals to two (2) drinks at a time, only serving beer and wine, and limiting the size of drinks to twelve (12) ounces for beer and five (5) ounces for wine.

City Staff also checked with instructors who conduct nationwide training on alcohol enforcement and liability and confirmed the two-drink limit and standard drink sizes are taught as best practices.

In addition to training on the subject, staff has conducted countless hours of research on drink limits for events and festivals that confirm the two-drink limit as best practice. Several sources also include other best practice recommendations to minimize the risk associated with alcohol service. Research also indicated that governments are not the only entities that advocate specific parameters/controls on the service of alcohol at events, but also private sector businesses including: sports stadiums and multiple insurance companies that provide liquor liability insurance for events.

### **City Event Committee Review:**

Based on standard best practices and festival history, the City Event Committee recommends a denial of the increase to drink limits per sale for the following reasons:

- The increased over-intoxication of individuals and issues experienced in 2015;
- Serving more than two drinks is not a best practice as found in research
- Basic knowledge that if one person is purchasing four (4) drinks at a time, they are either purchasing an amount that will either a) definitively result in over-intoxication if consumed by one person or b) they are purchasing alcohol with the intent to give it to others.
  - First issue with this scenario is attendees who purchase alcohol can redistribute it to whomever they want (regardless of that person's age or intoxication level), it negates and ID-Checking and/or wrist banding measures taken to ensure only those of legal drinking age are served.
  - Secondly, it does not allow the bartender or server to observe the person who will be consuming the alcohol. This is a critical point in SMART training to identify individuals who appear underage or over intoxicated.

If Council allows an increase to the per sale drink limits, City Staff recommends the following:

- Consumption and possession is designated to specific, cordoned areas, that are not accessible to minors;
- Written documentation from liquor liability insurance provider, that they are aware of the conditions under which alcohol is being served, and will not deny coverage for alcohol related events under these conditions.



## Insurance Limits:

After the 2017 festival, organizers approached the City with concerns of rising insurance costs and limits in excess of what they perceived as necessary. An analysis of insurance requirements through the years of the festival showed that in 2009 the limits were as follows:

- Employment Liability of \$500,000 each employee, \$500,000 Each Accident, and \$500,000 policy limit and Workers Compensation Missouri Statutory limits for volunteers and employees - Comprehensive General Liability - \$2,000,000/occurrence;
- Automobile Public Liability - \$2,000,000/occurrence.

These limits continued until the 2014 festival which included a Ferris wheel. Due to the high risk exposure of the Ferris wheel, the City required liability insurance in the amount of \$3,000,000/occurrence and \$10,000,000/aggregate.

During the 2015 festival, organizers brought in a tree climbing activity called Adventure Tree. Due to the addition high risk exposure of this activity, the City required insurance limits of \$1,000,000/occurrence and \$2,000,000 aggregate, with signed liability waivers for all participants. All other insurance requirements remained the same.

In 2016, general liability limits were increased to \$3,000,000, to align with Missouri sovereign immunity limits per Missouri Statute 537.610. These limits were continued and remained the same for the 2017 festival; minus the inclusion of Adventure Tree.

City Staff convened to discuss the insurance limits of the festival over the years and identified where increases had occurred and if the requirements were excessive as proposed by organizers. It was determined that the State of Missouri has liability limits placed on carnival rides for issuance of a permit; these limits are \$1,000,000/occurrence and \$2,000,000 aggregate.

Recommendations by City Staff are:

- Employment Liability of \$500,000 each employee, \$500,000 Each Accident, and \$500,000 policy limit and Workers Compensation Missouri Statutory limits for volunteers and employees;
- Comprehensive general liability remain, or are no less than, current limits of \$3,000,000;
- Automobile public liability remain, or are no less than, current limits of \$2,000,000;
- Ferris wheel limits are no less than the Missouri requirement of \$1,000,000/\$2,000,000.

## Fiscal Impact

Short-Term Impact: Unknown



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Long-Term Impact: Unknown; potential for long term losses from legal proceedings.

## Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Primary, Secondary Impact: , Tertiary Impact:

[Comprehensive Plan Impacts:](#)

Primary Impact: , Secondary Impact: , Tertiary Impact:

## Legislative History

| Date | Action |
|------|--------|
|      |        |

## Suggested Council Action

Staff recommends a drink limit of two (2) drinks per sale per individual and insurance limits of at least 2 million per occurrence with a three (3) million aggregate. If Council agrees to an increase in the drink limit sale per individual, City Staff recommends consumption and possession is designated to specific, cordoned areas, that are not accessible to minors and requiring documentation from the event organizer’s liquor liability insurance provider that they are aware of the conditions under which alcohol will be served at the event and will not deny coverage for alcohol-related incidents.

| <b>Contract Year</b> | <b>Insurance Coverage Included in Operation Agreement with City</b>        | <b>Insurance Amount Required in Operations Agreement</b>  | <b>NOTES</b> |
|----------------------|--|---|--------------|
| <b>2009</b>          | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits |              |
|                      | Comprehensive General Liability  | \$2,000,000 per occurrence  |              |
|                      | Automobile Public Liability  | \$2,000,000 per occurrence  |              |
| <b>2010</b>          | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits |              |
|                      | Comprehensive General Liability  | \$2,000,000 per occurrence  |              |
|                      | Automobile Public Liability  | \$2,000,000 per occurrence  |              |
| <b>2011</b>          | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits |              |
|                      | Comprehensive General Liability  | \$2,000,000 per occurrence  |              |
|                      | Automobile Public Liability  | \$2,000,000 per occurrence  |              |
| <b>2012</b>          | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits |              |
|                      | Comprehensive General Liability  | \$2,000,000 per occurrence  |              |
|                      | Automobile Public Liability  | \$2,000,000 per occurrence  |              |
| <b>2013</b>          | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits |              |
|                      | Comprehensive General Liability  | \$2,000,000 per occurrence  |              |
|                      | Automobile Public Liability  | \$2,000,000 per occurrence  |              |
|                      |  |   |              |

| <b>Contract Year</b>  | <b>Insurance Coverage Included in Operation Agreement with City</b>        | <b>Insurance Amount Required in Operations Agreement</b>  | <b>NOTES</b>  |
|---|--|---|---|
| <b>2014</b>   | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits | *Event moved to Stephens Lake Park – City Property<br><br>* Liability Insurance Requirements as indicated in City Ordinance Chapter 17, Sec. 17-134 |
|   | Comprehensive General Liability  | \$2,000,000 per occurrence  |   |
|   | Automobile Public Liability  | \$2,000,000 per occurrence  |   |
|   | Ferris Wheel   | \$3,000,000 per occurrence/<br>\$10,000,000 aggregate   | *Addition of Ferris Wheel with insurance requirements based on high risk exposure.  |
| <b>2015</b>   | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits | *Event in Stephens Lake Park – City Property<br><br>* Liability Insurance Requirements as indicated in City Ordinance Chapter 17, Sec. 17-134       |
|   | Comprehensive General Liability  | \$2,000,000 per occurrence  |   |
|   | Automobile Public Liability  | \$2,000,000 per occurrence  |   |
|   | Ferris Wheel   | \$3,000,000 per occurrence/<br>\$10,000,000 aggregate   | *Ferris Wheel with insurance requirements based on high risk exposure.  |
|   | Adventure Tree Activity  | \$1,000,000 per occurrence/<br>\$2,000,000 aggregate  | *Adventure Tree insurance provided by vendor; approved waivers used for all participants  |
| <p><b>During FY2015 &amp; 2016, City moved to requiring \$3,000,000 General Liability Insurance coverage for vendors and service providers to stay in line with Missouri Sovereign Immunity Limits which increase annually. See Missouri Statute 537.610. Thumper Entertainment was informed about the required increase during meetings for 2015 event and told to expect an increased requirement for 2016.</b></p> |  |   |   |

| <b>Contract Year</b> | <b>Insurance Coverage Included in Operation Agreement with City</b>        | <b>Insurance Amount Required in Operations Agreement</b>  | <b>NOTES</b>   |
|----------------------|--|---|--|
| <b>2016</b>          | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits | *Event in Stephens Lake Park – City Property<br><br>* Liability Insurance Requirements as indicated in City Ordinance Chapter 17, Sec. 17-134. |
|                      | Comprehensive General Liability  | \$3,000,000 per occurrence  | *Ferris Wheel insurance requirements based on high risk exposure.  |
|                      | Automobile Public Liability  | \$2,000,000 per occurrence  |  |
|                      | Ferris Wheel   | \$3,000,000 per occurrence/<br>\$10,000,000 aggregate   |  |
| <b>2017</b>          | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits | *Event in Stephens Lake Park – City Property<br><br>* Liability Insurance Requirements as indicated in City Ordinance Chapter 17, Sec. 17-134. |
|                      | Comprehensive General Liability  | \$3,000,000 per occurrence  | *Ferris Wheel insurance requirements based on high risk exposure.  |
|                      | Automobile Public Liability  | \$2,000,000 per occurrence  |  |
|                      | Ferris Wheel   | \$3,000,000 per occurrence/<br>\$10,000,000 aggregate   |  |



| Contract Year                   | Insurance Coverage Included in Operation Agreement with City               | Insurance Amount Required in Operations Agreement   | NOTES  |
|---------------------------------|--|---|--|
| 2018 – recommended requirements | Employment Liability and Workers Compensation for Employees and Volunteers | Employment Liability - \$500,000 each accident, \$500,000 Policy Limit<br>Workers Comp – Statutory limits | *Event in Stephens Lake Park – City Property<br><br>*Ferris Wheel with insurance requirements based on high risk exposure.<br><br>*Event in Stephens Lake Park – City Property<br><br>**Ferris Wheel insurance decreased to State requirements. Because of sovereign immunity limits, the City could potentially be liable for any loss in excess of \$2M by \$804,046 |
|                                 | Comprehensive General Liability  | \$3,000,000 per occurrence  |  |
|                                 | Automobile Public Liability  | \$2,000,000 per occurrence  |  |
|                                 | Ferris Wheel**   | \$1,000,000 per occurrence<br>\$2,000,000 aggregate   |  |

Regarding the requirement of insurance for volunteers:

- Missouri Rev. Statute 287.020 requires workers’ compensation insurance for “every person in the service of any employer.” The court have interpreted this to include volunteers to preform services for the employer’s/organization’s when (1) the organization makes an appointment for the volunteer to perform services for the employers’ benefit and (2) either the terms of the controllable services test or the relative nature of the work test are satisfied.
- Missouri Rev. Statute 287.090 requires insurance for volunteers **except** when the volunteer is serving a tax-exempt organization.
- General Liability insurance requirements are follow those found in City Ordinance Chapter 17 – Parks and Recreation, section 134 – Permits.