

# THE PAR PLAN NEWS

ISSUE 109

JUNE 2012



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## Notice of Annual Business and Quarterly Board of Directors Meetings



The annual business and quarterly meeting of the Par Plan is being held at the Park Place Hotel in Traverse City, Michigan on July 12<sup>th</sup>, 2012. Registration will begin at 9:00 a.m. and the meeting will begin at 9:30 a.m. in the Lakes Room on the lower level.

The annual business and quarterly meetings of the Michigan Township Participating Plan are open meetings for members who are interested in the detailed activities of the program and it's outstanding committees that has transpired over the past twelve months. Additionally, the Par Plan service providers will present their annual reports outlining their activity on behalf of the program.

Par Plan members are encouraged to attend.

## Michigan Township Participating Plan 2012 Par Plan Board Nomination Results

On April 5<sup>th</sup>, 2012 election nomination forms were mailed to all Par Plan members in Zones 2, 4, 5, 8 to receive nominations for the regular election of the board of directors serving a three year term.

On May 11<sup>th</sup>, 2012 the Par Plan Election committee confirmed nomination forms, member resolutions and candidate disclosures statements. The following candidates were confirmed and placed on the election ballots that were mailed out May 25<sup>th</sup>, 2012.

Zone 2: Incumbent Marvin Besteman, Jr., Director—Seeking Re-election

Zone 4: Barbara J. Stevenson, Clerk, Roscommon County—Seeking election

Lou Ann Olsen, Supervisor, Chester Township, Otsego County—Seeking election

Zone 5: Incumbent Don Hilton, Director—Seeking Re-election

Rebecca Hopp, Council Member, City of Ferrysburg, Ottawa County—Seeking election

Joan Raap, Clerk, Egelston Township, Muskegon County—Seeking election

Zone 8: Incumbent Ron Reid, Director—Seeking Re-election

Kevin Gillette, Trustee, Lincoln Charter Township, Berrien County—Seeking election

The remaining election time table is as follows:

**June 20<sup>th</sup> – Election ballots must be postmarked to receive vote consideration**

**June 29<sup>th</sup> – Election ballots will be counted and new directors confirmed**

**July 1<sup>st</sup> – Directors take office**

**July 12<sup>th</sup> – Par Plan Annual Business Meeting**

New directors of the Par Plan program are selected based on the highest number of votes. Elected positions require directors to attend at least four (4) board meetings per year in addition to the Par Plan's appointed committee meetings.

The Michigan Township Participating Plan is a tailored property and casualty risk management program developed to meet the needs of public entities. The Par Plan is the only risk management program controlled by public officials that understand the needs of local governments and the confined guidelines that governments have to work within.

## A New Day for One Day Special Liquor Licenses

*By: Cindy White, MTPP Risk Control Field Representative*

As part of an appointment of all-new Commission members appointed to the Michigan Liquor Control Commission by the governor, the commission has implemented a comprehensive legislative review of the existing liquor statute. This review was prompted by the Commission perception that the statute in its current form was too broad and provided few restrictions. As the statute reads currently, anyone can obtain a one day special liquor license and charge for alcoholic drinks to raise money for almost any purpose. In an attempt to narrow its scope, the Commission reinterpreted the statute which led to the promulgated and adopted Administrative rule R 436.574, which stated that only nonprofit organizations are eligible to apply for one day licenses, and local units of government do not qualify as nonprofit organizations.

As the result of this new rule, one day special liquor licenses were no longer available to local units of government. This left local units of government wondering about their festivals, fairs and special events that previously included “beer tents”, “wine tastings” and the like. Many local units of government rely on these events to promote interest in the community and raise much-needed funds.

On March 27, 2012, the Michigan Liquor Control Commission issued Bulletin No. 2012-06, which states that this afore-mentioned rule (Administrative rule R 436.574) is in direct conflict with the statute, which grants the Commission the express authority to grant special licenses to persons and organizations. [MCLA 436.1111 (11)] The Commission determined that the word “persons” referenced in the statute clearly includes an individual, firm, partnership, limited partnership, association, limited liability company, or corporation. Consequently, an incorporated local unit of government is once again eligible to apply for one day special liquor license. The Commission has applied for a rescission of their previous rule and is now reviewing and considering applications from local units of government for one day special liquor licenses.

The Michigan Township Participating Plan encourages local units of government that may be applying for the one day special liquor license to do so well in advance of the ten (10) day requirement by the Commission. We also encourage member entities to submit Special Event and Fireworks Applications well in advance of the event date, specifically thirty (30) and forty-five (45) days respectively. This allows the Risk Control and the Underwriting Departments to handle the processing of your events in an efficient, effective and timely manner.

**For more information visit [www.migov.com](http://www.migov.com)**

## MTPP BOARD OF DIRECTORS

### Zone 1

Paul Lehto  
Calumet Township  
(906) 337-2410

### Zone 2

Marvin Besteman, Jr.  
Kinross Charter Township  
(906) 495-5381

### Zone 3

Pat Mead  
Benzonia Township  
(231) 882-4411

### Zone 4

Open

### Zone 5

Don Hilton, Sr., Vice Chairman  
Gaines Charter Township  
(616) 698-6640

### Zone 6

Jon Sherwood  
Beaverton Township  
(989) 465-9176

### Zone 7

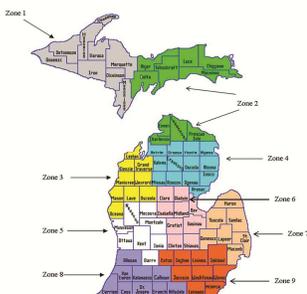
William Walters  
City of Brown City  
(810) 346-2325

### Zone 8

Ronald Reid, Secretary  
Kalamazoo Charter Township  
(269) 330-0321

### Zone 9

William Bamber, Chairman  
Oceola Township  
(517) 546-3259



## Hall Rental Guidelines for Public Use

By: Mike Gombos, MTPP Risk Control Field Representative

April showers bring May flowers followed by baby showers, high school graduations, and weddings during the summer months to come. Residents and Organizations will occasionally approach local governmental entities to rent their facilities for an event for the convenience of the location and the setup to accommodate a large group of guests. As much as you want to accommodate the public you should also be aware of the potential for unforeseen circumstances that may occur resulting in a costly experience for both the lessee and the entity.

While providing a facility for the public to host their event, loss reduction and risk mitigation should be a priority. In order to make the experience a memorable one for the resident and a low risk event for the entity consideration should be given to entering into a properly drafted Written Rental Agreement to protect both parties.

**Written Rental Agreements:** The entity should have a thorough rental agreement in place that is acknowledged by signature and submitted to the entity prior to granting the renter access to the hall. This agreement should clearly explain the parameters of the rental arrangements do's and don'ts. Several areas that should be stipulated but are not limited to: 1) rental fees, 2) hours of use, 3) a host liquor liability and/or liquor liability disclaimer (if alcohol is allowed), 4) permits or license depending on the type of event, 5) clean-up, 6) security, 7) smoking, 8) cancellations, and 9) Hold Harmless clause.

**Liquor Event:** If you're leasing your facility to an individual for a private host liquor event, or an organization for a liquor event that's hosting a fundraiser and charging an entry fee or a per plate fee that includes an alcoholic beverage there are several things to keep in mind:

**Liquor Event:** Suppose a non-profit organization rents the hall to host a fund raiser and is serving and selling liquor. That organization as required by law must obtain a "one day liquor license" for that particular event. This can be accomplished by making application to the Michigan Liquor Control Commission. As for the municipality, you should request a copy of the license and a copy of their general liability coverage naming your governmental entity as Additional Insured prior to granting access to the hall.

**Host Liquor Event:** Suppose a resident rents the hall for a private graduation party or a wedding reception where alcohol will be served, but not sold. In this scenario the individual renting and providing alcohol should review with their insurance agent or insurance carrier to confirm coverage for "host liquor liability" is provided within their homeowner's policy. If it's not consideration should be given to obtaining this important insurance coverage.

*The entities liability interests are only that of premise liability which is covered through their PAR PLAN policy, the liquor liability is that of the lessee serving the alcohol.*

### Insurance Terms:

**General Liability Insurance:** This insurance coverage part pertains to the organization/licensee renting the Hall that is **selling and serving** alcohol. They will have a general liability policy for their organization/licensee that you should request a copy of and request to be named as additional insured.

**Host Liquor Liability Insurance:** This insurance coverage part is a form of liquor liability directed at hosts of business or social functions where liquor or alcohol is served, without a charge. The basis for legal liability is a dram shop, liquor control or alcoholic beverage law. The laws vary by state, but most provide that the owner, operator or host serving alcoholic beverages is liable for injury or damage caused by or to an underage person or intoxicated person if it can be established that the owner, operator or host caused or contributed to the intoxication of the person through the serving of alcoholic beverages.

**Liquor Liability Insurance:** This insurance coverage part protects the lessee's interests against loss or damages claimed as a result of a patron attending their function becoming intoxicated and inuring themselves or others. Therefore if the lessee is engaged in the **manufacturing, selling or serving of alcohol then the lessee needs this coverage.**

The ultimate goal of the Risk Control Department is to make the event the most positively memorable liability free experience for the renter and the entity.

**If you have additional questions or would like a sample rental agreement contact your regional Risk Control Representative or call 800 536 7425.**



Pat Mead - Benzonia Township  
Benzie County

Jon Sherwood - Beaverton Township  
Gladwin County

Rita Evans - MTPP Program Administrator

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