

Claim Case Study

Community Centre Rental

Facts

A resident rented out the community center portion of the local arena for his wife's birthday party. After the party, a guest left in his own car and was involved in a single vehicle accident. His car left the road and hit a tree. The man was killed. It was found that he had been drinking.

Issue

What steps do municipalities need to take to minimize the risk of such accidents?

Legislation

The standard of care that is imposed on a municipality is governed by the *Occupiers Liability Act*, RSO 1990, which requires a city to see that a person will be reasonably safe in using the premises.

Findings

The small community centre had been renovated by the community group with fund raisers and sweat equity. The municipality went through an amalgamation and became a part of a larger township. The group had pride in the building and resisted the larger centre telling them how to run their facility.

The Municipal Alcohol Policy (MAP) was not being strictly followed by the arena and the booking staff. The MAP was not used on smaller, or what the staff considered to be 'low risk', events. Rental contracts were being signed for the majority of the events, but some of the regular users were not asked to sign a contract. It was also found that there were many keys 'floating around' in the community.

There wasn't a rental agreement signed and on file for the birthday party, no proof of the renter's insurance and no copy of a completed municipal alcohol policy checklist. There was no security hired for event. The renter had obtained a special occasion permit, but did not give it to the arena until after the accident.

The renter was known to the booking staff and they did not want to call and bother the renter with the contract and the MAP before the event because the birthday party was a surprise.

These insufficiencies can put a municipality in a host liability situation.

Outcome of Claim

Eight days after the accident there was a council meeting to discuss the incident and what changes needed to occur. It was decided that the locks on the building would be changed, that they would apply for a full time liquor license and that the alcohol policy and procedures would be strictly adhered to. Policies and procedures were to be in place for all aspects of any event. Rules and regulations were to be established that identified things such as security issues, food, transportation and indemnity.

Lessons Learned

All documentation needs to be in place when a person is renting from a municipality.

- The contract should be read and signed by both parties prior to the event.
- Proof of the renter's insurance should be provided it least 2 weeks prior to the date of the event.
- Ensure that proper security is on hand for the event.
- Ensure MAP rules are posted in the facility.
- Any person serving alcohol should be certified to do so.

See our Contract Matrix – Renting Out Your Facilities as well as our Template for Creating a Municipal Alcohol Policy.

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