

Town of Franklin Tourism Development Authority Meeting

**Special Called Meeting
July 24, 2012- Town Hall**

Present: Candy Presley, Karen Bacon, Mike Grubermann, Ellen Jenkins, Deb Heatherly, Beverly Mason, Vickie Springer and Summer Woodard (designated by Sam Greenwood.)

Absent: Matt Bateman

Guests: Town attorney John Henning Jr, Scott Cochran, Sylvia Cochran

Candy Presley called the meeting to order at 5:30 pm.

Discussion on Smoky Mountain Rumble Liability Insurance

Candy Presley stated she called this meeting because she had concerns about the certificate of liability insurance for the Smoky Mountain Rumble. Ms. Presley stated that she contacted the Town attorney John Henning Jr and expressed concerns, with the description of the liability insurance. The liability insurance states the policy covers setting up tent and giving away magazines August 15 to August 20, 2012 at 1504 Highlands Road, Franklin, NC 28734 for the Smoky Mountain Rumble (see attached.) Ms. Presley said that she contacted Sylvia Cochran and requested proper coverage for the event and Ms. Cochran failed to provide proper coverage. Ms. Presley ask Mr. Henning if he would brief the Tourism Development Authority board on what type of liability insurance is needed for the bike rally.

John Henning Jr- Informed the Tourism Development Authority Board that the insurance policy Sylvia Cochran has provided is not sufficient coverage for this type of event. Mr. Henning said that if any incident happened that did not relate to the setting up of a tent or giving away magazines, than it would not be covered under this policy. Mr. Henning stated that this type of liability insurance would not protect the Tourism Development Authority or the Town of Franklin from suite. Mr. Henning said that the liability insurance needed to have something written within the policy about the promotion of the Smoky Mountain Rumble.

Ellen Jenkins- If for instance a motorcycle turned over accidentally and someone gets hurt then this policy does not cover that? Also, if a motorcycle flipped over because of the gravel parking lot and was injured, this policy would not cover that?

John Henning Jr- No. This policy would not cover either of those incidents.

Ellen Jenkins- Without proper insurance this event cannot happen.

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John Henning Jr- I do not believe the Tourism Development Authority or the Town of Franklin has the legal authority to stop this event. If Ms. Cochran cannot get adequate coverage for this event the best thing the Tourism Development Authority Board can do at this point to shield its self from legal liability is to take formal action and withdraw support from this event and instruct event organizers not to use any logos associated with the Tourism Development Authority or the Town of Franklin in the promotion of this event.

Ellen Jenkins- Sylvia can you get proper coverage for this event?

Sylvia Cochran- As far as the wording the Town attorney is suggesting in regards to the promotion of the event, I can get that done. I have a second insurance company that can do the wording if CBS Financial Service cannot.

Scott Cochran- This coverage will not cover the scenarios you describe. Insurance companies will not insure government entities or spectators from a private individual stand point. An insurance policy does not stop any one from suing you.

John Henning Jr- Is this a logical reason for not getting the proper insurance coverage.

Scott Cochran- No. We can get the proper wording. The reason why we did not get this done earlier was because we were on vacation last week.

Sylvia Cochran- The first deadline I was given was July 17th. I did not make that deadline. The next deadline I was given was Friday July 20th by 9:00 a.m. I did not make that deadline.

Summer Woodard- The Tourism Development Authority Board requested a certificate of liability two months ago.

John Henning Jr- The May 23, 2012 minutes of the Tourism Development Authority Board says "The contract also states that the individual signing the contract is responsible for providing a binder or certificate of insurance for the event."

Scott Cochran- I disagree with this. We did not have a location at this time.

John Henning Jr- Is it possible for you to get proper coverage for this event?

Scott Cochran- The insurance company as already agreed to put the wording that Mr. Henning is requiring in the policy.

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Summer Woodard- Why does this board not have anything that states you can get proper coverage for this event? Have you been in contact with Candy Presley or the Town attorney stating you can indeed get coverage? The event is weeks away and we have nothing that proves we have proper insurance coverage.

Scott Cochran- This was not told to us in the start. We were not told that we had to have an insurance policy that used specific wording. We have used this insurance coverage for years.

Candy Presley- Do you do this same type of event in Helen Georgia?

Scott Cochran- Yes.

Candy Presley- Is the event held on city owned property?

Scott Cochran- Yes.

Candy Presley- The description listed in your policy is not what is happening. There is more going into this event than setting up a tent and distributing magazines.

Scott Cochran- The insurance policy you have in front of you is incorrect. The insurance company sent you the wrong policy.

Summer Woodard- The insurance company did not send this policy to the Tourism Development Authority Board. Sylvia sent this policy to the board.

Scott Cochran- This insurance policy came from CBS Financial Services. This is not our fax number.

Summer Woodard- Why did you not provide the Tourism Development Authority with this policy? Why is the insurance company sending it to the board? This board made a motion requiring Sylvia to provide proof of liability insurance.

Scott Cochran- Does it really matter who sends the policy to your board.

Candy Presley- This insurance policy was emailed to me from Sylvia.

Summer Woodard- Did you not review the policy before it was submitted to this board?

Scott Cochran- No. It is the same policy we have used before. This insurance policy is for a bike rally we did in Panama City Beach. The insurance company did not change the wording from the last rally we did.

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Candy Presley- The reason why I called this meeting is because I do not want the Tourism Development Authority to be held responsible if something happens. I had rather cancel this event. I do not want anyone to be sued, because the Tourism Development Authority assumed this event had proper insurance coverage, when in fact this event does not.

Scott Cochran- The Town attorney told someone at CBS insurance that we had to have coverage for spectators and participations.

John Henning Jr- Is it possible for you to get coverage for this event?

Scott Cochran- Yes.

John Henning Jr- Why do you not have it?

Scott Cochran- The policy you have in front of you is for a bike show we did in Panama City Beach.

Candy Presley- I emailed Sylvia and informed her that this was not proper coverage for the Smoky Mountain Rumble. Why have you not sent the correct policy?

Scott Cochran- We have been out of Town.

Beverly Mason- I think things are getting out of hand. I believe we need to let Mr. Henning advice the board on what to do. Also, it needs to be up to Mr. Henning on what proper wording needs to be used for this liability coverage. We are not making progress going back and forth like this.

Ellen Jenkins- Sylvia how long will it take you to get the proper wording for this insurance policy?

Sylvia Cochran- When I find out what the proper wording needs to be from the Town attorney. I will go back to my insurance agent and have them write the policy.

Beverly Mason- We need to put a deadline on this.

Candy Presley- I want this event to happen. I just want to make sure this event has proper coverage.

Scott Cochran- I believe Candy wants to pull the plug on this event. I am fine with this. I am already \$3,000.00 in the hole and the way this board has been picking my budget I am ready to pull the plug on it myself. Realistically we need insurance the day we open. Does every festival have to provide this type of insurance?

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John Henning Jr- No. However, I am going to recommend to the Tourism Development Authority Board for future events they sponsor they need to require this type of liability insurance coverage.

Summer Woodard- Mr. Henning what should the Tourism Development Authority Board do tonight?

John Henning Jr- The board has not been shown adequate coverage for the promotion of this event. I cannot recommend for this board to plunge ahead without having proper coverage for this event.

Vickie Springer- Ms. Cochran you said that you may have another company that will write the correct wording if CBS Financial Services will not?

Sylvia Cochran- Yes.

Beverly Mason- Is the insurance coverage different if the promoters are holding an event on government owned property?

John Henning Jr- I am sure it is much easier to get event coverage for an event that is held on a publicly owned venue.

Vickie Springer- This board really has two options at this point. Option (1) one is to pull support from this event. Option (2) two is to have a continuation meeting until next week and allow the promoters to obtain adequate coverage.

Chairman Candy Presley recessed the meeting for 15 minutes. Ms. Presley reconvened the meeting at 6:20 p.m.

John Henning Jr- Sylvia Cochran and I just spoke on the phone with another insurance company that is willing to write the proper wording for this event. I would recommend to the Tourism Development Authority Board to not adjourn this meeting, but to continue this meeting until Tuesday July 31, 2012. At this meeting it should be decided if the promoters of the Smoky Mountain Rumble can in fact provide proper liability insurance.

Ellen Jenkins made the motion to continue the Tourism Development Authority meeting until Tuesday July 31, 2012 at 5:30 p.m. at Town Hall. Beverly Mason seconded. The motion passed numinously.

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Candy Presley, Chair
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Summer Woodard
Summer Woodard, Town Staff