



## STAFF REPORT

**Meeting Date:** September 21, 2010

**Item Number:**

**To:** Honorable Mayor & City Council

**From:** Timothy Scranton, Fire Chief  
David Snowden, Police Chief  
Scott G. Miller, CFO  
Mark A. Brower, Senior Budget & Financial Analyst

**Subject:** ANNUAL REPORT ON THE CITY'S FALSE ALARM REDUCTION PROGRAM

**Attachments:** 1) None

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### INTRODUCTION

The City Council adopted a False Security Alarm Reduction program in April of 2009. The goal of this program was to modify security alarm user behavior and divert public safety resources to legitimate activities, which helps maintain our response times.

Since the program's inception, false security alarms have been reduced by nearly 15% and multiple false security alarm responses to a single address in a calendar year were reduced 37%. The false alarm fees collected help offset the costs associated with responding to false alarms. In 2009/10, over \$300,000 in false alarm fees have been paid.

While this program has accomplished the reduction of false alarms, staff identified modifications to the existing false security alarm reduction program which are intended to further reduce the number of false alarm responses, primarily through increased education efforts. Staff also proposes instituting a False Fire Alarm Reduction Program which is not currently covered with the existing false alarm program.

The proposed modifications address the following:

- Ordinance language related to false Fire alarms;
- Institute false fire alarm fees;
- Reduce the total number of false alarms;

- Current cost recovery level;
- Reduce accounts receivables; and
- Proactively address potential abuse of the appeal process.

**DISCUSSION**

**Security Alarms**

Increase our Education Efforts

The City continues to experience a high number of false alarms. It is projected there will be over 5,000 false security alarms in 2010/11, down from 5,750 in 2009/10. In order to further decrease the number of false alarms a greater emphasis on educating alarm users on the proper use of their systems is recommended.

To accomplish this it is proposed that charges be assessed with first security alarm offenses. This fee would be waived once the City’s free online security alarm school is completed. The free security alarm school and test take roughly ten minutes to complete. Printed versions of the school and test will also be available. The school is currently available to all alarm users within the City.

Improved Cost Recovery

Staff also proposes modifications to the false security alarm fee structure, which will bring the program closer to full cost recovery. The current and proposed false security alarm reduction program structure is below:

<u>Current Program</u>		<u>Proposed Program</u>	
<b>Offense Number</b>	<b>Fine Amount</b>	<b>Offense Number</b>	<b>Fine Amount</b>
1 <sup>st</sup> False Alarm	Free	1 <sup>st</sup> False Alarm	\$122.20 <u>or</u> waived if alarm school is completed
2 <sup>nd</sup> False Alarm	\$122.20	2 <sup>nd</sup> False Alarm	\$244.50
3 <sup>rd</sup> False Alarm	\$244.50	3+ False Alarms	\$366.80
4+ False Alarms	\$366.80		

**Fire Alarms**

Ordinance Language Related to False Fire Alarms

The current alarm reduction program can be expanded to address false fire alarms. To accomplish this, the false alarm ordinance language must be expanded to include false fire alarms. The proposed fees related to false fire alarm responses are:

*Proposed Fire False Alarm Charges*

1 <sup>st</sup> False Alarm	\$122.20 <u>or</u> waived if alarm school is completed
2 <sup>nd</sup> False Alarm	\$244.50
3+ False Alarms	\$366.80

**False Security and Fire Alarms**

Institute a Late Fee

Currently, nearly 70% of the false security alarm receivables are not paid on time. The proposed addition of a late fee is projected to have a significant positive impact on collection rates and decrease the average aging of receivable to less than 30 days. This late fee would be imposed on both false security and false fire alarms.

<b>Current False Security Alarm Receivables 1-30 days</b>	<b>Current False Security Alarm Receivables Aged 31+ days</b>
\$38,945	\$89,611 (68%)

Staff recommends the addition of a late fee in order to provide an incentive to pay invoices within the given payment terms. Accounts with late payments beyond the payment terms will be assessed a late fee. The late fee will be established by the City Council and will be added to the City’s Schedule of Fees and Charges.

Staff proposes that a late fee of \$25.00 be established, which is consistent with other municipalities with false alarm reduction programs.

Institute an Appeal Fee

Some false alarm reduction programs experience an abuse of the appeal process. Currently when a false alarm is appealed the fee associated with the false alarm is put on hold for up to fifteen days while the appeal process is completed. Alarm fees that are not waived are then payable within twenty days.

As a result, currently through the appeal process alarm users can delay the payment of false alarm fees for thirty five days by simply filing an appeal. While the appeal process hasn’t yet been abused, less than 20 alarms (0.4% of all alarms) were appealed in 2009/10, other agencies with similar programs have seen increasing instances of abuse.

As such, Staff proposes the addition of a fee to appeal false alarm fees, which will initially be set at \$0.00 and not raised unless the City experiences abuse of this administrative process. If instituted with City Council approval, the entire fee will be refunded if the appeal is validated. If the appeal isn’t approved, the appeal fee will be applied to the outstanding balance.

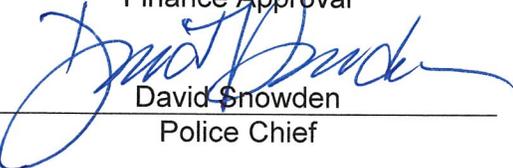
**FISCAL IMPACT**

There are no additional costs to implement the proposed modifications. As a result of the proposed changes, the City’s projected cost recovery rate for false security alarms will increase to 100% and will recover over \$500,000 in costs. The projected cost recovery rate for repeat fire alarm offenders is 100% and will recover over \$70,000 in costs. Cost recovery amounts are projected to diminish as alarm users become educated on the proper use of their systems and reduce the total number of false alarm responses.

**RECOMMENDATION**

It is recommended Council direct Staff to prepare an ordinance and resolution that includes the proposed modifications for consideration at the October 5, 2010 regular Council meeting for approval.

  
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Dr. Scott G. Miller / CFO  
Finance Approval

  
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David Snowden  
Police Chief

 FOR:  
\_\_\_\_\_  
Timothy Scanton  
Fire Chief