



**City
of**

Milwaukee

Private Alarm Systems Task Force

Final Report and Recommendations to the Common Council

July 12, 2010

Introduction

The Common Council of the City of Milwaukee established the Private Alarm Systems Task Force with the adoption of Resolution File # 091187 on January 5, 2010. The resolution provided in part that:

“...the task force is directed to review the regulation of the private alarm service business by the City including sales, installation, entry into servicing contracts, activities related to the servicing of alarm systems and related practices....”

The members appointed to the Private Alarm Systems Task Force (“PASTF” or “Task Force”) were: Ald. Robert Puente, Chair, Ald. Willie Hines, Jr., President of the Common Council, Richard Pfaff, Ann McCarthy, David Stanosz, Raymond Statis and Christopher Utter.

The resolution provided that the task force complete a report and recommendations to the Common Council within 5 months of its first meeting. Following submission of the report and recommendations, the resolution provides that the task force is dissolved.

Background

Section 105-75 of the Milwaukee Code of Ordinances, entitled, “Private Alarm Systems and Regulations,” provides for the licensing of alarm businesses. Alarm businesses - including sellers, installers and alarm monitors, but not private responders - are licensed for a 2-year period.

Section 105-75 also provides regulation of fire alarms in addition to burglar and robbery alarms. The primary focus of the task force was, however, on residential and business burglar alarms and the companies that contract for alarm installation and servicing.

Task Force Meetings and Discussions

The PASTF met 11 times in meetings open to members of the public, from February 17, 2010, to July 13, 2010. Minutes of these PASTF meetings are accessible on the City of Milwaukee’s website at <http://milwaukee.legistar.com/calendar.aspx>.

Task Force Recommendations

A. Sales of Alarm Systems

1. Require Separate License for Businesses to Conduct Sales.

Alarm system businesses shall obtain two licenses – one for operation of the business and one specific to sales. The City can then, if problems persist with a business, suspend the sales license, rather than the general license of the business. This will allow the City to suspend a company from selling services to new customers for a specified time without harming existing customers.

An important concern of the Common Council involved alarm system sales practices. Members of the task force also noted during the course of several meetings that complaints had been received relating to erroneous information provided at the time of alarm system sales about police response to alarms.

2. Require Businesses to Register Salespersons under Sales License.

Alarm businesses holding licenses permitting sales shall register sales personnel with the City Clerk, and shall provide a true and correct electronic copy of the ID badge issued to each employee.

3. Establish Minimum Training Requirements for Salespersons.

Businesses selling alarm systems should certify that a minimum of 14 hours of training has been provided to any sales personnel being registered under the sales license; sales personnel who have not received at least 14 hours of training may conduct sales activities but only accompanied by fully trained personnel.

It was observed that some alarm companies also use a summertime sales force that includes college students who may not be adequately trained. Customers complain that they do not understand that the Police Department will not respond to an alarm until the alarm has been verified by the alarm customer or a private first responder service.

4. Require Salespersons to Display Photo Identification.

When engaged in alarm sales activities, all sales personnel shall clearly display a badge with photograph and information including the name of the alarm business and contact information.

5. Require Certain Contract Provisions Made Clearer.

Key provisions of the contract should be printed either in bold or in 10-point font size. These key provisions include full disclosure of the costs of installation, the costs of alarm system monitoring when included in the terms of the contract, the period for which any servicing, monitoring or related activities will be effective, the rights of the alarm system purchaser, subscriber or user to rescind the contract, and contact information for the purchaser, subscriber or user to request correction of a problem from the contracting alarm business.

6. Require Creation and Distribution of Customer Rights' Brochure.

The contract provided to the customer shall also include a copy of a City-issued brochure. This brochure will be available online on the City Clerk's web site and shall be printed by the alarm company to provide to customers at the time of sale.

B. Alarm System Installations

1. Establish New Electrical License Type.

A new electrical license type should be created within s. 222-11-1 of the Code of Ordinances specifically for individuals engaged in the installation of private alarm systems identified as burglar or security alarms and not fire alarms or other low-voltage systems.

2. Consider New System Activation Waiting Periods.

The task force considered, but did not recommend, a waiting period for full activation of a new system. Task force members noted it is a common practice for established companies, except where system users expressly request immediate activation, that a testing period of 7 to 10 days be provided for newly installed systems prior to full activation of a system.

3. Require on Installation Permit Disclosure of Alarm Company.

Permits for installation through the Department of Neighborhood Services shall include information on the license number of the alarm company which is installing the alarm.

C. Monitoring Companies and First Responders.

1. Require City License for Private First Responder Businesses.

First responder companies should be licensed by the City if the primary responsibility of the company is to respond to alarms. Current ordinance language exempts private first responders and responder services from licensing.

2. Require Persons Responding to Hold State License.

A private first responder business shall be required to ensure that persons responding to alarms shall be licensed by the state as security guards. It was noted that the state requires "security persons" to obtain a permit. Security persons are subject to a criminal background check, but not to training requirements. City code provisions do not, however, provide any requirements for alarm responders.

3. Require Clear Disclosure of Subcontractors to Customers.

Additional information should be included in documents provided prospective alarm users and subscribers that identifies subcontracting agencies, if any.

4. Clarify 30-Minute Response Time Regulation.

The required response time of 30 minutes shall be a separate requirement in the Code, rather than merely contained in the definition of “prompt service.”

D. Verified Response and False Alarms (alarms which are incorrectly verified)

1. Amend Ordinance to Provide for Changes in Technology.

The ordinances should be amended to reflect advances in technology relating to video monitoring and other technological changes.

2. Urge Police Department to Allocate Resources for Service of Citations.

The police department shall include in its 2011 budget sufficient funds to service out-of-area companies.

3. Increase Frequency of Police Communication with Violators.

The Police Department shall maintain weekly contact with alarm companies as relates to problems with their operations.

4. Increase Penalties for Certain Regulation Violations.

Penalties for non-verified and false alarms should be increased, including graduated penalties for multiple violations within a certain period of time. Penalties for unverified alarm calls for service and for false alarms should be increased to more closely reflect the costs of police response.

5. Prohibit Use of Multiple Trip Alarms.

The ordinance should prohibit the use of automated calls or contacts in multiple trip situations. Some alarm companies have engaged an automated “Multiple Alarm Trip” call system to contact the Police Department. The Police Department has found that multiple trip incidents are often unverified and are false alarms. It was suggested that the ordinance be clarified to limit the use of automated calls or contacts in multiple trip situations. It was further recommended that the ordinance address those situations in which video verification may be permitted.

6. Clarify Certain Regulations and Definition of Terms.

The ordinance should be amended to state that “automatic means” includes “telephone voice contact” when an alarm is unverified. The ordinance should clarify whether alarm customers are permitted to engage their own separate security services for verified response to an alarm. The ordinance is not clear on this point even for institutions such as banks that routinely hire their own security services.

E. General Licensing Provisions.

1. Require Disclosure of Multiple Business Contact Persons.

Applications for alarm business licenses should require the disclosure of contact information related to multiple individuals of the alarm businesses. Applications for alarm business licenses should include more detailed contact information identifying persons---in addition to the agents---who may be available for immediate contact by City officials and who are in a position to resolve any problems that may arise in the operation of private alarm systems.

2. Require More Detailed Disclosure of Subcontractors.

Applications for alarm business licenses should require the disclosure of additional contact information related to any subcontractors, including companies providing monitoring and private first responder services.

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