



# City of Milwaukee

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

## Meeting Minutes PRIVATE ALARM SYSTEMS TASK FORCE

**ALD. ROBERT PUENTE, CHAIR**

**Ald. Willie Hines, Jr., Richard Pfaff, Ann McCarthy, David Stanosz, Raymond Statis and Christopher Utter**

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Monday, April 26, 2010

10:00 AM

Room 301-A, City Hall

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*Meeting convened: 10:03 A.M.*

*Ed Ehrlich present for the City Attorney's Office.*

*Alex Runner present for Pres. Hines*

### 1. Review and approval of the minutes of the April 15th meeting.

*Ms. McCarthy moved, seconded by Mr. Statis, for approval of the minutes. There were no objections.*

*Roll call taken at 10:07 A.M.*

**Present** 5 - Puente, Pfaff, Statis, Utter and McCarthy

**Excused** 2 - Hines Jr. and Stanosz

*Roll call taken at 10:15 A.M.*

**Present** 6 - Puente, Hines Jr., Pfaff, Statis, Utter and McCarthy

**Excused** 1 - Stanosz

### 2. Discussion relating to the draft report.

*Mr. Richard Withers, Legislative Reference Bureau, distributed the draft report to members (attached to the file). Mr. Withers outlined the suggestions that have been discussed by the Task Force. Ald. Puente provided members with a copy of an article noting that Pinnacle Security reached a settlement with Illinois (attached to the file) and that one of the agreements reached was the fraudulent salespeople weren't paid commissions (highlighted on page 2).*

*Mr. Utter spoke with the national alarm organization and he said that there is a class*

*entitled, "Essential sales training" and a trainer could be obtained from Illinois or Indiana until someone is certified in Wisconsin. The course is a 14-hour course with a test at the end and the catalog provides a summary of what is taught (attached to the file). Mr. Statis would object as his company offers in-house training and to require national training would add an additional burden. A compromise might be to require a minimum number of hours of training.*

*The draft report relating to the alarm company brochure will note that the brochure will be created by the alarm companies. The brochure will note that a private alarm company will be responding (and which one) and notes that the police will not be responding directly; that a monitoring company will be involved rather than the alarm company itself. Mr. Runner noted that if a third party is involved, the brochure must note that. Mr. Utter was concerned that Milwaukee-specific information be included as part of a brochure rather than as part of a contract. The Task Force agreed with no objections. Mr. Pfaff noted that if the information is standard, then the License Division could provide the brochure on the city web site which would be printed at the companies' expense.*

*The License Division will just receive the salesperson information from the company and will post it online; it will not verify any of the information provided. The company can choose how its identification badges look as long as they meet the city's standards (photo, salesperson name, company name, contact information). The information provided by the company also must note that the salesperson has met the city's sales training requirements. Mr. Withers noted that the ordinance could read that submission of the photo is an admission that training requirements were met for the individual. Mr. Statis suggested that companies submit at least quarterly a list of employees who have been terminated from the company. Photo IDs will be accepted solely from the alarm companies, not directly from individuals. Mr. Pfaff would like to have the companies attest to something relating to the training if the company is going to be held responsible for the actions of the salesperson. The City Attorney's Office saw no issue if the company does not provide a statement along with the photo ID. An exception can also be made in the ordinances if a salesperson is working under the direct supervision of a registered salesperson. Submittal of a picture ID means that the person is trained in sales and is selling without supervision. The term "direct supervision" will need to be defined, such as normal voice level with unimpaired vision or within touching distance so different companies are not applying this inconsistently. Discussion ensued about when alarm companies issue IDs to their employees - whether it's on day one or once the employee is off probation. Mr. Utter is concerned about what employees can do until the training has been completed.*

*The alarm companies' issue is that new employees knock on doors and make phone calls trying to solicit sales and these individuals are not registered salespersons. The companies want to ensure that new salespersons can generate sales as well as close sales. Mr. Withers will research testing of salespersons to see if that could be reached as a compromise rather than having the individual attend quarterly training. Mr. Runner suggested having information provided with the submitted photo also note when the individual will receive training (within one week, two weeks, 30 days from hire). The Task Force agreed that all individuals working as trainees or salespersons with a company have picture IDs worn while interacting with customers. The Task Force, at its next meeting, will debate on what training is required, and, if 14 hours in duration, the training must be completed within two weeks of hiring.*

*The Task Force supports the city being able to revoke or suspend the selling permit of the company, rather than the entire license of the company, with a recommendation as to whether the permit is revoked or suspended and, if suspended, for what*

*duration to be set by the Public Safety Committee.*

*Mr. Utter noted that it's standard practice not to call the police department within seven days of installation as customers are learning the system. The customer who wants service within those seven days can also sign a waiver to get service. Both alarm companies saw no reason to support a testing period under the alarm system installations. Ms. McCarthy will provide the Task Force with how many people request information relating to individuals' homes which have been burglarized.*

*Ms. McCarthy noted that if companies don't have a local agent then contact information of a supervisor in the dispatch center of the monitoring company must be provided. E-mail addresses can also be added to the forms so contact can be made through e-mail rather than through phone calls as e-mails provide more proof of contact. Mr. Utter thought that there is confusion as to who a "registered agent" is and information could be provided on an "operations contact" so the "operations contact" is the person whom Ms. McCarthy can contact to handle problems, rather than her having to work her way through the company bureaucracy to reach the correct individual.*

*Mr. Utter said that monitoring companies, which contract with alarm companies, are currently not licensed by the city, even though they should be under the current ordinances per Mr. Pfaff and Atty. Ehrlich. Mr. Pfaff said that if monitoring companies are not licensed, then the alarm company can point to the monitoring company as being the issue, not itself. Mr. Utter noted that the alarm company is responsible for the monitoring company's action as it subcontracts with it. Ald. Puente would like to get information from the alarm company relating to the name of its monitoring company. Mr. Utter pointed out that the same alarm company may use multiple monitoring companies for its accounts. Ald. Puente said that the city will request information on the monitoring company which the alarm company primarily uses. Mr. Utter noted that some companies have customers sign contracts both with the alarm company and the monitoring company. Mr. Pfaff said that there do exist monitoring companies that are getting licenses. The Task Force supported having the city license any company the end user has a direct contract with. If the consumer signs just one contract with the alarm company, which subcontracts out monitoring services, then that monitoring company does not need to be licensed. Those companies, however, must provide the city with information on who its monitoring company, is. If the customer signs separate contracts with the alarm company and with the monitoring company, then they each must be licensed.*

*The Committee will discuss the licensing and enforcement of monitoring companies at its next meeting.*

*The Task Force did not support permitting of homeowners or the alarm system as the data the city would like to obtain (number of systems, alarm company, monitoring company) can be obtained in a different fashion. Mr. Withers spoke briefly on how other cities handle permitting of homeowners and systems.*

*Unless noted, the Task Force supported the other suggestions in the draft annual report.*

**3. Proposed recommendations relating to contracts and installation regulations.**

*This was discussed under item #2 as part of the draft annual report.*

**4. Proposed recommendations relating to permitting of alarm systems and/or homeowners.**

*This was discussed under item #2 as part of the draft annual report.*

**5. Set next meeting date and agenda**

*Monitoring companies will be on the next agenda as well as citing of out-of-state companies, permitting of alarm systems and suggested changes to city ordinances.*

*May 3rd at 10 a.m.*

*Meeting adjourned: 12:22 P.M.*

*Linda M. Elmer*

*Staff Assistant*