



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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Thursday, March 11, 2010

10:00 AM

Room 102, Zeidler Municipal Building
841 N. Broadway

Meeting convened: 10:07 A.M.

This meeting was moved to Room 301-A, City Hall at 9:45 A.M.

Present 6 - Puente, Stanosz, Pfaff, Statis, Utter and McCarthy

Excused 1 - Hines Jr.

1. Review and approval of the minutes of the February 17 meeting.

The minutes will be amended to use the term "non-verified alarm" instead of false alarm.

Ms. McCarthy moved, seconded by Mr. Pfaff, for approval of the minutes as amended. There were no objections.

2. The 2007 administrative task force and its recommendations/issues.

Mr. Pfaff noted that this body only met once in 2007 and there were no real changes created as a result of that meeting.

3. Sales techniques/contracts used by private alarm companies.

Ms. McCarthy said that her office receives complaints that customers feel pressured and are confused by the contract language. Ms. McCarthy also noted that accounts are sold to other companies, which results in customer confusion, as well as the fact that there is a difference between the alarm company and the monitoring company. Mr. Utter feels that the main problem is "accountability" and the fact that companies do things administratively very differently.

Mr. Utter supported having customers pull permits to install the security systems and having the city still issue a two-year license and have the contact person physically come to City Hall every two years before a body that would coordinate the city's departments for problems related to this license. Mr. Pfaff noted that this does occur at present with the license application, except the person doesn't have to be present as long as there are no issues related to the license. Mr. Utter would like to tweak the current process to make it less of a rubber-stamp process for the companies. The

contracts should require that the company's license number be on it, as well as the license for the installer/sales person.

Ald. Puente encouraged the use of safeguards to allow people to cancel contracts within a certain period of time, particularly for the elderly. Mr. Utter will see if he can get a preview of the best practices related to sales techniques and get it to all members. Mr. Stasis will see if he can get a copy of the ethics statement that his employees sign related to sales techniques.

Atty. Stanosz noted that the Council does have the authority to license and regulate the conduct of companies, installers and first responders. The problem, however, becomes in the enforcement, which is through Municipal Court. This requires that the actual individual, rather than the company, be cited and that the testimony of the victim also be taken into the record. The evidence provided by the victim must also be clear and convincing and the judgement, if any, issued by the court. Mr. Stanosz would not support having any administrative body applying penalties in this area, where decisions are subject to review by the Circuit Court.

Michael D'Amato, Pinnacle Security, thought that the Police Dept. could provide a more timely response to company problems, rather than just bringing the problems to the company's attention at its renewal hearing, every two years. He feels that this will result in decreased complaints by the city as the company will respond to problems it is aware of. He also supported changing state law so that it isn't as costly for the city for out-of-state service. Bruce Schrimpf, City Attorney's Office, said that he thinks the main concern of the Public Safety Committee was related to the installment/sales contracts used by the companies, which might be under control of the state rather than of the city. He also feels that the Council is reluctant to suspend/revoke a license as it results in numerous households having no security coverage. Mr. Schrimpf said that the city does have the authority to license individual salespersons, which it currently does not do.

Mr. Utter said there are no national sales standards in the industry and he has been speaking with the Dept. of Neighborhood Services over the past year. There needs to be an acceptable standard for sales persons similar to the one that currently exists for installers.

Atty. Stanosz said that individual sales people could be licensed, so it's not just college kids coming in with minimal training and leaving for college in three months. Mr. Utter said that the industry would not support licensing of individuals selling alarm systems.

4. Legal service on companies.

Ald. Puente said that perhaps service could be done through e-mail or through certified mail.

Atty. Stanosz said that a change in state law must take place in order to change legal service. No other means of service or additional jurisdictional requirements can be changed unless the state law is changed. The city can require a local agent, but not a local registered agent for service of papers (the registered agent, per state law, needs only be within the state).

Atty. Schrimpt noted that a number of companies had registered agents in Madison, but the police chose not to service these companies due to cost.

At the present time, Ms. McCarthy does call and e-mail alarm companies to let them know of issues relating to that company, which are typically non-verified alarms.

Atty. Randall recommended having Ms. McCarthy e-mail out an "acceptance of service letter" template and, although not true service, does allow the company a chance to

be aware of the issue and also to appear in court to fight any issues.

5. First responders - regulation, licensing and oversight.

Mr. Utter would make this topic the last priority of this task force as he views first responders as a separate industry, which is subcontracted by the alarm companies. With changes in technology, the code does need to be amended and can probably be ironed out between Mr. Utter and Ms. McCarthy. Ms. McCarthy sees a number of citizens responding to their own alarms because the first responders are not responding in a timely manner. Ms. McCarthy is aware of 3 first responder companies in the city, although there are many more.

Atty. Schrimpf also said that the city would have a public safety interest in doing background checks on individuals who are first responders. First responders, by ordinance, are required to respond within 30 minutes of the alarm being received by the company.

6. Installers - regulation, licensing and oversight.

Mr. Utter supports national certification and training of installers. Ald. Puente thought the same goal might be met if the installers were licensed as contractors. Atty. Stanosz thinks that the more regulations there are imposed on good companies, the more expensive it will be for them, and the more likely irresponsible companies are to not comply with the additional regulations.

Richard Withers, Legislative Reference Bureau, noted that he has reviewed about 35 municipal ordinances regulating alarms. The majority of other municipalities require periodic renewal of permits to have systems in place, which generates some revenue for the municipality. Many municipalities require both a permit to install and a permit to operate the system. Both of these permits allow the city to know which systems are operating within the city. Mr. Withers can review select state legislation relating to licensing of the alarm business while local municipalities issue the permits for operation of specific systems. Most municipalities do have standards for training of installers. There can also be a requirement that the certificate of the installer also be provided to the city. Mr. Utter said that Wisconsin is one of only eight states which does not regulate alarm companies. Mr. Utter also said that the city requires that an alarm be installed solely by a Type C electrician, not merely an alarm company employee.

Atty. Brian Randall noted that if the city wants to punish alarm companies by requiring that they abstain from any new sales for a specific period, then the permit system could be used to ensure compliance. Atty. Schrimpf noted that there must be a way to track subcontractors and who they install for, which could be regulated by licensing installers. Mr. Utter said that the ultimate responsibility must come back to the company itself. Mr. Pfaff said that the city may need to license sales individuals, installers and monitoring individuals, all under the umbrella of the company itself. This would allow the city to target specific problem individuals as well as the parent company.

Mr. Statis noted that often consumers buy an alarm system because of violence that they have already suffered and they want the alarms installed as quickly as possible, so the permitting requirements should not slow down the installation too much.

7. False Alarms - Fees, Penalties and Reducing.

Ms. McCarthy said that the forfeitures for false alarms (false hold-up alarms or burglar) alarms should be increased to reflect the true cost to the city. Atty. Schrimpf noted that if the citation is actually issued, the forfeiture will then be more than \$50.

8. Concerns of the public and members relating to private alarm systems, sales and services.

Mr. Stanosz was excused from the rest of the meeting at 12:05 P.M.

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

Excused 2 - Hines Jr. and Stanosz

9. Set next meeting date and agenda.

The agenda will focus on one or two items which will be public service and installation issues, as well as education and training/certification of employees. A representative from the Dept. of Neighborhood Services will also be present, as well as adding permits to the agenda.

March 25th at 10 a.m.

Meeting adjourned: 12:12 P.M.