



**City
of**

Milwaukee

Private Alarm Systems Task Force

Final Report and Recommendations to the Common Council

July 15, 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 7 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, Assistant Manager of the License Division

Ann McCarthy, Police Alarm Operator

David Stanosz, Assistant City Attorney

Raymond Statis, Local Agent for ADT Security Services, Inc.

Christopher Utter, President of the Wisconsin Electronic Security Association

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> and all documents relating to this body are available at this web site under Common Council File Number 091420.

Task Force Recommendations

A. Sales of Alarm Systems

1. Require Separate License for Businesses to Conduct Sales.

Alarm system businesses should be required to obtain licenses specific to sales and separate from licenses required for operation of the business. 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 interrupting monitoring services for existing customers.

An important concern of the Common Council involves 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 should register sales personnel with the City Clerk, and should 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 and registered 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 should 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 and the costs of monitoring, 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 should also include a copy of a brochure created by the City Clerk's Office. This brochure will be available online on the City Clerk's web site and should be printed by the alarm company to provide to customers at the time of sale. The brochure should clearly note that the Police Department does not respond to non-verified alarms.

7. Require Clear Disclosure of Certain Subcontractors to Customers.

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

B. Alarm System Installations

1. Establish New Electrical License Type.

A new electrical license type should be created within s. 222-11-1, MCO, specifically for individuals engaged in the installation of private alarm systems identified as burglar or security alarms separate from 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 Disclosure of Alarm Company on Installation Permits.

Permits for installation through the Department of Neighborhood Services should include information on the license number of the alarm company which is installing the alarm and the alarm company which will monitor the alarm, if different.

4. Create Cross Reference in the Milwaukee Code of Ordinances.

A cross reference should be established in ch. 105, MCO, to the electrical code provisions contained in ch. 222 in order to highlight installation requirements.

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 should be required to ensure that persons responding to alarms should 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. Clarify 30-Minute Response Time Regulation.

The required response time of 30 minutes should 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. It is further recommended that the ordinance address those situations in which video monitoring may be permitted.

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

The Police Department should dedicate sufficient funds for service of process of out-of-area companies.

3. Increase Frequency of Police Communication with Violators.

The Police Department should maintain contact with alarm companies, as problems occur with their operations. Contact with companies should be documented by the Police Department.

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. Establish New Code Provisions Relating to Prohibited Systems.

The ordinance should prohibit various systems, which are delineated in the attached Appendix A.

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. Contact information should be in the form of e-mail addresses as well as any other form requested by the City.

2. Require More Detailed Disclosure of Certain Subcontractors.

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

3. Allow Businesses to Voluntarily Accept Service of Process.

New and renewal applicants should at the time of application have the ability to voluntarily indicate that the alarm company is willing to accept service of process for the purposes of establishing the ability to issue citations via mail.

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APPENDIX A

105-75-11 PROHIBITED SYSTEMS

a. No person, system, or entity, with the exception of government, may use or operate, attempt to use or operate, or cause to be used or operated, or arrange, adjust, program or otherwise provide or install any alarm system that will upon activation ~~either mechanically, electronically or by any other automatic means initiate a call and deliver a recorded message to any telephone number of any~~ initiate, transmit, or deliver by automatic means an alarm notification to any City ~~city~~ of Milwaukee agency.

b. No alarm system, central station, alarm service provider, or agent thereof, with the exception of government, may ~~be operated or programmed to~~ initiate, transmit, or deliver by automatic means, electronic means, or telephonic means, to any ~~city~~ City of Milwaukee agency, an alarm notification described as "panic", "disturbance", "police alert", medical emergency, or other miscellaneous ~~incidents~~ signal distinguished from the specific burglary, robbery (hold-up) or fire alarms.

c. No alarm system, central station, alarm service provider, or agent thereof, with the exception of government, may initiate, transmit, or deliver by automatic means, electronic means or telephonic means, to any City of Milwaukee agency any request for service based upon multiple trip sensors or audio sensors.

d. If able to articulate specific information based upon direct visual observations or voice requests made through the respective system that a crime is in progress or medical/fire attention is required, an alarm system, central station, alarm service provider, or agent thereof, may initiate, transmit, or deliver by telephone voice conversation with an operator, to any City of Milwaukee agency, any request for service based upon a reproducible video or a 2-way voice intercom type of system.

Requests for service based upon reproducible video or a 2-way voice intercom type of system, will be considered the reporting of an incident, not an alarm. Therefore, the specific information articulated by the alarm system, central station, alarm service provider, or agent thereof, shall provide the basis for evaluation, service, and/or classification of the reported incident and no private first responder will be required.

- Any recordings relating to reproducible video or 2-way voice intercom must be turned over to the Milwaukee Police Department within 24 hours and submitted as an e-mail attachment to Incidents@milwaukee.gov. Such files must be in a standard format that can be viewed using "Windows Media Player". Proprietary file formats and/or CODECs will not be acceptable.