

ROUGH DRAFT FOR DISCUSSION

City of Milwaukee

Private Alarm Systems Task Force

Final Report and Recommendations to the

Common Council

July 12, 2010

File # 091421



**City
of
Milwaukee**

[transmittal letter by Alderman Robert Puente, Chair]

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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. A copy of the resolution is attached as appendix A. 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 Puentes, Chair, Ald. Willie Hines, Jr., President of the Common Council, Richard Pfaff, Ann McCarthy, David Stanosz, Raymond Statis and Christopher Utter. Linda Elmer served as staff assistant.

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.

Proposed language for ordinance revisions has been attached as Appendix B to this report.

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 10 times in meetings open to members of the public, from February 17, 2010, to July 8, 2010. Minutes of these PASTF meetings are accessible on the City of Milwaukee's website at <http://milwaukee.legistar.com/calendar.aspx>.

The Task Force gathered information from a number of sources including a review of private alarm system licensing and regulation programs in municipalities comparable to the City of Milwaukee. Discussion over the 5-month authorization for the Task Force primarily focused upon the following issues and activities:

- Sales of Alarm Systems
- Alarm Systems Installation
- Alarm Systems servicing and Monitoring
- Verified Alarm Response, Unverified Response, and False Alarms

1. Sales of Alarm Systems

Common Council President Willie Hines, Jr., noted at the first meeting of the task force on February 17, 2010, that 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.

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.

Suggestions made over the course of several meetings for improving current sales regulation included:

- Requiring visible picture identification badges for all sales personnel, including company name and contact information.

- Requiring companies selling systems to provide a list of all sales personnel to the License Division of the Office of the City Clerk.
- Requiring licensed alarm companies to submit a detailed plan of operation that includes a certification that sales personnel will receive training and that untrained sales personnel will be accompanied by experience sales personnel whenever engaged in sales activities.
- Providing a brochure for alarm customers and subscribers, prescribed by the City Clerk, that includes information about system user rights and responsibilities.
- Revising the ordinances to provide that suspension of future sales may be an option for sanction other than revocation, suspension or non-renewal, of all licensed activities to permit sanctioned licensees to provide continued service to systems that have been previously installed and are under contract for future services.

2. Alarm Systems Installation

A small portion of unverified or false alarms appear to be the result of faulty installation. Faulty installation of an alarm system may also result in failure to provide an effective warning when an unauthorized entry to a residence or business is in progress. Currently, the installation of an electrical alarm system requires a City permit. The installer must have Type C electrician certification. Homeowners who install their own systems may not be aware of permit requirements. It was suggested by task force members and others that, for routine installation of electric alarm systems, the installer could be certified in what is referred to as an NTS-Level 1 certification or its equivalent.

It was suggested that a testing period of 7 to 10 days be established for newly installed systems prior to full activation of a system. Task force members noted that this was a common practice for established companies except where system users expressly request immediate activation. The Task Force made no recommendation relating to establishing a waiting period.

The Department of Neighborhood Services developed some suggested language creating 3 new types of electrical licenses, including licenses for installing burglar and security alarms. The other 2 new licenses are for installation of fire alarms and installation of low voltage systems other than fire alarms and burglar alarms.

3. Alarm Systems Servicing and Monitoring

The definition of alarm business in s. 105-75-2-b of the Code of Ordinances broadly includes any person engaging in “selling, leasing, renting, installing monitoring, servicing, altering, moving or causing any alarm system to be sold, leased, rented, installed, monitored, serviced or altered...” New regulation of alarm servicing and monitoring activities was not as high a priority for the task force as was the concern about initial sales and installation of systems.

Assuring that any person engaged in one or more of the activities identified in the ordinance is appropriately licensed is likely to provide more opportunities to

communicate with a local contact especially in those situations where the initial contract for sale and servicing involves an out-of-state company.

Current ordinance language exempts private first responders and responder services from licensing. 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. Members of the task force noted that, because alarm responders were generally under contract with licensed alarm businesses, it was not necessary to further regulate alarm responders as alarm businesses could be held responsible for alarm responders’ activities.

4. Verified Alarm Response, Unverified Response and False Alarms

The Milwaukee Police Department (MPD) requested that s. 105-75 be amended to clarify that the prohibition on alarm systems contacting the department by “automatic means” includes “telephone voice contact” when an alarm is unverified.

MPD also suggested that the ordinance should clarify that alarm customers are permitted to engage their own separate security services for the purpose of 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.

Some alarm companies have engaged an automated “Multiple Alarm Trip” call system to contact MPD. MPD 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 suggested that the ordinance address those situations in which video verification may be permitted.

It was also suggested that penalties for unverified alarm calls for service and for false alarms be increased to more closely reflect the costs of police response.

Task Force Recommendations

1. Sales of Alarm Systems

Recommendations:

- Businesses selling alarm systems should provide a minimum of 14 hours of training to all sales personnel; sales personnel who have not received at least 14 hours of training may conduct sales activities but only accompanied by fully trained personnel.

- Alarm businesses should provide the City Clerk with a list of sales personnel together with photographs.
- 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.
- Contracts for installation of private security or burglary alarm systems should be written with a font size not less than 10-point and should be accompanied by a brochure specific to Milwaukee prescribed by the City Clerk that describes alarm users' and subscribers' rights and responsibilities. Key provisions of the contract should be printed either in bold or larger 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.
- Applications for alarm business licenses should include a plan of operation of the alarm business including detailed information identifying subcontractors, if any.
- Applications for alarm business licenses should include more detailed local contact information identifying persons in addition to the agent for the applicant 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.
- In addition to the sanctions of non-renewal, suspension or revocation of a license, the licensing committee may recommend and the Common Council should have the option to approve a sanction of suspension of future sales for any period of time, subject to review at the time application is made for renewal of the primary license.

2. Alarm System Installations

Recommendation:

- A new electrical license type should be created within s. 222-11-1 of the code 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.

3. Alarm Servicing and Monitoring Contracts

Recommendation:

- Additional information should be included in documents provided prospective alarm users and subscribers, in addition to the brochure identifying the rights and responsibilities of the alarm user or subscriber, that identifies subcontracting agencies, if any.

4. Verified Response and False Alarms

Recommendations:

- Applications for alarm business licenses should include more detailed local contact information identifying persons in addition to the agent for the applicant 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.
- Ordinances should be clarified with regard to private first responders contracted directly by the alarm users (such as banks or stores).
- Penalties for non-verified and false alarms be increased, including enhanced penalties for multiple violations.

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