



## **Audit, Finance & Enterprise Committee Report**

**Date:** March 5, 2020  
**To:** Audit, Finance & Enterprise Committee  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Tom LaVell, Management Assistant II  
**Subject:** Changes to Alarm Ordinance and Associated Fees and Charges  
(Citywide)

### **Purpose**

The purpose of this report is to recommend modifications to the City's Alarm Ordinance and the associated fees and charges.

### **Background & Discussion**

The City's Alarm Ordinance (Title 6 Chapter 15) regulates the installation and operation of burglary, holdup, and panic alarm systems for business and residential use. The intent of the Ordinance is to encourage reliability in alarm systems and devices and to reduce the likelihood that police will have to respond to false alarms versus actual criminal activity. This is achieved through the issuance of mandatory permits for alarm systems and associated fees for non-compliance and false alarms.

The Business Services Department works with the Police Department to administer the ordinance and assess fees and penalties under the ordinance.

### **PROPOSED CHANGES TO ALARM ORDINANCE**

In 2012 the State of Arizona assumed responsibility for licensing and permitting companies that sell and monitor alarm systems in the state. Prior to that, each jurisdiction issued individual permits to alarm companies to operate in their areas.

In addition, the schedule of allowable fees and charges are defined within the Ordinance itself. The City's practice is to maintain appropriate fees and charges in the City's Schedule of Fees and Charges. This greatly improves the City's ability to administer the fees and charges and update them as necessary.

The Department recommends eliminating all references to permitting of alarm companies in the Ordinance and moving the fees and charges from the Ordinance to the City's Schedule of Fees and Charges.

## PROPOSED CHANGES TO SCHEDULE OF FEES AND CHARGES

In addition to moving the fees and charges from the Ordinance to the City of Mesa Schedule of Fees and Charges, the Business Services Department is recommending updates to certain fees and charges as detailed below.

Removal of all fees associated with alarm businesses.

Consolidate two separate permits (Burglary permit and Panic/Holdup permit) onto a single alarm permit.

Eliminate the fee for the first instance of a false alarm (currently \$50.00). This would make the City of Mesa fee schedule more consistent with surrounding jurisdictions. Additionally, the City currently waives this fee if violators attend the City's Alarm Awareness class.

Add a Permit Renewal Late Fee to encourage users to maintain their permit status.

Increase the Revoked Permit Reinstatement Fee from \$25.00 to \$50.00.

### **Alternatives**

The alternative is to leave the text of the Alarm Ordinance as is and not remove references to alarm business and to maintain the Alarm Ordinance schedule of fees and charges within the ordinance itself rather than moving it the City of Mesa Schedule of Fees and Charges.

### **Fiscal Impact**

#### ALARM BUSINESS FEES

There will be no fiscal impact to the City by removing fees associated with Alarm Businesses, these fees are no longer collected by the City.

#### PERMIT CONSOLIDATION

Consolidating the current two permits into a single permit would slightly increase revenue, approximately \$5,000. Currently approximately 27% of permittees hold single permits while the remainder hold dual permits (both the Burglary and the Panic/Holdup permit). Permittees that currently hold single permits would be allowed to maintain and renew the single permit rather than purchase the combined permit, however all new permit applicants would be issued the combined permit.

#### FALSE ALARM FEES

Eliminating the fee for the first instance of a false alarm would reduce revenue by approximately \$39,000. However, it is anticipated that this reduction would be compensated by increased revenue from issuing combined permits.

**Coordinated With**

The Business Services Department has coordinated with the Police Department and the Office of Management and Budget on the recommendation to make changes to the City's Alarm Ordinance.

## Fees & Charges Schedule - Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
<b>Department</b>
Contact Information
<b>HEADING 1</b>
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

### Font Indications

Font	Font Indications
Regular Font	Existing fee or language
<del>Strikethrough</del>	Fee or language will be deleted from the Fee Schedule
<b>BOLD CAPS</b>	Language is being added to Fee Schedule
<b>Bold</b>	New or increased Fee Amount

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

Description of Fee	Current Fee	Proposed Fee	Unit	Revenue Code	Fiscal Impact	Notes
<i>ALARM FINES, FEES AND ASSESSMENTS:</i>				4206		
Alarm Permit:						
—Burglary Function +	\$10.00				\$(5,000)	<b>Burglary and Panic/Holdup permits combined into a single, new PD Alarm permit</b>
—Panic/Holdup function +	\$10.00				\$(5,000)	<b>Burglary and Panic/Holdup permits combined into a single, new PD Alarm permit</b>
—Burglary Function and Panic/Holdup Function +	\$20.00				\$(40,000)	<b>Burglary and Panic/Holdup permits combined into a single, new PD Alarm permit</b>
<b>POLICE DEPARTMENT ALARM PERMIT FEE</b>		<b>\$20.00</b>			<b>\$55,000</b>	<b>Combining three fees above into one fee. Total net increase from the fee combination</b>
Revoked Permit Reinstatement Fee +	\$25.00	\$25.00			\$0.00	<b>Increasing fee to recuperate administrative costs associated with permit reinstatement processing. Removing Technology fee indicated by “+”.</b>
<b>PERMIT RENEWAL LATE FEE</b>		<b>\$10.00</b>			<b>\$50.00</b>	<b>Establishing fee for lapses in payments for permits to recuperate administrative costs for time associated with permit processing</b>

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

False Alarm Assessments – Burglary:						
<del>—1st False Burglary Alarm</del>	<del>\$50.00</del>	\$0.00			<b>\$(39,000)</b>	<b>First alarm fee waived to be consistent with other jurisdictions.</b>
2nd False Burglary Alarm	\$100.00	\$100.00				
3rd False Burglary Alarm	\$150.00	\$150.00				
4th False Burglary Alarm	\$200.00	\$200.00				
5th False Burglary Alarm	\$250.00	\$250.00				
6th False Burglary Alarm	\$300.00	\$300.00				
7th False Burglary Alarm and each subsequent False Alarm	\$400.00	\$400.00				
						<b>All fees regarding Alarm companies will be removed. Alarm companies are now regulated through the State of Arizona.</b>
<del>—Alarm Company Licensing – Initial License Fees:</del>	<del>-</del>	<del>-</del>	<del>-</del>	<del>-</del>	\$0.00	

**Fee Recommendation Schedule**  
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— Primary Alarm Business	\$200.00	-	-	-	\$0.00	-
— Reciprocal Alarm Business	\$75.00	-	-	-	\$0.00	-
— Alarm Agent	\$70.00	-	-	-	\$0.00	-
— Criminal History Investigation— Cost determined by DPS	Current cost	-	-	-	\$0.00	-
— Alarm Company Licensing— Renewal License Fees:	-	-	-	-	\$0.00	-
— Primary Alarm Business	\$20.00	-	-	-	\$0.00	-
— Reciprocal Alarm Business	\$10.00	-	-	-	\$0.00	-
— Alarm Agent	\$20.00	-	-	-	\$0.00	-
— Criminal History Investigation— Cost determined by DPS	Current Cost	-	-	-	\$0.00	-
— Duplicate License Fee	\$10.00	-	-	-	\$0.00	-
— Alarm Company Assessments:	-	-	-	-	\$0.00	-
— Failure to ECV (civil citation)	\$50.00	-	-	-	\$0.00	-

**Fee Recommendation Schedule**  
**Exhibit A**  
**Department: Business Services**

— Failure to provide permit number when asking for police response	\$15.00	-	-	-	\$0.00	-
— Request Dispatch to a location in error	\$75.00	-	-	-	\$0.00	-
— Failure to Provide Cancel/New Subscriber Lists as required	\$50.00	-	-	-	-	-
+ Technology Enhancement Fee of \$2 per permit and renewal.	-	-	-	-	\$0.00	<b>Removing Technology Fee language that is being removed by Business Services' FY 20/21 fee amendment.</b>
(See Business Services Fee Schedule)	-	-	-	-	\$0.00	-

**Total Fiscal Impact: \$(33,950)**