



PARADISE VALLEY POLICE DEPARTMENT

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How much are we spending up front that would not be recoverable if we didn't meet targets and had to shut down anyway?

In "Best of All" variables model (#1), the first-year budget is \$575,000.

- \$431,000 would not be recoverable.
 - That figure includes staff, consulting, marketing, new monitoring software, and upgrades to the communication methods.
- First-year infrastructure costs would be \$144,000.
 - Infrastructure items could likely be resold include servers, workstations, signal receivers.

What are the costs in the next six months if there is no decision or if we exit?

If there is no decision or a decision to exit in the next six months, replacement of the server and workstations will commence prior to the end of the calendar year because they are already at the end of their lifecycle. The cost is \$12,750. This is strictly a hardware replacement and not an improvement to the software or data.

If we exit, the only expected costs are hiring of an advocate and the costs of mailings and communication with subscribers.

What is first benchmark of determining how we are doing? Two scenarios

Remain in Alarm monitoring business

Since the success of remaining in the business is tied to attracting new customers, monthly evaluation of recruitment goals is necessary with quarterly reports to the Town Manager. The most critical time is during the first two years of a new service as rapid growth is needed to recover initial investments and operating costs. The monthly evaluations will determine if we are on track to meet recruitment goals for the year specified in the desired business model. If it is clear that we will fall short of recruitment, it will be important to review this with Council to determine how losses will be covered. Projected "go-live" for the new system would be the 3rd or 4th quarter of calendar 2017, due to the budget cycle and finances needed to implement the new technology.

Exiting the Alarm monitoring business

Benchmarks for exiting the business would be semi-monthly to make sure the proposed rebate to subscribers is processed in a timely manner. The advocate who would work with customers to help with the transition would be expected to provide periodic reports to their supervisor.

What numbers do we have to meet at what time to stay afloat?

Since no model is cost-neutral or cost-positive, it is a question of how we would cover losses based upon recruitment trends. This could be addressed in a quarterly report to the Town Manager.

Do you think the alarm system benefits/protects the most vulnerable in our community?

I maintain that the alarm system benefits our most vulnerable in the community. However, I do think that this is more of a "feel", than an actual benefit. The feeling of security can be replaced by other programs in the PVPD including the You Are Not Alone program, that makes phone contact with vulnerable citizens daily. It is also important to note that if a resident feels there is a threat to life or property, or even if something is merely suspicious to them, they are encouraged to contact PVPD rather than rely upon their alarm system or their alarm vendor. Telephone 9-1-1 service is readily available to all residents and the public in general.

There will be a cost to customers if we go with #1, right?

We have to get our data to a point where it will be reliable. This process starts with a new platform to facilitate easier troubleshooting of customer issues, provide accurate and robust reporting, enable automated notification to staff and customers if a panel has an error, and provide clean data if needed to

transition to a contract vendor for some reason. In order to do that, we need our subscribers to program their panels to check in daily/weekly, and we need to make sure that the panels are programmed in industry standard language. There will be a cost to subscribers to have a technician reprogram the panel. Depending on the age of the subscriber's panel, the entire panel might need to be replaced. The minimum number of panels we believe will need to be replaced is 100. However, since our panel data is inconsistent and outdated, the number could be quite higher. A new panel costs between \$300 and \$500 per staff's recent conversations with vendors.

How do you compel people to actively upgrade their equipment? How do you handle it if they don't?

Initially, you notify them that they need to have a technician look at their equipment and determine if it meets the guidelines that PVPD is requiring.

Then send notification stating that their alarm system might no longer be connected to our monitoring service after XXX date, due to technology upgrades with the monitoring service. If they desire to maintain the service, they need to have their equipment reviewed by a certified technician.

Can we build in an advocate in to #4 to help residents exit system and verify they are still getting same or better service in private sector?

We can hire an advocate to assist in transition of people to private monitoring. This person could explain how the new system works, assist with awareness/how/when to use, and follow-up with the resident after the vendor has begun providing service. This will be complicated by town staff's inability to recommend one particular vendor over another vendor, or give opinions on service monitoring.

Do we get there quicker?

Possibly. We dispatch to PV alarms while the dispatcher is attempting contact with the subscriber. On vendor alarms, the monitoring service has already attempted to contact the subscriber, prior to calling the PD. It is important to note that we have a major bottleneck with a single dispatcher handling Town alarms. If there is emergency traffic on the radio, on the phone, or in our lobby, the dispatcher is unable to process our alarms whereas a private vendor may be able to dispatch their own personnel until PVPD unit are available. Each alarm from the Town's monitoring service has to be evaluated by our dispatcher based upon unit availability, the number of calls in progress, other vendor alarm calls that reached us first, and whether or not verification of the alarm can occur immediately if the dispatcher is handling 9-1-1 calls or providing officers information as they respond to a priority call in progress.

Do we provide more security?

No.

Do we have any data that shows we are better since PD gets all the alarm calls anyway?

No.

What knowledge or judgment do you have on how our service compares?

Vendors will all have some level of redundancy on their alarm system. Vendors will offer multiple ways to send an alarm signal, so if one method fails, the signal gets through via another manner (For example, telephone, I.P., Cellular). We do not have that redundancy on our communication methods.

Vendors will also have redundancy in their receiver sites, so if one site is busy or goes down, the alarm signal can be transferred to another site. For example, if Phoenix is suffering monsoon storms, the alarm signals could be split between a Phoenix monitoring station and a California monitoring station. This also maintains a standard of customer service, because the vendor dispatchers will not be too overwhelmed with calls.

Vendors will have 24/7 aid for subscribers needing to test or troubleshoot their system. PV only can do this during regular business hours.

Because we only have 9% of the alarm market in PV, and our peak market penetration was close to 14% in 2008, 86% to 91% of residents who want alarm service in PV historically did not elect to go with the Town's system, even during years when we were aggressively marketing the service.

What percentage of our alarm responses are from our service?

Of our 2700 alarms this year, 488 (18%) came from PV Alarm Subscribers.

Of our 3251 alarms in 2015, 598 (18%) came from PV Alarm Subscribers.