

TOWN OF PARADISE VALLEY

Paradise Valley Police Department Alarm Monitoring Service



Key Question

What direction do the Mayor and Town Council want to take the police alarm monitoring service?



History of PV Alarm Monitoring

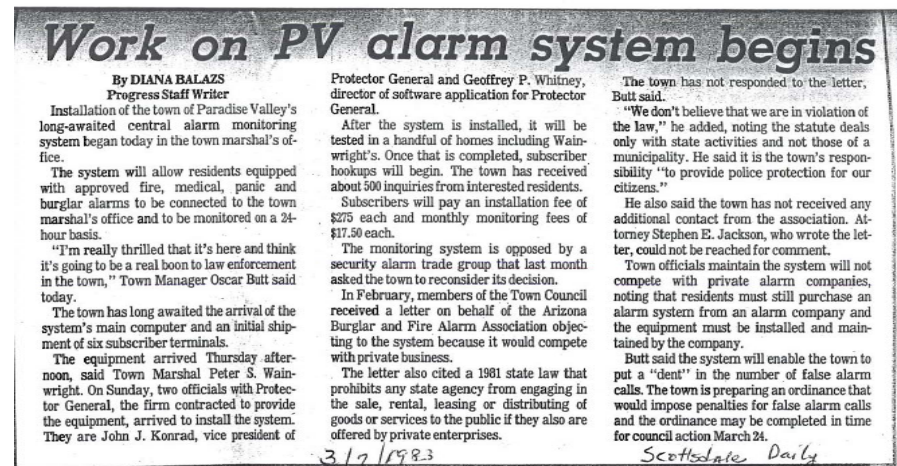
- Town Council began discussion of alarm monitoring service in June 1980, began service in 1984.
- Initial infrastructure cost \$105,000.
- Stated goal of alarm monitoring service was “to provide police protection for our citizens,” with a secondary goal of reducing false alarm calls.
- Inception of monitoring service saw 500 inquiries.



Alarm Monitoring History part 2

Responsibilities at implementation of system:

- Alarm coordinator position staffed at PVPD responsible for customer service, billing, false alarm billing, remote site testing, and new accounts.
- Monitoring of alarms through PVPD Dispatch.

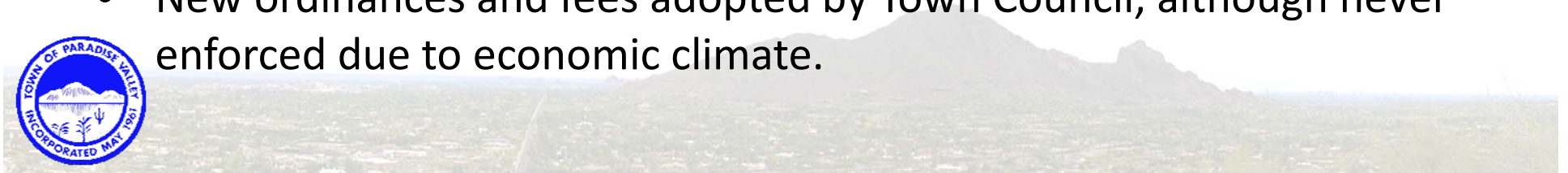


Scottsdale Daily Progress article
March 7, 1983



Alarm Monitoring in 2000s

- In July 2001, PVPD handled all alarm responsibilities.
- Two employees completed the duties:
 - alarm coordinator responsible for technical duties
 - administrative assistant responsible for alarm billing and day to day management of alarms
- In 2008, billing moved to the Finance Department. Alarm coordinator also supervised by Finance.
- New ordinances and fees adopted by Town Council, although never enforced due to economic climate.



Alarm Monitoring in Recession

- Alarm coordinator position eliminated, customer service and remote testing duties fell to administrative staff at PVPD.
- Technician position also eliminated.
- Billing remained in Finance Department through Fire service bill.
- Monitoring remained with PVPD Dispatch.
- New accounts no longer solicited.
- False alarm billing not conducted.
- Alarm permitting fees not collected.



Alarm service today

- Approximately 450 Subscribers
- Monthly fee of \$35-\$50, depending on number of zones monitored.
- Generated approx. \$220,000 in revenue in FY 15.
- Installations done by private company.
- Infrastructure is getting long in the tooth, company supplying parts has gone out of business, no staff member has expertise to fix or upgrade infrastructure.
- New accounts not sought.
- False alarm billing not conducted.



How Does This Work?

Hardware

- Purchase from vendor
- Purchase online



How Does This Work?

Installation

- Vendor connects hardware to phone line (landline and/or wireless)
- Our system can take calls from cell phones or wireless



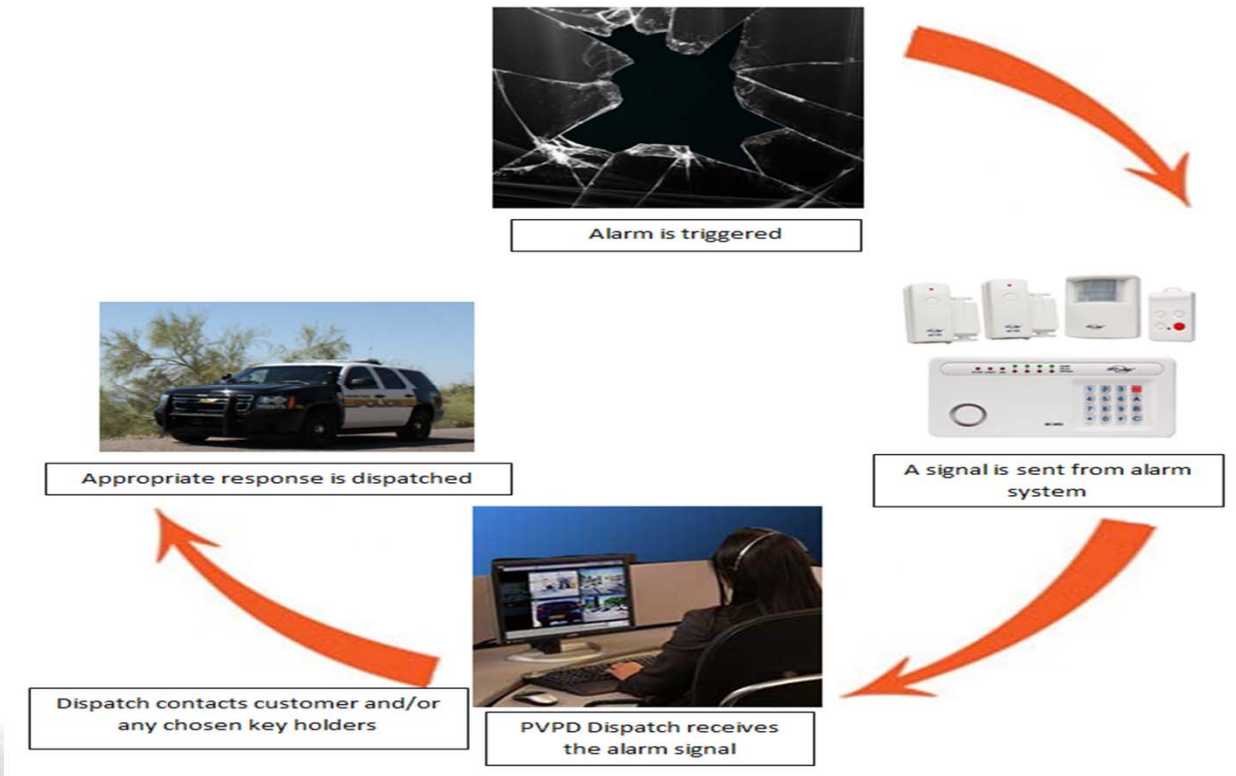
How Does This Work?

Monitoring

- System receives a disconnect from a sensor, seizes the phone line, calls monitoring service.
- PVPD Monitoring service attempts to contact customer about alarm, then dispatches responders.



How Does This Work?



September 2015 Alarm Survey

- 450 Surveys sent to Alarm Subscribers
- 180 responses received (40% response rate)



Four possible options exist:

Option One: We do nothing

Scenario:

- Continue to provide same service until alarm system infrastructure fails and we cannot fix it.

Pros:

- No cost to Town.
- No user fee increase.
- No change in service levels.

Cons:

- Possible infrastructure failure.
- Possible liability to the Town.
- Expend political capital.
- Can provide no timeline to customers.



Option Two: We get out of the alarm business

Scenario:

- We give our subscribers a date after which we will no longer provide monitoring service, and assist them in finding a suitable replacement.

Pros:

- No infrastructure upgrade costs.
- Free up capacity for existing staff.

Cons:

- Expend political capital.
- Potential increased fees to current subscribers.



Option Three: Create a Hybrid System

Scenario:

- We outsource equipment and software upgrades to an alarm business.
- We enter into a revenue sharing agreement with that alarm business.
- We create a “pass through” type system between the alarm business and the PVPD that allows PV monitored alarms to be sent directly to dispatch.



Option Three: Create a Hybrid System

Pros:

- Town is not responsible for long term infrastructure expenses, billing or service.
- Direct dial to dispatch maintains the reduced alarm response times that PV monitored subscribers currently see.
- More reliable infrastructure.
- Opportunity to offer expanded service.

Cons:

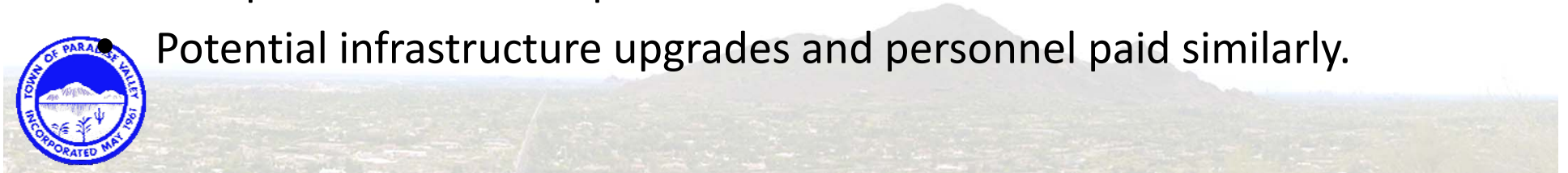
- Subscribers don't have a "local" contact to speak with about alarms.
- Potentially reduced revenues due to revenue sharing.
- Potential increased subscriber fees.
- Possible connectivity problems with current subscribers due to upgraded infrastructure.
- Potentially expend political capital.



Option Four: Enterprise Fund Creation

Scenario:

- We treat alarm monitoring service as an enterprise fund, having subscribers pay for all expenses of alarm monitoring through monthly fees.
- We conduct an RFQ process to gather assistance in writing a business plan, determining infrastructure and personnel needs, we follow recommendations of RFQ process.
- RFQ process would be paid from alarm service fund.
- Potential infrastructure upgrades and personnel paid similarly.



Option Four: Enterprise Fund Creation

Scenario (cont.):

- This likely entails bringing in someone with technical and industry expertise in the alarm field on an ongoing or consultant basis.

Pros:

- New infrastructure potentially more reliable.
- Business plan would assist us in making the service great.
- Maintain “local” person for subscribers to contact for alarm issues and testing.

• Opportunity to offer expanded services.

Cons:

- Likely fee increase to subscribers.
- Possible connectivity problems with current subscribers due to upgraded infrastructure.
- Life cycle of new infrastructure
- Trained personnel to update.



Recommended Direction

- My recommendation to the Town Council is to create a hybrid system.
- A hybrid system:
 - Maintains the PVPD's quicker response times.
 - Reduces the infrastructure cost upgrades needed.
 - Gives our current customers the least possibility of disruption of service.
 - Solves the alarm service problem long term



Questions or Comments?



