TOWN OF PARADISE VALLEY

Paradise Valley Police Department

Alarm Monitoring Service Update

June 9, 2016

Key Questions

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

2. Should this service be seen as a cost of doing business? A cost neutral business? Or a cost positive business?

History of PV Alarm Monitoring

- Town Council began discussions in 1980, began service in 1984
- Goal was "to provide police protection for our citizens," with secondary goals of false alarm reduction and improved service over private alarm companies
- By 2005 several employees needed to complete alarm duties:
  - Full-time alarm coordinator responsible for technical duties
  - PD administrative staff responsible for alarm billing and day to day management of alarms (20-30 hours/week)
  - IT staff (15 hours/week)
  - PD Front Office Manager (10 hours/week)

Alarm Monitoring 2008-2015

- In 2008, most billing and management duties moved to Finance

- New ordinances and fees adopted by Town Council, although discontinued due to economic climate and lack of staff time

- Alarm Coordinator, PD Front Office Manager, one IT and two part-time PD administration positions eliminated

- In 2011, customer service, account management, and technical duties fell to remaining administrative and IT staff at PVPD

- New accounts no longer solicited

- False alarm billing and alarm permitting fees not collected

- Direct radio-based monitoring eliminated and moved to Uplink

Alarm Service Today

- Approximately 400 Subscribers (peak was 700+ in 2000s)
- Monthly fee of $35-$50, depending on number of zones monitored
- Generated approx. $220,000 in revenue in FY 15
- No dedicated staff time or reinvestment in infrastructure
- Hardware for receiving signals is past end-of-life
- New accounts not sought and false alarm billing not conducted
- Signal formats and database structure no longer compliant
- Major hardware failure December 2015

September 2015 Alarm Survey

- 450 Surveys sent to PVPD Alarm Subscribers
  - 180 responses received (40% response rate)
- Consistent findings/feedback
  - Reduced response times most important when choosing alarm vendor
  - 84% would upgrade their equipment if asked by Town (no fee increase)
  - If Town increased fees marginally, 55% would pay, 33% would reconsider
  - 70% feel expanded functionality not important
  - Most have been subscribers for more than 10 years

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 alarm business

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

Pros:
- No infrastructure costs
- Free up staff capacity
- Shed liability concerns

Cons:
- Expend political capital
- Private vendors likely to require contract and charge higher subscription fees than what Town currently offers

Option Three: Create a Hybrid System

Scenario:

- We outsource equipment, billing and software upgrades to an alarm business, but retain terminal in Dispatch

Pros:

- ~~Town is not directly responsible for infrastructure expenses or billing~~
- ~~Direct alert to dispatch maintains reduced alarm response times~~
- ~~More reliable infrastructure~~
- Opportunity to offer expanded service

Cons:

- Subscribers don't have a "local" contact to speak with about alarms
- Potentially reduced revenues and/or increased subscriber fees
- Current subscribers may have to replace/reprogram equipment
- Potentially expend political capital

Option Four: In-House Model

Scenario:

- We retain in-house model and 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~~

Option Four: In-House Model

Pros:
- New infrastructure addresses reliability
- 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
- Recurring and life cycle costs of new infrastructure
- Additional staffing needed
- Financial and political liability concerns remain

Findings as of May 2016

Site Visits

- Town staff visited five municipalities in Dallas and Houston areas that provide direct alarm monitoring

- Met with variety of staff ranging from Chiefs to technicians and dispatchers

- Although level of service "success" varied, there were several consistent findings:

  – All sites had or needed dedicated staff

  – Cooperation from alarm industry is tenuous

  – High customer satisfaction is paramount, and is integrated into Public Safety goals of Community Oriented Policing and reduced response times

  – Advanced functionality and monitoring trends must be addressed

Findings on Hybrid Model

- No success stories to date

- Although some of the models we saw were not on-target with our concept of a hybrid model, there are similar components

- Found to be ineffective on addressing most goals:
    - No decrease in municipal staffing
    - Customer service decreases
    - Security/privacy concerns increased
    - Either no significant mitigation of liability, or potential increase to it
    - Eats into profitability with minimal successful benefits

Findings on In-House Model

- Majority are under-resourced with no clear goals or objectives

- Interpretations of inherent liability are varied

- Legislative action in Texas sets considerable restrictions

- Demonstrated to be "successful" if exceptionally resourced and structured

- Must follow industry-standards and best practices:
  - Modern data protocols on subscriber data
  - Use common zone definitions and signal formats
  - "ASAP to PSAP" and/or CAD integration requires standardized data

Keys to Successful In-House Model

- Clear goals and objectives

- Legislative action needs to be monitored and addressed

- Financial and political liability mitigation

- Requires dedicated municipal staffing that has 100% buy-in to resident satisfaction

- Can be very profitable financially and politically if committed to staffing, high-quality service, and timely service upgrades

- Alarm ordinances must be kept current and be enforced

Key Questions

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Proposed Action for Next 90 Days

- Procure professional services to:
  - Evaluate our current software and propose/recommend changes
  - Identify data and alarm signal industry standards
  - Research and recommend new hardware that increases reliability/redundancy of current system
  - Develop a sustainable business model
- Develop job descriptions for contract/temporary Alarm Technician and Alarm Coordinator