


*Andrew Kleini*

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	AGENCY NAME & ADDRESS	Department of Finance, Room 454 City Hall Police Department, 601 E. Fayette Street
	SUBJECT	City Council Bill No. 08-0040R – False Alarm Reduction Program

*D. P. H. 6/16/08*

**CITY OF BALTIMORE**

**MEMO**



**TO**

DATE:

Honorable President and  
Members of the City Council

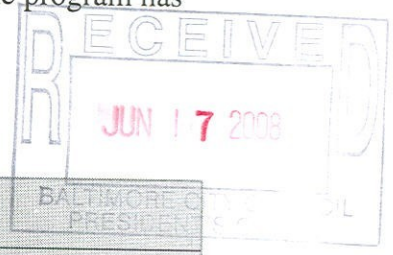
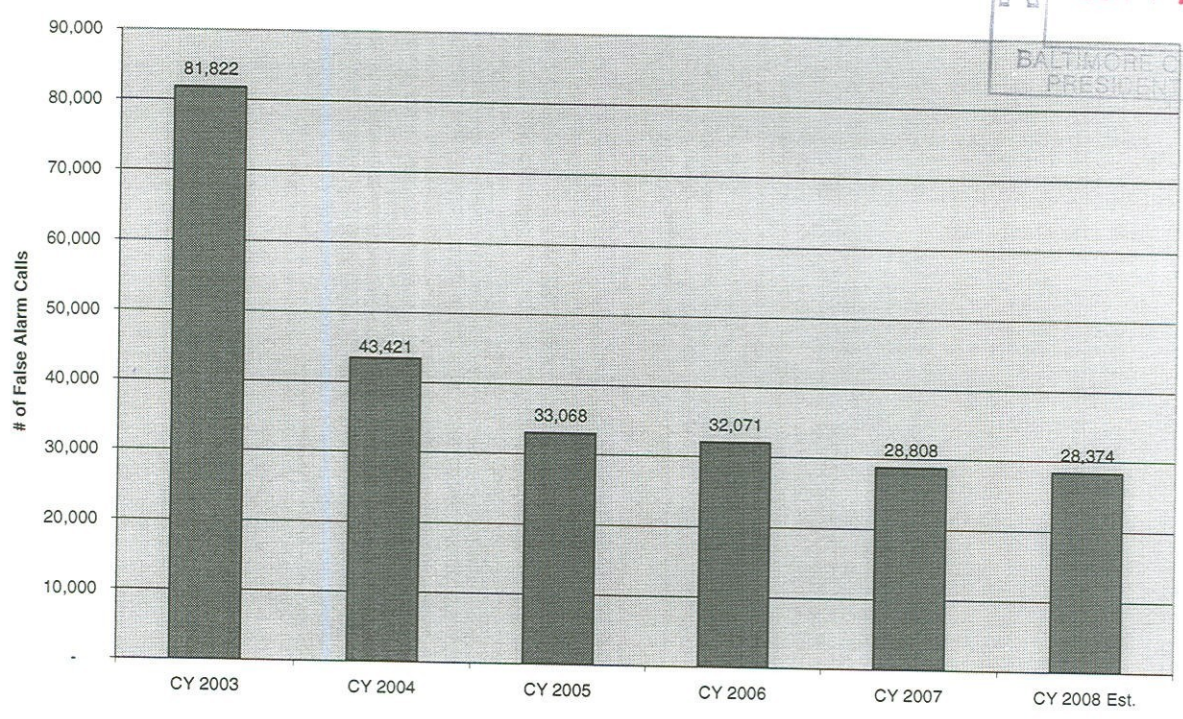
June 16, 2008

Council Bill 08-0040R requests an update on the status of the Baltimore City False Alarm Reduction Program. Specifically, the resolution asks the Administration to report to the City Council on the current status of false alarms in Baltimore City, update as to whether the current fees imposed for false alarms have helped reduce the number of false alarms in Baltimore City, and to discuss the current contract situation for the False Alarm Reduction Program.

Following are some key points:

- The program has worked to significantly reduce the number of false alarms in the City. The Baltimore City Police Department reports that it responded to 28,808 false alarm calls during calendar year 2007—a 65% reduction from the 81,822 false alarm responses during calendar year 2003 (the first year of the contract). Since 2004, the program has experienced an average annual reduction of 9% per year.

The Baltimore Police Department has seen a 65% reduction in the # of False Alarm Calls since the inception of the contract in 2003



*Comments*



- The fees established are appropriate for the management of the program and do not generate excessive revenues. It is estimated that it costs \$50.32 to respond to a false alarm call, which includes the cost of two responding units and a 911 emergency dispatcher. Since the inception of the program through April 2008, the City has spent an estimated \$8.45 million responding to false alarm calls. During this time, the City paid to ACS, the vendor responsible for administering the program, \$2,795,807. In total, the cost of the contract including both the vendor cost and the cost of providing false alarm response services equaled \$11,245,807. As of April 30, 2008, the City has generated \$7,609,323 in revenue. As a result, the City has not generated enough revenues to fully cover the cost of the service and the contract.
- The next table shows the details on revenues generated by user class:

<b>Burglar Alarm Program Overview</b>						
	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008 thru 4/30</b>	<b>Total</b>
<b>Total Alarm Registrations/Renewals</b>	<b>57,892</b>	<b>65,743</b>	<b>73,130</b>	<b>79,664</b>	<b>85,482</b>	<b>361,911</b>
Residential Alarm Users	48,586	55,093	61,353	67,017	72,134	304,183
Non-residential alarm users	9,172	10,486	11,586	12,441	13,121	56,806
Alarm Monitoring Companies	134	164	191	206	227	922
<b>Registration Revenue Total</b>	<b>\$596,640</b>	<b>\$ 603,328</b>	<b>\$ 606,184</b>	<b>\$ 603,129</b>	<b>\$ 389,925</b>	<b>\$2,799,206</b>
Residential users	\$473,970	\$ 483,370	\$ 489,010	\$ 494,559	\$ 311,800	\$2,252,709
Non-residential users	\$112,420	\$ 108,508	\$ 106,574	\$ 100,560	\$ 66,375	\$ 494,437
Alarm monitoring companies	\$10,250	\$ 11,450	\$ 10,600	\$ 8,010	\$ 11,750	\$ 52,060
<b>False Alarm Fines Total</b>	<b>\$281,197</b>	<b>\$1,265,132</b>	<b>\$1,368,440</b>	<b>\$ 930,317</b>	<b>\$ 820,007</b>	<b>\$4,665,094</b>
Residential users	\$44,625	\$ 223,071	\$ 247,455	\$ 162,017	\$ 123,813	\$ 800,981
Non-residential users	\$236,572	\$1,042,061	\$1,120,986	\$ 768,300	\$ 643,299	\$3,811,217
<b>Penalties Total</b>	<b>\$6,817</b>	<b>\$ 39,077</b>	<b>\$ 48,266</b>	<b>\$ 25,244</b>	<b>\$ 25,719</b>	<b>\$145,123</b>
<b>Total gross revenue as of 4/30/2008</b>	<b>\$884,654</b>	<b>\$1,907,537</b>	<b>\$2,022,890</b>	<b>\$1,558,690</b>	<b>\$1,235,652</b>	<b>\$7,609,423</b>

- A burglar alarm registration program linked with fines for excessive false alarms is good public policy. Not all property owners or users choose to or can afford to have burglar alarm systems. The incidence of a false alarm generates a public service response linked to a specific user making a voluntary decision. For this reason, the implementation of burglar alarm programs has become best practice among state and local jurisdictions. Additionally, the false alarm program has helped Baltimore City to focus its deployment of police resources towards the reduction of violent crime.
- Baltimore City's registration fees are set at a reasonable level. The \$20 annual alarm registration fee is a small cost relative to the cost of alarm service, which is estimated at \$480 per year based on a monthly charge of \$40. The registration fee is equivalent to the average cost for a dog or cat license in the City, and is in line with what some other jurisdictions charge for alarm registration. The False Alarm Reduction Association (FARA) suggests that alarm registration fees are valuable because the fees help cover the costs associated with running an alarm program, and the fees reinforce to the alarm user the responsibility he or she bears as an alarm owner.

- The contract began on July 16, 2003. The term of the contract is for five years with the option of three one-year renewal periods.

The Administration appreciates the opportunity to report to City Council on the status of the false alarm reduction program. We would be happy to provide additional information or answer any further questions that you have about the program.