

May 4, 2015

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution No. 8906 authorizing execution of a four-year agreement with AOT Public Safety Corporation (PSC) for a False Alarm Billing and Tracking Service in partnership with the Bellevue Police Department.

### **FISCAL IMPACT**

This agreement is revenue based and should not result in any direct expenditures. All alarm fees and fines will be billed and collected by PSC, which will accumulate all revenues and remit monthly to the City according to the following schedule:

<b>Range of Collections based on Annual Collection Periods</b>	<b>Percent of collected revenue retained by Public Safety Corporation</b>	<b>Percent of collected revenue remitted to Bellevue</b>
\$0 to \$75,000	29%	71%
\$75,001 - \$150,000	25%	75%
\$150,001 and above	19%	81%

Each month the City will receive 71% of the first \$75,000 collected, 75% of the next \$75,000 collected, and 81% of every remaining amount collected.

All fee and fine payments will be sent to a mutually approved and accessible bank lockbox and, each month, both PSC and the Police Department will reconcile all amounts billed and collected and review the fee calculations and revenue share. Once the report is approved by the City, a monthly electronic transfer will be made to the City's bank account for the resulting revenue share amount.

The 2015-2016 General Fund budget assumed false alarm revenue of \$75,000 in 2015 and \$70,000 in 2016. This revenue is derived from the annual \$25 registration/renewal fee and the \$100 per occurrence false alarm penalty (\$200 for a false panic/robbery/silent/burglary/duress false alarm). The system is not expected to go live until the fourth quarter of 2015, so 2015 revenue will not meet its budgeted projection.

Based on these revenue estimates and other assumptions pertaining to alarm systems to be permitted and false alarm occurrences citywide, the total cost to the City (i.e. the amount retained by PSC for its services) is estimated to be approximately \$25,000 to \$29,000 annually, with the balance of all collections to be remitted to the City. False alarm penalties are expected to decrease each year as alarm users become more informed, but alarm registrations and renewals are expected to remain constant. Bellevue has an estimated 7,000 alarm systems in use currently in the city.

### **STAFF CONTACT**

Steve Mylett, Chief of Police, 452-4334

Pat Spak, Investigations Major, 452-4213

Carl Krikorian, Fiscal Manager, 452-6961

*Police Department*

## **POLICY CONSIDERATION**

### **City contracting policies:**

The City contracts for services when it is cost effective, the work requires specialized equipment or expertise, or there are factors that render it impractical for City staff to perform the work. The proposed contract is consistent with that practice and within the City's contracting and purchasing policies.

## **BACKGROUND**

The Police Department deals with an average of 3,300 false alarms per year, with 3,871 occurring in 2014. False alarms consume thousands of patrol and dispatch hours per year, driving costs up and response times down. The Police Department has not had a false alarm monitoring program since 2011 when the system in use at that time became obsolete. The intent of imposing alarm permit fees and false alarm fines is to recover the City's costs of responding to false alarms, to hold alarm monitoring companies accountable for false alarms, and to provide an incentive for the alarm monitoring companies and their subscribers to reduce false alarms.

On March 17, 2014, the Police Department presented options to Council to address false alarm management practices, and Council supported the option of hiring an outside vendor for implementing and administering a false alarm management program. On May 20, 2014, Bellevue initiated an RFP for a False Alarm Management Program vendor, and after review of the evaluation criteria and presentations by a multi departmental team, PSC was the most responsive bidder of the three respondents. Criteria included services provided, industry expertise, cost structure, experience working with municipalities, foreign language options, and prevention education offerings.

On December 4, 2014, Council approved Ordinance No. 6214, repealing Chapter 9.16 (False Alarms) of Title 9 (Health and Safety) of the Bellevue City Code, and restated the Ordinance to establish requirements on both alarm service providers and alarm users, including the requirement to register alarms with the City and pay an annual \$25 permit fee, a new alarm fine structure, and a set appeal process for those who receive notices of violation.

The proposed four-year agreement between Bellevue and PCS establishes terms and conditions for PSC's initializing its false alarm management program using its CryWolf proprietary alarm billing system software, tailored to Bellevue's alarm system providers and commercial and residential alarm users. PSC will receive monthly reports from the Police Department on false alarm incident data, will process false alarm violations, provide an option of attending an on-line Alarm User Awareness class in lieu of first false alarm fee, and will correspond with and invoice alarm businesses and alarm users in accordance with the Alarm Ordinance provisions.

## **EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

## **OPTIONS**

1. Adopt the Resolution authorizing execution of a four-year agreement with AOT Public Safety Corporation for a False Alarm Billing and Tracking Service in partnership with the Bellevue Police Department.
2. Do not adopt the Resolution and provide alternative direction to staff.

**RECOMMENDATION**

Option 1.

**MOTION**

Move to adopt Resolution No. 8906 authorizing execution of a four-year agreement with AOT Public Safety Corporation for a False Alarm Billing and Tracking Service in partnership with the Bellevue Police Department.

**ATTACHMENTS**

Minutes from March 17, 2014 Study Session

False Alarm Ordinance No. 6214 adopted on December 12, 2014

Proposed Resolution No. 8906

**AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

Proposed PSC Four-Year Agreement