



## Agenda Report

20-88

Agenda Date: 1/28/2020

### REPORT TO COUNCIL

#### SUBJECT

Public Hearing: Action on Resolution Amending the Municipal Fee Schedule Regarding New and Increased Alarm System and False Alarm Fees; Action on Adoption of Ordinance No. 2012 Amending Chapter 8.40 of the City Code ("False Alarm Regulation") [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

#### BACKGROUND

The Santa Clara City Code ("SCCC") contains provisions governing the City's regulations of various commercial enterprises; one such regulated enterprise is business and residential alarm systems. The City is permitted to recover the reasonable cost it incurs in administering this regulatory program via its Municipal Fee Schedule. On January 14<sup>th</sup>, the City Council approved an Agreement with Superion LLC for a new software system to assist with regulation and enforcement of the thousands of alarm systems and false alarm calls that the City receives each year. In conjunction with the new Agreement, the Police Department is requesting an Amendment of the Municipal Fee Schedule to increase, and create some new, regulatory fees related to alarm systems and false alarm responses.

SCCC Chapter 8.40, False Alarm Regulation, exists to ensure accurate, up-to-date information for Fire or Police personnel responding to the alarmed location. It also enables emergency personnel to contact responsible parties and/or alarm repair company representatives should the alarm need to be reset, has a recurring problem, or the site needs to be secured. The proposed amendments seek to modernize the chapter.

#### DISCUSSION

##### ***Amendment to Municipal Fee Schedule***

Currently, the City of Santa Clara has 9,144 active permits; 4,702 commercial and 4,442 residential. In 2019, Public Safety Dispatchers received 3,567 alarm dispatch requests; 830 of these calls were cancelled while a police officer was en route, 2,708 were determined to be false alarms upon officer arrival and investigation on scene (e.g. user error, mechanical issue, etc.), and 29 were valid over the designated timeframe. In light of the drain on resources caused by the large number of false alarm calls, the Police Department seeks to modernize the applicable Code sections (described below), upgrade its computer system (approved by Council on January 14<sup>th</sup>), and modify the associated regulatory fee structure.

The fees associated with regulation of alarm systems and false alarm response fall within exception 3 of Proposition 26 ("A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits ... and the administrative enforcement and adjudication thereof"). A regulatory fee must not exceed the

reasonable cost of administering the regulatory program. Such program administration activities may include licensing, permitting, investigation, inspection, administration, and maintenance of a system of supervision and enforcement. The cost to the City of administering the false alarm regulatory program in terms of response to a false alarm notification includes 2 CSOs, 2 Police Officers, a Dispatcher II and a Senior Dispatcher, as set forth in the table below. The program currently runs at a significant deficit.

Fee Name	Current Fee / Deposit	Total Cost Per Unit	Surplus / (Deficit) per Unit
Alarm Permit Application	\$37	\$94	(\$57)
False Alarm Calls			
Third false alarm	\$111	\$321	(\$210)
Fourth false alarm	\$136	\$321	(\$185)
Fifth & subsequent false alarms	\$161	\$321	(\$160)
Dispatch for a Holdup Alarm	\$121	\$111	\$10

The proposed amendments to the Municipal Fee Schedule are as follows:

Type	FY 19/20 Fee	Proposed Fee
Alarm Permit (unchanged)	\$37	\$37
Non-registration Fee (new)	\$0	\$50
Annual Renewal Fee (new)	\$0	\$15
Late Fee (new)	\$0	\$25
Reinstatement Fee (new)	\$0	\$15
First False Alarm (unchanged)	\$0	\$0
Second False Alarm (new)	\$0	\$50
Third false alarm (unchanged)	\$111	\$111
Fourth false alarm (unchanged)	\$136	\$136
Fifth and subsequent false alarm(s) (unchanged)	\$161	\$161
Dispatch for a Hold-up Alarm - false alarm (unchanged)	\$121 (plus False Alarm Fee)	\$121 (plus False Alarm Fee)

Based upon community feedback regarding the proposed changes to the regulatory fees, the Police Department coordinated two public meetings about the Alarm Permit program, held on January 7<sup>th</sup> and 8<sup>th</sup>. Both meetings resulted in robust discussions of various resident concerns. Concerns regarding the \$15 annual renewal fee generated the most discussion, with residents proposing interesting ideas for future data gathering and analysis, as well as future reconsideration of the fee structure based upon such an analysis. As discussed with Council at the January 14<sup>th</sup> meeting, staff has confirmed that the new Cry Wolf software system has the capability to extract data regarding the breakdown of revenue between the various fees such that staff can analyze whether the fee structure described above is appropriate, or should be modified to, for example, reduce ongoing administrative fees (such as the annual renewal fee or initial alarm permit fee) and increase false alarm related

fees. Staff will plan to bring this information back to Council in the third year of the Superior LLC contract.

Notice of public hearing regarding amendment of the Municipal Fee Schedule was published on January 15, 2020.

### ***Adoption of Ordinance Amending SCCC Chapter 8.40***

The proposed amendments to SCCC Chapter 8.40 were passed for the purpose of publication on January 14, 2020. Pursuant to City Charter Sections 808 and 812, a summary of proposed Ordinance No. 2012 was published by The Weekly on January 22, 2020, and copies were posted in three public places.

The proposed amendments seek to modernize the chapter in accordance with upgrading the software and response system. Highlights of the proposed amended ordinance include:

- Requirement for additional contact information for alarm permit holders
- Contractor institutes Enhanced Call Confirmation, which includes a second verification call to a back-up phone number to reduce number of officer call outs for false alarms
- Appeals shall be heard pursuant to the new streamlined SCCC 2.115 process
- Chief of Police may deny/revoke an alarm permit, and/or temporarily suspend police response to that particular alarm site, if the site has produced more than 8 false alarms in a 12-month period

In accordance with Charter Section 808 a small clerical typographical error in the table of contents was discovered and fixed; the title to Section 8.40.180 was changed from "False Alarm Fees and Fines" to "Fees and Fines" to be consistent with the body of the Ordinance.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

### **FISCAL IMPACT**

The modifications to the Municipal Fee Schedule will be effectuated through the City's revenue-sharing agreement with contractor Superior LLC. There are no upfront costs or annual maintenance fees as part of the agreement with Superior LLC. Instead, Superior (24%) and the City of Santa Clara (76%) will split the estimated fee-based revenue. The first-year revenue and expenditure estimates were included in the FY 2019/20 Adopted Operating Budget, and are estimated annually at \$246,000 (of which \$186,960 is estimated to be remitted to the City of Santa Clara).

### **COORDINATION**

This report has been coordinated with the Finance Department, City Attorney's Office, and Police Department.

### **PUBLIC CONTACT**

A summary of proposed Ordinance No. 2012 was published to the Santa Clara Weekly on January 22, 2020, and copies were posted in three public places and made available for public inspection at the City Clerk's Office.

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

1. Adopt a Resolution amending the 2019-20 Municipal Fee Schedule to add new regulatory fees and amend existing regulatory fees relating to alarm systems and false alarm responses; and
2. Adopt Ordinance No. 2012 amending Chapter 8.40 of the City Code ("False Alarm Regulation").

Reviewed by: Brian Doyle, City Attorney

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Ordinance No. 2012 - Intro
2. Resolution Amending Municipal Fee Schedule

**RESOLUTION NO. 20-8808**

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA  
AMENDING THE "CITY OF SANTA CLARA 2019-20 MUNICIPAL  
FEE SCHEDULE" REGARDING NEW AND INCREASED ALARM  
SYSTEM AND FALSE ALARM FEES**

**BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:**

**WHEREAS**, under the provisions of the City of Santa Clara Charter, Municipal Code, Constitution of the State of California, and California Government Code, fees and charges assessed by the City of Santa Clara may be amended or modified upon the adoption of a Resolution by the City Council;

**WHEREAS**, the City Council of the City of Santa Clara considered the addition of new fees relating to alarm systems and response to false alarms, and considered amending existing fees in conjunction with agenda item numbered 20-88 dated January 28, 2020;

**WHEREAS**, relevant reports supporting the increased fees, as well as notice of public hearing were properly and timely provided and published, and a public hearing has been held accordingly;

**WHEREAS**, the City Council finds that the new and amended fees are reasonable in that they do not exceed the estimated reasonable costs of providing the public services proposed to be rendered, that adoption of such fees is a valid exercise of powers under applicable law, and that it is in the best interest of the City to adopt same;

**WHEREAS**, the City Council of the City of Santa Clara makes the following findings:

1. Municipal Code Chapter 8.40, False Alarm regulation, exists to ensure accurate, up-to-date information for Fire or Police personnel responding to the alarmed location. It also enables emergency personnel responding to contact responsible parties and/or alarm repair company representatives should the alarm need to be reset, has a recurring problem, or the site needs to be secured. Having this information readily available allows city personnel to return to providing services to the community in a timely manner.

2. The Police Department has been seeking a resource to streamline the administrative tasks associated with the permitting process and introduce procedures that are more customer service friendly. Superior, LLC has developed a commercial, off-the-shelf, Cloud-based software, called CryWolf, as a solution to alarm and collection management.

3. To achieve revenue targets and operational goals, the Municipal Fee Schedule will need to be amended as follows:

Type	Current FY 19/20 Fee	Amended Fee
Alarm Permit (unchanged)	\$37	\$37
Non-registration Fee (new)	\$0	\$50
Annual Renewal Fee (new)	\$0	\$15
Late Fee (new)	\$0	\$25
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**WHEREAS**, the impact to the General Fund for these legislative changes is anticipated to be as set forth in agenda item 20-88.

**NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:**

1. That the 2019-20 Municipal Fee Schedule last adopted July 16, 2019, is hereby amended to add new alarm fees and amend existing alarm fees, as set forth above.

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2. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 28<sup>TH</sup> DAY OF JANUARY, 2020, BY THE FOLLOWING VOTE:

AYES: COUNCILORS: Chahal, Davis, Hardy, O'Neill, and Watanabe, and Mayor Gillmor

NOES: COUNCILORS: None

ABSENT: COUNCILORS: Mahan

ABSTAINED: COUNCILORS: None

ATTEST:   
NORA PIMENTEL, MMC  
ASSISTANT CITY CLERK  
CITY OF SANTA CLARA

Attachments incorporated by reference: None