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RESOLUTION NUMBER R- 304894

DATE OF FINAL PASSAGE MAY 28 2009

A RESOLUTION APPROVING THE REVISED SAN DIEGO
POLICE DEPARTMENT FEE SCHEDULE AND AMENDING
THE CITY OF SAN DIEGO RATEBOOK RELATING TO
BURGLARY, ROBBERY, AND EMERGENCY ALARM
SYSTEMS

WHEREAS, the San Diego Police Department [SDPD] charges application, renewal and regulatory fees for police regulated businesses and occupations; and

WHEREAS, SDPD conducted a full evaluation of the costs and revenues associated with providing City of San Diego [City] services, in accordance with the California Constitution as well as the State Government Code, which authorize local jurisdictions to impose fees, charges, and rates in order to recover costs associated with provided services; and

WHEREAS, it is the policy of the City to establish fees to recover the costs of providing services in accordance with the San Diego Administrative Regulation 95.25; and

WHEREAS, Administrative Regulation 95.25 encourages transferring specific fee schedules listed in the San Diego Municipal Code and Council Resolutions to the standardized Ratebook maintained by the City Clerk; and

WHEREAS, the City has an adopted User Fee Policy dated March 10, 2009; and

WHEREAS, the cost of inspecting and regulating police regulated activities is borne by the permittee pursuant to San Diego Municipal Code section 33.0307; and

WHEREAS, SDPD submitted full cost recovery fees related to police regulated businesses to the Committee on Budget and Finance on April 1, 2009; and

WHEREAS, on April 20, 2009, City Council approved various police regulated business and occupation fees, and the burglar alarm fees described in the Report to Council No. 09-49 were inadvertently omitted from the attachments to the resolution adopting such fees; and


WHEREAS, in an abundance of caution, the City wants to insure appropriate notice and approval of the burglar alarm fees; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the fees and penalties related to burglar alarms, reflected in the table and summary, as ATTACHMENT I and ATTACHMENT II, are hereby approved.

BE IT FURTHER RESOLVED, that the City Clerk is hereby directed to amend the City Ratebook to include the fees and penalties attached as ATTACHMENT I and ATTACHMENT II.

BE IT FURTHER RESOLVED, that the fees and penalties, ATTACHMENT I and ATTACHMENT II, are to be effective beginning on July 1, 2009.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Mary T. Nuesca
Chief Deputy City Attorney

MTN:ar
04/22/09
Or.Dept:Police
R-2009-1102

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 12 2009.

ELIZABETH S. MALAND
City Clerk

By Jana Richards
Deputy City Clerk

Approved: 5-28-09
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

Burglar Alarm Permits		No. Permits FY 08	Current Fee	Current % Cost Recovery	Proposed Fee	Proposed %Cost Recovery
1.	Residential Permit	15,597	\$55.00	43%	\$100.25	79%
2.	Business Permit	6,680	\$95.00	43%	\$173.25	79%

Burglar Alarm Penalties		Current Penalty	Proposed Penalty
1.	1st Revocation (penalty/fine)	\$75.00	\$110.00
2.	2nd Revocation (penalty/fine)	\$150.00	\$220.00
3.	3rd Revocation (penalty/fine)	\$300.00	\$440.00
4.	4th Revocation (penalty/fine)	\$1,500.00	\$2,200.00
5.	Penalty for not obtaining permit	\$100.00	\$146.75

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Alarm Permit Fee

Permits for residential and commercial burglar alarms are also issued by the Department. The permit fee provides administrative cost reimbursement for processing the permit and also provides cost reimbursement for patrol officers to respond to alarms. It is important to note that response to all alarm calls is a necessary function of public safety; Government Code section 845 says that a police department shall not fail to respond to an alarm call solely on the basis that the user does not have a city permit. However, the Alarm Permit fee and revocation schedule exists to capture the majority of expenses for responding to false alarms. The proposed fee adjustments will help to minimize impacts to the General Fund.

The total revenue generated in FY08 under the current Alarm Permit fee schedule was \$1.78 million, which recovered 44% of the estimated expense. The new proposed fees represent an estimated increase of \$1.4 million in revenue which will recover an estimated 79% of expense to the Department.

Average number of alarm calls per day in the City of San Diego	120.0
Average daily number of calls that are cancelled prior to response	19.2
Average daily alarm calls that are legitimate burglary calls	0.7
Average false alarms per day that are responded to by officers	100.0
Total false alarm calls responded per year	36,475
Average officer hours per call	1.24 hours
Hourly cost recovery rate for 1.00 Police Officer II	\$83.15
Average cost per call	\$103.20
Total response/enforcement cost per year	\$3,764,222
Alarm Permit Program direct administration expense	\$261,518
Total Alarm Permit Program Expense	\$4,025,740

Number of Residential Permits (FY 08)	15,597
Residential revenue at \$55 per permit	\$857,835
Number of Commercial Permits (FY 08)	6,680
Commercial Revenue at \$95 per permit	\$634,600
Total Permits	22,277
Total Permit Revenue	\$1,492,435
Revocation/Penalties Collected	\$288,116
Total FY 08 Revenue Collected (unaudited)	\$1,780,551
Difference (Revenue – Expense)	(\$2,245,189)

Estimated residential revenue at proposed \$100.25 Fee	\$1,563,599
Estimated commercial revenue at proposed \$173.25 Fee	\$1,157,310
Estimated Revocation/Penalty revenue	\$423,926
Total Estimated Revenue with PROPOSED FEES	\$3,144,836
Total Alarm Permit Program Expense	\$4,025,740

Estimated Difference with PROPOSED FEES (79% recovery)	(\$880,903)
Increased Collection efforts	\$200,000
10% Reduced False Alarms = less program expense	\$375,950
Est. Difference with Proposed Fees and Department Changes	(\$304,953)

Although the proposed fee will only capture 79% of the estimated expense at this time, it is anticipated that the increase in the revocation fees will encourage alarm permit holders to better monitor their alarm activity to lower the incident of false alarms. Additionally, the Department is implementing revised procedures to monitor and collect permit and revocation revenue which will produce more cost recovery revenue.

The Department recognizes the value of burglar alarms in protecting owners' assets and discouraging criminal activity. Through the combination of these various recommendations, the Department should see an overall increase in Alarm Permit revenue and a decrease in false alarms with the goal of achieving full cost recovery over the next year. If the changes don't produce the expected results then the Department will bring forward additional recommendations for the FY 2011 budget.

The following fee schedule represents the proposed fees and fines for Burglar Alarm Permits. The determination for calculating the fees was to recover the cost of the administering the program and responding to one false alarm per permit. Based on the current penalty schedule it is possible for an alarm permit holder to have three false alarms in one year before a revocation fee is imposed. Although residential permits comprise 70% of all alarm permits, commercial burglar alarms comprise almost 70% of all alarm calls. Therefore the fee structure represents the allocation of resources necessary to respond to commercial burglar alarms.

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The Burglar Alarm penalty structure was based on recovering the cost of responding to one false alarm. By the time a business or residence is invoiced with a revocation penalty, Police Officers have already responded to several false alarms within a short period of months. The 1st Revocation penalty was increased by approximately 47% and thus each successive revocation penalty was increased by approximately the same percentage. These penalties are intended to encourage compliance with the Burglar Alarm Permit requirements and thus do not have a cost recovery component.

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4.	4th Revocation (penalty/fine)	\$1,500.00	\$2,200.00
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The San Diego Fire Department has also initiated a proposal to begin charging for Fire Alarm permits similar to the Police Department Burglar Alarm permits. Representatives from both Fire and Police met to determine if a combined fee could be initiated for combined burglar and fire alarms. After analyzing the respective department procedures for responding to alarm calls it was determined to not be in the best interest of citizens. A combined permit could require citizens to pay for services in which they may not use; as not all businesses or residences have both fire and burglar alarms. Police Department personnel do not necessarily respond to fire alarms and conversely, Fire department personnel do not respond to burglar alarms. The Departments will continue to evaluate the Alarm Permit programs for consistencies and overlapping coverage and may present a combined permit at some point in the future.

The Department's primary goal of protecting the safety and security of all residents and visitors remains the utmost important aspect in daily operations. Through the compliance of the alarm permittees and the implementation of the proposed Burglar Alarm Permit and Penalty fee structure, the Department will be able to minimize impacts to General Fund priorities.

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