



City of Kingston
Report to Administrative Policies Committee
Report Number AP-17-037

To: Chair and Members of the Administrative Policies Committee
From: Lanie Hurdle, Commissioner, Community Services
Resource Staff: Paige Agnew, Director, Planning, Building & Licensing Services
Date of Meeting: November 9, 2017
Subject: Business Licensing By-Law Review – Alarm Installation and Alarm Monitoring

Executive Summary:

The city's Licensing and Enforcement Division is conducting a review of the Business Licensing By-Law Number 2006-213. The by-law was last reviewed in 2006. While the *Municipal Act* no longer requires that licensing by-laws be re-enacted every 5 years, periodic reviews of the by-law are deemed beneficial to keep current with changes in business activities and legislation.

As the Business Licensing By-Law currently regulates 22 business categories, this review will be conducted in phases over the course of several meetings, with staff presenting reports containing recommendations on one or more business categories to the Administrative Policies Committee for its consideration.

The first category of business activity staff has reviewed is alarm installation and alarm monitoring. Regulation of security alarm installation and alarm monitoring in Kingston is administered by the Kingston Police, as it is the agency that provides police response to alarms when requested by alarm monitoring companies. Representatives of Kingston Police have worked closely with city staff to conduct this review.

Under the Business Licensing By-Law, alarm installation and alarm monitoring companies are required to obtain an annual licence. In addition, all alarm systems monitored by alarm monitoring companies for which police response to alarms is intended to be requested are required to be registered annually. In 2017, business licenses have been issued to 79 alarm installation and alarm monitoring companies and a total of 2,493 alarm systems have been registered with Kingston Police.

November 9, 2017

Page 2 of 13

The number of alarms that Kingston Police are requested to respond to each year has shown a decline since a peak of 3,556 in 2002 to a low of 803 in 2015. In 2016, Kingston Police responded to 836 alarms.

Despite this positive downward trend in the volume of security alarm calls to the Kingston Police, an issue that continues unabated is the significantly high percentage of these alarms that are false. The percentage of security alarms Kingston Police respond to that are subsequently determined to be false alarms has averaged 97 percent over several years. Only 3 percent of security alarms that police respond to have evidence of unauthorized entry, criminal activity or represent an emergency situation.

Based on its review, and taking into consideration feedback received from industry stakeholders, staff are proposing a series of changes to how alarm installation and alarm monitoring is regulated under the Business Licensing By-Law. The policy related changes, which are primarily focused on reducing the high incidence of false alarms, include revising the fee structure for false alarms, adding administrative fees for non-compliance, and giving the Kingston Police discretion to suspend police response to alarm systems that have generated excessive false alarms. Police response may also be suspended to an alarm system if there are outstanding fees.

Pending Council's approval of the proposed new fee schedule included in this report, the approved fees will be incorporated into the annual update to the Fees and Charges By-Law, to be submitted to Council in December. Staff are therefore requesting that the proposed amendments to the Business Licensing By-Law be presented to Council to receive all three readings to allow for the new fees and policy changes to take effect January 1, 2018.

Recommendation:

That it be recommended to Council that the draft by-law, attached as Exhibit A to Report Number AP-17-037, be presented to Council to amend By-Law Number 2006-213, A By-Law to License, Regulate and Govern Certain Businesses; and

That the proposed amendments to By-Law Number 2006-213 take effect January 1, 2018 to align with the annual Fees and Charges By-Law update; and

That the proposed amendments to By-Law Number 2006-213 be presented to Council to receive all three readings to allow for the amended by-law to take effect January 1, 2018.

November 9, 2017

Page 3 of 13

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Desirée Kennedy, Chief Financial Officer & City Treasurer Not required

Denis Leger, Commissioner, Corporate & Emergency Services

Mark Van Buren, Acting Commissioner, Transportation & Infrastructure Services Not required

November 9, 2017

Page 4 of 13

Options/Discussion:**Background**

The Licensing and Enforcement Division is conducting a review of the City's Business Licensing By-Law Number 2006-213. The by-law was last reviewed in 2006. Until that time, the *Municipal Act* stipulated that licensing by-laws have a sunset clause, requiring that a new by-law be enacted every 5 years. Despite the ending of this requirement, periodic reviews of the by-law are deemed beneficial to keep current with changes in business activities and legislation.

Considering the number of business categories the by-law currently regulates (22), the review will be conducted in phases, with staff presenting reports containing recommendations on one or more business categories to the Administrative Policies Committee for its consideration over the course of several meetings. This approach was adopted by the City of London for review of its business licensing by-law and has proven to be effective.

The first category of business activity staff has reviewed is alarm installation and alarm monitoring. This category includes only security alarms. The city regulates fire alarms under a separate by-law, By-Law Number 2014-26, "A By-Law to Impose Fees for Automatic Alarms (False)".

Regulation of security alarm installation and alarm monitoring in Kingston is administered by the Kingston Police, as it is the agency that provides police response to alarms when requested by alarm monitoring companies. Representatives of Kingston Police, including the Alarms Coordinator and the Director of Information Services, have worked closely with city staff to conduct this review.

Under the Business Licensing By-Law, alarm installation and alarm monitoring companies are required to obtain an annual licence. In addition, all alarm systems monitored by alarm monitoring companies for which police response is intended to be requested if an alarm is triggered must be registered annually. In 2017, business licenses were issued to 79 alarm installation and alarm monitoring companies and a total of 2,493 alarm systems were registered with Kingston Police.

The number of alarms that Kingston Police are requested to respond to each year has shown a decline since a peak of 3,556 in 2002 to a low of 803 in 2015. In 2016, Kingston Police responded to 836 alarms. A number of factors may account for this declining trend, including the implementation of alarm regulations in the 2002 harmonized Business Licensing By-Law, and the further revisions made to the alarm regulations in the 2006, as well as improvements in alarm system technology.

Despite this positive downward trend in the volume of security alarm calls to the Kingston Police, an issue that continues unabated is the significantly high percentage of these alarms that are false. Statistics provided by the Kingston Police indicate that the percentage of security alarms their Officers respond to that are subsequently determined to be false alarms has averaged 97% over the years, with a range between 96% and 99% since 2011. On average, only 3% of security alarms that police respond to have evidence of unauthorized entry, criminal

November 9, 2017

Page 5 of 13

activity or represent an emergency situation. These are known as founded alarms. This rate of false alarms as a percentage of all alarms is not unique to Kingston; many other police agencies in Ontario, across Canada and in the United States experience similar rates.

A false alarm is defined in the by-law as any signal or message from an alarm system to an alarm monitoring business that is reported to the Kingston Police, where there is no evidence that unauthorized entry or criminal activity was made or attempted and where the alarm system appears to have been activated unnecessarily, improperly, accidentally or for a purpose other than that for which it was installed, including:

- (a) By testing an alarm system without the prior knowledge and approval of the Kingston Police;
- (b) By reporting an attempted or completed criminal act or an emergency situation where there is no evidence that such an act took place or that such a situation existed;
- (c) As a result of mechanical failure, malfunction or faulty equipment;
- (d) As a result of negligence, error or carelessness on the part of the owner of the system, for example, by permitting authorized persons to be on the premises without alarm passwords; or
- (e) As a result of atmospheric conditions, excessive vibrations or a power failure.

No changes are being proposed as to how false alarms are defined.

Annual Licensing and Registration Fees

Under Schedule A-2 of the Business Licensing By-Law, an alarm monitoring company is responsible for annually registering each alarm system that it monitors if it intends to call for police response to an alarm triggered by the system. Upon initial registration of an alarm system, an annual fee is required to be paid by the alarm monitoring company. The initial fee charged is pro-rated by the month. When an alarm system's registration is renewed the following year, a registration fee is required to be paid for each alarm system for which one or more false alarms have been responded to by Kingston Police in the previous calendar year. If, however, Kingston Police has not responded to a false alarm for a particular alarm system during the previous year, no fee is charged. This policy is intended to act as an incentive for an alarm system to be properly installed and maintained. The alarm monitoring company can choose whether or not to pass the fees on to its alarm system customers.

No changes are being proposed as to how annual licensing and registration fees are administered.

Proposed Changes to Alarm Installation and Monitoring Regulations

Based on its review, and taking into consideration feedback received from industry stakeholders, staff are proposing a series of changes to how alarm installation and alarm monitoring is regulated under the Business Licensing By-Law. The proposed amendments are contained in Exhibit A. The changes have been identified as either housekeeping in nature or as representing a change in policy.

November 9, 2017

Page 6 of 13

Housekeeping Changes

1. Update the names of the administrative units;
2. Update references to where fees are prescribed to be the Fees and Charges By-Law Number 2005-10;
3. Include the Kingston Police as being responsible, along with the City's Licensing and Enforcement Division, for administration of the by-law;
4. Add or revise wording to provide additional clarity;
5. Combine the regulations for both alarm installation and alarm monitoring businesses under one schedule;
6. Revise some existing definitions and add new definitions of terms included in the proposed new special conditions listed under Schedule A-2 "Alarm Installation and Alarm Monitoring";
7. Remove the Building Section from the list of divisions to which an application for an alarm installation or an alarm monitoring license is circulated; and
8. Capitalize the first letter of each term that is defined under the Definitions section of this by-law.

Policy Changes

To specifically address the issue of false alarms, staff are proposing changes to how security alarm monitoring businesses are regulated. These changes include the following:

1. Revision of the fee structure for false alarms;
2. Addition of administrative fees for non-compliance; and
3. Suspension of police response to excessive false alarms.

1. Revision of the fee structure for false alarms:

Currently, when the Kingston Police respond to an alarm that is subsequently deemed to be false, the alarm monitoring company that requested police response is assessed as a false alarm fee, when applicable. No fee is charged for the first false alarm in a calendar year. A graduated set of fees are charged for subsequent false alarms in a calendar year. In 2017, those fees are \$80 for a second false alarm, \$121 for the third, \$162 for the fourth and \$208 for the fifth and subsequent false alarm. The rationale for increasing the fee charged for each subsequent false alarm was to act as both a deterrent and an incentive for an alarm monitoring company to address the cause(s) of repeat false alarms triggered by a given alarm system, as well as to recover the costs incurred for police attendance to unfounded alarms. The number of false alarms from some alarm systems indicates that the graduated fee structure has been largely ineffectual in deterring these repeat occurrences.

Kingston Police have calculated that the cost of responding to and administering a false alarm is currently \$120. In order to recover the actual costs incurred by Kingston Police for responding to all false alarms, it is recommended that the fee for response to any false alarm, including the first, be set at \$120. Eliminating the policy of not charging a fee for a first false alarm each year may also act as an incentive for alarm monitoring companies and alarm system users to pro-actively address the cause(s) of false alarms.

November 9, 2017

Page 7 of 13

2. Addition of administrative fees for non-compliance:

All alarm installation companies and all alarm monitoring companies that request police response to alarms are required to obtain an annual license and pay the required fee.

Currently, if Kingston Police respond to an alarm at the request of an alarm monitoring company that does not hold a current business license, the only option available to the Kingston Police, beyond invoicing the company for the annual license fee, is to issue a fine totalling \$240 for carrying on a business without a license. It is recommended that an administrative fee be created that would be assessed along with the annual license fee in these circumstances. The administrative fee would be set at the equivalent of the annual license fee, \$135 in 2017, which is an amount lower than the fine and which is more efficient to administer than the issuance of a fine, although the Kingston Police will still have the ability to also issue a fine for carrying on a business without a license.

In addition, every monitored alarm system for which police response is requested must be registered annually and a registration fee must be paid for each system, as applicable. Currently, if Kingston Police respond to a founded alarm from an unregistered alarm system, there is no financial penalty imposed. It is recommended that an administrative fee, set at the equivalent of the annual registration fee, \$51.50 in 2017, be assessed along with the annual registration fee in instances where police respond to a false alarm, or to a founded alarm, from an unregistered alarm system, even if the alarm monitoring company cancels police response prior to the Officers' arrival.

The city has established administrative fees for incidents of non-compliance with regulations under other by-laws including failure to obtain a license for particular types of signs and for failure to obtain an annual pet licence. Some provincial statutes also include administration fees; for example, the *Building Code Act* provides for the imposition of an administrative fee for commencing building without a permit. It is intended that awareness of the administrative fees will promote compliance with the requirement to obtain and maintain an annual business license and to register and renew registration of each alarm system.

3. Suspension of police response to excessive false alarms:

Under the current regulations, Kingston Police are not required to respond to an alarm if the alarm monitoring company requesting the response does not hold a valid business license or if the alarm system that triggered the alarm has not been registered with the Kingston Police. Additionally, if an alarm monitoring company does not pay the fee assessed to it for police response to a false alarm by the due date on the invoice, the company's business license may be suspended, revoked or not renewed.

The alarm monitoring regulations; however, do not currently contain a provision allowing for suspension of police response in the case of excessive false alarms from a particular alarm system. It is proposed that a suspension policy be implemented giving the Kingston Police discretion as to whether or not to respond to an alarm from an alarm system that has triggered 4 or more false alarms in a calendar year. The policy is detailed in the proposed

November 9, 2017

Page 8 of 13

special conditions and includes a requirement that a Caution Notice be issued to an alarm monitoring company after 3 false alarms have been generated by an alarm system, advising that a fourth false alarm within the same calendar year may result in a suspension of police response. Under this proposed policy, police response to alarms will only be reinstated upon receipt of an alarm system inspection report from an Alarm Service Technician deemed acceptable to the Alarms Coordinator.

Suspension of police response after excessive false alarms is a policy common to many municipalities' alarm monitoring by-laws. The intent of instituting such a policy is to create an incentive for alarm system users and alarm monitoring companies to expeditiously address the cause(s) of false alarms from an alarm system. In instances where Kingston Police have suspended response to a particular alarm system, Officers will continue to be dispatched to the premises if evidence exists, independent of an alarm, that unauthorized entry or criminal activity has occurred or that an emergency situation requiring police response exists.

Revisions and Additions to Special Conditions

Schedule A-2 of the Business Licensing By-Law contains the specific regulations governing alarm monitoring companies. The Schedule currently contains 5 special conditions.

Special Condition (1) states that the past conduct of an applicant shall provide reasonable evidence that the issuance of a license would not be adverse to the public interest, including evidence that the applicant has not been convicted of an offence under the Criminal Code. It is proposed that this special condition be removed from the Schedule, as Section 3.11 under the by-law's administration section already allows for the city to refuse to issue a license to an applicant if an application is objected to by a circulated agency (Kingston Police);

Special Conditions 2 through 5 are being retained.

Implementation of the proposed policy related changes necessitates the addition to Schedule A-2 of new special condition clauses. These additional conditions are as follows:

- If an alarm monitoring company fails to provide its current contact information to the Kingston Police, all invoices and notices will be deemed served to the business's last known address;
- If Kingston Police are dispatched to an alarm from an unlicensed alarm monitoring company, the alarm monitoring company shall pay the annual license fee and an administrative fee for failing to obtain a license, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended;
- Every alarm monitoring company shall pay the fee for a false alarm and any applicable administrative fees to the Kingston Police Alarm Coordinator within 30 days of the date of the invoice. If the alarm monitoring company fails to do so after 60 days from the due date on the invoice, Kingston Police response to the alarm system may be suspended upon the issuance of a Suspension Notice indicating alarm response is suspended to the alarm system until all fees have been paid in full. Upon payment of all fees, an Alarm Reinstatement Notice will be issued;

November 9, 2017

Page 9 of 13

- A Suspension Notice indicating police response to an alarm from an alarm system is suspended may be issued for any alarm system that has had excessive false alarms. Police response to an alarm system shall not be reinstated until an alarm system inspection report from an Alarm Service Technician has been received and accepted by the Alarm Coordinator. Upon issuance of an Alarm Reinstatement Notice, the false alarm count for the alarm system shall be reset to zero;
- Every alarm monitoring company shall submit alarm registration and payment of fees for each alarm system it monitors. Failure to do so prior to a call for alarm response will result in the alarm system not to be considered registered with Kingston Police;
- Only a licensed alarm monitoring company may request police response to an alarm and the licensed alarm monitoring company shall provide all contact numbers for the alarm monitoring station, and shall provide its own business name and not the name of a second party alarm company;
- A cancellation of police response prior to an Officers' arrival will not incur a fee if the alarm system is registered. If the alarm system is not registered, the alarm monitoring company shall pay the annual alarm system registration fee and an administrative fee for failing to register an alarm system, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended;
- After an alarm system has incurred three (3) false alarms in a calendar year, Kingston Police shall issue a Caution Notice to the alarm monitoring company warning that police response may be suspended if a fourth or subsequent false alarm occurs within the calendar year;
- After an alarm system has incurred four (4) or more false alarms in a calendar year, Kingston Police may suspend police response to the alarm system. In the event that police response to an alarm system is suspended, a Suspension Notice shall be issued to the alarm monitoring company. Police response to an alarm system shall not be reinstated until an alarm system inspection report from an Alarm Service Technician has been received and accepted by the Alarm Coordinator. Upon issuance of an Alarm Reinstatement Notice, the false alarm count for the alarm system shall be reset to zero;
- Receipt of an invoice, a Caution Notice, a Suspension Notice or an Alarm Reinstatement Notice shall be deemed to have occurred:
 - a) On the date of delivery, if delivered personally;
 - b) Three (3) business days after the date of mailing, if delivered by registered mail to an address within the City of Kingston;
 - c) Five (5) days after the date of mailing, if delivered by registered mail to an address outside of the City of Kingston;
 - d) Five (5) days after the date of mailing if delivered by regular mail to an address within the City of Kingston; and
 - e) Seven (7) days after the date of mailing if delivered by regular mail to an address outside of the City of Kingston.
- Receipt of an invoice, a Caution Notice, a Suspension Notice or an Alarm Reinstatement Notice shall be deemed to have occurred if delivered personally or to the last known address of the alarm monitoring company;
- If Kingston Police respond to a false alarm or a founded alarm from an unregistered alarm system, the alarm monitoring company shall pay the annual alarm system

November 9, 2017

Page 10 of 13

registration fee and an administrative fee for failing to register an alarm system, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended;

- Kingston Police shall not respond to automatic dialing systems activated by alarms; and
- An appeal of a false alarm invoice must be submitted in writing to the Kingston Police Alarm Coordinator by the alarm monitoring company within 30 days of receipt of the invoice. A decision on the appeal will be sent to the alarm monitoring company, which will be responsible for notifying the alarm system customer of the outcome. The decision of the Kingston Police Alarm Coordinator shall be final.

Summary of Stakeholder Consultation

As part of the by-law review process, a stakeholder consultation meeting was held at Kingston Police Headquarters, Community Room, on July 21, 2017 from 10 a.m. to 11:30 a.m. Invitations were sent directly to all licensed alarm installation and alarm monitoring companies. The meeting was well attended with more than 30 alarm industry companies represented, and included the president of a national alarm industry association. Staff presented a draft version of the proposed amendments and solicited feedback from those in attendance. An opportunity was also provided for the alarm industry to comment directly to city staff via email and mail until July 31, 2017. Questions and comments received from the attendees at the meeting and subsequent correspondence are attached as Exhibit B.

The questions and comments received and the corresponding staff responses can be summarized as follows:

Comment: Requests for statistics to be provided by Kingston Police including the number of alarm registrations, number of founded and false alarms and how many are residential alarms versus commercial alarms.

Staff Response: Kingston Police has agreed to provide statistics, through this report and through other channels, starting in 2018.

Comment: Request for an appeal process for alarms declared to be false by the Kingston Police.

Staff Response: A special condition has been proposed outlining an appeal process.

Comment: Concerns regarding the proposed suspension policy for businesses with high value property or merchandise.

Staff Response: The issuance of a Caution Notice to an alarm monitoring company after Kingston Police have responded to the 3rd false alarm in a calendar year from an alarm system is intended to alert the alarm monitoring company, and through it to the owner of the alarm system, of the potential consequences of causing a 4th false alarm.

Question: What will the definition of a verified alarm be?

Response: A verification process is a further measure that some municipalities have implemented to address the high rate of false alarms. Requests for police response to alarms that are supported by evidence of an actual intrusion or attempted entry or an emergency

November 9, 2017

Page 11 of 13

situation, a verified alarm will be assigned a higher priority than an unverified alarm. Definitions and a clause relating to the potential implementation of a verification process by Kingston Police was included in the initial draft proposed changes presented at the July 21st stakeholder consultation meeting. Kingston Police subsequently requested that references to a verification process be removed from the proposed amendments to the by-law. Kingston Police continue to consider a verification process to be a measure that they may recommend be implemented in the future, should the other measures proposed not result in an appreciable reduction in the false alarm rate. If a verification process was deemed appropriate to implement, further amendments would be proposed to the Business Licensing By-Law detailing the requirements that alarm monitoring companies would be required to meet for an alarm to be considered verified.

Question: Would police still attend if an alarm system was suspended but evidence exists of an actual break-in?

Staff Response: In instances where the Kingston Police have suspended response to a particular alarm system, officers will continue to be dispatched to the premises if evidence exists, independent of an alarm, that unauthorized entry or criminal activity has occurred or that an emergency situation requiring police response exists.

Comment: CPIC checks for alarm installation and alarm monitoring company personnel.

Staff Response: Special Condition (1) states that the past conduct of an applicant shall provide reasonable evidence that the issuance of a license would not be adverse to the public interest, including evidence that the applicant has not been convicted of an offence under the Criminal Code. It is proposed that this special condition be removed from the Schedule, as Section 3.11 under the by-law's administration section already allows for the city to refuse to issue a license to an applicant if an application is objected to by a circulated agency (Kingston Police);

Question: Are health alarms regulated under the by-law?

Staff Response: Health alarms are not regulated by the Business Licensing By-Law.

Comment: Request that alarm system owners be held responsible for annual registration of their system and be held accountable for false alarms, including being directly invoiced by the Kingston Police for annual registration and for any additional fees arising from false alarms.

Staff Response: The Kingston Police advise that if they were to move to a policy whereby they directly invoiced alarm system owners for registration fees and false alarm fees, the additional administrative burden would be onerous and costly. It is seen as more efficient and manageable to administer the regulations with 79 alarm installation and alarm monitoring companies than to deal directly with in excess of 3,000 individual alarm system owners.

Comment: Customers of alarm monitoring companies avoid paying fees owed to the company for false alarms by transferring to another alarm monitoring service.

Staff Response: Under the Business Licensing By-Law, the alarm monitoring company is invoiced for these fees and is responsible for paying them to the Kingston Police or risk suspension of police response to that particular alarm system. Staff and Kingston Police

November 9, 2017

Page 12 of 13

recognize the financial impact this could have on an alarm monitoring company. It is assumed that an alarm monitoring company would discontinue monitoring an alarm system whose owner's account was in arrears. If the alarm monitoring company notifies the Kingston Police Alarms Coordinator that monitoring service has been discontinued to a particular alarm system for this reason, the Alarm Coordinator can agree to flag the alarm system and not permit another alarm monitoring company to re-register the system until the original alarm monitoring company advises that the outstanding fees have been paid in full. In the event that the alarm monitoring company is no longer in business, all fees will be the responsibility of the owner of the alarm system.

Comment: Request that owners of self-monitored alarm systems be regulated in the same manner as alarm monitoring companies.

Staff Response: A self-monitored alarm system is a system that may have been installed by an alarm installation company or by the owner of the system him or herself that is not monitored by an alarm monitoring company but instead monitored directly by its owner. The owner of the system, who could be a resident or a business, may call for police response upon receipt of an alarm signal sent to their computer or smartphone. While the Kingston Police have not yet received calls of this nature, it is anticipated that they will in the future. Staff and Kingston Police agree with the alarm monitoring industry that a request from an owner of a self-monitored alarm system for police response to an alarm should be governed by the same regulations that pertain to calls requesting police response from an alarm monitoring company. The Business Licensing By-Law is limited to regulating businesses, trades and occupations, and is therefore not the appropriate by-law to regulate self-monitored alarm systems. Staff intends to prepare a stand-alone by-law designed to regulate self-monitored alarm systems that will mirror the regulations contained in Schedule A-2 of the Business Licensing By-Law, with the exception that no annual business licence will be required.

Existing Policy/By-Law:

By-Law Number 2006-213	A By-Law to License, Regulate and Govern Certain Businesses
By-Law Number 2005-10	A By-Law to Establish Fees and Charges to be Collected by the Corporation of the City of Kingston

Notice Provisions:

A stakeholder consultation meeting was held at Kingston Police Headquarters Community Room on July 21, 2017 from 10 a.m. to 11:30 a.m. Invitations were sent directly to all licensed alarm installation and alarm monitoring companies.

Accessibility Considerations:

Not applicable

November 9, 2017

Page 13 of 13

Financial Considerations:

Pending Council's approval of the proposed new fee schedule included in this report, the approved fees will be incorporated into the annual update to the Fees and Charges By-Law Number 2005-10, to be submitted to Council in December. The annual registration fee for each alarm system has not increased since 2013 and staff does not intend to request an increase to this fee for 2018.

The additional revenue obtained from the elimination of the no fee policy for the first false alarm incurred in each calendar year and from the new administrative fees assessed for incidences of non-compliance with the by-law regulations is anticipated to decline over time, as it is also anticipated that alarm monitoring companies and alarm system users will be incentivized by these measures to take steps necessary to avoid false alarms and to stay in compliance with the by-law's licensing and registration requirements.

Contacts:

Paige Agnew, Director, Planning, Building & Licensing Services 613-546-4291 extension 3252

Lacricia Turner, Manager, Licensing and Enforcement 613-546-4291 extension 3222

Greg McLean, Policy and Program Coordinator 613-546-4291 extension 1336

Other City of Kingston Staff Consulted:

Sarah Gareau, Legal Counsel, Legal Services

Exhibits Attached:

- Exhibit A Proposed Amendments to Business Licensing By-Law Number 2006-213, A By-Law to License, Regulate and Govern Certain Businesses
- Exhibit B Stakeholder Consultation Meeting Notes and Correspondence

By-Law Number 2017-XX

A By-Law to Amend By-Law Number 2006-213 “A By-Law to License, Regulate and Govern Certain Businesses”

Passed: [Meeting Date]

The Council of The Corporation of the City of Kingston enacts as follows:

1. By-Law Number 2006-213 of the Corporation of the City of Kingston entitled “A By-Law to License, Regulate and Govern Certain Businesses”, as amended, is hereby further amended as follows:

1.1 Index is hereby amended by removing the following therefrom:

Alarm Installation Schedule A-1

Alarm Monitoring Schedule A-2

1.2 Index is hereby amended by adding the following hereto:

Alarm Installation and Alarm Monitoring Schedule A-2

1.3 Section 1.0 Definitions, is hereby amended by removing the following therefrom:

“**Alarm System**” means any device installed in a building, structure or premises to detect unauthorized entry or criminal activity which, when activated, emits an audible sound or transmits a signal or message to an alarm monitoring business, and includes a bank automated teller machine and a holdup or panic alarm, for example, a device to report that a robbery is in progress, but does not include a medical alert alarm or a fire alarm system;

“**Building and Licensing Division**” and “**Division**” means the Licensing and Enforcement Section, Department of Community Development Services Group or, in the event of organizational changes, another unit designated by Council to carry out the Division’s responsibilities for the administration and enforcement of this by-law;

“**False Alarm**” means any signal or message from an alarm system to an alarm monitoring business that is reported to the Kingston Police, where there is no evidence that unauthorized entry or criminal activity was made or attempted and where the alarm system appears to have been activated unnecessarily, improperly, accidentally or for a purpose other than that for which it was installed, including:

- (a) By testing an alarm system without the prior knowledge and approval of the Kingston Police;
- (b) By reporting an attempted or completed criminal act or an emergency situation where there is no evidence that such an act took place or that such a situation existed;
- (c) As a result of mechanical failure, malfunction or faulty equipment;
- (d) As a result of negligence, error or carelessness on the part of the owner of the system, for example, by permitting authorized persons to be on the premises without alarm passwords; or
- (e) As a result of atmospheric conditions, excessive vibrations or a power failure;

1.4 Section 1.0 Definitions is hereby amended by adding the following hereto:

“Alarm Coordinator” means the person designated to administer the provisions of this by-law;

“Alarm Registration” means a record of an alarm system which has been registered with the Alarm Coordinator pursuant to the provisions of this by-law;

“Alarm Reinstatement” means that suspension of police response to an alarm from an Alarm System has been lifted and police response to the alarm system is reinstated;

“Alarm Reinstatement Notice” means the written notification given to an alarm monitoring company advising that alarm response has been reinstated to an alarm system;

“Alarm Renewal” means the process of paying a fee (if applicable) per Alarm System to the Kingston Police Alarm Coordinator annually for Alarm Registration renewal;

“Alarm Service Technician” means a person who is employed by an alarm installation company or an alarm monitoring company;

“Alarm System” means any device installed in a building, structure or premise to detect unauthorized entry or criminal activity which, when activated, transmits a wireless, electronic, video signal and/or emits an audible or silent signal or message to an alarm monitoring company, and includes an automated bank machine and a holdup or panic alarm: for example, a device to report that a robbery is in progress, but does not include a medical alert alarm or a fire alarm system;

“Alarm System Inspection Report” means a report detailing the operating condition of an Alarm System completed by an Alarm Service Technician;

“Cancellation of Police Response” means the process or request to terminate response by the Kingston Police after an alarm dispatch request and prior to Police Officers’ arrival on scene;

“Caution Notice” means the written notification given to an alarm monitoring company advising that an Alarm System has had three (3) False Alarms in a calendar year;

“Excessive False Alarms” means the reporting to the Kingston Police of four (4) or more False Alarms within a calendar year;

“False Alarm” means any signal or message from an Alarm System to an alarm monitoring company that is reported to the Kingston Police, where there is no evidence that unauthorized entry was made or attempted or that criminal activity has occurred and where the Alarm System appears to have been activated unnecessarily, improperly, accidentally or for a purpose other than that for which it was installed, including:

- (a) By testing an Alarm System without the prior knowledge and approval of the Kingston Police;
- (b) By reporting an attempted or completed criminal act or an emergency situation where there is no evidence that such an act took place or that such a situation existed;
- (c) As a result of mechanical failure, malfunction or faulty equipment;
- (d) As a result of negligence, error or carelessness on the part of the owner of the system, for example, by permitting authorized persons to be on the premises without alarm passwords; or
- (e) As a result of atmospheric conditions, excessive vibrations or a power failure;

“Licensing and Enforcement Division” and **“Division”** means the Licensing and Enforcement Division, Planning, Building, Licensing & Enforcement Department, Community Services Group or, in the event of organizational changes, another unit designated by Council to carry out the Division’s responsibilities for the administration and enforcement of this by-law;

“Suspension Notice” means written notification issued to an alarm monitoring company advising that there will be no police response to an alarm from an Alarm System;

“Suspended Alarm System” means an Alarm System for which a Suspension Notice has been issued, advising that there will be no police response to an alarm from the Alarm System;

“Unregistered False Alarm” means a False Alarm from an Alarm System that is not registered with the Alarm Coordinator;

- 1.5 Section 3.0 Administration is hereby amended by removing the following therefrom:

The Building and Licensing and Enforcement Divisions are responsible for the administration and enforcement of this by-law.

- 1.6 Section 3.0 Administration is hereby amended by adding the following hereto:

The Licensing and Enforcement Division and the Kingston Police are responsible for the administration and enforcement of this by-law.

- 1.7 Administration, Section 3.2 is hereby amended by removing the following therefrom:

Every application for a new license or a renewal or extension of a license shall be accompanied by the full license fee, as set out in the applicable schedule.

- 1.8 Administration, Section 3.2 is hereby amended by adding the following hereto:

Every application for a new license or a renewal or extension of an existing license shall be accompanied by the full license fee, as set out in the Fees and Charges By-Law Number 2005-10, as amended.

- 1.9 Administration, Section 3.5 is hereby amended by removing the following therefrom:

Despite sections to the contrary, the full license fee shall be paid, regardless of the date of application, if a person begins to carry on the business before submitting an application for a new license.

- 1.10 Administration, Section 3.5 is hereby amended by adding the following hereto:

Despite any sections to the contrary, the full license fee shall be paid, regardless of the date of application, if a Person begins to carry on the business before submitting an application for a new license.

- 1.11 Administration, Section 3.6 is hereby amended by removing the following therefrom:

And any other rates for “A By-Law to License, Regulate and Govern Certain Businesses” are as prescribed by By-Law Number 2005-10, as amended, being

“A By-Law to Establish Fees and Charges to be collected by The Corporation of The City of Kingston”.

- 1.12 Administration, Section 3.6 is hereby amended by adding the following hereto:

All fees set out in By-Law Number 2006-213, “A By-Law to License, Regulate and Govern Certain Businesses”, as amended, are as prescribed by By-Law Number 2005-10, as amended, being “A By-Law to Establish Fees and Charges to be collected by The Corporation of The City of Kingston”.

- 1.13 General Regulations, Section 4.3 is hereby amended by removing the following therefrom:

A person is not eligible for a license unless his or her application is accompanied by the full license fee for that business, as set out in the applicable schedule or as determined under Sections 3.3 and 3.4.

- 1.14 General Regulations, Section 4.3 is hereby amended by adding the following hereto:

A Person is not eligible for a license unless his or her application is accompanied by the full license fee for that business, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended, or as determined under Sections 3.3 and 3.4 of this by-law.

- 1.15 General Regulations, Section 4.5 is hereby amended by removing the following therefrom:

A licensee is not eligible for the renewal or extension of an existing license unless the licensee has paid the full license fee for that business, as set out in the applicable schedule.

- 1.16 General Regulations, Section 4.5 is hereby amended by adding the following hereto:

A Licensee is not eligible for the renewal or extension of an existing License unless the Licensee has paid the full License fee for that business and any other fees charged under the provisions of this by-law, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended.

- 1.17 General Regulations is hereby amended by adding the following new section, 4.27, hereto:

All notices required to be issued under the provisions of this by-law shall be in a form authorized by the Manager of Licensing and Enforcement.

1.18 Schedules: Additional Conditions for Individual Businesses, Section 6.1, General Businesses, is hereby amended by removing the following therefrom:

Schedule A-1: Alarm Installation

Schedule A-2: Alarm Monitoring

1.19 Schedules: Additional Conditions for Individual Businesses, Section 6.1, General Businesses, is hereby amended by adding the following hereto:

Schedule A-2: Alarm Installation and Alarm Monitoring

1.20 Schedule A-1, Alarm Installation, is hereby removed in its entirety.

1.21 Schedule A-2, Alarm Monitoring, is hereby removed in its entirety and replaced with the following hereto:

Schedule A-2

Alarm Installation and Alarm Monitoring

Applicable to:	Every business which sells, leases, installs, replaces, maintains, services, repairs, or monitors security Alarm Systems which notifies the Kingston Police when an Alarm System has been activated.
Exemptions:	None
Reason for Licensing/Conditions:	Consumer protection – adequate responses to legitimate alarms Nuisance control - reduce unnecessary use of police resources
Annual License Fees:	As prescribed by By-Law Number 2005-10, as amended. Annual Alarm System monitoring fee for new Alarm System registrations will be pro-rated by month, except that the provisions of Section 3.4 of this by-law shall also apply. (By-Law Number 2006-213; 2008-16)
Additional Fees for Police Response to Alarms:	A company monitoring an Alarm System will be required to pay the fees as prescribed by By-Law Number 2005-10, as amended, when: <ol style="list-style-type: none"> (1) Kingston Police respond to a False Alarm from a registered Alarm System or an Unregistered Alarm System; (2) Kingston Police’s respond to a founded alarm from an unlicensed alarm monitoring company; (3) Kingston Police’ response to an alarm from an Unregistered

	<p>Alarm System is cancelled;</p> <p>(4) Kingston Police respond to a False Alarm or a founded alarm from an Unregistered Alarm System.</p> <p>(By-law Number 2006-213; 2008-16)</p>
<p>Application Circulated to:</p>	<p>Kingston Police</p>
<p>Special Conditions:</p>	<p>In addition to the General Regulations set out in Part 4 of this by-law, the following special conditions apply to every alarm installation company and every alarm monitoring company:</p> <ol style="list-style-type: none"> (1) Kingston Police shall designate an Alarm Coordinator to administer the provisions of this Schedule; (2) Kingston Police may not respond to an alarm if the alarm monitoring company or the Alarm System are not registered; (3) Every application for a License shall include a register which identifies the name and address of the owner and the registration number of every Alarm System that is to be monitored. It is the responsibility of the Licensee to ensure Kingston Police has current key holder contact information; (4) Every Licensee shall maintain this register and inform the Kingston Police promptly of any changes to the information; (5) Every alarm installation company and every alarm monitoring company shall pay the annual License fee to the Kingston Police Alarm Coordinator within 30 days of the date of the invoice and if a Licensee fails to do so, the Alarm Coordinator may suspend, revoke or refuse to renew the alarm installation company's License or the alarm monitoring company's License; (6) If an alarm monitoring company fails to provide its current contact information to the Kingston Police, all invoices and notices will be deemed served to the business's last known address; (7) If Kingston Police are dispatched to an alarm from an unlicensed alarm monitoring company, the alarm monitoring company shall pay the annual license fee and an administrative fee for failing to obtain a license, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended; (8) Every alarm monitoring company shall pay the fee for a False Alarm and an administrative fee to the Kingston Police Alarm Coordinator within 30 days of date of invoice, and if the alarm monitoring company fails to do so after 60 days from the due

date on the invoice, Kingston Police response to the Alarm System may be suspended upon issuance of a Suspension Notice indicating alarm response is suspended to the Alarm System until all fees have been paid in full. Upon payment of all fees, an Alarm Reinstatement Notice will be issued;

- (9) Kingston Police may suspend police response to an alarm from an Alarm System that has had Excessive False Alarms. In the event that police response to an Alarm System is suspended, a Suspension Notice shall be issued to the alarm monitoring company. Police response to an Alarm System shall not be reinstated until an Alarm System Inspection Report from an Alarm Service Technician has been received and accepted by the Alarm Coordinator. Upon issuance of an Alarm Reinstatement Notice, the False Alarm count for the Alarm System shall be reset to zero;
- (10) Every alarm monitoring company shall submit alarm registration and payment of fees for each Alarm System it monitors. Failure to do so prior to a call for alarm response will result in the Alarm System not to be considered registered with Kingston Police;
- (11) Only a licensed alarm monitoring company may request police response to an alarm and the licensed alarm monitoring company shall provide all contact numbers for the alarm monitoring station, and shall provide its own business name and not the name of a second party alarm company;
- (12) A Cancellation of Police Response will not incur a fee if the Alarm System is registered. If the Alarm System is not registered, the alarm monitoring company shall pay the annual Alarm System registration fee and an administrative fee for failing to register an Alarm System, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended;
- (13) After an Alarm System has incurred three (3) False Alarms in a calendar year, Kingston Police will issue a Caution Notice to the alarm monitoring company warning that police response may be suspended if a fourth or subsequent False Alarm occurs within the calendar year;
- (14) Receipt of an invoice, a Caution Notice, Suspension Notice or an Alarm Reinstatement Notice shall be deemed to have occurred:
 - a) On the date of delivery, if delivered personally;
 - b) Three (3) business days after the date of mailing, if delivered by

registered mail to an address within the City of Kingston;

c) Five (5) days after the date of mailing, if delivered by registered mail to an address outside of the City of Kingston;

d) Five (5) days after the date of mailing if delivered by regular mail to an address within the City of Kingston; and

e) Seven (7) days after the date of mailing if delivered by regular mail to an address outside of the City of Kingston.

(15) Receipt of an invoice, a Caution Notice, a Suspension Notice, or an Alarm Reinstatement Notice shall be deemed to have occurred if delivered personally or to the last known address of the alarm monitoring company;

(16) If Kingston Police respond to a False Alarm or a founded alarm from an Unregistered Alarm System, the alarm monitoring company shall pay the annual Alarm System registration fee and an administrative fee for failing to register an Alarm System, as prescribed by the Fees and Charges By-Law Number 2005-10, as amended;

(17) Kingston Police shall not respond to automatic dialing systems activated by alarms; and

(18) An appeal of a False Alarm invoice must be submitted in writing to the Kingston Police Alarm Coordinator by the alarm monitoring company within 30 days of the invoice. A decision on the appeal will be sent to the alarm monitoring company, which will be responsible for notifying the alarm system customer of the outcome. The decision of the Kingston Police Alarm Coordinator shall be final.

2. This by-law shall come into force and take effect January 1, 2018.

Given All Three Readings and Passed [Meeting Date]

John Bolognone

City Clerk

Bryan Paterson
Mayor

**City of Kingston Alarm Monitoring Stakeholder Consultation Meeting
Kingston Police Headquarters
Community Room
Friday, July 21, 2017 10 a.m. – 11:30 a.m.**

Questions and Comments from Attendees

Is there a report from Kingston Police that we can have on an annual or quarterly basis? And where do the polls come from?

I suggested this: maybe not as per company, but how many are licensed and how many are not licensed, so we can see in our group that we are looking after ourselves.

Do we not have the total number of alarms regulated in the City of Kingston? It would be nice to know to validate. Right now, if I have a false alarm, is the fee charged to the owner or the company?

I looked at the Fire By-Law and you charge the premise and the owner gets billed, not the company.

Comment that it seems odd that the Fire By-Law charges the client, yet the Licensing By-Law charges the company.

In a lot of instances, the same industry is calling the police department and the fire department.

I'm concerned that we are punishing clients who have had no false alarms and making them pay for services that they are not using. I understand where my clients are coming from. Stiffer fines on false alarms would be better.

The issue lies with the customers, not the company. They don't want to pay, so they go with another alarm company. Do you regulate the address as a false alarm and then it is the same for the next company? They will just keep moving companies.

I pay the alarm because legal action is being taken. Something needs to be in effect for the customer to be accountable.

Can we appeal suspicious alarms?

If we are going to prorate the registration fee, on a monthly basis, would it apply to someone who winds down in the middle of the year? Does the money get reimbursed?

Question asking for clarification regarding 2 fees for banks.

Partitions like banks for ATMs or vaults: is it regulated by address?

There is the potential of 6 hits against a company.

Comment that pharmacies are usually separated. Larger commercial facilities, jewelry stores, etcetera have the burglar alarm in the partition.

Comment that the most common situation you see is one permit.

Would the fee be per permit?

Comment that this would be important for the companies.

Having a suspension may create challenges. Not so much for residences, but suspending my police response wouldn't be good.

Comment that premises are registered. Suspending services to premises like jewelry stores can impact their livelihood. You would assume that they would have less false alarms. They are dealt with differently.

What is the policy if you have a suspended account and the guards report that the alarm was actual? Would the police attend the call? That is, if it is verified.

Question looking for what "verified" means?

Comment that there should be a section on verified alarms. There may be exceptions.

Comment that if a business is suspended and they are on guard service, and an alarm goes off, the guard says "yes there has been a break in", would you still respond? There needs to be language in by-law that addresses these scenarios.

To add to this point, businesses that have top security with motion sensors are jeopardizing their top security clearance.

What are you meaning specifically when you say "alarm monitoring company"?

If I am a company who sells security cameras, would that fall into the same definition?

Why wouldn't a self-monitoring alarm system fall under the same definition? They are circumventing our companies.

Question looking for more clarification as to why self-monitoring alarms are not being regulated the same. They are buying and installing the alarms themselves.

Comment that more and more alarm systems are being controlled by owners. You are opening up a whole new world.

How do you collect this fee from self-monitoring customers? If someone gets a text from their app on their phone and they call the police, who gets the invoice? Going back to the Fire By-Law, you bill the premise not the company. There are a lot of companies that sell and install alarms. There are others that provide a service. So, now there are additional steps you need to take. I understand it is easier to bill the company. I see this across multiple municipalities across

the country. This is probably because of “self-doers” or telling someone else to call the police. I don’t think this is fair.

Going back to the self-monitored stuff, are you going to be tracking rates of false alarms between self-monitoring and monitoring systems? You are putting us under the same umbrella, so are you taking steps to separate us from them? You say 3% of alarms are active, so are you tracking to see the difference between professional monitoring companies and self-installers?

Comment about looking at London. They had meetings and the first thing they did was provide a sheet that had stats. Our structure in Canada is the same all over world. We have monitoring and installation and it was easier to punish the monitoring companies instead of install companies. Now the self-installing clients take chunks of space from us. And it dilutes the quality. We are passionate about this because it is our livelihood. We appreciate your side of it too. It is a necessary evil, and most companies try to maintain quality. Some other companies have a whole other level. It doesn’t matter how many false alarms you have to go. You have to recognize things in the ULC. This is a good way to discuss.

Bringing us in under the collections, we are more of partners not stakeholders. The part we take up is even though you bill us, now I have to get the fee from the customer. If you are a resident and have a self-administered system, how do they know they have to registered? In many cases, they think it is a licensing grab so we have to explain it to them which takes away from the City. In many jurisdictions, this doesn’t happen.

Comment about the 836 alarms in 2016. It would be interesting to see the difference in residential and commercial. There is a big distinction in our industry. It would be beneficial.

How do you deal with the CPIC?

How would you know someone was a criminal if you don’t do the criminal check?

Comment that if you aren’t doing the criminal check then you wouldn’t have basis for refusal.

Comment that it is consumer protection. You won’t have the ability to refuse a criminal.

Comment that even if you have a criminal record, you can’t stop someone from opening an alarm security company.

Comment that some municipalities require an agent of the company they have do a CPIC.

Comment that most companies do this. A lot of end users request that if we require them to go to their premise, we have a CPIC.

Comment that it comes down to protecting the integrity of the business.

Our companies through CANASAS have minimum standards. Anyone who has access to customer files has to do this every year. Is it something we can share but would like that program to take hold.

The Executive Director of CANASAS is willing to connect and explain the details and history.

Comment for clarification: is it the monitoring company who pays the fees?

Comment looking for clarification to special condition #8. I have to pay a fee even though all licenses have been paid, you will not respond?

Comment that it is easy to get the money out of us but not the customers. But now we are being held responsible.

This is the issue. The big challenge is the industry has changed. It is not just a monitoring station and installation company. Some businesses are in to sell you systems. It comes down to who you bill. You bill the user. You want to effect positive change from the user not the company. If I attend a business that doesn't have a code or training, it comes down to end user. You need to take that into consideration; how do you bill it. It creates challenges to collect and invoice.

Comment looking for clarification about why the companies have to pay the fee.

Comment that it is not clear in the by-law that you would only be suspending the one premise.

Comment that it goes back to when the customer doesn't pay the fees, they just move to another company.

Comment looking for clarification about the by-law being confusing. Is the fee being charged to ADT as the monitoring company or is it being charged to me as an installation company? Because it is usually charged to me.

Comment that many people in attendance of this meeting are all under the same monitoring station.

Comment that since you now have all of our emails, we (CANASAS) can push information out, so if you communicate this information back to us from the suggestions today, we can have a response and collect information to go back and forth that might make it easier. It is different than other industries and it gets complicated. You guys are on the bottom end of the chain.

Comment that a stakeholder deals with a lot in this geographical area. This is the only area that has a by-law that regulates alarms. Why is Kingston unique? Is it economical?

Comment that most municipalities have by-laws that regulate alarm monitoring. The stakeholder thinks it's a disaster. There's no consistency across the province. It's not controlled consistently. If I go to Brockville, that is problematic because now I have to adhere to a different jurisdiction. It would be good if the province would take ownership and create standards for the industry to comply to. I recognize that you put in a lot of effort.

Does it cost you anything to do the by-law review? I know that anything I pay to you I make no profit. I make \$0 on the false alarm by-law and in many cases we are eating charges. I'm not sure if this is a revenue stream but most customers say they pay their taxes.

Comment that a stakeholder has no problem with the cost, it is some of the deterrent and punitive items. Alarms are deterrent from crime. Other municipalities have tinkered to have suspensions and no responses and they have seen a rise in crime which is a factor. Don't forget that piece. Personally, I think you have to have costs as much as you can, and make it a substantive charge. It is much easier to administer and more effective in modifying behavior.

Comment on special condition #11. The stakeholder feels as though it is ambiguous. Are you looking at verified alarms?

Comment asking for clarification as to whether the tax bills are broken down in to where our taxes go?

Comment that a stakeholder is going by what the customer says to him often because of frustration.

Comment that we have to make sure it is fair because we have so many other customers we just end up eating the bill.

Have you been speaking with industry professionals on the merits of this by-law?

How do we get on the delegation list for the Administrative Policies Committee?

Comment looking for clarification on the comments made today and if they take into effect the changes proposed to the Committee and Council. A lot of us want to have our input.

The Executive Director of CANASAS suggested pushing out the information from this meeting. If you could send the information to me once the changes have been made, I can push it out to the members.

Stakeholder thanked staff and commented that they have done a great job. It is good to see so much people here from our industry and we are all willing to help see these changes.

What about health alarms?

Comment that this was a great meeting. This stakeholder has been attending some of the same meetings across the province. He is trying to circulate stuff around so we want to be seen as a cooperative member because neither of us are going away and the customers are there for us to service.

Hoegi, LeighAnn

From: Kevin Allison <kallison@fire-monitoring.com>
Sent: July-24-17 9:21 AM
To: McLean, Greg
Subject: Alarm Program Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Greg –

I'd like to thank you for your time on Thursday with regards to the changes to the alarm program. I think these types of sessions are very constructive for everyone, and from my perspective helps understand a lot of the "why" behind the program.

I understand that you'll be working a lot with CANASA and Patrick Straw on this going forward, however I'd just like to follow-up with one comment that I made during the session as it relates to self-monitored alarm systems. I personally do not think that these should be held under the same umbrella as a "professionally installed" alarm system, as these systems could be more prone to false alarms than a professionally installed & monitored system. I completely understand that these systems are a matter of life at this point and something that the Police have to deal with, however I'd hope that separate false alarm stats could be tracked for professionally installed vs self-monitored systems.

This will certainly help make better determinations on the program in the future in this regard and, if shared, could help the industry improve overall. While overall volume from professionally monitored systems may be higher, the *rates* may differ on this significantly. Accumulating the data on this would be very helpful for all involved for the future.

Again, thanks for your time and consideration in this matter.

Regards,

Kevin Allison – H.Bsc., CSP, MBA
General Manager
235 Martindale Rd., St. Catharines ON L2W 1A5
T: 888 789 3473 (FIRE) | F: 905-688-0733
Fire Monitoring of Canada Inc. | kallison@fire-monitoring.com

 Please consider the environment before printing this email



Colonnade Security Inc.

July 27, 2017

Kingston Alarm By-Law 2006-213

Meeting was held on July 21, 2017 at Kingston Police Headquarters at 10am.

First I want thank you for inviting the security alarm industry to your meeting and letting us have some input on the future changes to the Alarm By-Law.

I have been in the security industry since 1980. I have seen many Alarm By-Laws come and go in different stages over the years and I certainly accept the need for such a By-Law in our cities. I use to own Regional Protection Systems Inc. and also operated Security 24 Monitoring Network in Ottawa. I sold the monitoring station to Protectron in 1998 after 10 years of operation, and then sold Regional to Protectron in 2002. At Protectron I was their Direct of Sales for Central Canada. I looked after the Ottawa and Toronto office. I also looked after their dealer program and Security 24, which had now grown to two locations in the country. I left them in 2004 and opened my own company again in 2006, Colonnade Security Inc. So I think I am able to understand your concerns and can offer some opinions for you think about with your By-Law.

While I did the above I was also a Full Time Ottawa Fire Fighter. I retired as a Captain two years ago at the end of June with 35 years service. With the security business I am able to continue to be able to work and I also enjoy it.

Here are some of my comments on your proposed By-Law.

Lets start with the actual false alarm fine/fee.

False Alarm fee or fine: Educate the customer

One of the things the Kingston Police Service needs to do is to get the end user or alarm customer involved and educated with the City of Kingston's alarm process. This is so important that they understand the By-Law, the False Alarm fee and the Registration fee for having a security system. The customer also needs to know that the company they are buying their security system from also

needs to be registered to sell security systems in Kingston. I am not sure how the alarm company can have that identification but it needs to be done so they can provide it to the customer.

Kingston needs to get the fine or fee for the false alarm issued to the customer directly. The Police Officer that responds to the Burg Alarm should leave the false alarm fine/fee at the location after they have inspected the address for a possible break-in and found nothing to indicate a break-in has occurred.

There should be a registration form for all alarm customers to sign. In signing the registration form, they agreed to pay all fines, fees and the registration fee. They also agree that they understand the City of Kingston has an Alarm By-Law and that they have read and understand and agree with the terms with in the By-Law.

These above issues need to be in place for this By-Law to succeed in Kingston.

Customer understanding - the rules of having a security system.

The alarm customer has to be made aware that purchasing less expensive alarm products can increase the possibility of a false alarm. Alarm companies have the opportunity here to sell proper security equipment, offer extended service warranties and even offer to pay for the first false alarm the customer might have in a calendar year should their equipment false alarm.

The alarm customer must also understand that simply cancelling their contract or agreement with the ABC Company to go to the XYZ Company will not get rid of the false alarm fine. They should be made aware that if they cancel or default terms of their alarm company agreement or contract that they will have to buy out the balance of that agreement or contract. This could get expensive for the customer.

Cancelling one to go with another, the court will decide with the original contract.

The alarm customer has to take the main responsibility for having the system. The alarm customer needs to be made to understand that it is their responsibility to have a proper working alarm system, and if there is an issue with it that they take the steps to have it repaired. They need to understand that their system needs to be serviced if it was a false alarm equipment issue. Each time it continues to false alarm, they will get another fine/fee.

The alarm company needs to be made aware that the customer had a false alarm so they can follow up with them to get it repaired. Maybe the alarm monitoring company can email the alarm company each time there is a response to one of their customers. Maybe the Police can email the alarm company of the fine at their customer address.

The alarm company then needs to check the system over and complete the necessary repairs required. They need to contact their customer and explain that a service call is required by the City of Kingston Police to check out the system.

The security company should be required in the By-Law to service the system within so many days of the fine. A copy of the work order should be sent to the Alarm Coordinator once completed so the Police Alarm Division knows the system has been serviced and that the alarm customer did take action to get it repaired.

The customer must also understand that the False alarm fee must be paid to the City within the time period required. If it is not paid the City should just add it to that person or companies taxes the following year and any other course of action they feel is required, such as non-response.

Just like a fine for driving a vehicle or parking. When your license renews it has to be paid or no license.

Buying a security system.

This is where the education has to start. And this is where the alarm company has to take some responsibility in selling the security system and their monitoring services.

1) A customer should be required to sign a letter that they understand there is a By-Law in the City of Kingston and what the fines and fees are for and they are responsible for such fines and fees when they purchase their security system. This letter should be copied and kept on file at the alarm company and the original sent to the Police Services with their registration payment. The letter should have some sort of Claus that explains that with the registration fee, they understand and will abide to the False Alarm By-Law. They will also agree to pay any such fines and fees as required under the By-Law within the terms of payment provided. The customer's cheque should be made out directly to the Kingston Police Service – Alarm Division.

There should also be a 7- day no response to all burg alarms once it is installed. This will give the Police time to register the location and put the customer into their system with an ID response number. This number will be given to the alarm company and then be required by the Police, for any alarm dispatch from the alarm monitoring company.

The first 7 days will require the alarm company to notify the customer of any alarms, but no response will be provided from the Police. If it is a high security home or business, a guard service should be notified until the Police issue their response number.

2) The customer needs to be made aware and made clear that a security system is not a toy. They purchased it for a good reason and not because they know someone else that has one. It is their responsibility to own and operate it correctly.

3) The customer needs to be made clear that they will pay for any false alarm and any additional fees applied to their location from any such alarm will also be their responsibility and no one else.

4) The customer needs to understand that if they refuse to pay the false alarm fine/fee, that it will not go away. Switching to another alarm company will not make the fine go away; the fine is still there under their name and/or business and will not go away because they changed alarm companies. It will simply be added to their taxes the following year if not paid. Alarm response will also be revoked to their location until it is paid.

5) Cancelling their monitoring service with their alarm company over a fine will cause them to become in default with their alarm company and the balance of their contract will come due and have to be paid.

6) On **all alarm conditions** the customer needs to be notified. They will be told of the alarm condition. The monitoring station will be required to give them the zone or zones and if the zone or zones have reset. It will then be the customer's responsibility to decide if they want the Police dispatched.

The alarm customer needs to have a proper call list on file with up to date phone numbers for the alarm monitoring company and the Police if required.

Alarm companies do not know when numbers for customers change. New jobs, or cell phone numbers need to be sent to the alarm company so the alarm monitoring company has the proper information.

7) Alarm customers should also be given the opportunity to have a guard service dispatched instead of the Police, if they so wish. It will not excuse them from any registration fees or any false alarms fees should the Police respond.

When a false alarm fee or fine is issued. The customer will say that they pay taxes and if the Police are needed they are expected to go as part of the taxes they pay. If they have already signed a letter of registration and agreed to the terms of the By-Law, then this will be avoided.

So the city needs to spend some money to educate the community and the alarm companies about what the By-Law is. The alarm customer needs to get a copy of the By-Law. This should be given to the customer when they purchase the system. This should be the responsibility of the alarm company at time of sale. The Police can enforce this with every customer that is registered. A simple form that the customer signs to register their system and that they have read and understand and agree with the terms of the By-Law.

The form can request a contact list for the customer. It should include at least one or more email address for the alarm customer. The alarm company information should be required to make sure everyone of his or her alarm customers is registered. The form could also request an email from the alarm

company that could be used to notify the company if one of their customers has been fined.

This could be a standard form emailed to all alarm companies in a Word or PDF format to be signed by each alarm customer at time of the sale in the presence of the alarm company representative.

Selling a security system.

So an alarm company is called for a quote. The alarm company goes over what the customer requires and gives them a quote. But then the customer says it is not for FREE. So for the alarm company here has the chance to explain the By-Law. They can also show they are registered to sell alarm systems in Kingston and then shows the customer the registration form they are required to sign.

The customer could ask why the system is not for FREE as other companies offer. Of course nothing comes for Free in this world so these other alarm companies install a lower quality system, which will cause false alarms at some point. The price of false alarms will add up quickly, also the cost of upgrading the equipment. So now the alarm company has to be able to make the customer understand the commitment of having a security system. We can all buy motions that do not false alarm. But they cost about \$120.00 each or more. These are not the motions you get for free. You will get a basic one, one that costs about \$10.00.

If an alarm company took the responsibility to pay for false alarms in their customer agreement, then a customer would be paying about \$1000.00 for a security system to be installed and it would not be for FREE. This can be done, but how do convince the customer of this when companies as large as ADT install free systems.

Most of these companies just want the monitoring contract. Once the customer gets his FREE system and signs a 36 to 60 month contract, they are then forced to pay for better motions and equipment if the system starts to false alarm. All these companies have Clauses in there agreements or contracts to make the customer upgrade if the system false alarms at the customers expense.

Most alarm companies have it right in their customer agreements or contracts that they are not responsible for any false alarm fee or fines issued by a municipality or Police force. These larger companies have no problem in making their customer buy out their contract should they decide to cancel because of false alarms. They usually have a legal department in their company or least the customer thinks it is because they will receive letters from someone who has a title in the legal department. They even have been known to put a lien against the property until they are paid.

It can get very messy when this all starts, because a contract is a contract and the customer agreed to the terms when he purchased the security system.

The By-Law

1.0 Definitions

Alarm Service Technician or contractor means....

Alarm Reinstatement Notice.... Given to the alarm company

Alarm monitoring company should not be issued with any notices or fines, any such fines or fees or notices should be issued to the alarm customers alarm company.

Schedule A-1 and A-2

Applicable to: Every business which **sell, installs, replaces, maintains, repairs, monitors and/or services security alarm systems** and which notifies the Kingston Police when an alarm system has been activated, and any Self-Monitored Alarm System.

Sells -

All alarm companies sell security systems, but so do stores like The Source, Costco, Home Depot and Lowes to name a few. You can also purchase a security system on line. On Line is endless. You can buy just the parts or a fully monitored security system that is sent to you in a box. Self-installed security systems can be a problem. Are they installed and tested properly. These systems can also be monitored by from different parts of Canada, or the USA, or even can be self monitored. Some may even be monitored from somewhere else in the world. A good example of this type of is Alarm Force or Think Security, both located in Toronto. They install in Toronto, but for the most part it is sent to you in a box for you to install. All programmed and ready to go with instructions.

As far as installers, there are a large number of installers that work for different companies. They are self-employed contractors and will work for any company that wants service or installation work. They usually will work for companies like Alarm Force that have no office in the area but need a service tech. So these guys could work for a number of companies, and yet do not represent any of them. Some of these contractors are excellent workers and of course some do not know exactly what they are doing.

Monitoring- ADT/Protectron is Canada's largest company. They are one of the only companies in Canada that own their own monitoring company other than Chubb/Edwards.

Most other alarm companies use a monitoring company like Lanvac. Which monitors most of the smaller alarm companies in your area. Security 24 is still out

there but Protectron used this operation to buy companies. They never really wanted to be in the third party monitoring business.

So how as you can see, it could be one company with its own employees or it could be another that uses contractors to install, another to service, another to monitor, but under their name, the XYZ ALARM COMPANY.

I think you need to understand that this goes on in the security world. Even ADT uses contractors to install and service in areas where they have no office, and also in areas that they do.

Special conditions section

Again – the words alarm monitoring company is just to wide an issue. It should read customers Alarm Company.

3) The alarm monitoring company should read the alarm company of the alarm customer. This should be throughout this By-Law.

There are just too many things that force the alarm company to pay for false alarms that the alarm customers responsibility. Most alarm companies agreement or contract with the alarm customer will include a term or condition that states they are not responsible for any alarm By-Law fines or fees issued by....

6) Each alarm customer shall pay the registration fee.

7) No problem

8) Again this needs to be the alarm customer. Otherwise the customer will not pay and then the alarm company has no choice but to pay to have service reinstated.

9) No problem

10) Should be every alarm customer

11) No problem

12) Only licensed alarm companies of Kingston that monitor systems and ...

...and not the name of a third party alarm monitoring....

13) ... the Kingston alarm company will be invoiced...

14) – All burg alarms responses – the monitoring company should notify the alarm company of any alarm responses they have issued for any of their customers by email as they happen.

15) No problems

16) The alarm company of the customer will be changed

17) I do not believe any such devices exist anymore, but this can be left in.

18) alarm monitoring company should read customer alarm company.....
(throughout)

I hope some of my points help with the By-Law. Companies like Home Depot, Lowes, Bath and Bedtime and other box stores, usually have their systems monitored by companies in the USA. You will need to find out who does the service here to have an effect on them. I may have doubled up on some point but you should understand them anyway.

I thank you for letting me share some input and if I can be of any more assistance, please let me know.

Carl W. Waddell

Colonnade Security Inc

ColonnadeSecurity.com
c.waddell@colonnadesecurity.com

Carl W. Waddell | SECURITY CONSULTANT



Colonnade
Security Inc.

T. 613.839.1274
F. 613.839.1275

P.O. Box 72035
Ottawa, Ontario K2K 2P4