

Recommended City Council Responses to Findings and Recommendations in San Diego County Grand Jury Report entitled “No „Cost’ for Alarm”

~~The City is in receipt of the May 24th, 2011 Grand Jury report concerning alarm permits and the associated fees. Unfortunately, the report contains some factual inaccuracies and provides misleading information.~~

~~The suggestion that the San Diego Police Department (Department) initially refused to cooperate with the Grand Jury is false. The Department complied with every lawful request made by the committee, including producing thousands of documents for their review. The Department did object to a request by the Grand Jury to have the San Diego County Auditors conduct an in-house audit because there is no legal authority for such. Additionally, the Grand Jury sought electronic documents not in the possession of the Department. The Grand Jury was notified that the information requested was not available and would require programming to obtain, which would have been at a cost to the city. The Grand Jury declined an offer by the City to share the expense.~~

GRAND JURY FINDINGS

Finding #01: The cost of processing the alarm permit application is to be borne by the applicant. An audit would clarify whether this is being accomplished.

Mayor’s Response: Agree with the finding. The Department holds the applicant responsible for all alarm permits application fees. This cost is built into the alarm permit fee.

IBA Recommendation: Respond with a modification to the Mayor’s response, replacing it with the following:

Agree with the finding. Per Section 33.0307 of the Municipal Code, the cost of processing an application for a police permit is to be borne by the applicant.

Currently, the City Auditor’s Office is concluding a performance audit of the San Diego Police Department Permits and Licensing Unit for release at the end of September of 2011. Among the objectives of the audit is to assess the extent to which the Police Department recovers all costs associated with the permits issued by the Unit. The audit will contain specific findings and recommendations pertaining to the alarm permits program. The findings from the audit will be heard at a future Audit Committee meeting in the fall.

Finding #02: A number of activated alarms do not have a valid permit.

Mayor’s Response: Agree with the finding. There are some installed alarms that the Department is not aware of until they have an activation AND the department responds. If this occurs the business or residence is brought into compliance or fined. Every applicable alarm that the Department is aware of, either has a valid permit or is fined and brought into compliance.

The Municipal Code contains exemption language for specific facilities such as banks and government buildings which do not require permits.

IBA Recommendation: Respond with the following modification of the Mayor's Response:

Agree with the finding. Every applicable alarm that the Department is aware of, either has a valid permit or is fined and brought into compliance. The Police Department estimates that there are approximately 64,000 permitted alarms within the City. There are some installed alarms that the Department is not aware of until they have an activation AND the department responds. In FY 2011, the department received 12,303 alarm calls from unpermitted alarm systems. -If When this occurs the business or residence was brought into compliance or fined. Every applicable alarm that the Department is aware of, either has a valid permit or is fined and brought into compliance. The Municipal Code contains exemption language for specific facilities such as banks and government buildings which do not require permits. The Department does not have information regarding all activated alarm systems within the City as alarm companies are not required to provide this information under the current Municipal Code. Due to this, the number of activated alarms that do not have a valid permit is unknown.

Finding #03: A number of fees for new alarms or renewal permits are not being collected.

Mayor's Response: Partially disagree with the finding. Every new alarm system the Department is aware of has either paid their permit fee or is being fined for not being in compliance. There may be cases in which an alarm permit is not renewed while still being active; however the Department makes every effort to minimize those occurrences.

IBA Recommendation: Respond with the following modification of the Mayor's Response:

Partially disagree with the finding. Given that the Police Department does not have information regarding all activated alarm systems within the City, the number of fees for new alarms that are not collected is unknown. Every new alarm system holder that the Department is aware of has either paid their permit fee or is being fined for not being in compliance. There may be cases in which an alarm permit is not renewed while still being active; however the Department ~~makes every effort attempts~~ attempts to minimize those occurrences by sending a renewal notice via mail to permit holders noticing them of the expiration date of their permit thirty days prior to expiration. Beyond this, no further action is taken if a permit holder does not renew their permit.

Finding #04: Without the requested audit, the Grand Jury is unable to verify the number of licenses revoked due to false alarms.

Mayor's Response: Partially disagree with the finding. The Department cannot make a determination what the Grand Jury can or cannot verify based on the Audit, therefore we have to agree with the general statement of this finding. However, the Department disagrees with the implied lack of cooperation. The Department objected to a request by the Grand Jury to have the County of San Diego Auditors conduct an in-house audit because there is no legal authority for such audit. The Department offered all of the requested information to the Grand Jury, which

was to be produced by a third party. The Department notified the Grand Jury that some requested data was not available and would require programming at an expense to the Department. The Grand Jury gave no indication it was willing to pay for any material.

IBA Recommendation: Respond with a modification to the Mayor's response, replacing it with the following:

Partially disagree with the finding. According to the Police Department, the number of licenses revoked due to excessive false alarms totaled 1,256 in FY 2010 and 1,129 in FY 2011. Although the Grand Jury was unable to verify the number of licenses revoked due to false alarms with an audit conducted by the OAAS, the City of San Diego City Auditor's Office is currently concluding a performance audit of the San Diego Police Department Permits and Licensing Unit, including the alarm permit program. As a part of the audit, the City Auditor's Office was able to review information regarding alarm permit revocations. The findings and recommendations from this audit will not be released until late September 2011.

Finding #05: Without the requested audit, the Grand Jury is unable to verify the amount of money collected for revocation of permits and fines due to failure to have a valid permit.

Mayor's Response: Partially disagree with the finding. See response to Finding #04.

IBA Recommendation: Respond with a modification to the Mayor's response, replacing it with the following:

Partially disagree with the finding. According to the Police Department, the amount of money collected for revocation of permits and fines due to failure to have a valid permit totaled \$234,392 in FY 2010 and \$187,000 in FY 2011. Although the Grand Jury was unable to verify such information with an audit conducted by the OAAS, the City of San Diego City Auditor's Office is currently concluding a performance audit of the San Diego Police Department Permits and Licensing Unit, including the alarm permit program. As a part of the audit, the City Auditor's Office was able to review information regarding the amount of money collected for revocation of permits and fines. The findings and recommendations from this audit will not be released until late September 2011.

Finding #06: The permit applicant must go to different locations for different types of permits, such as building, cigarette, entertainment, and burglar or fire alarm permits.

Mayor's Response: Partially disagree with the finding. All Police Regulated industry permits, renewals and fines (including alarms) are issued at a single location. Alarm renewal fees and fines can be also paid through the mail and on-line. The Department does not have the ability or authority to regulate or collect revenue for other entities. Permits required by other agencies or City departments are typically processed at those respective locations.

The Mayor's Business office has conducted an efficiency study regarding this issue and may be recommending some adjustments on the payment of permits although the SDPD will still continue to oversee the application, investigation and enforcement of the police regulated industries.

IBA Recommendation: Respond with the following modification of the Mayor's Response:

Partially disagree with the finding. All *Police Regulated* industry permits, renewals and fines (including alarms) are issued at the San Diego Police Department Headquarters Building within the Vice Permits & Licensing Office a single location. Alarm renewal fees and fines can be also paid through the mail and on-line. The majority of alarm permit holders attain an alarm permit and pay renewal fees and fines through the mail. The Department does not have the ability or authority to regulate or collect revenue for other entities. Permits required by other agencies or City departments are typically processed at those respective locations.

The Mayor's Business office has conducted an efficiency study regarding this issue and may be recommending some adjustments on the payment of permits although the SDPD will still continue to oversee the application, investigation and enforcement of the police regulated industries.

Finding #07: The time required to track down expired alarm permits, six to nine months, is inefficient and deprives the City of significant revenue.

Mayor's Response: Disagree with the finding. The Department does not take six to nine months to track down expired permits. Letters are sent at the beginning of each month to all permit holders who have a permit that will expire the following month. Included with the letter is a permit application and request for payment. Permits do not have to be renewed if an alarm is not being monitored. Therefore, many permits expire and are never renewed because a system is no longer monitored. If there are any calls for service after an alarm has expired, that permit is brought into compliance or fined appropriately.

IBA Recommendation: Respond with the following modification of the Mayor's Response:

Disagree with the finding. The Police Department does not have access to information from alarm companies on activated alarm systems in the City. Without this information, the Department is limited in its ability to identify and track down expired permits for alarms that are still being monitored. The Department has a permit renewal procedure in place to promote permit renewal, albeit it is limited due to this. The Department does not take six to nine months to track down expired permits. Letters are sent at the beginning of each month to all permit holders who have a permit that will expire the following month. Included with the letter is a permit application and request for payment. Permits do not have to be renewed if an alarm is not being monitored. ~~Therefore, many permits expire and are never renewed because a system is no longer monitored.~~ If there are any calls for service after an alarm has expired, that permit is brought into compliance or fined appropriately.

RECOMMENDATIONS

Recommendation 11-48: Revise Municipal Code Sec. 33.3700 through 33.3713 to levy a substantial fine against both the alarm owner and the alarm company for activating an alarm without a permit.

Mayor's Response: This recommendation requires further analysis. The San Diego Municipal Code already contains provisions for fines against the alarm owner for activating an alarm without a permit. The City will request by October 31, 2011 an opinion from the City Attorney's office to determine if levying a fine against alarm companies is legal under the California constitution.

IBA Recommendation: Respond with the following modification of the Mayor's Response:

This recommendation requires further analysis. The San Diego Municipal Code **already** contains provisions for **a penalty fee/fines** against the alarm owner for activating an alarm without a permit **when the alarm system generates a police call for service. The fee is only assessed if the alarm owner does not attain a permit within fifteen days of notification of the false alarm. No penalty exists for alarm companies for activating an alarm without a permit.** The City will request by October 31, 2011 an opinion from the City Attorney's office to determine if levying a fine against alarm companies is legal under the California constitution.

Currently, the City Auditor's Office is concluding a performance audit of the San Diego Police Department Permits and Licensing Unit for release at the end of September of 2011. The audit will contain specific findings and recommendations pertaining to the alarm permits program and will address how the Municipal Code can be amended to enhance the effectiveness of the alarm permit program in promoting permit activation compliance on the behalf of the both the alarm owner and the alarm company. The findings from the audit will be heard at a future Audit Committee meeting in the fall. The report can inform any future Council action in revising Sections 33.3700 through 33.3713 of the Municipal Code to impose fines on both the alarm owner and the alarm company for activating an alarm without a permit.

Recommendation 11-49: Audit the San Diego Police Department's Permits and Licensing Division annually to ensure accountability and adherence to municipal codes.

Mayor's Response: This recommendation requires further analysis. The Department's Vice Permits and Licensing Unit is currently being audited. In addition, quarterly reports are completed for the Chief of Police to ensure that the Permits and Licensing Unit is maintaining accountability and meeting established expectations. The current audit completed by the City will likely provide an opportunity to appraise the effectiveness of the unit and help determine the need and/or frequency of future audits.

IBA Recommendation: Join the Mayor's Response.

Recommendation 11-50: Direct the City's Chief Operating Officer to acquire a location/office where all permits required by the City, including alarm permits, could be obtained. The Grand Jury believes this would encourage people to comply with permit laws, and reduce redundancy in permit processing and staffing. This "one-stop shop" could also simplify monitoring activities for City departments.

Mayor's Response: This recommendation has not yet been implemented, however, the City of San Diego is currently finalizing the development of a one-stop shop approach for most City

permits with implementation scheduled to be completed in mid 2012. Alarm permits were not included in the one-stop shop because they don't require review and approval like most other City permits. All alarm permit transactions can be handled through the mail and renewals can be handled on-line. The one-stop shop is tied to City permits with corresponding business license requirements. A large percentage of alarm permits are residential and do not have business license requirements. The Police Department is continuing to explore systems that will increase convenience to the alarm permittees and maximize compliance.

IBA Recommendation: Join the Mayor's Response.