

**CITY OF OAKLAND**  
**AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2010 MAY 13 PM 3:23

**TO:** Office of the City Administrator  
**ATTN:** Dan Lindheim  
**FROM:** Oakland Police Department  
**DATE:** May 25, 2010

**RE: A Report and Ordinance Amending Ordinance No. 12984 C.M.S. (Master Fee Schedule) To Reflect Fee Changes Associated with the Low Income Senior Citizen Alarm Permit Discount**

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**SUMMARY**

As requested by the Finance and Management Committee on April 27, 2010, staff has prepared an ordinance amending Ordinance No. 12984 C.M.S. (Master Fee Schedule) to reflect fee changes associated with the low income senior citizen alarm permit discount.

**FISCAL IMPACT**

The proposed permit cost for qualifying, low income senior citizens is \$15. Staff does not expect an impact to the previously stated revenue projections if the proposed ordinance revisions are adopted. Revenue projections shown in Table 1 are based on the residential permit fee *only* (\$25) and as stated in Note #1 of Table 1, do not consider the higher commercial permit fee (\$35), or higher false alarm fee (\$156).

Approximately 3,700 senior alarm users were registered in the former alarm program. Currently, there are approximately 5,000 commercial alarm users in the alarm user database. The higher commercial permit fees paid to the program will offset the savings offered to seniors that qualify for the discounted permit. If there are more than 5,000 senior users that qualify for the program, the additional cost will be absorbed by the higher false alarm fees that are not considered in the revenue projections.

To date, approximately 5% of false alarms are charged at the higher false alarm fee which totals an additional \$42,000 in projected revenue not reflected in Table 1. That amount will accommodate an additional 2,800 low income senior alarm permit discounts.

The above considerations will allow up to 7,800 seniors to obtain a discounted permit without impacting revenue projections.

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**Projected Revenue**

**Table 1**

**ALARM PROGRAM REVENUE ANALYSIS**

| <b>Alarm Program Revenue Analysis<br/>Oakland Police Department</b>                     |                    |
|---|--------------------|
| <b>Assumptions:</b>   |                    |
| Alarm Permits:  | 27,000             |
| False Alarms:   | 24,000             |
| False Alarm Reduction Percentage:   | 50%                |
| Billable False Alarms:  | 12,000             |
| <b>Base Fees in the Ordinance:</b>  |                    |
| Alarm Permits   | \$25               |
| False Alarm Fines   | \$84               |
| <b>Estimated Revenue from Alarm Program based on<br/>Assumptions and Fees Above:</b>    |                    |
| Alarm Co. Failure to Report Disconnections Fee  | \$81,000           |
| Alarm Permit Revenue:   | \$675,000          |
| False Alarm Response Revenue  | \$1,008,000        |
| Estimated Total Revenue:  | \$1,764,000        |
|   | @ 21%              |
| Cost to Manage the Program:   | \$370,440          |
| <b>Net Revenue from the Alarm Program</b>   | <b>\$1,393,560</b> |
| Note #1: This analysis does not include late fees or the higher permit/false alarm fee. |                    |

**BACKGROUND**

On April 27, 2010, staff presented a request to modify alarm company responsibilities in Oakland Municipal Code Chapter 8.02 Burglar Alarm Systems to the Finance & Management Committee. At that time, staff informed the Committee that a low income senior discount permit would be implemented as soon as possible.

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## KEY ISSUES AND IMPACTS

In the past, the alarm program offered a senior waiver; the waiver was rescinded because it was not based on income criteria. The new senior discount is proposed to benefit low income senior citizens.

Staff researched the most timely and efficient way to implement a low income senior alarm permit discount program. It was determined that the most effective way to implement a new senior program is to set income criteria based on current participation in a *qualified low income program*. A qualified low income program is one researched and selected by staff that provides discounts or services to seniors or qualified households based on the number of persons living in the home and the total annual household income.

The following programs will be considered as qualified low income programs:

- City of Oakland ASSETS Program
- CARE program offered by the Pacific Gas and Electric Company (PG&E)

By setting our criteria based on current participation in a *qualified low income program* staff will eliminate the need to create its own time-consuming and demanding income verification process. This will also limit the administrative demands of implementing this program. Low income seniors can simply provide proof that they are currently participating in one of the qualified low income programs in order to become income qualified for a discounted alarm permit.

## PROGRAM DESCRIPTION

The discounted low income senior alarm permit will be available to residential alarm sites only and must meet and show proof of the following criteria:

- Age (65 or older);
- Listed as the property owner or lessee;
- An Alarm Agreement in their name; and
- Be a member of a *qualified low income program*.

Staff has revised all program forms and means of communications to include the availability of the discounted low income senior permit, effective June 1, 2010. Staff will make this information available to the public immediately upon Council approval.

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## **SUSTAINABLE OPPORTUNITIES**

**Economic:** This option will contribute to increased participation in the False Alarm Reduction Program. A fully functioning program will generate revenue for the City and reduce false alarms, allowing OPD to redirect existing police resources to crime reduction efforts.

**Environmental:** This option will contribute to increased participation in the alarm reduction program. A reduction in false alarms will translate to a reduction in noise pollution and peace disturbances throughout the City.

**Social Equity:** Offering a discount permit to low income seniors will limit the affect that the permit requirement will have on their quality of life.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

The low income senior alarm permit discount is designed to provide an affordable alarm permit option to low income senior citizens.

## **RECOMMENDATION AND RATIONALE**

Staff recommends adoption of 1) an ordinance amending Ordinance No. 12984 C.M.S. (Master Fee Schedule) to reflect fee changes associated with the low income senior citizen alarm permit discount.

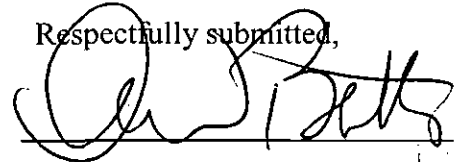
The recommended actions will allow low income seniors to participate in the program.

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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that the Council 1) adopt an ordinance amending Ordinance No. 12984 C.M. S. (Master Fee Schedule) to reflect fee changes associated with the low income senior citizen alarm permit discount.

Respectfully submitted,



Anthony W. Batts  
Chief of Police

APPROVED AND FORWARDED TO  
THE FINANCE AND MANAGEMENT  
COMMITTEE:

  
Office of the City Administrator

Prepared by:  
Mrs. Antoné Hicks  
Alarm Administrator  
False Alarm Reduction Unit

Reviewed by:  
Ms. Cynthia Perkins  
Legislative Analyst  
Oakland Police Department

Item: \_\_\_\_\_  
Finance and Management Committee:  
May 25, 2010

**DRAFT**

City Attorney

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 MAY 13 PM 5:03

**OAKLAND CITY COUNCIL**

**ORDINANCE NO. \_\_\_\_\_ C.M.S.**

**ORDINANCE AMENDING ORDINANCE NO. 12948 C.M.S. (MASTER FEE SCHEDULE) TO REFLECT FEE CHANGES ASSOCIATED WITH THE LOW INCOME SENIOR CITIZEN ALARM PERMIT DISCOUNT**

**WHEREAS**, causing police to engage in a false alarm response constitutes an appropriation of public police services for private purposes and is subject to a cost recovery fee; and

**WHEREAS**, Oakland Municipal Code Chapter 8.02 "Burglar Alarm Systems" requires all Oakland users to register their residential burglar and security alarm systems, and pay an annual fee; and

**WHEREAS**, the City wishes to offer a discounted alarm permit to qualifying low income senior citizens; now, therefore

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**Section 1.** Master Fee Schedule. The Master Fee Schedule, Ordinance No. 12809 C.M.S. is amended to add these service fees as follows in Section 3.

**Section 2.** The City Council finds and determines the foregoing recitals to be true and correct and hereby makes them a part of this ordinance.

**Section 3** The Master Fee Schedule is amended as follows. Additions are indicated by underline type, and deletions are indicated by ~~strike through~~ type:

|   |                                       |                          |                        |
|---|---------------------------------------|--------------------------|------------------------|
|   |                                       |                          | <b>POLICE SERVICES</b> |
| 1 | Annual Security Alarm Permit Fee      |                          |                        |
|   | <u>c.</u> <u>Low Income Senior</u>    | <u>15.00</u> <u>Year</u> | <b>AS. False</b>       |
|   | <u>e d.</u> Public Agency/Government* | 0.00   Year              | <b>Alarm</b>           |
|   | <b>Program</b>                        |                          |                        |

**Section 4.**

This Ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes on final adoption as provided by Section 216 of the City Charter; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

DATE OF ATTESTATION: \_\_\_\_\_

**ORDINANCE AMENDING ORDINANCE NO. 12948 C.M.S (MASTER FEE SCHEDULE) TO REFLECT FEE CHANGES ASSOCIATED WITH THE LOW INCOME SENIOR CITIZEN ALARM PERMIT DISCOUNT**

**NOTICE AND DIGEST**

This Ordinance amends the Master Fee Schedule to establish a fee for low income senior citizen alarm permits. This change follows amendments Oakland Municipal Code Chapter 8.02.