

CHESLEY BROWN ADVISORY

A Newsletter provided to clients and friends of Chesley Brown International, Inc.
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The Importance of Budgeting in Security Is Your Property Taking Advantage of This Tool?

Budgets serve a number of purposes and can prove invaluable to a properly run security program. Budgets detail the anticipated expenses of a property for the entire year including personnel costs, security equipment, communications, insurance costs, uniform purchases or upgrades, vehicle costs and general and administrative costs.

Budgets can also reveal specific periods when spending will be greater either

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The History of Private Security A Tour Through the Beginnings of an Industry

The history of private security begins long before most people might expect, with its origins running back into ancient times. For much of history, private and public security have been intertwined, crossing paths and diverging, while sometimes apparently inseparable.

While the story of private security is long and tangled, we are sure that in ancient times, some members of tribal society were charged with protecting the tribe from

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Proposed Tax Credit for Security Spending Your Security Dollars May Go Farther

A bill introduced by Rep. Bill Shuster (R-PA) would allow companies to obtain a tax credit for up to 30 percent of security-related expenses each year. Under the bill, businesses could receive a tax credit of 20 percent for qualified security devices brought into service during the tax year. Qualifying devices would include access control systems, biometrics, CCTV, locks, computers and software to combat cyberterrorism, electronic alarm systems, asset tracking devices, air filtering systems, vehicle barricades, and metal detectors. The bill would also allow a tax credit of up to 30 percent for qualified security assessments conducted during the tax year, including any analysis designed to determine a company's vulnerability to security threats, disaster response readiness, and continuity capabilities in case of a security emergency. The bill is currently under review.

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DID YOU KNOW?

According to a recent study, 2003 was a record year for cyberterrorists. More than 217,000 successful attacks were carried out against online servers, up more than 50% from the previous year. The combined effects of these attacks cost private businesses billions of dollars each year.

History of Private Security

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wandering animals as well as apprehending those that broke with tribal customs. With the advent of formalized laws thousands of years later, these roles became more solidified.

During Anglo-Saxon times, as England was becoming united, the position of sheriff began appearing. The king appointed sheriffs around the country as law enforcers and tax collectors. By and large, however, this was still a very lawless time, and “private justice” prevailed. As time continued, the role of the sheriff grew in importance.

In the thirteenth century, Edward I established a “watch and ward” system that required the selection of night watchmen and bailiffs from the citizenry. These new public positions were responsible for maintaining order and preventing crime. These were the precursors to modern policemen.

After the rise of the middle class in the 1500s, the 1600s saw the rise of “private police”. The now wealthy merchant class used these private employees to protect both their land and property. Night patrols became a popular way of deterring crime and giving early warning in case of fires. These truly were the first private security officers. It was about this time that John Garrard, one of Chesley Brown’s founder’s ancestors, was appointed High Sheriff of London.

At the same time in America, police forces began mirroring the British system. Representatives of the King appointed sheriffs and constables. Paid police forces could be found protecting private property, and night watch systems were in place in Boston, New York and Philadelphia.

At the end of the nineteenth century, modern-day private security truly began. After a long tenure in public law enforcement, Alan Pinkerton left the police force to form a private detective agency. His company began providing investigative and security services for railroads and private industry. Around the same time, the Brinks and Burns companies also began in the same lines of business.

After World War II, the private security industry saw a huge boom. Thousands of men had been

Officer Spotlight

Michael Madsen, Corporal, The Gateway

Corporal Michael Madsen joined Chesley Brown International’s team at The Gateway in Salt Lake City in January of 2003. Michael started working on the Graveyard Shift and after 5 months



was promoted to Corporal. Michael remained on the Graveyard shift until achieving his Bachelors of Science Degree in Criminal Justice and Criminalistics from Weber State University.

After transferring to the Swing Shift, Michael showed his willingness to help develop a number of projects that would increase client site knowledge, including an emergency shut-off training aid, in addition to his normal activities as a patrolling officer. Before he came to Chesley Brown International, Michael worked in private security and was a department manager for a local movie theater. Michael enjoys working with his hands, photography, digital photo editing, and developing new ways to look at the world. ■

trained in various aspects of security throughout the war, and many were looking for civilian work. During the Cold War, many government contractors were in need of security and gave these men a place to apply their previous training. By the mid 1970s, the number of people employed in private security had far exceeded those employed in public law enforcement. As the Cold War ended, domestic crime rose, and the need for private security remained.

Currently, the need for private security continues. The events of September 11th, 2001 helped to remind everyone of the value of quality security. Immediately following these events, there was another large boom in the number of private security companies, but many of those have since fallen by the wayside. Chesley Brown International, however, continues to lead the industry and provide the best security services available. ■

Security Budgeting

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in a particular month or in a particular category. An example would be if a property had the need for a larger than usual expenditure based on increased deployment for holidays or special events; planned purchases for new equipment or equipment maintenance. These expenses could be forecast into the appropriate month that the expense was going to take place and therefore, stay within budget for that month.

Budgets enable property managers to forecast their CAM costs for the upcoming year. When forecasting, the property managers know they will not have any unusual surprises at year-end when it comes to the security budget. CAM costs can thus be predicted more efficiently and accurately. This reason alone can reduce the time consuming task of CAM cost audits that property management companies and owners are sometimes faced with. The budgets and variance reports reveal line item expenditures showing the true cost for security related expenses, therefore, eliminating any justification for increases or changes.

A budget provides checks and balances. With a budget, a monthly variance report can be produced which allows the property manager and Director of Security to monitor expenditures. The property manager knows what his security expenses will be for the year, thus ruling out any unexpected surprises at year-end. The security director is able to monitor spending and make the appropriate adjustments while the accounting department can keep a close eye on all aspects of the budget process and monthly variance reports. Having a working budget also allows more accurate forecasting for future years.

In summary, the individual budgets are a valuable tool not only to property managers and senior management, but also to the individual Security Directors. The budget enables all involved to view the projected expenses for the year along with periods when spending will be greater. Property managers can efficiently state their security costs when forecasting their CAM costs and both senior management and security directors can track spending on a month-by-month basis by closely reviewing variance reports. ■



From the Desk of Brent Brown...

We often talk about the importance of communications. Communicating with coworkers and clients are everyday events. But what is sometimes missed is communications to and from the corporate leadership to employees in the field. When you have employees spread out across the nation, this can be a challenge. One of Chesley Brown's answers to this issue is our monthly company wide conference call conducted on the first Wednesday of every month at 3:00pm EST. Each month, we take to the "phone waves" and inform, include, and hopefully inspire. Employees have an opportunity to have their questions addressed and even an opportunity to answer some and receive prizes for doing so. In an effort to include everyone, each call is recorded and employees not able to dial in at 3:00 EST can call at a time convenient to them and not only listen to the call, but communicate their issues and questions as well.

On the first day of March, I was honored to receive the Glass Ceiling Award. This award was presented for promoting the professional development of women. I'm very proud of the award, but more proud of all the people at Chesley Brown who make it possible.

Finally, Chesley Brown's new S3 Program, specifically designed for lifestyle centers and mixed-use properties was recently unveiled in Shopping Center Today magazine. Chesley Brown International is the first and only company to design a specific security program around the unique needs of these developments. Just another innovation from Chesley Brown.

Thanks for investing your time.

Semper Vigiles!

Brent C. Brown