



Office of the City Manager

October 4, 2023

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Subject: Passport Overpayment Refunds

Passport, the City's vendor for the processing and managing of parking citations and digital parking permits will be issuing refunds that average \$56 to \$68 dollars for a vendor error that resulted in failure to issue courtesy notices when customers failed to pay parking citations.

All City of Berkeley citations provide a timeline that shows dates and amounts by which fines will escalate for failure to pay. California Vehicle Code Section 40207(a) states in part, that a notice of delinquent parking violation (courtesy notice) shall be issued to the registered owner and that that penalty shall consist solely of the amount of the original fine for up to 14 days after the mailing of the notice and before fees are added. Nonetheless, due to a processing system error that went undetected, fines were assessed after 30 days of non-payment despite delinquency notices not being issued.

This issue was uncovered by the Berkeley Police Department's Parking Manager in October 2022. The parking manager investigated a customer complaint that they never received a courtesy notice prior to delinquency fees being assessed. This led to an audit which spanned many months to identify the breadth of the issue. Passport determined their system failed to send an initial letter to 1,326 customers between 2019-2022, which resulted in enhanced fines being imposed. Here is a brief summary of refunds by year, number of customers and dollar amount to be refunded:

- 2019: 142 / \$9,641.82 (\$68 average)
- 2020: 627 / \$31,317.92 (\$50 average)
- 2021: 333 / \$21,639.96 (\$65 average)
- 2022: 224 / \$12,599.50 (\$56 average)

For context, the City issues approximately 133,000 citations per year.

In total, \$75,199.20 will be refunded to customers over the next several months. The refunds will be an offset to revenue from the Parking Meter Fund. This solution was developed in

consultation and partnership with the City Attorney's Office, Public Works, Finance, and Information Technology.

Passport will mail a letter to the affected individuals on the City of Berkeley Citation Processing Center letterhead, as agreed upon with the City of Berkeley's 311 Customer Service team to be consistent with other parking citation communications. Passport will mail the refund letters in batches controlled by the City's 311 Customer Service team. The letter provides the customer with the amount of refund they are due and a brief explanation of cause in an effort to curb an influx of calls to 311.

The City has communicated with Passport and has been assured that their system has been updated. The update includes alarms that have been put in place to detect choke points for all future delinquency notices in order to prevent this error from occurring in the future.

cc: Mark Numainville, City Clerk
Farimah Brown, City Attorney
Kevin Fong, Director of Information Technology
Liam Garland, Director of Public Works
Henry Oyekanmi, Director of Finance
Jennifer Louis, Chief of Police
Matthai Chakko, Assistant to the City Manager
Jenny Wong, City Auditor
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