



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg

SUBJECT: See Below

DATE: 05/26/2026

Approved

Date:

6/1/26

COUNCIL DISTRICT Citywide

SUBJECT: Set a Public Hearing for the Fiscal Year 2026-2027 Sanitary Sewer Service and Use Charge and Storm Sewer Service Charge Assessments

RECOMMENDATION

Adopt a resolution to:

- (a) Set a Public Hearing for Tuesday, August 11, 2026, at 1:30 p.m., or as soon thereafter as the matter may be heard, to approve the placement of the Fiscal Year 2026-2027 annual Sanitary Sewer Service and Use Charge and Storm Sewer Service Charge assessments on the Fiscal Year 2026-2027 Santa Clara County Secured Property Tax Bill based upon the annual Sanitary Sewer Service and Use Charge and Storm Sewer Service Charge reports of the Director of Finance.
- (b) Direct the Director of Finance to file the Fiscal Year 2026-2027 annual Sanitary Sewer Service and Use Charge report with the City Clerk on or before July 15, 2026, instead of July 5, 2026.
- (c) Direct the City Clerk to publish notice of the filing of the Director of Finance Reports, and the time and place of the Public Hearing.

SUMMARY AND OUTCOME

Adoption of the proposed resolution will facilitate the scheduling and public notification of a public hearing to be conducted by the City Council on Tuesday, August 11, 2026 whereby the Sanitary Sewer Service and Use Charges (SSSUC) and Storm Sewer Service Charges (SSSC) assessments may be approved for placement on the Fiscal

Year (FY) 2026-2027 Annual Santa Clara County (County) Secured Property Tax Bill, and allow additional time necessary to provide the most complete and current listing for compiling the FY 2026-2027 SSSUC report to be approved.

BACKGROUND

Section 15.12.550 of the San José Municipal Code requires the Director of Finance to file a written report with the City Clerk on or before the fifth day of July of each year, or such other date or dates as the City Council may specify by resolution, regarding the assessment of the annual SSSUC. Section 15.16.1410 of the San José Municipal Code requires the Director of Finance to file a written report each year with the City Clerk, at least 15 days in advance of the Public Hearing on the assessment. These reports provide a list of all parcels located within the City subject to SSSUC and SSSC, including the annual service and use charges to be placed on the County Secured Property Tax Bill for the respective fiscal year. Sections 15.12.550 and 15.16.1430 of the San José Municipal Code require the City Clerk to cause notice of the filing of the Director's reports, and the time and place of the Public Hearing on the assessments to be published in a newspaper of general circulation within the City.

ANALYSIS

Staff recommend the filing date for the SSSUC assessment report be moved from July 5, 2026, to July 15, 2026, to accommodate the City Customer Information System billing process and to allow staff additional time to prepare the most complete and current SSSUC listing. The SSSC assessment report will also be filed on or about July 15, 2026, prior to publication by the City Clerk.

The Finance Department requests that the Public Hearing regarding the placement of the FY 2026-2027 SSSUC and SSSC assessments on the County Secured Property Tax Bill be set for Tuesday, August 11, 2026, at 1:30 p.m., or as soon thereafter as the matter may be heard. The final report of the FY 2026-2027 SSSUC and SSSC assessments is due to the County Tax Assessor no later than August 21, 2026, to ensure placement on the FY 2026-2027 County Secured Property Tax Bill.

EVALUATION AND FOLLOW-UP

The Director of Finance will file both the FY 2026-2027 annual SSSUC and SSSC reports with the City Clerk on or before July 15, 2026. The Finance Department will prepare a memorandum for the August 11, 2026 City Council Meeting recommending City Council conduct a Public Hearing and approve the FY 2026-2027 annual SSSUC and SSSC assessments, as presented in the reports for purpose of placement on the

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FY 2026-2027 annual County Secured Property Tax Bill, with any modifications City Council may make based on public testimony heard on August 11, 2026.

FISCAL IMPACTS

This action will result in the placement of approximately \$242 million of SSSUC and SSSC assessments on the FY 2026-2027 County Secured Property Tax Bill. The annual SSSUC and SSSC reports of the Director of Finance will be published on or before July 15, 2026, and include a more precise revenue estimate. The combined assessments for SSSUC and SSSC placed on the County Secured Property Tax Bill represent most of the revenue collected for those utility funds. However, additional SSSUC revenue is collected through direct billing to the largest industrial sanitary sewer customers.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Clerk's Office, City Manager's Budget Office, and the Environmental Services Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 16, 2026 City Council meeting.

The City Clerk will publish a notice regarding the filing of the reports, and the time and place of the Public Hearing, as required by Sections 15.12.550C and 15.16.1430A of the San José Municipal Code, respectively. The Public Hearing date is scheduled for Tuesday, August 11, 2026, at 1:30 p.m., or as soon thereafter as the matter may be heard.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.



Maria Öberg
Director of Finance

For questions, please contact John Kachmanian, Deputy Director of Revenue Management, Finance Department, at john.kachmanian@sanjoseca.gov or (408) 535-7034.

