



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jeff Provenzano

SUBJECT: See Below

DATE: May 11, 2026

Approved

Date:

5/13/26

COUNCIL DISTRICT: Citywide

SUBJECT: Public Hearing on Residential Garbage and Recycling Services Rates for Single-Family and Multi-Family Residential Solid Waste Services

RECOMMENDATION

- (a) Hold a public hearing on the proposed Fiscal Year 2026-2027 Residential Garbage and Recycling rates and charges.
- (b) Adopt a resolution, effective July 1, 2026:
 - (1) Increasing residential solid waste service rates for single-family households 7%; and
 - (2) Increasing residential solid waste service rates for multi-family households 4%.

SUMMARY AND OUTCOME

If adopted, rate increases of 7% for Single-Family Dwelling (SFD) households would increase garbage and recycling bills for these residents, with the typical service level of 32-gallon carts seeing a \$3.81 per month increase. For Multi-Family Dwelling (MFD) households, a rate increase of 4% for the most typical service level of a 3 cubic yard bin serviced once a week would equate to an increase of approximately \$0.70 per unit per month. A full schedule of proposed rate increases can be found in Attachments A and B. These proposed rate adjustments would maintain the Residential Garbage and Recycling Program 100% cost-recovery level and meet contractual obligations.

BACKGROUND

Residential garbage and recycling agreements provide the following services: weekly residential garbage; unlimited recycling and yard trimming collection; unlimited junk

pickups; processing of residential garbage to recover recyclables and organics; recycling processing; organics composting; SFD motor oil and oil filter collection; and residue disposal. Rates will also cover San José's participation in the Household Hazardous Waste (HHW) program, as well as City Call Center staffing, billing and payment services, program administration, and customer outreach. Residential garbage and recycling rates are set to cover the expenses of providing these solid waste services. Staff regularly reviews revenues and expenditures and forecasts the rates necessary to implement and maintain Council-approved services, programs, and activities related to residential solid waste in the Integrated Waste Management (IWM) Fund.

As required under California law (Proposition 218), a notice of the proposed rate increase was mailed on April 8, 2026 to all property owners subject to these rates. The notice specified a maximum 7% annual rate increase for SFD households and 4% for MFD households effective July 1, 2026.

Adoption of the resolution and approval of the uncodified ordinance will implement increased residential garbage and recycling rates, effective July 1, 2026.

ANALYSIS

Residential garbage and recycling contractors collect half a million tons of material every year, from over 330,000 households, while providing waste processing services that give San José one of the highest recycling rates in the area.

Increasing Contractual Costs

Contractual costs for the agreements are projected to be approximately \$207.1 million for Fiscal Year (FY) 2026-2027, an increase of \$10.1 million from FY 2025-2026.

Contractual costs comprise over 89% of total expenditures (excludes Transfers and Ending Fund Balance) in the IWM Fund. All other expenses, including outreach, City staff, and support costs, amount to approximately \$26.0 million, or roughly 11% of the IWM Fund.

The recommended rate increases fund contractual cost increases due to an average increase of 3.03% in the Refuse Rate Index (RRI), which covers cost of living adjustments and increased operational costs for waste haulers. Another driver of customer rate increases is a dynamic pricing structure that compensates the recycling contractors based on levels of non-recyclables found in the recycling cart, which affect the variable costs of processing and residue disposal. A recycling study is performed once every two fiscal years by a third-party consultant to determine the percentage of material present in recyclable material collected by the service provider which is contaminated and ineligible to be recycled. In the fall 2024 recycling study, the citywide

contamination rate dropped to 41%, which resulted in approximately \$6.5 million in annual recycling hauler compensation reductions in both FY 2025-2026 and FY 2026-2027. The contamination rate will next be evaluated in fall 2026.

With contractor compensation tied to recycling contamination rates, reducing contamination through programs such as the Contamination and Recycling Tagging field outreach team and the Recycle Right outreach campaign, continues to be a top priority for the Environmental Services Department. The recommended rate increases of 7% for SFD households and 4% for MFD households will also fund programmatic improvements, including an ongoing field lead to support the Contamination and Recycling Tagging team, and assuring expanded outreach and resident education regarding which materials are recyclable. Additionally, proposed increases will fully fund unlimited large item/junk pick-up services for San José residents.

New in FY 2026-2027, residential garbage and recycling rates will fund the City's commitment to the Santa Clara County HHW program. Incorporating the HHW program costs into residential rates will ensure a sustainable funding source for a growing program.

Residential garbage and recycling contractual appropriations proposed for 2026-2027 are shown in Table 1 below.

Table 1 – Recycle Plus Contractual Appropriations (APPN) (IWM Fund)

APPN	Contractual Budget	2024-2025	2025-2026	2026-2027	Increased Amount
		Adopted	Adopted	Proposed	
0763	Single-Family Recycle Plus	\$96,990,657	\$93,789,957	\$99,920,559	\$6,130,602
3318	Single-Family Dwelling Processing	\$22,597,378	\$24,203,425	\$25,434,692	\$1,231,267
0764	Multi-Family Recycle Plus	\$31,751,411	\$34,680,864	\$35,163,232	\$482,368
0766	Yard Trimming Collection/Processing	\$35,764,590	\$38,447,863	\$40,648,952	\$2,201,089
2059	* IDC Disposal Agreement	\$5,516,303	\$5,867,480	\$6,014,044	\$146,564
	Residential Contracts Total	\$192,620,339	\$196,989,589	\$207,181,479	\$10,191,890

*International Disposal Corporation of California, Inc.

Rate Strategy and Recommended Increases

The proposed rate increases of 7% for SFD and 4% for MFD were included in the Proposition 218 notices sent to garbage and recycling customers in April. Adopting these increases will enable provision of a full menu of garbage and recycling services for all San José residents.

Under the proposed rate increases, San José's customer rates for residential garbage and recycling remain comparable to the local marketplace, even when comparing San José's proposed rate effective July 1, 2026 to other local jurisdictions' current rates (as FY 2026-2027 rate information is not yet available from all other jurisdictions). As mentioned earlier, San José's services are robust, including unlimited recycling, unlimited loose in the street yard trimmings collection (with optional cart subscription), unlimited on-demand junk pickups at no additional cost, used oil and oil filter collection (for SFD households), and processing of all waste to recover organics and recyclables. This combination of services results in San José having one of the most effective residential recycling programs in the area. Table 2 below provides a comparison of current monthly SFD rates throughout the area. Current MFD rates are also very competitive, also shown in Table 2, using the common 3-cubic yard garbage bin, collected one-time per week, as a comparison.

Table 2 – Residential Garbage and Recycling Program Rates Comparison

SFD 32-Gallon Cart Rate Comparison	
Jurisdiction	Monthly Rate
Sunnyvale	\$48.39
Fremont	\$48.84
Palo Alto	\$50.07
Campbell	\$52.68
San Francisco	\$52.75
Santa Clara	\$53.68
San José (Current)	\$54.51*
San José (Proposed effective July 2026)	\$58.32*
Oakland	\$62.83

MFD 3-Cubic Yard Bin Rate Comparison	
Jurisdiction	Monthly Rate
Campbell	\$212.75**
San José (Current)	\$316.01
San José (Proposed effective July 2026)	\$328.65
Palo Alto	\$786.96
Fremont	\$793.11
Oakland	\$1,114.23**
Santa Clara	\$1,129.03
Sunnyvale	\$1,271.87
San Francisco	\$1,496.83

*Only San José includes unlimited junk pick-up for both single-family and multi-family dwellings.

**Includes a per dwelling unit fee assumed at 5 units.

EVALUATION AND FOLLOW-UP

If approved, the residential garbage and recycling rates will be billed to ratepayers for services, effective July 1, 2026 for SFD and MFD customers. A supplemental

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memorandum will be posted on the City Council's Agenda website for the June 2, 2026 City Council meeting to report on the number of written protests and comments received by the City Clerk's Office in response to the rate notices and the City's responses.

FISCAL IMPACTS

It is estimated the SFD and MFD increases will generate approximately \$222.0 million in revenues from Recycle Plus Collection Charges or \$14.6 million more in FY 2026-2027 compared to the prior year. The additional revenue will be used to offset the necessary expenditure increases and maintain an adequate Ending Fund Balance. The additional revenue and higher expenditures have been assumed in the 2026-2027 Proposed Operating Budget Integrated Waste Management Fund Statement of Source and Use of Funds.

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office and the City Attorney's Office.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 2, 2026 City Council meeting.

As required under California law (Proposition 218), public notices were mailed in early April, advising property owners of the proposed rate changes and a public hearing scheduled for June 2. Notices and FAQs were made available to utility rate payers in five additional languages including Spanish, Korean, Vietnamese, Traditional Chinese, and Tagalog on the Environmental Services Department Proposed Rate Change webpage at SanJoseCA.gov/RateNotices. As of May 11, the City Clerk's Office had received 1,041 letters of protest to garbage and recycling rates from customers in response to the public notices. Written protests have been received by mail, fax, and email. In compliance with California Assembly Bill 2257 'Local government: property-related water and sewer fees and assessments: remedies' (passed September 2024), the City issued responses to property owners submitting protests to proposed increases (see: Attachment C). As mentioned above, a supplemental memorandum detailing said information will be posted on the City's Council Agenda website for the June 2, 2026 City Council meeting.

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BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

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

CEQA

Statutorily Exempt, File No. PP17-005, CEQA Guidelines Section 15273, Rates, Tolls, Fares, and Charges.

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.

/s/

JEFFREY PROVENZANO, P.E.
Director, Environmental Services

For questions, please contact Judy Erlandson, Deputy Director, Environmental Services Department, at judy.erlandson@sanjoseca.gov or (408) 535-8557.

ATTACHMENTS:

Attachment A – Single-Family Residential Garbage and Recycling Schedule of Proposed Rates, Effective July 1, 2026

Attachment B – Multi-Family Garbage and Recycling Proposed Rates Effective July 1, 2026

Attachment C – Response to Garbage and Recycling Protests Received

ATTACHMENT A
SINGLE-FAMILY RESIDENTIAL GARBAGE AND RECYCLING SCHEDULE
OF PROPOSED RATES, EFFECTIVE JULY 1, 2026

SCHEDULE OF PROPOSED RESIDENTIAL GARBAGE AND RECYCLING MONTHLY SERVICE RATES (Effective July 1, 2026)				
Garbage Cart Size	Current Monthly Rate	Proposed Monthly Rate	Proposed Monthly Rate Increase (7%)	Proposed Annual Rate
32-Gallon	\$54.51	\$58.32	\$3.81	\$699.84
64-Gallon	\$109.02	\$116.65	\$7.63	\$1,399.80
96-Gallon	\$163.53	\$174.97	\$11.44	\$2,099.64
	\$7.26	\$7.76	\$0.50	\$93.12

ADDITIONAL SERVICE RATES		
	Current Rate	Proposed Rate
Extra Garbage Stickers, each	\$6.25	\$7.00

For on-premises collection service, the add-on service charge will also increase by up to 2% to \$111.11 per household to the basic monthly service rate.

*The optional yard trimming cart service is an add-on service with an additional charge. If this service is selected, the add-on service charge will be combined with the basic monthly service rate for final billing.

ATTACHMENT B
MULTI-FAMILY RESIDENTIAL GARBAGE AND RECYCLING SCHEDULE
OF PROPOSED RATES, EFFECTIVE JULY 1, 2026

Schedule of Proposed Residential Garbage and Recycling Monthly Service Rates (Effective July 1, 2026)												
Garbage Bin Size	1x/ week		2x/ week		3x/ week		4x/ week		5x/ week		Extra Pick Up	
	Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate	Current Rate	Proposed Rate
1	\$155.50	\$161.72	\$281.69	\$292.95	\$407.90	\$424.21	\$534.13	\$555.49	\$660.36	\$686.77	\$66.91	\$69.58
1.5	\$195.36	\$203.17	\$358.42	\$372.75	\$521.51	\$542.37	\$684.63	\$712.01	\$847.68	\$881.58	\$76.12	\$79.16
2	\$236.22	\$245.66	\$436.21	\$453.65	\$636.18	\$661.62	\$836.15	\$869.59	\$1,036.10	\$1,077.54	\$85.42	\$88.83
3	\$316.01	\$328.65	\$589.79	\$613.38	\$863.53	\$898.07	\$1,137.28	\$1,182.77	\$1,410.98	\$1,467.41	\$103.94	\$108.09
4	\$395.88	\$411.71	\$743.42	\$773.15	\$1,090.87	\$1,134.50	\$1,438.41	\$1,495.94	\$1,785.94	\$1,857.37	\$122.52	\$127.42
5	\$475.67	\$494.69	\$896.93	\$932.80	\$1,318.26	\$1,370.99	\$1,739.58	\$1,809.16	\$2,160.88	\$2,247.31	\$140.07	\$145.67
6	\$555.51	\$577.73	\$1,050.61	\$1,092.63	\$1,545.67	\$1,607.49	\$2,040.70	\$2,122.32	\$2,535.80	\$2,637.23	\$159.57	\$165.95
8	\$715.16	\$743.76	\$1,357.79	\$1,412.10	\$2,000.37	\$2,080.38	\$2,642.97	\$2,748.68	\$3,285.60	\$3,417.02	\$196.66	\$204.52

Dismount and Push Charges Per Garbage Bin Per Push								
Distance (in feet)	Up to 25ft	26-50	51-75	76-100	101-125	126-150	151-175	176-200
Current Rate	\$34.79	\$69.62	\$104.44	\$139.28	\$174.11	\$208.93	\$243.76	\$278.60
Proposed Rate	\$36.18	\$72.40	\$108.61	\$144.85	\$181.07	\$217.28	\$253.51	\$289.74

Dismount and Push Charges Per Collection of Recycling Carts								
Distance (in feet)	Up to 25ft	26-50	51-75	76-100	101-125	126-150	151-175	176-200
Current Rate	\$0.00	\$34.11	\$68.25	\$102.38	\$136.52	\$170.65	\$204.79	\$238.93
Proposed Rate	\$0.00	\$35.47	\$70.98	\$106.47	\$141.98	\$177.47	\$212.98	\$248.48

Compactor Service Multi-Family Rates	
Rate	Per Collection, Per Cubic Yard
Current Rate	\$ 74.34
Proposed Rate	\$ 77.31

ATTACHMENT C
RESPONSE TO GARBAGE AND RECYCLING PROTESTS RECEIVED

Dear San José Property Owner:

This message is to acknowledge your written protest to the City of San José's proposed Residential Garbage and Recycling Service utility rate increase proposal. We understand that this proposed increase is an additional cost to you. Here is some additional information about the need for it.

As stated in the rate notice you received, the proposed rate increase is required for the City's solid waste contractors to continue to provide garbage and recycling services at full cost recovery. The proposed rate changes will pay for cost-of-living adjustments, fuel, and other costs which enable City contractors to provide collection and processing of garbage, recycling, yard trimmings, and unlimited junk pickup services, among others. These solid waste services comply with local ordinances and state laws, protecting public health and safety.

San José makes every effort to reduce the need for rate adjustments and to keep costs low. San José residents helped keep this year's rate impacts to a minimum by recycling right and reducing recycling contamination.

We value your rate proposal protest concern on this important matter impacting you and other San José residents. For more program information and utility cost savings, please find:

- [Environmental Services Department's Proposed Operating Budget](#), which will be available online on or about May 1
- [Frequently Asked Questions](#), which may address more of your questions about the rate increase proposal
- Recycling right helps keep the garbage service costs low. Need to know what's recyclable? Visit SanJoseRecycles.org or [the How to Recycle Right page](#).

Should you wish to voice your concerns directly with San José City Council, a public hearing is scheduled at San José City Hall on Tuesday, June 2 at 1:30pm. Discussion on utility rates will occur as soon as the matter can be heard after the start of the meeting.

If you have additional specific questions that have not been addressed, please email SJEnvironment@sanjoseca.gov or call the City of San José Environmental Services Department at (408) 535-8550.

Thank you for your consideration.

Sincerely,
City of San José