



BGR

More Cash for Trash

How New Orleans Can Align Sanitation Fees
with Service Costs and Protect Ratepayers

October 2026

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Executive Summary

- **What is the sanitation fee deficit?**

On October 1, the City of New Orleans' fees for curbside trash collection increased, with residential customers paying \$8.25 more per month. However, BGR estimates fee revenue will still fall \$22.4 million short of collection and disposal contract costs in 2026. It will also be \$6.4 million short in 2027, when the higher fees will be in place for the full year. By the end of next year, BGR estimates the cumulative subsidy will have reached \$80.6 million since 2021. The City administration notes that this budget projection is conservatively based on the current number of ratepayers. The deficit may shrink as the City completes its review of eligible service locations and removes ineligible addresses from the service lists. The City anticipates finishing its review by spring 2027. Any budget gaps mean the City must redirect resources from other services in the General Fund budget to cover sanitation costs.
- **Why did it happen?**

The deficit is caused by flat revenues from the City's fixed fees and sharply rising contract costs. Prior to October 1, the City had not adjusted its sanitation fees in 15 years. Contract costs, which are among the most

expensive for City government, have nearly doubled since 2021 as the City expanded performance requirements for trash collectors and increased their rates annually for inflation. The City also kept an \$11 million a year curbside recycling program at no additional charge.

- **What changes did the City make?**

The recent City Council ordinance to increase the fees provides for a full reset of sanitation fees to match service costs starting in 2028. This would correct the historical problem of the fixed fees by replacing them with annually adjusted, cost-based fees. The Department of Sanitation must publish the new fee schedule by October 1, 2027. The department is working toward that goal by verifying the list of eligible locations. It otherwise plans to continue the once-weekly collection and current recycling program.
- **What does BGR recommend?**

The new cost-based fee for curbside sanitation services will help stabilize the City budget and support effective service delivery. But the City Council should support meaningful cost controls and stewardship of fee revenue. It should require the sanitation department to regularly review service costs and supplement those reviews with annual reporting on trash collection and recycling service delivery and performance. In addition, the City administration and council should clarify future spending priorities. This process would begin with a public analysis by the sanitation department of the benefits, costs and tradeoffs of once-a-week trash collection and opt-in recycling service in comparison to alternatives. The analysis should also explain which options could make services more cost-effective and more equitably distribute the cost burden among ratepayers.

This report emphasizes the importance of closing the sanitation fee deficit for the City's fiscal stability. It is a key step toward structural budget balance, where recurring revenues cover the full cost of running City government. The report also emphasizes how a sanitation fee increase should

be done in a way that carefully rebalances both revenues and costs and keeps the public informed. BGR has not evaluated or made recommendations on how best to provide curbside sanitation services in New Orleans.

Report Highlights

BGR’s report provides key takeaways for New Orleans residents:

- 1. **Sanitation fee revenue still falls short of service costs for 2026 and 2027.** Fee revenue helps pay the City’s contracts with private trash collection companies and the company that manages the landfill where collected trash is dumped. Current fee revenue also helps pay for the City’s curbside recycling program, which customers must opt into. The new fee as of October 1 is \$32.25 per month for residential customers, up from \$24. The fee is \$64.50 per month for non-residential customers, up from \$48.

Including the recent increase, the fees are estimated to generate a net of \$38.8 million this year. The projected revenue is still \$22.4

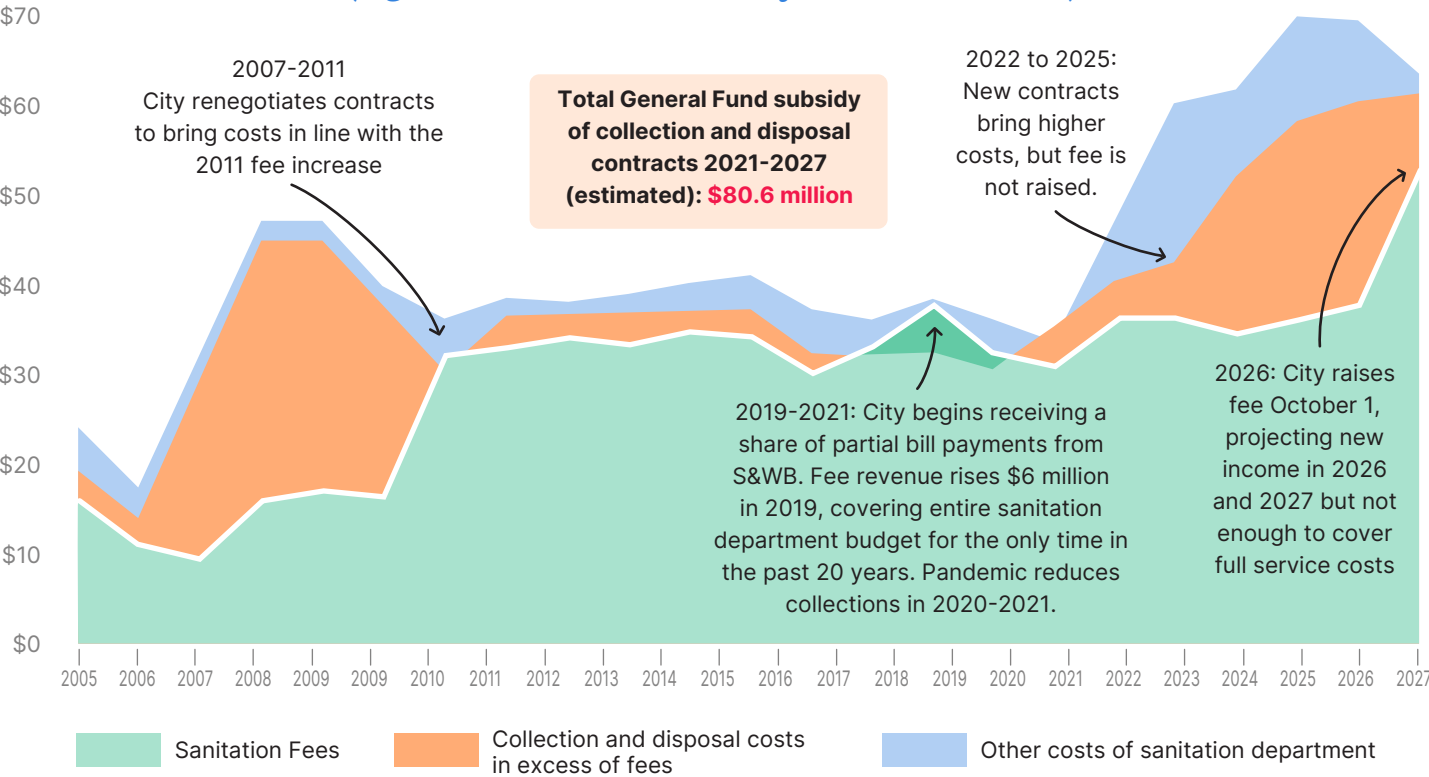
million (37%) short of the \$61.2 million cost for the contracts in 2026. The City fills this gap with General Fund dollars.

The proposed 2027 budget includes \$13.7 million in extra revenue from the fee increase plus \$4 million in higher baseline fee collections. The total \$55.4 million in fee revenue will be about \$6.4 million short of the \$61.8 million in projected costs. This deficit could be reduced by the City’s ongoing review of service locations.

The deficits have been mounting for several years. By the end of next year, the City will have diverted about \$80.6 million of General Fund revenues to cover the fee deficit since 2021. Closing the deficit is a key step toward improving structural balance in the City budget.

- 2. **The historical sanitation deficit challenge has resulted from the City’s fixed-fee approach and sharply rising contract costs.** Before the recent change, New Orleans’ sanitation fees were fixed in City law by the City Council and had not changed since 2011. The

The Challenge of Aligning New Orleans Curbside Sanitation Costs with Fixed Fees
(Figures in \$ millions, not adjusted for inflation)



fees were reviewed only when the mayor or council wanted to, and there was no adjustment for inflation. Historically, the City has increased sanitation fees only when large deficits, such as the current one, bubble up, as shown in the chart.

Similarly, the City has inconsistently reviewed major cost drivers, such as service location counts. The fees that the City pays to contractors adjust annually for inflation, while customer fees do not. Other parishes have mechanisms to regularly adjust fees based on inflation or service costs.

3. From 2028 onward, the new cost-based fee structure will address the mismatch between fee revenue and service costs.

The recent ordinance raising the fixed sanitation fees also will replace them January 1, 2028, with a new fee structure. It will be based on the total costs of trash collection and disposal, including recycling when it is provided as part of general sanitation services, and the number of service locations billed. The structure builds in annual adjustments to keep pace with changes in contract costs. It also provides transparency for ratepayers. The City is currently reconciling its customer and collection records after the Legislative Auditor identified approximately 13,000 potentially ineligible locations receiving service. An accurate count is essential to setting fair cost-based fees and controlling future service costs that must be recovered through the fee.

4. The new fee structure does not resolve major policy questions about service levels and recycling.

Despite concerns expressed by some members of the public to the City Council, the recent ordinance does not restore twice-weekly trash pickup for customers outside of the French Quarter and downtown. The City expects to continue once-weekly collections, but City officials have said that they will consider public input on increased collections and what tradeoffs would be needed to make it work. In addition, the ordinance does not address inequities in paying for recycling. Those costs re-

main folded into sanitation service costs at a price tag of nearly \$11 million a year. The City has not charged a separate recycling fee for years, and the ordinance formally eliminates that fee. Recycling costs are covered by regular sanitation fees and General Fund dollars. The gap stems from current collection contracts servicing all 165,000 eligible locations, not just the 41% of locations opted into the program. This creates a situation where contractors are paid for households that do not participate. And customers who do not participate in recycling still help pay for the program through sanitation fees. The City could review various options for trash collection frequency and recycling as part of setting its spending priorities for the cost-based fee. BGR does not take a position on which service option is preferable. Instead, the City should explain to the public the costs, benefits, and tradeoffs of its current levels of service compared to available alternatives, as well as how it plans to address inequities in how recycling is currently funded.

5. The new cost-based fees will require stronger oversight of service costs.

The ordinance ties the future fee to service costs and eliminates revenue shortfalls. But it does not require the City to protect customers from unnecessary or excessive costs. Government finance experts recommend data-based reviews of service charges that analyze the service's cost, the level of service provided, and the fee needed to fund the service. These reviews should occur at least once every five years. Without regular cost reviews and public reporting, higher contract costs could flow directly into higher fees. Periodic cost reviews and annual reporting on sanitation and recycling performance would strengthen accountability.

In its review of the City's list of eligible locations, the Legislative Auditor found that the City has not regularly reviewed its contractors' collection lists since 2022. The Legislative Auditor also found that the City does not have policies in place for such periodic reviews. In not reviewing its recycling program and costs, the City has been paying for ser-

vices it neither received nor properly charge for. The City has committed to resolving the issues with sanitation services. Among other things, the initiative will reconcile the current lists of eligible locations. The City will supplement this initial review with standard written procedures on regularly updating and verifying collection lists.

6. Closing the sanitation funding gap is key to improving structural budget balance. The sanitation deficit represented about 20% of the City's total \$130 million General Fund deficit in 2025. Eliminating the gap would free resources for other priorities. The recent fee increase closes part of that gap. The cost-based fee model could eliminate the remaining deficit. That would contribute to the City's broader strategy for a structurally balanced budget. That occurs when annually recurring revenues equal or exceed the recurring expenditures needed to adequately maintain services and infrastructure, without using reserves or one-time funding.

Conclusion and Recommendations

Restructuring New Orleans' sanitation fee as a cost-based fee is a sound move. The historical approach of fixed fees has not kept up with service costs, especially when circumstances force the City to change how it delivers those services. The sanitation deficit has diverted revenue from other needs in the City budget. The new fee model will help ensure the transparent alignment between fee revenues and the total costs for trash collection and disposal. It will also be a key step toward a structurally balanced budget and free up General Fund dollars for other important public priorities.

However, the City needs safeguards to control contract costs and protect ratepayers. The ordinance has no provision for regular re-evaluation of contract rates, service locations or other cost drivers, outside of any new request for service proposals. This presents a potential risk of excessive costs being passed along in the fee rates under the new model. The historically unreviewed collection lists and the uncharged fees to cover the City's recycling services have created a strain on

City finances. The ordinance requires only that the sanitation department set the fee based on costs.

The City's plans to reconcile the current lists of eligible locations and develop standard policies for regularly reviewing and verifying locations are steps in the right direction. But policies can change under future administrations. Residents need stronger guarantees that the City will be a good steward of public dollars. This is especially true since any unnecessary increase in trash collection and disposal costs would directly lead to an increase in the sanitation fees residents and businesses pay under the cost-based fee model.

The City should put regular reviews of contracts, service locations and other cost factors in place as it prepares to implement the cost-based fee for 2028. The City also should further study the various choices in sanitation service delivery and what each would mean for setting the cost-based fee. The analysis should include a comparison of current services with two much-discussed items among members of the public: a possible return to twice-weekly trash pickup in service areas 1 to 4 (those located outside of the French Quarter and downtown), and alternatives to the current curbside recycling program. Such an analysis could help City officials make informed decisions as they deal with the remaining deficit in sanitation services in 2027 and shape the City's spending priorities under the cost-based fee model in 2028 and beyond.

BGR recommends:

- **The City should follow through on its commitment to regularly verify its list of eligible locations for curbside trash collection.** Modifying the existing trash collection contracts in service areas 1 to 4 to allow for monthly updates to the contractors' lists of service locations, if possible, would be central to supporting this effort. The City should also create new standard procedures for completing the monthly verifications and providing updates to the contractors. Changing from the current six-month frequency to monthly would allow for more efficiency and accuracy and help to keep costs under control for customers.

- **The City Council should amend the sanitation fee ordinance to require the Department of Sanitation to conduct a comprehensive review of collection and disposal costs at least once every five years, beginning within the first year after implementation of the new fee structure.** Such a review should go hand in hand with the regular customer verifications, evaluating contract rates, service levels, and potential cost savings that can be built into its collection contracts. This review could help control costs for the City and, in turn, fee rates. The City should consider conducting these reviews on a more regular basis in the first few years of the new cost-based model to ensure costs remain in check.
- **The City Council should also amend the sanitation fee ordinance to require the Department of Sanitation to publish an annual report on financial and operational performance for curbside trash collection and disposal and recycling, which can also support comprehensive reviews at longer intervals.** The annual reporting should include a public transparency component, with metrics on topics such as contractor performance, financial health and sustainability, and affordability. This report should be submitted to the City Council and published online, along with the sanitation department's report on annual fee adjustments that is required by the new

ordinance. These steps would ensure that the public has access to key service information, help increase public confidence in any fee adjustment and enhance contractor accountability.

- **Once the City has completed its initial verification of sanitation customers in spring 2027, the Department of Sanitation should provide the City administration, City Council, and the public with an analysis of service options for trash pickup and recycling.** The trash pickup analysis should compare the current once-a-week service with a twice-weekly pickup option. The recycling analysis should compare the current opt-in curbside recycling with a range of alternatives, such as an opt-out curbside program and private pay service. Each analysis should carefully and clearly present the benefits, costs, and tradeoffs of each option. If the City opts for maintaining or expanding recycling, it should also develop a way to fund the program in the future that avoids undue burden on customers who are not in the program.

A well-designed cost-based fee can eliminate a recurring sanitation shortfall and preserve General Fund resources for other public needs. But periodically reviewing service costs is essential to ensure that residents and businesses pay no more than necessary for reliable service.





Introduction

In March, the mayor called on the New Orleans City Council to increase fees to close the deficit for curbside sanitation services.¹ That deficit represented nearly 20% of last year's City budget deficit. On September 3, the City Council adopted an ordinance that:

1. Increases the current monthly fixed fee rates by 34% from October 1, 2026, to December 31, 2027, and then
2. Puts a new fee structure in place January 1, 2028, that resets fees based on service costs. Fees would be adjusted annually as costs change.

The new cost-based structure will resolve historical problems with the City's fixed-fee approach to paying for trash collection. After the 2005 Hurricane Katrina disaster, sanitation costs surged higher than the existing fee levels, producing a sizable budget deficit. The City closed the deficit by increasing sanitation fees and renegotiating trash collection contracts for cost savings. That strategy reduced the strain on the City's General Fund during the Katrina recovery. During the next decade, fee revenue generally covered most service costs.

Then, in 2021, Hurricane Ida disrupted service. Customer complaints prompted the City to make major changes in garbage collection that increased costs. The City redrew trash service areas and rebid collection contracts with expanded performance

requirements to improve service quality and worker safety and pay. The City also reduced collections from twice weekly to once a week to support service reliability and manage costs. Nevertheless, a new sanitation budget deficit developed.

In spring 2026, City officials introduced a sanitation fee increase, but delayed action for a few months to let the Louisiana Legislative Auditor verify the number of households and other service locations on the City's collection lists.² On August 19, the Louisiana Legislative Auditor's investigation found that, among other things, the collection lists included almost 13,000 locations that were retired, vacant, duplicate or otherwise potentially ineligible for City-funded sanitation services.³ The report also found a large deficit for the City's curbside recycling program. The City has covered this deficit with regular sanitation fee revenues and General Fund dollars, as opposed to the recycling fee that was in law but not charged.

In response to the Legislative Auditor's findings, the City is reconciling the collection lists. This process will take several months.⁴ The initiative aims to create a "single authoritative sanitation customer database" for the City's collection contracts. The City will supplement this comprehensive list with standard procedures for regularly updating the lists. It will use location information from the Sewerage and Water Board of New Orleans (Sewerage & Water Board) and the Orleans Parish Assessor's Office. Such a move could achieve long-term cost savings, lessen future fee increases and ensure that the public is getting the best deal.

This report examines the importance of closing the sanitation fee deficit for the City's fiscal stability – and doing so in a way that carefully rebalances both revenues and costs, improves fairness, and keeps the public informed. BGR explains how the fees work and reviews historical trends in revenue and service costs. It tracks the sanitation fee deficit and how it must be closed for the City to achieve a structurally balanced budget. BGR then examines how to implement of a cost-based fee effectively for customers. BGR has not evaluated or made recommendations on how best to provide curbside sanitation services in New Orleans.

Background

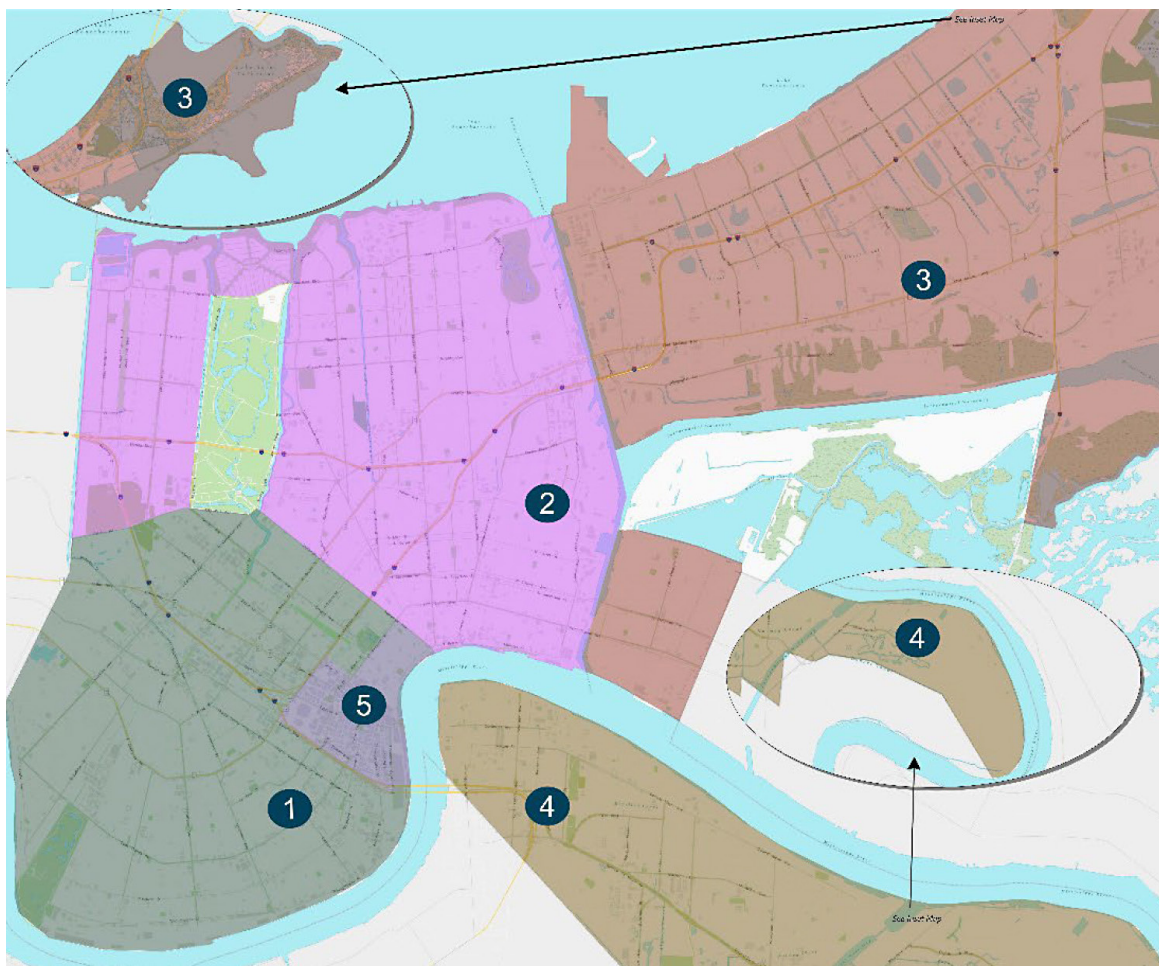
Collection and Disposal Services

The City charter places the Department of Sanitation in charge of garbage collection and land-fill disposal.⁵ The department fully contracts out these primary services.

As shown in Chart A, the City organizes garbage collection into five service areas. Current contracts for curbside trash pickup in service areas 1 to 4 provide for once-per-week collections.⁶ Contractors

also pick up and handle recycling for residents who opt into the City's program. City law mandates that the French Quarter and Downtown Development District – service area 5 – receive at least daily trash pickup.⁷ The City remains in litigation over this contract. It provides services to area 5 by emergency contract through December 2027.⁸ All trash is disposed of in a privately operated landfill in Jefferson Parish under the City's contract with the landfill owner.

Chart A. Legislative Auditor's Map of Trash Collection Service Areas in New Orleans



Source: Louisiana Legislative Auditor, *Residential Trash and Recyclables Collection: City of New Orleans*, December 17, 2025, p. 2. While commonly referred to as service areas 2 and 3, these geographic locations are officially designated as service areas 2 West and 2 East, respectively.

The sanitation department also handles other waste removal functions. These include special event cleanup and storm debris cleanup.⁹ It also has responsibilities for street cleaning, waste

management planning, and enforcing laws on solid waste, including illegal dumping. Almost all the department's services are part of the City's General Fund budget.¹⁰

Sanitation Fees

The City's sanitation fees are mandatory user charges. They are deposited in the General Fund to offset curbside sanitation service costs. The City contracts with the Sewerage & Water Board to collect the fees on the monthly water bills. This approach leverages a citywide billing process since properties that are eligible for curbside garbage collection generally have water service.¹¹ By agreement with the City, the Sewerage & Water Board retains 3% of collections as an administrative fee.¹²

Only residential properties of four units or less, and certain businesses, are eligible for curbside collection and pay the fees.

Before October 1, 2026, City law defined the fees as:¹³

- \$24 per month per unit in
 - residential properties of one to four units,
 - a business or professional office that does not usually carry inventory, or
 - an institution, such as a church, school, or hospital.
- \$48 per month per commercial, industrial or manufacturing establishment (i.e., those carrying inventory) having not more than 96 gallons of solid waste at each regular collection.

The new council ordinance, adopted September 3, makes two important changes to City sanitation fees.

Starting October 1, and running through December 31, 2027, City law increases the fixed fees to:

- \$32.25 per month per residential service location
- \$64.50 per month per non-residential service location

A service location means one determined by the Department of Sanitation to be eligible to receive curbside trash collection and billed by the Sewerage & Water Board.¹⁴

Starting January 1, 2028, the ordinance replaces the fixed fees with cost-based fees. They will

be adjusted annually by the department. According to the ordinance, the adjustment will be based on the total cost of trash collection and disposal, including recycling when it is provided as part of general sanitation services, and the number of locations billed for these services.¹⁵ At least initially, the number of billed locations will be based on Sewerage & Water Board's list.¹⁶ City officials told BGR they intend to use the most updated list of billed locations to calculate 2028 fee rates once they finish their reconciliation next year.¹⁷ At that point, the administration and council can review the ordinance to determine if its references to the list of billed locations need clarification.

Non-residential customers, such as businesses, will be counted as, and charged an amount equal to, two residential units. The Department of Sanitation must publish the adjusted fee rates for each year on the City's website. It must also explain its methodology used to calculate the fee. Both must appear online by October 1 of the preceding year. The City must first reconcile its customer database to determine what fee rates would look like for residents and businesses under this new model.

Related Charges

Businesses and properties with multiple units can still choose to contract private trash collection. In lieu of the monthly charge, they pay an annual litter abatement service charge.¹⁸ Locations of five or more units and certain types of businesses, such as hotels, bars and restaurants, are not eligible for collection services. They must contract private waste collection and disposal.¹⁹

City law also continues to offer reduced sanitation fees to heads of households who are 65 years or older and whose incomes fall below federal poverty levels. Eligible residents pay \$10 per month for trash collection. These residents must apply for these reduced fees annually; the reductions are managed by the Sewerage & Water Board.²⁰ BGR notes that the poverty levels in the new ordinance are out of date and much lower than the 2026 federal poverty guidelines.²¹ If the older levels are applied, some eligible households would be excluded from the program.

However, the September 3 ordinance eliminates the separate recycling fee from City law, which has not been billed for many years.²² The City used to have universal recycling before the Katrina disaster decimated recycling infrastructure in the City.²³ Even though the program resumed in 2011 on an opt-in basis, the City has not charged the recycling fee since the storm.²⁴ The City currently pays for its recycling services as part of general sanitation services, which means it is covered with regular sanitation fee revenues and General Fund dollars. Even if the recycling fee were charged, the rate of \$1 per month for residents and \$2 per month for businesses would not cover the full cost of the program. The Legislative Auditor states that the City pays roughly \$5 to \$7 per location per month on recycling.²⁵ This large cost primarily stems from the fact that the City pays for sanitation services for all eligible locations as opposed to the 41% of households opted into the program.

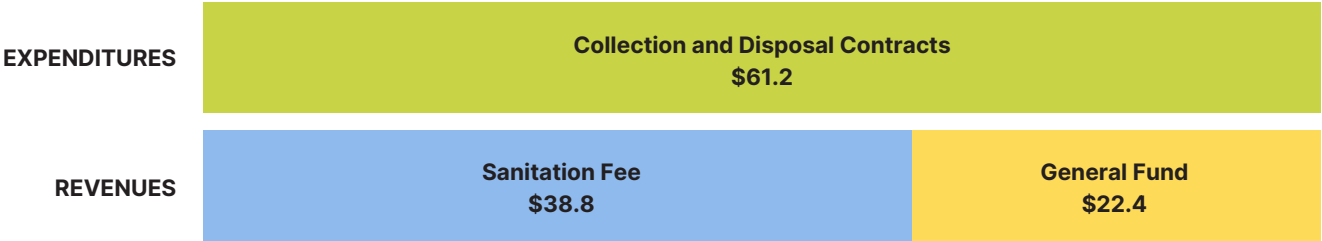
The Challenge of Keeping Fees and Costs Aligned

Government finance experts recommend that revenue from user fees, such as the City’s sanitation fees, should cover the costs of providing the service.²⁶ Periodic review and adjustment of fees and costs helps keep revenue and costs aligned. BGR’s look at current and prior-year fees and costs shows that balance has been difficult to maintain in New Orleans.

Sanitation Deficit in 2026

In 2026, the City estimates that sanitation fees, as adjusted October 1, will generate \$38.8 million.²⁷ This income is \$22.4 million (37%) short of the \$61.2 million cost for the City’s collection and disposal contracts. As shown in Chart B, the City fills this budget gap with General Fund dollars. This leaves less money for other core public services.

Chart B. Projected Fee Revenue and Costs of 2026 Curbside Garbage Collection and Disposal, Including the October 1, 2026, Fee Increase
(\$ figures in millions)



The \$61.2 million for “Collection and Disposal Contracts” includes the cost of recycling services. The Legislative Auditor found that recycling services cost the City roughly \$907,000 per month, as of March 2026. Annualized, this comes out to about \$10.9 million for the year.

The \$38.8 million revenue figure includes \$37.7 million in forecasted revenues from the fee, less administrative costs paid to the Sewerage and Water Board (-\$1.2 million), as well as extra revenue conservatively estimated by the City from the October 1 sanitation fee increase (+\$2.3 million) for the remainder of 2026.

BGR analysis of Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations: City of New Orleans*, Performance Audit Services, August 19, 2026. BGR analysis of City of New Orleans 2026 budget, its August 27 presentation to the City Council on the sanitation fee increase, and its September 10 presentation to the Revenue Estimating Conference.

Deficit Reduced, But Not Eliminated, Heading into 2027

The current gap between fees and costs is a recurring historical problem. In the past 25 years, the City has increased sanitation fees only when large deficits, such as the current one, bubble up. To il-

lustrate, the basic rate for residential customers increased from \$10 to \$12 per month in 2000.²⁸ It then doubled to \$24 per month in 2011 to address higher service costs post-Katrina.²⁹ No further increase occurred until October 1, a 34% rise to \$32.25 per month. Chart C highlights how a new mayor and council in 2010 had to close a major gap between

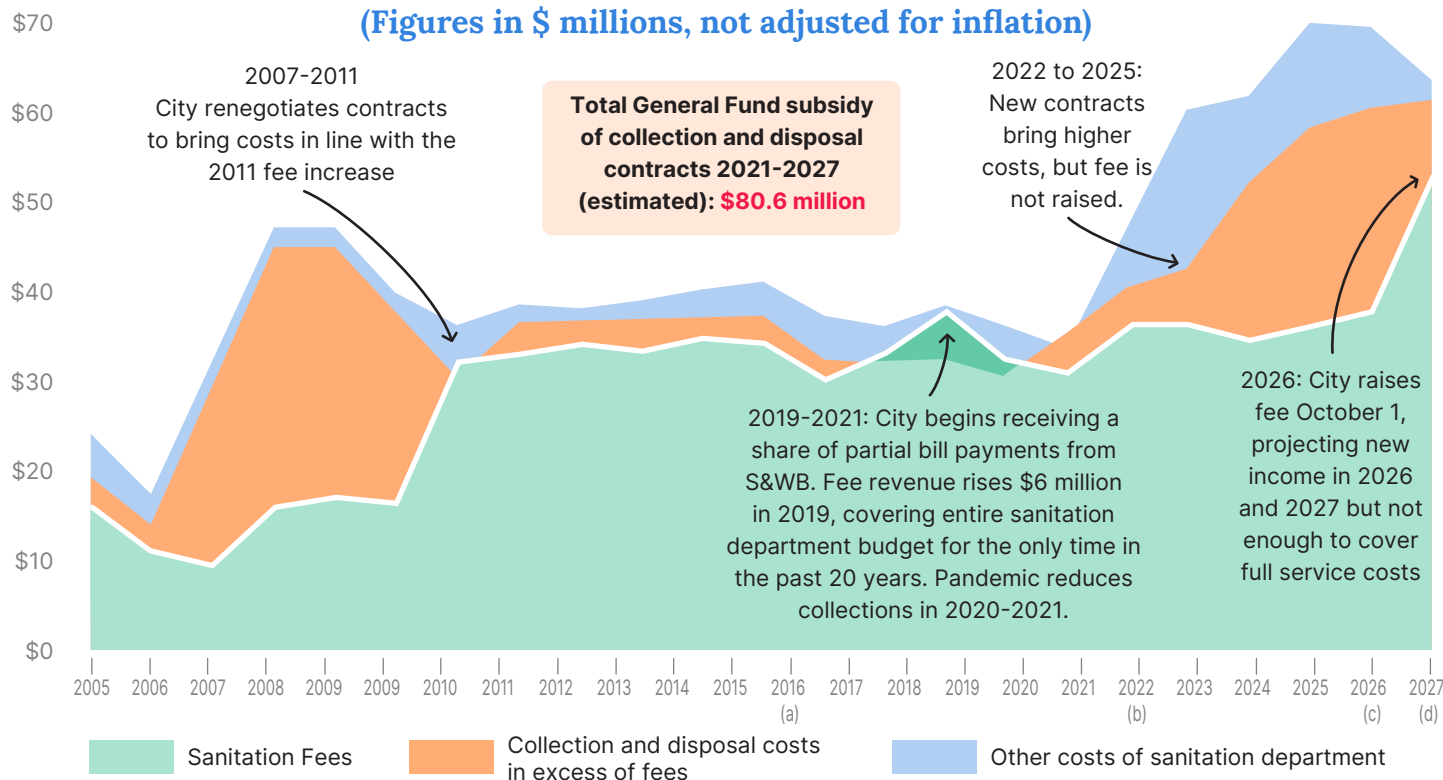
fees and service costs, and now another generation of City leaders is working through a similar challenge.

The City conservatively estimates that the increase in the fixed fee effective October 1 will generate an extra \$2.3 million for the remainder of 2026.³⁰ The proposed budget for 2027 forecasts a total of \$55.4 million in revenue from sanitation fees, a \$17.7 million increase over the budgeted \$37.7 million in 2026.³¹ Of this increase, \$13.7 mil-

lion comes directly from the fee increase.³² The remaining \$4 million reflects projected growth in the baseline 2026 revenue collection. However, this will not fully cover the \$61.8 million in sanitation costs.³³ BGR estimates that a funding deficit of \$6.4 million will remain. Unless other changes are made for next year, the City will have diverted \$80.6 million from the General Fund to cover trash collection and disposal costs since 2021.

Chart C. The Challenge of Aligning New Orleans Curbside Sanitation Costs with Fixed Fees

(Figures in \$ millions, not adjusted for inflation)



Note: Collection and disposal costs include the direct costs for these contracted services and miscellaneous costs associated with these contracts, such as administrative costs for handling the contracts and other non-curbside trash collection functions.

(a) The 2016 sanitation fee revenue figure is budgeted, not actual.

(b) The City renegotiated contracts, beginning in 2022. It split two of the collection areas into four areas. It also began requiring more safety precautions for workers, up-to-date equipment and vehicles, and continuity of operation plans for emergencies. The contracts also include annual adjustments to the contractors' rates to offset general cost inflation. The rates cannot be reduced.

(c) The 2026 figures reflect \$38.8 million projected 2026 revenue and the City's August 27 collection and disposal budgeted costs of \$61.2 million. The \$38.8 million revenue figure includes \$37.7 million in forecasted revenues from the fee, adjusted for administrative costs paid to the Sewerage & Water Board (-\$1.2 million), as well as extra revenue conservatively estimated by the City from the October 1 sanitation fee increase (+\$2.3 million) for the remainder of 2026.

(d) The \$61.8 million expenses for 2027 includes \$56.1 million in curbside collection costs and \$5.7 million in disposal costs tied to curbside collections. The \$55.4 million in net sanitation fee revenues comes from the proposed 2027 budget and includes \$13.7 million directly tied to the sanitation fee increase.

BGR analysis of City of New Orleans budgets and financial reports, its August 27 presentation to the City Council on the sanitation fee increase, its September 10 presentation to the Revenue Estimating Conference, and other information provided by the City as of October 1. For information on the 2019 revenue increase, see BGR, [A Look Back to Plan Ahead: Analyzing Past New Orleans Budgets to Guide Funding Priorities](#), October 2019, p. 17.

The history of sanitation fees and service costs provides further context for Chart C.

2005-2009: New contracts after Hurricane Katrina increase costs; revenues lag. Costs and fee revenues briefly decreased after the storm, before rebounding.³⁴ In 2006, the City awarded three collection contracts, one for each service area at the time.³⁵ Despite a declining population, sanitation costs increased by 60% during this post-Katrina period.³⁶ Collection costs peaked at \$45.4 million in 2009. As residents returned to the City, revenues ticked up but never fully caught up with costs. The City provided an average subsidy of \$16.2 million annually for collection and disposal costs in this period.

2010-2020: Fee increase and contract changes rebalance revenue and costs. A new mayor taking office in 2010 moved to rebalance sanitation fees and costs. Renegotiated contracts reduced costs to \$38.2 million in 2010 and then to \$31 million in 2011. After that, annual costs fluctuated in a relatively stable range between \$30 million and \$38 million per year through 2021. In 2011, the City doubled sanitation fees, which generated about \$34.3 million annually on average.³⁷ Thus, the City limited the use of the General Fund – at most \$3.3 million – to subsidize collection and disposal costs during these years. Actions taken to control contract costs during this period include:

- **In October 2010, the New Orleans Office of Inspector General (OIG) found potential cost savings from reevaluating contractors' collection lists.**³⁸ The report found that these lists included many ineligible or duplicate locations, particularly in the French Quarter. At the time, the OIG estimated that the City could save up to \$2.2 million from purging these lists. The OIG also recommended investing more in regular reevaluation of these collection lists. It also called for cross-referencing them with information from the assessor and the City's Department of Safety and Permits. The Louisiana Legislative Auditor reached similar findings and recommendations in its August 2026 report.
- **In 2010, the City also renegotiated collection and disposal contracts, lowering costs.**³⁹ The new contract terms lowered

collection rates for residences and included measures for ensuring proper household counts. The contracts also maintained twice-weekly collections and added opt-in recycling collection, among other things. The City also negotiated a 15% reduction in the base rate for trash disposal in the following year, further helping rein in sanitation costs.⁴⁰

- **In 2016, the City rebid collection contracts for two of the City's service areas.**⁴¹ Despite these contracts being the first subject to the pay standards in the City's living wage ordinance,⁴² total trash collection and disposal costs went down \$4.8 million in 2017 and continued to decline less dramatically in succeeding years. Between 2016 and 2020, annual costs went from \$37.7 million to \$30.5 million. The contracts were supposed to run until 2024. However, service disruptions caused by Hurricane Ida led the City to restructure its trash collection services.

2021-present: Costs rise again with new contracts, while fee revenue remains flat. Collection and disposal costs nearly doubled from \$35.7 million in 2021 to a projected \$61.2 million in 2026. Fee revenue during the same period, however, remained flat, averaging \$36.2 million per year. The City has spent an average of \$12.4 million each year from the General Fund to close the gap.⁴³

The breakdown of services during and after Hurricane Ida in 2021 prompted major changes to trash collection service delivery. New Orleans was part of a nationwide trash collector labor shortage during the COVID-19 pandemic.⁴⁴ Specifically in New Orleans, some workers went on strike demanding better pay and improved work conditions.⁴⁵ When the storm hit the city, the slimmed-down collection staff was overwhelmed by the massive amounts of waste from the storm and from the power outages that caused many residents to dump their food waste.⁴⁶ To improve service reliability and manage costs, the City exercised its contract option to reduce collections from twice to once a week.

The City then moved to re-subdivide its collection areas from three to five for more effective management and oversight. This move required the City to rebid contracts for each of these new service areas.

Stipulations within these new contracts contributed to growing service costs since 2022. These include:⁴⁷

- **Expanded Performance Obligations.** The new contracts require providers to use newer garbage trucks with specialized equipment, such as GPS-tracking, 360-degree cameras and route management technologies. These tools are in place to improve performance and allow the sanitation department and collection contractors to address complaints more effectively. The new contracts also include provisions for worker safety, like improved protective equipment. Contracts require regular reporting from the contractor and other processes that ensure compliance with these terms. Contractors must also comply with certain federal, state and local laws, including the City's living wage ordinance.⁴⁸
- **Higher Compensation.** What the City pays for collections is not tied to the fees that customers pay. Instead, the contractors' compensation is based on lists of eligible service locations. The City is responsible for developing and maintaining these collection lists for each of its contractors.⁴⁹ Contractors can suggest additional properties. The City can also adjust collection lists based on information from its database of active locations and information from local government agencies like the Sewerage & Water Board and the Orleans Parish Assessor's Office. The contracts let the City adjust the lists monthly during the first six months of the contract term. After that period, the City can adjust the lists no more than once every six months.

Contractors invoice the City each month for the locations they service, multiplied by the applicable contract rates. The rates vary by the type of material collected (such as solid waste or recyclables), the frequency of collections (once or twice per week, except for Service Area 5), and the location and nature of service (such as regular or emergency collections, special event collections, and supplemental vehicles).⁵⁰ Rates for once-a-week curbside garbage collection range from about \$16 to \$20 per eligible location per month.⁵¹ (For twice-per-week collections, rates range from about \$24 to \$29 per eligible location

per month.) Contracts also establish a maximum aggregate amount that the City can pay during the term of the contract.

- **Inflation Adjustment.** Unlike the previous contracts, the current collection contracts mandate an annual adjustment of rates that the City pays based on inflation, as determined by changes to the U.S. Consumer Price Index. Rates cannot be decreased. These regular adjustments help contractors effectively manage increases in operational costs. However, the sanitation fee has no such mechanism for annual adjustment for inflation or to keep up with increases in contract costs. This mismatch contributes to the growing gap between stagnant revenues and collection costs.

Costs have also risen under the new landfill disposal contract, although not as sharply as with the collection contracts. The compensation rate is based on tons of solid waste disposed, as weighed by the contractor.⁵² The rate of \$35.23 per ton for the initial contract year (which began March 1, 2025) is adjusted up or down annually based on changes in the Consumer Price Index and any "extraordinary increase" in operational costs agreed to by the City and the contractor. This is up from the initial \$30.50 rate set in the last five-year extension of the previous disposal contract.⁵³ However, when adjusted for inflation, the initial rate for the current contract is lower than the 2020 base rate.⁵⁴ Overall, total disposal costs have remained relatively flat since 2020 – roughly \$5 to \$6 million per year.⁵⁵ The current contract will run for 10 years until February 2035.⁵⁶ The City can extend this contract for a total of 15 additional years.⁵⁷ The City's previous disposal contract ran for a total of 25 years.⁵⁸

➤ **Key Takeaway:** New Orleans' sanitation deficit reflects a long-standing mismatch between fixed fees and rising service costs. While the City's new cost-based fee structure will help align revenues with collection and disposal costs beginning in 2028, lasting success will also require regular review of service locations, contract costs, and spending priorities, as discussed in the next section. Without ongoing cost controls and oversight, higher service costs could simply translate into higher fees for residents and businesses.

Implementing the New Cost-Based Fee Model

Generally, costs covered by utility rates are the full costs of providing the service, including operations, capital, and debt.⁵⁹ In the case of outsourced services such as garbage collection and disposal, contractors finance their own equipment and facilities and recoup the costs in their prices charged to the City. The City offsets its costs with sanitation fees paid by customers. The new cost-based fee adopted by the City Council for 2028 will keep the City's revenue and contract costs aligned, supporting long-run fiscal stability. The annual adjustment allows the fee to keep up with rate increases for the contractors, effectively eliminating the need for General Fund dollars. And a cost-based fee structure can support stable, quality service delivery.

Moreover, the City's October 1 increase and the implementation of a cost-based fee for 2028 will close a major structural gap in the City's operating budget. The sanitation deficit represented about 20% of the City's total \$130 million General Fund deficit in 2025.⁶⁰ Closing that gap helps the City to make progress toward a long-term structurally balanced budget. This goal is realized when annually recurring revenues equal or exceed the recurring expenditures needed to adequately maintain services and infrastructure, without using reserves or one-time funding.

However, the new fee model needs mechanisms to monitor and control costs. Regularly reviewing cost drivers would help prevent unnecessary or excessive costs from being charged to residents and businesses. Conversely, any decrease in costs achieved through regular reviews will directly lead to a decrease in fees that residents and businesses pay.

The City's past efforts to review costs have been inconsistent in timing and scope. It has occasionally rebid and renegotiated contracts. City administrators have also taken steps to improve performance and control cost growth, such as the move from twice weekly to once-a-week pickups. But as discussed below, it has failed to regularly review a major cost driver: the lists of eligible ser-

vice locations. It has also rarely reviewed spending priorities to determine their cost-effectiveness.

In this section, BGR discusses the City's current initiative to gain a complete picture of its sanitation customer base, which is essential to distributing the service costs fairly. BGR also discusses managing spending priorities that could influence the size of future service costs to be recovered with fees.

Managing Contract Costs

The Legislative Auditor recently found that the City has not consistently verified its collection lists for certain kinds of ineligible locations since its current contracts started in 2022, and it has no formal process or policy for such a regular review.⁶¹ The audit estimated 12,915 locations in these lists could be ineligible (about 8% of all locations).

The audit also found that the City has not regularly reconciled its collection lists with the Sewerage & Water Board's list of accounts billed, leading to more discrepancies between locations receiving trash collection services and those charged a monthly sanitation fee.⁶² Not reconciling these lists leads to the City paying for services in locations that do not pay the sanitation fee, deepening the gap between fee revenues and service costs.

The audit recommends, among other things, that the City:

- **Develop processes and policies** for identifying and removing ineligible locations on a monthly or quarterly basis.⁶³
- **Enforce monthly reporting requirements for contractors** and verify that their monthly service location lists are accurate.
- **Amend current collection contracts** to allow the City to adjust contractors' collection lists on a monthly basis through the entirety of the contract, as opposed to every six months.
- **Engage in regular information sharing** with the Sewerage and Water Board and reconcile collection lists with the board's list of accounts billed. It should also use information from the Assessor's Office to verify the accu-

racy of its collection lists.

The City generally agreed with the audit's recommendations to effectively address the sanitation gap, noting that it would review its ability to amend the existing contracts to allow monthly list adjustments or determine if an alternative approach is needed.⁶⁴

The most immediate task ahead is to reconcile the lists of eligible locations – which could take several months – and develop an authoritative customer database for managing its contracts' collection lists. The initiative will also include developing standard procedures for maintaining the database and regular reconciliation with Sewerage & Water Board billing data.

Once the initial reconciliation is finished, the City will deliver a report to the City Council on its results. The report will include (1) updated and verified totals of eligible and billed locations, (2) net financial impacts and savings achieved and (3) recommendations on any future fee adjustment to ensure a balanced trash collection and disposal budget.

Beyond the initial reconciliation, the City plans to implement:

- **Stronger internal controls for contractors and service delivery.** Among other things, this will include (1) expanded performance reporting, (2) stronger documentation governing sanitation service delivery and eligibility of locations, and possibly (3) amending sanitation contracts to allow for more regular adjustment of collection lists.
- **More customer protections for residents and businesses.** The City will evaluate simplified procedures for disputing bills, protections for seniors and qualifying low-income households, timely correction of billing errors, and public reporting on corrections to collection lists.
- **A modernized system for billing sanitation fees.** The City will consider a new billing system that uses the reconciled sanitation customer database. The City expects this new system to improve billing accuracy and cus-

tomers service. The City also plans for the system to reduce the reliance on multiple data systems for collection lists and the time it takes to update customer records.

Beyond negotiating with the contractors for more regular adjustment of collection lists, the City administration told BGR that it does not plan to pursue other amendments to the current contracts because of the uncertainties of renegotiating contracts mid-term. Administrators told BGR that they view the current contract rates as aligned with the value of the services provided.⁶⁵ Instead, they are focused on producing an accurate customer database. They estimate that resolving the difference between the 143,653 billing accounts managed by the Sewerage & Water Board and the 164,625 service locations on the contractors' lists will yield significant cost savings.⁶⁶ The Sanitation Director estimates that the roughly 21,000 difference may cost the City approximately \$6 million, and cost savings would be realized as total locations are reduced.⁶⁷ They view an accurate customer count as essential not just to fairly implement the cost-based fees in 2028 but also to strengthen the City's negotiating position when it rebids the collection contracts in the coming years. The current contracts expire in 2029 and 2031, and they cannot be extended.⁶⁸ The City told BGR that it will correct contract language around which locations receive recycling services when it rebids collection contracts.

Given the differences between accounts billed and locations serviced, it is likely there are households receiving the low-income senior discount that are no longer eligible. There may also be households that could begin receiving the discount for the first time. The City has begun outreach to encourage eligible households to join the program.⁶⁹ The City and the Sewerage & Water Board could verify the accuracy of existing customer discounts.

While the current customer review can help reduce the remaining \$6.4 million deficit in 2027, the City should develop and follow through on routine processes that ensure costs remain reasonable. The City's pledge to institute policies for continuous verification of collection lists is one of these cost-control measures.

However, the September 3 ordinance that restructures the sanitation fees makes no provision for seeking cost savings on an ongoing basis. The new ordinance includes a provision for “periodic audits or other assessments to ensure the accuracy and completeness of its billing for sanitation services.” But this appears focused on revenue-side auditing, not costs. Amending the ordinance to include requirements to seek cost savings – such as regular reviews of collection lists and other cost drivers – could help achieve long-term cost reductions and curb the extent of customer fee increases. It also gives a stronger guarantee to skeptical ratepayers that the City will be a good steward of public dollars and help prevent unnecessary increases to trash collection and disposal costs. In turn, this would also prevent unnecessary increases in sanitation fees under the City’s cost-based model.

Government finance experts recommend that municipalities conduct a full analysis of a user fee at least once every five years.⁷⁰ Such an analysis should include a review of the service’s cost, the level of service provided, and the fee rates needed to meet the costs. This helps ensure properly evaluated, data-driven recommendations on any proposed fee adjustment. Supplementing that comprehensive review with more frequent evaluations of contractor performance can also reveal service issues or highlight opportunities for savings, helping to control costs further and prevent substantial increases to the fee that can lead to consumer shock.⁷¹

Managing Spending Priorities

Reaching an accurate customer count in 2027 will help reduce the estimated \$6.4 million deficit and the need for significantly higher rates. However,

➤ **Key Takeaway:** Accurate customer records are essential to controlling sanitation costs under the City’s new fee model. The City’s current effort to reconcile collection and billing records is expected to reduce unnecessary spending and improve fairness. Long-term success will require regular verification of eligible locations, stronger oversight of contractors, and periodic reviews of major cost drivers. Without these safeguards, higher service costs could lead to higher sanitation fees for residents and businesses.

the recent debate over the September 3 ordinance highlighted two major service priorities for some members of the public: returning to twice-weekly trash pickups and exploring changes to the curbside recycling program. Each comes with a significant price tag. As the City develops its cost-based fee over the coming months, it will need to carefully consider its spending priorities when it comes to sanitation services. City officials stated that they would consider sanitation service priorities, such as twice-weekly pickups and recycling service levels, as they begin to roll out the new fee model.⁷² BGR provides an overview of each issue below to illustrate the challenge ahead, but it does not fully evaluate either one or make recommendations on them.

Should the City Return to Twice-Weekly Trash Pickups? Following Hurricane Ida in 2021, the City reduced trash collections from twice weekly to once a week. This was intended to be a temporary change to help manage Ida-related service disruptions and contractor staffing shortages tied to the COVID-19 pandemic.⁷³ However, this schedule remains in place today to maintain reliability, minimize missed pickups and keep costs low relative to more expensive twice-per-week service. Missed trash pickup complaints dropped roughly 75% from 11,193 in 2023 to 2,768 in 2025.⁷⁴ The overall volume of trash collected has changed little from its historical pattern.⁷⁵ Thus, customers are paying the same rates for less frequent but more predictable service.

Nonetheless, weekly collections remain a source of frustration for some New Orleans residents.⁷⁶ At recent town halls and at the public hearing for the September 3 ordinance, residents voiced concern over a fee increase in light of the reduced collections.⁷⁷

BGR notes that other parishes charge similar rates to New Orleans’, but not all of them pick up twice a week. Table 1 summarizes the Legislative Auditor’s recent comparison of sanitation fees for residential customers in New Orleans and neighboring parishes.⁷⁸ The rate comparison does not consider certain factors like variations in vendor pay and the geographic distribution of customers and landfill locations that affect each parish’s service delivery and costs.

Table 1. Highlights of the Legislative Auditor’s Comparison of Sanitation Fees for Residential Customers in Selected Parishes

	New Orleans, Prior to October 1, 2026*	New Orleans, October 1, 2026 to December 31, 2027*	Jefferson Parish**	East Baton Rouge Parish***	Lafayette Parish****
Monthly Residential Fee	\$24	\$32.25	\$25.93	\$35.23	\$29.75
Adjustment	None; fixed in City law	None; fixed in City law	Annually adjusted based on the change in the Consumer Price Index	Annually adjusted by council based on collection costs	Annually adjusted based on collection costs
Collections per Week	Once	Once	Twice	Twice	Once
Recycling†	Curbside option	Curbside option	Private pay only	Curbside option	Curbside option

* These are the rates for service areas 1 to 4.

** Jefferson Parish’s rate applies to unincorporated areas of the parish. The parish supplements these fee revenues with a 3.8-mill property tax.

*** The cities of Baker and Zachary in East Baton Rouge Parish do not receive parish-funded trash collection services and are, therefore, not charged parish sanitation fees.

**** The monthly fee for residents in cities within Lafayette Parish is \$32.91.

† “Opt in” recycling means that the service is provided to garbage customers at no additional cost, but they must request a bin.

Source: Louisiana Legislative Auditor, *Residential Trash and Recyclables Collection: City of New Orleans*, December 17, 2025, and peer parish ordinances. To find out more about Lafayette’s recycling services, click [here](#). To find out more about East Baton Rouge’s recycling services, click [here](#).

The October 1 fee increase covers only current service costs. The City has so far not proposed any service changes for 2027 or 2028, such as a return to twice-weekly collection. The department’s director has indicated that move would cost an additional \$12 million per year, a tall order in the City’s current budget crisis.⁷⁹

However, the public could benefit from a fresh comparison of once-weekly to twice-weekly service after the City verifies its sanitation customer list. The analysis could confirm the cost figures and illustrate the tradeoffs of each approach.

Should the City Keep, Change or End Its Current Recycling Program? Currently, curbside recycling is available on an opt-in basis to customers who qualify for curbside trash collection. An opt-in program means the customer must request the bin, rather than the contractor providing it automatically. The Legislative Auditor found that only 67,000 locations, or 41% of all eligible locations, are currently enrolled in the program.⁸⁰ However, the City pays contractors to offer recycling services to all 164,625 eligible locations in their respective service areas.

Because the City has not charged a separate recycling fee since Hurricane Katrina, and the September 3 ordinance eliminates the fee altogether, the City pays for its recycling services with regular sanitation fee revenues and General Fund dollars. Even if it were charged, the former recycling fee of \$1 per month for residents and \$2 per month for businesses would not cover the full cost of the program. The Legislative Auditor found that the City pays roughly \$5 to \$7 per location per month in service areas 1 to 4.⁸¹ Overall, it found that current recycling services cost the City roughly \$907,000 per month as of March 2026, or \$10.9 million for the year.

The cost-based fee for 2028 will include the cost of recycling if it is offered as part of the City's general sanitation services.⁸² In its current form, the recycling program raises some important issues:

- Contractors will continue to charge the City for locations that do not recycle.
- Ratepayers not participating in the recycling program will end up partially paying for the total costs of recycling services that other ratepayers receive.

City officials told BGR that they will clarify which locations should receive recycling services when the City rebids collection contracts in 2029 and 2031.⁸³ This would help right-size the cost of recycling services to just those who opted into the program. However, other residents would still pay for services they do not receive.

The new fee model allows the City to reduce the total estimated costs used to calculate the annual sanitation fee adjustment, with the goal of distributing costs equitably across the customer base.⁸⁴ This approach could be taken with recycling costs. However, it would end up shifting that burden to the City's General Fund, which must cover any sanitation fee deficit. Most residents pay taxes or

other fees and charges into the General Fund, so it does not resolve the problem.

Instead, the City could look at 2027 as an opportunity to rethink its approach to recycling and explore a range of alternatives, so residents can see the benefits, costs and tradeoffs of each approach. The study could include ways to make the current opt-in model more cost-effective and equitable. It could also study delivery models used elsewhere, such as opt-out curbside recycling (where bins are provided unless customers decline) or switching to private recycling services that households pay for separately (Jefferson Parish's current approach).

However, if the City chooses to maintain or expand its current recycling services, it should also come up with a way to fund the program without placing an undue burden on residents who do not receive the service. This could require reworking the new sanitation fee structure or establishing and charging a new recycling fee on those in the program – preferably in a cost-based model like the reworked sanitation fee. Such a move could reduce overall sanitation fee rates and ensure that the recycling program is funded effectively.

➤ **Key Takeaway:** As the City prepares to implement cost-based sanitation fees, it must carefully evaluate how service choices affect both costs and fairness. Decisions about collection frequency and recycling will directly influence future fee levels, making it important for the City to provide clear analysis of the costs, benefits, and tradeoffs of available options. A transparent review of these spending priorities can help ensure that sanitation services remain affordable, effective, and equitably funded.

Conclusion and Recommendations

Restructuring New Orleans' sanitation fee as a cost-based fee is a sound move. The historical approach of fixed fees has not kept up with service costs, especially when circumstances force the City to change how it delivers those services. The sanitation deficit has diverted revenue from other needs in the City budget. The new fee model will help ensure the transparent alignment between fee revenues and the total costs for trash collection and disposal. It will also be a key step toward a structurally balanced budget and free up General Fund dollars for other important public priorities.

However, the City needs safeguards to control contract costs and protect ratepayers. The ordinance has no provision for regular re-evaluation of contract rates, service locations or other cost drivers, outside of any new request for service proposals. This presents a potential risk of excessive costs being passed along in the fee rates under the new model. The historically unreviewed collection lists and the uncharged fees to cover the City's recycling services have created a strain on City finances. The ordinance requires only that the sanitation department set the fee based on costs.

The City's plans to reconcile the current lists of eligible locations and develop standard policies for regularly reviewing and verifying locations are steps in the right direction. But policies can change under future administrations. Residents need stronger guarantees that the City will be a good steward of public dollars. This is especially true since any unnecessary increase in trash collection and disposal costs would directly lead to an increase in the sanitation fees residents and businesses pay under the cost-based fee model.

The City should put regular reviews of contracts, service locations and other cost factors in place as it prepares to implement the cost-based fee for 2028. The City also should further study the various choices in sanitation service delivery and what each would mean for setting the cost-based fee. The analysis should include a comparison of current services with two much-discussed items among members of the public: a possible re-

turn to twice-weekly trash pickup in service areas 1 to 4 (those located outside of the French Quarter and downtown), and alternatives to the current curbside recycling program. Such an analysis could help City officials make informed decisions as they deal with the remaining deficit in sanitation services in 2027 and shape the City's spending priorities under the cost-based fee model in 2028 and beyond.

BGR recommends:

- **The City should follow through on its commitment to regularly verify its list of eligible locations for curbside trash collection.** Modifying the existing trash collection contracts in service areas 1 to 4 to allow for monthly updates to the contractors' lists of service locations, if possible, would be central to supporting this effort. The City should also create new standard procedures for completing the monthly verifications and providing updates to the contractors. Changing from the current six-month frequency to monthly would allow for more efficiency and accuracy and help to keep costs under control for customers.
- **The City Council should amend the sanitation fee ordinance to require the Department of Sanitation to conduct a comprehensive review of collection and disposal costs at least once every five years, beginning within the first year after implementation of the new fee structure.** Such a review should go hand in hand with the regular customer verifications, evaluating contract rates, service levels, and potential cost savings that can be built into its collection contracts. This review could help control costs for the City and, in turn, fee rates. The City should consider conducting these reviews on a more regular basis in the first few years of the new cost-based model to ensure costs remain in check.
- **The City Council should also amend the sanitation fee ordinance to require the Department of Sanitation to publish an annual**

report on financial and operational performance for curbside trash collection and disposal and recycling, which can also support comprehensive reviews at longer intervals.

The annual reporting should include a public transparency component, with metrics on topics such as contractor performance, financial health and sustainability, and affordability. This report should be submitted to the City Council and published online, along with the sanitation department's report on annual fee adjustments that is required by the new ordinance. These steps would ensure that the public has access to key service information, help increase public confidence in any fee adjustment and enhance contractor accountability.

- **Once the City has completed its initial verification of sanitation customers in spring 2027, the Department of Sanitation should provide the City administration, City Council, and the public with an analysis of service options for trash pickup and recycling.**

The trash pickup analysis should compare the current once-a-week service with a twice-weekly pickup option. The recycling analysis should compare the current opt-in curbside recycling with a range of alternatives, such as an opt-out curbside program and private pay service. Each analysis should carefully and clearly present the benefits, costs, and tradeoffs of each option. If the City



opts for maintaining or expanding recycling, it should also develop a way to fund the program in the future that avoids undue burden on customers who are not in the program.

A well-designed cost-based fee can eliminate a recurring sanitation shortfall and preserve General Fund resources for other public needs. But periodically reviewing service costs is essential to ensure that residents and businesses pay no more than necessary for reliable service.

Endnotes

- 1 Paterson, Blake, "[Mayor Helena Moreno urges City Council to increase trash pick-up fee to avoid cuts next year.](#)" *The Times-Picayune | Nola.com*, March 10, 2026.
- 2 City of New Orleans, "[City to Support Review of Sanitation Service Data by Legislative Auditor.](#)" media release, March 17, 2026.
- 3 Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations: City of New Orleans*, Performance Audit Services, August 19, 2026. The City's collection lists and location database are based on specific unit numbers for each household or unit in a location. For instance, a duplex would have two unit codes for one location. "Retired" units are those that were once eligible for City-funded trash collection services, but are no longer so. If a duplex with two unique unit numbers is combined into a single-family structure, for instance, one of those two unit numbers would need to be removed and would become retired. "Vacant" properties are those no longer in use; this is verified with land use information from the Orleans Parish Assessor's Office. Other ineligible locations include those explicitly excluded from City-funded sanitation services in City law, such as locations with five or more units and certain types of businesses like hotels and restaurants.
- 4 Ibid., Appendix A-1.
- 5 Home Rule Charter of the City of New Orleans (City Charter), Sec. 4-4801.
- 6 City of New Orleans Code of Ordinances (City Code), Sec. 138-42(a)(1-2). City law affords the Sanitation Director broad discretion on the frequency and schedule of collections in locations outside of the French Quarter (Areas 1-4). While commonly referred to as Service Areas 2 and 3, these geographic locations are officially designated as Service Areas 2 West and East, respectively.
- 7 City Code, Sec. 138-42(a)(3). Certain sections of this service area must receive twice per day collections and, during special events, businesses in these sections must contract private collection services to ensure prompt garbage collection disposal.
- 8 New Orleans City Council Motion No. M-26-144, adopted April 23, 2026.
- 9 The list of services is available on the Department of Sanitation's website, <https://nola.gov/next/sanitation/services/>
- 10 A small portion of the sanitation department's services are funded with non-General Fund revenues from the French Quarter Development District and the municipal recycling center. For 2026, \$127,000 of the department's \$70.5 million budget comes from these non-General Fund sources. City of New Orleans, 2026 Adopted Budget – Sanitation. The 2027 proposed sanitation budget would fully fund the sanitation department through the General Fund
- 11 The utility account holder for the property is responsible for paying the sanitation fee.
- 12 Louisiana Legislative Auditor, *Residential Trash and Recyclables Collection: City of New Orleans*, Informational Brief, December 17, 2025, p. 2. The Sewerage & Water Board has collected the sanitation fee since the City Council first imposed it in 1969. The utility received a 5% collection fee from 1969 to 1986. It was then reduced to 2% in 1987 and 1988. The City and the Sewerage & Water Board then negotiated a flat rate based on actual cost in December 1988. In 1992, the Sewerage & Water Board eliminated the fee at the City's request. The City and the Sewerage & Water Board entered into a new agreement in 2014 that reinstituted a 1% fee, which rose to 3% upon implementation of the Sewerage & Water Board's new billing system. See Sewerage and Water Board of New Orleans Inter-Office Memorandum, "History of Sanitation Collections," January 10, 2013, and Cooperative Endeavor Agreement between the City of New Orleans and the Sewerage and Water Board of New Orleans, No. K14-408, June 11, 2014. Ord. 30409 MCS, adopted July 10, 2025, ratifying Cooperative Endeavor Agreement between the City of New Orleans and the Sewerage and Water Board of New Orleans, BRASS 7302, No. K25-312, effective August 1, 2025. The current contract runs for five years and will expire July 31, 2030.
- 13 City of New Orleans Code of Ordinances (City Code), Secs. 138-2, 138-46, and 138-57, as written prior to October 1, 2026.
- 14 City Code, Sec. 138-57, as amended by Ord. 30751 MCS, adopted September 3, 2026.
- 15 The calculation divides the total costs of sanitation services (which includes trash collection and disposal, as well as recycling) by the number of eligible addresses billed for these services. The ordinance establishes that non-residential addresses will count as two residential addresses.
- 16 Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations*, Appendix A-1.
- 17 Information provided by the City of New Orleans, September 23, 2026.

- 18 City Code, Sec. 138-58. The Sewerage & Water Board requires the business to submit a notarized application and copy of the disposal contract or invoice. See the Sewerage & Water Board's website, "Sanitation Services," for more information at <https://www.swbno.org/CustomerService/SanitationServices>.
- 19 City Code, Sec. 138-45.
- 20 City Code, Sec. 138-58. Eligible residents may apply for a certificate of exemption from any increase in sanitation fees since December 1, 2000. The fee rate at the time was \$10 per month. The certificate requires proof of age and household income and must be renewed every 12 months to confirm income eligibility. See the Sewerage & Water Board's website, "Sanitation Services," for more information: <https://www.swbno.org/CustomerService/SanitationServices>
- 21 City Code, Sec. 138-58 (e)(3), as amended by Ord. 30751 MCS, adopted September 3, 2026. The ordinance's poverty levels are based on poverty guidelines published annually in the Federal Register. To see the poverty guidelines for 2026, visit <https://www.federalregister.gov/documents/2026/01/15/2026-00755/annual-update-of-the-hhs-poverty-guidelines>. The Sewerage & Water Board's website to apply for the reduced rates has up-to-date poverty guidelines. See <https://www.swbno.org/CustomerService/SanitationServices>.
- 22 See the Sewerage & Water Board's website, "Understanding Your Bill," for more information, at <https://www.swbno.org/CustomerService/UnderstandingYourBill>. The monthly charge is \$1 per unit for residential customers and eligible business, professional or institutional customers, and \$2 per month for eligible commercial, industrial or manufacturing establishments. City Code, Sec. 138-63.
- 23 Fernelius, Katie J., "[City Council decision to drop universal recycling followed by opposition from waste haulers](#)," *Verite News*, March 13, 2026. Reckdahl, Katy, "[How Katrina Killed Recycling in New Orleans](#)," *Next City*, May 13, 2014.
- 24 City of New Orleans, "[Mayor Helena Moreno Announces Comprehensive Reform of New Orleans Sanitation System After Legislative Auditor Review](#)," media release, August 19, 2026.
- 25 Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations*, p. 7.
- 26 Government Finance Officers Association, "[10 Steps to Developing Utility Rates](#)," *Government Finance Review*, April 2026.
- 27 City administration's presentation at the joint meeting of the New Orleans City Council's Budget and Public Works committees, August 27, 2026. City administration's presentation at the meeting of the New Orleans Revenue Estimating Conference, September 10, 2026. The \$38.8 million revenue figure includes \$37.7 million in forecasted revenues from the fee, adjusted for administrative costs paid to the Sewerage and Water Board (-\$1.2 million) and extra revenue generated from the October 1 sanitation fee increase (+\$2.3 million) for the remainder of 2026.
- 28 Donze, Frank, "Council Oks \$2 raise in N.O. fee," *The Times-Picayune*, December 13, 2000. The \$11 fee cited in the article as imposed prior to December 2000 included the \$1 fee for recycling that used to be imposed. Donze, Frank, "Morial budget ups fees, cuts jobs – Growth of NOPD remains a priority," *The Times-Picayune / NOLA.com*, November 2, 2000. For the 2000 increase in the sanitation fee from \$10 to \$12 a month for residential units (and \$24 for non-residential units), see City Council Ord. 19963 MCS, adopted December 12, 2000.
- 29 Louisiana Legislative Auditor, *Residential Trash and Recyclables Collection*, p. 11.
- 30 City administration's presentation at the [meeting](#) of the New Orleans Revenue Estimating Conference, September 10, 2026. The City estimates that the fee increase will generate an extra \$1.144 million per month. However, due to possible delayed collections and other implementation roadblocks, the City forecasts roughly two months of extra revenues for the remainder of the year.
- 31 City of New Orleans, "[2027 Proposed Operating Budget](#)" p. 95.
- 32 Information provided by the City of New Orleans, September 24, 2026. City administration's presentation at the [meeting](#) of the New Orleans Revenue Estimating Conference, September 10, 2026.
- 33 Information provided by the City of New Orleans, September 23, 2026. The \$61.8 million includes \$56.1 million in curbside collection costs and \$5.7 million in disposal costs tied to curbside collections.
- 34 When Hurricane Katrina struck New Orleans in 2005, the City was less than five years into a sanitation fee increase. The City paused its trash collection services in August 2005 and resumed them in a limited fashion from November 2005 onwards. *Residential Trash and Recyclables Collection*, p. 5.
- 35 New Orleans Office of Inspector General, *Citizen Verification Project: Sanitation Property Survey*,

October 28, 2010, p. 1.

36 Ibid.

37 City of New Orleans Ord. 24259 MCS, adopted January 6, 2011.

38 New Orleans Office of Inspector General, *Citizen Verification Project*.

39 City of New Orleans, "Landrieu & Richard's Disposal Reach an Agreement: Down from \$22 per household to \$17.99 with Recycling," media release, December 2, 2010.

40 Fourth Supplement and Amendment to the Agreement for Disposal and Convenience Center Services between the City of New Orleans and River Birch Inc., June 16, 2011.

41 Rosengren, Cole, "[UPDATE: New Orleans mayor announces new collection contracts](#)," *Waste Dive*, October 24, 2016. In August 2015, the City approved the living wage ordinance which, among other things, required companies with contracts worth \$25,000 or more to pay employees performing work for the City a living wage. The ordinance sets a base hourly wage that must be adjusted annually based on inflation. Under the ordinance at the time, contractors were required to pay these covered employees \$10.10 per hour. City Code, Sec. 70-801 et seq. The City did not rebid the contract for the service area covering the French Quarter and the Downtown Development District.

42 City Code, Sec. 70-801 et seq.

43 The figure excludes BGR's projected 2027 sanitation deficit.

44 McCausland, Phil, "[Trash is rotting in the street of New Orleans. Everyone agrees it's a labor issue](#)," *NBC News*, September 21, 2021.

45 Weill-Greenberg, Elizabeth, "[Some of the hardest-working frontline employees in New Orleans are living paycheck to paycheck](#)," *The Appeal*, May 27, 2020.

46 Louisiana Legislative Auditor, *Residential Trash and Recyclables Collection*, p. 3.

47 Professional Services Agreement between the City of New Orleans and IV Waste, LLC, RFP No. 3185-Area 1, effective April 1, 2024. Professional Services Agreement between the City of New Orleans and IV Waste, LLC, RFP No. 1862-Area 2 West, effective November 1, 2022. Professional Services Agreement between the City of New Orleans and Waste Pro of Louisiana, Inc., RFP No. 1863-Area 2 East, effective November 1, 2022. Professional Services Agreement between the City of New

Orleans and Richard's Disposal, Inc., RFP No. 3191-Area 4, effective April 1, 2024.

48 City Code, Sec. 70-801 et seq. In 2021, the Council amended the living wage ordinance to increase the base wage level for contract employees from \$10.10 per hour to \$13.25 per hour and to stipulate annual adjustments based on inflation. New Orleans Ord. No. 28,718 M.C.S, adopted July 7, 2021.

49 Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations*, p. 3.

50 Service Area 5 requires at least daily trash pickup. Instead of a rate per location, the current contract stipulates a monthly cost based on the type of service provided. For regular trash collections, the monthly cost for service area 5 is \$57,259.

51 This does not include rates for Service Area 5. See previous footnote.

52 Non-Exclusive Franchise Agreement by and between the City of New Orleans and River Birch, LLC, March 1, 2025, p. 11.

53 Fifth Supplement and Amendment to the Agreement for Disposal and Convenience Center Services between the City of New Orleans and River Birch, LLC, p. 2.

54 Adjusted for inflation, \$30.50 in March 2020 is equal to \$37.70 in March 2025, which is when the previous disposal contract expired. This is a higher cost than the \$35.23 base rate for the current contract.

55 In 2024, this reflects more than 166,000 tons of trash collected and dumped in the landfill. City of New Orleans, 2024 Annual Comprehensive Financial Report, p. 143.

56 New Orleans City Council, M-25-179, approved March 27, 2025.

57 The first extension would add 10 additional years, and the second extension could add another five years.

58 Fifth Supplement and Amendment to the Agreement for Disposal and Convenience Center Services between the City of New Orleans and River Birch, LLC. This contract was initially approved in March 2000 and was extended in March 2020 for an additional five years.

59 Government Finance Officers Association, "[10 Steps to Developing Utility Rates](#)."

60 City of New Orleans, Annual Comprehensive Financial Report for the year ended December 31, 2025, p. 21.

- 61 Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations*, pp. 8-14.
- 62 Ibid.
- 63 Myers, Ben, [“New Orleans providing garbage pickups to thousands of ineligible locations, audit finds,”](#) *The Times-Picayune | NOLA.com*, August 19, 2026.
- 64 Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations*, Appendix A-1.
- 65 Information provided by the City of New Orleans, September 1, 2026.
- 66 The current counts of billed customers and service locations are reported in Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations*, pp. 4 and 6.
- 67 Myers, Ben, [“Some New Orleans residents skeptical of Mayor Helena Moreno’s sanitation fee proposal,”](#) *The Times-Picayune | NOLA.com*, September 1, 2026.
- 68 The seven-year contract term allows contractors to plan out capital purchases for their services to the City and ensure the businesses can cover operating costs, like employee salaries. The contracts have certain protections against early termination. If the City terminates for convenience within the first three years (or two years, in the case of service area 3), the City must pay the depreciated cost of the contractor’s vehicles and equipment. Termination after that initial period can occur with just 30 days’ written notice at no cost to the City. The contracts for service areas 2 and 3 took effect in 2022 and have passed their early termination periods. The contracts for service areas 1 and 4 are nearing the end of their first three years.
- 69 City of New Orleans, [“City Reminds Eligible Seniors of Reduced Sanitation Charge,”](#) media release, September 24, 2026.
- 70 Government Finance Officers Association, [“User Fee Policy Template,”](#) September 2020.
- 71 Loveland, Jason, and JP Joly, [“Continuous Utility Rate Management and Forecasting: Taking the Anxiety Out of Rate Increases,”](#) prepared for the Government Finance Officers Association, June 2021.
- 72 Boyd, Parker, [“New Orleans City Council approves sanitation fee increase in 6-1 vote,”](#) *Fox 8*, September 3, 2026. Discussion of Ord. Cal. No. 35,384 (30751 MCS) at the meeting of the New Orleans City Council, September 3, 2026.
- 73 Associated Press via *Biz New Orleans*, [“New Orleans Shifts to Once-a-Week Garbage Collection,”](#) October 11, 2021.
- 74 Through early September 2026, the City has received 1,971 missed trash pickup complaints. Joseph, Chris, [“New Orleans missed trash pickup complaints have dropped significantly, data shows,”](#) *Fox 8*, September 8, 2026.
- 75 The City reported about 158,000 tons of garbage collected in 2025, which was slightly lower than the typical range seen in the previous nine years. City of New Orleans, Annual Comprehensive Financial Report for the year ended December 31, 2025, p. 144.
- 76 See, for example, City Services Coalition, *Roadmap: Enhancing Delivery of City Services in New Orleans*, March 10, 2025, p. 178, and Nussbaum, Michael, [“Letter to the Editor: City needs to make case for higher sanitation fees,”](#) *The Times-Picayune | NOLA.com*, April 1, 2026.
- 77 Apostolakos, Pari, [“‘Untimely and expensive’: People rail against trash bill increase,”](#) *WDSU*, September 2, 2026. Discussion of Ord. Cal. No. 35,384 (30751 MCS), as amended, at the regular [meeting](#) of the New Orleans City Council, September 3, 2026.
- 78 Louisiana Legislative Auditor, *Residential Trash and Recyclables Collection*, p. 11. East Baton Rouge’s readjustment is subject to council approval.
- 79 Louisiana Legislative Auditor, *Residential Trash and Recyclables Collection*, p. 5.
- 80 Louisiana Legislative Auditor, *Sanitation and Recycling Service Fees and Locations*, p. 7.
- 81 Ibid.
- 82 City Code, Sec. 138-57(a), as amended by Ord. 30751 MCS adopted September 3, 2026.
- 83 Information provided by the City of New Orleans, September 1, 2026. Collection contracts for service areas 2 and 3 expire November 2029. Contracts for service areas 1 and 4 expire April 2031.
- 84 City of New Orleans, Ord. 30751 MCS, adopted September 3, 2026. The ordinance states, “In calculating the city’s total estimated cost of sanitation services attributable to curbside-collection contracts, the director of sanitation may reduce the total estimated cost as necessary to ensure the equitable apportionment of costs among fee payors.”