



## City of Phoenix

**To:** Alan Stephenson  
Deputy City Manager

**Date:** February 13, 2026

**From:** Felipe Moreno *FM*  
Public Works Director

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Assistant Public Works Director

**Subject:** RESIDENTIAL SOLID WASTE RATE ADJUSTMENT PROPOSAL

The Public Works Department is proposing an adjustment to the residential solid waste fee to address rising operational costs and ensure the long-term viability of services. The Department's Solid Waste Division operates as an enterprise fund, covering all associated expenses, including operations, Capital Improvement Projects (CIP), debt service, and indirect costs by assessing a monthly fee to customers. Approximately 86 percent of the Division's funding is derived from the monthly residential solid waste fee.

### Background

The Solid Waste Division provides solid waste collection and post-collection services to more than 425,000 rate-paying customers. Resources required to provide essential solid waste services include people, trucks, infrastructure, and adherence to regulatory mandates. Since the last rate adjustment approval made to the solid waste's monthly residential rate February 2020, the solid waste operation has experienced significant cost increases associated with the resources directly required to provide services. Since 2020, staff costs have increased 32 percent, vehicle costs have increased 52 percent, and construction related costs to maintain critical infrastructure have increased 40 percent. Despite receiving support from excise tax bonds in 2024 (\$20M), implementing several operational efficiencies, and deferring vehicle purchases and critical infrastructure projects, the solid waste fund is forecasted to experience a budget deficit of up to \$20.8M this fiscal year.

### Budget Deficit and Revenue Needs

A fee adjustment is necessary to maintain residential solid waste service levels and meet regulatory compliance requirements for maintaining and operating critical solid waste infrastructure (active and closed landfills, compost facility, materials recovery facilities, and transfer stations).

In consultation with the Finance Department, it is recommended the solid waste fund maintain a minimum fund balance of \$50M. This is essential to establishing a healthy contingency, cover debt service, and ensure continuity of operations and service to customers.

### Proposed Fee Structure

The residential solid waste fee is established by Chapter 27 of the Phoenix City Code and is assessed based on the number of living units or containers serviced and the associated operational costs for collecting, transporting, processing, and landfilling the City's solid waste stream.

- The current monthly residential fee is \$37.32.
- The current subscription fee for curbside green organics collection (90-gallon) is \$5 per month per container.

The monthly solid waste fee adjustment was determined by identifying current expenditures and revenues, including the minimum operating reserve requirement and future Capital Improvement Projects. The Division also recommends increasing the curbside green organics collection subscription rate from \$5 per container to one-fourth of the applicable monthly residential rate. The current subscription rate is supported by the monthly residential rate to encourage diverting this waste stream from the landfill; this adjustment will ensure better cost recovery and better alignment with the program's costs.

Proposed Fee Schedule		
FY26/27	FY27/28	FY28/29
+\$6/month	+\$6/month	+\$5/month
\$43.32	\$49.32	\$54.32

- Inflation Adjustment: From July 1, 2029, through June 30, 2034, apply an annual inflationary factor up to 5 percent.
- Green Organics Collection Subscription Fee Adjustment: Effective July 1, 2026, the curbside green organics collection fee will be increased to one-fourth of the applicable monthly solid waste rate. This equates to a cost of \$10.83 for one 90-gallon green organics container starting July 1, 2026.

If approved, the proposed increase is expected to generate approximately \$87.8M for the solid waste fund over three years. The recommended inflation rate, commencing in year four, will be reviewed annually by City Council and will not exceed 5 percent. The inflator helps mitigate significant future residential rate increases by enabling smaller, incremental adjustments to account for inflation-driven costs.



## **Solid Waste Rate Activities Timeline**

1. **August 20, 2025:** Post a 60-day notice on the City's homepage prior to the scheduled special committee meeting, which will consider the rate. (Solid Waste Rate Advisory Committee)
2. **September 2025:** Brief Mayor and City Council on upcoming solid waste rate activities.
3. **October 2025:** Brief the Solid Waste Rate Advisory Committee.
4. **October 2, 2025:** Post a 15-day notice on the City's homepage and social media 18 days prior to the scheduled special committee meeting, which will consider the rate. (Solid Waste Rate Advisory Committee)
5. **October 20, 2025:** Solid Waste Rate Advisory Committee meeting.
6. **October 2025:** Obtain the City Manager's Office sign-off on the proposed rate and schedule.
7. **January 2026:** Brief Mayor and City Council for February 10 Policy City Council meeting.
8. **January 21, 2026:** Notify the Budget and Research Department and confer with Law 90 days prior to the City Council meeting that will approve the rate.
9. **February 10, 2026:** Policy Meeting – Solid Waste Rate Update (Information Only).
10. **February 10, 2026:** Send 60-day notice to Communications Office at least 63 days prior to the scheduled City Council meeting which will consider the residential monthly solid waste rate adjustment.
11. **February 2026:** Send schedule and written report or data to the City Clerk Department for filing.
12. **February-March 2026:** Community Solid Waste Rate Information Sessions.
13. **March-April 2026:** Brief Mayor and City Council for April 22, 2026, Formal City Council meeting.
14. **April 3, 2026:** Post a 15-day notice on the City's homepage and social media 18 days prior to the scheduled City Council meeting, seeking Formal adoption of solid waste rate.
15. **April 22, 2026:** Formal Meeting - Solid Waste Rate Recommendation. **(Council Vote)**
16. **May-June 2026:** Program new rates into billing software, CC&B. Complete customer notifications.
17. **July 1, 2026:** New rates go into effect.