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## Report Highlights

### Sanitation and Recycling Service Fees and Locations

*City of New Orleans*

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#### Why We Conducted This Review

We compared the number of City of New Orleans (City) sanitation and recycling service locations to the number of service locations billed by the Sewerage and Water Board of New Orleans (SWBNO). We conducted this analysis based on a request from the Mayor of New Orleans to identify and explain any discrepancies between the two numbers. In addition, we analyzed the sufficiency of the sanitation and recycling fees. New Orleans' City Charter establishes the Department of Sanitation as the entity responsible for the collection and disposal of trash and other refuse, either directly or by contract. The City contracts with three contractors to provide weekly sanitation and recycling services throughout the City. In addition, the City has a cooperative endeavor agreement with SWBNO to include a sanitation service fee on monthly sewerage and water bills.

#### What We Found

Overall, we found the sanitation and recycling fees are insufficient to cover the cost of providing those services. We also found discrepancies between the number of locations receiving sanitation and recycling services and the number of locations billed for sanitation and recycling services by SWBNO for multiple reasons. The exhibit at right shows the contractor and the number of service locations for each service area as of March 2026. Specifically, we found the following:

- The City does not charge sufficient fees to cover the cost of providing sanitation and recycling services. To account for inflation increases since 2011, the City's current monthly sanitation and recycling fee would have needed to be increased to at least \$34.62. However, the City may have to raise the fee more to ensure it covers its \$21.1 million deficit incurred from January 2025 through December 2025 and sanitation and recycling service contract costs, including tipping fees to dispose of collected trash.** Further, the City pays for all 164,625 service locations to receive recycling services even though only 67,354 (40.9%) locations have received a recycling bin. The following exhibit shows the City's monthly recycling fee revenue and payments to contractors for Areas 1 through 5 as of March 2026 and the resulting monthly deficit of \$906,988.

| Number of Service Locations by Service Area<br>As of March 2026                  |                   |                   |
|----------------------------------------------------------------------------------|-------------------|-------------------|
| Area                                                                             | Contractor        | Service Locations |
| 1                                                                                | IV Waste          | 64,404            |
| 2                                                                                | IV Waste          | 50,623            |
| 3                                                                                | Waste Pro         | 27,396            |
| 4                                                                                | Richards Disposal | 18,179            |
| 5                                                                                | IV Waste          | 4,023             |
| Total                                                                            |                   | 164,625           |
| Source: Prepared by legislative auditor's staff using information from the City. |                   |                   |

# Sanitation and Recycling Service Fees and Locations

City of New Orleans

## What We Found (Cont.)

| Monthly Recycling Fee Revenue and Payments to Contractors by Area<br>As of March 2026                                                                                                                        |                   |               |                 |              |                    |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|-----------------|--------------|--------------------|-------------------|
| Area                                                                                                                                                                                                         | Service Locations | Fee Charged   | Monthly Revenue | Monthly Cost | Monthly Total Cost | Net               |
| 1                                                                                                                                                                                                            | 64,404            | \$0.00        | \$0.00          | \$5.37       | \$345,849          | -\$345,849        |
| 2                                                                                                                                                                                                            | 50,623            | \$0.00        | 0.00            | \$5.46       | 276,402            | -276,402          |
| 3                                                                                                                                                                                                            | 27,273            | \$0.00        | 0.00            | \$6.78       | 184,911            | -184,911          |
| 4                                                                                                                                                                                                            | 18,159            | \$0.00        | 0.00            | \$5.26       | 95,516             | -95,516           |
| 5                                                                                                                                                                                                            | 4,023             | \$0.00        | 0.00            | \$1.07       | 4,310              | -4,310            |
| <b>Total</b>                                                                                                                                                                                                 | <b>164,482*</b>   | <b>\$0.00</b> | <b>\$0.00</b>   |              | <b>\$906,988</b>   | <b>-\$906,988</b> |
| * 143 of the locations on the City's eligible location list had not yet been billed by contractors as of March 31, 2026.<br>Source: Prepared by legislative auditor's staff using information from the City. |                   |               |                 |              |                    |                   |

- **The City has not established a formal process for routinely updating its eligible service location list, resulting in 12,915 (7.8%) of the 164,625 service locations being potentially improperly included. These inaccuracies include addresses retired by the City that are no longer associated with a structure, addresses that should be retired but were not, and duplicate addresses.** In addition, 8,077 (4.9%) of the 164,625 service locations appear to potentially be ineligible based on property description information from the Orleans Parish Assessor.
- **The City does not reconcile service locations with SWBNO data to identify potential issues with the number of units serviced versus the number billed. We found instances where SWBNO billing data identified City service locations as vacant, SWBNO did not bill for service locations, and where the number of units billed by SWBNO did not match the number of units serviced by the City. We also found instances where City data and SWBNO data could not be matched.** In addition, we identified 4,583 service locations that the SWBNO had classified as vacant. Further, we found 7,980 locations billed for sanitation services by SWBNO that could not be matched to locations on the City's list of eligible service locations and were not identified as vacant.

We made nine recommendations and four matters for city council consideration. The City agreed with eight of its recommendations and disagreed with one. SWBNO agreed with its one recommendation. See Appendix A-1 in the report for the City's full response and Appendix A-2 for SWBNO's response.