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Bill 9 (2014)
Refuse Collection Fees
Budget Committee
February 26, 2014

Agenda

- Introduction
- Reasons to Charge a Fee
- Fee Versus a Tax
- Proposal Details
- Current Level of Service
- Agency Comparisons
- Concerns
- Questions

Reasons to Charge a Fee

- Equity
 - Businesses now pay a fee for City collection service
 - Residential units do not pay for City services
 - There are those that pay property tax but do not receive City Services
 - There are those that pay a private contractor for their Refuse Services

**Submitted by the Department of Environmental Services at the February 26, 2014
Committee on Budget meeting**

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Reasons to Charge a Fee (cont)

- Revenue
 - Property tax currently subsidizes refuse collection close to \$100M per year
 - Subsidy can be reduced by about 20%
 - All other Refuse components, except for Collections are required to be self-supporting.
 - Recycling
 - Glass Recycling
 - Solid Waste Disposal Facility (H-Power)

Fee Versus a Tax

- This is a FEE for service, not a tax
- There is a clear nexus between collection service and the FEE for the service
- Residents should pay the same rate for the same level of service, not based on the value of their property
- Not all property tax payers receive City Refuse collection service
- All fees go into the Solid Waste Fund
 - Guarantee funds will be used for Refuse related services instead of placing it in the General Fund
 - Assist in replacing aging equipment
 - Maintain high level of service already receiving

Proposal Details

- Residential customers receiving City automated or manual collection
 - 20% cost recovery
 - \$10 per month per dwelling unit
 - Maximum of five bins (gray, green, and blue) for automated customers
 - Residents may opt out of the City collection but must prove they are handling disposal properly
 - Billed in two increments of \$60 each on property tax bill
 - Billed monthly or bi-monthly if property TMK configuration does not allow billing on property tax bill

Proposed Details (cont)

- **Businesses** and **non-profit** organizations receiving **manual** collection
 - Full cost recovery
 - Collected twice weekly
 - Minimum monthly charge of \$75.00 or \$2.00 per cubic foot, whichever is greater
 - Collected six times weekly
 - Minimum monthly charge of \$150.00 or \$6.00 per cubic foot, whichever is greater
 - Billed monthly or bi-monthly

Proposed Details (cont)

- **Businesses** and **non-profit** organizations receiving **automated** collection
 - Full cost recovery
 - 90-gallon carts collected twice weekly
 - Minimum monthly charge of \$75.00 or \$75.00 per cart, whichever is greater
 - Deposit fee of \$90 per cart with \$70 refunded on return of cart
 - Billed monthly or bi-monthly

Proposed Details (cont)

- **Businesses** with **3-cy front loader** service
 - City does not provide service
 - Private haulers provide service

Proposed Details (cont)

- Multi-unit residential buildings and non-profit organizations using 3-cubic yard front loader service
 - Full cost recovery
 - \$314 per month per 3-cubic yard container
 - Owners provide the containers
 - Billed monthly or bi-monthly

Current Level of Service

- Residential service is exceptional
- Twice a week collection (manual and automated)
- Alternating mixed-recyclables and green waste collection (automated only)
- Monthly scheduled bulky item pickup
- Free convenience center drop off
- Far more services provided than almost any other city nationwide

Agency Comparisons

- Kauai
 - Base Assessment - \$6 per month to all eligible properties to support transfer stations
 - Curbside Collection - additional \$6 per month;
 - Additional Service (cart) - additional \$12 per month
 - For three carts similar to what Honolulu provides - \$36 per month

Agency Comparisons (cont)

- Maui
 - \$18 per month collected in advance in twice a year billings
 - Actual costs are \$40 per month
- Seattle - \$89.40 per month for one 96-gallon cart
- Phoenix - \$27 per month (2010 dollars)
- Austin - \$30 per month (2010 dollars)
- Portland - \$37 per month (2010 dollars)

Concerns

- What happens if someone does not pay?
 - Covered by current ordinance and will require inspection and enforcement
- Why are condo users paying more than single-family users?
 - Fee is by cost of type of service (cart vs. 3 cubic yard bin)
 - All those receiving front loader service will pay the same per container

Concerns (cont)

- Why charge non-profits?
 - Everyone who receives the service should pay equally for the service received
 - Non-profits often pay less property and other taxes already
- Manual collection areas get less service because they do not get recycling service
 - Green waste collection is provided
 - Mixed recyclable collection is not currently provided, but we are looking at viable alternatives

Concerns (cont)

- Why not charge based on how much trash one throws away?
 - This is an option, but much more difficult to implement
 - This option may be harder on large, low income families
 - May assume that recycling collection occurs at no cost to the dwelling unit
 - Something possibly for the future

Questions?
