

REPORT OF THE COMMITTEE ON BUDGET

Ann H. Kobayashi, Chair; Barbara Marshall, Vice-Chair
Romy M. Cachola, Charles K. Djou, Rod Tam, Members

Committee Meeting Held
February 4, 2004

Honorable Donovan Dela Cruz
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 3 (2004) entitled:

“A BILL FOR AN ORDINANCE RELATING TO REFUSE,”

reports as follows:

The purpose of this Bill is to delete the sunset date for the disposal discount rate for recycling operations at the City's landfills and H-Power facility, thereby making the 20 percent discount rate permanent.

Your Committee received testimony from the Director of the Department of Environmental Services, in support of the bill. However, the Director stated that the discount would cost the city \$400,000 to \$500,000 per year, compared to the previous discount rate of 50 percent. There are approximately 6 companies that receive discounts, but the primary benefactor is the Hawaii Metal Recycling Company (HMR). The Director also noted that at the time that the 20 percent discount rate was enacted, HMR was in a slump due to low scrap metal prices. At that time, city officials examined the accounting records of HMR and determined that the discount rate was warranted. The Director recommended that a similar review be completed before the discount rate is continued.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON _____

COMMITTEE REPORT NO. 46

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Page 2

Your Committee also requested that the Director submit to the Council a report, as per the current language in Section 9-4.2(c) Revised Ordinances of Honolulu 1990, which states that on September 1, 2003, the department shall submit a report stating the tonnage eligible for the discounted charge in each of the preceding three fiscal years, the impact of the discount on the City and making recommendations as to whether the discount should be continued.

Your Committee also heard testimony from several recycling companies in support of the bill.

Your Committee on Budget is in accord with the intent and purpose of Bill 3 (2004) and recommends its passage on Second Reading and the scheduling of a Public Hearing. (Ayes: Kobayashi, Cachola, Djou, Marshall, Tam - 5; Noes: None.)

Respectfully submitted,


Committee Chair

CITY COUNCIL
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HONOLULU, HAWAII

ADOPTED ON FEB 18 2004

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