

MINUTES

of the

PUBLIC HEARING HELD ON

MAY 11, 2018

THE COUNCIL OF THE COUNTY OF MAUI, STATE OF HAWAII, CONVENED A PUBLIC HEARING ON FRIDAY, MAY 11, 2018, AT 9:02 A.M., IN THE COUNCIL CHAMBER, KALANA O MAUI BUILDING, WAILUKU, HAWAII WITH CHAIR MICHAEL B. WHITE PRESIDING, FOR THE PURPOSE OF RECEIVING TESTIMONY ON THE FOLLOWING:

1. PURSUANT TO SECTION 243-5, HAWAII REVISED STATUTES, AND SECTION 3.20.010, MAUI COUNTY CODE, ADOPTING THE FUEL TAX RATES FOR THE COUNTY OF MAUI, EFFECTIVE JULY 1, 2018; and
2. PURSUANT TO SECTION 249-13, HAWAII REVISED STATUTES, AND SECTION 3.24.030, MAUI COUNTY CODE, REGARDING THE MOTOR VEHICLE WEIGHT TAX RATES FOR FISCAL YEAR 2019.

CHAIR WHITE: Good morning. This public hearing on Fuel and Weight Tax rates shall please come to order.

Mr. Clerk, please call the roll.

ROLL CALL

PRESENT: COUNCILMEMBERS ALIKA ATAY, S. STACY CRIVELLO, G. RIKI HOKAMA, KELLY T. KING, YUKI LEI K. SUGIMURA, VICE-CHAIR ROBERT CARROLL, AND CHAIR MICHAEL B. WHITE.

EXCUSED: COUNCILMEMBERS ELEANORA COCHRAN AND DONALD S. GUZMAN.

(Councilmember Cochran was not present when the roll was called; however, she arrived at 9:05 a.m.)

There were 10 members of the public in attendance.

DEPUTY COUNTY CLERK JOSIAH K. NISHITA: Mr. Chair, there are seven Members present, two Members excused. A quorum is present to conduct the business of the Council.

NOTICE OF PUBLIC HEARING

CHAIR WHITE: Thank you.

Before we start, if everyone could please put their phones on silent mode. I believe that includes me. And, with that, we'll proceed with public testimony.

Mr. Clerk.

DEPUTY COUNTY CLERK: Mr. Chair, the Notice of Public Hearing on the proposed resolution adopting the Fuel Tax rates for the County of Maui, effective July 1, 2018; and the Motor Vehicle Weight Tax rates for Fiscal Year 2018 to June 30, 2019, was published in the May 1, 6, and 9, 2018 editions of the Maui News.

The public is invited to provide testimony before the Council regarding the proposed Fuel and Motor Vehicle Weight Tax rates for the County of Maui, for Fiscal Year 2019.

We've established limited interactive communication that enables individuals from Hana, Lanai, and Molokai, to provide testimony from our District Offices.

Individuals who wish to offer testimony from Hana, Lanai, and Molokai, should now sign up with District Office staff. Individuals who wish to offer testimony in the chamber, please sign up at the desk located in the eighth-floor lobby just outside the chamber door. When testifying, please state your name and the name of any organization you represent.

Lanai Office, please identify yourself and introduce your first testifier.

MS. DENISE FERNANDEZ: Good morning, Chair. This is Denise Fernandez on Lanai and we have one testifier, Winifred Basques.

PRESENTATION OF WRITTEN OR ORAL TESTIMONY

MS. WINIFRED BASQUES:

Good morning. My name is Winifred Basques. I live on the island of Lanai 55 years, okay. When I saw this agenda for the gasoline and diesel oil saying tax rates per gallon; 0.235, and it's 4.86 per gallon. I oppose to that just to the fact we have only one service station, and the gasoline Kaunapali Harbor is a different price. When you add this one on, it's going to be a double price, and I'm sorry to say, I do not like that. Can you remove this 2.3 percent from the gasoline and diesel? Thank you very much. Do you have any questions for me?

CHAIR WHITE: Thank you for your testimony this morning.

Members, any questions for the testifier?

COUNCILMEMBER KING: I just have one question.

CHAIR WHITE: Ms. King.

(Councilmember Cochran arrived at the public hearing at 9:05 a.m.)

COUNCILMEMBER KING: Thank you. Thank you for being here, Winifred. So, do you realize, I just wanted to ask if you realize that the current tax rate is .23, so the proposal would raise it up a half a penny. So, are you asking to take it completely out?

MS. BASQUES: What did she say?

MS. FERNANDEZ: If you want to take it completely off. You want it completely off?

MS. BASQUES: Yes, take it out. We don't need it.

COUNCILMEMBER KING: To zero, okay.

MS. BASQUES: Due to the fact there's only one service station on the island. If people or residents go to the service station to fill up their gasoline and the diesel, and, it's going to be too much; it'll be over \$5, almost \$6 per gallon. We have been doing this for the longest time. It's about time it should not be effective as of now. Please I implore you, do not raise this 0.235 percent tax rate. Thank you very much.

CHAIR WHITE: Thank you very much for your testimony this morning.

Members, any other questions?

Seeing none, Mr. Clerk.

DEPUTY COUNTY CLERK: The first person to testify in the Council chamber is Jim Smith.
He will be followed by Ferdinand Ballesteros.

MR. JIM SMITH:

Aloha, Chair. Aloha, Members of the Council. I'm here to testify on the proposed rate increases. Quite frankly, we have a carryover savings of \$10 million for fuel. We don't need it. We don't need any of that. I would ask you just drop that entirely. We don't need it.

I think as far as the, the problem is, I live in Haiku, I live, people live in Kula, they work in Lahaina, they work in Kihei, they're workers, they're poor already because they have to travel this time away from families, they're working for wage not income. And, this impacts them the most. So, do away with; when you have carryover savings of \$10 million, why take it out of our hide some more?

So, and there's another part of this that I think is, is very troubling, and that is you distinguish between gasoline and diesel and the others. And there should not be that, because what you're doing is you're participating in the marketplace. You are valuing a certain product to create some sort of a increase in market, and maybe there's a social reason for it. But, this is a budget, and this is economy, and it shouldn't mix the two. We shouldn't be getting involved with the kind of fuel. It should be one rate for fuel, and it shouldn't be anything now with a carryover savings of \$10 million. So, I'd say do away with it. You don't need it, don't take it.

Carryover savings does not belong in this formula, but it's there. So, I would ask you please remove this item, remove this rate, period. Just like the person on Molokai says, it only gets us, the poor people workers. The others will write it off. So, I would please bring humanity back into this game, as opposed to economy. Two separate things; political, humanity, economy, price of oil. Please. So, that's my testimony on the, the gasoline taxes.

As a weight issue, then I think that a blanket rate of \$12 is sufficient. I have a, I have a car. I check the weight; it was 3,000-something pounds. I took that and when into, eh, that's \$12. So, I have a small car so, I think that's, that's pretty standard. So, I would support that, assuming I support tax at all. Thank you.

CHAIR WHITE: Thank you, Mr. Smith.

Members, any questions for the testifier? Seeing none, thank you for being here.

MR. SMITH: You're welcome.

CHAIR WHITE: We always appreciate your testimony.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next testifier is Ferdinand Ballesteros. To be followed by Joy Galatro.

MR. FERDINAND BALLESTEROS, PACIFIC BIODIESEL:

Good morning, Chairman White, Councilmembers.

CHAIR WHITE: Good morning.

MR. BALLESTEROS: Happy Aloha Friday. My name is Ferdinand Ballesteros, born in Wailuku, raised on Lanai, resident of Makawao. I'm the dispatch coordinator for Pacific Biodiesel. It's good to see you all this morning.

I have watched parts of your deliberations and countless decisions being made on TV regarding this 2019 Budget. And, this is not an easy process. I'm happy that, you know, this County, the County that my family lives in is in support of a cleaner and greener future.

I'd like to thank you for supporting renewable fuels, especially biodiesel. In this decision you all have made biodiesel fuel, all keeping biodiesel fuel tax at zero will keep our biodiesel vehicles on the road continuing to service our great community, and keeping tons of cooking oil and grease-waste out of the landfills, and water tables out of all the County. This will also keep the businesses and residents that use our fuel to keep coming back and ultimately reducing their carbon footprints.

I ask you to keep our testimonies at top of mind as this 2019 Budget gets finalized. And, I also ask you to keep in support for biodiesel in the future budgets. With this County's continuous support by keeping the tax at zero for biodiesel fuel, Pacific Biodiesel will keep innovating for renewable fuel sectors, as well as going forward on agriculture products that will bring agri-tourism to this beautiful island of Maui. So, again, mahalo for your decision and thank you for your time this morning.

CHAIR WHITE: Thank you for your testimony.

Members, any questions for the testifier? Seeing none, appreciate your . . . this morning.

MR. BALLESTEROS: Thank you.

CHAIR WHITE: Mr. Clerk.

DEPUTY COUNTY CLERK: Next testifier is Joy Galatro. To be followed by Beth Mathias.

MS. JOY GALATRO, PACIFIC BIODIESEL:

Aloha and good morning, Chair and Councilmembers. I'm Joy Galatro, marketing director with Pacific Biodiesel, here today to say mahalo to all of you, Councilmembers, for your recent consensus vote against the proposed 23-cent per gallon tax on biodiesel. On behalf of my co-workers, and biodiesel customers, and supporters of renewable fuel, thank you for doing the right thing once again and standing up for renewables in Maui County.

And, thank you for hearing us. You know, we made the point that this was taxing the solution. A tax on biodiesel, which is a locally made, 100 percent renewable fuel is, is really taxing the solution, not the problem of fossil fuel. So, thank you again.

Please stay committed to ensure this tax does remain at zero, all the way through the final budget process. And, please continue your support of renewable fuel going forward, as you always have been.

We're proud at Pacific Biodiesel to make our renewable fuel for customers throughout the State, and especially here in Maui County. This is where we began 23 years ago. We would love to one day farm thousands of acres of sunflowers, for example, and add another refinery here and produce locally made cooking oil and cosmetic oil.

We need your support to do that, though, ongoing. We're happy to create local jobs and support the local economy, but that does get discouraging when we have to come up and really defend the viability of our fuel, and the many economic and environmental benefits. So, we applaud you, Councilmembers. Thank you again for standing up for renewables and helping to keep Maui County aligned with the State's goal to be, the commitment to be 100 percent renewable. Mahalo.

CHAIR WHITE: Thank you, Ms. Galatro.

Members, any questions?

Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you for being here. And, and yes, we do support all of the renewable efforts. And, I'm not sure if you're the one who can answer this, but because you do marketing, how much is the, what's the cost per gallon today for your, I guess, your biodiesel 100? How much is it? And, you have zero taxes, so.

MS. GALATRO: Correct. At the pump, currently in Kahului, our 100 percent biodiesel is \$4.14 per gallon.

COUNCILMEMBER CRIVELLO: Okay.

MS. GALATRO: And, when that's blended in with petroleum diesel, which is called a B20, that's actually lower than the cost of pure petroleum diesel.

COUNCILMEMBER CRIVELLO: I see. Thank you.

MS. GALATRO: Yes.

CHAIR WHITE: Okay. Any other questions?

Ms. Sugimura.

COUNCILMEMBER SUGIMURA: So, curious then, thank you, so you're saying there's B20 and B100?

MS. GALATRO: Correct.

COUNCILMEMBER SUGIMURA: So, the B100 is a 4.14?

MS. GALATRO: Correct.

COUNCILMEMBER SUGIMURA: And, how much is the B20?

MS. GALATRO: That new price point is, I'd have to get back to you. I'm sorry, that's not. 3.86? Thank you, Ferd.

COUNCILMEMBER SUGIMURA: And, the 20 means what?

MS. GALATRO: 20 percent biodiesel, 80 percent petroleum diesel.

COUNCILMEMBER SUGIMURA: 80 percent petroleum diesel? Thank you.

CHAIR WHITE: Any other questions?

Thank you for being here this morning.

MS. GALATRO: Thank you.

CHAIR WHITE: Mr. Clerk.

DEPUTY COUNTY CLERK: Next testifier is Beth Mathias. She is the last individual who has signed up to testify in the Council chamber or the District Offices.

MS. BETH MATHIAS, PACIFIC BIODIESEL:

Good morning, Chair White, Councilmembers.

CHAIR WHITE: Good morning.

MS. MATHIAS: I'm representing Pacific Biodiesel. I'm a marketing associate, and a long-time resident of Maui. I live in Haiku. And, I just wanted to take a moment. My colleagues have already explained why we are grateful to the County for supporting locally produced biodiesel, and how it contributes both to a cleaner environment and to the economy of Maui and Hawaii as a whole. And, I just wanted to take one more moment to thank you again for your support of our locally produced renewable fuel, and helping Maui County set the bar as we move forward to 100 percent renewables. Mahalo.

CHAIR WHITE: Thank you.

Members, any questions for the testifier? Seeing none, appreciate your being here this morning.

Mr. Clerk.

DEPUTY COUNTY CLERK: Mr. Chair, it appears we have one additional testifier in the chamber.

MR. JASEE LAU:

Aloha, everybody. Everybody out there in TV land, I love you guys. This proposed tax does not affect me. I either walk or take the bus. And, I would like you to look at putting some money into a sidewalk going down from Waiakoa down to the post office. And make sure you check the survey there in front of the Catholic Church, cause they might try to claim the sidewalk.

CHAIR WHITE: Thank you for your testimony this morning.

Mr. Clerk.

DEPUTY COUNTY CLERK: Mr. Chair, for the record, that was Jasee Lau.

There are no other individuals in the District Offices nor the chamber who wish to offer testimony. And, we have received written testimony.

CHAIR WHITE: Thank you, Mr. Clerk.

Members, without objection, we'll receive the written testimony into the record.

MEMBERS VOICED NO OBJECTION.

THERE BEING NO OBJECTION, WRITTEN TESTIMONY
RECEIVED FROM JOHN HULTQUIST WAS MADE A PART OF
THE RECORD OF THIS PUBLIC HEARING.

CHAIR WHITE: And, without objections, we'll close public testimony.

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: Thank you. Public testimony is closed.

And, Mr. Clerk.

DEPUTY COUNTY CLERK: Mr. Chair, there's no further business.

CHAIR WHITE: With that, we will adjourn this meeting. Thank you very much. And, we have the, our next meeting is at 11, back here in the chambers. We are adjourned.

ADJOURNMENT

The public hearing of May 11, 2018, was adjourned by the Chair at 9:17 a.m.

A handwritten signature in black ink, reading "Dennis A. Mateo". The signature is written in a cursive style with a large, stylized "M".

DENNIS A. MATEO, COUNTY CLERK
COUNTY OF MAUI, STATE OF HAWAII

FUEL TAX RATES

suntees@maui.net

Wed 5/9/2018 3:43 PM

To: County Clerk <County.Clerk@mauicounty.us>;

RECEIVED

2018 MAY -9 PM 3:44

OFFICE OF THE
COUNTY CLERK

Aloha Council Members,

It is my understanding that fuel tax money is used for the maintenance of Maui County roads. The fuel tax should be the same regardless of the type of fuel. And, how do electric cars contribute to the road tax?

Additionally, there is something wrong when the principal of a biodiesel manufacturer is a member of the Maui County council that is proposing Zero tax on biodiesel.

Thank you for considering what I have to say.

Aloha,

John Hultquist