HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. 26-136

RESOLUTION

APPROVING THE PROPOSED BUDGET FOR THE HAWAI'I STATE ASSOCIATION OF COUNTIES FOR THE FISCAL YEAR 2026-2027.

WHEREAS, the Hawai'i State Association of Counties ("HSAC") is composed of the members of the four county councils of the State of Hawai'i; and

WHEREAS, Section 18 of the HSAC bylaws requires the HSAC Executive Committee to prepare and submit to each county council a proposed operating budget for approval each fiscal year; and

WHEREAS, on May 8, 2026, the HSAC Executive Committee unanimously approved the Fiscal Year 2026-2027 Proposed HSAC Budget; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves the proposed operating budget of the Hawai'i State Association of Counties ("HSAC") for Fiscal Year 2026-2027, as approved by the HSAC Executive Committee and described in the Fiscal Year 2026-2027 Proposed HSAC Budget, attached hereto as Exhibit A and incorporated by reference herein; and

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. 26-136

RESOLUTION

BE IT FINALLY RESOLVED that a copy of this resolution be transmitted to the President of the Hawai'i State Association of Counties and a copy be e-mailed to: hsac@hawaiicounties.org.

INTRODUCED BY:

DATE OF INTRODUCTION:

MAY 27 2026
Honolulu, Hawai'i

Councilmembers

OCS2026-0347/5/27/2026 11:47 AM

Hawai'i State Association of Counties (HSAC)
Counties of Kaua'i, Maui, Hawai'i, and City & County of Honolulu
Website: hawaiicounties.org | Email: hsac@hawaiicounties.org

May 20, 2026

Aloha Chair,

Attached for your consideration is the FY 2026-27 Proposed HSAC Budget and Justifications, which was approved by the HSAC Executive Committee on May 8 2026.

Please note pursuant to Section 18 of the HSAC bylaws, the HSAC Executive Committee shall prepare and submit to each council an operating budget. Each council shall pass a resolution or take the necessary action in accordance with their respective rules and procedures to approve the operating budget before the ensuing fiscal year begins, or as reasonably close thereto as possible.

The budget shall present a complete financial plan for the current operations of the corporation in the ensuing fiscal year, showing all funds, reserves, and proposed expenditures which will be shared commonly and equally by all councils.

Please send a copy of the approved resolution from your council to hsac@hawaiicounties.org by Tuesday June 30, 2026.

Your attention to this matter is greatly appreciated. Please let us know if you have any questions.

Mahalo,

Tamara A.M. Paltin

Tamara Paltin, HSAC Vice President and Incoming President
Hawai'i State Association of Counties

EXHIBIT A

		FY 2025-26 Approved Budget	FY 2026 Actual YTD (July 2025 - January, 2026)	FY 26-27 Proposed Budget
1	**REVENUES**			
2	HSAC Membership Fees	$60,000.00		$90,000.00
3	HSAC Annual Conference, Hawaii County		$164,542.38	
4	**NACo Dues**			
5	Hawai'i County	$3,970.00		$3,970.00
6	City and County of Honolulu	$20,330.00		$20,330.00
7	Kaua'i County	$1,466.00		$1,466.00
8	Maui County	$2,893.00		$2,893.00
9	Events Income	$100,000.00	$16,500.00	$135,000.00
10	Interest Income	$30.00	$28.49	$30.00
11	Miscellaneous	$0.00		$0.00
12	NACo Prescription Drug Marketing Fee	$500.00	$10,104.99	$500.00
13	NACo 3 + 1	$0.00	$806.00	$1,500.00
14	TOTAL REVENUE	$189,189.00	$191,981.86	$255,689.00
15				
16	**EXPENSES**			
17	**Executive Committee (EC)**			
18	EC Travel	$31,800.00	$19,023.54	$31,800.00
19	EC Auditing/Professional Services	$20,000.00	$6,928.10	$20,000.00
20	EC Meeting Supplies	$700.00	$125.65	$700.00
21	EC Subscriptions & Software	$2,000.00	$1,507.29	$4,000.00
22	**Special Committees**			
23	Special Committee Travel	$0.00		$0.00
24	Special Committee Miscellaneous	$0.00		$0.00
25	**NACo**			
26	NACo Board Travel	$30,000.00	$14,091.34	$30,000.00
27	NACo Steering Committee Travel	$0.00		$0.00
28	NACo Events & Outreach	$10,000.00		$10,000.00
29	NACo Dues	$28,659.00	$29,063.00	$28,659.00
30	**WIR**			
31	WIR Travel	$15,000.00	$7,177.63	$15,000.00
32	WIR Dues	$3,804.00		$3,804.00
33	**Other**			
34	HSAC Promotion, Events and Outreach	$5,000.00	$78.90	$5,000.00
35	HSAC Consulting Fund (Lobbyist)	$25,000.00	$10,471.20	$31,413.60
36	HSAC Administrative Services (ED)	$50,261.76	$20,942.40	$56,544.48
37	HSAC Executive Director Travel	$11,000.00		$11,000.00
38	NCCAE Dues	$750.00		$750.00
39	NANCLA Donation			$2,000.00
40	D&O and General Liability Insurance	$1,315.00	$1,562.00	$1,650.00
41	Miscellaneous			
42	TOTAL EXPENSES	$235,289.76	$110,971.05	$252,321.08
43				
44	**Total Revenue**	$189,189.00	$191,981.86	$255,689.00
45	**Total Expenses**	$235,289.76	$110,971.05	$252,321.08
46	**Net**	($46,100.76)	$81,010.81	$3,367.92

HSAC Budget Overview and Justification
FY 2026-2027

The FY 2026–2027 Hawai'i State Association of Counties (HSAC) operating budget reflects a necessary and intentional shift toward long-term fiscal sustainability and alignment with the organization's expanded scope of work. Historically, HSAC budgets have not been structurally balanced and have consistently carried negative balances, relying on prior reserves or variable revenues to offset ongoing expenditures. Moving forward, it is the clear intent of the Association to adopt and maintain fully balanced budgets as a matter of sound financial practice.

To achieve this, the proposed budget strengthens both revenue generation and expenditure alignment. On the revenue side, this includes a modest increase in county membership contributions as well as a strategic expansion of event programming. Event-related revenue has grown from $100,000 to $135,000 and now represents the primary source of HSAC's funding. While this strengthens the organization's financial position and reduces reliance on dues, it also requires significantly greater coordination, planning, sponsorship development, and administrative oversight to successfully execute multiple events each year.

On the expenditure side, the budget includes necessary adjustments to administrative services and consulting support, both of which have remained largely unchanged since their establishment in 2022. These adjustments reflect standard inflationary increases as well as the substantial expansion in HSAC's responsibilities over that period.

Since 2022, HSAC has evolved from a primarily coordination-focused body into a more active intergovernmental entity. This includes significantly expanded legislative engagement, ongoing coordination with legislative leadership, and direct support for joint efforts with the Speaker's Office on key statewide issues such as affordable housing, water policy, and taxation. In addition, HSAC has increased its event programming from a single annual conference to, on average, two or more events per year, each requiring planning, fundraising, stakeholder coordination, and execution.

The proposed increases to the HSAC Consulting Fund reflect the growing demand for legislative strategy, policy coordination, and intergovernmental engagement. Similarly, adjustments to administrative services recognize the expanded role of the Executive Director in managing day-to-day operations, coordinating across counties and state partners, supporting national association activities, and overseeing the increased volume and complexity of HSAC events and programs.

Taken together, this budget represents a balanced and sustainable financial plan that aligns HSAC's resources with its current responsibilities. It ensures that the Association can continue to effectively serve as a unified voice for the counties, facilitate intergovernmental collaboration, and deliver programs and services that benefit all member jurisdictions, while operating within a disciplined and transparent financial framework.

Membership Fees – $90,000
Membership fees are increased from $60,000 to $90,000, or $22,500 per county, to ensure sufficient revenue to support increased operational costs, including administrative services and consulting.

NACo Dues – $28,659 (pass-through)
No change. Each county remits its assessed NACo dues through HSAC.

Event Income – $135,000
Event income reflects anticipated revenue from the annual conference and additional HSAC-hosted events. This is an increase from prior years to reflect more active revenue generation efforts beyond the annual conference.

Interest Income – $30
No change.

Miscellaneous – $0
No change.

NACo Prescription Drug Marketing Program – $500
No change.

NACo 3 + 1 – $1,500
New/adjusted revenue reflecting participation in the NACo 3+1 program.

EXPENSES

Executive Committee

EC Travel – $31,800
No change. The EC Travel budget remains at $31,800 and continues to support both interisland meetings and mainland conference participation.

- Interisland travel:
  2 in-person meetings per year × 3 traveling members × $300 = $1,800
- Mainland travel:
  4 members × 3 conferences × $2,500 = $30,000

Total EC Travel = $31,800

This allocation remains consistent with prior year levels and supports full participation in NACo, NCCAE, and WIR conferences, in alignment with allowable travel expenses under HSAC bylaws .

EC Auditing/Professional Services – $20,000
No change.

- Audit: $15,000
- Accounting and tax filing: $5,000

EC Meeting Supplies – $700
No change.

- $350 per meeting × 2 meetings

EC Subscriptions & Software – $4,000
Increased from $2,000 to reflect higher costs for essential services including:
QuickBooks, website hosting, domain fees, Zoom, Google Workspace, and required state filings.

Special Committees

Special Committee Travel – $0
No change. Currently no special committees.

Special Committee Miscellaneous – $0
No change. Currently no special committees.

NACo

NACo Board Travel – $30,000

No change.

- 3 board members × 4 meetings = $2,500

NACo Steering Committee Travel – $0
No change.

NACo Events & Outreach – $10,000

No change.
Supports HSAC-hosted events at NACo conferences.

NACo Dues – $28,659
No change (pass-through).

WIR

WIR Travel – $15,000
No change.

- 2 members × 3 meetings × $2,500

WIR Dues – $3,804
No change. Note that WIR Dues are paid out of HSAC revenue and are not collected by the counties.

Other

HSAC Promotion, Events, and Outreach – $5,000
No change.
Supports communications, outreach, and promotional materials.

HSAC Consulting Fund (Lobbyist) – $31,413.60
The HSAC Consulting Fund is increased from $25,000 to reflect expanded operational and legislative support.

Since 2022, the consulting contract has only been adjusted to include the GET. During that time, HSAC's workload has grown, including an increase from one annual event to, on average, two events per year, as well as significantly expanded legislative engagement.

This includes ongoing coordination with legislative leadership and support for a joint working group with the Speaker's Office on key statewide county issues, including affordable housing, water, and tax policy.

HSAC Administrative Services (Executive Director) – $56,544.48
The HSAC Administrative Services budget is increased from $50,261.76 to reflect expanded responsibilities.

Administrative workload has grown in recent years, driven by increased event coordination, moving from a single annual conference model to supporting, on average, two conference events per year, as well as increased intergovernmental coordination and legislative engagement.

HSAC has also expanded its role in administering member services and programs, including coordination of national association programs and efforts to strengthen collaboration among the counties and with state partners. In addition, increased event activity has required greater coordination and fundraising efforts, contributing to higher event-related revenues.

These activities support HSAC's role in enhancing the effectiveness of county government and advancing shared priorities.

HSAC Executive Director Travel – $11,000
No change.

- 3 mainland trips × $3,000 = $9,000
- Annual conference travel reimbursement = $2,000

Total = $11,000

NCCAE Dues – $750

National Council of County Association Executives (NCCAE). No change.

NANCLA Donation – $2,000
New line item to support partnership and engagement with national legislative associations.

D&O and General Liability Insurance – $1,650
Increased from $1,315 to reflect updated premium costs.

Miscellaneous – $0
No change.

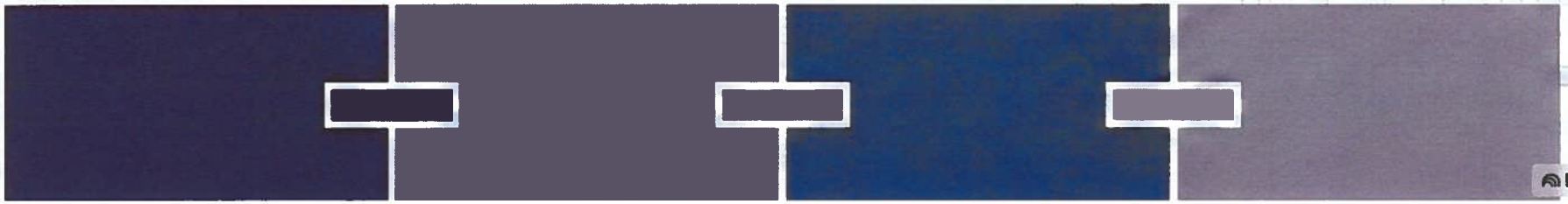
SUMMARY

Total Revenues: $255,689
Total Expenses: $252,321.08
Net: $3,367.92 (balanced budget)

Consistent with HSAC bylaws requirement that the budget present a complete financial plan with balanced revenues and expenditures.

Hawai‘i State Association of Counties (HSAC)

HSAC coordinates and represents Hawai‘i’s counties to advance effective governance, strengthen intergovernmental collaboration, and support policies that serve the people of Hawai‘i.



NotebookLM

The Fiduciary Bottom Line

Total Revenues

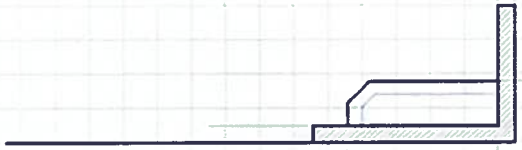
$255,689



Driven by $135k in event revenue, deeply subsidizing the cost of representation.

Total Expenses

$252,321



Highly targeted allocation prioritizing travel, advocacy, and direct member services.

Net Balance

+$3,367



A completely balanced financial plan in strict compliance with HSAC bylaws.

Every new dollar in FY 26-27 is directed toward outward-facing impact rather than inward-facing overhead.

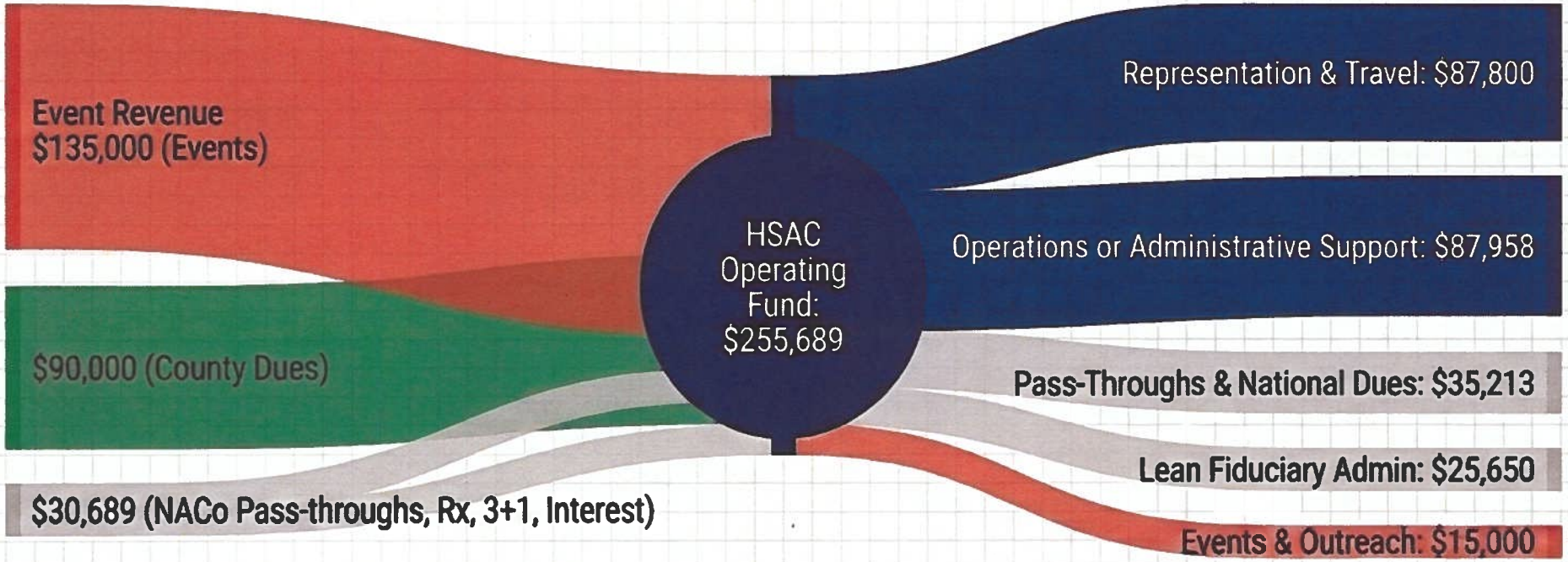
NotebookLM

The Strategic Anatomy of the HSAC Model

	Typical Association Model	**The HSAC Model**
Revenue Mix	High Dues Dependency (Taxpayer burden)	**High Event Dependency** (External capital funds operations)
Staffing & Payroll	Heavy W-2 Payroll & Benefit Liabilities	**100% Contract-Based & Scalable** (Executive Director & Lobbyist)
Operational Footprint	High Rent & Physical Admin Overhead	**Minimal Footprint**; investments strictly in digital infrastructure
Core Value Delivery	Bureaucratic Program Management	**Direct Representation, Policy Lobbying, and National Travel**

NotebookLM

Cash Flow Architecture: FY 26-27



Notice the flow: Our primary capital source (**Events**) vastly outweighs operational overhead, directly feeding our primary output (**Representation**).

NotebookLM

The Dual Revenue Engine

$90,000

($22,500 per county)

A strategic increase from $60,000 to ensure a stable baseline for expanded legislative support and administrative services.

$135,000

(Event Income)

Unlocking an aggressive revenue generation model. Moving beyond a single annual conference to host additional revenue-generating events, radically offsetting the burden.

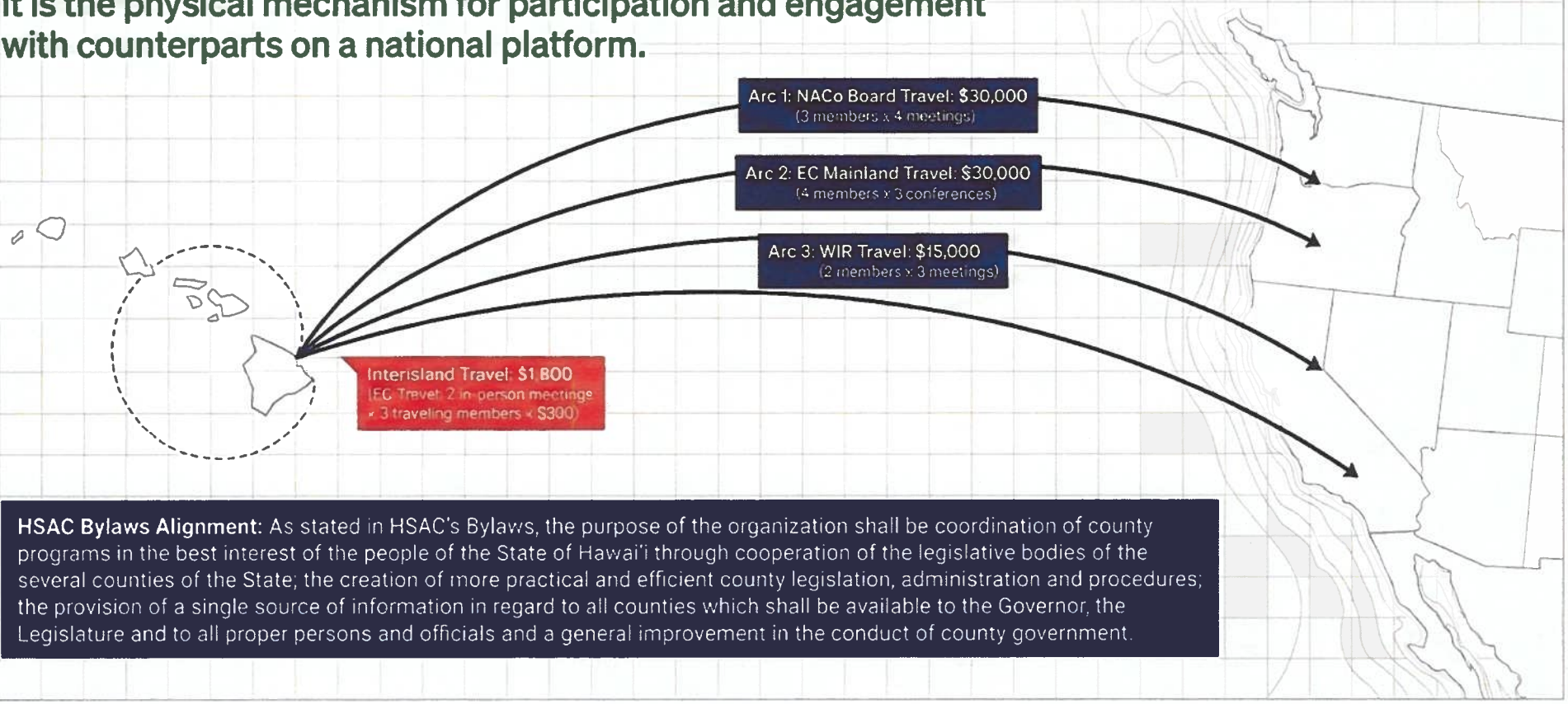
Key Differentiator: Unlike typical state associations of counties that rely primarily on high dues and heavy taxpayer funding, this model leverages an aggressive event-based revenue strategy to significantly offset the financial burden on county taxpayers.

Other strategic revenues remain stable, including the NACo 3+1 program ($1,600) and NACo Rx Marketing ($500), bringing total modeled revenue to $255,689.

NotebookLM

Pillar 2: Travel as Representation

For an island state, travel is not an administrative luxury; it is the physical mechanism for participation and engagement with counterparts on a national platform.



HSAC Bylaws Alignment: As stated in HSAC's Bylaws, the purpose of the organization shall be coordination of county programs in the best interest of the people of the State of Hawai'i through cooperation of the legislative bodies of the several counties of the State; the creation of more practical and efficient county legislation, administration and procedures; the provision of a single source of information in regard to all counties which shall be available to the Governor, the Legislature and to all proper persons and officials and a general improvement in the conduct of county government.

NotebookLM

The Fiduciary Baseline

Zero Physical Rent.
100% Cloud-Based Operations.

Professional Integrity

$20,000

- $15,000 dedicated to independent auditing.
- $5,000 for accounting and state/federal tax filings.

Digital Infrastructure

$4,000

- Replaces physical office rent.
- Funds essential architecture: QuickBooks, Website Hosting, Google Workspace, Zoom, and domain fees.
- Increased from $2k to reflect actual cloud service costs.

Risk Management

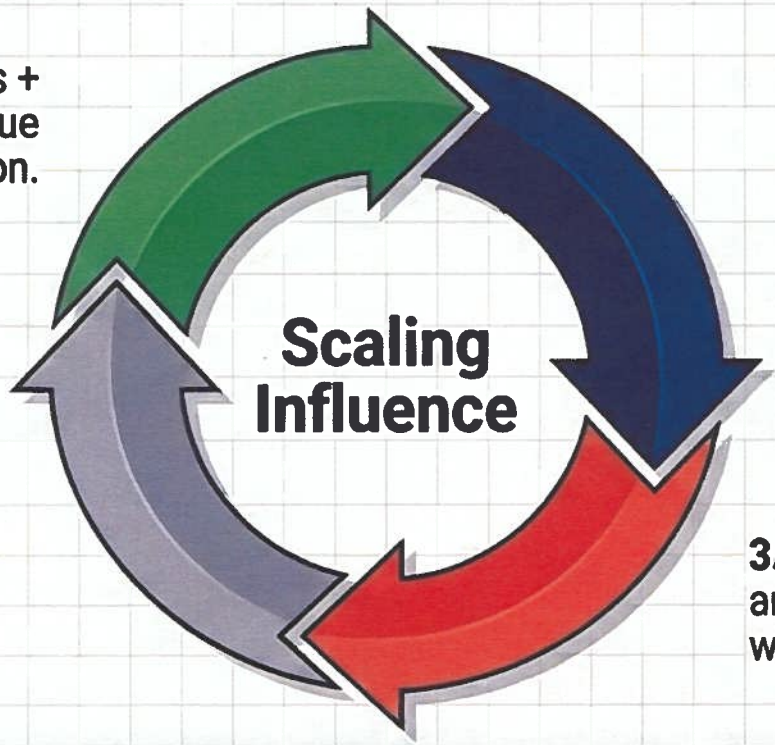
$1,650

- Updated premium costs for essential D&O (Directors & Officers) and General Liability Insurance.

NotebookLM

Synthesis: The Expanded Footprint

1. Fund: $90k Dues + $135k Event Revenue secures the foundation.



2. Administrative and Operations: $87.9k in lean, contract-based staffing scales capacity.

3. Execute: 2+ annual events and active Speaker's Office working groups launch.

4. Represent: $87.8k in targeted travel projects Hawaii's voice interisland and national engagement.

The FY 26-27 budget proves that HSAC is successfully capturing external revenue to aggressively expand interisland and national engagement, without bloating administrative overhead.

NotebookLM

The Complete Ledger: FY 2026-27

		FY 2025-26 Approved Budget	FY 2026 Actual YTD (July 2025 - January, 2026)	FY 26-27 Proposed Budget
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13	NACo 3 + 1	$0.00	$806.00	$1,500.00
14	TOTAL REVENUE	$189,189.80	$191,981.86	$255,689.00
15	**EXPENSES**			
17	**Executive Committee (EC)**			
18	EC Travel	$31,800.00	$19,023.54	$31,800.00
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23	Soocial Committee Travel	$0.00		$0.00
24	Special Committee Miscellaneous	$0.00		$0.00
26	NACo Board Travel	$30,000.00	$14,091.34	$30,000.00
27	NACo Steering Committee Travel	$0.00		$0.00
28	NACo Events & Outreach	$10,000.00		$10,000.00
29	NACo Dues	$28,639.00	$29,063.00	$28,659.00
31	WIR Flavel	$15,000.00	$7,177.63	$15,000.00
32	WIR Does	$3,804.00		$3,804.00
33	HSAC Promotimg Fund (Lobbyist)	$		
36	HSAC Administrative Services	$		
37	HSAC Executive Director Travel	$		
38	NCCAE Dues			
39	NANCLA Donation			
40	D&O and General Liability			
41	Miscellaneous			
42	**TOTAL EXPENSES**			
44	**Total Revenue**	$189,189.00	$191,981.66	$255,659.00
45	**Total Expenses**	$235,389.76	$110,971.05	$233,321.08
46	**Net**	($46,100.76)	$81,010.81	$3,367.92

Total Revenue: $255,689.00

Total Expenses: $252,321.08

Net: $3,367.92

A purposefully built, highly efficient organizational machine.

NotebookLM

Report Title:
Hawai'i State Association of Counties ("HSAC"); Hawaii State Association of Counties; Budget

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

CERTIFICATE

RESOLUTION 26-136

Introduced: 05/27/26 By: TOMMY WATERS Committee: COUNCIL (CCL)

Title: APPROVING THE PROPOSED BUDGET FOR THE HAWAI'I STATE ASSOCIATION OF COUNTIES FOR THE FISCAL YEAR 2026-2027.

Voting Legend: * = Aye w/Reservations

05/27/26	INTRO	Introduced.
06/03/26	CCL	Adopted. 8 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, NISHIMOTO, OKIMOTO, TUPOLA, WATERS, WEYER 1 ABSENT: TULBA

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

CHADD KADOTA, ACTING CITY CLERK

TOMMY WATERS, CHAIR AND PRESIDING OFFICER