

Resolution

No. 24-84

APPROVING THE FISCAL YEAR 2025
OPERATING BUDGET FOR THE HAWAII STATE
ASSOCIATION OF COUNTIES

WHEREAS, the Hawaii State Association of Counties (“HSAC”) is a nonprofit corporation composed of members of the four county councils of the State of Hawai‘i; and

WHEREAS, on April 5, 2024, the HSAC Executive Committee approved its fiscal year 2025 proposed operating budget, attached as Exhibit “A”; and

WHEREAS, Section 18 of the HSAC Bylaws requires that each county council approve the HSAC operating budget for the upcoming fiscal year prior to the HSAC annual meeting; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it approves the fiscal year 2025 HSAC operating budget, attached as Exhibit “A”; and
2. That a certified copy of this Resolution be transmitted to the President of the HSAC Executive Committee.

ocs:proj:hsac:fy2025:reso:budget

Attachment

INTRODUCED BY:

Tamara A. M. Paltin

TAMARA PALTIN



April 10, 2024

Aloha

Chair,

Attached for your consideration is the FY 2025 Revised Proposed HSAC Budget and Justifications, which was approved by the HSAC Executive Committee on April 5 2024.

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 Friday May 31, 2024.

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

Mahalo,

A handwritten signature in black ink, appearing to read "Heather Kimball".

Heather Kimball, HSAC President

Hawai'i State Association of Counties

Hawai'i State Association of Counties				
Fiscal Year (FY) 2025 Proposed Operating Budget				
		FY 2024 Approved Budget	FY 2024 Actual YTD (July 2023 -03/08/2024)	FY 2025 Proposed Budget
1	BEGINNING BALANCE	\$132,302.63	\$223,368.91	
2	REVENUES			
3	Membership Fees	\$60,000.00		\$60,000.00
4	NACo Dues			
4a	Hawai'i County	\$3,452.00		\$3,970.00
4b	City and County of Honolulu	\$19,064.00		\$20,330.00
4c	Kaua'i County	\$1,342.00		\$1,466.00
4d	Maui County	\$2,893.00		\$2,893.00
5	Events Income	\$60,000.00	\$145,973.71	\$100,000.00
6	Interest Income	\$30.00	\$21.35	\$30.00
7	Miscellaneous	\$0.00	\$0.00	\$0.00
8	NACo Prescription Drug Marketing Fee	\$0.00	\$287.50	\$500.00
9	TOTAL REVENUE	\$146,781.00	\$146,282.56	\$189,189.00
10	EXPENSES			
11	Executive Committee (EC)			
12	EC Travel	\$23,600.00	\$6,097.48	\$21,800.00
13	EC Auditing/Professional Services	\$19,000.00		\$20,000.00
14	EC Meeting Supplies	\$200.00		\$700.00
15	EC Subscriptions & Software	\$1,400.00	\$1,585.90	\$2,000.00
16	Special Committees			
17	Special Committee Travel	\$500.00	\$0.00	\$0.00
18	Special Committee Miscellaneous	\$100.00	\$0.00	\$0.00
19	NACo			
20	NACo Board Travel	\$30,000.00	\$5,000.00	\$30,000.00
21	NACo Steering Committee Travel	\$0.00	\$0.00	\$0.00
22	NACo Events & Outreach	\$4,000.00	\$0.00	\$10,000.00
23	NACo Dues	\$26,751.00	\$0.00	\$28,659.00
24	WIR			
25	WIR Travel	\$12,500.00	\$2,454.56	\$15,000.00
26	WIR Dues	\$3,804.00	\$0.00	\$3,804.00
27	Other			
28	HSAC Promotion, Events and Outreach	\$3,185.00	\$3,163.65	\$5,000.00
29	HSAC Consulting Fund (Lobbyist)	\$25,000.00	\$6,249.00	\$25,000.00
30	HSAC Administrative Services (ED)	\$50,261.76	\$25,130.88	\$50,261.76
31	HSAC Executive Director Travel	\$7,500.00	\$3,469.81	\$11,000.00
32	National Council of County Association Executives Dues	\$750.00	\$750.00	\$750.00
33	D&O and General Liability Insurance	\$1,315.00	\$1,315.00	\$1,315.00
34	TOTAL EXPENSES	\$209,866.76	\$53,151.28	\$225,289.76
35				
36	Total Revenue	\$146,781.00	\$146,282.56	\$189,189.00
37	Total Expenses	\$209,866.76	\$53,151.28	\$225,289.76
38	Net	(\$63,085.76)	\$93,131.28	(\$36,100.76)
38	Starting Reserve	\$132,302.63	\$223,368.91	
39	Ending Reserve	\$69,216.87	\$222,110.69	

**HSAC Budget Justifications
FY 2024-2025**

1. **Beginning Balance** will be determined at the close of the Fiscal Year. As of March 8, the account balance was \$223,368.91.

3. **Membership Fees** will remain the same.

4. **NACO Dues** will remain the same.

5. **Event income (Annual conference):** \$100,000, divided by 4 = \$25,000 from each county.
 - The title for this line item is amendment from “Conference income” to “Event income” allowing for HSAC to host other types of revenue generating events throughout the year.
 - The host county is primarily responsible for generating conference revenue. Other counties are encouraged to support via sponsorship, the golf tournament, registration or by hosting another fundraising event.

6. **Interest Income** remains \$30.

8. **NACo Prescription Drug Marketing Program:** Increase due to a new contract that was signed in the last fiscal year which is now bringing in revenue to HSAC.

12. **EC Travel** is \$21,800.

The number of in person meetings is amended from 4 to 2 per year. This could include 2 day trips at \$300 each, or 1 overnight at \$600.

- Travel includes: Air, Ground, Lodging, Registration
 - One day travel = \$300, which includes car rental (\$100) and round trip flight (\$200). For two day travel, \$600, which includes car rental (\$200), hotel (\$200), and round trip flight (\$200).
 - 3 members will be traveling, as 1 member remains on island
 - Proposed budget includes 2 in person day trip meetings per year for HSAC EC. Total of 2 visits per year, for 3 members.
 - $6 \times \$300 = \underline{\$1,800}$
- EC travel for all 4 members to mainland conferences remains the same at \$20,000.

- \$2,500 per member according to what is defined as travel expenses in the bylaws.
 - 2 conferences annually on the mainland out of the 2 NACo and 1 WIR
 - $2 \times \$2,500 = \$5,000$ annual allowance per member
 - $4 \text{ members} \times \$5,000 = \underline{\$20,000}$
 - Total for EC Travel = $\$20,000 + \$1,800 = \underline{\$21,800}$
13. **EC Auditing/Professional Services** is \$20,000 which includes \$15,000 for the cost of the audit and \$5,000 for accounting fees including the annual tax filing.
14. **EC Meeting Supplies** increased to \$700 from \$200 to include the cost of lunch for the HSAC EC and supporting staff members when the HSAC EC meets in person.
- \$350 per meeting x 2 meetings per year in State = \$700
15. **EC Subscriptions & Software** increased to \$2,000 from \$1,200 to account for the increased cost of Quickbooks and the online accounts. Includes but is not limited to squarespace website fee, domain purchase, zoom account, google drive storage, annual business filing, charitable organization filing fee.
- Including the \$900 annual fee for Quickbooks.
16. **Special Committees - Travel & Miscellaneous (Line item 17 & 18)** Line 17 has decreased from \$500 to \$0 and Line 18 has decreased from \$100 to \$0.
20. **NACo Travel** remains the same at \$30,000.
- Travel includes: Air, Ground, Lodging, Registration
 - \$2,500 for each of the 3 board members, 4 meetings per year.
 - $4(\$2,500 \times 3) = \$30,000$
21. **NACo Steering Committee Travel** has decreased from \$4,000 to \$0 as this has not been used in recent years.
22. **NACo Events and Outreach** increased from \$4000 to \$10,000 for the HSAC events hosted at the NACo annual and legislative conference. These were previously included under the line item “HSAC promotions, events, and outreach” and was moved to this line item for clarity.

23. **NACo dues** included as revenue; each county to remit assessed amounts to HSAC for payment to NACo. NACo increased the fees for 2025 based on the 2020 census data.

COUNTY	2025 DUES AMOUNT	HSAC DUES	TOTAL REQUEST FROM EACH COUNTY
Hawai'i County	\$3,970	\$15,000	\$18,970
City and County of Honolulu	\$20,330	\$15,000	\$35,330
Kaua'i County	\$1,466	\$15,000	\$16,466
Maui County	\$2,893	\$15,000	\$17,893
TOTAL	\$28,659	\$60,000	\$88,659

25. **WIR Travel** remains the same at \$15,000.
- Travel includes: Air, Ground, Lodging, Registration
 - Budget for \$15,000 = (\$2,500 x 2 Board members x 3 meetings).
 - The FY24 budget line for this was amended to be decreased to \$12,500, as one WIR member chose not to travel to the WIR conference and the funds were reallocated elsewhere in the budget.
27. **WIR Dues** remain the same.
28. **HSAC Promotion, Events, and Outreach** decreased from \$15,000 to \$5,000.
- These funds are to help cover costs related to communicating HSAC activities and reports to its members, other government officials, and the public. This also includes mailers, advertisements for annual conferences, etc.
 - The HSAC events at the NACo annual and legislative conference have been moved out of this budget line item and into "NACo events and outreach."
 - The FY24 budget line item for this was amended as the funds were reallocated to be used elsewhere.
29. **HSAC Consulting Fund** remains the same at \$25,000.
30. **HSAC Administrative Services (ED)** remains the same at \$50,261.76.
31. **HSAC Executive Director Travel** increased to \$11,000 from \$7500. The per travel allotment of \$2,500 has been increased to \$3,000 per trip due to cost of travel to the mainland often exceeding \$2,500 and the ED does not have access to other county travel funds to be reimbursed from.

- Includes 3 trips at \$3000, including NACO/WIR Conferences, and the National Council of County Association Executives (NCCAE) conference.
- \$2000 allocated for reimbursement of travel expenses to attend the HSAC annual conference.
- Cost of the flight not to exceed the amount to travel from Honolulu to the conference venue.
- $(3 \times \$3,000) + \$2,000 = \$11,000$.

32. **National Council of County Association Executives Dues** remains the same at \$750.