

HCFR MSBU Rate Increase FAQ Staff Answers

Mailers are being sent to every parcel as of May 16th. To assist in answering questions, we have assembled this FAQ. HQ phone number is 352-540-4353.

PROPOSED FY 2026 FIRE MSBU RATES

| Category | Units | Current Rate | FY 2026 | | Unit of Measure | Revenue |
|---|---------------|--------------|---------------|-------------|-----------------|------------------------|
| | | | Proposed Rate | | | |
| Unimproved | 21,740.00 | 19.357 | 86.905 | per Parcel | | \$1,889,314.70 |
| Residence | 90,566.00 | 345.260 | 341.345 | per Parcel | | \$30,914,251.27 |
| Commercial | 14,976,104.00 | 0.182 | 0.204 | Per Sq. Ft. | | \$3,055,125.22 |
| Camp-A-Wyle | 211.00 | 12.140 | 16.280 | per Parcel | | \$3,435.08 |
| Hospitals/Nursing | 783,608.00 | 1.180 | 1.748 | Per Sq. Ft. | | \$1,369,746.78 |
| Church | 1,536,112.00 | 0.072 | 0.156 | Per Sq. Ft. | | \$239,633.47 |
| Industrial/Warehouse | 3,085,685.00 | 0.198 | 0.081 | Per Sq. Ft. | | \$249,940.49 |
| Government | 4,261,846.00 | 0.198 | 0.220 | Per Sq. Ft. | | \$937,606.12 |
| River Run Club House | 119.00 | 9.700 | 10.590 | per Parcel | | \$1,260.21 |
| Base Fee | 108,038.00 | 20.360 | 25.537 | per Parcel | | \$2,758,966.41 |
| | | | | Per 10,000 | | |
| Commercial Inspection | 3,181.00 | 160.740 | 165.034 | Sq. Ft. | | \$524,973.15 |
| Greenbrier | 100.00 | 3.569 | 3.838 | per Parcel | | \$383.80 |
| | | | | | | \$41,944,636.70 |
| Note: Every parcel is charged a base fee in accordance with Florida Statute 125.01(1)(r). | | | @ 95% Revenue | | | \$39,847,404.86 |

- 1) Q – What is the difference between the MSTU and MSBU?
 A – MSTU – is an ad valorem tax which is based on the VALUE of the property.
 MSBU – is a non-ad valorem tax which is based a flat rate or rate structure and is a benefit to property.

- 2) Q – Why is my Fire Tax increasing from \$365.62 (\$345.26 + 20.36) to \$366.88 (\$341.345 + \$25.537), assuming the caller owns a single family residence – A difference of \$1.26 Annually or \$.105 per month?
 A. – The County hired a consultant company to review our assessment rates. They applied a change based on category usage of our services over the last 3 years.

- 3) Q – Is there an increase in your budget over last year?
 A – Yes, due to increases in salaries and operational costs as well as building and maintaining our 25 percent reserves. We are planning to add 2 new fire stations in FY 26.

- 4) Q – How is the Fire Division of Hernando County Fire Rescue funded?
A. – The majority of funds (98.5%) come from the assessment to operate the Fire Department. We are staffed 24 hours per day and have working, well maintained equipment ready to respond when our services are needed. Our staff continually trains to maintain and learn new techniques to be more efficient to serve the County residents.
- 5) Q – Will businesses be affected by the rate change?
A – Yes, all property types will have changes.
- 6) Q – How do you decide which category on the rate schedule is charged?
A – They are determined by the Property Appraiser's DOR Codes for the property.
- 7) Q – Why do we pay Fire fees and EMS fees?
A – Although the same personnel are used to operate Fire Services and Ambulance Services (EMS), the departments are funded separately. Fire Services are funded by the Fire MSBU (proposed). EMS (Ambulance Services) are funded partially by an MSTU and partially by user fees (ambulance billing). Since an MSBU is a benefit to the property, EMS can only be funded by an MSTU.
- 8) Q – Am I required to attend the public hearing?
A – No, your attendance is optional.
- 9) Q – This notice is very confusing and hard to understand.
A – The notice is required by state law to be written within an approved structure.
- 10) Q – Will the rate go up next year as well?
A - We are proposing no more than 7% increase annually for the next 5 years, however the Board of County Commissioners could change that amount each year.

Narrative:

Over the past few years, we have had personnel increases as well as economic increases in costs. Examples:

| | | | | | |
|--------------|--------------|-----------|--------------|-------------|--------------|
| Fuel: | 2018 Actual: | \$189,756 | 2022 Actual: | \$330,029 | 74% Increase |
| Fire Engine: | 2018 Actual: | \$554,057 | 2025 Actual: | \$1,100,000 | 98% Increase |

With the growth in Hernando County, we are planning to add 2 additional fire stations (\$9,000,000 each) and within 5 years, are planning for another 2 fire stations. Each additional station will include a new fire engine and ambulance to maintain our current level of service.

Operating Cost per Station:

| | | | |
|------------|------|--------------|----------------|
| Personnel: | Fire | 12 positions | \$ 1,200,000* |
| | EMS | 9 positions | \$ 1,162,000 * |

Note: The Captain of the station is split between Fire and EMS.

| | | |
|------------|--|------------|
| Operating: | Electric, water, pest control, janitorial Supplies, equipment maint, facility maint | \$ 275,000 |
|------------|--|------------|

| | |
|----------------------------|--------------|
| Annual Recurring Expenses: | \$ 2,637,000 |
|----------------------------|--------------|

One Time Purchases:

| | |
|-----------------|----------------|
| Fire Engine | \$ 1,100,000 |
| Tools/Equipment | 75,000 |
| Ambulance | \$ 400,000 |
| Tools/Equipment | <u>175,000</u> |
| Total: | \$1,750,000 |

Debt Service Estimated (Loan for the Construction/Engineering)

| | |
|-------|------------|
| Fire: | \$ 307,500 |
| EMS: | \$ 307,500 |

| | |
|--|--------------|
| Total 1 st Year Expenses for a New Station: | \$ 5,002,000 |
| This will be split between Fire & EMS | |

PUBLIC HEARING is June 10TH AFTER 9:00 AM

20 N. MAIN STREET, ROOM 160

BROOKSVILLE FL 34601