



Hernando County, FL
Board of County Commissioners
Fiscal Year 2025-2026
Annual Budget

**County Administrator Letter for Budget
Workshop**



BOARD OF COUNTY COMMISSIONERS

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July 10, 2025

Honorable Chairperson and Members
Hernando County Board of County Commissioners
15470 Flight Path Dr.
Brooksville, FL 34604

Chairperson and Members:

We are pleased to present the Hernando County Recommended Budget for Fiscal Year 2025-26 to the Board of County Commissioners (BOCC) and the citizens of Hernando County. This budget was developed with input from County departments, senior staff, Constitutional Officers, and community feedback. It outlines funding for projects, programs, and policies established by the Board.

Budget Summary and Reserves

- **Total FY 2026 Budget:** \$956,338,363 (2.6% increase from FY 2025 Adopted Budget)
- **General Fund Reserves:** 23% (above policy minimum of 18.5%, under the 25% goal)
- **Ad-Valorem Rate:** Recommended to remain at **6.4490 mills**
- **Total Ad Valorum Property Tax Rate:** **14.8548 mills**

The capital expenditure and operating expenses decreased over the previous year's approved budget to minimize the overall budget increase.

I have included a chart of our neighboring Counties (Citrus, Pasco, Sumter) and two other counties (Clay and Charlotte) who are close in population and Taxable Value. Hernando is second lowest to Clay County at \$658 for Ad Valorem tax levied per citizen. In the table below, Hernando County is the 27th largest County and the 28th highest Ad-Valorem Tax rate per citizen.

2024 Florida County Ad Valorem Tax Profile County Government Levies ONLY

County	2024 Population Estimates	County Just and Taxable Values		Total Taxes Levied	
		Taxable Value	Per Capita Taxable Value	Total	Per Capita
Clay	236,365	18,552,447,780	\$ 78,491	\$ 155,426,469	\$ 658
Hernando	210,577	16,527,850,858	\$ 78,488	\$ 138,716,599	\$ 659
Sumter	156,743	22,271,246,391	\$ 142,088	\$ 110,535,824	\$ 705
Citrus	166,151	14,924,346,682	\$ 89,824	\$ 132,395,722	\$ 797
Pasco	633,029	54,405,582,648	\$ 85,945	\$ 549,440,109	\$ 868
Charlotte	210,645	31,993,024,986	\$ 151,881	\$ 268,003,861	\$ 1,272

Notes:

- 1) The term, Just Value, refers to the value of the property without regard to a possible agricultural classification
- 2) The term, Taxable Value, refers to the value of the property that is subject to taxes. Taxable Value is the
- 3) The County MSTU figures refer to those additional taxes levied by county governments to fund municipal-type
- 4) The Department of Revenue based the calculation of millage rates on county taxable value, i.e., [(county's

Data Sources:

Ad Valorem Data: Florida Department of Revenue, Florida Property Tax Data Portal, Florida Ad Valorem

Population Estimates: "Florida Estimates of Population 2024" Bureau of Economic and Business Research.

How the County is funded and at what level is important to ensure we are striving to be the most efficient and cost-effective government for the Citizens of Hernando County. There are taxes beyond the Ad Valorem tax. I have included a chart of our neighboring Counties (Citrus and Pasco) and two other counties (Clay and Charlotte) who are close in population and Taxable Value. While the total level of taxation is the most important comparison, it is also valuable to see the differences in how local governments are funded.

2024 Florida County Tax Comparison						
	Hernando	Pasco	Charlotte	Clay	Citrus	Sumter
Population	210,577	633,029	210,645	236,365	166,151	156,743
Taxable Value	16,527,850,858	54,405,582,648	31,993,024,986	18,552,447,780	14,924,346,682	22,271,246,391
Per Capital Total Ad Valorem Taxes Levied	659	868	1,272	658	797	705
Ad Valorem						
General Fund Millage Rate	6.44970	7.42920	6.05190	5.54710	6.9898	4.89
Transportation Trust (Roads)	0.80910	0.40520			0.986	
Unincorporated MSTU				0.14770		
Law Enforcement MSTU			2.14490	2.40140		
Fire Rescue MSTU		2.12250		0.50480		
EMS	0.91000				0.578	
County Health	0.11020				0.0564	
Stormwater	0.11390					
Environmental Sensitive lands			0.20000			
Library					0.3147	
Fire Rescue Bond 19		0.02040				
Jail Bond 19		0.02560				
Parks Bond 19		0.00960				
Libraries Bond 21		0.00940				
Fire Rescue Bond 20		0.04160				
Libraries Bond 21		0.00870				
Jail Bond 21		0.10730				
Parks Bond 22		0.01310				
Fire Rescue Bond 24		0.00440				
Total County Ad Valorem	8.39290	10.19700	8.39680	8.60100	8.92490	4.89000
School	6.27100	6.33100	6.31400	6.23400	5.344	5.055
Water Management	0.19090	0.19090	0.19090	0.17930	0.19090	0.19090
Mosquito Control		0.22420			0.37080	
Total Ad Valorem Tax	14.85480	16.71890	14.90170	15.01430	14.83060	10.13590
Non Ad Valorem (Vary with property type)						
Solid Waste Disposal (Landfill)	98.04	107		96	27	
Fire Rescue	365.62		247.68		79	355.58
Garbage Collection	202.56		314.57	262		
Stormwater		95	103		58.84	

Data Source: Property Appraiser

Comparative data shows Hernando County maintains one of the lowest Total Ad Valorem tax rates among similar counties. Continued efficiencies and proper governance are necessary to maintain and improve this rate of taxation and level of service.

Revenue and Growth

The County is experiencing both residential and commercial development growth. This year saw a **taxable value increase of 11.31%**. While residential growth brings revenue, it also increases service demands. A balance with commercial growth is necessary to maintain the tax base in the county. We continue to see investment in apartments, retail, hospital expansions, and industrial facilities.

Financial Challenges and Response to Storms

The County faced unexpected financial challenges this past year due to Hurricane Milton and Hurricane Helene. Fortunately, the 22% reserves in last year's budget allowed the County to respond effectively. Over \$16 million was spent on storm preparation and recovery.

We learned during the storm recovery and identified the need for improvements in education, permitting, and compliance with Flood Plain Management. This budget provides the resources to continue this increased area of service in the county.

We have received \$7 million in FEMA reimbursement and are awaiting potential reimbursement of another \$15 million. We do not anticipate receiving these funds until late FY26. The Federal and State direction going forward is for counties to be able to respond and recover with less state and federal assistance. Reimbursement uncertainty highlights the need for discussions on local disaster response funding this year.

We suggest the creating of a dedicated fund outside of the County Reserves to allow for reduced dependency on State or Federal Assistance. The fund would be a new "Disaster Fund" that would be established in the ERP system. Setting up the Disaster Fund would better isolate and track applicable costs to differentiate from operating costs and utilize pre-established budgeted amounts. We have included a **Payment in Lieu of Franchise Fees (PILOF)** of \$2.4 million from the Utilities Department in this year's budget, designated for a Disaster Response Reserve.

Key Investments and Achievements

This past year we have made progress on significant infrastructure improvements. Recent accomplishments include:

- Expansion of the Courthouse
- Upgrades to Fire Stations 2, 5, and 6
- Upgrade of the 911 Emergency Radio System
- Completion of the Anderson Snow Splash Park
- Started Construction on the Tax Collector Building
- Completion of the Cyril Drive Bypass economic development infrastructure.

- Water and Wastewater plant improvements
- Roadway signals and sidewalks
- Technology and software upgrades

Capital Improvement Projects

The Capital Improvement plan for this year included a total of **\$195.6** million in projects. The General fund portion of this is **\$6.4** million.

These include a new Fire Station, maintenance of existing building (roofs, HVACs, parking lots), and various infrastructure improvements. Maintenance of existing assets remains a top priority for the capital improvement plan. Of the \$6.4 million in General Fund Capital Projects. \$2,680,000 is from maintenance of facilities. Another \$2,310,000 is for maintenance of the Jail funded from the Inmate Revenue that is generated by the Sheriff Office.

A Few of the new project that are included in this year's funding for capital improvements are:

- Kettering Road Widening (Gas Tax)
- Transit Facility for Bus (Federally funded)
- Ayers / Culbreath / Hayman Intersection Improvement (Gas Tax)
- Lockhart Road Resurfacing (Gas Tax)
- Landover Blvd Resurfacing (Gas Tax)

We also have multiple capital improvement projects that are nearing the completion of the design stage. These projects (Animal Shelter, Public Safety Training Center, Facilities Building, Weeki Wachee Preserve Park, Fire Station, Anderson Snow Recreation Fields, Inactive Runway resurfacing) have been discussed for a BOND with future payments from multi funding sources (Impact fees, Fire, EMS, Tourism Tax, General Fund). Using a long-term (30 years) Bond allows for future users of the improvement also to help fund the project, not just the citizens today.

Planning and Strategic Direction

The County is actively planning for future growth with several major planning initiatives underway or completed:

- Strategic Plan
- Library Master Plan
- Parks & Recreation Master Plan
- Water & Sewer Master Plan
- Long-Range Transportation Plan
- Transit Service Plan
- Consolidated Housing Plan

These efforts are intended to guide future investments to maintain the level of service and county priorities.

Economic Development

Past investments have resulted in private sector growth, particularly at the Brooksville-Tampa Bay Regional Airport (BKV) with expansion from:

- Global Jet Care
- American Aviation
- Bluewater Aviation
- Barrette Outdoor Living
- Delamere Industries

The BKV Infield Infrastructure Development Plan is complete and we will be looking to work to obtain grants to assist with county investment at the airport. To move forward with improvements (e.g., taxiway repaving, water/sewer), we are recommending additional funds get set aside in the amount of \$968,932. The amount, when combined with the current reserve amount of \$779,942 brings the recommended budget reserve total to \$1,748,874 proposed for FY26. The Economic Development Infrastructure Reserve will support the debt service for critical airport infrastructure. The transfer will be from the Tangible Personal Property Tax paid by the target industries in our county.

Mandated Expenses and Insurance Costs

Mandated expenses such as jail, court system, juvenile detention, Emergency Communications Center, Medicaid, Indigent Care, Health Department, Mental Health and substance abuse, Unclaimed bodies, Medical Examiner, Mosquito Control, Animal Control, and Emergency Management have remained constant

or increased. Rising property insurance costs also impact the budget due to added County assets and increased asset values.

Medical Examiner funding including equipment and facilities	\$ 781,935.00
Medicaid and Indigent Services (including burial)	\$ 4,102,381.00
Jail Medicals both adult and juvenile & Jail Operations	\$ 389,352.00
Department of Juvenile Justice	\$ 880,320.00
Emergency Operations Center (EOC)	\$ 843,733.00
Health Department	\$ 1,095,177.00
Jail Renovations	\$ 2,310,000.00
TOTAL	\$ 10,402,898.00

Staffing and Organizational Improvements

This budget recommends **51.5 new positions**. These position increases are to continue to meet the demand due to the growth in the community and the expected level of service.

- **General Fund (12.5)** – Library Services, Public Information, Code Enforcement, Procurement, Parks & Rec, Natural Resources, County Attorney, Facilities, Human Resources, Emergency Management and Housing Support Services
- **Building Divison (2)**
- **Utilities (6)**
- **Fire & Emergency Services (31)** – staffing for additional station and succession plan for finance

Three Organizational improvements are requested:

This budget approves the combining of waterways and aquatic services, and sensitive lands into one division, the **Natural Resources Division**. This allows staff and resources to be used for all the activities and eliminate any divisional work silos.

Reclassification of the Chief Procurement Officer to the **Director of Procurement and Strategic Initiatives**, along with a new project manager position institute consistent project management Strategic Plan reporting across the County. This position will also manage the unfunded mandate of

the Basin Management Action Plan. We are working, if approved, to fund a portion of this position from Basin Management Action Plan (BMAP) grants.

Reclassification of the Public Information Officer to Director of Public Information and Government Affairs. This position would lead strategic messaging, oversee interdepartmental coordination, and serve as a key liaison between the County and government entities at the State and Federal level. These improved relationships will provide ability to partner on initiatives, advocate for county concerns, and increase grant opportunities.

Efficiencies

Increasing efficiency of the local government is always a core value. As previously discussed, the combining of waterways and aquatic services, and sensitive lands into one division, creates increased staff efficiencies.

We also have introduced the use of AI in development services. We have approved over 800 single family homes with AI assistance in the review. This allows for a more consistent review, elimination of any loss of productivity from employee turnover, and allows the use of the employee independent thinking on more complex tasks. We are working on many other applications of AI into the government to assist in the service of citizens where it is productive.

The addition of a project management initiative will provide consistency, reporting, and an oversight into the completion of projects resulting in lower time to completion, more efficient use of resources.

We are in the middle of the multi-year implementation of the County ERP system and permitting system. These two software systems will greatly reduce the amount of duplicative work done by staff now for everyday financial and permitting operations. These efficiencies will be seen in the County financials, Clerk Financials, human resources, permitting, and many more departments. Future ability to track key efficiency indicators, integrations of financial and personnel software, will provide valuable for future streamlining of the government.

Housing and Supportive Services

With the Growth of the County, the increased need for supportive services continues. Through the Consolidated Housing plan, we are awarding grants from

Federal Dollars for support services in our community. These grants reduce the need for government services and provide needed improvements for citizens. We also are providing leadership in Homelessness to organizations in the community to help provide avenues for individuals to prevent or recover from being homeless. We continue to provide mental health, opioid education, treatment funding with partnership with community organizations, and Fire and Emergency Services.

Future Challenges

Correctional Complex upgrades

The jail continues to increase in age and wear. The County has completed a master plan for the upgrade of the jail, including the increase of mental health, medical and youth facilities and services. Due to the unique complexity, security and intensive use, the cost of correctional facility projects are substantial. The first phase of the jail masterplan last year was over 140 million. This cost will continue to increase and the demand for space in the jail unfortunately will continue to increase. We suggest the BOCC consider a General Obligation Bond referendum for the 2026 General Election to allow for future boards to have the tool necessary to pay for the jail improvements over time as they are needed, and we have the ability to fund.

Reduction of Revenue and increased unfunded mandates.

The State of Florida continues to discuss ways to minimize the increase in the cost of ownership for property owners in Florida. While this is an excellent discussion that should continue, as the ability to own property is very important in individual financial stability, economic development, and overall quality of life in an area, the impacts to the services provided to the Citizens will need to be determined. Currently discussions exist in reduction of property tax rates, or Sales Tax rates. Both of which will decrease revenues to Hernando County.

Also, I feel there is a desire from Federal and State officials for state and federal programs to have a local contribution. Home Rule is always a desired position for the local government, if the level of involvement in the programs is also allowed to be determined locally. I think the County should prepare for increase requested local contributions from State and Federal Programs for citizens.

FEMA reimbursement as previously discussed most likely will not be available at the same level it has been in the past. The BOCC is encouraged to explore revenue sources not tied to property valuation, to lessen the burden on homeowners and provide financial resilience. The PILOF is an important step in this direction.

Budget Recommendation

I recommend the BOCC keep the Ad Valorem millage the same this year, to maintain an adequate reserve level and invest the revenue from the growth in the community into infrastructure. This will maintain the existing quality of life and provide for future opportunities. Investing in the County for economic development infrastructure and resiliency through funding for disaster recovery and revenue diversification will reinforce a great foundation for our county's success going forward.

Sincerely,



Jeffrey W. Rogers, P.E.
County Administrator



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[Office of Management & Budget webpage](#)

Hernando County, FL

Board of County Commissioners

Fiscal Year 2025-2026 Annual Budget

Fiscal Year 2025-26 (FY26) Budget Workshop

The FY26 Budget Workshop was held on July 10, 2025. The information below is a summary of the information presented to the BOCC.



Office of Management & Budget (OMB)

The Budget Workshop was held at the Government Center in the BOCC Chambers.



BUDGET ASSUMPTIONS

- **Taxable Value Increase: 11.31%**
- **Revenues Budgeted with the Millage rate the same**
- **Revenues Budgeted at 95%**
- **Insurance liability costs increased by 23.1% from FY25**
 - **FY23: \$5,610,590**
 - **FY24: \$6,893,938 +22.8%**
 - **FY25: \$7,740,065 +12.2%**
 - **FY26: \$9,532,516 +23.1%**

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Some of the assumptions used to build the FY26 budget.



PERSONNEL BUDGET ASSUMPTIONS

- **Fire Union and County salary increase at 4%**
- **Medical benefit costs of +15%**
- **FRS General employee rate +3%**
- **FRS Special Risk +8%**

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BUDGET YEAR PRIORITIES

- **Maintaining Reserves**
- **Economic Development**
- **Maintaining Storm Recovery Fund**
- **Improving County Network's Strength & Security**
- **Improving Service Efficiencies by Maintaining Level of Service to Meet Increasing Demands Due to Growth**
- **GIS improvements, EPL, & ERP**

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Budget Priorities Overview



RECOMMENDED BUDGET OVERVIEW

FY26 Total Budget: \$956,338,363

**General Fund: \$245,665,189
(25.7% of the Total Budget)**

**Non-General Fund: \$710,673,174
(74.3% of the Total Budget)**

Total Reserves: \$ 309,097,309

GF Reserves: \$ 42,807,149 @ 23.67%

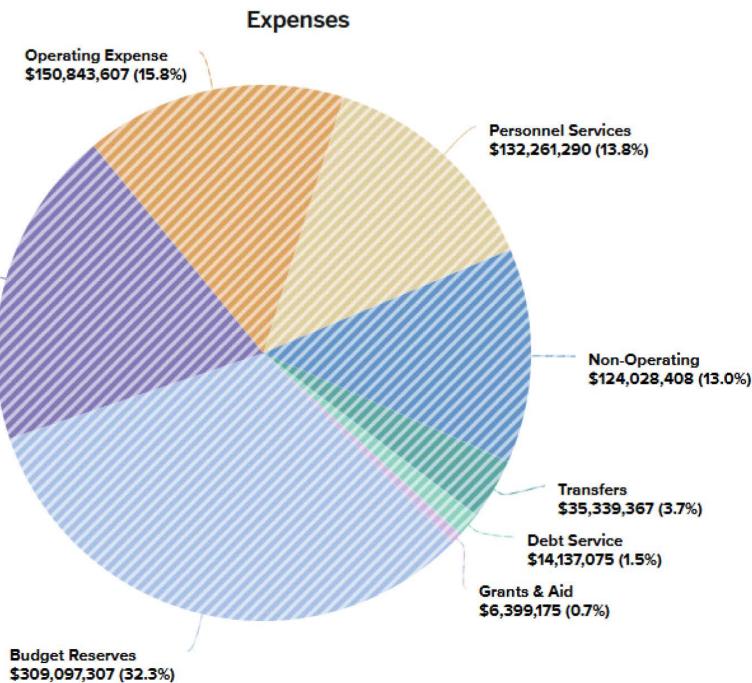
Constitutionals: \$123,899,700 or 12.9%

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TOTAL EXPENSE BY TYPE

Office of Management & Budget

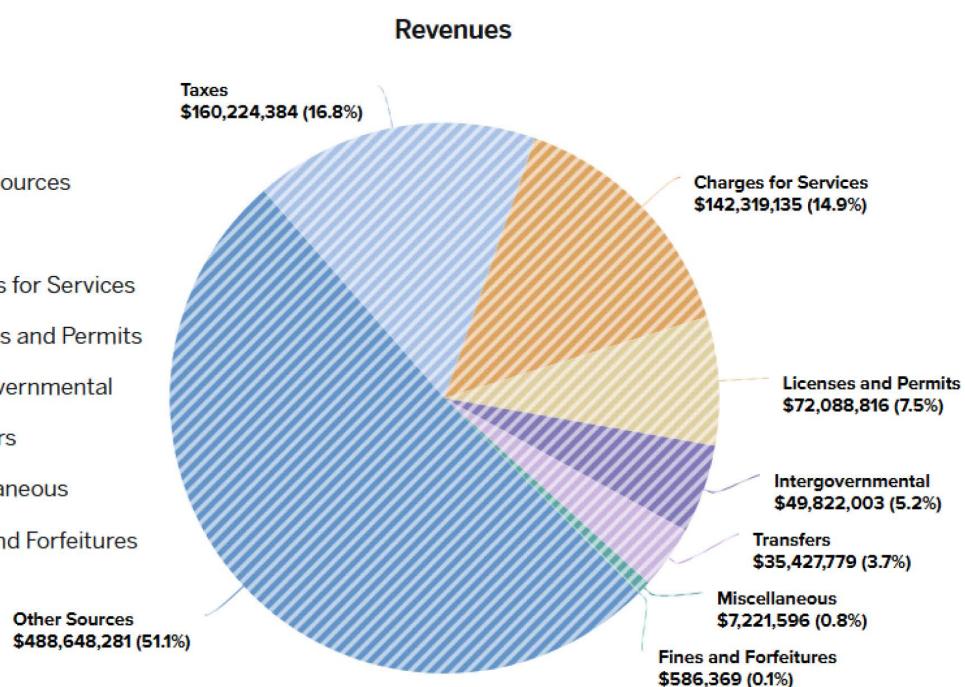


Visual representation of the Recommended Budget Expenses



TOTAL REVENUES BY TYPE

Office of Management & Budget





BUDGET TREND BY FUND TYPE

FY 2025-2026 (FY26)

Summary for All Funds by Type of Fund

	Adopted B...	2020 - 21 Adopted B...	2021 - 22 Adopted B...	2022 - 23 Adopted B...	2023 - 24 Adopted B...	2024 - 25 Adopted B...	2025 - 26 Budget
Enterprise	\$190,680,587	\$183,637,862	\$195,827,697	\$217,563,938	\$276,539,558	\$365,845,869	\$345,607,175
Special Revenue	\$151,020,564	\$152,821,657	\$183,244,559	\$189,022,610	\$206,646,086	\$248,386,008	\$282,047,824
General Fund	\$123,212,691	\$139,729,157	\$180,313,663	\$187,696,682	\$202,249,885	\$231,040,830	\$245,665,189
Internal Service	\$43,752,751	\$41,101,477	\$43,739,866	\$44,696,658	\$56,020,526	\$67,720,718	\$73,231,328
Capital	\$15,770,441	\$19,027,423	\$17,832,769	\$20,879,647	\$21,096,320	\$22,977,054	\$26,621,012
Debt Service	\$3,678,215	\$3,661,172	\$2,147,822	\$2,044,032	\$4,820,779	\$4,374,880	\$3,165,835
TOTAL	\$528,115,249	\$539,978,748	\$623,106,376	\$661,903,567	\$767,373,154	\$940,345,359	\$956,338,363

Data Updated Jul 04, 2025, 9:09 AM

View Report

Budget Trend by Fund Type



BUDGET ACCOUNT ROLLUP

FY 2025-2026 (FY26)

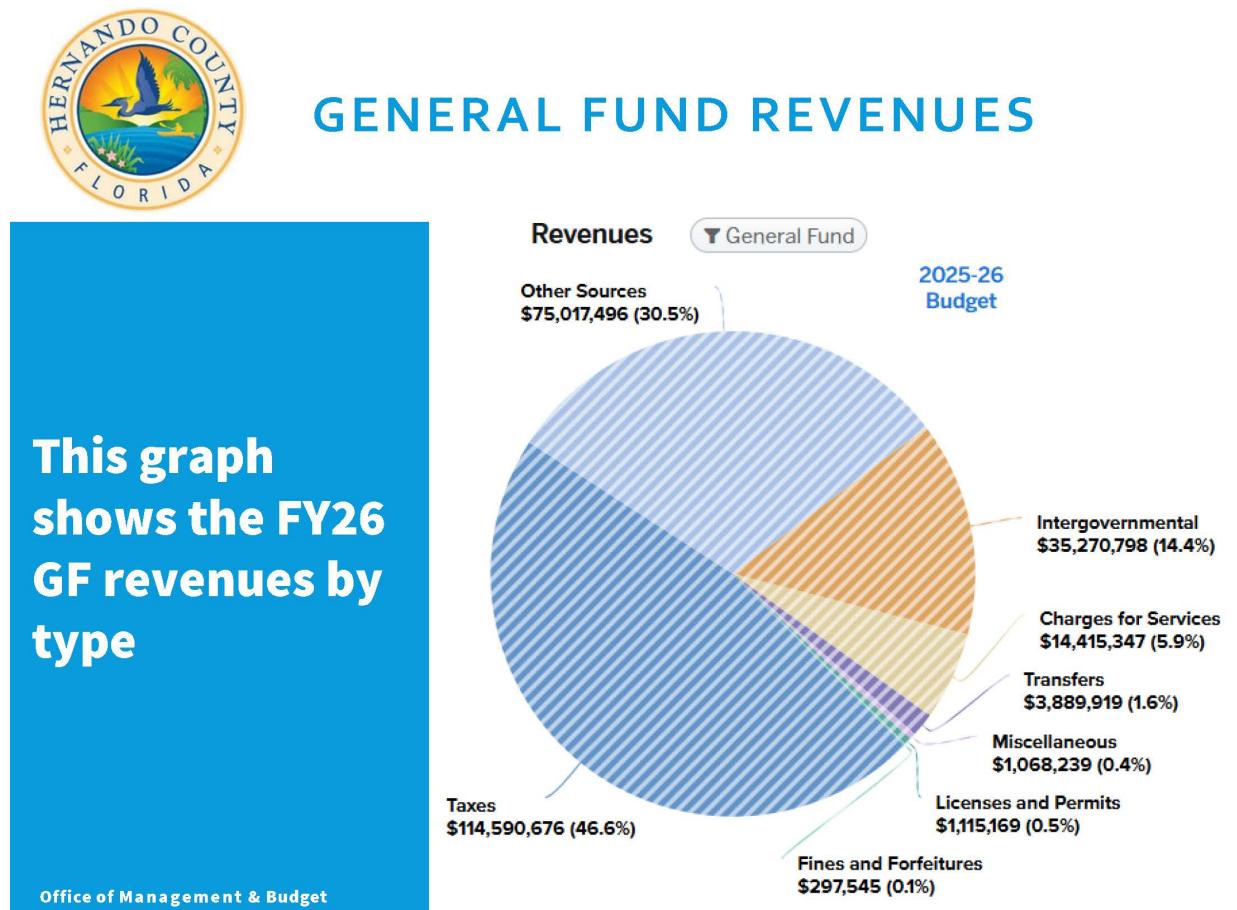
Expand All	2021-22 Adopted Budget	2022-23 Adopted Budget	2023-24 Adopted Budget	2024-25 Adopted Budget	2025-26 Budget
► Budget Reserves	\$ 205,820,643	\$ 205,517,597	\$ 214,596,157	\$ 216,973,711	\$ 309,183,129
► Capital Outlay	105,751,339	126,115,120	168,683,567	264,688,935	184,232,132
► Operating Expense	98,212,993	112,201,751	129,121,619	146,453,339	150,843,607
► Personnel Services	89,270,563	93,900,035	110,993,606	121,657,883	132,261,292
► Non-Operating	76,124,215	85,088,384	96,254,366	110,123,630	124,028,408
► Transfers	22,553,355	21,917,271	28,790,030	58,981,081	35,339,367
► Debt Service	10,701,238	12,955,014	14,316,212	15,372,777	14,137,075
► Grants & Aid	14,672,030	4,208,395	4,617,597	6,094,003	6,399,175
Total	\$ 623,106,376	\$ 661,903,567	\$ 767,373,154	\$ 940,345,359	\$ 956,424,185

Budget Overview by Account Rollup

	PRIOR YEAR BUDGET		RECOMMENDED BUDGET		Percentage Increase (Decrease)
	FY2024	FY2025	FY2026	Increase (Decrease)	
Expenses					
Personnel Services	\$110,193,983	\$120,095,846	\$132,261,290	\$12,165,444	10%
Operating Expense	\$148,299,093	\$167,568,480	\$150,843,609	(\$16,724,871)	(10%)
Capital Outlay	\$267,873,602	\$340,545,331	\$184,232,132	(\$156,313,199)	(46%)
Debt Service	\$14,373,572	\$15,385,780	\$14,137,075	(\$1,248,705)	(8%)
Grants & Aid	\$8,278,841	\$9,418,497	\$6,399,175	(\$3,019,322)	(32%)
Transfers	\$48,299,006	\$59,884,083	\$35,339,367	(\$24,544,716)	(41%)
Non-Operating	\$97,950,529	\$111,788,422	\$124,028,408	\$12,239,986	11%
Budget Reserves	\$211,961,339	\$207,559,394	\$309,097,307	\$101,537,913	49%
EXPENSES TOTAL	\$907,229,965	\$1,032,245,833	\$956,338,363	(\$75,907,470)	(7%)
Revenues					
Taxes	\$134,467,686	\$145,352,238	\$160,224,384	\$14,872,146	10%
Revenues	\$1,000	\$1,000	–	(\$1,000)	(100%)
Licenses and Permits	\$59,975,665	\$66,701,272	\$72,088,816	\$5,387,544	8%
Intergovernmental	\$70,175,642	\$66,724,507	\$49,822,003	(\$16,902,504)	(25%)
Charges for Services	\$113,740,088	\$127,204,345	\$142,319,135	\$15,114,790	12%
Fines and Forfeitures	\$302,329	\$495,569	\$586,369	\$90,800	18%
Miscellaneous	\$7,831,161	\$7,644,177	\$7,221,596	(\$422,581)	(6%)
Transfers	\$48,305,274	\$59,904,574	\$35,427,779	(\$24,476,795)	(41%)
Other Sources	\$472,426,389	\$558,218,151	\$488,648,281	(\$69,569,870)	(12%)
REVENUES TOTAL	\$907,225,234	\$1,032,245,833	\$956,338,363	(\$75,907,470)	(7%)
Surplus (Deficit)	(\$4,731)	\$0	\$0	–	–

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Total Budget Variance & Percent Change





GENERAL FUND REVENUES

This table shows the breakdown of GF revenues by type with some historical data

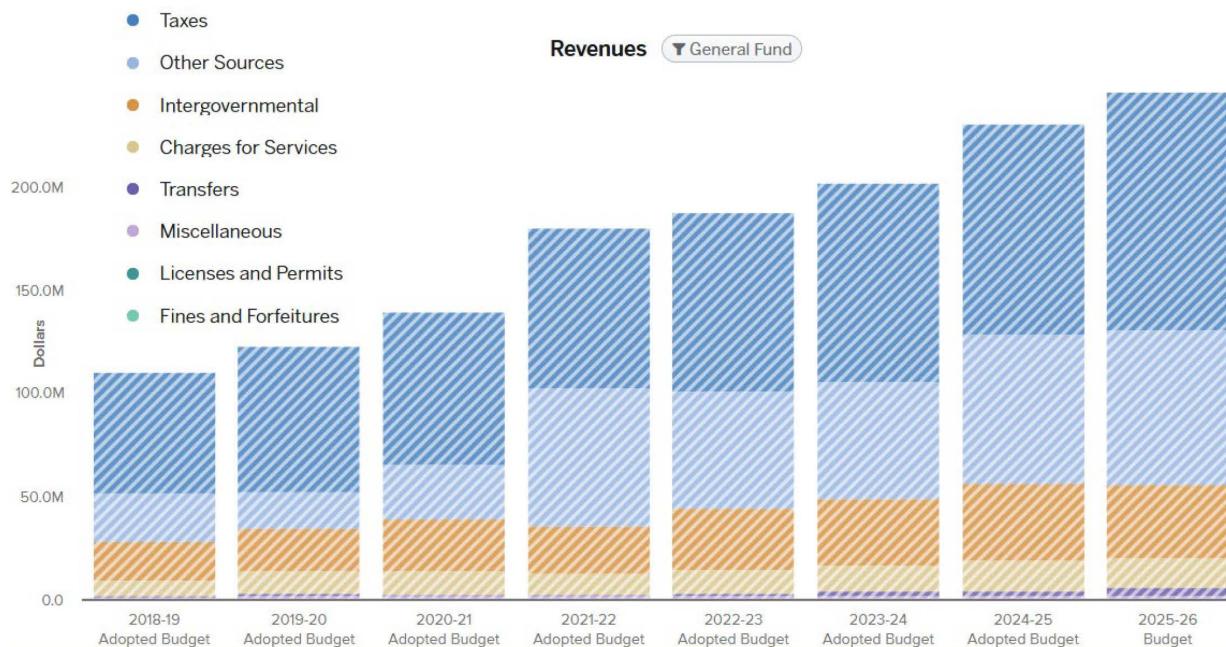
Collapse All	2021-22 Adopted Budget	2022-23 Adopted Budget	2023-24 Adopted Budget	2024-25 Adopted Budget	2025-26 Budget
▼ Revenues	\$ 180,313,663	\$ 187,696,682	\$ 202,249,885	\$ 231,040,830	\$ 245,665,189
▶ Taxes	77,474,669	86,350,667	96,064,136	102,313,697	114,590,676
▶ Other Sources	66,974,264	56,626,029	56,844,893	72,192,110	75,017,496
▶ Intergovernmental	22,560,168	29,623,542	32,357,529	37,155,954	35,270,798
▶ Charges for Services	10,392,093	11,621,096	12,494,179	14,892,692	14,415,347
▶ Transfers	613,311	1,361,928	2,114,367	1,965,387	3,889,919
▶ Miscellaneous	1,676,965	1,465,769	1,668,138	1,491,507	1,068,239
▶ Licenses and Permits	505,843	526,151	581,638	716,038	1,115,169
▶ Fines and Forfeitures	116,350	121,500	125,005	313,445	297,545
▶ Expenses	180,313,663	187,696,682	202,249,885	231,040,830	245,665,189

Office of Management & Budget

General Fund Revenue by Rollup Code



GENERAL FUND REVENUE TREND



Office of Management & Budget



GENERAL FUND EXPENSES

This shows the trend for GF expenses by rollup code.

Collapse All	2021-22 Adopted Budget	2022-23 Adopted Budget	2023-24 Adopted Budget	2024-25 Adopted Budget	2025-26 Budget
► Revenues	\$ 180,313,663	\$ 187,696,682	\$ 202,249,885	\$ 231,040,830	\$ 245,665,189
▼ Expenses	180,313,663	187,696,682	202,249,885	231,040,830	245,665,189
► Non-Operating	73,773,923	82,291,056	93,092,885	106,447,640	119,630,700
► Budget Reserves	44,495,916	44,962,523	37,513,524	39,836,104	48,039,641
► Operating Expense	21,877,929	22,245,432	28,470,153	38,853,336	38,587,377
► Personnel Services	14,161,128	15,073,672	19,269,701	21,551,827	22,610,515
► Capital Outlay	7,603,923	14,737,411	15,117,376	15,344,356	6,888,667
► Grants & Aid	14,378,949	3,912,870	4,114,492	4,753,968	5,257,659
► Transfers	3,486,047	3,328,513	4,608,659	4,253,599	4,565,797
► Debt Service	535,848	1,145,206	63,095	0	84,833
Revenues Less Expenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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General Fund Roll Up Code Trend



CONSTITUTIONAL BUDGETS

Constitutionals

	PRIOR YEAR BUDGET		ADOPTED BUDGET		Difference	Percent Change
	FY2024	FY2025	FY2026			
Expenses						
01951 - Clerk of Circuit Court	\$9,975,597	\$12,435,042		\$14,469,830	\$2,034,788	16%
01901 - Property Appraiser	\$3,248,945	\$3,658,141		\$4,332,514	\$674,373	18%
01981 - Supervisor of Elections	\$2,687,501	\$2,774,309		\$2,794,008	\$19,699	1%
01921 - Tax Collector	\$3,916,245	\$4,268,500		\$4,269,000	\$500	0%
02051 - Sheriff	\$78,877,005	\$89,146,125		\$98,034,348	\$8,888,223	10%
EXPENSES TOTAL	\$98,705,293	\$112,282,117		\$123,899,700	\$11,617,583	10%
Revenues						
01951 - Clerk of Circuit Court	\$3,577,869	\$4,290,887		\$4,290,887	\$0	0%
01901 - Property Appraiser	\$60,000	\$60,000		\$60,000	\$0	0%
01921 - Tax Collector	\$750,000	\$750,000		\$750,000	\$0	0%
02051 - Sheriff	\$4,777,469	\$4,996,179		\$5,207,578	\$211,399	4%
REVENUES TOTAL	\$9,165,338	\$10,097,066		\$10,308,465	\$211,399	2%
Difference	(\$89,539,955)	(\$102,185,051)		(\$113,591,235)	–	–

Data Updated Jul 08, 2025, 5:58 AM

[View Report](#)



GF EXCLUDING CONSTITUTIONALS AND RESERVES

This table shows the GF financial trend excluding Constitutionals and Reserves

General Fund w/o Constitutionals or Reserves

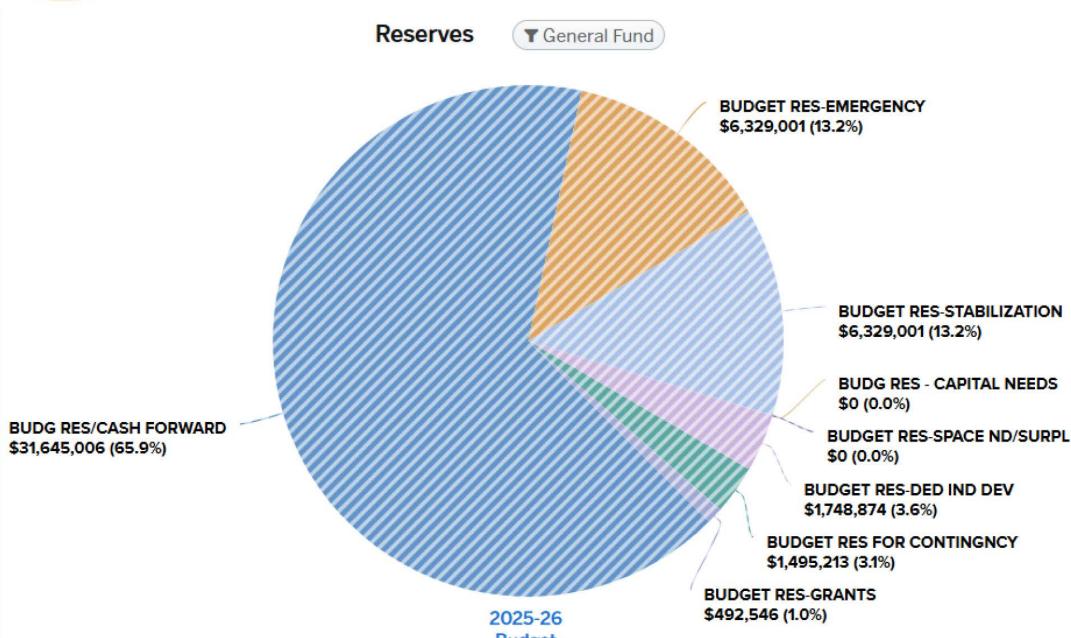
	FY22 ADOPTED BUDGET	FY26 ADOPTED BUDGET	FY24 ADOPTED BUDGET	FY25 ADOPTED BUDGET	FY26 ADOPTED BUDGET	
	FY2022	FY2023	FY2024	FY2025	FY2026	Percent Change
Expenses						
Personnel Services	\$14,161,128	\$15,073,672	\$19,269,701	\$21,551,827	\$22,610,515	5%
Operating Expense	\$17,392,099	\$18,628,932	\$24,554,153	\$34,584,836	\$34,318,377	-1%
Capital Outlay	\$7,603,923	\$14,737,411	\$15,117,376	\$15,344,356	\$6,888,667	-55%
Debt Service	\$535,848	\$1,145,206	\$63,095	\$0	\$84,833	-
Grants & Aid	\$14,378,949	\$3,912,870	\$4,114,492	\$4,753,968	\$5,257,659	11%
Transfers	\$3,486,047	\$3,328,513	\$4,608,659	\$4,253,599	\$4,565,797	7%
EXPENSES TOTAL	\$57,557,994	\$56,826,603	\$67,727,476	\$80,488,586	\$73,725,848	-8%

Office of Management & Budget

General Fund Expenses excluding Constitutionals & Reserves



GF RESERVE UPDATE



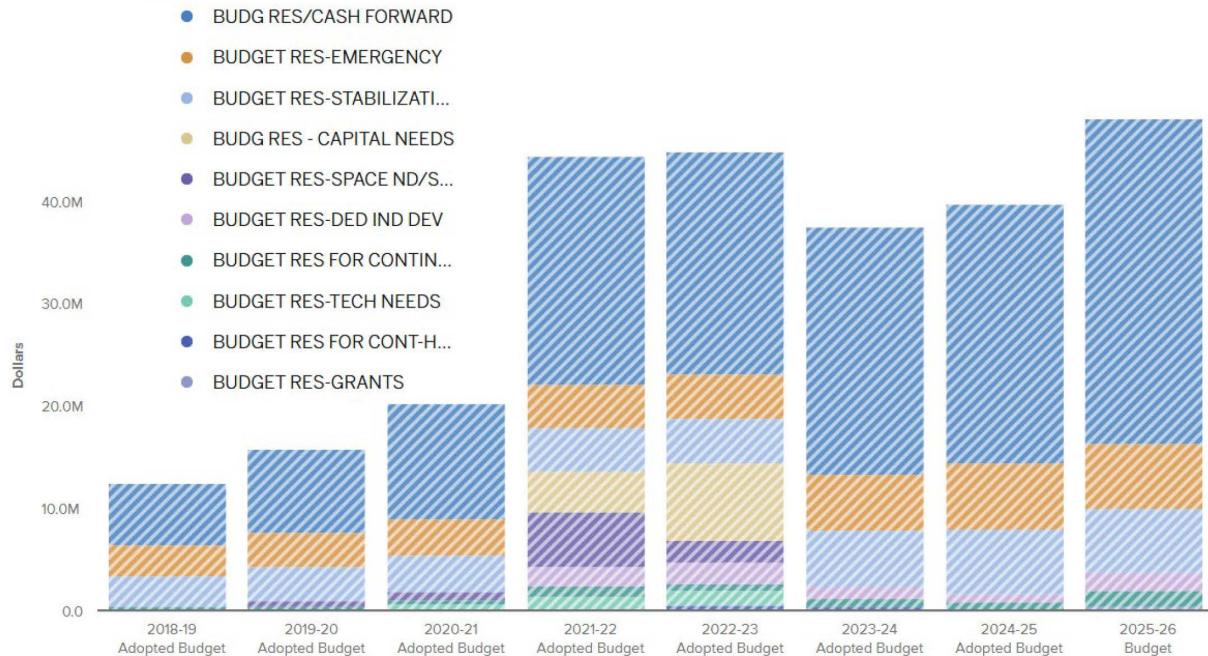
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GF RESERVE UPDATE

Reserves

General Fund



General Fund Reserve visual trend



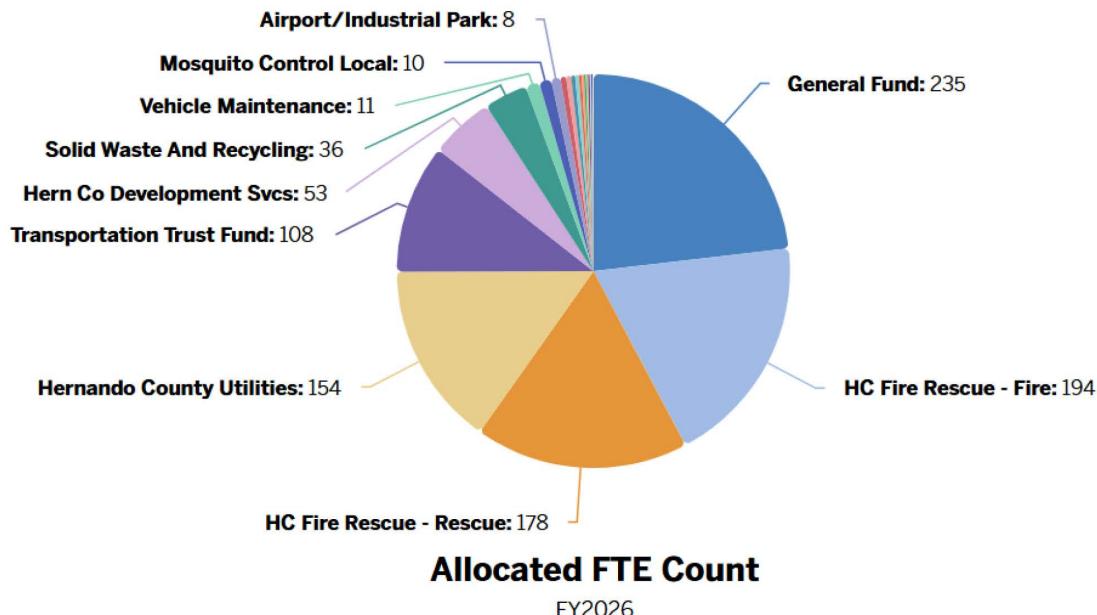
GF RESERVE UPDATE

General Fund Reserve Summary as of: 7/8/2025

	2026 Budget	Policy %	Amount needed	Change needed
Net Expense for Reserves	\$180,828,592.00 (Open Gov Report)			
5909908 - BUDGET RES FOR CONT-HCSO	\$-			
5909910 - BUDGET RES FOR CONTINGNCY	\$ 904,143.00	0.50%	\$904,142.96	(\$0.04)
5909911 - BUDGET RES-GRANTS - (Library funds)	\$ 492,546.00			
5909935 - BUDGET RES-EMERGENCY	\$ 6,329,001.00	3.50%	\$6,329,000.72	(\$0.28)
5909943 - BUDGET RES-SPACE ND/SURPL	\$-			
5909980 - BUDGET RES-TECH NEEDS	\$-			
5909981 - BUDGET RES-STABILIZATION	\$ 6,329,001.00	3.50%	\$6,329,000.72	(\$0.28)
5909985 - BUDGET RES-DED IND DEV - (Economic Dev.)	\$ 1,748,874.00			
5909998 - BUDG RES - CAPITAL NEEDS	\$-			
5909999 - BUDG RES/CASH FORWARD	\$ 29,245,004.00	11.00%	\$19,891,145.12	(\$9,353,858.88)
5909999 - BUDG RES/CASH FORWARD - (Disaster)	\$ 2,400,000.00			
Reserves TOTAL	\$ 47,448,569.00	18.50%	\$33,453,289.52	
Current Amount:	\$ 42,807,149.00	23.67%	Current Amount	Change needed
				(\$9,353,859.48)
	\$39,782,290.24		22% (for that amount)	(\$3,024,858.76)
	\$45,207,148.00		25% (for that amount)	\$2,399,999.00



PERSONNEL FTE SUMMARY

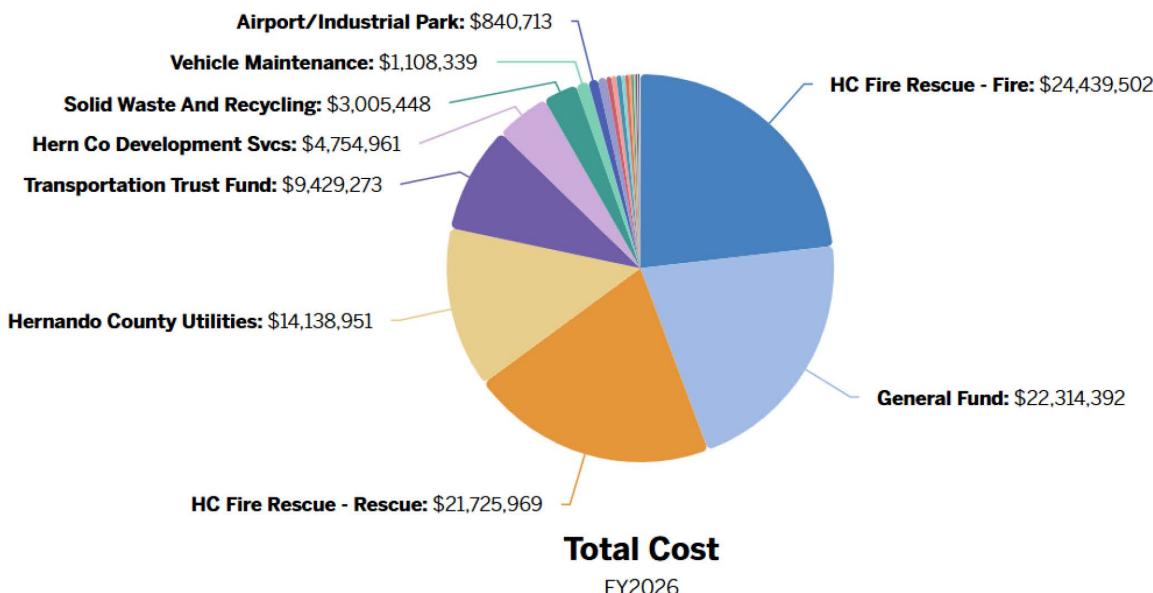


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Personnel FTE Summary



PERSONNEL TOTAL COST



Office of Management & Budget



NEW PERSONNEL REQUESTS

Enterprise Funds New Positions for FY26 Budget

Enterprise Funds				
Department	Position	Justification	Funding Source	FTE
Building	Administrative Assistant III	Assist the Building Official with routine administrative tasks. To ensure compliance with codes and regulations, assist management with supervisory tasks and mentor staff, and serve as a liaison with stakeholders.	Building Fees	1.00
Building	Lead Plans Examiner	Performs maintenance and replacement of residential and commercial water meters and meter boxes.	Building Fees	1.00
Utilities	Meter Technician I	To fulfill new FDEP requirements that utilities must develop Collection System Action Plan (CSAP) and Power Outage Contingency Plan (POCP) for prevention of Sanitary Sewer Overflows (SSOs) under FAC 62-600.705	Utility Fees	4.00
Utilities	Wastewater Collection System Worker		Utility Fees	2.00
				Total requested: 8.00

Office of Management & Budget

Enterprise New Personnel Requests



NEW GF PERSONNEL REQUEST

General Fund				
Department	Position	Justification	Funding Source	FTE
Library Services	Literacy Program Specialist	Develop, implement, and promote literacy-based programming for various demographics in the community.	Ad Valorem	1.00
Public Information	Public Information Officer	Responsible for effectively representing Hernando County Government at public events and through social media	Ad Valorem & Cost Allocation Fees	1.00
Code Enforcement	Code Enforcement Officer	Allow for a more manageable case load, improve response times, and allow for a proactive enforcement.	Ad Valorem & Fees	2.00
Procurement	Program Manager	Assists the Chief Procurement Officer with implementation of programs and projects while ensuring accurate and timely communication with the Board and other stakeholders.	Ad Valorem & Cost Allocation Fees	1.00
Procurement	Contracting Agent	Assists the department to support the increased workload.	Ad Valorem & Cost Allocation Fees	1.00
Parks and Recreation	Sports Turf / Horticulture Technician	Assist with sport turf maintenance, field renovations and general landscape improvements.	Ad Valorem & Fees	1.00
Parks and Recreation	Recreation Leader II (Summer Camp)	Seasonal position to assist staff with summer camp operations. (Staffing need only for the duration of summer camp, no benefits)	Ad Valorem & Fees	0.50
Natural Resources (Sensitive Lands)	Environmental Lands Technician	Assist with managing the nature preserves and environmental lands. Operates and maintains in accordance with adopted resource management plans and accepted natural resources practices.	Ad Valorem	1.00
County Attorney's Office	Paralegal I	Additional paralegal needed to support the increased demands of the Special Master program.	Ad Valorem & Cost Allocation Fees	1.00
Facilities Maintenance	Horticulture Technician	Assist current staff with technical and manual work performed over approximately 52.5 acres of green space.	Ad Valorem & Cost Allocation Fees	1.00
Emergency Management	Emergency Management Coordinator	Coordinates with internal and external partners and oversees the efficiency of the emergency management functional area of logistics.	Ad Valorem	1.00
Housing Support Services	Housing Rehabilitation Specialist	To support the Housing division of the department for rehabilitation projects to preserve the housing stock in the county.	SHIP Grant	1.00
Human Resources	Human Resources Specialist	Assists the Human Resources department to support employment growth.	Ad Valorem & Cost Allocation Fees	1.00
				Total requested: 13.50

Office of Management & Budget



NEW PERSONNEL REQUEST

Public Safety New Positions for FY26 Budget

Special Revenue Funds				
Department	Position	Justification	Funding Source	FTE
HCFR	Captain Medic	To staff Station 16	Fire Assessments & EMS MSTU	3.00
HCFR	Driver Engineer Medic	To staff Station 16	Fire Assessments & EMS MSTU	3.00
HCFR	FF EMT I	To staff Station 16	Fire Assessments & EMS MSTU	6.00
HCFR	FF Medic I	To staff Station 16 and Medic 11	Fire Assessments & EMS MSTU	18.00
HCFR	Finance Supervisor	Assist the Finance Manager with HCFR finance related matters as part of the department's succession plan.	Fire Assessments & EMS MSTU	1.00
				Total requested: 31.00

Office of Management & Budget

Public Safety New Positions



VALUATION HISTORY

Hernando County Property Valuation Summary

Fiscal Year	Certified Taxable	Change in Taxable	% Change
	Value	Value	
2025/2026	18,277,896,325	1,857,492,067	11.31%
2024/2025	16,420,404,258	1,564,270,328	10.53%
2023/2024	14,856,133,930	2,077,486,112	16.26%
2022/2023	12,778,647,818	2,024,271,700	18.82%
2021/2022	10,754,376,118	780,184,115	7.82%
2020/2021	9,974,192,003	796,675,172	8.68%
2019/2020	9,177,516,831	462,961,379	5.31%
2018/2019	8,714,555,452	532,974,920	6.51%
2017/2018	8,181,580,532	595,994,479	7.86%
2016/2017	7,585,586,053	188,622,057	2.55%
2015/2016	7,396,963,996	284,584,331	4.00%
2014/2015	7,112,379,665	96,896,030	1.38%
2013/2014	7,015,483,635	(175,756,006)	-2.44%
2012/2013	7,191,239,641	(524,883,927)	-6.80%

Office of Management & Budget

Valuation History

Any additional information from the Budget Workshop can be found on the County's website under budget documents: [Management and Budget | Hernando County, FL](#)



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[Office of Management & Budget webpage](#)

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Typical Tax Bill

The following example depicts the variance in taxes from FY25 to FY26 for an assessed value of \$300,000, when the adopted combined millage rate is applied, and 3% growth is added to the valuation. This example includes only County's government millage information. Each individual tax bill would be broken down by various rates that apply to the specific area where the home is located.

Average Tax Bill Homestead Example						
Base Example			% Increase		3%	
FY25 2024			FY26 \ 2025			
Tax Roll			Tax Roll			
Value	\$ 300,000		\$ 309,000			
Homestead Example for County	\$ (50,000)		\$ (50,000)			
Assessed Value for County	\$ 250,000		\$ 259,000			
FY25 2024			FY26 \ 2025			
Tax Roll			Tax Roll			
General Fund	6.4497	\$ 1,612.43	6.165	\$ 1,596.74	\$ (15.69)	\$ (1.31)
Transportation Trust	0.8091	\$ 202.28	0.8091	\$ 209.56	\$ 7.28	\$ 0.61
County Health	0.1102	\$ 27.55	0.1102	\$ 28.54	\$ 0.99	\$ 0.08
Emergency Medical Services	0.9100	\$ 227.50	0.9100	\$ 235.69	\$ 8.19	\$ 0.68
Stormwater Management	0.1139	\$ 28.48	0.1139	\$ 29.50	\$ 1.03	\$ 0.09
Fire Rescue-Fire (Rate)		365.62		362.38	\$ (3.24)	\$ (0.27)
HCUD-Solid Waste-Landfill (Rate)		98.04		98.04	\$ -	\$ -
Total County Taxes	\$ 2,561.89		\$ 2,560.44	\$ (1.44)	\$ (0.12)	

Actual tax bills contain taxes levied for taxing authorities other than the County government: Special Districts, South Florida Water Management District (SFWMD), School Board, and, when applicable, municipalities. Each of these authorities assesses their own millage and adopts their own annual budgets. The County does not exercise control over the budgets and millage rates of other taxing districts; therefore, their budgets and millage rates are not reflected in the County's budget document.

The County is required to levy a separate property tax to meet annual debt service requirements for the payment of voter approved general obligation bonds, as applicable.

For more information on tax bills, please see the Hernando County Tax Collector's website: [Tax Collector website.](#)



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Millage Comparison & Overview

The following terms are commonly used in budget documentation pertaining to millage:

Millage: The rate charged per thousand of taxable value. For example, on a home with a taxable value of \$100,000 assessed, taxes would equal \$100 (\$1 for each \$1,000 of taxable value). The millage rate is calculated by dividing the amount of the proposed ad valorem into the total taxable value (less 5%).

Aggregate Millage Rate: A rate obtained by dividing the sum of all ad valorem taxes levied by the Hernando County Board of County Commissioners by the taxable value of the County. This rate expresses an average tax rate.

Total Millage: A rate that is the aggregate millage plus the voted debt service millage. Hernando County does not currently have any debt service millage.

Rolled Back Rate: A millage rate that will bring in ad valorem revenues equal to the prior year's dollar amount. The value of new construction is excluded from the calculation of the roll back rate.

The millage comparison chart below includes Hernando County related millage and MSTUs.

Municipal Services Taxing Unit

In addition to Countywide millage, Hernando County also has the authority to levy taxes in Municipal Service Taxing Units (MSTUs). Fire Rescue and Stormwater. MSTUs provide specialized services within legally specified geographic boundaries.

This tax is assessed only on property in the unincorporated areas of the County, and it is reserved to provide operating funds for County services that are comparable to certain activities provided by municipalities; hence, the term Municipal Services Taxing Unit. MSTU revenues are kept in separate accounting funds to ensure that the money is spent only in the areas from which this tax was collected and only for specific purposes: Fire Rescue and Stormwater.

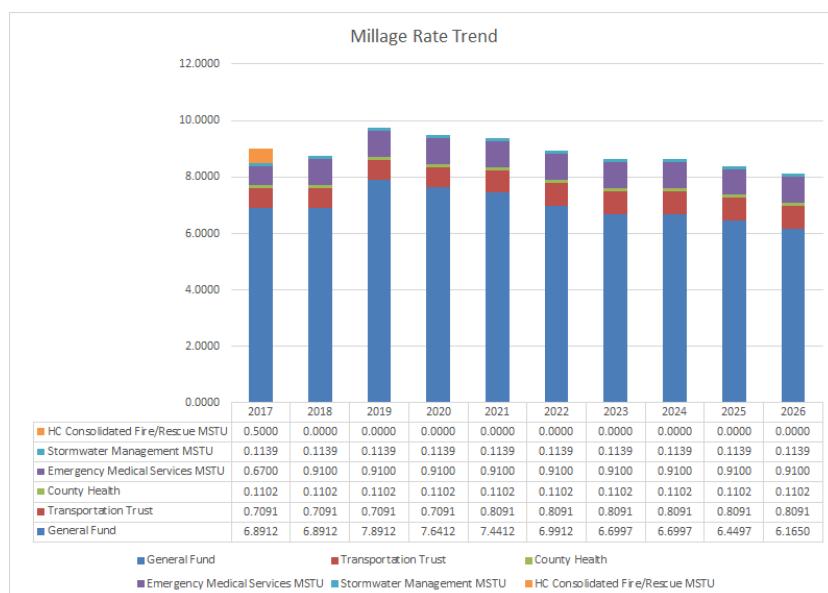




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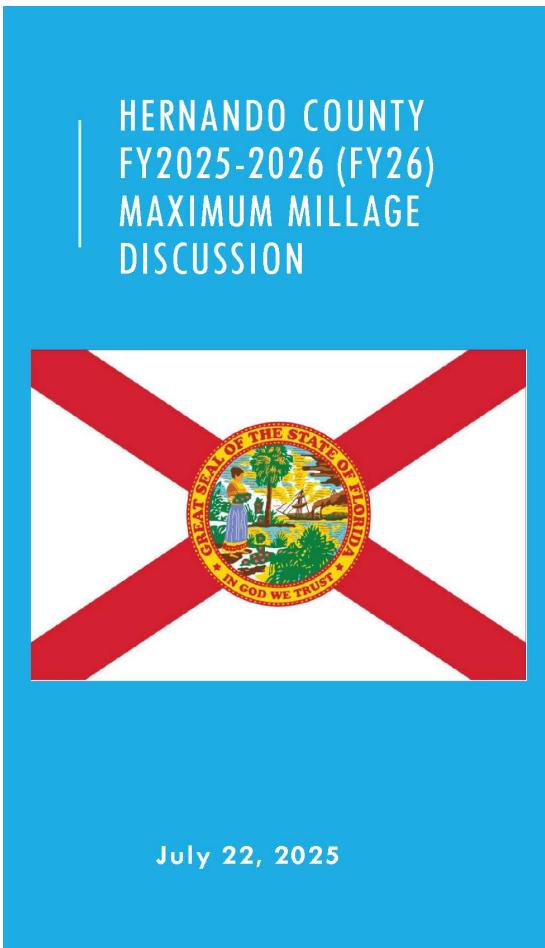
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Maximum Millage Presentation

The Maximum Millage meeting is held in July that sets the maximum millage amount that can be used for the budget. That millage rate will go on the Truth In Millage (TRIM) notice that goes out of property owners. That rate can go down at the public hearings, but it cannot go above that rate for the budget. The information below is derived from the Maximum Millage discussion for the FY26 Budget.



Office of Management & Budget (OMB)

The Maximum Millage discussion occurred on July 22, 2025 at the Government Center in the BOCC Chamber meeting room.



BUDGET DEVELOPMENT IMPORTANT DATES

FY 2025-2026 (FY26)

- **January 28, 2026: Budget Calendar approval, Budget Direction and priorities.**
- **January 31, 2025: Budget Kickoff Meeting & Budget Entry Opens**
- **March 28, 2025: Department Budgets Due**
- **May 19th to 23rd, 2025: Department Budget Meetings (Shark Week)**
- **June 1, 2025: Constitutional Officer's Budgets Due**
- **June 24, 2025: Non-GF Budget Line-Item Review**
- **July 1, 2025: Certification of Taxable Property Values**
- **July 10, 2025: Recommended Budget & Workshop, GF Line-Item Review**
- **July 22, 2025: Maximum Millage Rates Set**
- **Mid-August: TRIM Notices Mailed**
- **September 11, 2025: 1st Public Hearing – Tentative Millage & Budget**
- **September 23, 2025: Final Public Hearing – Final Millage & Budget**
- **October 1, 2025: FY 2025-2026 (FY26) Begins**

Office of Management & Budget

Timeline Update from the Maximum Meeting Presentation



MILLAGE RATES INFORMATION

Millage Information for Budget FY26								
Line 4 - DR-420					11.31% FINAL			
Fund	Tax Applied	FY 25 Certified Taxable Value	FY 25 Adopted Millage Rate	FY25 Ad Valorem Revenue 100%	FY 26 Certified Taxable Value	Estimated FY 26 Ad Val Revenue	FY26 95% of Estimated Ad Val Revenue	
County Services	0011 Countywide	16,420,404,258	6.4497	105,906,681	18,277,896,325	117,886,948	111,992,601	
Health Dept	1141 Countywide	16,420,404,258	0.1102	1,809,529	18,277,896,325	2,014,224	1,913,513	
Transportation	1011 Countywide	16,420,404,258	0.8091	13,285,749	18,277,896,325	14,788,646	14,049,214	
		<u>16,420,404,258</u>	<u>7.369</u>	<u>121,001,959</u>	<u>18,277,896,325</u>	<u>134,689,818</u>	<u>127,955,327</u>	
EMS	1691 Countywide	16,420,404,258	0.9100	14,942,568	18,277,896,325	16,632,886	15,801,242	
Stormwater	7552 Countywide	16,420,404,258	0.1139	1,870,284	18,277,896,325	2,081,852	1,977,759	
		<u>16,420,404,258</u>	<u>1.0239</u>	<u>16,812,852</u>	<u>18,277,896,325</u>	<u>18,714,738</u>	<u>17,779,001</u>	
		<u>16,420,404,258</u>	<u>8.3929</u>	<u>137,814,811</u>	<u>18,277,896,325</u>	<u>153,404,556</u>	<u>145,734,328</u>	

Office of Management & Budget



MILLAGE RATES VALUATION TABLE

Millage Valuation Table				
FY 26 Certified Taxable Value	Millage Rate Tiers	Estimated FY 26 Ad Val Revenue 100%	95% of Estimated FY26 Ad Val Revenue	100% to 95% Variance
18,277,896,325	0.01	182,779	173,640	9,139
18,277,896,325	0.05	913,895	868,200	45,695
18,277,896,325	0.10	1,827,790	1,736,401	91,390
18,277,896,325	0.15	2,741,684	2,604,600	137,084
18,277,896,325	0.25	4,569,474	4,341,000	228,474
18,277,896,325	0.50	9,138,948	8,682,001	456,947
18,277,896,325	1.00	18,277,896	17,364,001	913,895

Office of Management & Budget

The table above summarizes different dollar amounts associated with millage rate values at the applicable Certified Taxable Property Value.



ROLLED-BACK MILLAGE RATE

- The Rolled-back millage rate is the applicable rate for property taxes needed to collect the exact same amount of tax revenues as the previous year.**

Office of Management & Budget



MILLAGE RATES OVER ROLLED-BACK RATES

County Wide Millage Rates	PRIOR YEAR 2024-25 Rates	2025-26 Recommended Rates	2025-26 Rolled-Back Rates	Percentage Over (Under) Roll-Back
BCC General Fund	6.4497	6.4497	6.1650	4.62%
BCC County Health	0.1102	0.1102	0.1053	4.65%
BCC Transportation Trust	0.8091	0.8091	0.7734	4.62%
	7.3690	7.3690	7.0437	4.62%
Municipal Service Taxing Units County Wide Millage Rates	PRIOR YEAR 2024-25 Rates	2025-26 Recommended Rates	2025-26 Rolled-Back Rates	Percentage Over (Under) Roll-Back
Emergency Medical Services MSTU	0.9100	0.9100	0.8698	4.62%
Stormwater MSTU	0.1139	0.1139	0.1089	4.59%
	1.0239	1.0239	0.9787	4.62%
Proposed Total Millage Rate	8.3929	8.3929	8.0224	4.62%

Office of Management & Budget

Comparision of Current Rates to Rollback Rate shown on the DR-420 form in the State of Florida's TRIM system.



RECOMMENDATION

County Wide Millage Rates	2025-26 Recommended Rates
BCC General Fund	6.4497
BCC County Health	0.1102
BCC Transportation Trust	0.8091
	7.3690
Municipal Service Taxing Units County Wide Millage Rates	2025-26 Recommended Rates
Emergency Medical Services MSTU	0.9100
Stormwater MSTU	0.1139
	1.0239
Proposed Total Millage Rate	8.3929

**1st Public Hearing
September 11, 2025
at 5:01 PM**

**Board Chambers
20 N. Main Street
Brooksville, FL
34601**

Office of Management & Budget

Recommended rates and date and location of the 1st Public Hearing

111978 EOC Roof Replacement	25,000	GF Non-Grant Total	\$ 2,644,101.50
111978 EOC Roof Replacement	290,000	Grants	\$ 241,249.00
111998 HCAS Service Area Asphalt	195,000		
112036 Anderson Snow Quad Baseball/Softball Phase II Design	300,000	TOTAL	\$ 2,885,350.50
112038 Linda Pederson- Dog Park	300,000		
112099 Government Center Carpet Replacement	400,000	Rollback	\$ 4,943,531.00
112101 Hand Dryer Installation	175,000		
112231 Main Library Painting & Flooring	160,000	Needed	\$ 2,299,429.50
112234 Veterans Park Additional Parking	300,000		
Economic Incentive	0		
Fund 1171 Reserves/BFC Discussed (Reduced)	\$ 311,358.50		
PIO Postion	\$ -		
HR Position	\$ 89,397.00		
Code Enforcement	\$ 98,346.00		
Reserves	\$2,299,429.50		
Total Reduction	4,943,531		

The BOCC reduced the Maximum Millage Rate to the Rollback rate of 6.1650 for the General Fund (GF). That rate change reduced the GF revenues by \$4,934,531. The summary above shows the CIP projects that were cut during the meeting, along with a new HR position and a new Code Enforcement position. The difference of \$2,299,429.50 was taken from Reserves for consideration at the 1st Public Hearing.



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1st Public Hearing: Tentative Budget Information

Summary of the 1st Public Hearing information.



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Final Public Hearing: Final Millage Rate, Budget, & Capital Improvement Plan

The final public hearing is the final approval of the FY26 budget. This is the approval of the budget for the coming fiscal year starting on October 1st.



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Hernando County, FL

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Budget Overview: Executive Summary

The FY 26 Adopted Budget continues to address aging infrastructure and facilities. The County's low debt ratio per capita, strong reserves, and conservative fiscal policies contribute to positive credit ratings and resulting in attractive interest rates, when securing debt funds for projects. This budget, as in prior years, was developed with specific goals and objectives:

- Fully funding the Constitutional Officers' budgets,
- Maintaining existing service levels for residents,
- Focusing on the health, safety and welfare of residents and visitors,
- Addressing both internal and external services and efficiencies,
- Consideration of the BOCC's policy directives,
- Addressing maintenance and rehabilitation of facilities,
- Investing in our employees,
- Providing a sound self-insured risk, workers comp, and health insurance programs; and
- Maintaining reserves.

Each department also includes goals and performance measures in section III of the Budget Book.

Strategic Goals

The County is currently in the process of creating a Strategic Plan. The link to the Strategic Plan information is found here: [Hernando County Strategic Plan | Engage Hernando](#). Knowing that, the summary below includes goals that the County is currently working towards as that plan is developed:

- **Public Safety** - Hernando County has made it a priority to address public safety space issues for both Hernando County Fire Services and the Sheriff.
- **Infrastructure** - Hernando County shall maintain its infrastructure in an efficient, cost-effective manner to ensure public facilities serve county residents' needs, including expansion of recreational facilities.
- **Transportation** - Hernando County has prioritized widening and increasing capacity on roadways, due to growth in the county.
- **Environment** - Hernando County's protection of the environment is critical to helping keep our County beautiful, through initiatives to make sure our waterways and springs are protected.
- **Government Space** - Hernando County completed some projects and is in the process of revamping additional space utilized for government functions to address growth and expansion concerns for the Board of County Commissioners, the Courts, and Constitutional Officers.
- **Housing** - Hernando County is committed to providing services for housing, community development, and health and human services.
- **Economic Development** - Hernando County shall continue efforts to support economic diversification of its local economy, including investing in infrastructure to support job growth.

The County has also led the statewide initiative to create springs protection zones around freshwater springs to prevent destruction due to the population and tourism growth in Florida. A canal study has been completed to identify next steps to restore our waterways.

Budget Priority Update

Public Safety

Property Acquisitions are in process for future expansions of the Sheriff Offices and Fire Stations, due to growth. Funding for the needed expansions of the detention facility space for mental health, medical, and youth services is still undetermined. The budget includes funding for the updated design and construction of one fire station. The public Safety training center master plan has been completed and design will begin on phase one this year.

Infrastructure

Investments in publicly owned infrastructure to support increased economic development and job growth is a priority for the County. We completed water, wastewater, and roadway improvements for a significant industrial site on the East Side of the County. Plans for infrastructure improvements at the Brooksville Tampa Bay Regional Airport have been finalized. Funding for grant and legislative appropriations matches are included in this budget. Significant infrastructure improvements are desired at BKV to enhance the job growth and economic opportunities for companies. This budget includes, for the first time, a transfer of personal property tax from targeted industries to assist in funding infrastructure for economic development properties.

Transportation

The County has prioritized widening and increasing capacity on roadways due to the growth in the County. We have paused the limestone paving program to provide additional funding for the roadway capacity program. Intersection improvements at the Anderson Snow and Corporate Boulevard intersection are underway. Calienta/Petit Lane Realignment and Stormwater improvements will also begin construction soon. The County's Public Transportation system, TheBus, has 9 fixed routes that cover most of the county and includes complementary ADA/Paratransit service for qualified individuals. There will be additional routes will be added in fiscal year 2026.

Environment

Protection of the environment will continue to be accomplished with the County continuing the design of the septic to sewer program near Weeki Wachee Springs. The Spring Hill Water Reclamation plant has also been decommissioned, due to the expansion of the Airport Water Reclamation plant. This plant decommissioning will reduce the groundwater nitrogen by approximately 46,000 pounds per year. The County also strengthened its fertilizer ban to include winter and summer months to reduce the amount of nitrogen in the groundwater. Finally, the County has also led the statewide initiative to create springs protection zones around our freshwater springs to prevent destruction due to the population and tourism growth in Florida.

Housing & Future Growth

The eastside of Hernando County has also seen growth, including new industrial businesses. Several properties have been approved for logistical and industrial space. The County has partnered to provide roadway, water and sewer lines to incentivize this development moving forward.

Passing 200,000 in total county population results in the County being designated an Entitlement Community from the Department of Urban and Housing Development (HUD) for participation in the Community Development Block Grant Program (CDBG). The County completed the Consolidated Housing plan for HUD and we have received funding for housing supportive services in the County. The County is managing several initiatives including the existing Kass Circle CRA, the under-development South Brooksville CRA, Tangerine Estates, Homelessness, Mental Health, and Opioid Drug management and services.

Judicial Center

The reconfiguration of the Judicial Center was completed last year allowing for increased courtrooms, and security, in the Court house. The New Tax Collector building is also almost complete, allowing for improved efficiency for the Tax Collector Office.

Challenges

As this budget was being developed, there were several factors to consider that could potentially impact government operations over the next year. The County anticipates the cost of goods and service to continue to rise based on the current inflation rate, impacting the number of infrastructure projects completed. There is also a possible impact on revenues due to legislative changes passed by the State. As the County proceeds during the fiscal year (FY26), it will be imperative to closely monitor revenue sources that the County relies upon to balance the budget, mainly fuel tax revenues, which continue to decline.

Another major concern is the uncertainty of the current economic conditions. Ad valorem taxes derived from property values represents approximately 52% of the County's General Fund (GF) revenue sources. As a long-term strategy, the Board of County Commissioners (BOCC) needs alternate revenue sources, such as General Obligation (GO) bonds, Impact Fees, and Payment in Lieu of Franchise Fees (PILOF) or Payment in Lieu of Taxes (PILOT) from Utilities and Solid Waste to ensure they are kept current with the rising cost of operation and construction. Utilization of ad valorem (property) taxes is a major source of revenue to fund County operations, capital projects and programs. Ad valorem taxes are assessed and applied to taxable values creating the amount of ad valorem required to fund the FY26 Budget with established property tax rates.

Taxable Value and Millage Rate

The FY26 Budget has been prepared with the July 1 taxable values, as provided by the Hernando County Property Appraiser. The July 1 taxable values reflect an overall increase to the County's tax base. The County's total taxable values are \$18.2 billion, compared to last year's final values of \$16.4 billion. The additional ad valorem in the FY26 Adopted Budget is proposed to be allocated as follows:

Constitutional Officers

The FY26 budget includes full funding for the budget requests from the County's Constitutional Officers: Clerk of the Circuit Court & Comptroller, Property Appraiser, Supervisor of Elections, Tax Collector and Sheriff. The County's Medical Examiner and Court Administration are also included in the Budget.

As summarized in section II - E4 of the Budget Book, the total budget expenditures associated with the Constitutional Officers increased by \$11,165,280 in the FY26 budget when compared to FY25. That information can be found here:

<https://stories.opengov.com/hernandocountyfl/published/RA8iXlshGf>

State Mandates & Agreement Increases

Certain elements in the budget are mandated for Hernando County to include in the budget each year. The County is required to pay a share of the Medical Examiner's budget to provide that service. There are also mandates for payments into the Medicaid program, Animal Control, Emergency Management, Court system, Health & Human Services, Solid Waste, and Water Quality. These costs are in different departments and more information on Mandates can be found here: <https://stories.opengov.com/hernandocountyfl/published/0uHWMH07rGE>.

Capital Projects

The County's Capital Improvement Plan (CIP) was reviewed at the CIP Workshop in June. A major component impacting the FY25 capital budget is septic-to-sewer conversion projects. The funding for these projects varies. The septic-to-sewer conversion project funding is a combination of dedicated County revenue, grants (when available), and assessments to the property owner. This combined approach is an effort to keep the cost per property as constant and affordable as possible. Areas presently targeted for the program are those that directly impact our waterways. The CIP Projects can be found using this link: [Capital Improvement Plan Fiscal Year 2026-2030](#).

Providing services to the community is the County's primary role. The BOCC provides services to the entire County; every effort is made to continue to provide services in the most efficient manner possible. Existing resources cannot always absorb the recurring maintenance costs after a new facility enhancement, or infrastructure, is added to the County's inventory.

The FY26 Adopted CIP includes ad valorem dedicated to projects: Weeki Wachee Preserve Park (\$1.0M), Runway Repaving (\$1.6M), Highpoint Gardens Drainage project (\$200K), Spring Hill Drive Resurfacing (3M), Government Center Roof Replacement (\$900,000). Each CIP project has a detailed project sheet reflecting a thorough explanation of the project, planned revenues and expenditures, and a projected timeframe for completion linked to section 7 of this budget book.

Personnel

The FY26 Adopted Budget provides adequate funding to address employee salaries and benefits. The budget includes the annual salary increase for employees of 4% and any approved positions.

The County continues to experience an increase in the cost of providing health insurance coverage for employees. The County provides a self-insured health insurance program which has seen annual increases due to the rising cost to provide health care. The County is self-insured and constantly evaluates options for changes to the health care program to alleviate employer and employee increases. Increases have remained fairly modest over the past few years as the Employee Wellness Clinic has reduced health care costs and prevented major expenditures. In FY26, the County's health insurance program budget increased by 16%. That increase is a combination of premium growth derived from increased claims and employee FTE growth.

The FY26 Adopted Budget allocates funding to maintain the established level of service for maintenance and operations. Health, safety, and the services that improve quality of life and protect the welfare of the public are the priority. Requests for any increase in funding, or additional resources, in the FY26 Adopted Budget are based upon prior BOCC direction, state mandates, and departmental assessments of priorities. The FY26 Adopted Budget includes 49.5 additional Full Time Equivalents (FTEs). Of the 49.5 FTEs, 10.5 FTE are funded within General Fund, as summarized below; however, some of those positions are grant funded. More information on personnel can be found here: [Personnel Summary](#).

General Fund				
Department	Position	Justification	Funding Source	FTE
Library Services	Literacy Program Specialist	Develop, implement, and promote literacy-based programming for various demographics in the community.	Ad Valorem	1.00
Public Information	Public Information Officer	Responsible for effectively representing Hernando County Government at public events and through social media outlets.	Ad Valorem & Cost Allocation Fees	1.00
Code Enforcement	Code Enforcement Officer	Allow for a more manageable case load, improve response times, and allow for a proactive enforcement.	Ad Valorem & Fees	1.00
Procurement	Program Manager	Assists the Chief Procurement Officer with implementation of programs and projects while ensuring accurate and timely communication with the Board and other stakeholders.	Ad Valorem & Cost Allocation Fees	1.00
Procurement	Contracting Agent	workload.	Ad Valorem & Cost Allocation Fees	1.00
Parks and Recreation	Sports Turf / Horticulture Technician	Assist with sport turf maintenance, field renovations and general landscape improvements.	Ad Valorem & Fees	1.00
Parks and Recreation	Recreation Leader II (Summer Camp)	Seasonal position to assist staff with summer camp operations. (Staffing need only for the duration of summer camp, no benefits)	Ad Valorem & Fees	0.50
Natural Resources (Sensitive Lands)	Environmental Lands Technician	Assist with managing the nature preserves and environmental lands. Operates and maintains in accordance with adopted resource management plans and accepted natural resources practices.	Ad Valorem	1.00
County Attorney's Office	Paralegal I	Additional paralegal needed to support the increased demands of the Special Master program.	Ad Valorem & Cost Allocation Fees	1.00
Facilities Maintenance	Horticulture Technician	Assist current staff with technical and manual work performed over approximately 52.5 acres of green space.	Ad Valorem & Cost Allocation Fees	1.00
Emergency Management	Emergency Management Coordinator	Coordinates with internal and external partners and oversees the efficiency of the emergency management functional area of logistics.	Ad Valorem	1.00

Total requested: 10.50

The summary above displays the positions funded from the General Fund only.

Grant Funded Position				
Department	Position	Justification	Funding Source	FTE
Housing Support Services	Housing Rehabilitation Specialist	To support the Housing division of the department for rehabilitation projects to preserve the housing stock in the county.	SHIP Grant	1.00
				Total requested: 1.00

Public Safety				
Department	Position	Justification	Funding Source	FTE
HCFR	Captain Medic	To staff Station 16	Fire Assessments & EMS MSTU	3.00
HCFR	Driver Engineer Medic	To staff Station 16	Fire Assessments & EMS MSTU	3.00
HCFR	FF EMT I	To staff Station 16	Fire Assessments & EMS MSTU	6.00
HCFR	FF Medic I	To staff Station 16 and Medic 11	Fire Assessments & EMS MSTU	18.00
HCFR	Finance Supervisor	Assist the Finance Manager with HCFR finance related matters as part of the department's succession plan.	Fire Assessments & EMS MSTU	1.00
				Total requested: 31.00

The summary above displays the new Public Safety positions included in the Budget, along with a grant funded position for HHS.

Enterprise Funds				
Department	Position	Justification	Funding Source	FTE
Building	Administrative Assistant III	Assist the Building Official with routine administrative tasks.	Building Fees	1.00
Building	Lead Plans Examiner	To ensure compliance with codes and regulations, assist management with supervisory tasks and mentor staff, and serve as a liaison with stakeholders.	Building Fees	1.00
Utilities	Meter Technician I	Performs maintenance and replacement of residential and commercial water meters and meter boxes.	Utility Fees	4.00
Utilities	Wastewater Collection System Worker	To fulfill new FDEP requirements that utilities must develop Collection System Action Plan (CSAP) and Power Outage Contingency Plan (POCP) for prevention of Sanitary Sewer Overflows (SSOs) under FAC 62-600.705	Utility Fees	2.00
				Total requested: 8.00

The summary above displays the new Enterprise Fund positions included in the Budget.

Millage Rate and Impact on Taxes

Millage is the rate used to calculate ad valorem, the amount of property taxes to be levied. One mil equals one dollar for every thousand dollars of taxable property value. Florida Statutes provide the mechanism and process by which taxing authorities levy ad valorem. Per statute there is a 10-mil cap for the countywide millage rate. Hernando County has Municipal Service Taxing Units (MSTUs), which have a 10-mil cap when combined. In prior years, the County's combined millage rate (countywide and MSTUs together) provides a more balanced overall tax rate comparison. The MSTUs were established to provide ad valorem funding to the unincorporated area of Hernando County for fire rescue services and stormwater maintenance. More information on the Millage rates can be found in sections I - B11 & I - B12 of the Budget Book.

More information regarding the calculation of assessed property values can be obtained by contacting the Hernando County Property Appraiser's Office: [Home - Hernando County Property Appraiser](#)

Fund Structure Analysis

The budget must be balanced; hence, revenues must equal to expenditures. Line-item detail is established for revenues and expenditures to conform to Governmental Accounting Standards Board (GASB), General Accepted Accounting Principles (GAAP), and Florida's Uniform Accounting System (FUAS) for counties. Adhering to these established standards creates consistency in financial reporting. Governmental entities are required to have proper separation and accountability of resources.

To maintain appropriate separation, the budget is comprised of more than 100 funds. For accounting purposes, and to simplify the information, the funds are categorized into six groups by the type of funding:

General Fund

The General Fund is the largest Countywide fund representing almost one-third (25%) of the total budget. The total for FY26 is \$243,365,750. Funding for operating costs related to animal services, parks, libraries, Constitutional Officers, facilities, and other County services comes primarily from this fund. The General Fund has numerous sources of revenue, the greatest being from ad valorem

taxes. Fund balance in this fund represents the County's Committed Reserves for operating expenditures.

The General Fund is the major operating fund for Countywide operations (Administration, Legal, Library, Parks and Recreation, Emergency Management, Facilities Maintenance, Constitutional Officers, and Judicial).

Special Revenue Funds

Special Revenue Funds represent funding from specific revenue sources that are restricted, or committed, to expenditures for specified purposes, other than debt service or capital projects, within the County. County departments reflected in this category are; Hernando County Fire & Emergency Services, Public Works (stormwater and road maintenance), Mosquito Control, Tourism, Affordable Housing, Health Department, Inmate Revenue Fund, Judicial, Law Enforcement Funds and various Multi Service Benefit Units (MSBU).

Special Revenue Funds are for a specific purpose: Fire Rescue, Public Works, etc.

Debt Service Funds

Debt Service Funds are established to provide the required funding source for the County's accounting transactions related to debt that has been incurred. These funds represent the principal, interest, and any other required costs on an annual basis.

Debt, and Capital Project Funds are self-explanatory as to their primary purpose.

Enterprise Funds

Enterprise Funds are those funds that collect fees and provide a direct service to customers. Building, Utilities, Solid Waste (Landfill) and Airport are the departments funded by fees and charges for those services provided to residents.

Enterprise Funds are those operations that are funded by a fee that supports the services provided; Utilities, Solid Waste, Building Department, and Airport Operations are all enterprise funds.

Internal Service Funds

Internal Service Funds reflect activities within County operations that are provided internally to other departments and charged to offset the expense. The largest Internal Service Fund is the County's medical self-insurance. Each department is charged for the expenditure, per employee, depending upon the type of coverage the employee has. The next largest fund is the Fleet Replacement Fund. Internal Service funds make up 7.2% of the FY25 budget.

The Internal Service Fund reflects the County's self- insured activities, as well as the internal maintenance activities for vehicles and equipment.

Capital Funds

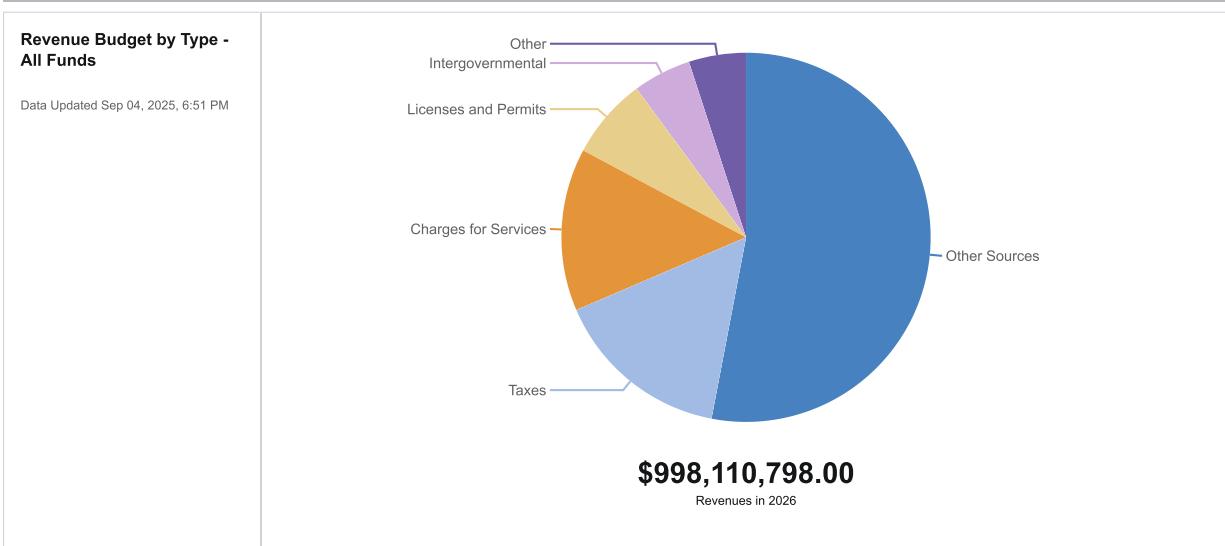
Hernando County's various Impact Fee funds are used to provide funding for design and constructoin of various capital projects related to growth within the County. The projects must be within the established districts or restrictions set up with each fund through local ordinance.

Some departments have multiple funding types. Summary for All Funds by Type of Fund table below summarizes the total budget appropriation by the established fund categories:

Summary for All Funds by Type of Fund

	2019 - 20 Adopted Budget	2020 - 21 Adopted Budget	2021 - 22 Adopted Budget	2022 - 23 Adopted Budget	2023 - 24 Adopted Budget	2024 - 25 Adopted Budget	2025 - 26 Budget
Enterprise	\$190,680,587	\$183,637,862	\$195,827,697	\$217,563,938	\$276,539,558	\$365,845,869	\$375,051,304
Special Revenue	\$151,020,564	\$152,821,657	\$183,244,559	\$189,022,610	\$206,646,086	\$248,386,008	\$269,698,642
General Fund	\$123,212,691	\$139,729,157	\$180,313,663	\$187,696,682	\$202,249,885	\$231,040,830	\$243,365,750
Internal Service	\$43,752,751	\$41,101,477	\$43,739,866	\$44,696,658	\$56,020,526	\$67,720,718	\$75,339,586

	2019 - 20 Adopted Budget	2020 - 21 Adopted Budget	2021 - 22 Adopted Budget	2022 - 23 Adopted Budget	2023 - 24 Adopted Budget	2024 - 25 Adopted Budget	2025 - 26 Budget
Capital	\$15,770,441	\$19,027,423	\$17,832,769	\$20,879,647	\$21,096,320	\$22,977,054	\$31,489,681
Debt Service	\$3,678,215	\$3,661,172	\$2,147,822	\$2,044,032	\$4,820,779	\$4,374,880	\$3,165,835
TOTAL	\$528,115,249	\$539,978,748	\$623,106,376	\$661,903,567	\$767,373,154	\$940,345,359	\$998,110,798



Revenues and Expenditures

County revenue and expenditure categories are established by following the State of Florida Uniform Accounting System Chart of Accounts. All fund categories contain line-item details for revenues and expenditures based upon the state guidelines, as previously mentioned. Separation of revenues by type and fund allows for maximum transparency and accountability. Revenues that are received from the State are based upon various formulas and can vary from year-to-year. The State provides estimates which the County takes into consideration when developing the budget. Utilizing the State estimates, prior year actual collections, and any other known factor(s) that may impact revenues are all part of the budget development process.

Summary of Revenues by Revenue Type Table below is a summary of the revenues reflected in the FY26 Adopted Budget:

Summary of Revenues by Revenue Type

	2021 - 22 Adopted Budget	2022 - 23 Adopted Budget	2023 - 24 Adopted Budget	2024 - 25 Adopted Budget	2025 - 26 Budget
Other Sources	\$311,033,950	\$320,375,481	\$375,215,296	\$474,427,757	\$528,968,459
Taxes	\$106,806,102	\$120,174,683	\$134,400,186	\$144,199,862	\$155,280,853
Charges for Services	\$93,015,543	\$100,163,761	\$113,826,412	\$128,853,393	\$142,213,038
Licenses and Permits	\$50,276,840	\$53,555,993	\$59,952,165	\$66,701,272	\$70,777,816
Intergovernmental	\$32,655,007	\$39,428,673	\$47,849,412	\$58,867,929	\$50,856,940
Transfers	\$22,553,355	\$21,917,271	\$28,790,030	\$58,981,081	\$36,417,065
Miscellaneous	\$6,401,905	\$5,885,381	\$6,927,324	\$7,688,496	\$12,976,758
Fines and Forfeitures	\$363,674	\$402,324	\$412,329	\$625,569	\$619,869
TOTAL	\$623,106,376	\$661,903,567	\$767,373,154	\$940,345,359	\$998,110,798

Fluctuations between the FY25 Adopted Budget and the FY26 Adopted Budget are as follows (only significant changes are listed):

- **Other Sources** - Balance Forward Cash increased due to the actual reserve dollar amount increasing.
- **Taxes - Ad Valorem Taxes** - Hernando County had a 11.31% increase in taxable value reported by the Property Appraiser. Gas Taxes and Communications Service Taxes all have estimated increases, based on collections.
- **Charges for Services** - Anticipated increase in most fees. Solid Waste and garbage collection fees had an increase in rate. Fire and Emergency Services also increased their fire assessments by 5.75%, based on a study conducted during FY25.
- **Licenses and Permits** - Increased growth in the County has caused planning and zoning permits, along with building permits, to increase substantially.
- **Intergovernmental** - State Shared Revenue and Local Sales & Use Taxes

- **Transfers** – transfers compensate internal services funds and the increased costs allocated to the various departments. They also increased due to transfers between base funds and debt/transfer departments associated with projects and for grant matches.
- **Miscellaneous** – Lease revenues.
- **Fines and Forfeitures** – Revenue projections based on collections of fines and fees.

Revenue Budget by Type - All Funds

	2021 - 22 Adopted Budget	2022 - 23 Adopted Budget	2023 - 24 Adopted Budget	2024 - 25 Adopted Budget	2025 - 26 Budget
Other Sources					
Balance Forward Cash	\$263,309,698	\$282,737,329	\$326,682,458	\$372,065,928	\$431,557,144
Loan Proceeds	\$30,143,438	\$3,343,578	\$9,057,056	\$63,374,465	\$78,220,263
Proprietary Non-Operating	\$12,440,808	\$28,495,984	\$34,091,982	\$33,422,564	\$10,887,252
Intragovernmental Transfers	\$5,140,006	\$5,798,590	\$5,383,800	\$5,564,800	\$8,303,800
OTHER SOURCES TOTAL	\$311,033,950	\$320,375,481	\$375,215,296	\$474,427,757	\$528,968,459
Taxes					
Ad Valorem	\$95,878,202	\$108,466,075	\$121,983,576	\$131,111,422	\$141,873,873
Local Option Fuel Tax	\$7,463,951	\$7,776,507	\$7,996,919	\$8,417,820	\$8,528,570
Local Option	\$1,182,355	\$1,581,905	\$2,000,000	\$2,240,000	\$2,427,731
Communications Services Taxes	\$1,450,478	\$1,479,488	\$1,509,078	\$1,520,000	\$1,520,000
County Voted Fuel Tax	\$831,116	\$870,708	\$910,613	\$910,620	\$930,679
TAXES TOTAL	\$106,806,102	\$120,174,683	\$134,400,186	\$144,199,862	\$155,280,853
Charges for Services					
Physical Environment	\$44,651,512	\$48,951,222	\$51,442,738	\$51,967,912	\$61,352,445
General Government	\$31,268,048	\$33,406,769	\$39,312,513	\$50,786,083	\$53,712,294
Public Safety	\$12,944,888	\$13,379,937	\$18,335,844	\$20,156,499	\$20,991,087
Other General Government	\$1,239,948	\$1,270,300	\$1,269,350	\$1,571,083	\$1,507,250
Transportation User Fees	\$821,210	\$945,741	\$1,001,875	\$1,169,946	\$1,765,983
Culture/Recreation	\$843,325	\$841,600	\$858,745	\$841,815	\$806,918
County Officer Commission and Fees	\$336,500	\$447,000	\$627,350	\$1,192,518	\$877,508
Court-Related	\$638,506	\$626,192	\$630,997	\$631,747	\$626,192
Human Services	\$191,200	\$196,000	\$196,000	\$385,790	\$409,700
Other Charges for Services	\$80,406	\$98,000	\$150,000	\$150,000	\$163,661
Economic Environment	\$0	\$1,000	\$1,000	\$0	\$0
CHARGES FOR SERVICES TOTAL	\$93,015,543	\$100,163,761	\$113,826,412	\$128,853,393	\$142,213,038
Licenses and Permits					
Special Assessments	\$43,664,191	\$44,576,192	\$50,917,675	\$56,250,749	\$59,654,130
Permits	\$4,139,749	\$5,306,391	\$5,773,341	\$6,307,194	\$7,204,416
Impact Fees	\$2,421,000	\$3,619,202	\$3,191,949	\$4,076,229	\$3,841,870
Franchise Fees	\$24,000	\$24,000	\$36,000	\$38,000	\$38,000
Other Permits and Fees	\$27,900	\$30,208	\$33,200	\$29,100	\$39,400
LICENSES AND PERMITS TOTAL	\$50,276,840	\$53,555,993	\$59,952,165	\$66,701,272	\$70,777,816
Intergovernmental					
State Revenue Sharing	\$21,047,942	\$22,526,888	\$24,872,985	\$24,711,149	\$25,877,573
Federal Grants	\$7,699,809	\$7,736,896	\$12,235,536	\$20,719,154	\$18,049,148
State Grants	\$2,159,276	\$7,964,889	\$9,540,891	\$12,197,626	\$5,730,219
Local Government	\$1,747,980	\$1,200,000	\$1,200,000	\$1,240,000	\$1,200,000
INTERGOVERNMENTAL TOTAL	\$32,655,007	\$39,428,673	\$47,849,412	\$58,867,929	\$50,856,940
Transfers					
Transfers - Between Funds	\$20,906,347	\$20,042,426	\$25,449,916	\$52,395,902	\$34,478,062
Transfers - Same Fund	\$1,647,008	\$1,874,845	\$3,340,114	\$6,585,179	\$1,939,003
TRANSFERS TOTAL	\$22,553,355	\$21,917,271	\$28,790,030	\$58,981,081	\$36,417,065
Miscellaneous					
Rents and Royalties	\$3,674,524	\$3,910,001	\$4,166,650	\$4,270,246	\$4,156,573
Other Miscellaneous	\$1,144,878	\$1,202,545	\$1,786,764	\$2,114,031	\$7,412,266
Interest and Other Earnings	\$1,059,826	\$438,009	\$502,325	\$827,084	\$907,559
Disposition of Fixed Assets	\$200,000	\$75,500	\$296,585	\$300,550	\$321,500
Sale of Surplus Materials	\$86,000	\$137,000	\$162,000	\$163,535	\$165,810

	2021 - 22 Adopted Budget	2022 - 23 Adopted Budget	2023 - 24 Adopted Budget	2024 - 25 Adopted Budget	2025 - 26 Budget
Donations-Private Sources	\$236,677	\$122,326	\$13,000	\$13,050	\$13,050
MISCELLANEOUS TOTAL	\$6,401,905	\$5,885,381	\$6,927,324	\$7,688,496	\$12,976,758
Fines and Forfeitures					
Local Ordinance Violations	\$160,500	\$191,000	\$196,000	\$384,200	\$370,500
Other	\$202,600	\$210,750	\$215,750	\$240,745	\$248,745
Court Ordered	\$574	\$574	\$579	\$624	\$624
FINES AND FORFEITURES TOTAL	\$363,674	\$402,324	\$412,329	\$625,569	\$619,869
TOTAL	\$623,106,376	\$661,903,567	\$767,373,154	\$940,345,359	\$998,110,798

This section will provide a written summary of major changes in the budget, from year-to-year, as displayed on the report table titled, "FY 26 Adopted Budget 3-year comparison".

The increases or (decreases) in FY26 compared to FY25 are as follows (only significant changes are listed):

- **Reserves** – The Board direction has been to build toward and maintain the General Fund at 25% reserves. The balance forward cash, displayed in the table above, shows the increase in the reserve balance for all funds. The General Fund reserve summary can be found in section II – E5.
- **Capital Outlay** – Decreased due to the number of projects getting completed in the prior fiscal year and due to increased construction costs that make it difficult to fund some projects.
- **Operating Expense** – The increase in costs is due to inflation and the current economic environment, along with an increase in needs associated with growth.
- **Personnel Services** – The increases are derived from new positions, as displayed above, and the increased costs of labor. Specifically, the Florida Retirement System (FRS) requires mandatory increases and insurance costs also increased.
- **Non-Operating** – Increase in Constitutional Budget, as shown above.
- **Transfers** – Decreased for transfers associated with CIP projects, as many of them were completed in the prior fiscal year.
- **Debt Services** – Debt service decreased due to the payment amortization schedules and due to the debt service fund (2071) debt payments finishing in the prior fiscal year.
- **Grants & Aid** – Decreased, due to less funding available.

Future Consideration

Looking forward, the challenge for Economic Development is to maintain and increase funding to provide the infrastructure necessary for companies to be successful.

The County has prioritized widening and increasing capacity on roadways, due to the growth in the County. The County has paused the limestone paving program to provide additional funding for the roadway capacity program. As the County continues to grow, the funding source for roadway expansion will need to be increased to lessen the congestion that will transpire. The County will also need to balance the need for increased services & the applicable budgetary impact, derived from growth, with future expectations and the BOCC's goal of minimizing property tax increases. The County has initiated a strategic planning process to help create that vision, using data and analysis, that incorporates the input of all stakeholders and leaders.

As mentioned above, the County is experiencing, and will continue to experience, a high growth rate. There are numerous subdivisions under construction and several more being planned that will increase the number of residents in the County. While residential growth will bring increased revenue, the need for increased services usually exceeds the associated revenue growth. As a result, the increased residential growth will need to be complimented by a growth in commercial businesses to maintain, and lower, the rate of taxes in the County.

Another area of concern in FY26 associated with the growth in the County is the balance of operating cost increases and construction cost increases that need additional revenue for same level of service. Increased cost of construction projects has led the County to be unable to move

forward on all planned projects, including many maintenance and repair projects that can only be delayed for so long. Some of those projects were incorporated into the FY26 budget; however, there is always a finite amount of resources available that requires projects to be prioritized over others. The County impact fee costs have not increased with the cost of construction; thus, increasing the portion of the cost on the non-impact fee revenue source.

Further, there is an increased demand for additional services and resources associated with recreation areas, animal shelter space, landfill space, water supply, and other areas, due to growth occurring at a significant rate. The County must automate job tasks, when possible, and add additional staff to maintain same level of support, if necessary.

As a long-term strategy, the County must look at alternate revenue sources, such as General Obligation (GO) bonds, Impact Fees, and Payment in leu of Taxes (PILOT) from Utilities and Solid Waste and ensure they are kept current with the rising cost of operation and construction.



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