



## Informational Memo

### Management Services - Memo No. 26-053

**Date:** January 20, 2026

**To:** Mayor and Council

**Thru:** John Pombier, City Manager *JP*  
Dawn Lang, Deputy City Manager/CFO *DLL*

**From:** Matt Dunbar, Budget & Policy Director *MD*

**Subject:** Fiscal Year (FY) 2025-26 General Fund Revenue Summary, Sales Tax Collection Report, and Expenditure Reports through December 2025

Attached are the FY 2025-26 General Fund Revenue and Expenditure Reports for the period ending December 31, 2025.

Included with this memo are the following attachments:

- Attachment 1 – General Fund Revenue Summary
- Attachment 2 – Local Sales Tax Revenue Five-Year Comparison
- Attachment 3 – Local Sales Tax Revenue by Class
- Attachment 4 – Local Sales Tax Revenue Month-by-Month Comparison to Prior Year
- Attachment 5 – General Fund Expenditure Summary

The General Fund Revenue Summary (Attachment 1) gives a budget to actual comparison of revenues through December 2025. This month reflects a 2.3% increase in total General Fund revenues from the budgeted revenues we would have anticipated being received to date based on historical trends, and a 3.3% decrease over the same period of the prior year.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax (Attachments 1-4) shown in this report reflect November TPT reported/received in December. Year to date (YTD) collections in Local TPT, State Shared TPT and Urban Revenue Sharing all came in slightly below anticipated budget through December, while Vehicle License Tax came in slightly over budget. It is important to note that fluctuations related to development/contracting are considered one-time, since once the developments are completed, the related permit and local TPT collections cease. The Local TPT collections through December 2025 reflect a small decrease of 0.6% below budget, and a -5.4% decrease compared to prior-year actuals which was anticipated with the complete removal of the

residential rental tax. Also, when comparing the TPT collections received in December 2025 to the same month in the prior year, collections are down 5.0%.

Finally, the FY 2025-26 General Fund Expenditure Summary (Attachment 5) report reflects the percentage of adjusted budget expended and encumbered through December 2025. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 55.3% spending through December 2025, compared to 52.5% for the same period last year.

Should you have any questions regarding this information, please contact Dawn Lang at x2255 or Matt Dunbar at x2256.

Attachments: FY 2025-26 General Fund Monthly Revenue and Expenditure Reports through December 2025

c: Tadd Wille, Assistant City Manager  
Ryan Peters, Deputy City Manager  
Leah Powell, Deputy City Manager

## General Fund Revenue Summary

### FY 2025-26 Year-To-Date Actuals Through December 2025

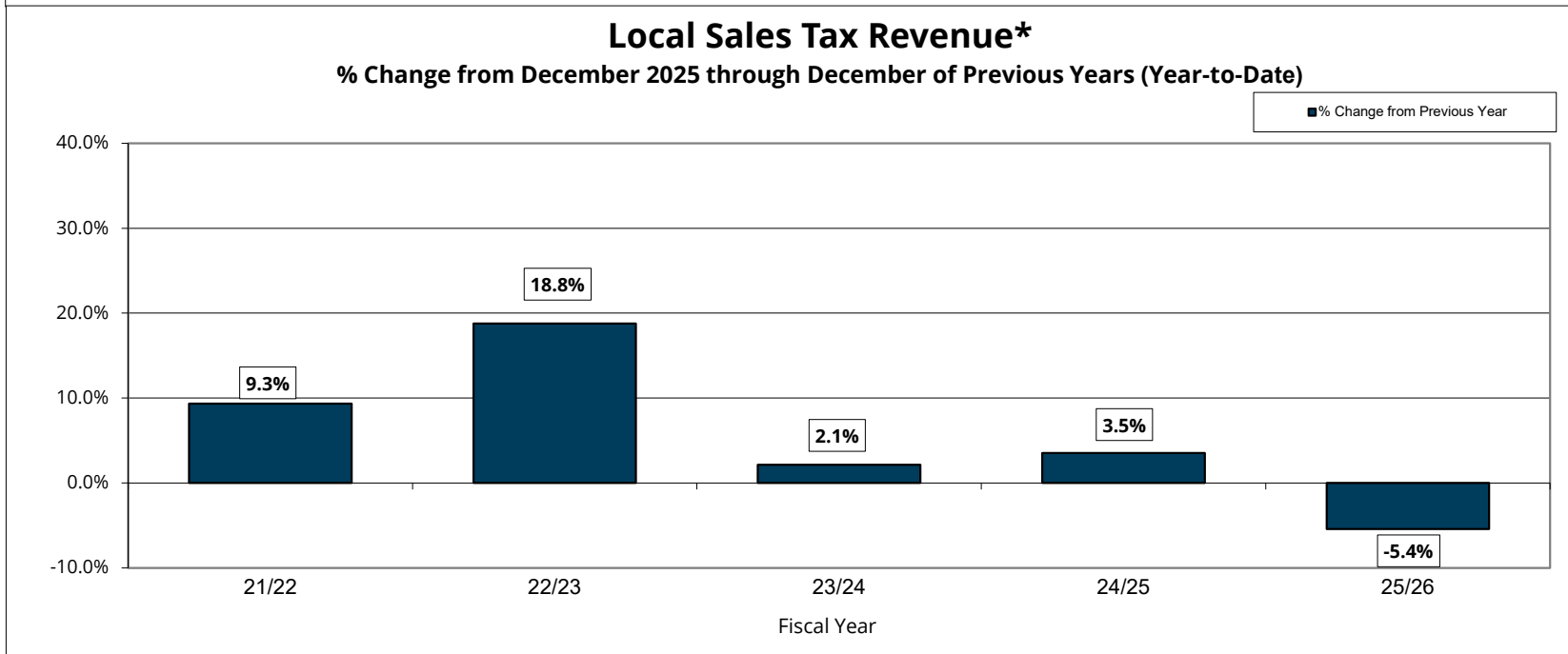
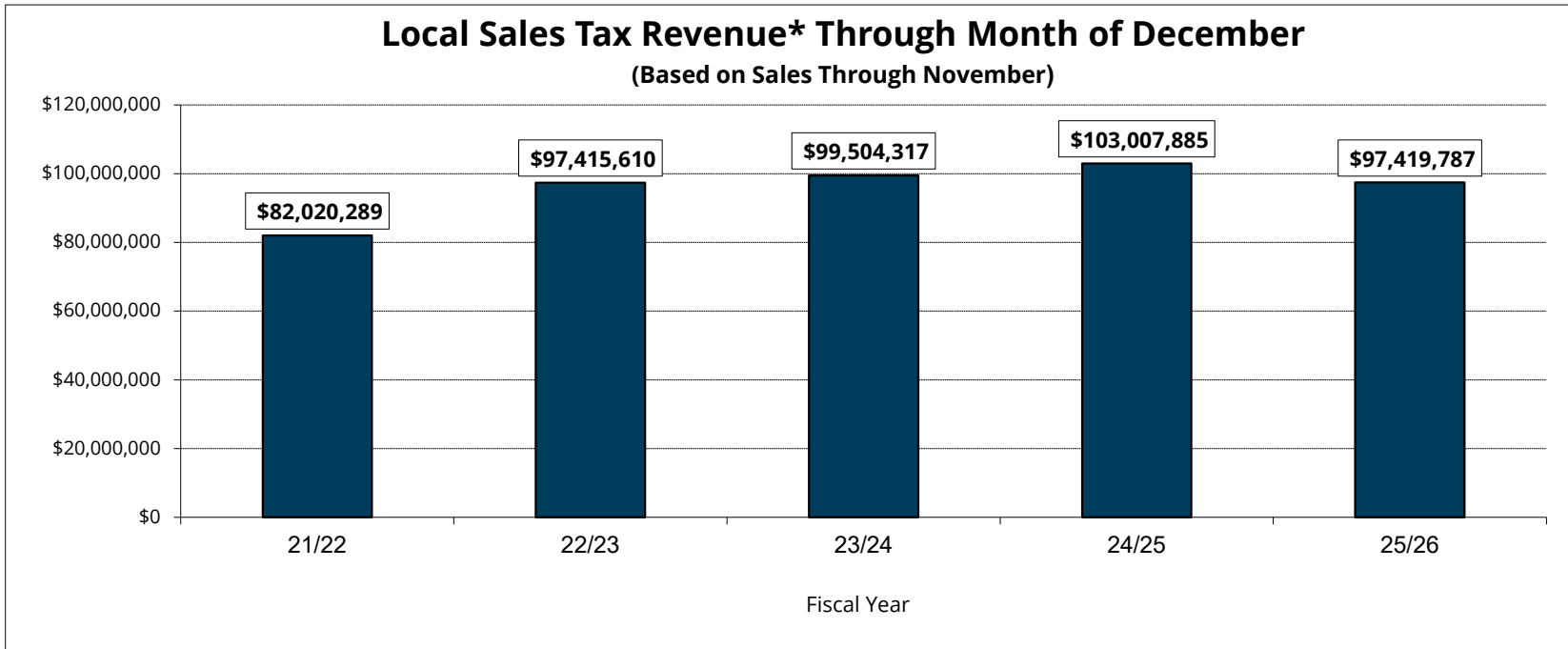
	Budget		Actuals			Comparison to Prior Year Actuals		
General Fund Revenues	FY 2025-26 Adopted Budget	FY 2025-26 Budget Prorated Based on Historical Trend	FY 2025-26 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	FY 2024-25 Actual Revenues for Same Period	Difference + or - from FY 2024-25 to FY 2025-26	% Change of Actuals to Same Period FY 2024-25
Local Sales Tax Collections	201,500,000	98,044,263	97,419,787	(624,476)	-0.6%	103,007,885	(5,588,098)	-5.4%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,338,400	1,100,411	1,905,675	805,264	73.2%	1,090,861	814,814	74.7%
Total Local Sales Tax Revenue	\$ 203,838,400	\$ 99,144,675	\$ 99,325,463	\$ 180,788	0.2%	\$ 104,098,746	\$ (4,773,284)	-4.6%
Franchise Fees	3,190,000	708,590	770,734	62,144	8.8%	742,444	28,290	3.8%
Primary Property Taxes	8,785,177	4,530,398	4,766,438	236,040	5.2%	4,209,876	556,562	13.2%
State Shared Sales Tax Revenue	43,186,000	19,220,253	18,857,149	(363,104)	-1.9%	18,999,449	(142,300)	-0.7%
Vehicle License Tax	15,160,000	6,569,596	6,730,206	160,610	2.4%	6,516,060	214,146	3.3%
Urban Revenue Sharing	55,747,000	27,798,827	27,408,333	(390,494)	-1.4%	29,799,674	(2,391,341)	-8.0%
Smart and Safe	1,032,994	298,729	723,196	424,467	142.1%	777,585	(54,389)	-7.0%
Public Safety State Allocation*	-	-	55,850	55,850	0.0%	-	55,850	0.0%
Licenses & Permits	7,710,300	3,038,029	4,653,501	1,615,472	53.2%	7,247,038	(2,593,537)	-35.8%
Charges for Services	19,928,507	7,452,115	7,314,447	(137,668)	-1.8%	6,255,109	1,059,338	16.9%
Fines & Forfeitures	3,851,400	1,774,326	1,983,457	209,131	11.8%	1,933,505	49,952	2.6%
Interest & Investments	8,900,000	2,831,875	5,561,489	2,729,614	96.4%	3,738,664	1,822,825	48.8%
Other Revenues	2,677,989	1,338,995	621,772	(717,223)	-53.6%	1,002,372	(380,600)	-38.0%
Indirect Cost	9,036,770	4,518,385	4,518,385	(0)	0.0%	4,266,141	252,244	5.9%
<b>Total General Fund Revenues</b>	<b>\$ 383,044,537</b>	<b>\$ 179,224,792</b>	<b>\$ 183,290,419</b>	<b>\$ 4,065,627</b>	<b>2.3%</b>	<b>\$ 189,586,662</b>	<b>\$ (6,296,244)</b>	<b>-3.3%</b>
<b>Prior Month</b>	<b>\$ 383,044,537</b>	<b>\$ 147,855,926</b>	<b>\$ 152,070,449</b>	<b>\$ 4,214,523</b>	<b>2.9%</b>	<b>\$ 155,729,952</b>	<b>\$ (3,659,503)</b>	<b>-2.3%</b>
<b>Change from Prior Month</b>	<b>\$ -</b>	<b>\$ 31,368,866</b>	<b>\$ 31,219,970</b>	<b>\$ (148,897)</b>	<b>-0.6%</b>	<b>\$ 33,856,710</b>	<b>\$ (2,636,741)</b>	<b>-1.0%</b>

Note:

FY 2025-26 Adopted Budget excludes one-time Interfund Transfers-In of \$575,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 401.

\*A total of \$111,725 is expected from SB1147 awarding the Chandler Police Department to purchase Peregrine software. No additional funding is anticipated in the current FY.

**Attachment 1**



**\*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.**

## Sales Tax Revenue By Class

Through December Each Year (Year-to-Date)

Sales Tax Category	FY24-25 % of Total	% Chg Fm PY	FY 2025-26	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22
Utilities	10.5%	5.5%	\$ 12,920,753	15.4%	\$ 12,252,336	8.2%	\$ 10,620,487	3.1%	\$ 9,811,697	2.5%	\$ 9,513,722
Telecommunications	0.8%	-12.3%	\$ 792,355	-10.8%	\$ 903,973	27.3%	\$ 1,013,630	-2.2%	\$ 796,420	-14.5%	\$ 814,606
Publishing / Advertising / Printing / Transportation	0.1%	-8.3%	\$ 92,153	8.8%	\$ 100,540	-19.7%	\$ 92,446	14.7%	\$ 115,188	-1.3%	\$ 100,439
Restaurants & Bars	9.4%	2.3%	\$ 9,237,174	4.2%	\$ 9,025,763	5.4%	\$ 8,658,209	10.5%	\$ 8,215,960	29.2%	\$ 7,437,778
Amusements	1.0%	-1.3%	\$ 891,247	21.0%	\$ 903,233	11.2%	\$ 746,599	28.0%	\$ 671,200	85.6%	\$ 524,539
Real Property Rentals	10.3%	-40.1%	\$ 7,499,855	3.0%	\$ 12,514,820	8.9%	\$ 12,150,388	11.8%	\$ 11,153,133	8.7%	\$ 9,974,133
Tangible Personal Property Rentals	3.1%	51.5%	\$ 4,582,020	-18.5%	\$ 3,024,342	57.2%	\$ 3,712,195	15.6%	\$ 2,361,484	11.3%	\$ 2,043,044
Hotels / Motels	3.3%	1.5%	\$ 2,718,304	2.9%	\$ 2,677,945	-2.4%	\$ 2,601,210	26.1%	\$ 2,664,144	72.4%	\$ 2,113,376
Contracting	9.5%	-42.4%	\$ 6,437,766	-13.7%	\$ 11,185,239	-2.3%	\$ 12,964,836	94.5%	\$ 13,266,635	-10.3%	\$ 6,819,591
Retail / Manufactured Buildings / Jet Fuel	48.6%	5.1%	\$ 49,573,873	2.4%	\$ 47,187,417	2.6%	\$ 46,074,312	13.9%	\$ 44,923,362	11.1%	\$ 39,437,214
Use Tax	3.4%	-17.3%	\$ 2,674,287	-271.5%	\$ 3,232,275	-74.7%	\$ 870,007	6.0%	\$ 3,436,388	-1.5%	\$ 3,241,846
<b>Total Sales Tax Revenue*</b>	<b>100.0%</b>	<b>-5.4%</b>	<b>\$ 97,419,787</b>	<b>3.5%</b>	<b>\$ 103,007,885</b>	<b>2.1%</b>	<b>\$ 99,504,317</b>	<b>18.8%</b>	<b>\$ 97,415,610</b>	<b>9.3%</b>	<b>\$ 82,020,289</b>

## Sales Tax Revenue By Class

Through December (Month-over-Month)

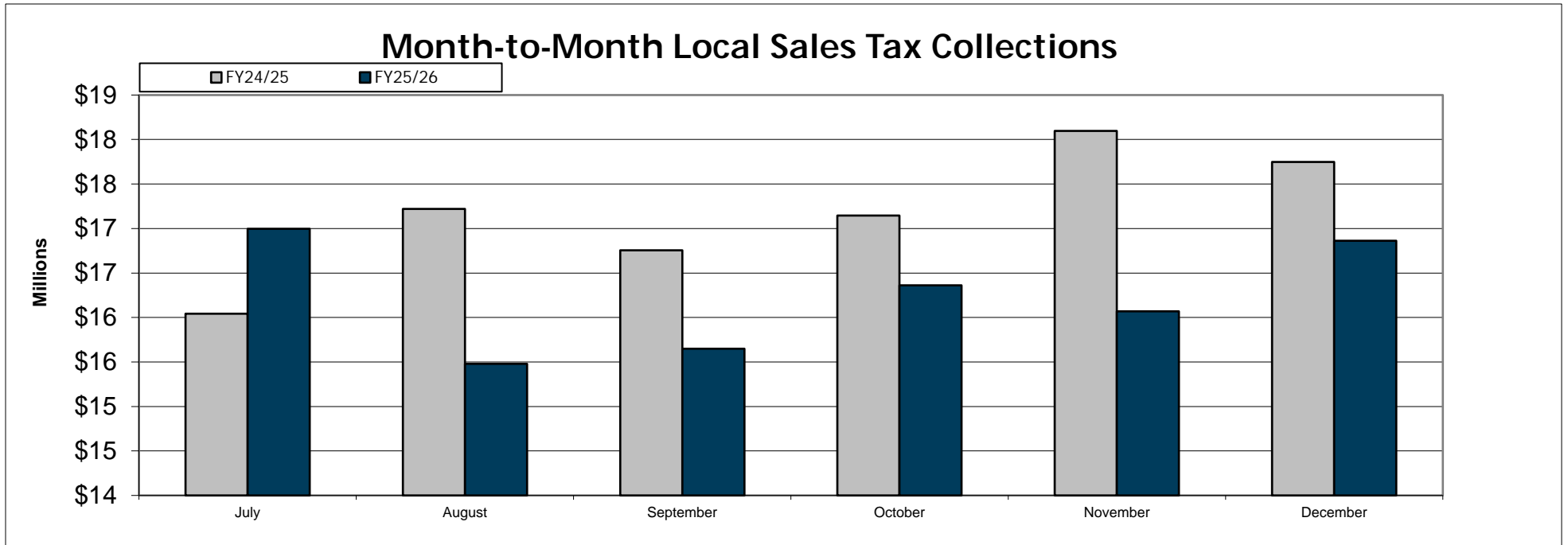
Sales Tax Category	% Chg Fm PY	FY 2025-26	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22
Utilities	7.8%	\$ 1,531,053	10.0%	\$ 1,420,189	14.2%	\$ 1,291,270	-10.3%	\$ 1,130,412	20.6%	\$ 1,260,493
Telecommunications	2.6%	\$ 129,344	-24.8%	\$ 126,123	36.5%	\$ 167,618	-6.8%	\$ 122,779	-11.7%	\$ 131,743
Publishing / Advertising / Printing / Transportation	-29.6%	\$ 13,700	29.0%	\$ 19,450	-35.4%	\$ 15,074	22.5%	\$ 23,321	-16.9%	\$ 19,040
Restaurants & Bars	5.4%	\$ 1,638,005	4.7%	\$ 1,554,390	4.1%	\$ 1,483,987	13.2%	\$ 1,425,019	20.7%	\$ 1,258,316
Amusements	-8.5%	\$ 137,161	29.8%	\$ 149,862	8.7%	\$ 115,428	15.1%	\$ 106,198	16.4%	\$ 92,305
Real Property Rentals	-43.0%	\$ 1,298,166	4.0%	\$ 2,277,692	2.3%	\$ 2,189,649	13.7%	\$ 2,141,180	11.7%	\$ 1,883,901
Tangible Personal Property Rentals	170.1%	\$ 1,385,547	1.0%	\$ 513,055	35.8%	\$ 507,741	-0.3%	\$ 373,786	40.6%	\$ 375,021
Hotels / Motels	12.4%	\$ 649,295	6.2%	\$ 577,688	-13.6%	\$ 544,014	43.0%	\$ 629,889	82.8%	\$ 440,618
Contracting	-61.1%	\$ 714,020	12.4%	\$ 1,833,187	-42.5%	\$ 1,630,901	116.9%	\$ 2,835,997	-31.4%	\$ 1,307,280
Retail / Manufactured Buildings / Jet Fuel	1.2%	\$ 8,871,513	9.2%	\$ 8,766,898	5.1%	\$ 8,024,739	4.5%	\$ 7,637,797	14.1%	\$ 7,309,798
Use Tax	-2.9%	\$ 494,157	8.7%	\$ 508,882	12.8%	\$ 557,503	-27.6%	\$ 494,391	-1.4%	\$ 683,300
<b>Total Sales Tax Revenue*</b>	<b>-5.0%</b>	<b>\$ 16,861,960</b>	<b>7.4%</b>	<b>\$ 17,747,416</b>	<b>-2.3%</b>	<b>\$ 16,527,924</b>	<b>14.6%</b>	<b>\$ 16,920,770</b>	<b>9.1%</b>	<b>\$ 14,761,816</b>

\*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.

# Local Sales Tax Revenue

Monthly Actuals Compared to Prior Year

Local Sales Tax Collections *	Monthly Collections FY24/25	Monthly Collections FY25/26	\$ Difference + / ( - ) FY24/25 over FY25/26	% Difference + / ( - ) FY24/25 over FY25/26
July	16,041,259	16,997,601	956,342	6.0%
August	17,219,415	15,480,337	(1,739,078)	-10.1%
September	16,754,892	15,649,408	(1,105,483)	-6.6%
October	17,146,827	16,361,157	(785,669)	-4.6%
November	18,098,076	16,069,324	(2,028,752)	-11.2%
December	17,747,416	16,861,960	(885,456)	-5.0%
Totals	\$ 103,007,885	\$ 97,419,787	\$ (5,588,097)	-5.4%



*\*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.*

# General Fund Expenditure Summary

## Thru December 2025

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru December 2025	Percentage of Adjusted Budget Expended & Encumbered Thru December 2025	Percentage of Adjusted Budget Expended & Encumbered Thru December 2024	Over/Under Last Year's Percentage
City Clerk	\$ 1,820,422	\$ 1,842,264	\$ 1,008,943	54.8%	44.8%	10.0%
City Manager and Organization Support <sup>(1)</sup>						
City Manager	2,518,121	2,579,991	1,474,818	57.2%	47.9%	9.3%
Buildings & Facilities	9,825,128	10,201,107	6,325,332	62.0%	64.2%	-2.2%
Connection & Impact <sup>(2)</sup>	772,172	837,853	340,443	40.6%	39.3%	1.3%
Cultural Development	5,354,380	5,689,450	3,088,826	54.3%	49.5%	4.8%
Economic Development	2,402,586	2,452,718	1,292,074	52.7%	62.8%	-10.1%
Fleet Services	1,573,340	1,611,043	841,350	52.2%	50.6%	1.6%
Human Resources	2,855,446	2,946,632	1,538,817	52.2%	52.4%	-0.2%
Transportation Policy	3,142,701	3,206,101	1,661,926	51.8%	41.9%	9.9%
Communications & Public Affairs	4,041,629	4,524,639	2,066,172	45.7%	51.9%	-6.2%
Community Services	41,260,816	42,700,187	24,526,962	57.4%	52.8%	4.6%
Development Services	14,989,060	16,968,685	7,344,527	43.3%	42.8%	0.5%
Fire	44,625,913	47,998,586	28,487,140	59.3%	53.2%	6.1%
Information Technology	28,091,564	33,759,301	21,438,614	63.5%	53.5%	10.0%
Law	4,983,964	5,118,254	2,698,376	52.7%	48.8%	3.9%
Magistrate	5,766,537	6,054,229	3,186,470	52.6%	47.3%	5.3%
Management Services	8,915,629	9,222,314	4,808,719	52.1%	47.8%	4.3%
Mayor and Council	1,403,336	1,454,804	707,596	48.6%	46.4%	2.2%
Neighborhood Resources	9,618,384	11,175,420	6,616,902	59.2%	58.1%	1.1%
Police	97,245,804	104,476,515	59,716,498	57.2%	52.9%	4.3%
Public Works & Utilities	6,392,740	7,802,966	4,138,315	53.0%	60.5%	-7.5%
Non-Departmental (Personnel Services and O&M)	47,879,363	39,239,500	16,825,902	42.9%	47.5%	-4.6%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 345,479,035</b>	<b>\$ 361,862,559</b>	<b>\$ 200,134,722</b>	<b>55.3%</b>	<b>52.5%</b>	<b>2.8%</b>
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	15,363,725	3,130,725	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	56,424,600	23,706,481	-	0.0%	0.0%	0.0%
<b>Total General Fund Expenditures</b>	<b>\$ 417,267,360</b>	<b>\$ 388,699,765</b>	<b>\$ 200,134,722</b>	<b>51.5%</b>	<b>46.6%</b>	<b>4.9%</b>

<sup>(1)</sup> Organization Support includes Buildings and Facilities, Economic Development, Connection & Impact, Fleet Services, Human Resources, Transportation Policy and Cultural Development.

<sup>(2)</sup> Diversity, Equity, & Inclusion division of the City Managers Office renamed to Connection & Impact, effective September 2025.

**Adopted Budget:** Includes estimated reserves for encumbrance carryforward from the previous fiscal year and full Council approved reserve/contingency established in the budget.

**Adjusted Budget:** Includes movement of estimated reserves for encumbrance appropriation to departments based on actual end-of-year encumbrances and Council approved contingency transfers. Reserves/Contingency appropriation cannot be spent from Reserve/Contingency

**NOTE:** The total Adopted budget compared to the total Adjusted budget always equals when viewing **all** funds. When looking at the General Fund only, it is not uncommon for the amounts to differ. This is due to estimated carryforward appropriation, personnel adjustment appropriation or Council approved contingency transfers being moved to other funds, as directed by Council and authorized by the Budget Resolution.