



Fiscal Year (FY July 1- June 30)

26-27

"Adding Sense to Dollars"

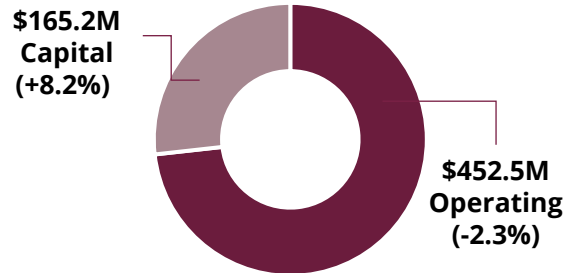
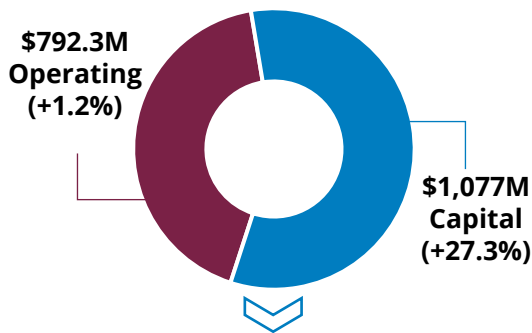
The FY 2026-27 Proposed budget was formed with a targeted strategy to reduce long-term costs, improve service quality, and protect taxpayers through "future proofing" measures. Maintaining service levels and infrastructure through high inflation without increasing taxes requires this strategic approach = **Investing Smarter to Continue Controlling Future Costs.**

Total Budget All Funds:

\$1.87B (+14.8%)

Total General Fund Only:

\$617.7M (+0.3%)



\$1,077M of Capital Budget (+27.3%) includes large projects that were approved in the last bond election including the Police Forensic Facility and Mesquite Groves Regional Park, as well as water treatment facility upgrades and costs to replace aging infrastructure that have increased capital investments in our community.

Recommended Changes to Full Time Equivalent (FTE) across all funds



49.3

Converted from One-Time funded to permanent, or Fully/Significantly **Offset by Revenue/Reallocations/Cost Savings**

13.5

Other GF positions, including Police, Fire, Parks, and Support Staff

Brings total FTE to 1,905.8

East valley cities average 9.1 FTE per 1,000 residents > Chandler will be at 6.6

Fulfills MOU obligations to sworn personnel in all three labor associations and allows for general employee adjustments

Fiscal Responsibility

- ✓ Budget is **structurally balanced** with NO increase to taxes; uses one-time and ongoing funds appropriately
- ✓ **Lowest Transaction Privilege Tax (TPT) or sales tax rate in Arizona** (1.5%)
- ✓ **Low property tax burden:** Primary rate reduced again now for 11 consecutive years, and capital program managed within unchanged secondary rate for over 10 years
- ✓ Maintains **the lowest overall cost of government among large valley cities** (per capita utility rates and taxes paid)
- ✓ Performs Modified Zero-Based Budgeting annually to ensure appropriate core service funding by line
- ✓ **The only Arizona city with the highest possible bond rating** (AAA) from all three rating agencies for General Obligation (GO) and Excise Tax Revenue Obligation (ETRO) bonds (means low cost of debt)
- ✓ Adjusts operating budgets to account for continued inflation on labor and materials, utilities, water purchases, chemicals, insurance, and contracted services

Investing in Efficiency

- ✓ Technology enhancements streamline operations and reduce manual workload (i.e., ERP replacement)
- ✓ **Fire rover staffing additions reduce overtime costs and employee fatigue**
- ✓ Funds city-wide software enhancements and support staff
- ✓ Enhances customer service with additional representatives in Utility Billing and Solid Waste customer service areas



Example categories demonstrating the benefits and efficiencies of Chandler's proposed budget and some example investments being made in the funding recommendations for each category.

Shifting Costs Off the General Fund

- ✓ Ambulance services transitions to a self-supporting enterprise model funded by service revenues and shifts eligible costs off the General Fund saving costs to taxpayers' long term
- ✓ Adds 30 positions and equipment to Ambulance Enterprise Fund and improves response quality and service

Improving Service Through Innovation

- ✓ Police drone program enhances response times and right-sizes deployments to calls
- ✓ Continues funding for Chandler Flex and expands access



Reducing Ongoing Contract Costs

- ✓ Solid waste and wastewater equipment investments reduce recurring contracted expenses
- ✓ IT and Engineer positions replace higher-cost contracts and consultants

Driving Revenue Growth

- ✓ Added **revenue generating positions** to improve service levels while not adding additional burden on taxpayers
- ✓ Tourism marketing and event advertising increases sales tax and economic activity



Protecting Prior Investments

- ✓ Operating funding ensures new and existing infrastructure is fully utilized and maintained
- ✓ Avoids inefficiencies from underfunded assets
- ✓ Continues funding for citywide fiber enhancements

Preventing/Reducing Future Costs

- ✓ Addition of Solar at various city facilities **will save almost \$1.5M in ongoing electricity costs**
- ✓ Commitment to pay-down Public Safety Personnel Retirement System (PSPRS) unfunded liability over 10 years using one-time monies **has reduced ongoing costs by \$12.3M annually**
- ✓ Adding positions to assist with preventative maintenance reduces expensive emergency repairs
- ✓ Urban forestry efforts reduce storm damage and replacement costs
- ✓ Funds significant Water and Wastewater facility improvements
- ✓ Enhances funding for street repaving to improve overall street quality
- ✓ Invests in cybersecurity and AI personnel and systems



Capital Investment Focus

- ✓ Forensic facility will add services, water treatment upgrades will protect residents, and infrastructure replacement ensures availability and avoids higher future replacement and repair costs
- ✓ Delivering on promises to maintain infrastructure and complete bond funded projects
- ✓ Chandler has not "kicked the can" like some communities, **addresses \$7.5M in facility repair needs and renovations**, including HVAC systems, fire alarm and control, lighting upgrades, electrical and plumbing, and painting projects
- ✓ Chandler forecasts for future Operations & Maintenance on new capital, not building unless existing revenues can support it