CHANDLER
arizona

Informational Memo

Management Services - Memo No. 26-075

Date: March 16, 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 February 2026

Attached are the FY 2025-26 General Fund Revenue and Expenditure Reports for the period ending February 28, 2026.

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 February 2026. This month reflects a 2.8% increase in total General Fund revenues from the budgeted revenues we would have anticipated being received to date based on historical trends, and a 2.6% 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 January TPT reported/received in February. Year to date (YTD) collections in Local TPT and Urban Revenue Sharing all came in slightly below anticipated budget through February, while State Shared Tax and 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 February 2026 reflect a small decrease of 1.7% below budget, and a 5.3% 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 February 2026 to the same month in the prior year, collections are down 3.7%.

Finally, the FY 2025-26 General Fund Expenditure Summary (Attachment 5) report reflects the percentage of adjusted budget expended and encumbered through February 2026. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 68.9% spending through February 2026, compared to 67.6% 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 Februay 2026

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 February 2026

General Fund Revenues	Budget: FY 2025-26 Adopted Budget	Budget: FY 2025-26 Budget Prorated Based on Historical Trend	Actuals: FY 2025-26 Actual Revenue	+ or - of Actual to Budget	% Change of Actual to Budget	Comparison to Prior Year Actuals: FY 2024-25 Actual Revenues for Same Period	Comparison to Prior Year Actuals: Difference + or - from FY 2024-25 to FY 2025-26	Comparison to Prior Year Actuals: % Change of Actuals to Same Period FY 2024-25
Local Sales Tax Collections	201,500,000	133,901,722	**131,663,680**	(2,238,042)	-1.7%	139,088,194	(7,424,514)	-5.3%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,338,400	1,571,595	**3,156,154**	1,584,559	100.8%	1,443,148	1,713,006	118.7%
Total Local Sales Tax Revenue	$ 203,838,400	$ 135,473,317	**$ 134,819,835**	$ (653,483)	-0.5%	$ 140,531,342	$ (5,711,508)	-4.1%
Franchise Fees	3,190,000	2,027,119	**2,284,515**	257,396	12.7%	1,984,481	300,034	15.1%
Primary Property Taxes	8,785,177	5,141,730	**7,715,970**	2,574,240	50.1%	4,850,787	2,865,183	59.1%
State Shared Sales Tax Revenue	43,186,000	26,559,274	**26,811,241**	251,967	0.9%	27,076,478	(265,237)	-1.0%
Vehicle License Tax	15,160,000	8,981,053	**9,378,051**	396,998	4.4%	8,967,481	410,570	4.6%
Urban Revenue Sharing	55,747,000	37,114,885	**36,544,442**	(570,443)	-1.5%	39,732,898	(3,188,456)	-8.0%
Smart and Safe	1,032,994	578,800	**723,196**	144,396	24.9%	777,585	(54,389)	-7.0%
Public Safety State Allocation*	-	-	**83,775**	83,775	0.0%	-	83,775	0.0%
Licenses & Permits	7,710,300	5,246,625	**6,787,265**	1,540,640	29.4%	11,134,714	(4,347,449)	-39.0%
Charges for Services	19,928,507	10,090,952	**9,490,508**	(600,444)	-6.0%	8,953,057	537,451	6.0%
Fines & Forfeitures	3,851,400	2,469,768	**2,691,979**	222,211	9.0%	2,647,696	44,283	1.7%
Interest & Investments	8,900,000	4,385,947	**7,719,988**	3,334,041	76.0%	5,725,907	1,994,081	34.8%
Other Revenues	2,677,989	1,785,326	**1,606,182**	(179,144)	-10.0%	1,294,246	311,936	24.1%
Indirect Cost	9,036,770	6,024,513	**6,024,513**	(0)	0.0%	5,688,188	336,325	5.9%
Total General Fund Revenues	**$ 383,044,537**	**$ 245,879,309**	**$ 252,681,459**	**$ 6,802,150**	**2.8%**	**$ 259,364,860**	**$ (6,683,401)**	**-2.6%**
Prior Month	**$ 383,044,537**	**$ 214,346,366**	**$ 221,341,284**	**$ 6,994,918**	**3.3%**	**$ 226,840,257**	**$ (5,498,974)**	**-2.4%**
Change from Prior Month	**$ -**	**$ 31,532,943**	**$ 31,340,175**	**$ (192,768)**	**-0.5%**	**$ 32,524,603**	**$ (1,184,427)**	**-0.2%**

Note:

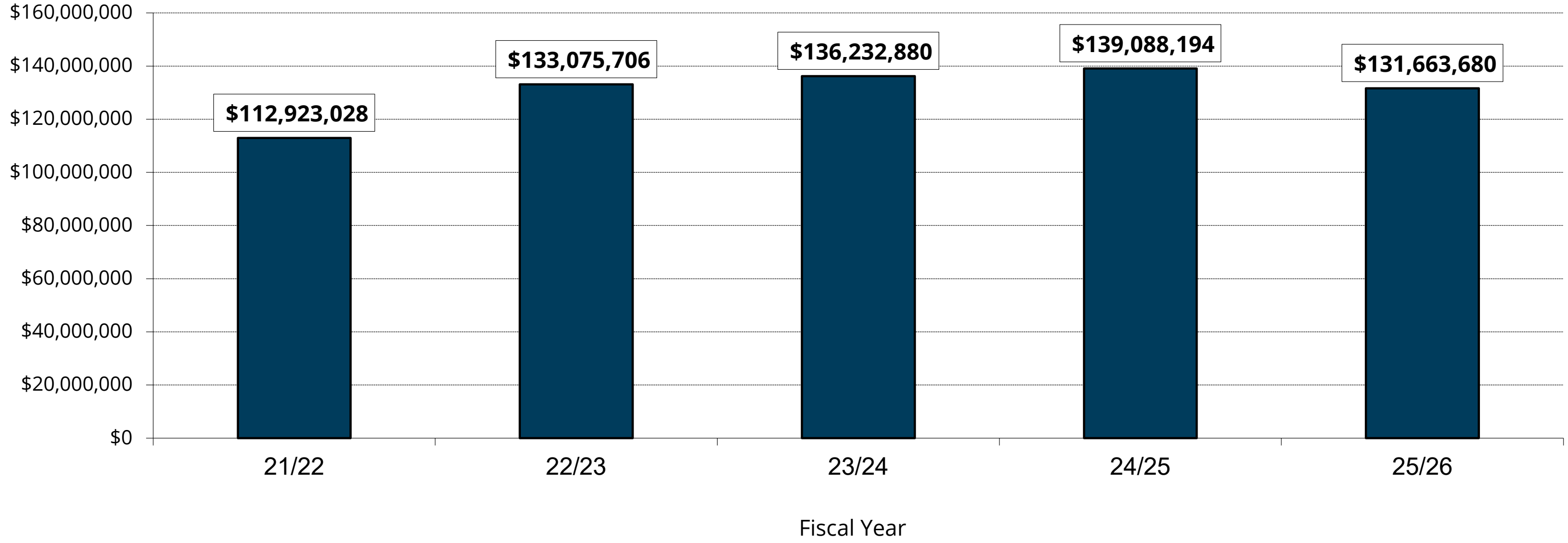
FY 2025-26 Adopted Budget excludes one-time Interfund Transfers-In of $575,000 to the General Fund 101 for Impact Fee loan repayments, which are used to fund General Capital Projects in Fund 401.

*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

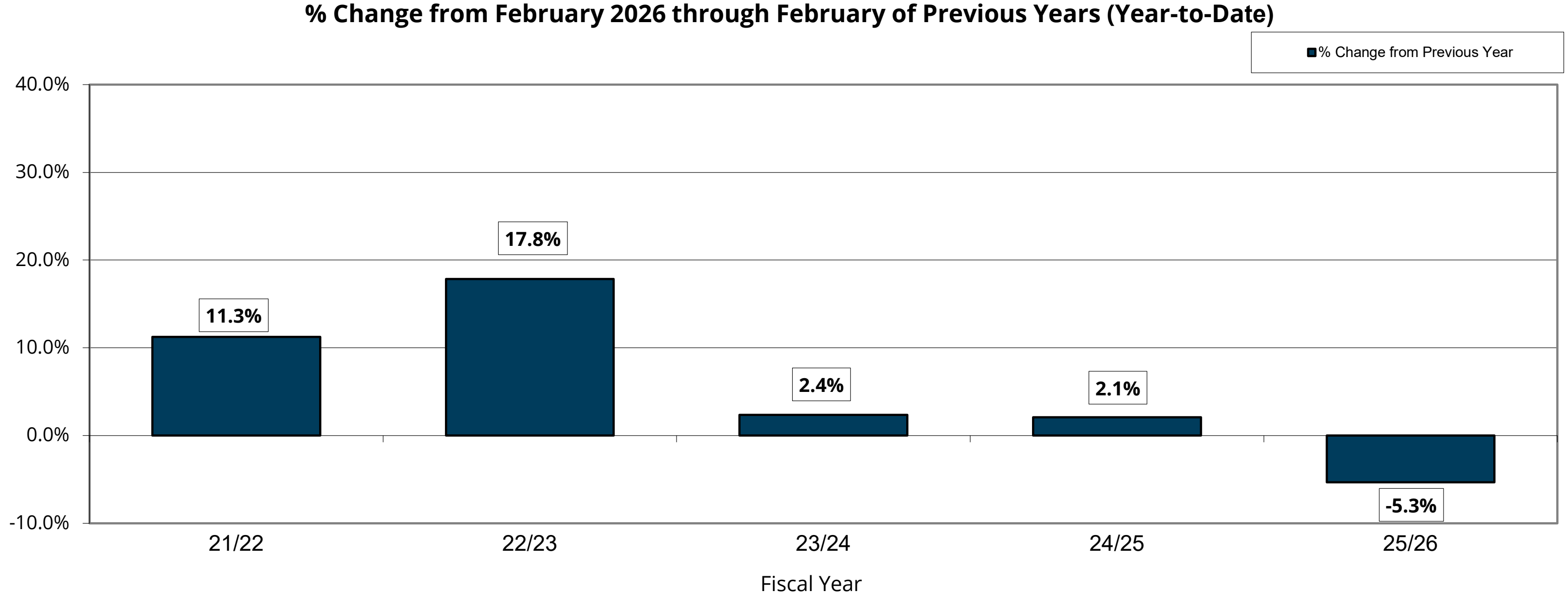
Local Sales Tax Revenue* Through Month of February

(Based on Sales Through January)



Local Sales Tax Revenue*

% Change from February 2026 through February of Previous Years (Year-to-Date)



**Totals are for sales tax only, and <u>exclude</u> privilege license fees, audit assessments, interest, and penalties.*

Attachment 2

Sales Tax Revenue By Class

Through February 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%	$ 16,010,999	14.7%	$ 15,183,217	9.2%	$ 13,238,968	6.6%	$ 12,127,573	1.2%	$ 11,381,472
Telecommunications	0.8%	-10.2%	$ 1,036,638	-14.7%	$ 1,154,975	27.7%	$ 1,354,344	-1.3%	$ 1,060,586	-12.4%	$ 1,074,824
Publishing / Advertising / Printing / Transportation	0.1%	5.4%	$ 141,835	7.4%	$ 134,591	-16.6%	$ 125,325	12.0%	$ 150,286	0.9%	$ 134,205
Restaurants & Bars	9.4%	3.2%	$ 12,724,072	3.8%	$ 12,326,813	5.3%	$ 11,877,233	10.5%	$ 11,284,629	29.6%	$ 10,209,963
Amusements	1.0%	0.8%	$ 1,260,509	21.1%	$ 1,250,251	9.9%	$ 1,032,501	25.3%	$ 939,721	78.2%	$ 749,732
Real Property Rentals	10.3%	-36.1%	$ 10,367,390	-3.2%	$ 16,228,984	7.9%	$ 16,757,314	12.7%	$ 15,524,522	10.4%	$ 13,772,065
Tangible Personal Property Rentals	3.1%	41.5%	$ 5,818,022	-20.5%	$ 4,110,579	56.8%	$ 5,172,061	19.1%	$ 3,298,334	10.8%	$ 2,769,550
Hotels / Motels	3.3%	0.6%	$ 3,950,379	4.8%	$ 3,928,004	-2.1%	$ 3,746,947	25.3%	$ 3,825,849	80.0%	$ 3,053,847
Contracting	9.5%	-40.2%	$ 8,428,918	-17.6%	$ 14,093,023	-3.6%	$ 17,102,432	85.4%	$ 17,737,203	-4.2%	$ 9,568,138
Retail / Manufactured Buildings / Jet Fuel	48.6%	2.9%	$ 67,816,122	3.3%	$ 65,903,783	2.5%	$ 63,816,600	12.1%	$ 62,269,754	13.4%	$ 55,558,373
Use Tax	3.4%	-13.9%	$ 4,108,797	-137.6%	$ 4,773,975	-58.6%	$ 2,009,156	4.4%	$ 4,857,249	-6.2%	$ 4,650,858
Total Sales Tax Revenue*	**100.0%**	**-5.3%**	**$ 131,663,680**	**2.1%**	**$ 139,088,194**	**2.4%**	**$ 136,232,880**	**17.8%**	**$ 133,075,706**	**11.3%**	**$ 112,923,028**

Sales Tax Revenue By Class

Through February (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	2.1%	$ 1,519,449	5.8%	$ 1,488,030	17.4%	$ 1,405,922	11.6%	$ 1,197,039	7.0%	$ 1,072,500
Telecommunications	-11.9%	$ 112,621	-22.2%	$ 127,888	21.7%	$ 164,326	6.5%	$ 135,049	0.9%	$ 126,821
Publishing / Advertising / Printing / Transportation	96.4%	$ 29,829	4.6%	$ 15,190	-14.1%	$ 14,523	2.2%	$ 16,909	21.5%	$ 16,537
Restaurants & Bars	4.8%	$ 1,664,856	6.4%	$ 1,588,997	1.8%	$ 1,494,092	16.0%	$ 1,467,518	21.0%	$ 1,264,937
Amusements	8.7%	$ 174,081	27.7%	$ 160,117	6.4%	$ 125,358	14.5%	$ 117,864	47.9%	$ 102,901
Real Property Rentals	15.7%	$ 1,260,550	-43.5%	$ 1,089,178	-1.8%	$ 1,927,087	13.1%	$ 1,963,283	20.1%	$ 1,735,295
Tangible Personal Property Rentals	8.7%	$ 562,136	-47.5%	$ 517,314	110.3%	$ 986,253	39.4%	$ 468,964	5.7%	$ 336,527
Hotels / Motels	-3.0%	$ 667,598	5.7%	$ 688,421	-5.9%	$ 651,540	29.0%	$ 692,167	93.5%	$ 536,661
Contracting	-37.9%	$ 793,429	-41.7%	$ 1,277,262	-8.7%	$ 2,190,025	108.6%	$ 2,399,640	-8.8%	$ 1,150,093
Retail / Manufactured Buildings / Jet Fuel	-2.9%	$ 7,471,963	-0.8%	$ 7,696,393	3.0%	$ 7,761,110	8.8%	$ 7,533,351	24.1%	$ 6,925,734
Use Tax	-21.8%	$ 630,373	-68.8%	$ 806,527	-28.8%	$ 477,718	8.2%	$ 670,596	-3.7%	$ 619,623
Total Sales Tax Revenue*	**-3.7%**	**$ 14,886,887**	**-10.1%**	**$ 15,455,315**	**3.2%**	**$ 17,197,955**	**20.0%**	**$ 16,662,379**	**17.8%**	**$ 13,887,628**

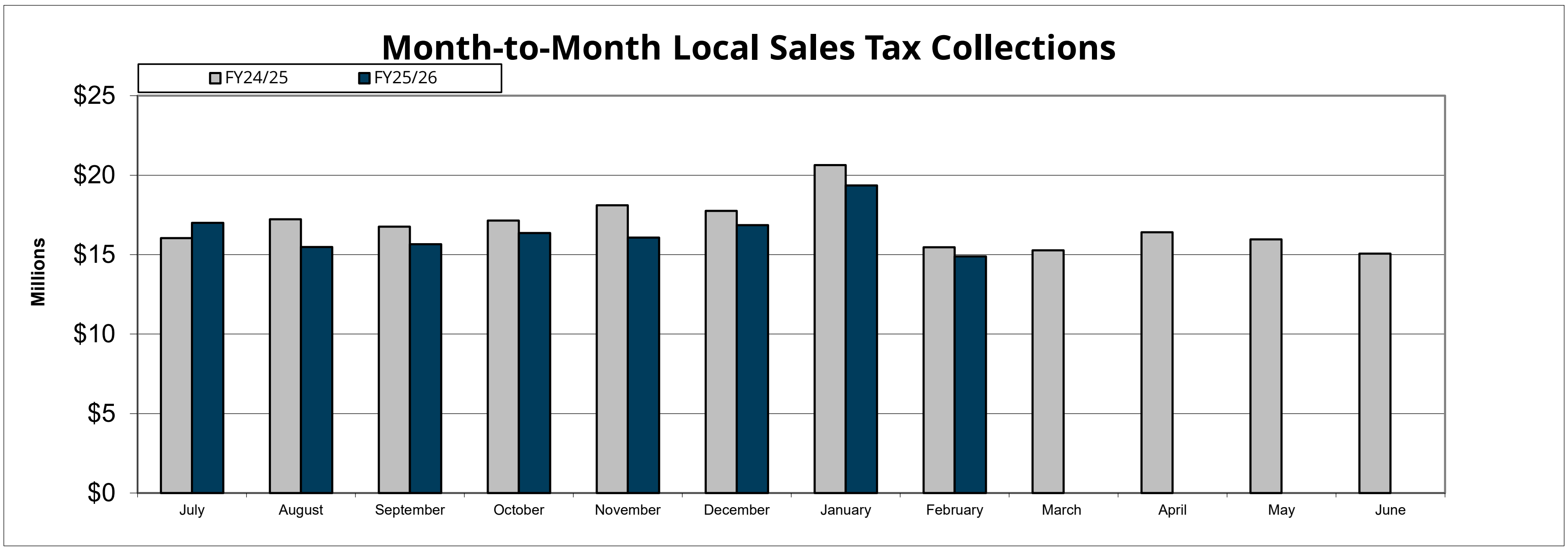
*Totals are for sales tax only, and exclude privilege license fees, audit assessments, interest, and penalties.

Attachment 3

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%
January	20,624,994	19,357,005	(1,267,989)	-6.1%
February	15,455,315	14,886,887	(568,428)	-3.7%
March	*15,278,377*		*(15,278,377)*	*-100.0%*
April	*16,400,164*		*(16,400,164)*	*-100.0%*
May	*15,964,794*		*(15,964,794)*	*-100.0%*
June	*15,064,258*		*(15,064,258)*	*-100.0%*
Totals	**$ 139,088,194**	**$ 131,663,679**	**$ (7,424,514)**	**-5.3%**



Totals are for sales tax only, and <u>exclude</u> privilege license fees, audit assessments, interest, and penalties.

Attachment 4

General Fund Expenditure Summary
Thru February 2026

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru February 2026	Percentage of Adjusted Budget Expended & Encumbered Thru February 2026	Percentage of Adjusted Budget Expended & Encumbered Thru February 2025	Over/Under Last Year's Percentage
City Clerk	$ 1,820,422	$ 1,844,787	$ 1,284,263	69.6%	60.2%	9.4%
City Manager and Organization Support[1]						
City Manager	2,518,121	2,579,991	1,900,035	73.6%	68.2%	5.4%
Buildings & Facilities	9,825,128	10,201,107	7,606,303	74.6%	79.0%	-4.4%
Connection & Impact[2]	772,172	837,853	460,364	54.9%	58.3%	-3.4%
Cultural Development	5,354,380	5,689,450	3,919,888	68.9%	65.0%	3.9%
Economic Development	2,402,586	2,455,001	1,554,793	63.3%	74.5%	-11.2%
Fleet Services	1,573,340	1,611,043	1,097,098	68.1%	66.0%	2.1%
Human Resources	2,855,446	2,948,885	1,914,989	64.9%	68.0%	-3.1%
Transportation Policy	3,142,701	3,206,101	1,746,312	54.5%	44.8%	9.7%
Communications & Public Affairs	4,041,629	4,528,551	2,460,370	54.3%	66.0%	-11.7%
Community Services	41,260,816	42,705,020	29,536,130	69.2%	68.5%	0.7%
Development Services	14,989,060	16,970,535	10,135,208	59.7%	61.6%	-1.9%
Fire	44,625,913	48,004,042	36,353,485	75.7%	69.9%	5.8%
Information Technology	28,091,564	33,786,343	23,718,914	70.2%	63.5%	6.7%
Law	4,983,964	5,118,254	3,624,060	70.8%	68.1%	2.7%
Magistrate	5,766,537	6,054,229	3,962,365	65.4%	63.5%	1.9%
Management Services	8,915,629	9,222,314	6,214,945	67.4%	65.7%	1.7%
Mayor and Council	1,403,336	1,454,804	909,088	62.5%	63.7%	-1.2%
Neighborhood Resources	9,618,384	11,175,420	7,628,644	68.3%	69.2%	-0.9%
Police	97,245,804	104,782,952	75,412,276	72.0%	70.8%	1.2%
Public Works & Utilities	6,392,740	7,804,771	6,069,820	77.8%	74.9%	2.9%
Non-Departmental (Personnel Services and O&M)	47,879,363	31,920,156	17,024,360	53.3%	49.2%	4.1%
Subtotal Prior to Contingencies/Reserves	**$ 345,479,035**	**$ 354,901,609**	**$ 244,533,710**	**68.9%**	**67.6%**	**1.3%**
Non-Departmental Reserves (Carryforward, Utility, Fuel & DT)	15,363,725	3,091,675	-	0.0%	0.0%	0.0%
Non-Departmental Contingencies (15% & Council)	56,424,600	23,706,481	-	0.0%	0.0%	0.0%
Total General Fund Expenditures	**$ 417,267,360**	**$ 381,699,765**	**$ 244,533,710**	**64.1%**	**60.3%**	**3.8%**

[1] Organization Support includes Buildings and Facilities, Economic Development, Connection & Impact, Fleet Services, Human Resources, Transportation Policy and Cultural Development.
[2] 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
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.