



Informational Memo

Management Services - Memo No. 26-071

Date: February 12, 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 January 2026

Attached are the FY 2025-26 General Fund Revenue and Expenditure Reports for the period ending January 31, 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 January 2026. This month reflects a 3.3% increase in total General Fund revenues from the budgeted revenues we would have anticipated being received to date based on historical trends, and a 2.4% 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 December TPT reported/received in January. Year to date (YTD) collections in Local TPT and Urban Revenue Sharing all came in slightly below anticipated budget through January, 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 January 2026 reflect a small decrease of 0.7% below budget, and a 5.5% decrease compared to prior-year actuals which was anticipated with the complete removal of the residential rental tax. Also, when

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comparing the TPT collections received in January 2026 to the same month in the prior year, collections are down 6.1%.

Finally, the FY 2025-26 General Fund Expenditure Summary (Attachment 5) report reflects the percentage of adjusted budget expended and encumbered through January 2026. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 61.7% spending through January 2026, compared to 61.3% 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
January 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 January 2026

General Fund Revenues	Budget		Actuals			Comparison to Prior Year Actuals		
	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	117,613,047	116,776,793	(836,254)	-0.7%	123,632,879	(6,856,086)	-5.5%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,338,400	1,389,932	2,084,266	694,334	50.0%	1,197,942	886,324	74.0%
Total Local Sales Tax Revenue	\$ 203,838,400	\$ 119,002,980	\$ 118,861,059	\$ (141,920)	-0.1%	\$ 124,830,821	\$ (5,969,762)	-4.8%
Franchise Fees	3,190,000	1,609,629	2,194,179	584,550	36.3%	1,736,661	457,518	26.3%
Primary Property Taxes	8,785,177	4,967,140	6,263,545	1,296,405	26.1%	4,696,258	1,567,287	33.4%
State Shared Sales Tax Revenue	43,186,000	22,588,327	23,527,258	938,931	4.2%	22,674,876	852,382	3.8%
Vehicle License Tax	15,160,000	7,726,817	8,108,222	381,405	4.9%	7,778,920	329,302	4.2%
Urban Revenue Sharing	55,747,000	32,456,856	31,976,387	(480,469)	-1.5%	34,766,286	(2,789,899)	-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	4,133,592	5,524,813	1,391,221	33.7%	8,716,122	(3,191,309)	-36.6%
Charges for Services	19,928,507	8,753,533	8,547,994	(205,539)	-2.3%	7,896,514	651,480	8.3%
Fines & Forfeitures	3,851,400	2,133,033	2,370,203	237,170	11.1%	2,315,908	54,295	2.3%
Interest & Investments	8,900,000	3,562,051	6,651,233	3,089,182	86.7%	4,726,584	1,924,649	40.7%
Other Revenues	2,677,989	1,562,160	1,237,971	(324,189)	-20.8%	946,558	291,413	30.8%
Indirect Cost	9,036,770	5,271,449	5,271,449	(0)	0.0%	4,977,165	294,284	5.9%
Total General Fund Revenues	\$ 383,044,537	\$ 214,346,366	\$ 221,341,284	\$ 6,994,918	3.3%	\$ 226,840,257	\$ (5,498,974)	-2.4%
Prior Month	\$ 383,044,537	\$ 179,224,792	\$ 183,290,419	\$ 4,065,627	2.3%	\$ 189,586,662	\$ (6,296,244)	-3.3%
Change from Prior Month	\$ -	\$ 35,121,574	\$ 38,050,865	\$ 2,929,291	1.0%	\$ 37,253,595	\$ 797,270	0.9%

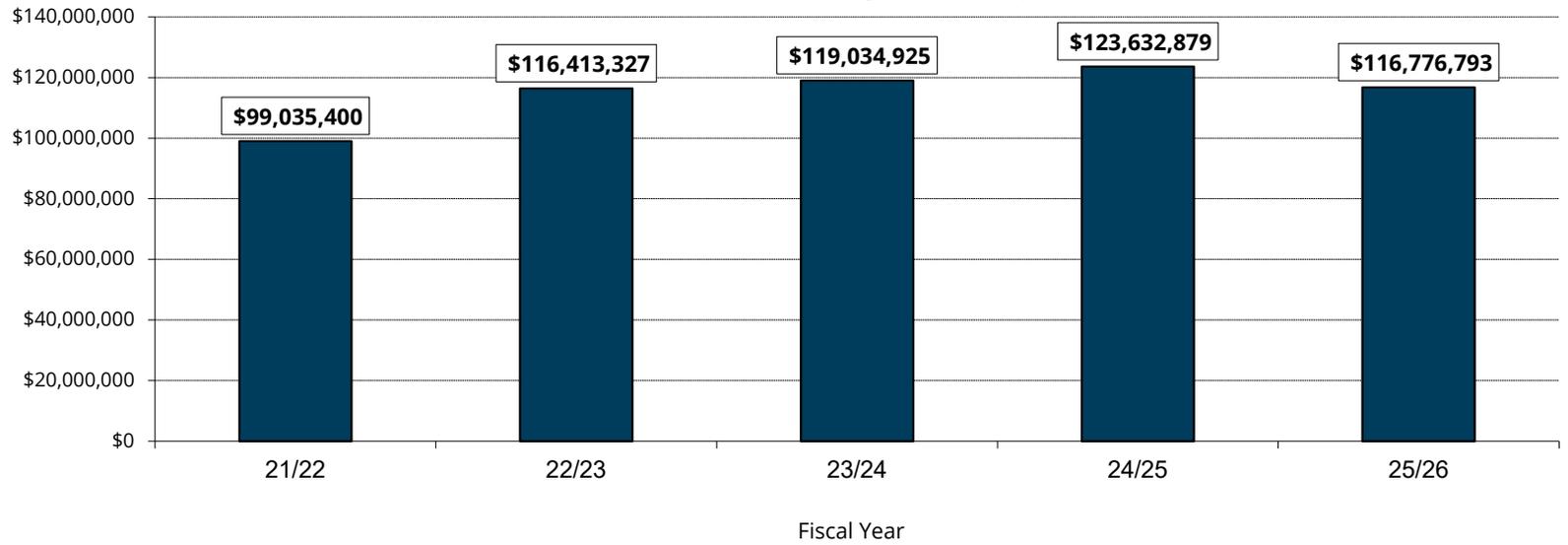
Note:

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

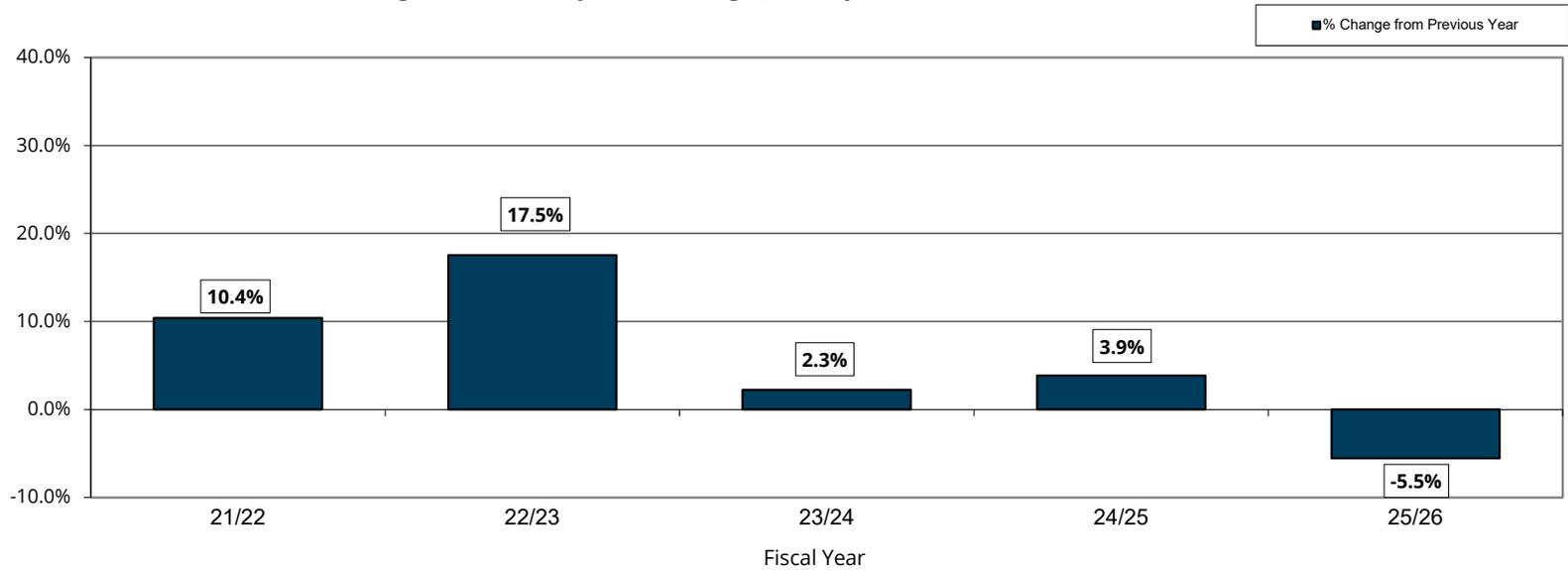
Local Sales Tax Revenue* Through Month of January

(Based on Sales Through December)



Local Sales Tax Revenue*

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



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

Sales Tax Revenue By Class

Through January 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%	5.8%	\$ 14,491,549	15.7%	\$ 13,695,188	8.3%	\$ 11,833,047	6.0%	\$ 10,930,534	0.7%	\$ 10,308,972
Telecommunications	0.8%	-10.0%	\$ 924,017	-13.7%	\$ 1,027,087	28.6%	\$ 1,190,017	-2.4%	\$ 925,537	-14.0%	\$ 948,003
Publishing / Advertising / Printing / Transportation	0.1%	-6.2%	\$ 112,006	7.8%	\$ 119,401	-16.9%	\$ 110,801	13.4%	\$ 133,378	-1.5%	\$ 117,668
Restaurants & Bars	9.4%	3.0%	\$ 11,059,215	3.4%	\$ 10,737,816	5.8%	\$ 10,383,141	9.7%	\$ 9,817,111	30.9%	\$ 8,945,026
Amusements	1.0%	-0.3%	\$ 1,086,428	20.2%	\$ 1,090,134	10.4%	\$ 907,143	27.1%	\$ 821,857	84.3%	\$ 646,831
Real Property Rentals	10.3%	-39.8%	\$ 9,106,840	2.1%	\$ 15,139,806	9.4%	\$ 14,830,227	12.7%	\$ 13,561,239	9.2%	\$ 12,036,770
Tangible Personal Property Rentals	3.1%	46.3%	\$ 5,255,885	-14.2%	\$ 3,593,265	47.9%	\$ 4,185,808	16.3%	\$ 2,829,370	11.5%	\$ 2,433,023
Hotels / Motels	3.3%	1.3%	\$ 3,282,780	4.7%	\$ 3,239,583	-1.2%	\$ 3,095,407	24.5%	\$ 3,133,682	77.4%	\$ 2,517,187
Contracting	9.5%	-40.4%	\$ 7,635,489	-14.1%	\$ 12,815,762	-2.8%	\$ 14,912,407	82.2%	\$ 15,337,563	-3.5%	\$ 8,418,045
Retail / Manufactured Buildings / Jet Fuel	48.6%	3.7%	\$ 60,344,159	3.8%	\$ 58,207,390	2.4%	\$ 56,055,490	12.6%	\$ 54,736,404	12.1%	\$ 48,632,639
Use Tax	3.4%	-12.3%	\$ 3,478,425	-159.1%	\$ 3,967,448	-63.4%	\$ 1,531,438	3.9%	\$ 4,186,653	-6.6%	\$ 4,031,236
Total Sales Tax Revenue*	100.0%	-5.5%	\$ 116,776,793	3.9%	\$ 123,632,879	2.3%	\$ 119,034,925	17.5%	\$ 116,413,327	10.4%	\$ 99,035,400

Sales Tax Revenue By Class

Through January (Month-over-Month)

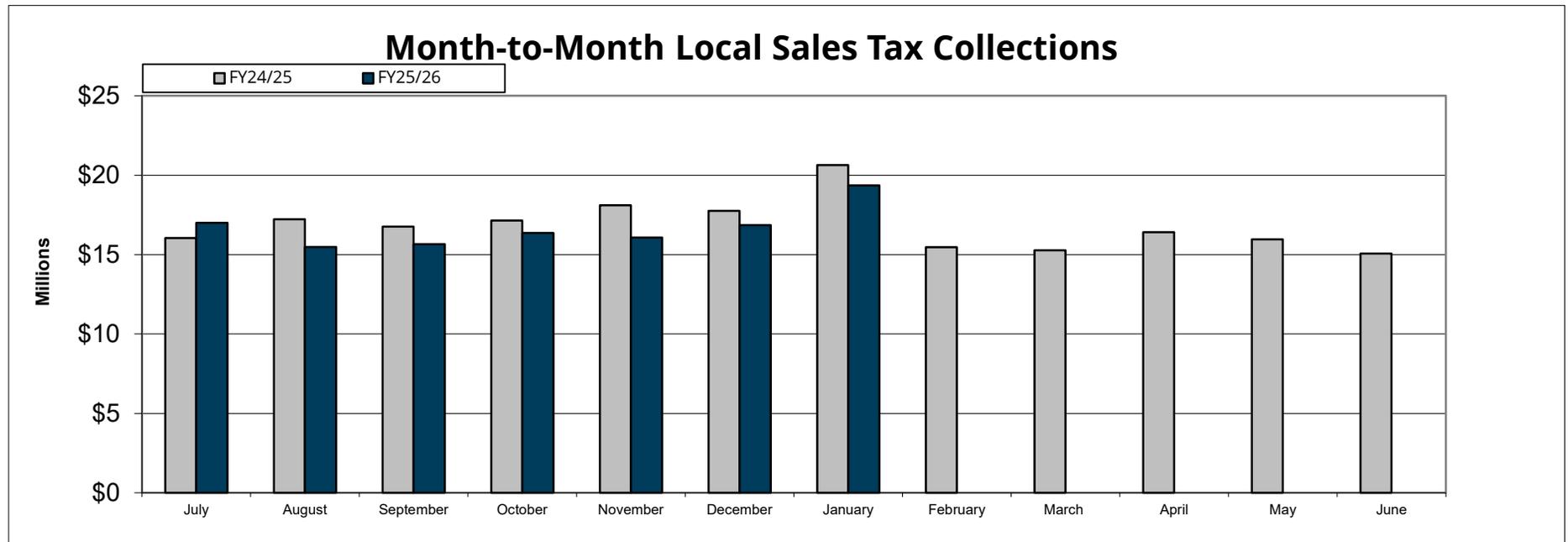
Sales Tax Category	% Chg Fm PY	FY 2025-26	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22
Utilities	8.9%	\$ 1,570,797	19.0%	\$ 1,442,851	8.4%	\$ 1,212,559	40.7%	\$ 1,118,837	-16.8%	\$ 795,250
Telecommunications	6.9%	\$ 131,663	-30.2%	\$ 123,114	36.6%	\$ 176,387	-3.2%	\$ 129,117	-10.4%	\$ 133,397
Publishing / Advertising / Printing / Transportation	5.3%	\$ 19,852	2.8%	\$ 18,861	0.9%	\$ 18,356	5.6%	\$ 18,190	-2.1%	\$ 17,229
Restaurants & Bars	6.4%	\$ 1,822,042	-0.7%	\$ 1,712,053	7.7%	\$ 1,724,932	6.2%	\$ 1,601,151	39.7%	\$ 1,507,248
Amusements	4.4%	\$ 195,181	16.4%	\$ 186,901	6.6%	\$ 160,544	23.2%	\$ 150,657	78.7%	\$ 122,292
Real Property Rentals	-38.8%	\$ 1,606,985	-2.0%	\$ 2,624,985	11.3%	\$ 2,679,839	16.7%	\$ 2,408,106	11.7%	\$ 2,062,637
Tangible Personal Property Rentals	18.4%	\$ 673,865	20.1%	\$ 568,923	1.2%	\$ 473,613	20.0%	\$ 467,886	12.7%	\$ 389,979
Hotels / Motels	0.5%	\$ 564,476	13.6%	\$ 561,638	5.3%	\$ 494,197	16.3%	\$ 469,538	108.7%	\$ 403,810
Contracting	-26.5%	\$ 1,197,723	-16.3%	\$ 1,630,523	-6.0%	\$ 1,947,571	29.6%	\$ 2,070,928	41.9%	\$ 1,598,454
Retail / Manufactured Buildings / Jet Fuel	-2.3%	\$ 10,770,285	10.4%	\$ 11,019,973	1.7%	\$ 9,981,178	6.7%	\$ 9,813,042	16.5%	\$ 9,195,424
Use Tax	9.4%	\$ 804,138	-11.1%	\$ 735,172	-11.8%	\$ 661,431	-5.0%	\$ 750,265	-22.9%	\$ 789,390
Total Sales Tax Revenue*	-6.1%	\$ 19,357,005	5.6%	\$ 20,624,994	2.8%	\$ 19,530,608	11.7%	\$ 18,997,718	15.7%	\$ 17,015,111

*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%
January	20,624,994	19,357,005	(1,267,989)	-6.1%
February	15,455,315		(15,455,315)	-100.0%
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	\$ 123,632,879	\$ 116,776,792	\$ (6,856,086)	-5.5%



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

General Fund Expenditure Summary

Thru January 2026

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru January 2026	Percentage of Adjusted Budget Expended & Encumbered Thru January 2026	Percentage of Adjusted Budget Expended & Encumbered Thru January 2025	Over/Under Last Year's Percentage
City Clerk	\$ 1,820,422	\$ 1,844,787	\$ 1,118,723	60.6%	53.9%	6.7%
City Manager and Organization Support ⁽¹⁾						
City Manager	2,518,121	2,579,991	1,684,378	65.3%	59.5%	5.8%
Buildings & Facilities	9,825,128	10,201,107	6,932,187	68.0%	72.8%	-4.8%
Connection & Impact ⁽²⁾	772,172	837,853	391,970	46.8%	48.8%	-2.0%
Cultural Development	5,354,380	5,689,450	3,504,375	61.6%	57.7%	3.9%
Economic Development	2,402,586	2,455,001	1,420,372	57.9%	70.4%	-12.5%
Fleet Services	1,573,340	1,611,043	992,047	61.6%	59.5%	2.1%
Human Resources	2,855,446	2,948,885	1,732,769	58.8%	63.2%	-4.4%
Transportation Policy	3,142,701	3,206,101	1,703,427	53.1%	43.5%	9.6%
Communications & Public Affairs	4,041,629	4,528,551	2,299,089	50.8%	58.3%	-7.5%
Community Services	41,260,816	42,705,020	27,223,122	63.7%	63.4%	0.3%
Development Services	14,989,060	16,970,535	8,952,071	52.8%	48.7%	4.1%
Fire	44,625,913	48,004,042	32,547,196	67.8%	63.4%	4.4%
Information Technology	28,091,564	33,786,343	22,550,206	66.7%	59.9%	6.8%
Law	4,983,964	5,118,254	3,097,091	60.5%	60.3%	0.2%
Magistrate	5,766,537	6,054,229	3,569,187	59.0%	57.0%	2.0%
Management Services	8,915,629	9,222,314	5,478,696	59.4%	58.5%	0.9%
Mayor and Council	1,403,336	1,454,804	813,920	55.9%	56.1%	-0.2%
Neighborhood Resources	9,618,384	11,175,420	7,153,935	64.0%	63.2%	0.8%
Police	97,245,804	104,782,952	67,833,520	64.7%	63.4%	1.3%
Public Works & Utilities	6,392,740	7,804,771	5,269,256	67.5%	67.4%	0.1%
Non-Departmental (Personnel Services and O&M)	47,879,363	38,881,106	16,922,441	43.5%	48.2%	-4.7%
Subtotal Prior to Contingencies/Reserves	\$ 345,479,035	\$ 361,862,559	\$ 223,189,979	61.7%	61.3%	0.4%
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%
Total General Fund Expenditures	\$ 417,267,360	\$ 388,699,765	\$ 223,189,979	57.4%	54.7%	2.8%

⁽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.