




## Informational Memo

### Management Services - Memo No. 26-087

**Date:** April 21, 2026

**To:** Mayor and Council

**Thru:** John Pombier, City Manager   
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 March 2026

Attached are the FY 2025-26 General Fund Revenue and Expenditure Reports for the period ending March 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 March 2026. This month reflects a 1.6% 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. We anticipate an adjustment of approximately \$1,000,000 to the primary property tax revenues shifting them to the secondary tax category, as the county is having software issues. We are working with them to get an accurate adjustment for reporting. If that adjustment were made, the total revenue increase compared to historical budget would be 1.2% versus 1.6%.

Collections in State and Local Transaction Privilege Tax (TPT) or Sales Tax (Attachments 1-4) shown in this report reflect February TPT reported/received in March. Year to date (YTD) collections in Local TPT, State Shared Tax, and Urban Revenue Sharing all came in slightly below anticipated budget through March, while Vehicle License Tax came in slightly over budget. It is important to note that fluctuations related to development/contracting are

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considered one-time, since once the developments are completed, the related permit and local TPT collections cease. The Local TPT collections through March 2026 reflect a small decrease of 1.9% below budget, and a 4.9% 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 March 2026 to the same month in the prior year, collections are down 0.6%.

Finally, the FY 2025-26 General Fund Expenditure Summary (Attachment 5) report reflects the percentage of adjusted budget expended and encumbered through March 2026. This report then compares this spending percentage to the prior fiscal year. Overall department spending resulted in 74.8% spending through March 2026, compared to 73.7% 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  
March 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 March 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	149,763,295	<b>146,852,453</b>	(2,910,842)	-1.9%	154,366,571	(7,514,118)	-4.9%
Local Sales Tax Fees, Audit Assessments, Penalties, Interest	2,338,400	1,719,554	<b>3,322,154</b>	1,602,600	93.2%	2,106,303	1,215,851	57.7%
<b>Total Local Sales Tax Revenue</b>	<b>\$ 203,838,400</b>	<b>\$ 151,482,849</b>	<b>\$ 150,174,607</b>	<b>\$ (1,308,242)</b>	<b>-0.9%</b>	<b>\$ 156,472,874</b>	<b>\$ (6,298,267)</b>	<b>-4.0%</b>
Franchise Fees	3,190,000	2,222,582	<b>2,384,779</b>	162,197	7.3%	2,437,102	(52,323)	-2.1%
Primary Property Taxes	8,785,177	5,399,165	<b>6,946,372</b>	1,547,207	28.7%	5,109,715	1,836,657	35.9%
State Shared Sales Tax Revenue	43,186,000	30,254,034	<b>30,227,789</b>	(26,245)	-0.1%	30,481,126	(253,337)	-0.8%
Vehicle License Tax	15,160,000	10,329,833	<b>10,875,047</b>	545,214	5.3%	10,363,045	512,002	4.9%
Urban Revenue Sharing	55,747,000	41,772,914	<b>41,112,497</b>	(660,417)	-1.6%	44,699,511	(3,587,014)	-8.0%
Smart and Safe	1,032,994	578,800	<b>723,196</b>	144,396	24.9%	777,585	(54,389)	-7.0%
Public Safety State Allocation*	-	-	<b>83,775</b>	83,775	0.0%	-	83,775	0.0%
Licenses & Permits	7,710,300	5,614,148	<b>7,622,063</b>	2,007,915	35.8%	11,451,111	(3,829,048)	-33.4%
Charges for Services	19,928,507	12,631,830	<b>10,992,384</b>	(1,639,446)	-13.0%	9,887,086	1,105,298	11.2%
Fines & Forfeitures	3,851,400	2,838,765	<b>3,084,000</b>	245,235	8.6%	3,011,977	72,023	2.4%
Interest & Investments	8,900,000	5,122,253	<b>8,797,013</b>	3,674,760	71.7%	6,595,264	2,201,749	33.4%
Other Revenues	2,677,989	2,008,492	<b>1,680,311</b>	(328,181)	-16.3%	1,347,763	332,548	24.7%
Indirect Cost	9,036,770	6,777,578	<b>6,777,577</b>	(1)	0.0%	6,399,212	378,365	5.9%
<b>Total General Fund Revenues</b>	<b>\$ 383,044,537</b>	<b>\$ 277,033,243</b>	<b>\$ 281,481,410</b>	<b>\$ 4,448,167</b>	<b>1.6%</b>	<b>\$ 289,033,371</b>	<b>\$ (7,551,961)</b>	<b>-2.6%</b>
<b>Prior Month</b>	<b>\$ 383,044,537</b>	<b>\$ 245,879,309</b>	<b>\$ 252,681,459</b>	<b>\$ 6,802,150</b>	<b>2.8%</b>	<b>\$ 259,364,860</b>	<b>\$ (6,683,401)</b>	<b>-2.6%</b>
<b>Change from Prior Month</b>	<b>\$ -</b>	<b>\$ 31,153,934</b>	<b>\$ 28,799,951</b>	<b>\$ (2,353,983)</b>	<b>-1.2%</b>	<b>\$ 29,668,511</b>	<b>\$ (868,560)</b>	<b>0.0%</b>

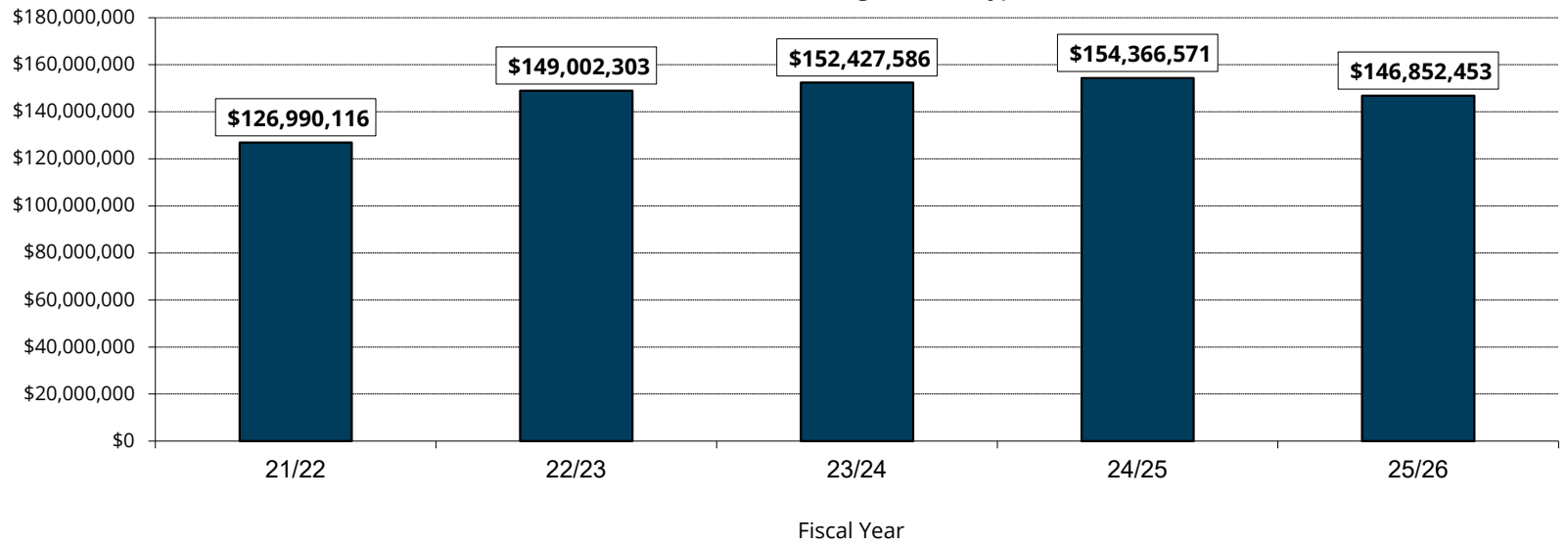
**Note:**

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.

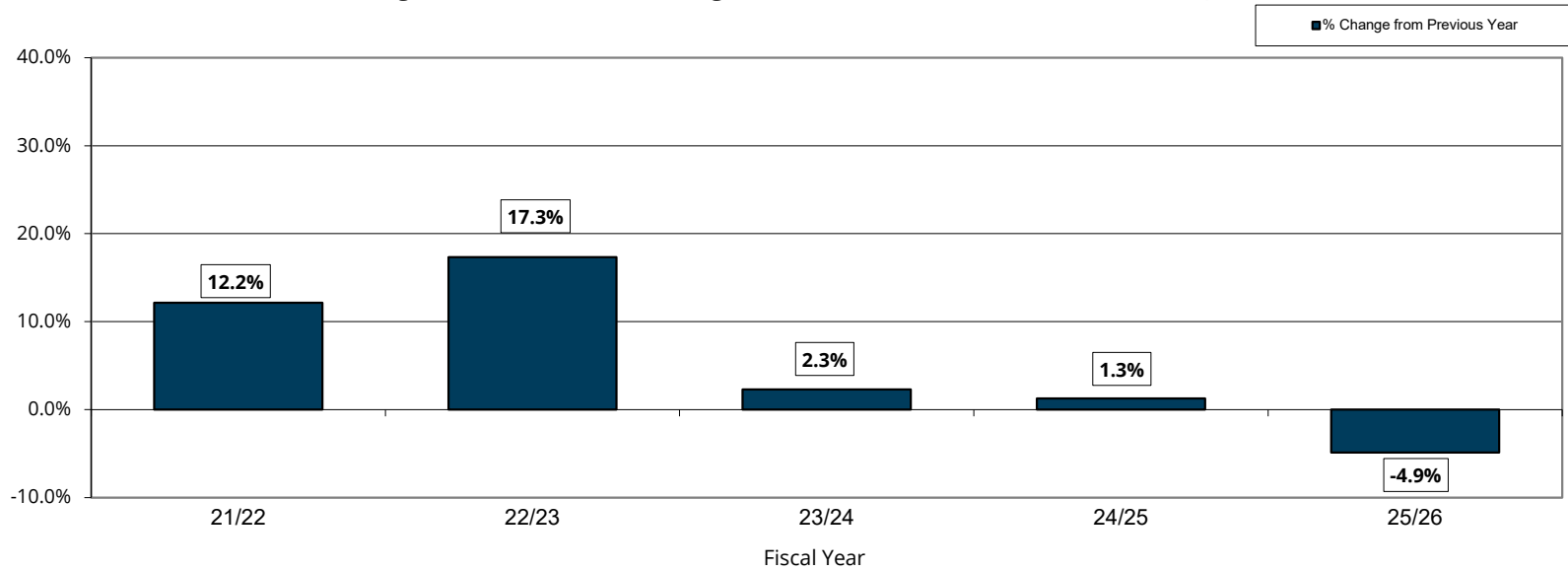
## Local Sales Tax Revenue\* Through Month of March

(Based on Sales Through February)



## Local Sales Tax Revenue\*

% Change from March 2026 through March 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 March 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%	5.1%	\$ 17,500,396	14.3%	\$ 16,654,726	9.7%	\$ 14,569,062	7.0%	\$ 13,285,822	1.9%	\$ 12,416,486
Telecommunications	0.8%	-9.2%	\$ 1,170,599	-15.2%	\$ 1,288,959	23.5%	\$ 1,520,485	2.4%	\$ 1,230,780	-11.9%	\$ 1,202,383
Publishing / Advertising / Printing / Transportation	0.1%	6.3%	\$ 157,653	7.6%	\$ 148,290	-16.7%	\$ 137,803	10.2%	\$ 165,377	2.3%	\$ 150,083
Restaurants & Bars	9.4%	3.8%	\$ 14,410,696	3.3%	\$ 13,880,599	5.1%	\$ 13,439,234	10.2%	\$ 12,784,410	28.9%	\$ 11,597,741
Amusements	1.0%	0.0%	\$ 1,417,958	20.6%	\$ 1,417,680	10.6%	\$ 1,175,600	20.9%	\$ 1,062,563	76.4%	\$ 879,004
Real Property Rentals	10.3%	-34.0%	\$ 11,492,925	-6.5%	\$ 17,402,148	6.2%	\$ 18,610,082	13.1%	\$ 17,523,707	10.1%	\$ 15,493,311
Tangible Personal Property Rentals	3.1%	38.9%	\$ 6,463,112	-18.2%	\$ 4,653,971	50.7%	\$ 5,688,685	21.7%	\$ 3,775,167	11.4%	\$ 3,101,851
Hotels / Motels	3.3%	3.8%	\$ 4,927,622	4.6%	\$ 4,748,233	-3.7%	\$ 4,539,985	24.7%	\$ 4,716,451	90.9%	\$ 3,781,258
Contracting	9.5%	-39.6%	\$ 9,371,075	-19.2%	\$ 15,518,722	-3.0%	\$ 19,201,777	72.3%	\$ 19,797,777	6.7%	\$ 11,491,353
Retail / Manufactured Buildings / Jet Fuel	48.6%	3.1%	\$ 75,369,991	2.9%	\$ 73,138,524	2.5%	\$ 71,050,343	12.3%	\$ 69,330,112	12.6%	\$ 61,739,379
Use Tax	3.4%	-17.1%	\$ 4,570,426	-121.1%	\$ 5,514,720	-53.2%	\$ 2,494,531	3.8%	\$ 5,330,139	-8.2%	\$ 5,137,268
<b>Total Sales Tax Revenue*</b>	<b>100.0%</b>	<b>-4.9%</b>	<b>\$ 146,852,453</b>	<b>1.3%</b>	<b>\$ 154,366,571</b>	<b>2.3%</b>	<b>\$ 152,427,586</b>	<b>17.3%</b>	<b>\$ 149,002,303</b>	<b>12.2%</b>	<b>\$ 126,990,116</b>

## Sales Tax Revenue By Class

Through March (Month-over-Month)

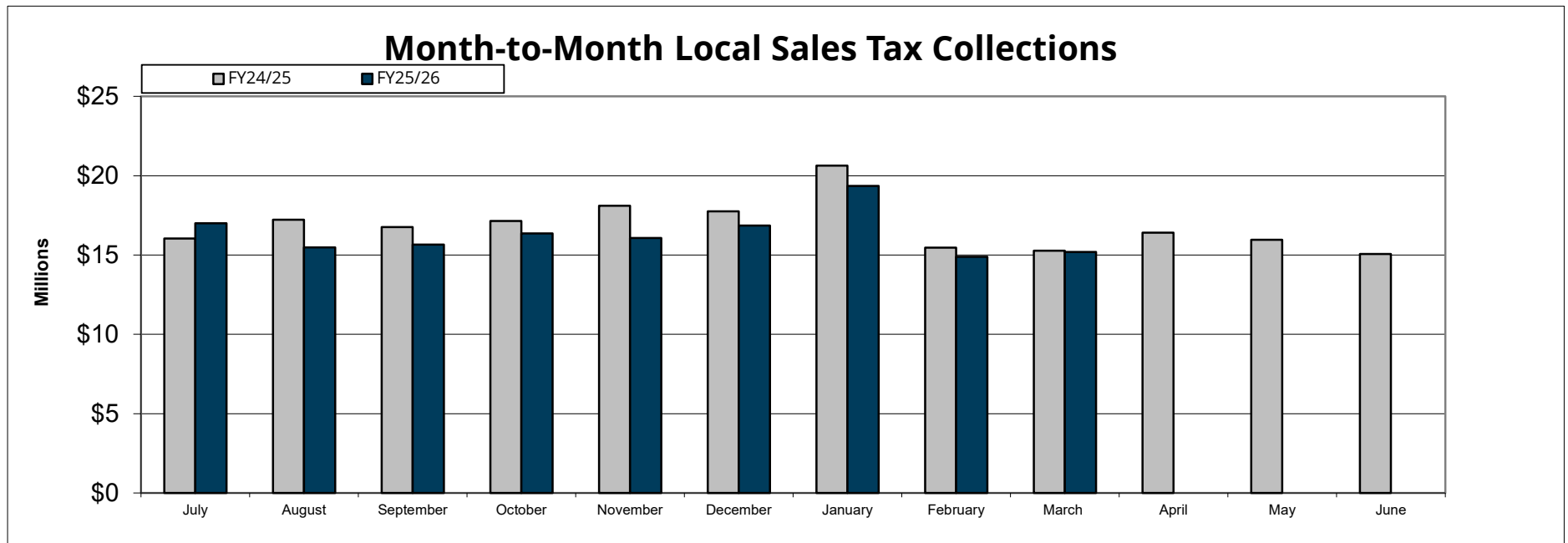
Sales Tax Category	% Chg Fm PY	FY 2025-26	% Chg Fm PY	FY 2024-25	% Chg Fm PY	FY 2023-24	% Chg Fm PY	FY 2022-23	% Chg Fm PY	FY 2021-22
Utilities	1.2%	\$ 1,489,397	10.6%	\$ 1,471,509	14.8%	\$ 1,330,093	11.9%	\$ 1,158,249	9.5%	\$ 1,035,014
Telecommunications	0.0%	\$ 133,961	-19.4%	\$ 133,984	-2.4%	\$ 166,141	33.4%	\$ 170,194	-7.0%	\$ 127,558
Publishing / Advertising / Printing / Transportation	15.5%	\$ 15,817	9.8%	\$ 13,699	-17.3%	\$ 12,478	-5.0%	\$ 15,090	16.1%	\$ 15,878
Restaurants & Bars	8.5%	\$ 1,686,624	-0.5%	\$ 1,553,787	4.1%	\$ 1,562,001	8.1%	\$ 1,499,781	24.1%	\$ 1,387,777
Amusements	-6.0%	\$ 157,449	17.0%	\$ 167,429	16.5%	\$ 143,099	-5.0%	\$ 122,842	66.6%	\$ 129,272
Real Property Rentals	-4.1%	\$ 1,125,535	-36.7%	\$ 1,173,164	-7.3%	\$ 1,852,767	16.1%	\$ 1,999,185	7.1%	\$ 1,721,246
Tangible Personal Property Rentals	18.7%	\$ 645,091	5.2%	\$ 543,392	8.3%	\$ 516,624	43.5%	\$ 476,833	16.7%	\$ 332,302
Hotels / Motels	19.1%	\$ 977,244	3.4%	\$ 820,229	-11.0%	\$ 793,038	22.4%	\$ 890,602	155.5%	\$ 727,411
Contracting	-33.9%	\$ 942,157	-32.1%	\$ 1,425,698	1.9%	\$ 2,099,346	7.1%	\$ 2,060,574	146.6%	\$ 1,923,216
Retail / Manufactured Buildings / Jet Fuel	4.4%	\$ 7,553,869	0.0%	\$ 7,234,741	2.5%	\$ 7,233,743	14.2%	\$ 7,060,358	5.8%	\$ 6,181,006
Use Tax	-37.7%	\$ 461,629	-52.6%	\$ 740,745	2.6%	\$ 485,376	-2.8%	\$ 472,890	-24.1%	\$ 486,409
<b>Total Sales Tax Revenue*</b>	<b>-0.6%</b>	<b>\$ 15,188,773</b>	<b>-5.7%</b>	<b>\$ 15,278,377</b>	<b>1.7%</b>	<b>\$ 16,194,706</b>	<b>13.2%</b>	<b>\$ 15,926,597</b>	<b>19.9%</b>	<b>\$ 14,067,088</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%
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	15,188,773	(89,604)	-0.6%
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%
<b>Totals</b>	<b>\$ 154,366,571</b>	<b>\$ 146,852,452</b>	<b>\$ (7,514,118)</b>	<b>-4.9%</b>



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

## General Fund Expenditure Summary Thru March 2026

Department	Adopted Budget	Adjusted Budget	Expenses & Encumbrances Thru March 2026	Percentage of Adjusted Budget Expended & Encumbered Thru March 2026	Percentage of Adjusted Budget Expended & Encumbered Thru March 2025	Over/Under Last Year's Percentage
City Clerk	\$ 1,820,422	\$ 1,844,787	\$ 1,357,253	73.6%	66.0%	7.6%
City Manager and Organization Support <sup>(1)</sup>						
City Manager	2,518,121	2,579,991	2,111,188	81.8%	77.1%	4.7%
Buildings & Facilities	9,825,128	10,201,107	8,188,125	80.3%	85.3%	-5.0%
Connection & Impact <sup>(2)</sup>	772,172	837,853	516,136	61.6%	63.7%	-2.1%
Cultural Development	5,354,380	5,689,450	4,354,598	76.5%	72.3%	4.2%
Economic Development	2,402,586	2,455,001	1,706,118	69.5%	79.2%	-9.7%
Fleet Services	1,573,340	1,611,043	1,203,779	74.7%	73.2%	1.5%
Human Resources	2,855,446	2,948,885	2,124,072	72.0%	78.5%	-6.5%
Transportation Policy	3,142,701	3,206,101	1,792,709	55.9%	46.0%	9.9%
Communications & Public Affairs	4,041,629	4,528,551	2,854,688	63.0%	74.6%	-11.6%
Community Services	41,260,816	42,705,020	32,434,812	76.0%	74.3%	1.7%
Development Services	14,989,060	16,970,535	11,053,530	65.1%	71.1%	-6.0%
Fire	44,625,913	48,009,559	40,060,881	83.4%	76.3%	7.1%
Information Technology	28,091,564	33,786,343	24,813,742	73.4%	66.9%	6.5%
Law	4,983,964	5,118,254	3,992,426	78.0%	75.9%	2.1%
Magistrate	5,766,537	6,054,229	4,339,850	71.7%	69.9%	1.8%
Management Services	8,915,629	9,222,314	6,905,013	74.9%	72.9%	2.0%
Mayor and Council	1,403,336	1,454,804	1,024,221	70.4%	71.8%	-1.4%
Neighborhood Resources	9,618,384	11,175,420	8,277,760	74.1%	73.4%	0.7%
Police	97,245,804	104,782,952	82,664,917	78.9%	77.9%	1.0%
Public Works & Utilities	6,392,740	7,804,771	6,523,449	83.6%	79.2%	4.4%
Non-Departmental (Personnel Services and O&M)	47,879,363	31,920,156	17,099,418	53.6%	49.9%	3.7%
<b>Subtotal Prior to Contingencies/Reserves</b>	<b>\$ 345,479,035</b>	<b>\$ 354,907,126</b>	<b>\$ 265,398,685</b>	<b>74.8%</b>	<b>73.7%</b>	<b>1.1%</b>
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%
<b>Total General Fund Expenditures</b>	<b>\$ 417,267,360</b>	<b>\$ 381,705,282</b>	<b>\$ 265,398,685</b>	<b>69.5%</b>	<b>65.7%</b>	<b>3.8%</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

**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.