

Meeting Minutes

City Council Special Meeting

March 23, 2026 | 4:00 p.m.
Council Chambers Conference Room
88. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 4:01 p.m.

Roll Call

Council Attendance

Mayor Kevin Hartke
*Vice Mayor Angel Encinas
Councilmember Christine Ellis
Councilmember Jane Poston
Councilmember Matt Orlando
**Councilmember OD Harris
Councilmember Jennifer Hawkins

Appointee Attendance

John Pombier, City Manager
Kelly Schwab, City Attorney
Jennifer Ekblad, City Clerk

*Vice Mayor Encinas attended virtually and arrived in person at 4:48 p.m.

**Councilmember Harris arrived at 4:03 p.m.

Staff in Attendance

Tadd Wille, Assistant City Manager
Dawn Lang, Deputy City Manager / Chief Financial Officer
Leah Powell, Neighborhood Resources Director
Ryan Peters, Strategic Initiatives Director
Matt Dunbar, Budget & Policy Director
Thomas Dwiggin, Fire Chief
Mike Hollingsworth, Facilities and Fleet Manager
Kristi Smith, Management Services Director
Bryan Chapman, Police Chief
Emelia Krajewski, Community Engagement Specialist
Micah Miranda, Economic Development Director
Jeremy Abbott, Public Works and Utilities Director

Matt Burdick, Communications and Public Affairs Director
John Sefton, Community Services Director
Marge Zylla, Strategic Initiatives Director
Tawn Kao, Deputy City Attorney
Keith Hargis, Assistant Fire Chief

Discussion

1. Budget Workshop #2, Fiscal Year 2026-27
 1. Opening Remarks
 2. FY 2026-27 Budget Overview and General Fund Operating Budget Update
 3. Proposed 5-Year One-Time General Fund Balance Update
 4. Assessed Valuation and Property Tax Update
 5. Key Budget Dates and Questions

JOHN POMBIER, City Manager, introduced the discussion item.

DAWN LANG, Deputy City Manager/CFO, presented the following presentation.

- FY 2026-27 Budget Theme “Adding sense to dollars”
- Chandler Budget Process Timeline
 - Adding Sense to Dollars
 - New Fiscal Year 2026-27 starts 7/1/2026
- Strategic Framework Guides Our Decision Making
 - Focus Areas
 - Economic Vitality
 - Community Safety
 - Quality of Life
 - Connectivity
 - Neighborhoods
 - Sustainability and Technology

MATT DUNBAR, Budget & Policy Director, presented the following slides.

- FY 2026-27 Budget Overview and General Fund Operating Budget Update
- Preparing for the FY 2026-27 Budget
 - Review selected Departments/Divisions using Modified Zero-Based Budget (MZBB)
 - Goal: To ensure adequate funding of core services and efficient use of resources prior to requesting funding
 - MZBB Process
 - Review three years of expenditures
 - Confirm funding is adequate for each base budget account based on historical trends
 - Focus review on core service delivery items

- Make budget adjustment recommendations based on findings
- Ensure departments have sufficient base budget to cover annual operational needs
- Annual Budget Evaluation 2025-26 Modified Zero-Based Budget (MZBB) Results
 - For all departments reviewed, reallocations between lines were made to better reflect spending, including redistribution across cost centers within a department to reduce future budget requests by repurposing existing budget
 - Reviewed in FY 2025-26:
 - City Manager
 - Connections and Impact
 - Transportation Policy
 - Law
 - Human Resources: Shifted some costs to Self-Insurance Funds based on actual work
 - Neighborhood Resources: Identified budget adjustments needed for Professional/Contact Services and Other Charges & Services under the Neighborhood Preservation and Housing & Redevelopment areas
 - Over last 3-years of MZBB reallocations of \$523k have been implemented with \$81k of recommended budget adjustments
- FY 2026-27 Budget Drivers Balancing slowing revenue growth with service and infrastructure needs
 - Revenue Environment
 - FY 2025-26 budget actual results are in alignment leading to more predictable FY 2026-27 projections
 - One-time revenues narrowing causing ongoing % to climb
 - State shared revenue adjustments (San Tan & Conformity)
 - Adding revenue generating or cost reducing positions
 - Monitoring federal grant funding closely
 - Major Revenues: 53.1% Local TPT and 31.9% State Shared
 - Infrastructure & Capital
 - Continuing investment in aging infrastructure replacements, saving on maintenance in the long run
 - Maintaining current planned improvements while cost increases continue
 - Planning for future O&M on new capital
 - Delivering on promises to maintain infrastructure and advance capital projects
 - Service & Workforce Needs
 - Adding new ambulance service FTR & budget appropriation, with revenue offset
 - Costs continue to increase just to maintain existing service levels
 - Adding front line positions to maintain parks, buildings, and fleet, as well as continue strong customer service
 - Financial Strategy & Savings
 - Maintaining PSPRS funded status to lower ongoing pension costs

- Completing solar investment to generate ongoing savings
 - Continuously looking for grant funding and partnership opportunities
 - Prioritizing revenue generating or cost reducing positions to help future proof operations
- Ongoing/One-Time Local Sales Tax (TPT) Proposed Revenues
 - 53.1% of FY 2026-27 General Fund revenue
 - Sales tax revenues fluctuate due to economic volatility, including increases or decreases in development, inflation and consumer confidence

COUNCILMEMBER ORLANDO stated that it had previously been difficult to quantify the impact of the flat tax due to the transition period but noted that cities such as Phoenix and Tempe were later able to determine that it resulted in a revenue loss. He asked whether the city can now perform a similar analysis.

MR. DUNBAR responded that, based on prior projections and current performance, revenues are tracking along the same anticipated trajectory. He noted that a temporary increase was identified as one-time revenue and excluded from ongoing totals, and that current and projected figures align with expectations absent the flat tax.

COUNCILMEMBER ORLANDO added that the other cities' analyses may have accounted for inflation and additional factors and expressed interest in how they determined their reported revenue loss.

MR. DUNBAR stated that staff could follow up for more information but reiterated that the city's revenues remain consistent with earlier projections.

COUNCILMEMBER HARRIS asked which sectors or businesses contribute most to the city's shared revenues.

MR. DUNBAR explained that the city reports revenues in aggregate and does not disclose individual business contributions. He stated that retail sales, including home improvement stores, merchandisers, and auto dealers, represent the largest category, followed by construction contracting, which has declined in recent years.

COUNCILMEMBER HARRIS asked whether sectors such as manufacturing, financial institutions, healthcare, or retail contribute most significantly.

MR. DUNBAR clarified that while some of those sectors generate transaction privilege tax revenue, it is often indirect. He explained that manufacturing is generally not taxable at the wholesale level, though related economic activity still benefits the city.

COUNCILMEMBER HARRIS asked whether the city receives revenue from online sales.

MR. DUNBAR explained that under the current law, sales tax is collected at the point of delivery, meaning purchases delivered to Chandler generate tax revenue for the city. He added that potential legislative changes have been discussed, but the city supports maintaining the current system.

COUNCILMEMBER HARRIS asked whether monitoring of shared revenues is handled at the state level.

MR. DUNBAR confirmed that it is.

MAYOR HARTKE stated that, while legislative changes remain possible, it appears the point-of-delivery system will remain in place for the near term.

MR. DUNBAR continued the presentation.

- State Shared Revenue (in Millions) 31.9% General Fund for FY 2026-27
 - State Shared Sales Tax
 - Urban Revenue Sharing
 - Vehicle License Tax
- Ongoing Funding Options
 - Maintain existing service levels within core programs and strategic focus areas including contract and other increases
 - Ensure sufficient ongoing funding for facilities and infrastructure including technology and security
 - Convert successful one-time programs/personnel to ongoing funding
 - Build the strength of our workforce to meet evolving resident expectations
 - New enhancements or additions, considering the option of one-time pilot programs first
- FY 2026-27 Ongoing Decision Package Recommendations (All Funds)
 - Recommendations to future proof Chandler
 - Adds Ambulance services personnel and related O&M
 - Adds maintenance costs related to new capital amenities
 - Adds inflationary increases to maintain services
 - Adds Public Safety Real Time Operations Center programs
 - Supports transit services
 - Surface water delivery increases
 - Ongoing utility & chemical increases
 - 77% of new positions have a revenue or re-allocation of expense offset
 - All Funds \$29M in ongoing requests (PY \$16.7M) \$11.6M recomm. Net offsets (PY \$9.5M)
 - General Fund (GF) \$23.1M in ongoing requests (PY \$13.8M) \$5.4M recomm. net of offsets (PY\$7.1M)
- FY 2026-27 Proposed Budget Positions

- Investing in People Who Serve Our Community
- General Fund Keeping pace with our growing city and keeping promises
- Revenue or Reallocation Offset Meeting service needs with limited budget impact to help future proof

JOHN POMBIER, City Manager, presented the following slides.

- General Funded Positions 13.5 FTE “Keeping Pace With Our Growing City and Promises Delivered”
 - Buildings & Facilities
 - Custodial Superintendent
 - Fleet Services Sr. Technician
 - Facilities Maintenance Sr. Technician
 - Clean public facilities + operational city vehicles
 - City Manager
 - City Manager
 - Management Assistant
 - AI Officer
 - CAPA
 - Broadcast Engineer
 - Efficient operations + responsible tech adoption
 - Community Services
 - Urban Forestry Technician
 - Parks Maintenance Sr. Technician
 - Safe trees + clean, welcoming parks
 - Fire
 - Fire Warehouse & Supply Tech
 - 2 Firefighter Rovers
 - Equipment readiness + response time coverage
 - Police
 - Hiring Unit Supervisor (Civilianization)
 - Improves capacity + reduces sworn cost
 - Management Services
 - Procurement Officer Sr.
 - .5 Env. Services Sr. Tech
 - Cost savings, compliance, risk reduction

COUNCILMEMBER HAWKINS asked whether the city currently has a broadcast engineer position.

MR. POMBIER explained that the city relies on a contracted individual who could retire at any time, leaving no permanent support. He noted that without an engineer, technical failures during meetings could halt operations and that the city lacks the in-house expertise to fully utilize and maintain its systems.

MAYOR HARTKE asked whether a departing public information staff member would be replaced.

MATT BURDICK, Communications and Public Affairs Director, responded that the public information team is already lean and confirmed that the position will be filled. He emphasized the need for a broadcast engineer, noting that most cities have such roles in-house and that relying on an aging contractor poses risks, especially given the complexity of the city's systems.

COUNCILMEMBER HARRIS asked whether the AI officer role could be handled within the IT department.

MR. POMBIER explained that many cities are separating AI from IT functions, as AI serves all departments and requires dedicated focus. He added that the city is evaluating best practices to determine the appropriate structure while ensuring data protection.

COUNCILMEMBER HARRIS asked whether implementing AI would involve additional costs.

MR. POMBIER stated that some funding has already been allocated for software, but not all recommendations may be funded immediately. He noted that the city plans to take a phased approach, starting with one position.

DAWN LANG, Deputy City Manager/CFO, added that a future work session will provide a more detailed discussion on AI.

COUNCILMEMBER ORLANDO commented that the AI officer position could lead to cost savings and efficiencies, such as reducing time spent on reports. He also noted that adding firefighter rover positions could reduce overtime costs.

THOMAS DWIGGINS, Fire Chief, confirmed that rover positions offset costs when utilized above a certain threshold and are currently exceeding that level.

MR. POMBIER added that beyond financial efficiency, these positions also support employee well-being by reducing overwork.

COUNCILMEMBER ORLANDO asked about the custodial and fleet service's needs.

MR. POMBIER explained that fleet demands have grown and that contracting services are often more expensive than hiring full-time staff. He added that vacancies provide opportunities to reassess positions for efficiency and effectiveness.

COUNCILMEMBER ORLANDO asked about the role of the community services urban technician.

MR. POMBIER explained that the position focuses on urban forestry, noting that maintaining trees is more cost-effective than replacing them and helps preserve community amenities such as shade and green spaces.

COUNCILMEMBER ORLANDO asked about the procurement officer position.

MR. POMBIER stated that the city currently has an exceptionally strong procurement officer who is planning to retire in the coming years. He explained that the city is hiring an additional staff member at the deputy level to support training and succession planning, ensuring continuity of service. He noted that while the team will temporarily expand, staffing levels may be reevaluated after the transition.

COUNCILMEMBER ORLANDO commented if adding this position would help accelerate procurement timelines, it could be a helpful addition to the city to improve overall efficiency.

MAYOR HARTKE asked how anticipated efficiencies, particularly from AI, may impact staffing levels over the next five years, noting that past technological advancements have not necessarily reduced workforce size. He expressed concern about long-term sustainability and the need to remain prepared for potential economic downturns while being thoughtful about adding new positions.

MR. POMBIER responded that while efficiency may not always reduce total staffing, it allows the city to do more with existing resources. He explained that AI is intended to enhance employee productivity, enabling staff to take on additional responsibilities rather than be replaced. He added that the city aims to maintain high service levels while controlling overall staffing growth.

MAYOR HARTKE emphasized the importance of cautious hiring, acknowledging that personnel costs are the largest budget item and expressing concern about future economic uncertainty. He noted the need for flexibility and careful planning to remain adaptable.

COUNCILMEMBER HARRIS commented that the city's continued growth will likely require additional staffing to maintain service levels. He stressed the importance of balancing responsible growth with thoughtful budgeting.

COUNCILMEMBER ORLANDO asked whether the budget evaluation process was approached differently this year.

MR. POMBIER explained that the process began earlier and included an initial review to assess the scope of requests. He noted that leadership was more directly involved throughout, with detailed discussions and greater transparency across departments. He added that directors were given visibility into citywide decisions, and that greater focus was placed on efficiency, long-term planning, and preparing for potential budget reductions.

MR. POMBIER continued the presentation.

- Cost considerations – New FTE
 - 13.5 Positions Costs
 - Ongoing: \$2,108,093
 - One-time: \$684,292
- Revenue-Funded & Offset Positions 44.3 FTE These Pay for Themselves and Help Future Proof Operations
 - 44.3 FTE Fully or Significantly Offset by Revenue, Reallocation, or Savings
 - ~76.6% of all proposed positions
 - Net General Fund impact is a fraction of gross cost
 - Fiscal Responsibility Built In

MAYOR HARTKE asked whether any changes to Medicare, Medicaid, or other factors have affected the ambulance service model and its goal of being revenue neutral.

THOMAS DWIGGINS, Fire Chief, responded that there have been no changes to rates and that projections remain the same. He noted a reduction in pension costs, which slightly improved the financial outlook, and added that some existing positions will shift from the general fund to the enterprise fund, creating additional savings.

COUNCILMEMBER ORLANDO asked for the amount associated with those position shifts.

CHIEF DWIGGINS stated it is approximately \$800,000.

COUNCILMEMBER POSTON commented that the approach resembles private-sector practices and asked about the stability of grant-funded positions, expressing concern about long-term employee security.

MR. POMBIER explained that if grant funding ends, staff would return to Council to determine whether to continue the program. He added that the city prioritizes retaining strong employees and would seek to place them in other roles if possible.

COUNCILMEMBER POSTON asked specifically about the senior housing recreation specialist position.

LEAH POWELL, Deputy City Manager, responded that the role is currently funded through community development funds but will also be supported by future revenue tied to housing developments. She noted that alternative funding sources have been identified if grant funding changes.

COUNCILMEMBER POSTON asked if there is some long-term funding stability.

MS. POWELL confirmed that there is.

COUNCILMEMBER HARRIS said the city has had a recent focus on fully staffing public safety positions. He shared gratitude for the new positions to support the new ambulance service under the Fire Department. He asked about the expected positive effects of the ambulance service.

CHIEF DWIGGINS explained that the municipalities that border Chandler operate their own ambulance system. Traditionally, Chandler has had to rely on agreements with private contract companies to offer ambulance services. This new service will allow Chandler the opportunity to enter into agreements with other municipalities to provide comprehensive ambulance support on calls, offering redundancy within the system. There will also be two firefighters on each ambulance that can quickly respond to incidents. The Chandler Fire Department does in house training for paramedics, one of the few departments in the country that is accredited for their medical programs, and the department ensures they can provide top-level training. This ambulance program will also allow for flexibility in coverage of calls across Chandler.

COUNCILMEMBER HARRIS asked about the Business Compliance Inspector and Specialist FTE position.

MR. POMBIER responded this position will help generate business tax revenue, which can help cover their positions. This will be supported by revenue generated by the position, and the city will collect data on the efficacy of the position. These will be in Tax and License under Management Services.

COUNCILMEMBER HARRIS asked about the Closed Circuit TV Analysts FTE positions.

MR. DUNBAR explained that currently, this role is completed by contractors. Converting this position, which scopes sewer connections will save money by doing it in-house.

MR. POMBIER added that bringing these positions in-house will also cause contractors to be more competitive in their pricing and quality of work.

MR. ABBOTT agreed and noted that in-house positions will be able to meet the city's demand and availability needs. This will allow the city to inspect more miles of sewer line at a lesser cost than currently possible with contracted services.

COUNCILMEMBER HARRIS asked about the performance measures of the program.

MR. ABBOTT said currently the city can inspect less than 90 miles of sewer line in a year, which is about one-tenth of the current sewer system. With the new FTEs, the goal is to inspect 180 miles of sewer system each year.

COUNCILMEMBER HAWKINS asked for a follow up in six months after these cost savings employees are added as FTEs.

MR. POMBIER said yes, as soon as data is collected.

MR. POMBIER continued the presentation.

- Cost considerations – Revenue Offset FTE
 - Revenue Offset Net Impact by Fund
- Additional Positions for Consideration
 - Can generate revenue or save expenditures to further align strategic plan set by council
 - (1) Economic Development Project Manager (Retail) (\$170,866 ongoing cost is equal to \$720k in monthly taxable sales generated)
 - (1) Firefighter Rover (avoids mandatory overtime)
 - (1) Information Technology Contractor supporting ongoing technology (by converting to FTE, would save approximately \$100K one-time costs)
 - (1) Senior Utility Maintenance Technician (reduced water loss)
 - (1) Metering Services Technician (faster meter replacements for better billing accuracy)

MAYOR HARTKE asked if there were firefighter rovers hired previously.

CHIEF DWIGGINS explained that in a previous fiscal year, firefighter rovers were hired and with the addition of those positions, the department saved additional overtime. He explained rovers will be used at an 89% weight, where the position will be offset and reduce the overtime budget.

COUNCILMEMBER POSTON asked if the ambulance FTEs would be able to fulfill the rover role.

CHIEF DWIGGINS said no and explained that the ambulance FTEs are being assigned to positions on the ambulances which are not free to move. The rover position moves from station to station to cover time off, sick leave, and vacation from other firefighters.

COUNCILMEMBER ELLIS asked about the Economic Development Project Manager position.

MR. POMBIER shared an example where a retailer in Chandler generates a certain amount of tax revenue. This position would cover the ongoing cost by generating aggregate tax revenue. This position would focus on bringing new commercial and retail companies to Chandler.

COUNCILMEMBER ELLIS asked what other partners will this position work with.

MR. POMBIER said this position will work with the Chandler Chamber of Commerce, to look at how we can partner more effectively to not only bring business in but keep them and maximize businesses going forward.

COUNCILMEMBER ELLIS asked about the positions related to water.

MR. POMBIER explained the Senior Utility Maintenance Technician is a position that will be offered as an entry level technician with the hopes of creating a pathway from entry level to senior maintenance technician. The position will focus on preventative maintenance on approximately 50 sites.

COUNCILMEMBER POSTON asked about the Economic Development Project Manager position and asked where the \$170,866 ongoing cost is equal to \$720k in monthly taxable sales generated figure comes from.

MR. DUNBAR explained that the \$720,000 multiplied by the current tax rate at 1.5% it would generate enough on a monthly basis enough tax to cover the estimated \$170,866 ongoing cost.

COUNCILMEMBER POSTON confirmed this position would need to generate \$720,000 in monthly revenue to be self-revenue generated.

MR. POMBIER said it would be taxable revenue within the community. He affirmed that economic development is a focus of the city, and this position ask is easy to quantify.

COUNCILMEMBER POSTON shared concerns about reaching \$720k in monthly taxable sales.

MR. POMBIER said it would depend on the type of stores. This position would be set up in a way that works for Chandler, meets Council vision, and sets the city up for revenue success.

VICE MAYOR ENCINAS asked for the scope of focus of the Economic Development Project Manager.

MR. POMBIER said the focus will be driven by Council's vision and target the infrastructure that the city can support.

COUNCILMEMBER ORLANDO asked for more data on the Economic Development Project Manager position before approval. He asked about the firefighter rovers working at 89%.

CHIEF DWIGGINS said the firefighter rovers are currently working at 89%. These are all independent positions. He shared that 104 times last year, there was no availability for a firefighter to work overtime, so coverage had to be pulled from firefighters off of work or from those who were already on a shift.

COUNCILMEMBER ORLANDO asked for additional information on the firefighter rover position. He asked what the Information Technology Contractor position is expected to do.

MR. POMBIER said this conversion will save the city approximately \$100,000 yearly in onetime costs.

COUNCILMEMBER ORLANDO asked for more information on the two utilities positions, he wanted to see more on how this could generate revenue or save expenditures.

MR. POMBIER explained the revenue generation here is by the cost savings done by doing preventative maintenance service.

MAYOR HARTKE emphasized these positions are up for Council consideration but will be voted on at a later time.

COUNCILMEMBER HARRIS said he wanted more information about the Economic Development Project Manager and how projects will be considered. He mentioned the Senior Utility Maintenance Technician would be doing preventative maintenance on utility systems around the city.

MAYOR HARTKE asked for some comparisons to other cities' FTE counts.

MR. POMBIER continued the presentation.

- Peer Comparison – Adopted FTE per 1,000 in pop. FY 2025-26
 - 93% Of recommended positions are Frontline Service Positions
 - Ensures continued excellent service delivery while maintaining the lowest sales tax rate, lowest utility rates, and lowest overall cost burden to resident in the valley
 - East Valley Average 9.1 FTE per 1,000 Residents Includes Mesa, Scottsdale, Tempe, Gilbert & Queen Creek
 - Chandler Arizona 6.6 FTE per 1,000 Residents Includes recommended FTE
- General Fund Ongoing Forecast
 - Ongoing revenue is increasing at a more gradual pace than expenditures. Modest wage changes are estimated for years 2-5 of the forecast. Ongoing revenues and expenditures will need refinement over next two years to ensure structural balance continues.
- Proposed 5-Year One-Time General Fund Balance Update

MR. DUNBAR continued the presentation.

- One-Time Dollar Funding Options
 - Maintain reserves sufficient to meet financial policies including PSPRS fully funded status
 - Reinvest in existing aging infrastructure, systems, including projects that generate ongoing savings
 - New initiatives and capital that generate sustainable ongoing financial savings
 - Focus operating & capital spending to move forward strategic focus area action items

MS. LANG said the city's payment has decreased by \$12.3 million per year in ongoing through payroll for sworn officers, which is the impact of the investments in paying down unfunded liability.

MR. DUNBAR continued the presentation.

- 2026-27 One-Time Decision Package recommendations (All Funds)
 - Significant Recommendations
 - Citywide Technology Projects, Cyber Security & ERP
 - Primary and General Elections
 - Enhanced Citywide Marketing
 - Continued Transit Services
 - One-time contracted services
 - Ambulance equipment and supplies
 - Human Services allocations, Heat Relief and Operation Open Door
 - Water conservation Program
 - One-time Utility Chemical Increases (GAC/PAC)
 - All Funds \$18.2M in one-time requests (PY \$22.5M) \$19M recommended net of offsets (PY \$17.6M)
 - General Fund (GF) \$10.5M in one-time requests (PY \$16.9M) \$13.9M recommended net of offsets (PY \$14.6M)
- Maintain Funded Status of PSPRS to Ensure Unfunded Liability Does not Grow
 - Police 94.6% to 98.0%
 - Fire 94.1% to 100.2%
 - Total 94.4% to 98.8%
 - Note: FY 2025-26 \$15M payment not yet reflected
 - No planned FY 2026-27 additional payment
 - Supports use of additional one-time funds to payoff any remaining unfunded liability on an annual basis
 - Note: PSPRS has not released the modeler to confirm effect of actual rate of return to show impact to liability
- 5-Year One-Time General Fund Balance Forecast
 - Beginning Fund Balance (estimate)
 - Additional One-Time Revenue/Savings
 - Total Addl' One-Time Revenue/Savings
 - Total One-Time Funds Available
 - Projected One-Time Expenditures/Transfers Out
 - Total Economic Development/Capital Projects
 - Total One-Time Operating
 - Total One-Time Expenditures/Trans Out
 - Ending Fund Balance
 - Appropriated 15% Contingency (\$55.8M of Fund balance), Council Contingency \$425K (\$350K one-time & \$75K ongoing), and other reserves

- Proposed 5-Year One-Time General Fund Balance Forecast

COUNCILMEMBER ORLANDO asked if this includes one-time dollars coming in as well.

MR. DUNBAR said yes, they are planned for in the revenue, the portion considered one-time is in the top line.

MR. DUNBAR continued the presentation.

- Assessed Valuation and Property Tax Update

MR. POMBIER said nothing presented today will require an increase in property tax. His recommendation is to keep property tax rates flat.

MR. DUNBAR continued the presentation.

- Property Valuation and Tax Rate History
 - Tax rate was increased during declining values, and decreased during periods of increasing values
- Property Tax Rate Comparison
 - Per \$100 of Assessed Value
- Breakdown of \$1 of Typical Chandler Property Tax Bill
 - Public Schools and Community College Districts 69 cents
 - Maricopa County & Special Districts 20 cents
 - City of Chandler 11 cents
 - *Based on 2025 Tax Bill information, exact split will vary depending on the school district and any other special taxing districts on the bill
- Levy with Rates Unchanged
 - Fiscal Year/Property Categories
 - Limited Property Value
 - Change in Limited Property Value
 - Tax Rate
 - Projected Levy (Primary + Secondary)
 - +2.9% Appreciation
 - +0.9% New Property
- Impact to Median Value Homeowner
 - \$0.01 change to Property Tax Rate equals \$427,959
 - FY 2026-27 budget draft assumes primary tax rate remains flat, allowing for capture of ongoing revenue which will require a Truth-in-Taxation process
 - Notes: FY 2009-10 was last time Truth-in-Taxation process was required. There have been 10 consecutive years of primary rate reductions.

MAYOR HARTKE suggested keeping the property tax rate flat for this fiscal year.

COUNCILMEMBER HARRIS shared concerns about international conflict and how inflation could affect Chandler.

MS. LANG said there are a lot of safeguards built into the budget this year, along with the 15% contingency that can be used.

VICE MAYOR ENCINAS requested information on a possible property tax rate reduction.

MS. LANG explained that a \$0.01 change to the property tax rate results in a change of \$427,959.

MR. DUNBAR continued the presentation.

- Key Budget Dates
- Questions

Public Comment

None.

Adjourn

The meeting was adjourned at 5:41 pm.

ATTEST: Jennifer Ehlbaud
City Clerk

Kevin Harbo
Mayor

Approval Date of Minutes: April 9, 2026

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of Chandler, Arizona, held on the 23rd day of March 2026. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ^{9th}~~15th~~ day of April 2026.

Jennifer Ehlbaud
City Clerk

