



# Council Workshop FY26-27 Budget Discussion

January 27, 2026





# Agenda

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- 1) FY26-27 Budget Overview
  - a) Property Tax Levy
  
- 2) Five-Year Financial Forecasts
  - a) General Fund
  - b) Special Revenue Funds
  - c) Enterprise Funds



# Budget Calendar

Item	Date
<i>Workshop #1 – Budget Overview / Revenues / Five-Year Financial Forecasts</i>	<i>January 27, 2026</i>
Workshop #2 – FY27-36 Capital Improvement Plan	March 3, 2026
Workshop #3 – (All Day) FY27 Operating Budget Department Presentations	March 30, 2026
Workshop #4 – FY27 Total Tentative Budget (Operating, CIP, Debt, Contingency)	April 14, 2026
<b>Voting Meeting – Tentative Budget Adoption</b>	<b>May 12, 2026</b>
<b>Voting Meeting – Final Budget Adoption / Property Tax Levy</b>	<b>June 9, 2026</b>
<b>Voting Meeting – Property Tax Adoption</b>	<b>June 23, 2026</b>

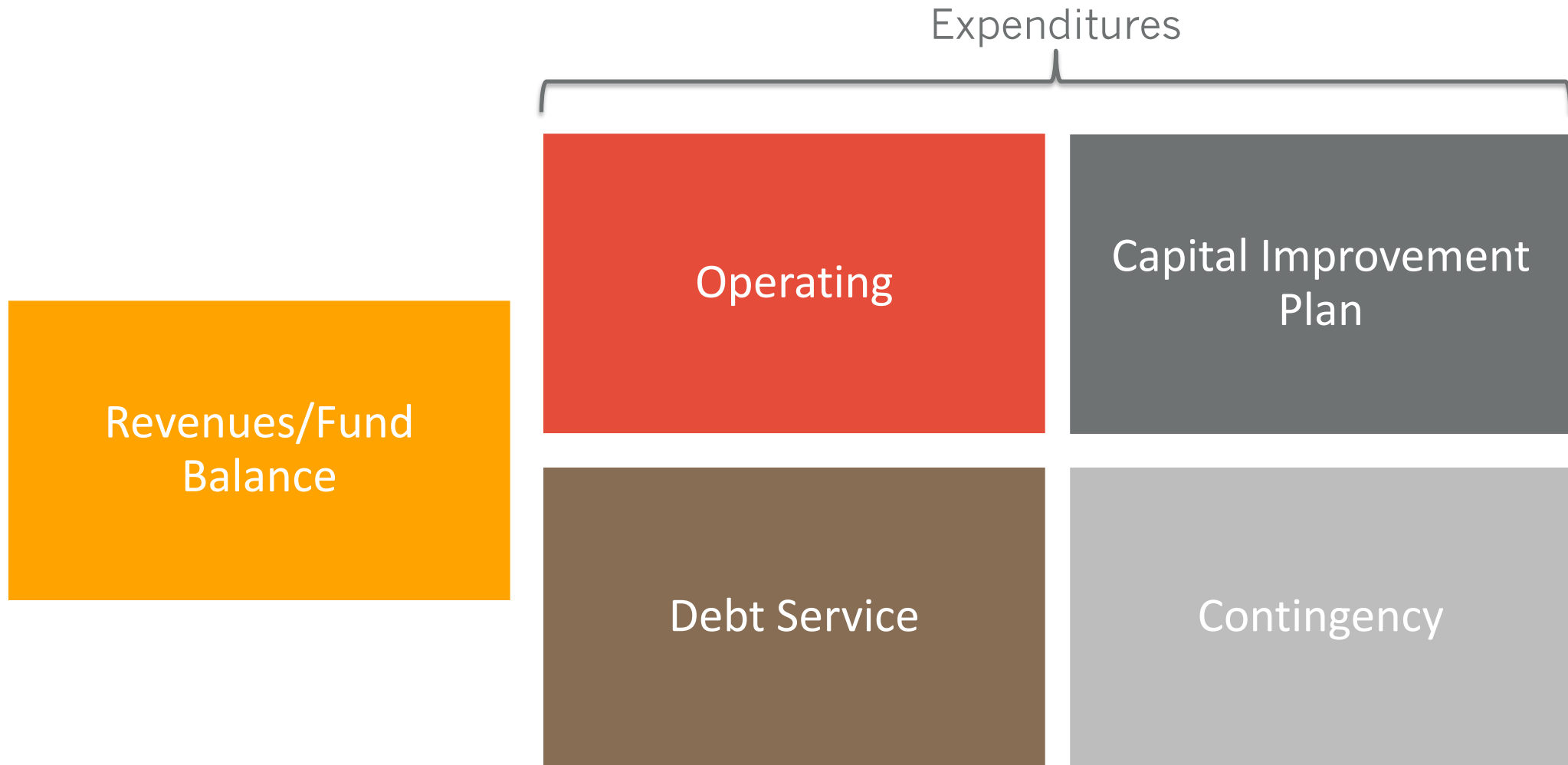


# Budget Process





# Budget Components





# Property Tax

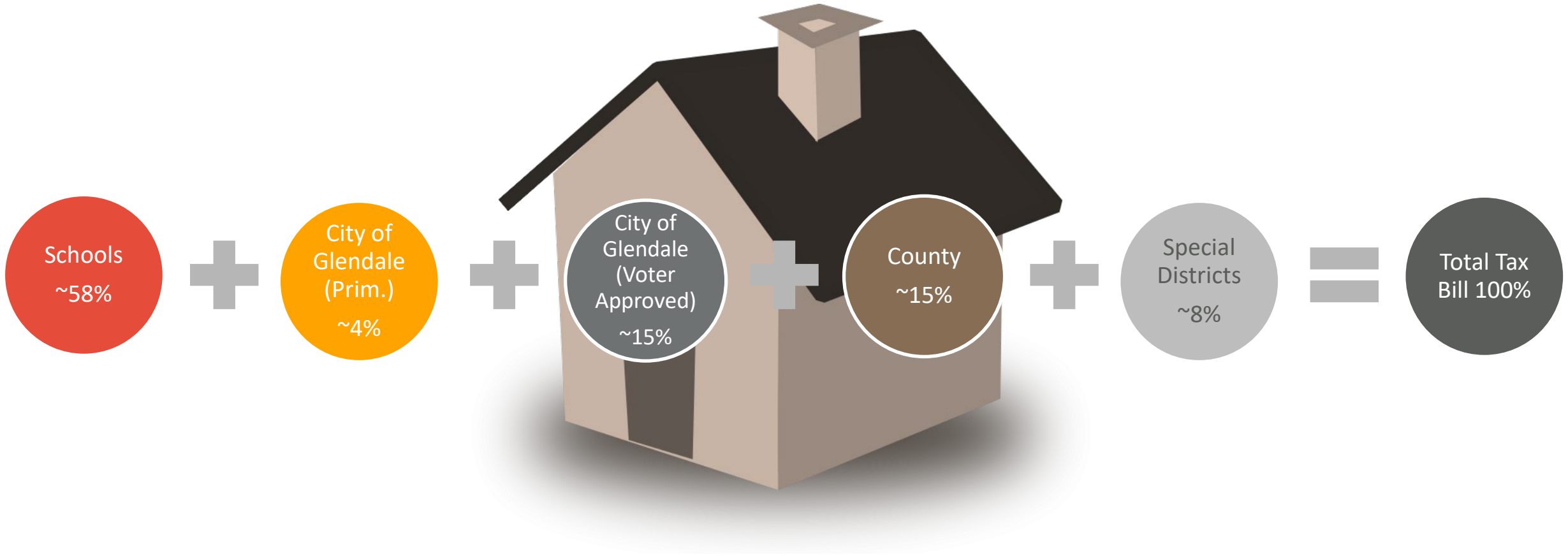


# Financial Policies – Property Tax

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“To ensure ongoing General Fund stability, the primary property tax levy will be evaluated each year to determine where it should be set.”

# Property Tax





# Property Tax Bill Example (\$435k Home)\*

	2024		2025		Changes
Assessed Value	\$138,324		\$145,241		\$6,917
Full Cash Value	\$364,700		\$334,100		\$30,600
	<b>Property Tax Levy Calculation</b>				
	2024		2025		
	Rate	Levy	Rate	Levy	\$ Change
Schools/Education (59%)		\$655.88		\$661.90	\$6.02
<b>Glendale Primary (4%)</b>	<b>0.3328</b>	<b>\$46.03</b>	<b>0.3242</b>	<b>\$47.09</b>	<b>\$1.06</b>
<b>Glendale Secondary (15%)</b>	<b>1.1597</b>	<b>\$160.41</b>	<b>1.1296</b>	<b>\$164.06</b>	<b>\$3.65</b>
County (14%)		\$160.33		\$168.35	\$8.02
Special Districts (8%)		\$84.17		\$91.22	\$7.05
<b>Total</b>		<b>\$1,106.82</b>		<b>\$1,132.62</b>	<b>\$25.80</b>



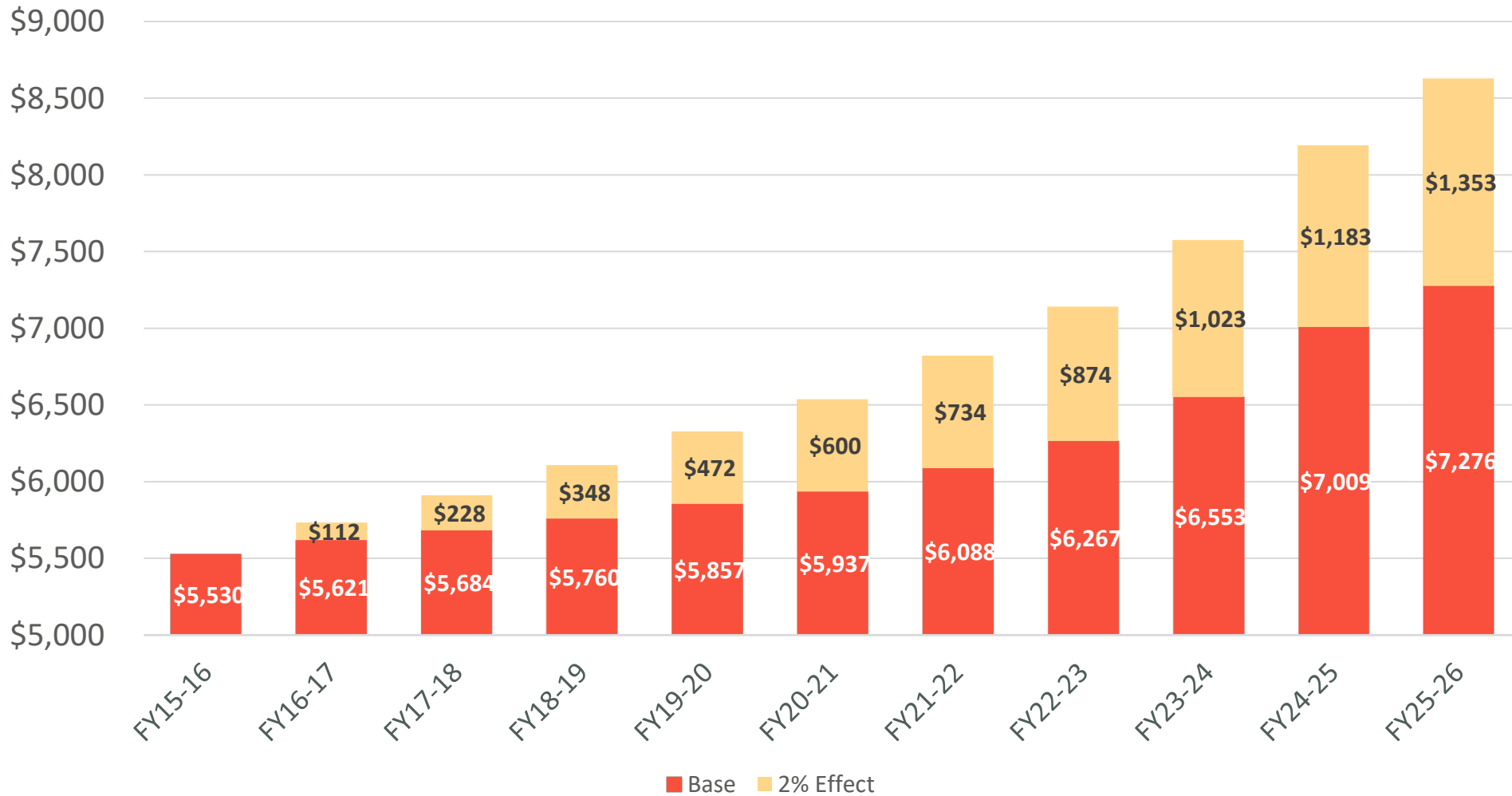
# Primary Property Tax Levy w/2% Increase

	FY25-26			FY26-27		
	Budget			Projected		
	Rate	Levy		Rate	Levy	Increase
Primary	0.3242	\$7,275,997		0.3307	\$7,421,517	\$145,520
Secondary	1.1296	24,423,783		1.1296	24,423,783	0
Total	1.4538	\$31,432,695		1.4992	\$31,845,300	\$145,520

- Primary – Levy increased by 2%
- Secondary (Voter Approved) – No levy increase
- Simple example, assumes no new construction & no increase in assessed valuation

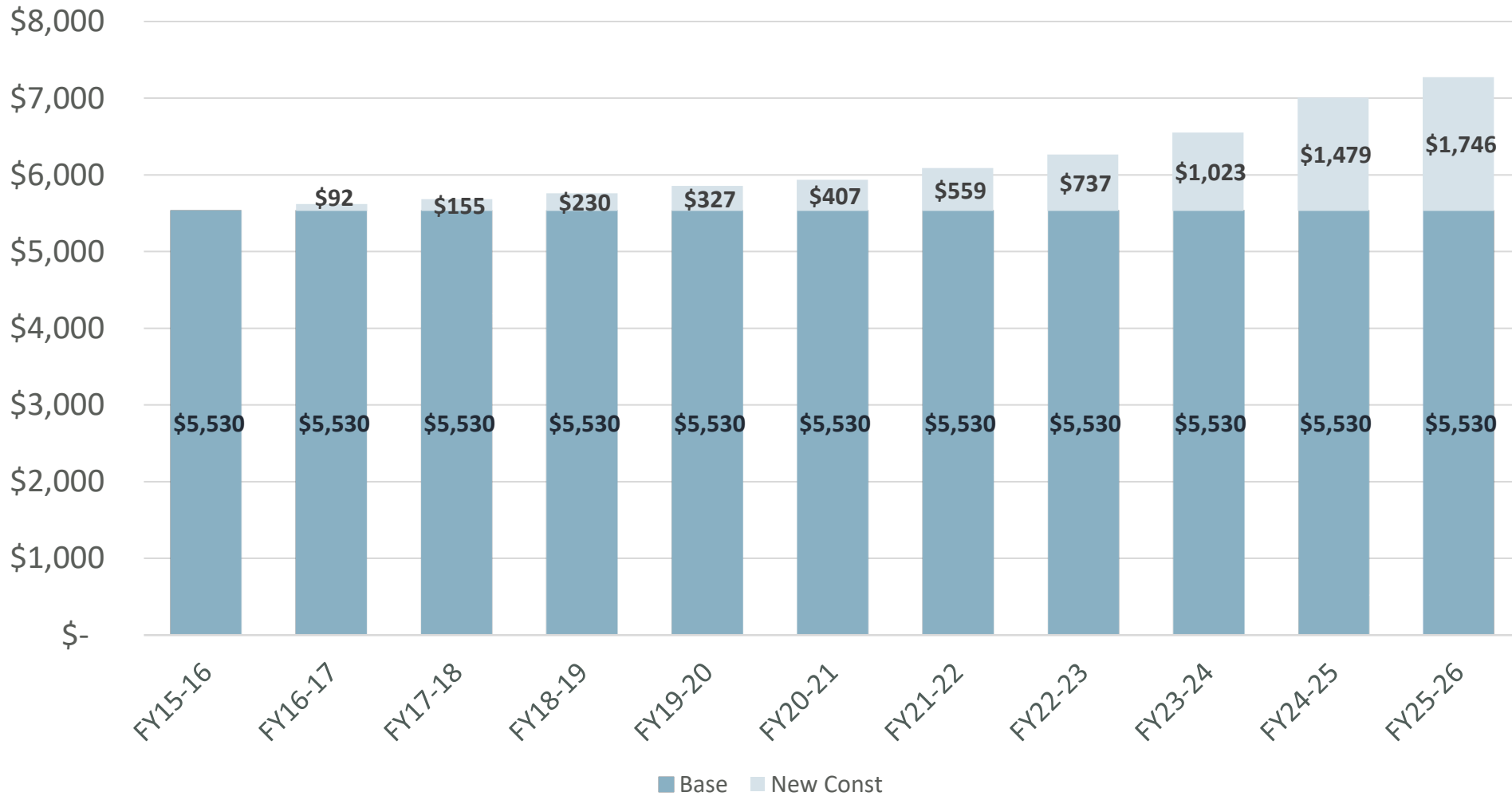


# Cumulative Effect of Flat Primary Levy



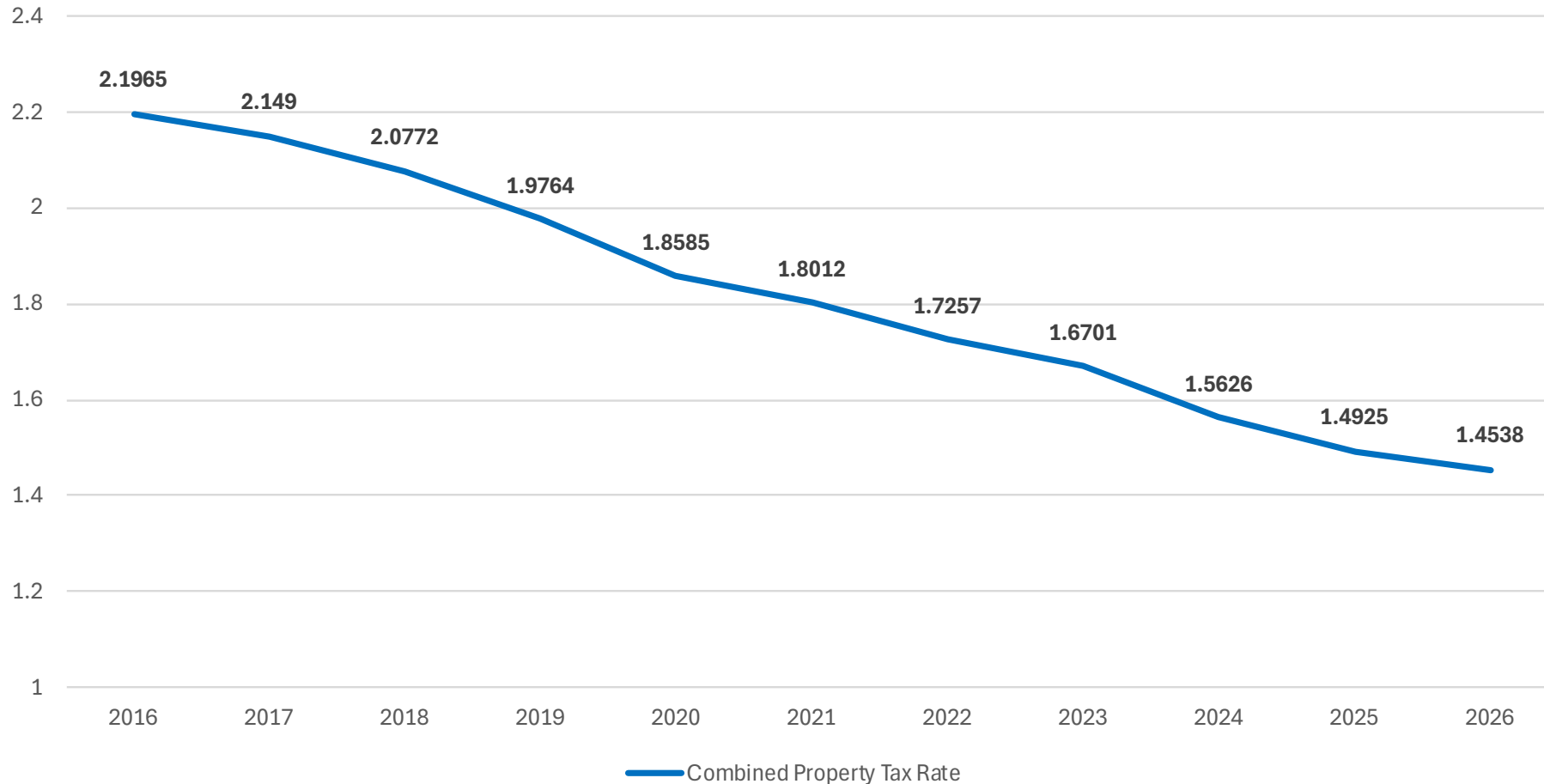


# Cumulative Effect of New Construction



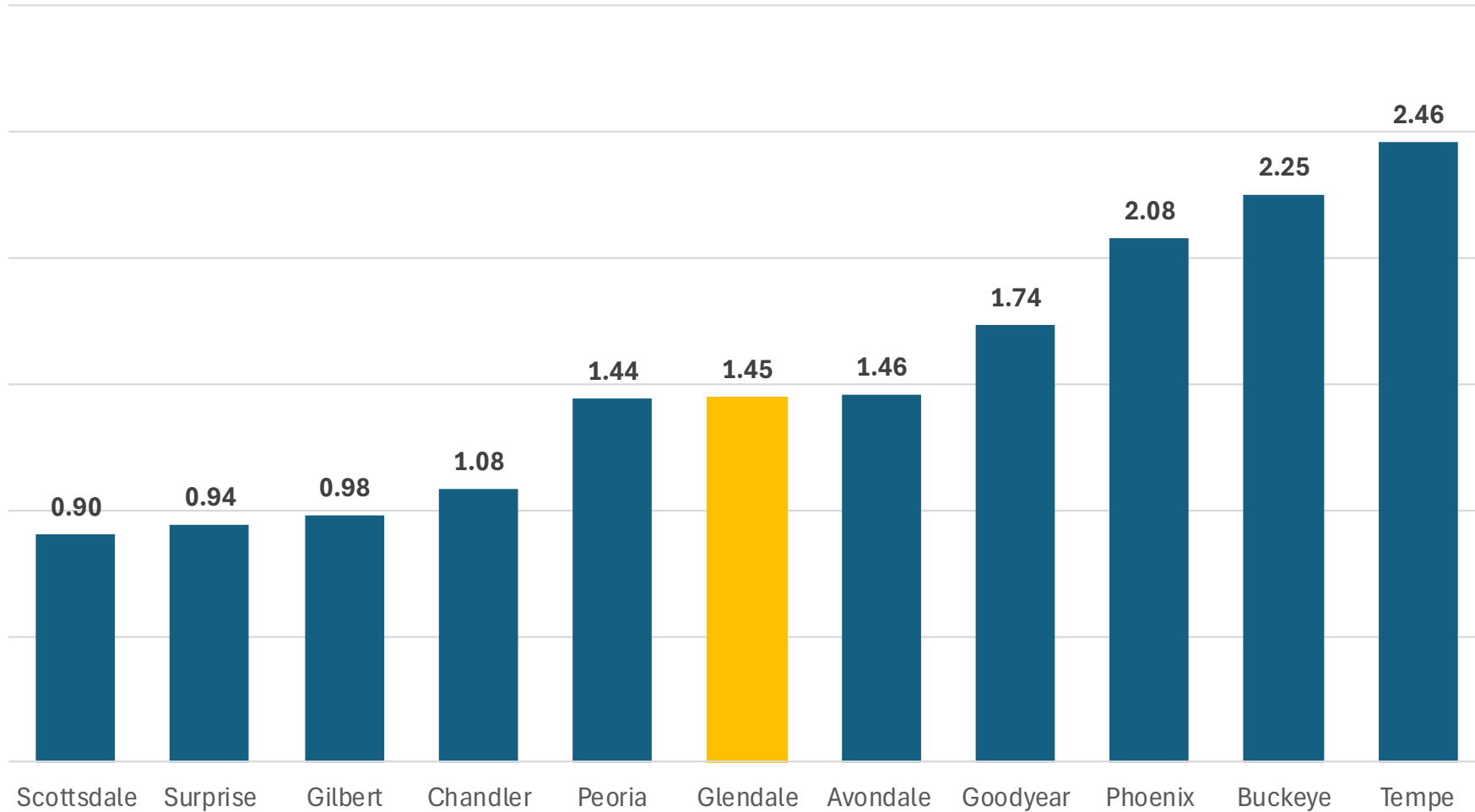


# Glendale Combined Property Tax Rate



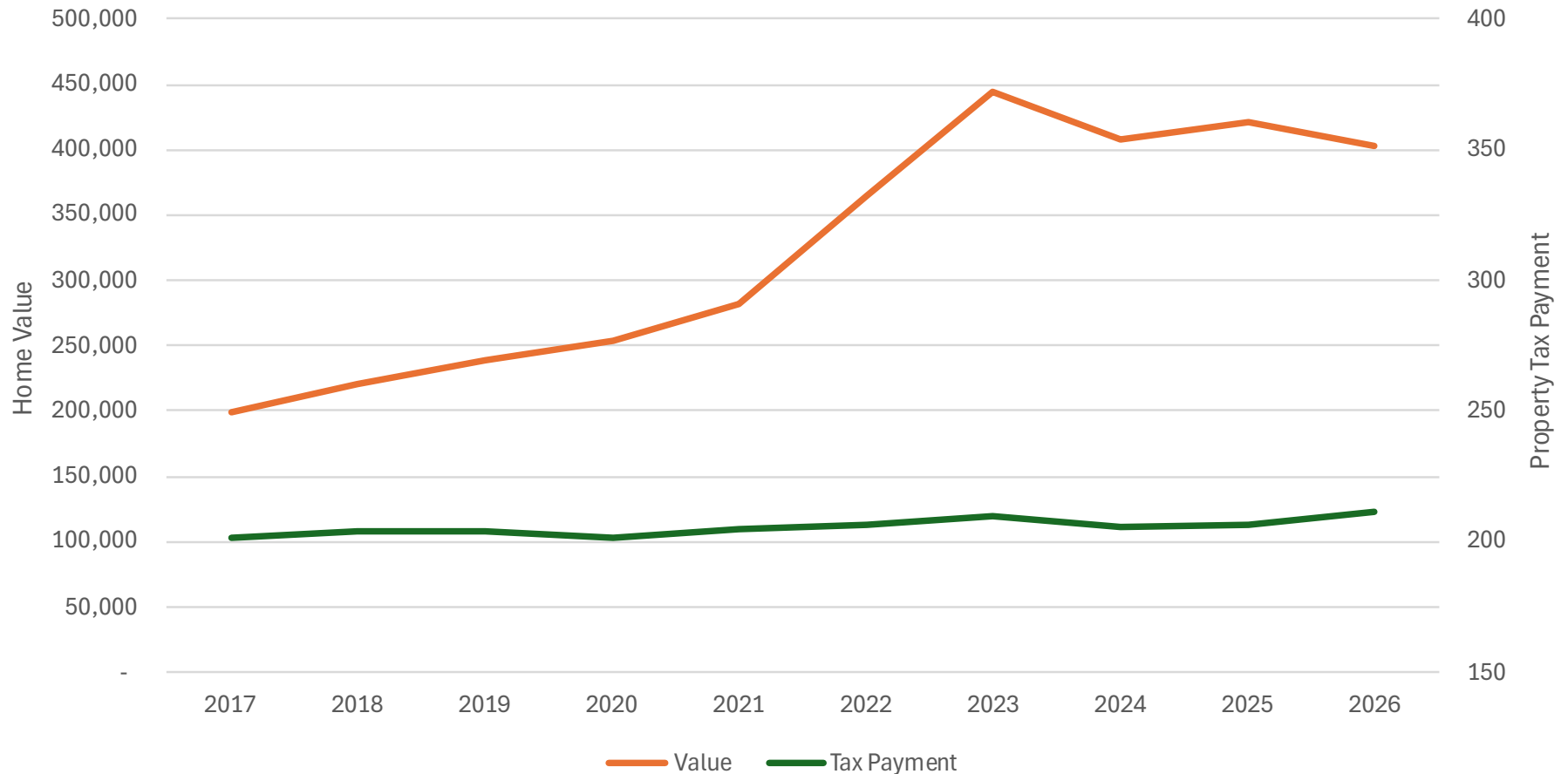


# Combined Property Tax Rates





# Median Home Market Value vs Glendale Property Tax Payment





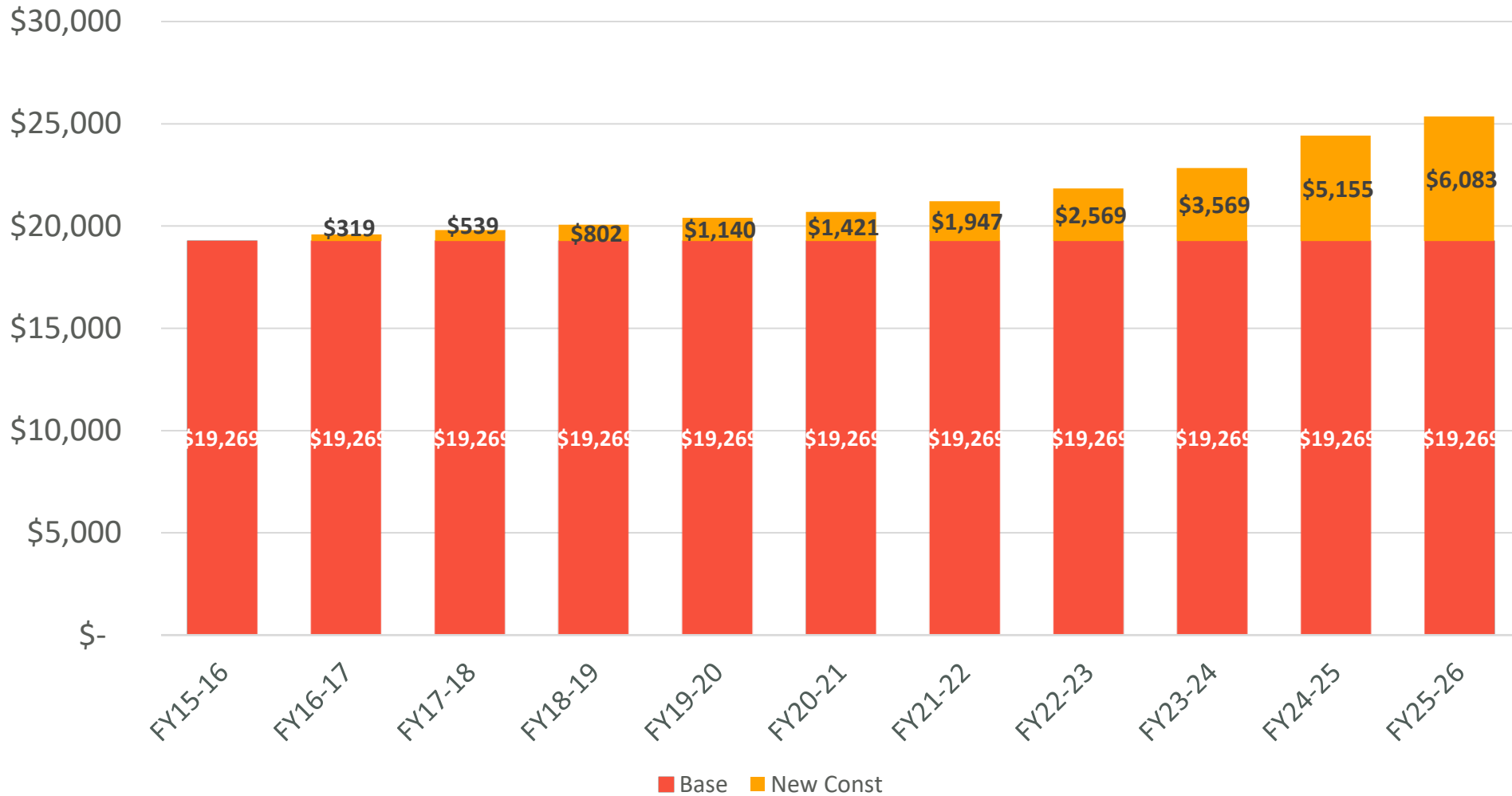
# Primary Property Tax Discussion

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- Primary Levy Summary
  - Any general fund expense
  - Allowable up to a 2% increase per year
  - Cumulative increase is approximately \$1.2M
- Council Consensus
  1. Flat Primary Levy
  2. 2% Primary Levy Increase
  3. Flat Primary Rate



# Secondary Property Tax Revenue





# Secondary Property Tax Discussion

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- Secondary Levy Summary
  - Debt service on General Obligation (G.O.) bonds only
  - Currently flat levy
    - Assumes slight growth from new construction
- Council Consensus
  1. Flat Secondary Tax Levy
  2. 2% Secondary Levy Increase
  3. Flat Secondary Rate



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**Questions?**



# Five-Year Financial Forecasts



# Five-Year Financial Forecasts

- First step in the budget process
- Forecasts are high-level overviews
- Government Finance Officers Association (GFOA) Best Practice
- Developed with data collected from several sources:
  - Arizona Department of Revenue (ADOR)
  - Arizona League of Cities and Towns
  - Arizona Joint Legislative Budget Committee (JLBC)
  - Arizona Department of Transportation (ADOT)
  - City of Glendale Historical Data (5 years)
  - Other Comparable Cities

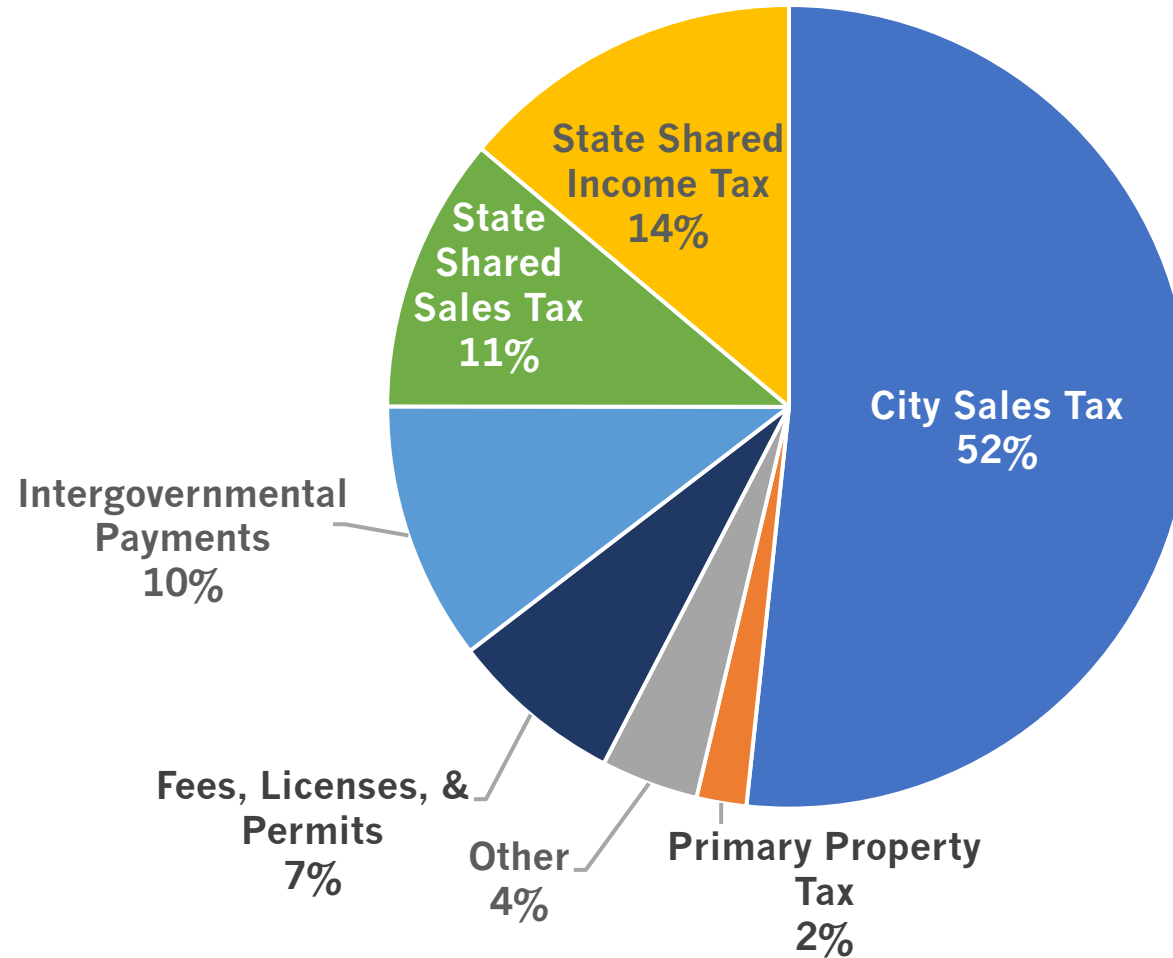


# Five-Year Financial Forecasts

- Shows longer-term impacts of current-year budget decisions
- Highlights financial trends
  - General Fund
  - Special Revenue Funds (PSST, HURF, Transportation)
  - Enterprise Funds (Water Services, Solid Waste, Landfill)

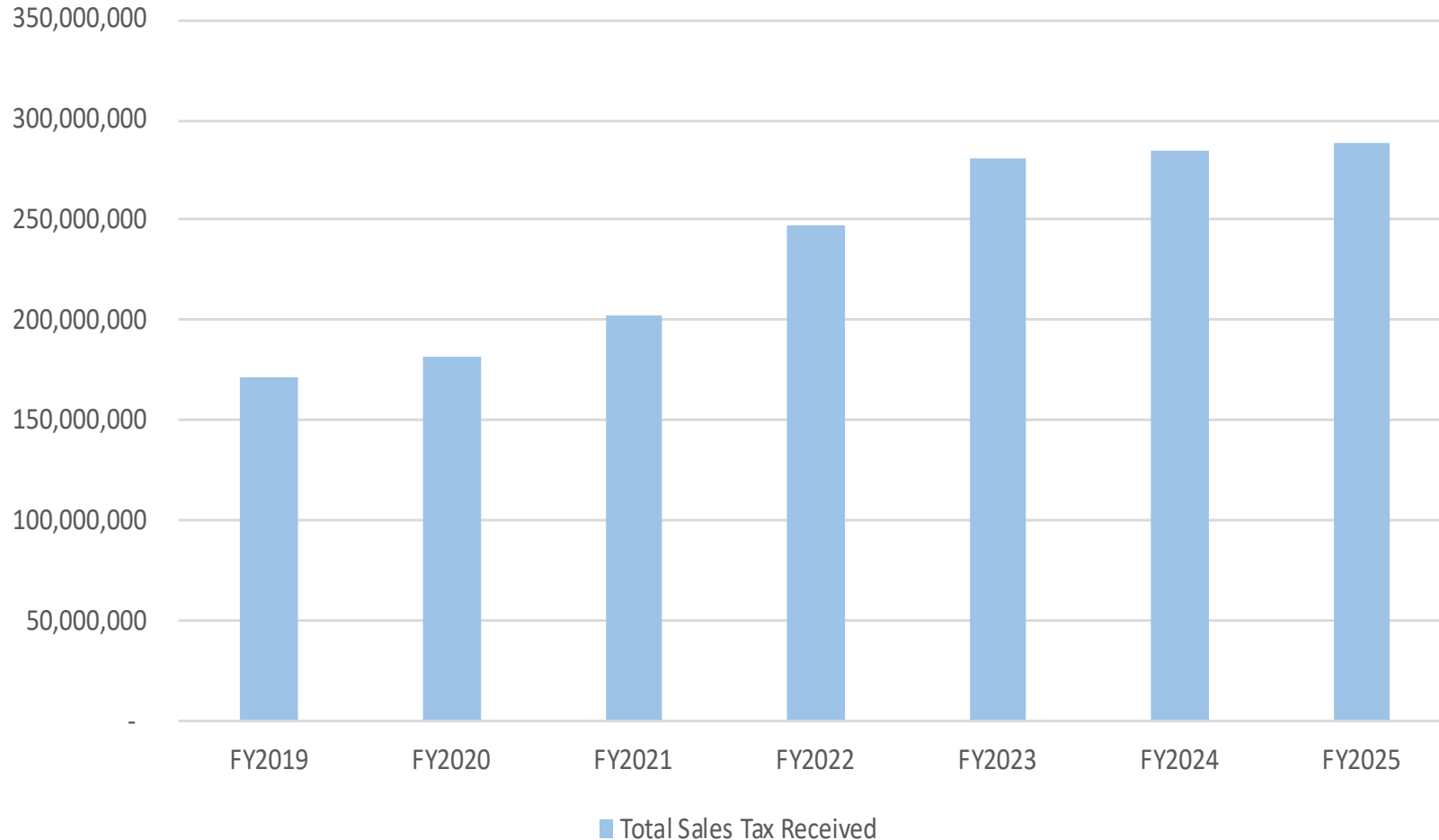


# FY2026 Forecasted General Fund Revenue





# Total City Sales Tax (TPT) Revenue



## Annual TPT Increase

- FY2019 – 5.8%
- FY2020 – 5.8%
- FY2021 – 11.3%
- FY2022 – 22.4%
- FY2023 – 13.6%
- FY2024 – 1.4%
- FY2025 – 1.3%



# Total City Sales Tax – All Funds

City Sales Tax by Category					
Category	FY2021	FY2022	FY2023	FY2024	FY2025
Amusement	1,514,058	5,943,710	12,910,184	7,498,992	7,556,399
Construction	17,341,703	26,743,518	31,627,274	39,513,263	36,969,365
Hotel/Motel	3,823,132	6,387,003	8,313,563	7,937,844	8,701,402
Other	9,247,186	9,235,207	10,305,921	10,260,830	9,896,320
Rentals	21,986,704	26,231,371	31,698,010	34,105,869	35,079,836
Restaurant/Bar	22,488,718	29,300,707	32,010,253	33,570,033	33,268,701
Retail Sales	104,958,513	119,778,208	128,092,193	125,769,520	127,411,566
Retail Sales >\$5,000	11,776,541	14,524,311	15,908,868	15,467,461	15,827,300
Utilities	9,114,217	9,421,026	10,251,277	10,932,440	14,133,455
<b>TOTALS</b>	<b>202,250,772</b>	<b>247,565,060</b>	<b>281,117,543</b>	<b>285,056,252</b>	<b>288,844,344</b>

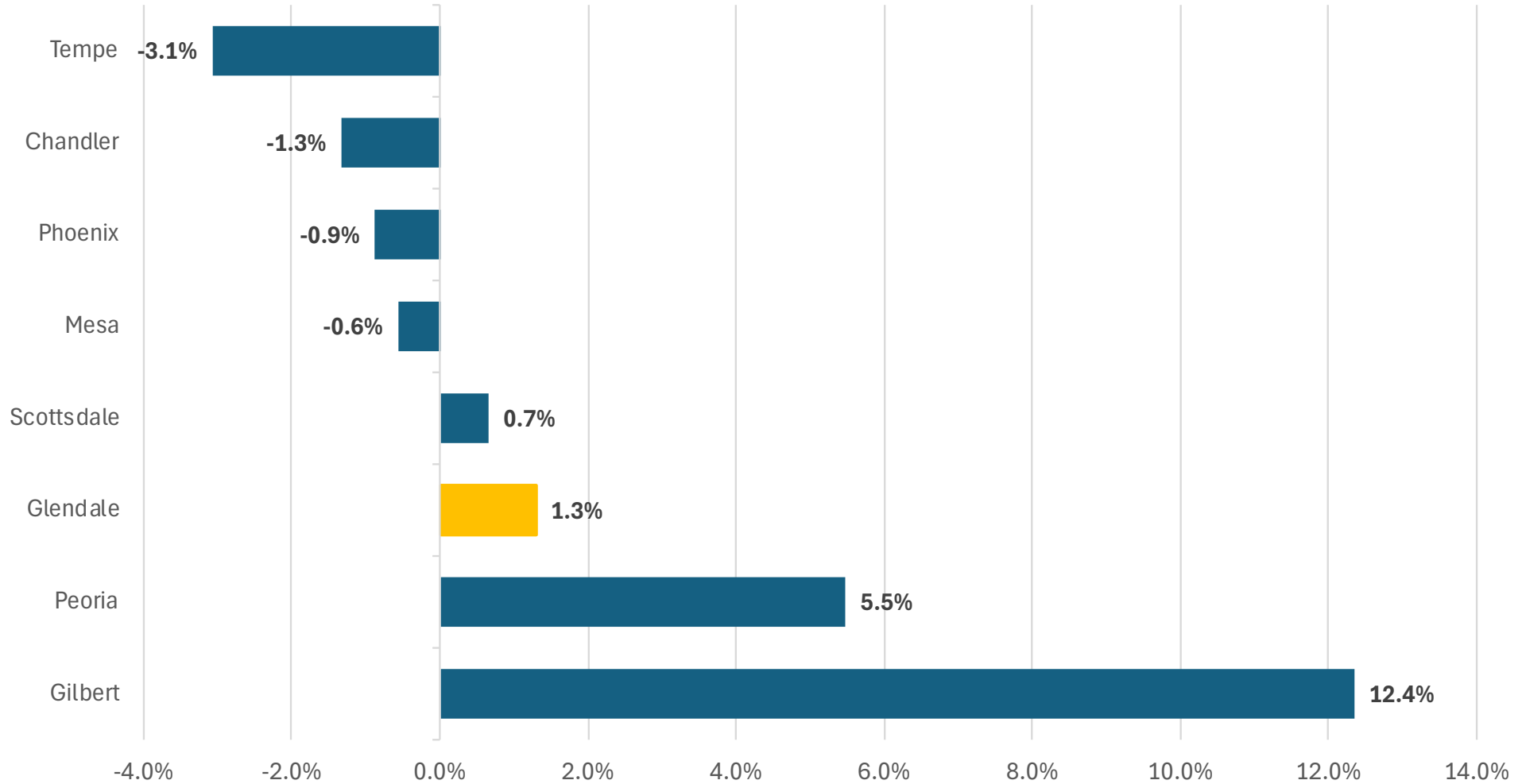


# Year-to-Date City Sales Tax

Year-To-Date City Sales Tax Revenue by Category		
Category	% of Change from Prior Year	FY26 through December
Amusement	28%	5,365,910
Construction	2%	18,146,027
Hotel/Motel	-2%	3,615,610
Other	6%	5,288,506
Rentals	-24%	14,769,386
Restaurant/Bar	1%	16,342,128
Retail Sales	3%	62,826,049
Retail Sales >\$5,000	-3%	7,625,067
Utilities	-12%	7,692,928
<b>TOTALS</b>	<b>-1.6%</b>	<b>\$ 141,671,611</b>



# FY2025 TPT Growth





# General Fund Revenue Assumptions

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- City Sales Tax
  - Elimination of Residential Rental Tax
  - Conservative growth for FY27 through FY31
    - Assumed reductions in construction sales tax beginning in FY26, reaching an average trend in FY31
    - 1-2% average growth for all other categories



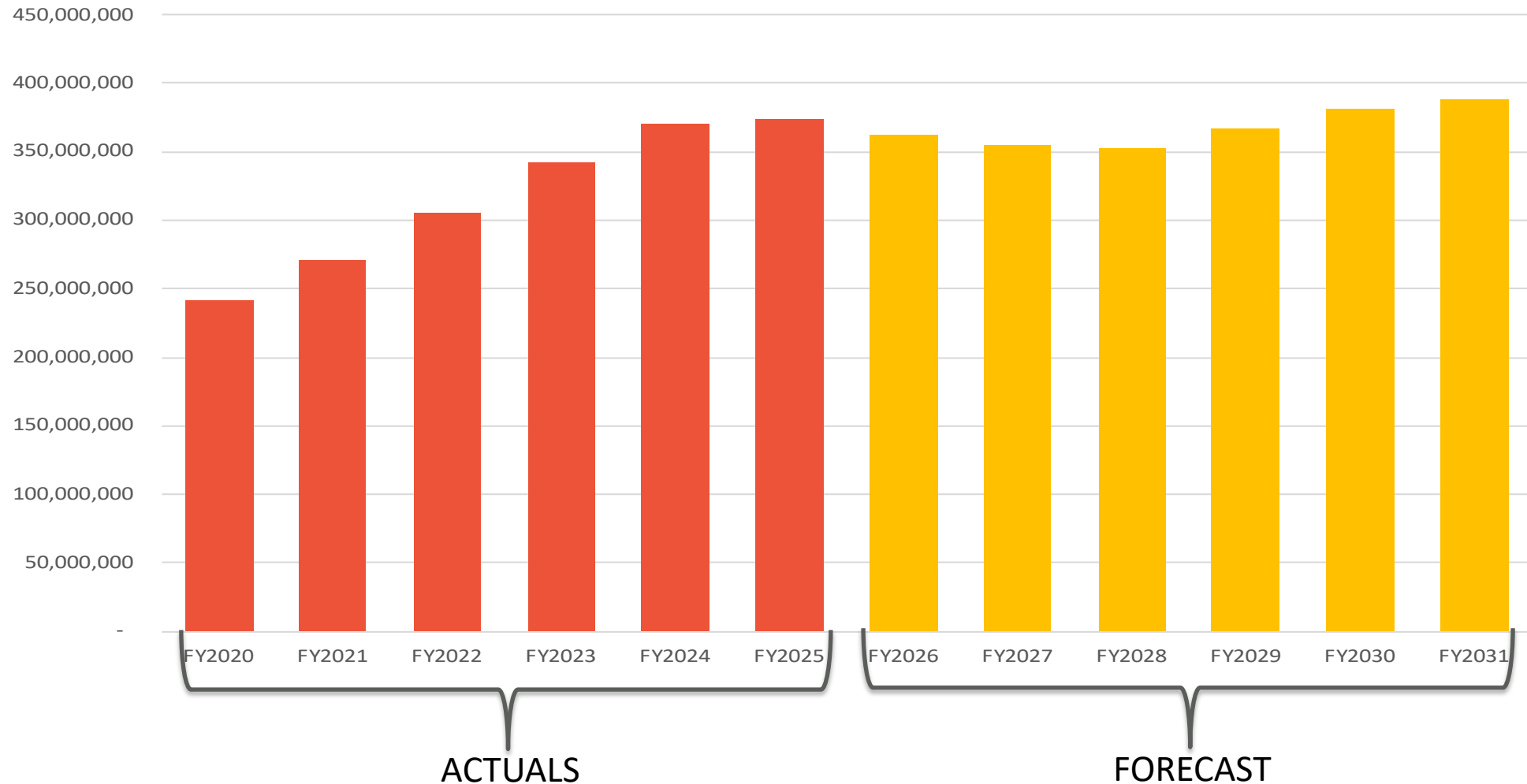
# General Fund Revenue Assumptions

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- State-Shared Sales Tax
  - Consistent with Department of Revenue report
- State-Shared Income Tax
  - Reduction in FY27, conservative growth for FY28–31
  - New Federal Income Tax Deductions beginning in FY28
- San Tan Valley incorporation
- Monitoring State Legislation



# Total General Fund Revenue





# General Fund Expenditure Assumptions

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- Operating Expenses
  - 5% average increase for FY27 – FY31
  - Estimated Personnel Increase of \$7.2M in FY27
- Increases to Public Safety per Memorandums of Understanding
- Replacement of Fire Apparatus
- Replacement of Police Radios
- Maintaining City Facilities
- Park Maintenance and Recreation Programming



# General Fund Expenditure Assumptions

- Certificates of Participation (PSPRS Pension Obligations)
  - PSPRS contribution rates
  - \$21.5M average debt service payment for FY27–FY31
  - Pension reserve fund – \$20M funded in FY27
- Vehicle Replacement Fund – 8% annual increase
- General Fund Contingency \$5M in FY26
  - Contingency amount can be evaluated annually
  - Use of contingency requires Council approval



# General Fund Forecast

	FY25-26 Revised Budget	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget	FY31 Budget
Beginning Fund Balance	303,651,198	293,313,108	275,392,547	243,590,758	209,549,037	170,927,389
Operating Revenue	362,242,095	354,562,655	352,163,575	366,747,414	381,261,617	388,209,646
Ongoing Operating Expenditures	(326,487,498)	(331,931,339)	(346,225,803)	(358,923,082)	(370,504,598)	(382,171,746)
One-Time Operating Expenditures	(5,504,074)	(6,980,059)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)
Net Transfers	(40,588,612)	(33,571,819)	(35,239,561)	(39,366,052)	(46,878,667)	(44,286,079)
Contingency	(5,000,000)	(5,000,000)				
<b>Total Surplus/(Deficit)</b>	<b>(15,338,090)</b>	<b>(22,920,561)</b>	<b>(31,801,790)</b>	<b>(34,041,720)</b>	<b>(38,621,649)</b>	<b>(40,748,179)</b>
Ending Fund Balance w/o Contingency	293,313,108	275,392,547	243,590,758	209,549,037	170,927,389	130,179,210
Assigned FB - General Govt CIP	23,549,066	11,304,944	9,716,048	11,592,493	18,581,035	15,958,306
Pension Reserves (Committed)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
<b>Unassigned Fund Balance w/o Contingency</b>	<b>249,764,042</b>	<b>244,087,603</b>	<b>213,874,710</b>	<b>177,956,544</b>	<b>132,346,354</b>	<b>94,220,904</b>
<b>Fund Balance Policy</b>						
<b>25% Ongoing Operating Expenses</b>	<b>81,621,875</b>	<b>82,982,835</b>	<b>86,556,451</b>	<b>89,730,771</b>	<b>92,626,149</b>	<b>95,542,936</b>



# Special Revenue Funds

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Funds are legally restricted

Transportation & HURF Funds are capital-intensive

- Capital plans will be updated during the budget process

## Revenue Assumptions

- Highway User Revenue Fund (HURF)
  - Conservative growth
- Transportation Sales Tax
- Public Safety Sales Tax (Police & Fire)
  - Same assumptions as General Fund



# Highway User Revenue Fund (HURF)

	FY25-26 Revised Budget	FY26-27 Budget	FY27-28 Budget	FY28-29 Budget	FY29-30 Budget	FY30-31 Budget
Beginning Fund Balance	30,561,533	25,599,226	24,918,652	24,456,828	24,484,752	23,177,424
Operating Revenue	21,875,972	21,733,801	22,153,699	22,581,847	23,018,409	23,463,551
Operating Expenditures	(15,915,203)	(16,263,303)	(16,864,894)	(17,494,381)	(18,147,469)	(18,825,046)
Capital Outlay	(9,423,075)	(4,651,073)	(5,750,629)	(5,059,542)	(6,178,268)	(6,130,033)
Contingency	(1,500,000)	(1,500,000)	-	-	-	-
<b>Total Surplus/(Deficit)</b>	<b>(4,962,307)</b>	<b>(680,575)</b>	<b>(461,824)</b>	<b>27,924</b>	<b>(1,307,328)</b>	<b>(1,491,528)</b>
Ending Fund Balance	25,599,226	24,918,652	24,456,828	24,484,752	23,177,424	21,685,897
<b>Fund Balance Policy 15% Operating Revenue</b>	<b>3,281,396</b>	<b>3,260,070</b>	<b>3,323,055</b>	<b>3,387,277</b>	<b>3,452,761</b>	<b>3,519,533</b>



# Transportation Sales Tax

	FY25-26 Revised Budget	FY26-27 Budget	FY27-28 Budget	FY28-29 Budget	FY29-30 Budget	FY30-31 Budget
Beginning Fund Balance	98,824,584	72,027,845	55,844,804	54,623,715	53,749,462	51,878,074
Operating Revenue	51,088,946	47,707,365	47,244,138	47,413,839	48,287,984	48,351,934
Operating Expenditures	(21,658,065)	(21,348,881)	(22,144,570)	(22,977,906)	(23,842,743)	(24,740,272)
Debt Service	(482,730)	(472,206)	(471,682)	(471,158)	(2,910,634)	(6,698,860)
Capital Outlay	(55,744,890)	(41,769,319)	(25,848,975)	(24,839,028)	(23,405,996)	(23,464,111)
Contingency	-	(300,000)	-	-	-	-
<b>Total Surplus/(Deficit)</b>	<b>(26,796,740)</b>	<b>(16,183,041)</b>	<b>(1,221,089)</b>	<b>(874,253)</b>	<b>(1,871,388)</b>	<b>(6,551,309)</b>
Ending Fund Balance	72,027,845	55,844,804	54,623,715	53,749,462	51,878,074	45,326,765
<b>Fund Balance Policy 10% Operating Revenue</b>	<b>5,096,556</b>	<b>4,758,398</b>	<b>4,712,075</b>	<b>4,729,045</b>	<b>4,816,460</b>	<b>4,822,855</b>



# Public Safety Sales Tax – Police

	FY25-26 Revised Budget	FY26-27 Budget	FY27-28 Budget	FY28-29 Budget	FY29-30 Budget	FY30-31 Budget
Beginning Fund Balance	11,959,776	7,859,776	4,859,776	2,859,776	2,859,776	2,859,776
Operating Revenue	28,125,844	26,751,564	27,279,644	27,423,906	27,766,176	28,146,688
Operating Expenditures (Transfers Out)	(32,225,844)	(29,751,564)	(29,279,644)	(27,423,906)	(27,766,176)	(28,146,688)
Total Surplus/(Deficit)	(4,100,000)	(3,000,000)	(2,000,000)	-		
Ending Fund Balance	7,859,776	4,859,776	2,859,776	2,859,776	2,859,776	2,859,776
Fund Balance Policy 5% Operating Revenue	1,406,292	1,337,578	1,363,982	1,371,195	1,388,309	1,407,334



# Public Safety Sales Tax – Fire

	FY25-26 Revised Budget	FY26-27 Budget	FY27-28 Budget	FY28-29 Budget	FY29-30 Budget	FY30-31 Budget
Beginning Fund Balance	5,538,568	2,538,567	1,038,567	1,038,567	1,038,567	1,038,567
Operating Revenue	14,054,216	13,367,499	13,131,685	13,191,278	13,349,501	13,526,514
Operating Expenditures (Transfers Out)	(17,054,216)	(14,867,499)	(13,131,685)	(13,191,278)	(13,349,501)	(13,526,514)
<b>Total Surplus/(Deficit)</b>	<b>(3,000,000)</b>	<b>(1,500,000)</b>	<b>-</b>			
Ending Fund Balance	2,538,568	1,038,568	1,038,568	1,038,568	1,038,568	1,038,568
<b>Fund Balance Policy 5% Operating Revenue</b>	<b>702,711</b>	<b>668,375</b>	<b>656,584</b>	<b>659,564</b>	<b>667,475</b>	<b>676,326</b>



# Special Revenue Fund Summary

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- Watch revenues/economy closely
- Manage Capital Outlay to stay within fund balance policies



# Enterprise Funds

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- Water, Solid Waste, and Landfill
- Supported primarily by user fees or charges
- Funds operate much like a not-for-profit business
- Revenue Assumptions
  - Assumes Council approved rate increases only
  - Nominal enterprise fund revenue growth
- More capital-intensive operations



# Solid Waste

	FY25-26 Revised Budget	FY26-27 Budget	FY27-28 Budget	FY28-29 Budget	FY29-30 Budget	FY30-31 Budget
Beginning Fund Balance	7,830,312	4,822,650	5,254,599	6,774,865	8,765,105	6,709,272
Operating Revenue	29,307,485	30,952,927	32,189,154	33,404,195	34,664,678	34,580,041
Other Revenue	206,250	206,250	206,250	-	-	-
Operating Expenditures	(24,580,709)	(25,594,992)	(26,548,079)	(27,545,399)	(28,580,352)	(29,654,361)
Capital Outlay	(7,740,688)	(4,932,236)	(4,327,059)	(3,868,556)	(8,140,159)	(6,185,442)
Contingency	(200,000)	(200,000)	-	-	-	-
<b>Total Surplus/(Deficit)</b>	<b>(3,007,662)</b>	<b>431,949</b>	<b>1,520,266</b>	<b>1,990,240</b>	<b>(2,055,833)</b>	<b>(1,259,762)</b>
Ending Fund Balance	4,822,650	5,254,599	6,774,865	8,765,105	6,709,272	5,449,510
<b>Fund Balance Policy 10% Operating Revenue</b>	<b>2,930,748</b>	<b>3,095,293</b>	<b>3,218,915</b>	<b>3,340,420</b>	<b>3,466,468</b>	<b>3,458,004</b>



# Landfill

	FY25-26 Revised Budget	FY26-27 Budget	FY27-28 Budget	FY28-29 Budget	FY29-30 Budget	FY30-31 Budget
Beginning Fund Balance	12,437,432	10,610,050	10,864,838	8,286,295	7,485,758	5,368,222
Operating Revenue	16,592,050	17,152,152	17,726,202	18,314,548	18,917,545	19,535,559
Other Revenue	1,187,406	1,219,496	1,251,192	1,286,693	1,321,759	1,360,592
Operating Expenditures	(13,140,464)	(13,685,523)	(14,191,638)	(14,722,404)	(15,273,110)	(15,844,506)
Debt Service	(713,250)	(712,750)	(716,500)	(714,250)	(716,250)	(717,250)
Capital Outlay	(5,253,123)	(3,218,588)	(6,647,799)	(4,965,124)	(6,367,480)	(3,130,874)
Contingency	(500,000)	(500,000)	-	-	-	-
<b>Total Surplus/(Deficit)</b>	<b>(1,827,381)</b>	<b>254,787</b>	<b>(2,578,543)</b>	<b>(800,537)</b>	<b>(2,117,536)</b>	<b>1,203,520</b>
Ending Fund Balance	10,610,050	10,864,838	8,286,295	7,485,758	5,368,222	6,571,742
<b>Fund Balance Policy 15% Operating Revenue</b>	<b>2,488,808</b>	<b>2,572,823</b>	<b>2,658,930</b>	<b>2,747,182</b>	<b>2,837,632</b>	<b>2,930,334</b>



# Water & Sewer

	FY25-26 Revised Budget	FY26-27 Budget	FY27-28 Budget	FY28-29 Budget	FY29-30 Budget	FY30-31 Budget
Beginning Fund Balance	86,799,372	49,492,445	42,772,548	47,191,921	48,562,013	54,527,205
Operating Revenue	128,626,009	138,256,283	152,653,817	168,822,343	187,127,005	201,332,957
Other Revenue	5,484,090	4,870,697	5,465,005	5,740,622	6,059,484	6,660,117
Bond Proceeds	40,000,000	60,000,000	60,000,000	45,000,000	20,000,000	70,000,000
Operating Expenditures	(90,994,559)	(94,247,519)	(97,750,262)	(101,415,860)	(105,219,923)	(109,167,712)
Debt Service	(31,677,500)	(31,922,443)	(33,369,608)	(28,178,772)	(31,785,439)	(27,149,617)
Capital Outlay	(86,744,968)	(81,676,914)	(82,579,580)	(88,598,240)	(70,215,935)	(145,715,000)
Contingency	(2,000,000)	(2,000,000)	-	-	-	-
<b>Total Surplus/(Deficit)</b>	<b>86,799,372</b>	<b>(6,719,896)</b>	<b>4,419,372</b>	<b>1,370,092</b>	<b>5,965,192</b>	<b>(4,039,255)</b>
Ending Fund Balance w/o Contingency	51,492,445	46,772,548	51,191,921	52,562,013	58,527,205	54,487,950
<b>Fund Balance Policy 50% Operating Expenses</b>	<b>45,497,279</b>	<b>47,123,760</b>	<b>48,875,131</b>	<b>50,707,930</b>	<b>52,609,962</b>	<b>54,583,856</b>



# Enterprise Fund Summary

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- Watch revenues/economy closely
- Manage capital outlay to minimize debt service costs
- Ensure responsible timing of rate adjustments
- Plan for future debt issuance, if necessary



# CIP Binder Review

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- Summary by Project Type
- Summary by Fund
- Individual Project Type Tabs
  - FY2027 Change Document
  - Summary by Fund
  - Summary by Project
  - Project Detail
- CIP Workshop March 3, 2026



**Questions?**



# Budget Calendar

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Workshop #1 – Budget Overview / Revenues / Five-Year Financial Forecasts	January 27, 2026
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Workshop #3 – (All Day) FY27 Operating Budget Department Presentations	March 30, 2026
Workshop #4 – FY27 Total Tentative Budget (Operating, CIP, Debt, Contingency)	April 14, 2026
<b>Voting Meeting – Tentative Budget Adoption</b>	<b>May 12, 2026</b>
<b>Voting Meeting – Final Budget Adoption / Property Tax Levy</b>	<b>June 9, 2026</b>
<b>Voting Meeting – Property Tax Adoption</b>	<b>June 23, 2026</b>