



City Manager Report

The City of
OKLAHOMA CITY

NO: 465

DATE: JULY 29, 2014

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: JULY 2014 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$196,393 or 0.9% above target for the year.

General Fund Sales Tax

The July allocation of sales tax to the General Fund totaled \$18,098,268, which is:

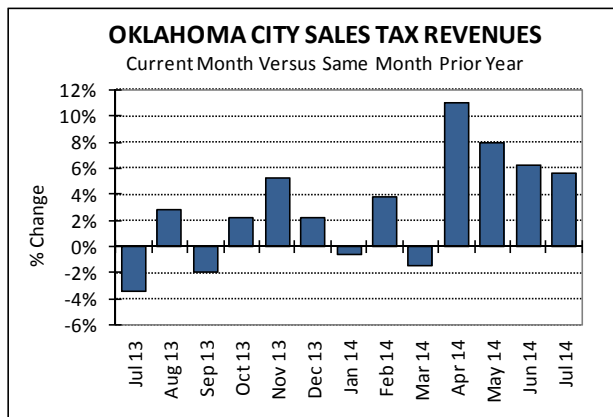
- \$312,366 or 1.8% above target for the month
- \$973,387 or 5.7% above FY 2014 collections for the month

The July remittance includes actual collections for the second half of May and estimated collections for the first half of June by major taxpayers.

The annual target for sales tax growth is 2.8%. In past years, the City has used this as the target rate of growth for each month. Based on the projections of Dr. Russell Evans, economist at Oklahoma City University, the City has chosen to vary the targets for each quarter of the fiscal year. The quarterly targets are as follows: Q1 3.9%, Q2 2.9%, Q3 4.5%, and Q4 0.1%.

Sales tax revenues were up across most major industries. Growth has been strong over the last four months as sales tax revenue collections are up 7.1% over the same four months last year.

FY 2015 Sales Tax: Growth by Industry		
Major Category	Jul 2014 Growth Rate	% of Total Sales Tax
Retail	7.8%	51.2%
Hotels & Restaurants	9.4%	16.2%
Services	2.8%	11.1%
Wholesale	2.1%	9.7%
Utilities	-1.4%	5.8%
Manufacturing	6.0%	4.1%
Other Miscellaneous	-15.6%	1.9%
Total	5.7%	100.0%



City Comparison		
Major Category	Jul 2014 Growth Rate	Year-to-Date % Change
Oklahoma City	5.7%	5.7%
Tulsa	4.0%	4.0%
Norman	3.8%	3.8%
Edmond	8.5%	8.5%
Moore	23.3%	23.3%
Midwest City	3.6%	3.6%
Yukon	2.8%	2.8%
<i>* Rates are normalized to account for tax rate changes</i>		

Comparison to Other Cities

Most cities performed well this month. Oklahoma City's growth was similar to those of neighboring cities and Tulsa. The reason Moore's sales tax growth rate was so large this month is due to last year's tornado. Many businesses in Moore were shut down for several days after the tornado hit and sales tax revenues were low because of it.

Retail

- General Merchandise – Sales were down for several larger department stores this month.
- Food Stores – Sales rose as almost two-thirds of taxpayers improved upon last year's sales.
- Apparel & Accessories – Heavy sales volumes for most along with a new major retailer contributed to this month's 15.9% increase.
- Miscellaneous Retail – While most retailers in the category performed well, one major retailer's large payment this month and small payment last year caused much of the growth.
- Furniture & Home – Sales were good for most. 70% of the top 20 retailers in the category reported higher sales than last year.
- Convenience Stores – Virtually all of this month's growth is due to the reclassification of a major convenience store previously listed under Other Miscellaneous as Non-Classified.

FY 2015 Sales Tax: Retail Sub-Category Growth		
Major Category	Jul 2014 Growth Rate	% of Total Retail Sales Tax
General Merchandise	-3.6%	21.7%
Building Materials and Lawn & Garden	2.7%	16.3%
Food Stores	13.1%	13.0%
Apparel & Accessories	15.9%	10.5%
Electronics & Appliances	1.1%	8.9%
Miscellaneous Retail	16.2%	7.2%
Auto Parts & Supplies	-0.8%	5.2%
Furniture & Home	23.8%	5.2%
Pharmacies & Health Stores	18.6%	4.1%
Sporting Goods & Hobby Stores	-0.2%	4.0%
Convenience Stores	119.5%	3.3%
Direct Sales	37.6%	0.6%
Total	7.8%	100.0%

Other Major Categories

- Hotels & Restaurants increased 9.4% from last year.
 - Hotel revenues stayed flat at 0.0% as sales were up just \$125 from last year.
 - Eating & Drinking Establishments were up 11.4%.
- Service sales grew 2.8% with normal sales activity.
- Wholesale experienced a modest growth of 2.1%.
- Utilities declined 1.4% as declines in natural gas sales offset gains in electricity sales.
- Manufacturing increased 6.0% with 13 of the 21 subcategories of Manufacturing reporting improved sales activity.
- Other Miscellaneous decreased 15.6%. The decrease is largely due to the recent classification of several businesses previously listed as Non-Classified.

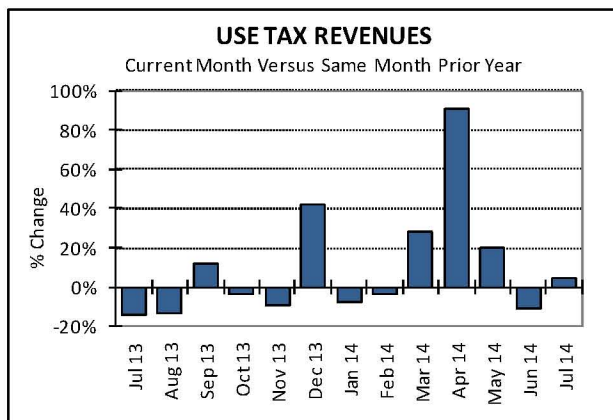
General Fund Use Tax

The July allocation of use tax to the General Fund totaled \$2,850,209, which is:

- \$115,973 or 3.9% below target for the month
- \$128,941 or 4.7% above FY 2014 collections for the month

Robust activity in Wholesale and Retail helped to offset declines in most of the other use tax categories.

FY 2015 Use Tax: <i>Growth by Industry</i>		
Major Category	Jul 2014 Growth Rate	% of Total Sales Tax
Wholesale	37.5%	31.4%
Retail	16.0%	23.1%
Other Miscellaneous	-17.4%	19.8%
Manufacturing	-7.3%	13.0%
Services	-14.0%	11.1%
Utilities	-29.7%	1.0%
Hotels & Restaurants	64.9%	0.6%
Total	4.8%	100.0%



Staff is available should you have questions or require additional information.

James D. Couch
 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
July 2014

	<u>General Fund</u>	<u>Police Public Safety</u>	<u>Fire Public Safety</u>	<u>Zoo</u>	<u>MAPS 3</u>	<u>Sports Facilities Improvement</u>	<u>MAPS for Kids</u>	<u>Police/Fire Equipment</u>	<u>MAPS</u>	<u>Total Sales Tax</u>
Current Month:										
Actual	\$18,098,137	\$3,393,401	\$3,393,401	\$1,131,134	\$9,049,069	-	-	-	-	\$35,065,141
Reallocations	\$130	\$24	\$24	\$8	(\$6,653)	\$1,025	\$2,871	\$1,161	\$1,408	-
Adjusted Actual	\$18,098,268	\$3,393,425	\$3,393,425	\$1,131,142	\$9,042,415	\$1,025	\$2,871	\$1,161	\$1,408	\$35,065,141
Target	\$17,785,902	\$3,334,856	\$3,334,856	\$1,111,619	\$8,879,530	-	-	-	-	\$34,446,763
+/- Target	\$312,366	\$58,569	\$58,569	\$19,523	\$162,885	\$1,025	\$2,871	\$1,161	\$1,408	\$618,378
%+/- Target	1.8%	1.8%	1.8%	1.8%	1.8%	-	-	-	-	1.8%
Prior Year Actual	\$17,124,881	\$3,210,915	\$3,210,915	\$1,070,305	\$8,549,519	\$2,657	\$8,975	\$26	\$956	\$33,179,148
+/- Prior Year	\$973,387	\$182,510	\$182,510	\$60,837	\$492,897	(\$1,631)	(\$6,104)	\$1,136	\$452	\$1,885,993
%+/- Prior Year	5.7%	5.7%	5.7%	5.7%	5.8%	-61.4%	-68.0%	4384.4%	47.3%	5.7%
Year-to-Date:										
Actual	\$18,098,137	\$3,393,401	\$3,393,401	\$1,131,134	\$9,049,069	-	-	-	-	\$35,065,141
Reallocations	\$130	\$24	\$24	\$8	(\$6,653)	\$1,025	\$2,871	\$1,161	\$1,408	-
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%+/- Prior Year	5.7%	5.7%	5.7%	5.7%	5.8%	-61.4%	-68.0%	4384.4%	47.3%	5.7%
						(1)	(1)	(1)	(1)	

NOTES:

(1) The **Sports Facilities Improvement, Maps for Kids, Police/Fire Equipment** and **MAPS** taxes expired in prior years, therefore, only current year reallocation activity is presented for these funds.

CITY OF OKLAHOMA CITY
USE TAX COLLECTIONS
July 2014

	<u>General Fund</u>	<u>MAPS 3</u>	<u>Sports Facilities Improvement</u>	<u>City & Schools</u>	<u>Police/Fire Equipment</u>	<u>MAPS</u>	<u>Total Use Tax</u>
Current Month:							
Actual	\$2,850,209	\$991,377	-	-	-	-	\$3,841,586
Reallocations	(\$0)	(\$12)	\$13	\$0	(\$1)	-	-
Adjusted Actual	\$2,850,209	\$991,365	\$13	\$0	(\$1)	-	\$3,841,586
Target	\$2,966,182	\$1,066,032	-	-	-	-	\$4,032,214
+/- Target	(\$115,973)	(\$74,667)	\$13	\$0	(\$1)	-	(\$190,628)
%+/- Target	-3.9%	-7.0%	-	-	-	-	-4.7%
Prior Year Actual	\$2,721,268	\$949,232	(\$1,338)	(\$1,368)	\$0	\$2	\$3,667,796
+/- Prior Year	\$128,941	\$42,133	\$1,351	\$1,368	(\$1)	(\$2)	\$173,790
%+/- Prior Year	4.7%	4.4%	-101.0%	-100.0%	-609.09%	-100.00%	4.7%
Year-to-Date:							
Actual	\$2,850,209	\$991,377	-	-	-	-	\$3,841,586
Reallocations	(\$0)	(\$12)	\$13	\$0	(\$1)	-	-
Adjusted Actual	\$2,850,209	\$991,365	\$13	\$0	(\$1)	-	\$3,841,586
Target	\$2,966,182	\$1,066,032	-	-	-	-	\$4,032,214
+/- Target	(\$115,973)	(\$74,667)	\$13	\$0	(\$1)	-	(\$190,628)
%+/- Target	-3.9%	-7.0%	-	-	-	-	-4.7%
Prior Year Actual	\$2,721,268	\$949,232	(\$1,338)	(\$1,368)	\$0	\$2	\$3,667,796
+/- Prior Year	\$128,941	\$42,133	\$1,351	\$1,368	(\$1)	(\$2)	\$173,790
%+/- Prior Year	4.7%	4.4%	-101.0%	-100.0%	-609.1%	-100.0%	4.7%
			(1)	(1)	(1)	(1)	

NOTES:

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