



City Manager Report

The City of
OKLAHOMA CITY

NO: 392

DATE: DECEMBER 31, 2013

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: DECEMBER 2013 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$2,935,242 or 2.3% below target for the year.

The December sales tax payment includes a \$312,783 one-time payment from the Oklahoma Tax Commission. This is a voluntary payment made by the Tax Commission for administrative fees collected in excess of the budgeted amount for fiscal year 2013.

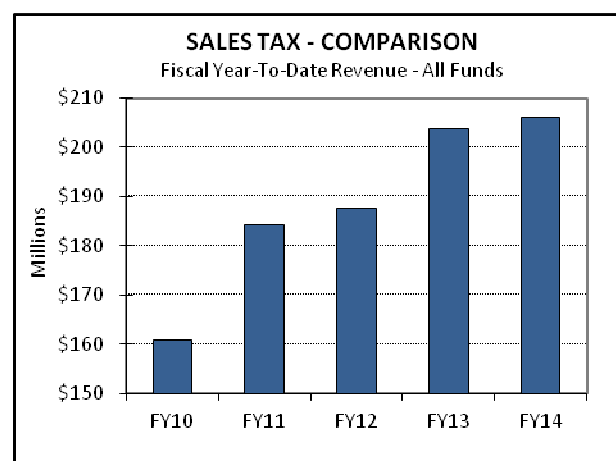
General Fund Sales Tax

The December allocation of sales tax to the General Fund totaled \$17,494,087, which is:

- \$276,328 or 1.6% below target for the month
- \$371,906 or 2.2% above FY 2013 collections for the month

The three largest sales tax categories all experienced growth this month. Those three categories account for three-quarters of all sales tax revenue. Sales related to tornado damage repairs appear to be tapering off and returning to normal levels. Most of the growth in Other Miscellaneous is due to the Non-Classified segment, in which sales were up 53.7%.

FY 2014 Sales Tax: <i>Growth by Industry</i>		
Major Category	Dec 2013 Growth Rate	% of Total Sales Tax
Retail	2.2%	50.5%
Hotels & Restaurants	4.4%	14.9%
Services	3.5%	11.3%
Wholesale	-4.5%	10.4%
Utilities	-7.7%	5.8%
Manufacturing	-14.6%	4.5%
Other Miscellaneous	34.2%	2.7%
Total	1.2%	100.0%



The December remittance includes actual collections for the second half of October and estimated collections for the first half of November by major taxpayers.

City Comparison		
Major Category	Dec 2013 Growth Rate	Year-to-Date % Change
Oklahoma City	1.2%	1.0%
Tulsa	-0.8%	1.0%
Norman	5.1%	5.2%
Edmond	-2.7%	-0.9%
Moore	17.8%	10.3%
Midwest City	-0.4%	3.7%
Yukon	2.2%	7.4%
<i>* Rates are normalized to account for tax rate changes</i>		

Comparison to Other Cities

Oklahoma City's growth of 1.2% this month is the median percentile when compared to other cities listed in the adjacent table. State sales tax growth was up 2.3%. Moore's high sales tax growth is still likely heavily influenced by sales related to rebuilding after the tornado this spring.

Retail

- General Merchandise – The closure of a single location by a major retailer earlier this year along with the opening of a new Sam's Club in Edmond hurt sales this month.
- Miscellaneous Retail – The majority of this month's growth can be attributed to two retailers that continually have volatile remittances.
- Apparel & Accessories – A new major retailer made a significant impact on this month's sales.
- Sporting Goods & Hobby Stores – The addition of a new large retailer earlier this year along with strong overall sales contributed to this month's 13.3% growth.
- Pharmacies & Health Stores – Sales for most in the category were positive this month.
- Auto Parts & Supplies – Most retailers performed well. A couple of large payments last year inflated last year's sales and contributed to this month's 6.4% decline.

FY 2014 Sales Tax: Retail Sub-Category Growth		
Major Category	Dec 2013 Growth Rate	% of Total Retail Sales Tax
General Merchandise	-4.2%	24.3%
Building Materials and Lawn & Garden	-1.4%	16.7%
Food Stores	3.5%	12.0%
Apparel & Accessories	8.8%	10.7%
Electronics & Appliances	3.6%	8.6%
Miscellaneous Retail	16.0%	6.9%
Auto Parts & Supplies	-6.4%	5.7%
Furniture & Home	2.7%	4.9%
Sporting Goods & Hobby Stores	13.3%	4.2%
Pharmacies & Health Stores	8.8%	3.8%
Convenience Stores	9.4%	1.5%
Direct Sales	6.2%	0.7%
Total	2.2%	100.0%

Other Major Categories

- Hotels & Restaurants increased 4.4% from last year.
 - Hotels were up 10.3%
 - Eating & Drinking Establishments were up 3.2%.
- Services increased 3.5% from last year. The Arts, Entertainment, and Recreation segment of services performed extremely well this month increasing by 66.5% over last year.
- Wholesale declined 4.5% this month. While the majority of wholesalers did well this month, several large wholesalers had unusually large payments last year making this month's performance appear worse than it is.
- Utilities declined 7.7% this month. Both electricity sales and natural gas sales were below last year.
- Manufacturing declined 14.6% this month. Three manufacturers are responsible for the majority of the decline.

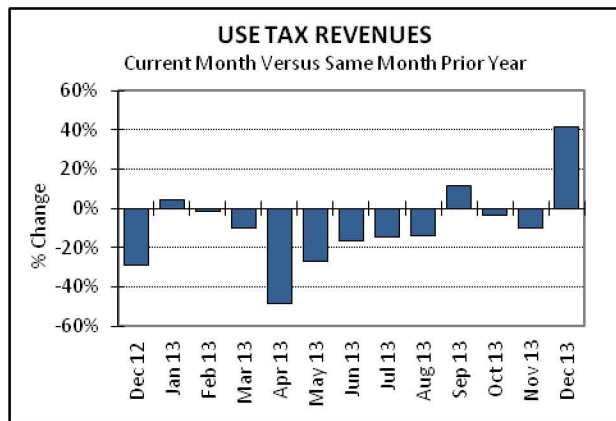
General Fund Use Tax

The December allocation of use tax to the General Fund totaled \$3,426,725, which is:

- \$988,850 or 40.6% above target for the month
- \$1,008,831 or 41.7% above December 2012 collections

Higher than normal sales in Retail and Wholesale drove this month's growth. Additionally, last year's use tax revenues for the month were low, down 28.6% from December 2011.

FY 2014 Use Tax: <i>Growth by Industry</i>		
Major Category	Dec 2013 Growth Rate	% of Total Sales Tax
Retail	90.9%	21.2%
Hotels & Restaurants	55.8%	0.3%
Services	10.1%	12.7%
Wholesale	83.2%	28.5%
Utilities	110.5%	0.8%
Manufacturing	4.8%	13.3%
Other Miscellaneous	9.2%	23.3%
Total	41.8%	100.0%



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


 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
December 2013

	General Fund	Police Public Safety	Fire Public Safety	Zoo	MAPS 3	Sports Facilities Improvement	MAPS for Kids	Police/Fire Equipment	MAPS	Total Sales Tax
Current Month:										
Actual	\$17,493,807	\$3,280,089	\$3,280,089	\$1,093,363	\$8,746,904	-	-	-	-	\$33,894,251
Reallocations	\$280	\$52	\$52	\$18	(\$8,506)	\$3,992	\$2,779	\$111	\$1,221	-
Adjusted Actual	\$17,494,087	\$3,280,141	\$3,280,141	\$1,093,380	\$8,738,398	\$3,992	\$2,779	\$111	\$1,221	\$33,894,251
Target	\$17,770,415	\$3,331,953	\$3,331,953	\$1,110,651	\$8,862,867	-	-	-	-	\$34,407,839
+/- Target	(\$276,328)	(\$51,812)	(\$51,812)	(\$17,271)	(\$124,469)	\$3,992	\$2,779	\$111	\$1,221	(\$513,588)
%+/- Target	-1.6%	-1.6%	-1.6%	-1.6%	-1.4%	-	-	-	-	-1.5%
Prior Year Actual	\$17,122,181	\$3,210,409	\$3,210,409	\$1,070,136	\$8,539,231	\$12,738	\$7,881	\$106	\$715	\$33,173,805
+/- Prior Year	\$371,906	\$69,732	\$69,732	\$23,244	\$199,167	(\$8,745)	(\$5,102)	\$5	\$507	\$720,446
%+/- Prior Year	2.2%	2.2%	2.2%	2.2%	2.3%	-68.7%	-64.7%	4.5%	70.9%	2.2%
Year-to-Date:										
Actual	\$106,397,761	\$19,949,580	\$19,949,580	\$6,649,860	\$53,198,880	-	-	-	-	\$206,145,662
Reallocations	\$1,156	\$217	\$217	\$72	(\$66,497)	\$28,136	\$29,966	\$1,015	\$5,720	-
Adjusted Actual	\$106,398,916	\$19,949,797	\$19,949,797	\$6,649,932	\$53,132,383	\$28,136	\$29,966	\$1,015	\$5,720	\$206,145,662
Target	\$109,213,239	\$20,477,483	\$20,477,483	\$6,825,828	\$54,439,135	-	-	-	-	\$211,433,168
+/- Target	(\$2,814,323)	(\$527,686)	(\$527,686)	(\$175,896)	(\$1,306,752)	\$28,136	\$29,966	\$1,015	\$5,720	(\$5,287,506)
%+/- Target	-2.6%	-2.6%	-2.6%	-2.6%	-2.4%	-	-	-	-	-2.5%
Prior Year Actual	\$105,229,331	\$19,730,499	\$19,730,499	\$6,576,833	\$52,451,233	\$96,498	\$47,477	\$2,872	\$13,492	\$203,878,735
+/- Prior Year	\$1,169,586	\$219,297	\$219,297	\$73,099	\$681,150	(\$68,362)	(\$17,511)	(\$1,857)	(\$7,772)	\$2,266,927
%+/- Prior Year	1.1%	1.1%	1.1%	1.1%	1.3%	-70.8%	-36.9%	-64.7%	-57.6%	1.1%
						(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
December 2013

	<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	\$3,426,583	\$1,191,855	-	-	-	-	\$4,618,438
Reallocations	\$142	(\$28,180)	\$16,190	\$11,849	(\$2)	-	-
Adjusted Actual	\$3,426,725	\$1,163,675	\$16,190	\$11,849	(\$2)	-	\$4,618,438
Target	\$2,437,875	\$838,958	-	-	-	-	\$3,276,833
+/- Target	\$988,850	\$324,717	\$16,190	\$11,849	(\$2)	-	\$1,341,605
%+/- Target	40.6%	38.7%	-	-	-	-	40.9%
Prior Year Actual	\$2,417,893	\$831,105	(\$1,370)	\$11,014	\$129	-	\$3,258,771
+/- Prior Year	\$1,008,831	\$332,570	\$17,560	\$836	(\$130)	-	\$1,359,667
%+/- Prior Year	41.7%	40.0%	-1281.6%	7.6%	-101.39%	-	41.7%
Year-to-Date:							
Actual	\$18,026,099	\$6,269,948	-	-	-	-	\$24,296,047
Reallocations	\$338	(\$27,669)	\$18,770	\$8,271	\$264	\$27	-
Adjusted Actual	\$18,026,437	\$6,242,278	\$18,770	\$8,271	\$264	\$27	\$24,296,047
Target	\$18,147,356	\$6,304,105	-	-	-	-	\$24,451,461
+/- Target	(\$120,919)	(\$61,827)	\$18,770	\$8,271	\$264	\$27	(\$155,414)
%+/- Target	-0.7%	-1.0%	-	-	-	-	-0.6%
Prior Year Actual	\$17,998,613	\$6,245,096	\$595	\$12,058	\$1,198	\$328	\$24,257,888
+/- Prior Year	\$27,824	(\$2,817)	\$18,175	(\$3,787)	(\$934)	(\$302)	\$38,159
%+/- Prior Year	0.2%	-	3052.6%	-31.4%	-78.0%	-91.8%	0.2%
			(1)	(1)	(1)	(1)	

NOTES:

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