



# City Manager Report

The City of  
**OKLAHOMA CITY**

**NO: 581**

**DATE: FEBRUARY 24, 2015**

**TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**SUBJECT: FEBRUARY 2015**

Combined sales and use taxes for the General Fund are \$1,665,237 or 1.0% above target for the year.

### General Fund Sales Tax

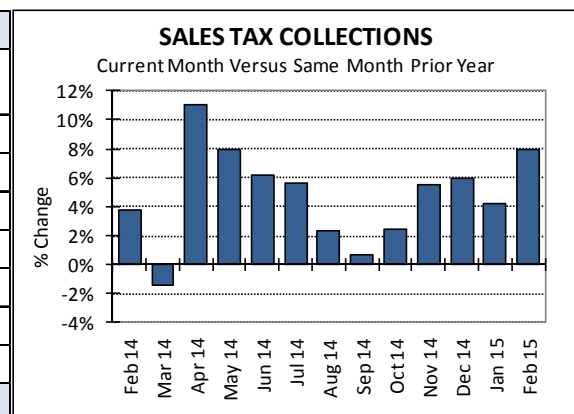
The February allocation of sales tax to the General Fund totaled \$20,086,986, which is:

- \$647,156 or 3.3% above target for the month
- \$1,477,154 or 7.9% above FY 2014 allocations for the month

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

Sales tax collections increased 7.9% this month and are up 4.5% for the year. This marks the 11th consecutive month of increased sales over the same month in the prior year. While Christmas sales were tepid last month, they were more notable this month. There was strong growth in Apparel & Accessories (up 10.1%), Electronics & Appliances (up 10.4%), and Miscellaneous Retail (up 14.0%). Hotels & Restaurants, Services, Manufacturing, and Other Miscellaneous all reported double digit growth this month. Despite low oil and gasoline prices, oil and gas industry related sales continues to generate a considerable amount of sales tax across multiple industries. Sales from this area are likely to taper off in coming months.

<b>FY 2015 Sales Tax: Growth by Industry</b>			
Major Category	Feb 2015 Growth Rate	Year-to-Date % Change	% of Total Sales Tax
Retail	4.6%	2.5%	52.7%
Hotels & Restaurants	11.7%	6.5%	13.9%
Services	23.1%	8.7%	11.0%
Wholesale	-1.0%	3.8%	8.9%
Utilities	-7.2%	3.3%	6.5%
Manufacturing	39.3%	14.7%	5.3%
Other Miscellaneous	48.1%	3.4%	1.9%
<b>Total</b>	<b>7.9%</b>	<b>4.5%</b>	<b>100.0%</b>



City Comparison		
City	Feb 2015 Growth Rate	Year-to-Date % Change
Oklahoma City	7.9%	4.3%
Tulsa	4.7%	4.4%
Norman	3.2%	3.0%
Edmond	6.7%	4.9%
Moore	1.9%	-0.7%
Midwest City	-3.6%	-2.8%
Yukon	4.1%	3.5%

*Rates are normalized to account for tax rate changes*

### Comparison to Other Cities

Sales tax revenue collections were strong for many of the comparison cities this month. The majority of metro cities experienced collections in excess of their year-to-date averages although not significantly so with the exception of Oklahoma City and Edmond.

### Retail

- Apparel & Accessories – Retail sales were good for most with several retailers reporting sizeable year-over-year gains.
- Building Materials and Lawn & Garden – Sales of building materials have been down for some time mostly due to comparisons against last year’s strong sales growth.
- Electronics & Appliances – One particular business, which remitted a large payment this year and a refund last year, caused the majority of this month’s growth.
- Miscellaneous Retail – One oilfield business remitted a very large payment this month. That single payment is responsible for all of this month’s growth.
- Convenience Stores – It has now been over a year since the reclassification of a major convenience store to Retail from Other Miscellaneous. Year-over-year sales are now more representative of actual sales activity.

FY 2015 Sales Tax: Retail Sub-Category Growth			
Retail Category	Feb 2015 Growth Rate	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	1.3%	-1.8%	24.4%
Apparel & Accessories	10.1%	6.2%	14.7%
Food Stores	4.3%	6.1%	12.3%
Building Materials and Lawn & Garden	-4.3%	-11.1%	10.2%
Electronics & Appliances	10.4%	5.5%	9.8%
Miscellaneous Retail	14.0%	6.1%	6.6%
Sporting Goods & Hobby Stores	5.4%	2.9%	5.7%
Pharmacies & Health Stores	3.7%	12.9%	4.6%
Furniture & Home	8.3%	2.1%	4.4%
Auto Parts & Supplies	-1.5%	0.4%	4.2%
Convenience Stores	5.1%	86.0%	2.5%
Direct Sales	29.2%	25.4%	0.7%
<b>Total</b>	<b>4.6%</b>	<b>2.5%</b>	<b>100.0%</b>

Other Major Categories

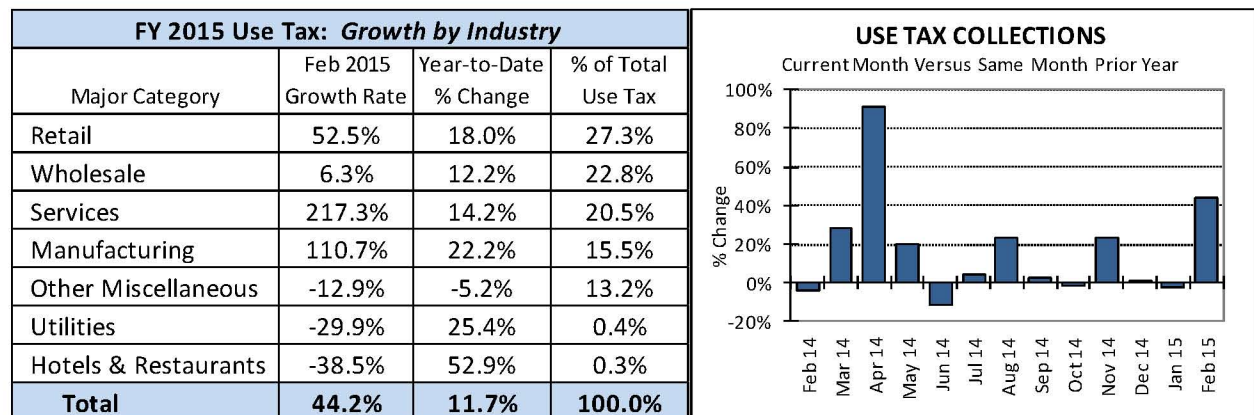
- Hotels & Restaurants increased 11.7% from last year.
  - Hotel revenues rose 8.4% with two-thirds of hotels improving their sales from last year.
  - Eating & Drinking Establishments were up 12.2%.
- Services improved 23.1% with heavy leasing activity of oilfield equipment.
- Wholesale’s decline of 1.0% is mainly due to a couple of large remittances last year.
- Utilities decreased 7.2% largely from payment timing issues.
- Manufacturing’s 39.3% increase is due to a very large payment this month from an oilfield machinery manufacturer.
- Other Miscellaneous jumped 48.1% this month. Heavy sales in Mining along with a few new larger remitters in the Non-Classified category caused much of the growth.

General Fund Use Tax

The February allocation of use tax to the General Fund totaled \$4,515,680 which is:

- \$1,101,178 or 32.3% above target for the month
- \$1,383,109 or 44.2% above FY 2014 allocations for the month

Most of this month’s 44.2% growth is due to very large remittances from three businesses; one retail business, one service business, and one manufacturing business. If you were to net out those three businesses, the growth rate would have been 10.0%.



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

James D. Couch  
City Manager

**CITY OF OKLAHOMA CITY**  
**SALES TAX COLLECTIONS**  
*February 2015*

	<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>
<b>Current Month:</b>										
Actual	\$20,086,955	\$3,766,304	\$3,766,304	\$1,255,435	\$10,043,477	-	-	-	-	\$38,918,475
Reallocations	\$32	\$6	\$6	\$2	(\$5,783)	\$2,598	\$2,262	\$9	\$868	-
Adjusted Actual	\$20,086,986	\$3,766,310	\$3,766,310	\$1,255,437	\$10,037,694	\$2,598	\$2,262	\$9	\$868	\$38,918,475
Target	\$19,439,830	\$3,644,968	\$3,644,968	\$1,214,989	\$9,715,301	-	-	-	-	\$37,660,056
+/- Target	\$647,156	\$121,342	\$121,342	\$40,448	\$322,393	\$2,598	\$2,262	\$9	\$868	\$1,258,419
%+/- Target	3.3%	3.3%	3.3%	3.3%	3.3%	-	-	-	-	3.3%
Prior Year Actual	\$18,609,832	\$3,489,344	\$3,489,344	\$1,163,115	\$9,300,499	\$1,798	\$1,090	\$102	\$1,084	\$36,056,208
+/- Prior Year	\$1,477,154	\$276,966	\$276,966	\$92,322	\$737,195	\$800	\$1,172	(\$93)	(\$216)	\$2,862,268
%+/- Prior Year	7.9%	7.9%	7.9%	7.9%	7.9%	44.5%	107.5%	-90.9%	-19.9%	7.90%
<b>Year-to-Date:</b>										
Actual	\$149,075,476	\$27,951,652	\$27,951,652	\$9,317,217	\$74,537,738	-	-	-	-	\$288,833,735
Reallocations	\$3,282	\$615	\$615	\$205	(\$81,053)	\$32,868	\$31,084	\$3,113	\$9,270	-
Adjusted Actual	\$149,078,758	\$27,952,267	\$27,952,267	\$9,317,422	\$74,456,685	\$32,868	\$31,084	\$3,113	\$9,270	\$288,833,735
Target	\$148,069,018	\$27,762,941	\$27,762,941	\$9,254,314	\$73,940,809	-	-	-	-	\$286,790,023
+/- Target	\$1,009,740	\$189,326	\$189,326	\$63,108	\$515,876	\$32,868	\$31,084	\$3,113	\$9,270	\$2,043,712
%+/- Target	0.7%	0.7%	0.7%	0.7%	0.7%	-	-	-	-	0.7%
Prior Year Actual	\$142,868,225	\$26,787,792	\$26,787,792	\$8,929,264	\$71,343,804	\$30,380	\$37,978	\$1,255	\$17,387	\$276,803,878
+/- Prior Year	\$6,210,533	\$1,164,475	\$1,164,475	\$388,158	\$3,112,881	\$2,488	(\$6,894)	\$1,858	(\$8,117)	\$12,029,858
%+/- Prior Year	4.3%	4.3%	4.3%	4.3%	4.4%	8.2%	-18.2%	148.0%	-46.7%	4.3%
						(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**  
*February 2015*

	<u>General Fund</u>	<u>MAPS 3</u>	<u>Sports Facilities Improvement</u>	<u>City &amp; Schools</u>	<u>Police/Fire Equipment</u>	<u>MAPS</u>	<u>Total Use Tax</u>
<b>Current Month:</b>							
Actual	\$4,515,680	\$1,570,671	-	-	-	-	\$6,086,351
Reallocations	\$0	(\$562)	\$355	\$157	\$32	\$18	-
Adjusted Actual	\$4,515,680	\$1,570,109	\$355	\$157	\$32	\$18	\$6,086,351
Target	\$3,414,502	\$1,217,356	-	-	-	-	\$4,631,859
+/- Target	\$1,101,178	\$352,753	\$355	\$157	\$32	\$18	\$1,454,492
%+/- Target	32.3%	29.0%	-	-	-	-	31.4%
Prior Year Actual	\$3,132,571	\$1,086,980	\$2,261	\$349	\$0	-	\$4,222,160
+/- Prior Year	\$1,383,109	\$483,129	(\$1,905)	(\$192)	\$32	\$18	\$1,864,190
%+/- Prior Year	44.2%	44.4%	-84.3%	-55.1%	10037.50%	-	44.2%
<b>Year-to-Date:</b>							
Actual	\$27,037,457	\$9,404,333	-	-	-	-	\$36,441,790
Reallocations	(\$0)	(\$3,423)	\$580	\$2,877	(\$52)	\$18	-
Adjusted Actual	\$27,037,457	\$9,400,910	\$580	\$2,877	(\$52)	\$18	\$36,441,790
Target	\$26,381,960	\$9,285,388	-	-	-	-	\$35,667,348
+/- Target	\$655,497	\$115,521	\$580	\$2,877	(\$52)	\$18	\$774,442
%+/- Target	2.5%	1.2%	-	-	-	-	2.2%
Prior Year Actual	\$24,203,633	\$8,387,743	\$22,271	\$7,894	\$264	\$27	\$32,621,832
+/- Prior Year	\$2,833,824	\$1,013,166	(\$21,691)	(\$5,017)	(\$316)	(\$9)	\$3,819,957
%+/- Prior Year	11.7%	12.1%	-97.4%	-63.6%	-119.5%	-33.3%	11.7%
			(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.