



City Manager Report

The City of
OKLAHOMA CITY

NO: 265

DATE: APRIL 30, 2013

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: APRIL 2013 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$4,041,365 above target for the year.

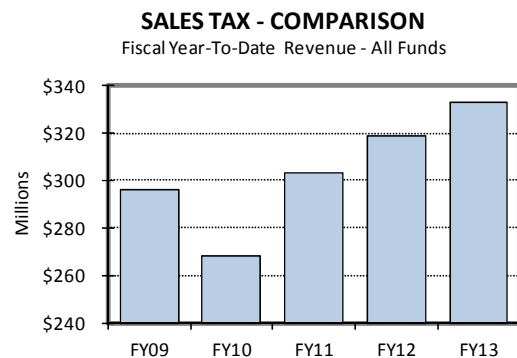
General Fund Sales Tax

The April allocation of sales tax to the General Fund totaled \$15,852,436. This is \$1,185,460 or 7.0% below target and 4.2% below April 2012 collections. The April remittance includes actual collections for the second half of February and estimated collections for the first half of March by major taxpayers.

Sales tax revenues are down this month compared to last year, but that is more of a reflection of strong growth in April 2012 rather than poor collections this year. This month sales are down 4.2% from last year, however they are up 8.1% over April 2011 and up 16.5% over April 2010. Last year's growth was up 12.8% from the prior year with exceptionally strong sales in Retail, Wholesale, and Manufacturing. While retail sales were generally good this month, last year's growth of 11.1% makes this year's performance seem less than it really was. The same is true for Wholesale and Manufacturing, which were up 19.6% and 93.7% respectively last year. Several large payments inflated last year's performance in both Wholesale and Manufacturing. Other Miscellaneous' decline is mostly due to low sales this month from two of the largest mining companies and a strong payment last year by a non-classified taxpayer.

FY 2013 SALES TAX - MAJOR CATEGORY GROWTH RATES			
Category	Apr 13 % Change From Apr 12	Year-to-Date % Change	% of Total Sales Tax
Retail	0.7%	7.7%	62.0%
Transp. & Utilities	-2.4%	-1.9%	11.3%
Wholesale	-17.4%	-1.1%	10.3%
Services	2.0%	7.0%	10.3%
Manufacturing	-36.5%	10.2%	4.3%
Other Misc.	-23.4%	4.5%	1.9%
Overall % Change:	-4.2%	5.5%	100.0%

Sales for April are down, but they are being compared against strong sales growth last year of 12.8%. Last year's growth was 11.1% in Retail, 19.6% in Wholesale, and 93.7% in Manufacturing.



Fiscal year-to-date sales tax performance for the last five fiscal years.

Sales tax revenues for Oklahoma City, Tulsa, and the State were down this month. Tulsa, Edmond and Moore have all increased their sales tax rates during the last year. The figures in the table to the right reflect growth in the underlying tax base and not growth based on a higher tax rate.

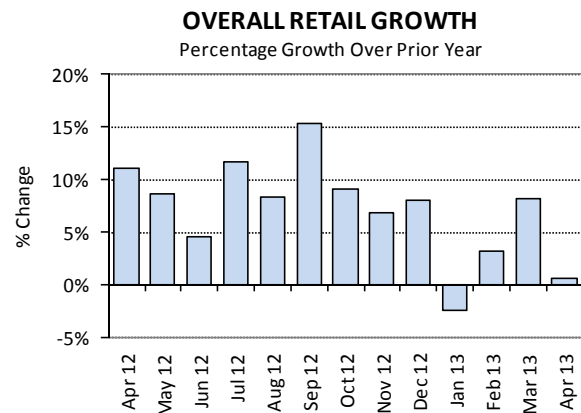
CITY COMPARISON		
City	Apr 13 % Change	Year-to-date
	From Apr 12	% Change
Oklahoma City	-4.2%	5.5%
Tulsa	-2.5%	1.2%
Norman	3.3%	1.8%
Edmond	8.2%	13.2%
Midwest City	-1.5%	2.8%
Moore	8.9%	12.0%
Yukon	1.6%	5.0%

* Rates are normalized to account for tax rate changes

Oklahoma City's sales tax revenue this year has been strong. Edmond and Moore's sales tax revenue has been exceptional.

Retail sales have been strong most of the year with fiscal year-to-date growth of 7.7%. This month's growth of 0.7% is notably down, but that is partly due to strong sales growth of 11.1% last year. Every retail category experienced sales below their respective fiscal year-to-date averages this month. General Merchandise sales were down 3.4%. While the majority of general merchandisers performed well, many of the larger businesses experienced sales declines from last year. Eating & Drinking was down 2.2% this month. The decrease is mostly the result of comparisons against very strong sales growth last year of 16.8%. Miscellaneous Retail's 2.6% growth is in line with the segments performance the last two quarters. Building Materials improved over last year by 15.5% however, most of that growth is the result of a very low remittance last year by a major building materials business. Food Store's 3.0% growth was a bit soft compared to their year-to-date average of 11.5%. Food Stores have experienced steady growth for over three years. Furniture & Home declined by 0.6% this month. Sales were down for the majority of Furniture & Home businesses this month. Apparel & Accessories grew by 3.2% this month; however, sales were better than the 3.2% growth would indicate since last year's sales were up 32.3% from the year prior. Now that the Outlet Mall has been open for over a year, growth percentages have returned to a more normal level. Auto Part Supplies were down 6.7% with the majority of retailers failing to improve upon last year's strong 26.6% growth.

RETAIL - MAJOR CATEGORY GROWTH RATES			
Category	Apr 13 % Change	Year-to-Date	% of Total Retail
	From Apr 12	% Change	
General Merchandise	-3.4%	4.0%	20.7%
Eating & Drinking	-2.2%	8.7%	19.8%
Miscellaneous Retail	2.6%	7.1%	15.6%
Building Materials	15.5%	18.0%	10.8%
Food Stores	3.0%	11.5%	10.7%
Furniture & Home	-0.6%	-0.5%	10.3%
Apparel & Accessory	3.2%	12.4%	7.5%
Auto Parts Supplies	-6.7%	4.8%	4.6%
Overall % Change:	0.7%	7.7%	100.0%



Almost all categories of retail have shown strong growth this year. Expanding retail options along with the overall health of Oklahoma City's economy have contributed to this growth.

Retail growth over the last 13 months has been very good.

Transportation & Utilities decreased 2.4% from last year. Utility sales were down 4.1% from last year with reduced sales of electricity and increased natural gas sales. Telecom & Transportation increased 0.2% despite declining sales from most telecoms.

Manufacturing experienced a 36.5% decline mostly from very strong payments last year by three manufacturers. Wholesale was down 17.4% this month due to a combination of soft sales this year and several wholesalers remitting large payments last year. Together, Manufacturing and Wholesale accounted for 98.6% of the total sales tax decline this month.

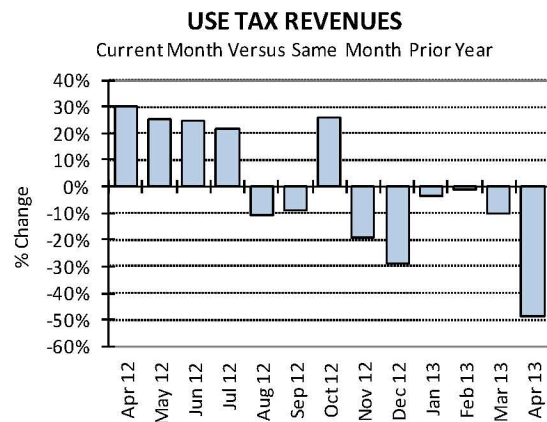
Services grew by 2.0% over last year. Hotels declined 2.1%, but that is mostly from comparisons to last year's exceptionally strong 16.3% growth. Business Services were down 5.7% due to a large refund this month. Other Services were up 10.1% with solid sales throughout and a couple of new larger businesses helping to boost this month's growth.

General Fund Use Tax

The April allocation of use tax to the General Fund totaled \$1,543,711. This is \$1,198,048 or 43.7% below target and 48.8% below April 2012 collections.

This month a taxpayer was refunded \$1.5 million in previously remitted use taxes due to an audit that found they did not owe those use taxes to Oklahoma City.


FY 2013 USE TAX - MAJOR CATEGORY GROWTH RATES			
Category	Apr 13 % Change From Apr 12	Year-to-Date % Change	% of Total Use Tax
Retail	18.7%	-6.1%	31.2%
Wholesale	-13.9%	1.4%	27.9%
Services	-3.5%	-3.2%	11.2%
Mining	-77.8%	-36.4%	10.5%
Manufacturing	40.4%	42.6%	10.4%
Other Misc.	1305.5%	-42.5%	3.1%
Non-Classified	-593.9%	-50.9%	3.0%
Transp. & Utilities	-4.6%	-19.6%	2.8%
Overall % Change:	-48.8%	-9.0%	100.0%



This month's revenues were greatly affected by a large \$1.5 million dollar refund due to a taxpayer audit.

The drop recently in this chart is more due to comparisons against strong revenues last year than poor performance this year.

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


 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
April 2013

	<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	\$15,852,145	\$2,972,277	\$2,972,277	\$990,759	\$7,926,073	-	-	-	-	\$30,713,531
Reallocations	\$291	\$55	\$55	\$18	(\$15,858)	\$9,383	\$5,112	\$394	\$551	-
Adjusted Actual	\$15,852,436	\$2,972,332	\$2,972,332	\$990,777	\$7,910,214	\$9,383	\$5,112	\$394	\$551	\$30,713,531
Target	\$17,037,896	\$3,194,605	\$3,194,605	\$1,064,868	\$8,462,898	-	-	-	-	\$32,954,872
+/- Target	(\$1,185,460)	(\$222,273)	(\$222,273)	(\$74,091)	(\$552,684)	\$9,383	\$5,112	\$394	\$551	(\$2,241,340)
%+/- Target	-7.0%	-7.0%	-7.0%	-7.0%	-6.5%	-	-	-	-	-6.8%
Prior Year Actual	\$16,541,623	\$3,101,554	\$3,101,554	\$1,033,851	\$8,216,005	\$43,216	\$9,369	\$211	\$1,813	\$32,049,197
+/- Prior Year	(\$689,187)	(\$129,222)	(\$129,222)	(\$43,074)	(\$305,791)	(\$33,833)	(\$4,257)	\$183	(\$1,263)	(\$1,335,665)
%+/- Prior Year	-4.2%	-4.2%	-4.2%	-4.2%	-3.7%	-78.3%	-45.4%	86.6%	-69.6%	-4.2%
Year-to-Date:										
Actual	\$173,526,885	\$32,536,291	\$32,536,291	\$10,845,430	\$86,763,442	-	-	-	-	\$336,208,339
Reallocations	\$5,244	\$984	\$984	\$328	(\$223,284)	\$110,294	\$80,847	\$8,418	\$16,186	-
Adjusted Actual	\$173,532,128	\$32,537,275	\$32,537,275	\$10,845,758	\$86,540,158	\$110,294	\$80,847	\$8,418	\$16,186	\$336,208,339
Target	\$169,345,853	\$31,752,347	\$31,752,347	\$10,584,117	\$84,115,826	-	-	-	-	\$327,550,490
+/- Target	\$4,186,275	\$784,928	\$784,928	\$261,641	\$2,424,332	\$110,294	\$80,847	\$8,418	\$16,186	\$8,657,849
%+/- Target	2.5%	2.5%	2.5%	2.5%	2.9%	-	-	-	-	2.6%
Prior Year Actual	\$164,413,217	\$30,827,478	\$30,827,478	\$10,275,826	\$81,787,219	\$203,203	\$189,946	\$15,976	\$4,523	\$318,544,866
+/- Prior Year	\$9,118,911	\$1,709,797	\$1,709,797	\$569,932	\$4,752,940	(\$92,910)	(\$109,099)	(\$7,558)	\$11,663	\$17,663,473
%+/- Prior Year	5.5%	5.5%	5.5%	5.5%	5.8%	-45.7%	-57.4%	-47.3%	257.9%	5.5%
						(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
April 2013

	<u>General</u> <u>Fund</u>	<u>MAPS 3</u>	<u>Sports Facilities</u> <u>Improvement</u>	<u>City &</u> <u>Schools</u>	<u>Police/Fire</u> <u>Equipment</u>	<u>MAPS</u>	<u>Total</u> <u>Use Tax</u>
Current Month:							
Actual	\$1,543,711	\$536,943	-	-	-	-	\$2,080,654
Reallocations	\$0	(\$1,360)	\$1,171	\$61	(\$24)	\$151	-
Adjusted Actual	\$1,543,711	\$535,583	\$1,171	\$61	(\$24)	\$151	\$2,080,654
Target	\$2,741,759	\$953,655	-	-	-	-	\$3,695,414
+/- Target	(\$1,198,048)	(\$418,072)	\$1,171	\$61	(\$24)	\$151	(\$1,614,760)
%+/- Target	-43.7%	-43.8%	-	-	-	-	-43.7%
Prior Year Actual	\$3,012,131	\$1,065,066	(\$18,998)	\$1,631	-	-	\$4,059,829
+/- Prior Year	(\$1,468,420)	(\$529,482)	\$20,169	(\$1,569)	(\$24)	\$151	(\$1,979,175)
%+/- Prior Year	-48.8%	-49.7%	-106.2%	-96.2%	-	-	-48.8%
Year-to-Date:							
Actual	\$28,560,865	\$9,934,214	-	-	-	-	\$38,495,079
Reallocations	\$832	(\$13,324)	\$2,672	\$7,445	\$1,138	\$1,237	-
Adjusted Actual	\$28,561,697	\$9,920,889	\$2,672	\$7,445	\$1,138	\$1,237	\$38,495,079
Target	\$28,706,607	\$9,984,906	-	-	-	-	\$38,691,513
+/- Target	(\$144,910)	(\$64,017)	\$2,672	\$7,445	\$1,138	\$1,237	(\$196,434)
%+/- Target	-0.5%	-0.6%	-	-	-	-	-0.5%
Prior Year Actual	\$31,402,719	\$10,912,257	(\$11,636)	\$19,983	\$104	\$984	\$42,324,411
+/- Prior Year	(\$2,841,022)	(\$991,368)	\$14,308	(\$12,538)	\$1,035	\$252	(\$3,829,333)
%+/- Prior Year	-9.0%	-9.1%	-123.0%	-62.7%	997.3%	25.6%	-9.0%
			(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.