



City Manager Report

The City of
OKLAHOMA CITY

NO: 295

DATE: JULY 2, 2013

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: JUNE 2013 SALES AND USE TAX COLLECTIONS

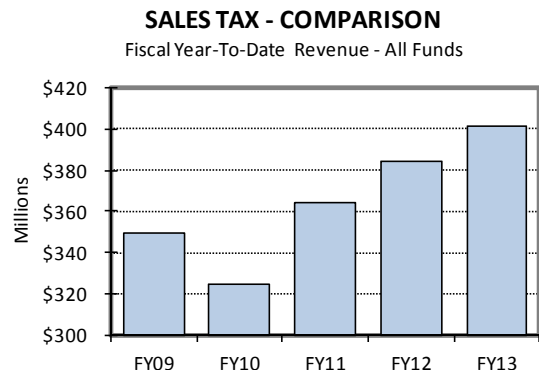
Combined sales and use tax for the General Fund finished the year 0.63% or \$1.5 million over budget. Sales tax finished 1.3% above target and use tax finished 3.1% below target. Sales tax revenue was flat in the second half of the year, but still finished with 4.3% growth.

General Fund Sales Tax

The June allocation of sales tax to the General Fund totaled \$16,748,221. This is \$454,837 or 2.6% below target and 0.3% above June 2012 collections. The June remittance includes actual collections for the second half of April and estimated collections for the first half of May by major taxpayers.

Sales tax revenues are up 0.3% compared to last year. This month, growth in Retail and Transportation & Utilities were offset by declines in Services, Wholesale, and Manufacturing. Retail, the largest source of sales tax revenue, has not experienced a sales decline in the last twenty months. Wholesale has struggled with five consecutive months of negative growth. Manufacturing's decline is primarily due to several large payments last year that caused last year's sales to be up 65.3%. Other Miscellaneous' sales are up 56.6% over last year. Most of the growth came in the Non-Classified category, as sales were double what they were last year due to the addition of several new taxpayers who remitted large payments this month.

FY 2013 SALES TAX - MAJOR CATEGORY GROWTH RATES			
Category	Jun 13 % Change	Year-to-Date	% of Total
	From Jun 12	% Change	Sales Tax
Retail	3.5%	7.1%	62.5%
Transp. & Utilities	4.6%	-1.1%	11.1%
Services	-1.5%	5.7%	10.4%
Wholesale	-12.0%	-3.6%	10.2%
Manufacturing	-28.8%	6.5%	4.3%
Other Misc.	56.6%	-19.1%	1.5%
Overall % Change:	0.3%	4.3%	100.0%



Solid Retail and Transportation & Utilities sales were offset by declines in Services, Wholesale, and Manufacturing.

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

June sales tax growth for Oklahoma City was below the state and most of the rest of the other cities in the metro. Year-to-date, Oklahoma City's 4.3% sales tax growth is in line with the 4.4% sales tax growth of all Oklahoma cities and towns. The figures in the table to the right reflect growth in the underlying tax base and not growth based on a rate increase.

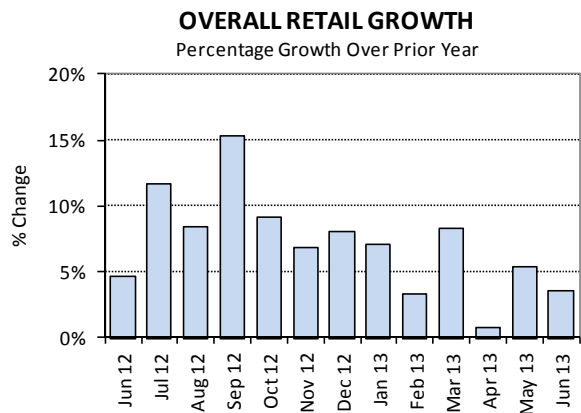
CITY COMPARISON		
City	Jun 13 % Change	Year-to-date
	From Jun 12	% Change
Oklahoma City	0.3%	4.3%
Tulsa	2.3%	1.3%
Norman	1.6%	1.4%
Edmond	5.5%	12.1%
Midwest City	2.4%	2.1%
Moore	5.5%	4.2%
Yukon	6.0%	4.0%

* Rates are normalized to account for tax rate changes

Retail sales are up 3.5% for the month and 7.1% for the year. For most segments of retail, sales have been good this fiscal year. General Merchandise sales declined 0.6% despite most retailers experiencing sales above those of last year. The cause of General Merchandise's decline this month is due to the recent closure of a large general merchandiser's store coupled with a large refund to another retailer. Eating & Drinking sales were up 6.0% this month. Growth in this category has been robust all year long and for the last several years. Sales for Miscellaneous Retail increased by 3.1% over last year with most retailers in the category showing improved sales this year. Building Materials grew 7.5% largely on strong sales from several lumber retailers. Food Stores grew 9.1% with a significant portion of the growth stemming from the reclassification of a business previously classified as Wholesale. Furniture & Home's sales grew by 3.8% this month on typical sales activity. Apparel & Accessory sales were down 4.3%. While sales were down for most apparel and accessory retailers this month, it should be noted that sales are being compared to last year's strong 16.5% growth. Similarly, Auto Parts Supplies were down 0.7% but that too is largely due to last year's substantial 33.3% growth.

Oklahoma City's growth this month is below that of most neighboring cities and the state.

RETAIL - MAJOR CATEGORY GROWTH RATES			
Category	Jun 13 % Change	Year-to-Date	% of Total Retail
	From Jun 12	% Change	
General Merchandise	-0.6%	3.3%	20.4%
Eating & Drinking	6.0%	8.2%	20.0%
Miscellaneous Retail	3.1%	7.1%	15.5%
Building Materials	7.5%	14.1%	10.9%
Food Stores	9.1%	10.8%	10.7%
Furniture & Home	3.8%	2.3%	10.4%
Apparel & Accessory	-4.3%	9.3%	7.3%
Auto Parts Supplies	-0.7%	4.6%	4.7%
Overall % Change:	3.5%	7.1%	100.0%



Growth was good this month for most of retail. For the year, sales are up 7.1%. Strong retail sales have helped to offset declines in other segments of the economy.

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

Transportation & Utilities increased 4.6% from last year. Utility sales were up 6.5% from last year with increased sales of natural gas likely due to the cooler weather. Telecom & Transportation increased 2.1% on good sales from most businesses in the category.

Manufacturing declined 28.8% this year, primarily due to comparison against last year's 65.3% growth where several manufacturers remitted large payments.

Wholesale declined 12.0% with 60% of the top 30 wholesalers showing declines from last year. Wholesale has been down for the last five months.

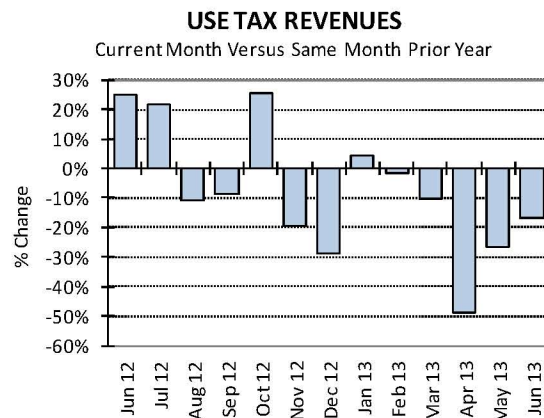
Services declined by 1.5% below last year. Hotels grew 10.2% with nearly two-thirds of hotels improving over last year. Business Services were up 0.3% with flat sales growth overall. Other Services were down 8.6% due mostly to the reclassification of a business to Non-Classified.

General Fund Use Tax

The May allocation of use tax to the General Fund totaled \$2,969,041. This is \$269,030 or 8.3% below target and 16.5% below June 2012 collections.

Last year's use tax revenues were bolstered by large remittances in Mining and Wholesale. For fiscal year 2013, use tax revenues have declined in most major categories.

FY 2013 USE TAX - MAJOR CATEGORY GROWTH RATES			
Category	Jun 13 % Change From Jun 12	Year-to-Date % Change	% of Total Use Tax
Retail	13.6%	-8.1%	31.5%
Wholesale	-18.5%	-1.5%	27.9%
Services	-6.9%	-5.5%	11.1%
Manufacturing	25.9%	39.4%	10.0%
Mining	-73.8%	-44.0%	9.9%
Non-Classified	-4.3%	-39.3%	3.5%
Transp. & Utilities	67.1%	-12.3%	3.1%
Other Misc.	-54.3%	-43.0%	3.0%
Overall % Change:	-16.5%	-11.5%	100.0%



Large payments in Wholesale and Mining last year are responsible for much of this year's decline.

The decreasing revenue trend in this chart is due more 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
June 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	\$16,747,973	\$3,140,245	\$3,140,245	\$1,046,748	\$8,373,987	-	-	-	-	\$32,449,198
Reallocations	\$248	\$46	\$46	\$15	\$461,727	\$5,272	(\$468,236)	(\$58)	\$939	-
Adjusted Actual	\$16,748,221	\$3,140,291	\$3,140,291	\$1,046,764	\$8,835,714	\$5,272	(\$468,236)	(\$58)	\$939	\$32,449,198
Target	\$17,203,058	\$3,225,573	\$3,225,573	\$1,075,191	\$8,544,932	-	-	-	-	\$33,274,327
+/- Target	(\$454,837)	(\$85,282)	(\$85,282)	(\$28,427)	\$290,782	\$5,272	(\$468,236)	(\$58)	\$939	(\$825,129)
%+/- Target	-2.6%	-2.6%	-2.6%	-2.6%	3.4%	-	-	-	-	-2.5%
Prior Year Actual	\$16,702,255	\$3,131,673	\$3,131,673	\$1,043,891	\$8,323,184	\$14,188	\$12,283	\$628	\$305	\$32,360,079
+/- Prior Year	\$45,966	\$8,619	\$8,619	\$2,873	\$512,529	(\$8,916)	(\$480,519)	(\$685)	\$634	\$89,120
%+/- Prior Year	0.3%	0.3%	0.3%	0.3%	6.2%	-62.8%	-3912.1%	-109.2%	208.0%	0.3%
Year-to-Date:										
Actual	\$207,076,285	\$38,826,804	\$38,826,804	\$12,942,268	\$103,538,143	-	-	-	-	\$401,210,303
Reallocations	\$6,503	\$1,220	\$1,220	\$407	\$220,287	\$118,672	(\$375,878)	\$8,415	\$19,156	-
Adjusted Actual	\$207,082,788	\$38,828,024	\$38,828,024	\$12,942,675	\$103,758,429	\$118,672	(\$375,878)	\$8,415	\$19,156	\$401,210,303
Target	\$204,477,369	\$38,339,506	\$38,339,506	\$12,779,837	\$101,566,007	-	-	-	-	\$395,502,225
+/- Target	\$2,605,419	\$488,518	\$488,518	\$162,838	\$2,192,422	\$118,672	(\$375,878)	\$8,415	\$19,156	\$5,708,078
%+/- Target	1.3%	1.3%	1.3%	1.3%	2.2%	-	-	-	-	1.4%
Prior Year Actual	\$198,521,717	\$37,222,822	\$37,222,822	\$12,407,607	\$98,770,907	\$242,457	\$219,548	\$16,313	\$5,269	\$384,629,463
+/- Prior Year	\$8,561,071	\$1,605,202	\$1,605,202	\$535,067	\$4,987,522	(\$123,786)	(\$595,426)	(\$7,899)	\$13,887	\$16,580,840
%+/- Prior Year	4.3%	4.3%	4.3%	4.3%	5.0%	-51.1%	-271.2%	-48.4%	263.5%	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
June 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	\$2,969,041	\$1,032,710	-	-	-	-	\$4,001,751
Reallocations	\$0	(\$607)	\$539	\$65	\$4	-	-
Adjusted Actual	\$2,969,041	\$1,032,103	\$539	\$65	\$4	-	\$4,001,751
Target	\$3,238,071	\$1,126,286	-	-	-	-	\$4,364,357
+/- Target	(\$269,030)	(\$94,183)	\$539	\$65	\$4	-	(\$362,606)
%+/- Target	-8.3%	-8.4%	-	-	-	-	-8.3%
Prior Year Actual	\$3,557,387	\$1,250,211	(\$4,532)	(\$8,326)	\$0	-	\$4,794,740
+/- Prior Year	(\$588,346)	(\$218,108)	\$5,071	\$8,391	\$4	-	(\$792,988)
%+/- Prior Year	-16.5%	-17.4%	-111.9%	-100.8%	19450.00%	-	-16.5%
Year-to-Date:							
Actual	\$34,351,135	\$11,948,221	-	-	-	-	\$46,299,356
Reallocations	\$833	(\$14,343)	\$3,695	\$7,432	\$1,145	\$1,237	-
Adjusted Actual	\$34,351,968	\$11,933,878	\$3,695	\$7,432	\$1,145	\$1,237	\$46,299,356
Target	\$35,444,099	\$12,328,382	-	-	-	-	\$47,772,481
+/- Target	(\$1,092,131)	(\$394,504)	\$3,695	\$7,432	\$1,145	\$1,237	(\$1,473,125)
%+/- Target	-3.1%	-3.2%	-	-	-	-	-3.1%
Prior Year Actual	\$38,804,613	\$13,497,246	(\$20,158)	\$18,082	\$109	\$984	\$52,300,875
+/- Prior Year	(\$4,452,645)	(\$1,563,367)	\$23,853	(\$10,650)	\$1,037	\$253	(\$6,001,519)
%+/- Prior Year	-11.5%	-11.6%	-118.3%	-58.9%	954.9%	25.7%	-11.5%
			(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.