



# City Manager Report

## The City of OKLAHOMA CITY

**NO: 238**

**DATE: MARCH 26, 2013**

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

**SUBJECT: MARCH 2013 SALES AND USE TAX COLLECTIONS**

Combined sales and use taxes for the General Fund are \$6,424,873 above target for the year.

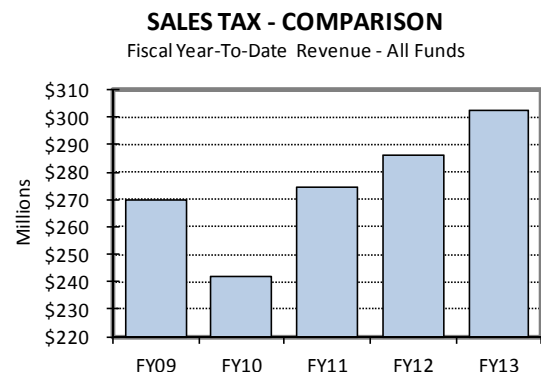
### General Fund Sales Tax

The March allocation of sales tax to the General Fund totaled \$16,538,664. This is \$236,478 or 1.5% above target and 4.5% above March 2012 collections. The March remittance includes actual collections for the second half of January and estimated collections for the first half of February by major taxpayers.

Sales tax growth has been solid for most of fiscal year 2013. Despite the outlet mall being open for over a year now, retail sales continue to be strong. Retail led the way this month with all eight of its subcategories showing growth over last year. Transportation & Utilities are down again this month with small declines in sales of both natural gas and electricity. Wholesale actually performed well this month in comparison to last year's 37.4% growth over the previous year. Sales from Services were in line with their year-to-date average. Hotels, Business Services, and Other Services all showed improvements over last year. Manufacturing had another strong showing this month with robust sales from many manufacturers. Other Miscellaneous' growth is primarily related to activity from construction related businesses and several non-classified businesses.

FY 2013 SALES TAX - MAJOR CATEGORY GROWTH RATES			
Category	Mar 13 % Change From Mar 12	Year-to-Date % Change	% of Total Sales Tax
Retail	8.3%	8.5%	61.8%
Transp. & Utilities	-3.5%	-1.8%	11.3%
Wholesale	-12.8%	0.7%	10.4%
Services	7.0%	7.5%	10.3%
Manufacturing	12.9%	18.4%	4.3%
Other Misc.	20.3%	7.6%	1.9%
<b>Overall % Change:</b>	<b>4.5%</b>	<b>6.6%</b>	<b>100.0%</b>

*There was robust growth in most categories. The decline in Wholesale is a reflection of last year's substantial growth rather than poor growth this year.*



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

Sales tax revenues for Oklahoma City and much of the metropolitan area improved this month. Edmond and Tulsa have all increased their sales tax rates during the last year. The figures in the chart to the right reflect growth in the underlying tax base and not growth based on a higher tax rate.

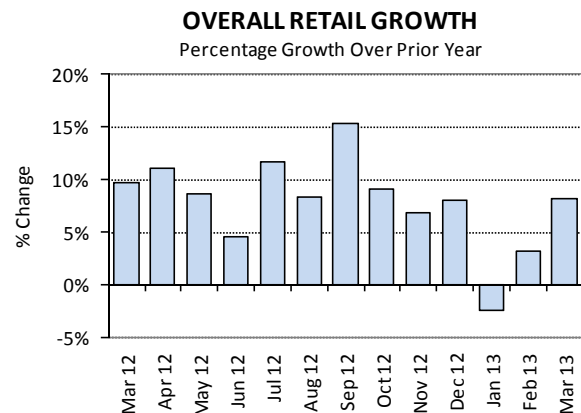
Retail sales have been strong most of the year with fiscal year-to-date growth of 8.5%. This month's growth of 8.3% is on par with the fiscal year-to-date average. This month all segments of Retail were improved upon last year's performance. General Merchandise's sales were up 8.0%. While most in General Merchandise performed well, three companies remitted above average payments that accounted for nearly three-quarters of the growth. Eating & Drinking was up 9.4% with business as usual for most in this category with growth on par with their year-to-date average. Miscellaneous Retail's 3.0% growth is not consistent with its true performance this month as last year's growth was up 27.2% from the year prior. Building Materials improved over last year by 13.4%. One major building materials store had a large remittance this month and is responsible for about one-third of this month's growth. Food Store's 3.5% growth was a bit soft compared to their year-to-date average of 12.4%. Furniture & Home grew by 17.9% this month. Much of the growth can be attributed to the combination of a few big payments this year coupled with few large refunds last year. Last year's sales in this category were down 10.4% from the year prior. Apparel & Accessories grew by 3.1% this month. Now that the outlet mall has been open for over a year, growth is returning to normal. Auto Part Supplies were up 10.0% with solid growth from most retailers.

CITY COMPARISON		
City	Mar 13 % Change	Year-to-date
	From Mar 12	% Change
Oklahoma City	4.5%	6.6%
Tulsa	4.2%	1.6%
Norman	5.4%	1.7%
Edmond	1.1%	13.8%
Midwest City	-0.5%	3.3%
Moore	13.6%	12.3%
Yukon	-0.1%	5.4%

\* Rates are normalized to account for tax rate changes

**Oklahoma City's sales tax revenues this year have been quite good. Edmond and Moore's sales tax revenues have been exceptional.**

RETAIL - MAJOR CATEGORY GROWTH RATES			
Category	Mar 13 % Change	Year-to-Date	% of Total Retail
	From Mar 12	% Change	
General Merchandise	8.0%	4.8%	20.8%
Eating & Drinking	9.4%	10.0%	19.7%
Miscellaneous Retail	3.0%	7.6%	15.7%
Building Materials	13.4%	18.3%	10.9%
Food Stores	3.5%	12.4%	10.7%
Furniture & Home	17.9%	-0.5%	10.1%
Apparel & Accessory	3.1%	13.5%	7.4%
Auto Parts Supplies	10.0%	6.0%	4.7%
<b>Overall % Change:</b>	<b>8.3%</b>	<b>8.5%</b>	<b>100.0%</b>



**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 3.5% from last year. Utility sales were down 4.3% from last year with reduced sales of electricity and natural gas. Telecom & Transportation decreased 2.1% with normal sales activity. One large telecom remitted an unusually low payment this month.

Manufacturing experienced 12.9% growth this month with most manufacturers performing well.

Wholesale was down 12.8% this month. The decline is due to several large payments made last year causing last year's growth to be up 37.4% from the year prior. Most wholesalers performed well this month.

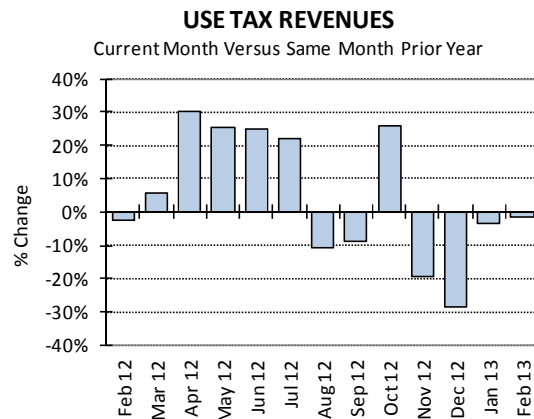
Services grew by 7.0% over last year. Hotels were up 1.2% with mostly flat sales. Business Services were up 11.6% as there were several large refunds last year that deflated last year's revenues. Other Services were up 6.2% with most business improving over last year.

General Fund Use Tax

The March allocation of use tax to the General Fund totaled \$2,468,753. This is \$31,045 or 1.2% below target and 10.1% below March 2012 collections.

Use tax collections were below target this month with declines in Services and Mining causing most of this month's decline.

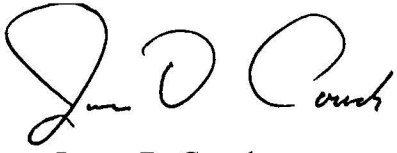
FY 2013 USE TAX - MAJOR CATEGORY GROWTH RATES			
Category	Mar 13 % Change From Mar 12	Year-to-Date % Change	% of Total Use Tax
Retail	13.5%	-8.4%	29.5%
Wholesale	0.6%	3.3%	26.7%
Services	-35.3%	-3.2%	10.7%
Mining	-60.0%	-29.9%	10.5%
Manufacturing	0.6%	42.8%	10.3%
Non-Classified	26.3%	16.9%	6.6%
Other Misc.	-37.4%	-47.9%	2.9%
Transp. & Utilities	-26.5%	-21.1%	2.7%
<b>Overall % Change:</b>	<b>-10.1%</b>	<b>-4.8%</b>	<b>100.0%</b>



*There was a very large payment last year in Mining that has caused this year's performance to appear worse than it really is.*

*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.

A handwritten signature in black ink, appearing to read "James D. Couch". The signature is written in a cursive style with large, rounded letters.

James D. Couch  
City Manager

**CITY OF OKLAHOMA CITY**  
**SALES TAX COLLECTIONS**  
*March 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>
<b>Current Month:</b>										
Actual	\$16,537,869	\$3,100,850	\$3,100,850	\$1,033,617	\$8,268,935	-	-	-	-	\$32,042,121
Reallocations	\$795	\$149	\$149	\$50	\$10,617	(\$17,619)	\$4,664	\$766	\$430	-
Adjusted Actual	\$16,538,664	\$3,101,000	\$3,101,000	\$1,033,667	\$8,279,551	(\$17,619)	\$4,664	\$766	\$430	\$32,042,121
Target	\$16,302,186	\$3,056,660	\$3,056,660	\$1,018,887	\$8,097,463	-	-	-	-	\$31,531,856
+/- Target	\$236,478	\$44,340	\$44,340	\$14,780	\$182,088	(\$17,619)	\$4,664	\$766	\$430	\$510,266
%+/- Target	1.5%	1.5%	1.5%	1.5%	2.2%	-	-	-	-	1.6%
Prior Year Actual	\$15,827,343	\$2,967,627	\$2,967,627	\$989,209	\$7,955,287	\$4,855	(\$47,349)	\$227	\$351	\$30,665,176
+/- Prior Year	\$711,321	\$133,373	\$133,373	\$44,458	\$324,264	(\$22,473)	\$52,013	\$539	\$79	\$1,376,945
%+/- Prior Year	4.5%	4.5%	4.5%	4.5%	4.1%	-462.9%	-109.8%	237.2%	22.5%	4.5%
<b>Year-to-Date:</b>										
Actual	\$157,674,739	\$29,564,014	\$29,564,014	\$9,854,671	\$78,837,370	-	-	-	-	\$305,494,808
Reallocations	\$4,953	\$929	\$929	\$310	(\$207,426)	\$100,911	\$75,735	\$8,024	\$15,636	-
Adjusted Actual	\$157,679,692	\$29,564,942	\$29,564,942	\$9,854,981	\$78,629,944	\$100,911	\$75,735	\$8,024	\$15,636	\$305,494,808
Target	\$152,307,957	\$28,557,742	\$28,557,742	\$9,519,249	\$75,652,928	-	-	-	-	\$294,595,618
+/- Target	\$5,371,735	\$1,007,200	\$1,007,200	\$335,732	\$2,977,016	\$100,911	\$75,735	\$8,024	\$15,636	\$10,899,189
%+/- Target	3.5%	3.5%	3.5%	3.5%	3.9%	-	-	-	-	3.7%
Prior Year Actual	\$147,871,594	\$27,725,924	\$27,725,924	\$9,241,975	\$73,571,214	\$159,988	\$180,577	\$15,765	\$2,709	\$286,495,669
+/- Prior Year	\$9,808,098	\$1,839,019	\$1,839,019	\$613,006	\$5,058,730	(\$59,077)	(\$104,843)	(\$7,741)	\$12,926	\$18,999,138
%+/- Prior Year	6.6%	6.6%	6.6%	6.6%	6.9%	-36.9%	-58.1%	-49.1%	477.1%	6.6%
						(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**  
*March 2013*

	General <u>Fund</u>	<u>MAPS 3</u>	Sports Facilities <u>Improvement</u>	City & <u>Schools</u>	Police/Fire <u>Equipment</u>	<u>MAPS</u>	Total <u>Use Tax</u>
<b>Current Month:</b>							
Actual	\$2,468,751	\$858,696	-	-	-	-	\$3,327,448
Reallocations	\$1	\$7,363	(\$1,983)	(\$5,384)	\$1	\$3	-
Adjusted Actual	\$2,468,753	\$866,059	(\$1,983)	(\$5,384)	\$1	\$3	\$3,327,448
Target	\$2,499,798	\$869,495	-	-	-	-	\$3,369,293
+/- Target	(\$31,045)	(\$3,436)	(\$1,983)	(\$5,384)	\$1	\$3	(\$41,845)
%+/- Target	-1.2%	-0.4%	-	-	-	-	-1.2%
Prior Year Actual	\$2,746,309	\$982,459	(\$2,347)	(\$25,678)	(\$39)	-	\$3,700,704
+/- Prior Year	(\$277,556)	(\$116,400)	\$363	\$20,293	\$40	\$3	(\$373,257)
%+/- Prior Year	-10.1%	-11.8%	-15.5%	-79.0%	-101.42%	-	-10.1%
<b>Year-to-Date:</b>							
Actual	\$27,017,154	\$9,397,271	-	-	-	-	\$36,414,425
Reallocations	\$832	(\$11,965)	\$1,501	\$7,384	\$1,162	\$1,086	-
Adjusted Actual	\$27,017,986	\$9,385,306	\$1,501	\$7,384	\$1,162	\$1,086	\$36,414,425
Target	\$25,964,848	\$9,031,251	-	-	-	-	\$34,996,099
+/- Target	\$1,053,138	\$354,055	\$1,501	\$7,384	\$1,162	\$1,086	\$1,418,326
%+/- Target	4.1%	3.9%	-	-	-	-	4.1%
Prior Year Actual	\$28,390,588	\$9,847,192	\$7,362	\$18,353	\$104	\$984	\$38,264,582
+/- Prior Year	(\$1,372,602)	(\$461,886)	(\$5,861)	(\$10,969)	\$1,058	\$102	(\$1,850,157)
%+/- Prior Year	-4.8%	-4.7%	-79.6%	-59.8%	1020.2%	10.3%	-4.8%
			(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.