



City Manager Report

The City of
OKLAHOMA CITY

NO: 379

DATE: DECEMBER 3, 2013

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: NOVEMBER 2013 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$3,647,764 below target for the year.

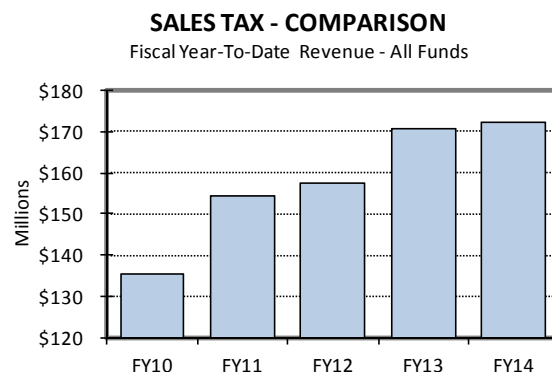
General Fund Sales Tax

The November allocation of sales tax to the General Fund totaled \$17,447,709. This is \$240,517 or 1.4% above target and 5.2% above November 2012 collections. The November remittance includes actual collections for the second half of September and estimated collections for the first half of October by major taxpayers.

This month's sales tax revenues are up 5.2% bringing year-to-date growth to a positive 0.9%. Most categories of sales tax performed well this month. Retail experienced good growth this month in large part due to robust sales in Building Materials as there is still a heavy demand for building supplies to repair tornado damage. Strong Utility sales helped Transportation & Utilities to achieve 9.5% growth. Services (up 19.1%) were dominated by a couple of large payments this month in Business Services. Wholesale and Manufacturing have struggled this year and continue to do so again this month with declines of 9.9% and 9.7% respectively. Large payments by a few taxpayers in both Mining and Non-Classified helped to push Other Miscellaneous' sales tax growth to 31.2%.

FY 2014 SALES TAX - MAJOR CATEGORY GROWTH RATES			
Category	Nov 13 % Change From Nov 12	Year-to-Date % Change	% of Total Sales Tax
Retail	5.3%	5.3%	62.2%
Transp. & Utilities	9.5%	-3.5%	11.4%
Services	19.1%	4.9%	10.9%
Wholesale	-9.9%	-9.5%	9.9%
Manufacturing	-9.7%	-12.8%	3.9%
Other Misc.	31.2%	-29.8%	1.6%
Overall % Change:	5.2%	0.9%	100.0%

Sales were good for most sales tax categories this month. Wholesale and Manufacturing continue to struggle.



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

All of the comparison cities had positive growth this month. Oklahoma City's 5.2% is the largest growth Oklahoma City has experienced this fiscal year and it exceeds the State's 3.6% growth. Both Moore and Yukon's high growth rates are likely due to sales related to the continued rebuilding from tornados earlier this year.

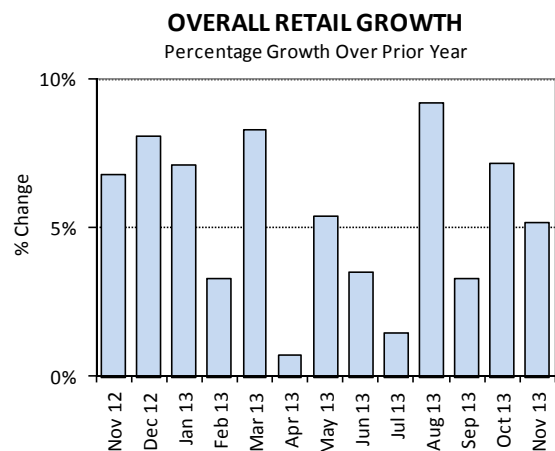
CITY COMPARISON		
City	Nov 13 % Change	Year-to-date
	From Nov 12	% Change
Oklahoma City	5.2%	0.9%
Tulsa	1.8%	1.4%
Norman	6.0%	5.2%
Edmond	2.1%	-0.5%
Midwest City	6.6%	4.5%
Moore	18.8%	8.8%
Yukon	20.2%	8.4%

* Rates are normalized to account for tax rate changes

Most of the cities in the table performed well this month. Oklahoma City's growth for the month and year-to-date is still a bit below most of the comparison cities.

Retail sales growth of 5.3% this month is exactly the same as the year-to-date average. Leading the way this month for Retail is Building Materials with an increase of 27.2% over last year as there continues to be high demand for building supplies. Miscellaneous Retail's increase of 9.6% was largely due to two taxpayers. One taxpayer remitted a large payment this year coupled with a small payment last year while the other taxpayer is new since last year. Auto Parts Supplies sales were up 4.5% with most taxpayers reporting improved sales over last year. Food Stores (up 3.5%) and Eating & Drinking (up 3.0%) both tend to follow one another and have been displaying steady growth for years. Apparel & Accessory sales increased 0.6% this month. Most taxpayers in this category reported decreased sales; however, sales from a new remitter this month offset much of the declines experienced by others in the category. Furniture & Home declined 0.1% from last year. Overall, the category performed well, but a large refund from one business offset this month's growth. General Merchandise declined 1.5% this month with most retailers experiencing declines in sales. Additionally the closure of a store earlier in the year by a major retailer as well as a low payment by another major retailer this month further negatively affected performance.

RETAIL - MAJOR CATEGORY GROWTH RATES			
Category	Nov 13 % Change	Year-to-Date	% of Total Retail
	From Nov 12	% Change	
Eating & Drinking	3.0%	4.6%	20.2%
General Merchandise	-1.5%	0.1%	18.9%
Miscellaneous Retail	9.6%	2.7%	14.6%
Building Materials	27.2%	18.1%	13.3%
Food Stores	3.5%	2.5%	11.0%
Furniture & Home	-0.1%	14.2%	10.4%
Apparel & Accessory	0.6%	-0.4%	6.7%
Auto Parts Supplies	4.5%	2.5%	4.9%
Overall % Change:	5.3%	5.3%	100.0%



Most Retail categories performed well this month. Building Materials continues to be very active due to high demand for building supplies to repair and rebuild after the tornados earlier this year.

Retail growth over the last 13 months has been strong. Eight of the last thirteen months growth has been in excess of 5%.

Transportation & Utilities increased 9.5% from last year. Last month's 16.1% decline in Utilities sales was offset this month by 16.0% growth. Telecom & Transportation decreased 0.3% as the majority of major telecoms reported declines from last year.

Manufacturing experienced a 9.7% decline due to a large payment that was remitted last year by a taxpayer coupled with a large refund this year to another taxpayer.

Wholesale declined 9.9% this month. Sales have been down ten of the last twelve months.

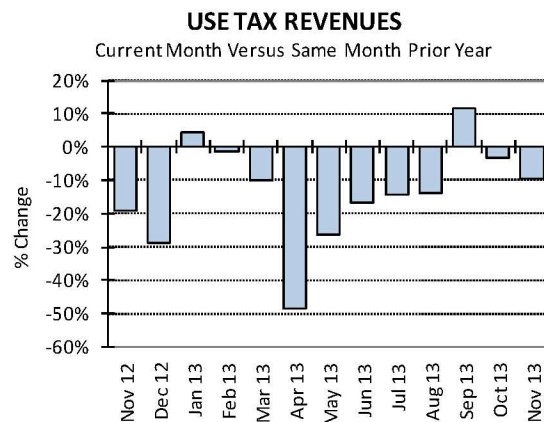
Services increased by 19.1% over last year. Business Services grew 67.7% with most of the growth coming from two taxpayers who remitted very large payments this month. Other Services increased 2.2% with most businesses reporting modest sales growth over last year. Hotels declined 8.7%. A few hotels failed to remit taxes this month hurting sales.

General Fund Use Tax

The November allocation of use tax to the General Fund totaled \$2,930,402. This is \$341,446 or 10.4% below target and 9.7% below November 2012 collections.

Use tax revenues have been down much of the year. Five of the eight use tax categories reported declines this month. A large refund by a major wholesaler caused a third of this month's decline.

FY 2014 USE TAX - MAJOR CATEGORY GROWTH RATES			
Category	Nov 13 % Change	Year-to-Date % Change	% of Total
	From Nov 12	% Change	Use Tax
Retail	-15.6%	8.6%	33.7%
Wholesale	-32.2%	-14.4%	25.8%
Services	61.4%	5.5%	11.4%
Mining	81.7%	-20.8%	11.1%
Manufacturing	25.1%	9.6%	9.5%
Transp. & Utilities	-31.0%	12.9%	4.0%
Other Misc.	-21.5%	-18.4%	2.7%
Non-Classified	-31.7%	-64.3%	1.9%
Overall % Change:	-9.7%	-6.3%	100.0%



This month's use tax revenues were down 9.7% from last year.

Use tax revenues have been in decline for most of the year.

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


 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
November 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	\$17,447,635	\$3,271,431	\$3,271,431	\$1,090,477	\$8,723,817	-	-	-	-	\$33,804,792
Reallocations	\$74	\$14	\$14	\$5	(\$1,096)	\$1,004	(\$854)	\$32	\$807	-
Adjusted Actual	\$17,447,709	\$3,271,445	\$3,271,445	\$1,090,482	\$8,722,721	\$1,004	(\$854)	\$32	\$807	\$33,804,792
Target	\$17,207,192	\$3,226,349	\$3,226,349	\$1,075,450	\$8,639,185	-	-	-	-	\$33,374,525
+/- Target	\$240,517	\$45,096	\$45,096	\$15,032	\$83,536	\$1,004	(\$854)	\$32	\$807	\$430,267
%+/- Target	1.4%	1.4%	1.4%	1.4%	1.0%	-	-	-	-	1.3%
Prior Year Actual	\$16,579,504	\$3,108,657	\$3,108,657	\$1,036,219	\$8,323,716	\$17,273	(\$56,177)	\$1,137	\$3,392	\$32,122,377
+/- Prior Year	\$868,205	\$162,788	\$162,788	\$54,263	\$399,005	(\$16,269)	\$55,324	(\$1,105)	(\$2,585)	\$1,682,415
%+/- Prior Year	5.2%	5.2%	5.2%	5.2%	4.8%	-94.2%	-98.5%	-97.2%	-76.2%	5.2%
Year-to-Date:										
Actual	\$88,903,954	\$16,669,491	\$16,669,491	\$5,556,497	\$44,451,977	-	-	-	-	\$172,251,410
Reallocations	\$876	\$164	\$164	\$55	(\$57,992)	\$24,144	\$27,186	\$904	\$4,498	-
Adjusted Actual	\$88,904,829	\$16,669,656	\$16,669,656	\$5,556,552	\$44,393,985	\$24,144	\$27,186	\$904	\$4,498	\$172,251,410
Target	\$91,442,824	\$17,145,530	\$17,145,530	\$5,715,177	\$45,576,268	-	-	-	-	\$177,025,329
+/- Target	(\$2,537,995)	(\$475,874)	(\$475,874)	(\$158,625)	(\$1,182,283)	\$24,144	\$27,186	\$904	\$4,498	(\$4,773,919)
%+/- Target	-2.8%	-2.8%	-2.8%	-2.8%	-2.6%	-	-	-	-	-2.7%
Prior Year Actual	\$88,107,150	\$16,520,091	\$16,520,091	\$5,506,697	\$43,912,003	\$83,761	\$39,596	\$2,766	\$12,777	\$170,704,930
+/- Prior Year	\$797,680	\$149,565	\$149,565	\$49,855	\$481,982	(\$59,617)	(\$12,409)	(\$1,862)	(\$8,279)	\$1,546,481
%+/- Prior Year	0.9%	0.9%	0.9%	0.9%	1.1%	-71.2%	-31.3%	-67.3%	-64.8%	0.9%
						(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
November 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	\$2,930,402	\$1,019,270	-	-	-	-	\$3,949,672
Reallocations	(\$0)	\$892	\$659	(\$1,553)	\$2	-	-
Adjusted Actual	\$2,930,402	\$1,020,162	\$659	(\$1,553)	\$2	-	\$3,949,672
Target	\$3,271,848	\$1,135,505	-	-	-	-	\$4,407,353
+/- Target	(\$341,446)	(\$115,343)	\$659	(\$1,553)	\$2	-	(\$457,681)
%+/- Target	-10.4%	-10.2%	-	-	-	-	-10.4%
Prior Year Actual	\$3,245,031	\$1,124,876	\$68	\$3,349	\$313	(\$191)	\$4,373,446
+/- Prior Year	(\$314,629)	(\$104,714)	\$591	(\$4,902)	(\$311)	\$191	(\$423,773)
%+/- Prior Year	-9.7%	-9.3%	870.9%	-146.4%	-99.43%	-100.00%	-9.7%
Year-to-Date:							
Actual	\$14,599,516	\$5,078,093	-	-	-	-	\$19,677,609
Reallocations	\$196	\$511	\$2,580	(\$3,579)	\$266	\$27	-
Adjusted Actual	\$14,599,712	\$5,078,603	\$2,580	(\$3,579)	\$266	\$27	\$19,677,609
Target	\$15,709,481	\$5,465,147	-	-	-	-	\$21,174,628
+/- Target	(\$1,109,769)	(\$386,544)	\$2,580	(\$3,579)	\$266	\$27	(\$1,497,019)
%+/- Target	-7.1%	-7.1%	-	-	-	-	-7.1%
Prior Year Actual	\$15,580,719	\$5,413,990	\$1,966	\$1,044	\$1,069	\$328	\$20,999,117
+/- Prior Year	(\$981,007)	(\$335,387)	\$614	(\$4,623)	(\$803)	(\$302)	(\$1,321,508)
%+/- Prior Year	-6.3%	-6.2%	31.3%	-442.7%	-75.2%	-91.8%	-6.3%
			(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.