



# City Manager Report

## The City of OKLAHOMA CITY

**NO: 530**

**DATE: DECEMBER 2, 2014**

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

**SUBJECT: NOVEMBER 2014 SALES AND USE TAX COLLECTIONS**

Combined sales and use taxes for the General Fund are \$52,792 or 0.05% above target for the year.

### General Fund Sales Tax

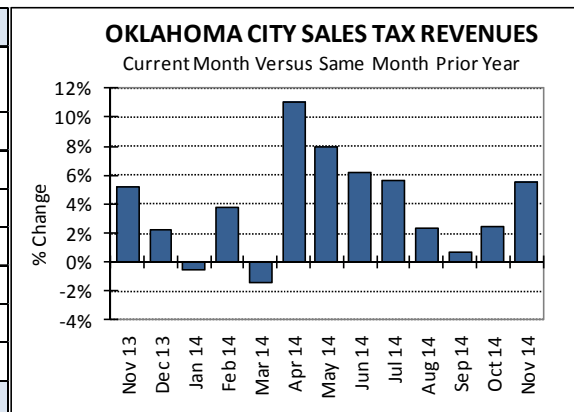
The November allocation of sales tax to the General Fund totaled \$18,416,043, which is:

- \$469,330 or 2.6% above target for the month
- \$968,335 or 5.5% above FY 2014 collections for the month

The November remittance includes actual collections for the second half of September and estimated collections for the first half of October by major taxpayers.

Sales tax collections increased 5.6% this month and are up 3.3% for the year. This marks the eighth consecutive month of increased sales over the same month in the prior year. Five months into the fiscal year, sales tax collections are as projected. This month's revenue growth can be attributed to improved sales throughout all major industries. Other Miscellaneous' decline stems from the Oklahoma Tax Commission properly classifying several businesses that were previously unclassified; otherwise, it too would have experienced growth. The Oklahoma Tax Commission is currently making a concerted effort to reduce the number of unclassified businesses going forward.

<b>FY 2015 Sales Tax: Growth by Industry</b>			
Major Category	Nov 2014 Growth Rate	Year-to-Date % Change	% of Total Sales Tax
Retail	5.9%	1.4%	49.4%
Hotels & Restaurants	7.4%	0.0%	14.5%
Services	2.1%	7.6%	11.3%
Wholesale	15.0%	3.4%	11.1%
Utilities	4.9%	-7.1%	7.3%
Manufacturing	1.6%	2.7%	4.5%
Other Miscellaneous	-22.1%	11.2%	2.0%
<b>Total</b>	<b>5.6%</b>	<b>3.3%</b>	<b>100.0%</b>



City Comparison		
City	Nov 2014 Growth Rate	Year-to-Date % Change
Oklahoma City	5.5%	3.3%
Tulsa	4.4%	4.4%
Norman	7.6%	3.2%
Edmond	7.2%	6.0%
Moore	-6.3%	0.0%
Midwest City	-0.7%	-2.9%
Yukon	-0.3%	0.4%
<i>Rates are normalized to account for tax rate changes</i>		

### Comparison to Other Cities

Not only were sales taxes up for Oklahoma City, but they were up for most cities and the state. For all cities in Oklahoma, sales taxes were up 4.3% for the month and up 2.9% for the year. In contrast to the other comparison cities, Oklahoma City and Tulsa showed similar growth while Norman and Edmond were the growth leaders. Moore, Midwest City, and Yukon reported declines in sales.

### Retail

- General Merchandise – several major general merchandisers experienced declines in sales from last year.
- Building Materials – The decline in sales continues to be the result of comparisons against last year’s very strong roofing and building material sales.
- Apparel & Accessories – Overall sales were good. The addition of a new apparel retailer this month contributed to this improvement.
- Electronics & Appliances – Some large payments this year and a refund last year contributed to this month’s large growth.
- Miscellaneous Retail – Sales were good for the majority, however; much of this month’s growth is due to a large payment from one retailer.
- Convenience Stores – Virtually all of this month’s growth is due to the reclassification of a major convenience store previously listed in Other Miscellaneous as Non-Classified.

FY 2015 Sales Tax: Retail Sub-Category Growth			
Retail Category	Nov 2014 Growth Rate	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	-2.5%	-2.7%	21.9%
Building Materials and Lawn & Garden	-14.7%	-14.4%	14.4%
Food Stores	7.4%	7.7%	12.3%
Apparel & Accessories	16.2%	6.2%	10.8%
Electronics & Appliances	20.9%	3.7%	9.7%
Miscellaneous Retail	20.6%	6.2%	7.6%
Auto Parts & Supplies	10.6%	-3.8%	5.9%
Furniture & Home	9.7%	2.7%	4.9%
Pharmacies & Health Stores	5.0%	14.4%	4.3%
Sporting Goods & Hobby Stores	8.1%	1.5%	4.2%
Convenience Stores	105.3%	103.0%	3.3%
Direct Sales	16.0%	26.6%	0.8%
<b>Total</b>	<b>5.9%</b>	<b>1.4%</b>	<b>100.0%</b>

Other Major Categories

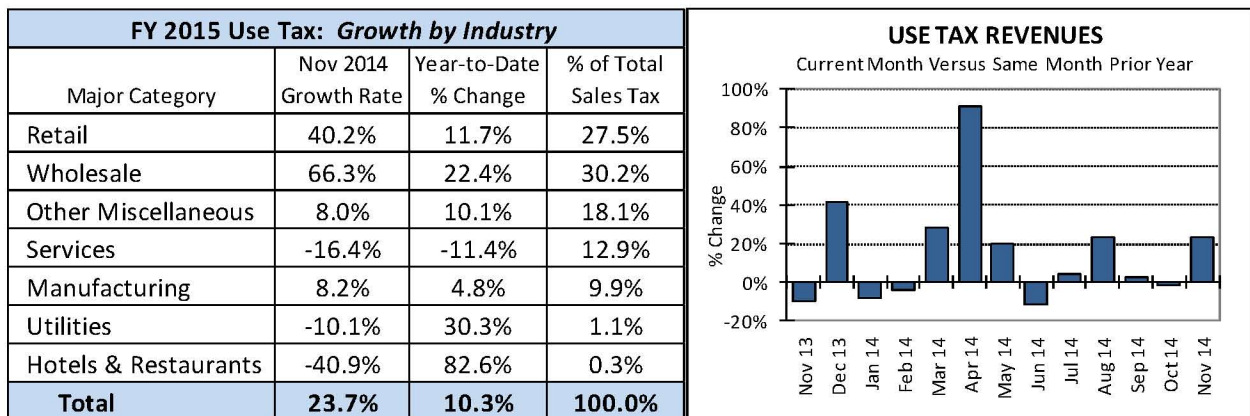
- Hotels & Restaurants increased 7.4% from last year.
  - Hotel revenues grew 7.7% % with good sales reported by most hotels.
  - Eating & Drinking Establishments were up 7.3%.
- Service sales were up 2.1% with mixed performances in the various subcategories.
- Wholesale jumped 15.0% as many wholesalers exhibited robust sales increases.
- Utility sales rose by 7.3% with solid sales of both electricity and natural gas.
- Manufacturing reported a modest increase of 1.6%.
- Other Miscellaneous dropped 22.1% largely due to the proper classification, within the last year, of several businesses that were previously unclassified.

**General Fund Use Tax**

The November allocation of use tax to the General Fund totaled \$3,623,595, which is:

- \$429,457 or 13.4% above target for the month
- \$693,193 or 23.7% above FY 2014 collections for the month

Vigorous activity in Retail and Wholesale contributed to much of this month’s growth. Year-to-date, use tax revenues are up 10.3% from last year with all but Services experiencing growth.



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

James D. Couch  
City Manager

**CITY OF OKLAHOMA CITY**  
**SALES TAX COLLECTIONS**  
*November 2014*

	<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	\$18,415,728	\$3,452,949	\$3,452,949	\$1,150,983	\$9,207,864	-	-	-	-	\$35,680,474
Reallocations	\$315	\$59	\$59	\$20	\$11,551	(\$15,099)	\$1,544	\$49	\$1,502	-
Adjusted Actual	\$18,416,043	\$3,453,008	\$3,453,008	\$1,151,003	\$9,219,415	(\$15,099)	\$1,544	\$49	\$1,502	\$35,680,474
Target	\$17,946,713	\$3,365,009	\$3,365,009	\$1,121,670	\$8,972,191	-	-	-	-	\$34,770,592
+/- Target	\$469,330	\$87,999	\$87,999	\$29,333	\$247,224	(\$15,099)	\$1,544	\$49	\$1,502	\$909,882
%+/- Target	2.6%	2.6%	2.6%	2.6%	2.8%	-	-	-	-	2.6%
Prior Year Actual	\$17,447,709	\$3,271,445	\$3,271,445	\$1,090,482	\$8,722,721	\$1,004	(\$854)	\$32	\$807	\$33,804,792
+/- Prior Year	\$968,335	\$181,563	\$181,563	\$60,521	\$496,693	(\$16,103)	\$2,398	\$17	\$696	\$1,875,682
%+/- Prior Year	5.5%	5.5%	5.5%	5.5%	5.7%	-1603.9%	-280.9%	54.2%	86.2%	5.5%
<b>Year-to-Date:</b>										
Actual	\$91,838,876	\$17,219,789	\$17,219,789	\$5,739,930	\$45,919,438	-	-	-	-	\$177,937,823
Reallocations	\$2,994	\$561	\$561	\$187	(\$55,471)	\$29,795	\$12,242	\$2,180	\$6,950	-
Adjusted Actual	\$91,841,870	\$17,220,351	\$17,220,351	\$5,740,117	\$45,863,967	\$29,795	\$12,242	\$2,180	\$6,950	\$177,937,823
Target	\$91,978,972	\$17,246,058	\$17,246,058	\$5,748,687	\$45,928,948	-	-	-	-	\$178,148,723
+/- Target	(\$137,102)	(\$25,707)	(\$25,707)	(\$8,570)	(\$64,981)	\$29,795	\$12,242	\$2,180	\$6,950	(\$210,900)
%+/- Target	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-	-	-	-	-0.1%
Prior Year Actual	\$88,905,031	\$16,669,693	\$16,669,693	\$5,556,565	\$44,394,086	\$24,144	\$27,186	\$904	\$4,498	\$172,251,802
+/- Prior Year	\$2,936,839	\$550,657	\$550,657	\$183,552	\$1,469,881	\$5,651	(\$14,944)	\$1,276	\$2,451	\$5,686,021
%+/- Prior Year	3.3%	3.3%	3.3%	3.3%	3.3%	23.4%	-55.0%	141.1%	54.5%	3.3%
						(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**  
*November 2014*

	<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	\$3,623,595	\$1,260,381	-	-	-	-	\$4,883,976
Reallocations	-	(\$90)	\$74	\$14	\$3	-	-
Adjusted Actual	\$3,623,595	\$1,260,291	\$74	\$14	\$3	-	\$4,883,976
Target	\$3,194,138	\$1,264,876	-	-	-	-	\$4,459,014
+/- Target	\$429,457	(\$4,585)	\$74	\$14	\$3	-	\$424,962
%+/- Target	13.4%	-0.4%	-	-	-	-	9.5%
Prior Year Actual	\$2,930,402	\$1,020,162	\$659	(\$1,553)	\$2	-	\$3,949,672
+/- Prior Year	\$693,193	\$240,129	(\$585)	\$1,566	\$1	-	\$934,304
%+/- Prior Year	23.7%	23.5%	-88.8%	-100.9%	46.37%	-	23.7%
<b>Year-to-Date:</b>							
Actual	\$16,103,580	\$5,601,245	-	-	-	-	\$21,704,825
Reallocations	(\$0)	(\$581)	\$101	\$478	\$2	-	-
Adjusted Actual	\$16,103,580	\$5,600,664	\$101	\$478	\$2	-	\$21,704,825
Target	\$15,913,686	\$5,744,248	-	-	-	-	\$21,657,934
+/- Target	\$189,893	(\$143,584)	\$101	\$478	\$2	-	\$46,891
%+/- Target	1.2%	-2.5%	-	-	-	-	0.2%
Prior Year Actual	\$14,599,712	\$5,078,603	\$2,580	(\$3,579)	\$266	\$27	\$19,677,609
+/- Prior Year	\$1,503,868	\$522,061	(\$2,479)	\$4,057	(\$264)	(\$27)	\$2,027,217
%+/- Prior Year	10.3%	10.3%	-96.1%	-113.4%	-99.2%	-100.0%	10.3%
			(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.