



City Manager Report

The City of OKLAHOMA CITY

NO: 496

DATE: OCTOBER 7, 2014

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: SEPTEMBER 2014 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$462,746 or 0.7% below target for the year.

General Fund Sales Tax

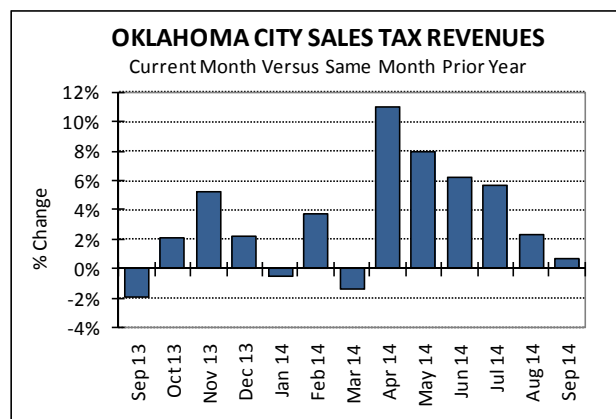
The September allocation of sales tax to the General Fund totaled \$18,214,497, which is:

- \$579,053 or 3.1% below target for the month
- \$119,417 or 0.7% above FY 2014 collections for the month

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

Sales tax collections increased 0.7% this month. Much of the reason for the modest sales tax growth stems from comparisons to strong retail sales of building materials last year. The tornado that hit Moore and Oklahoma City damaged many homes and businesses and as a result, sales of roofing materials and other building materials increased sharply. Netting out the Retail category of Building Materials from both years, sales tax revenues would have increased 3.2%. Most other categories of sales tax performed well this month.

FY 2015 Sales Tax: <i>Growth by Industry</i>		
Major Category	Sep 2014 Growth Rate	% of Total Sales Tax
Retail	-1.3%	47.9%
Hotels & Restaurants	2.0%	14.8%
Services	6.8%	11.3%
Wholesale	-0.4%	10.0%
Utilities	0.3%	8.5%
Manufacturing	3.1%	5.0%
Other Miscellaneous	5.6%	2.6%
Total	0.7%	100.0%



City Comparison		
Major Category	Sep 2014 Growth Rate	Year-to-Date % Change
Oklahoma City	0.7%	2.8%
Tulsa	6.2%	4.8%
Norman	1.4%	1.6%
Edmond	5.9%	6.0%
Moore	-4.9%	2.6%
Midwest City	-6.3%	-2.9%
Yukon	-0.6%	0.4%
<i>* Rates are normalized to account for tax rate changes</i>		

Comparison to Other Cities

Oklahoma City's growth is in the middle in relation to the other comparison cities. Tulsa's sales tax growth was strong this month. The PGA golf tournament likely contributed to Edmond's growth this month.

Retail

- Building Materials – Sales are down due to last year's sales being so high from heavy roofing activity and building material sales related to the repair of tornado damage.
- Miscellaneous Retail – A large remittance by a major taxpayer this month offset the reduction in sales from the majority of other businesses in the category.
- Auto Parts & Supplies – The decrease is primarily due to the non-payment of tax from a major automotive business. The Oklahoma Tax Commission has been informed and is working with the taxpayer to correct this issue.
- Furniture & Home – Sales were down this month for three-quarters of the top 25 retailers in the category.
- Pharmacies & Health Stores – The reclassification of a store (previously in Misc. Retail) along with the recent opening of another business, helped boost this month's performance.
- Convenience Stores – Virtually all of this month's growth is due to the reclassification of a major convenience store previously listed under Other Miscellaneous as Non-Classified.

FY 2015 Sales Tax: Retail Sub-Category Growth		
Major Category	Sep 2014 Growth Rate	% of Total Retail Sales Tax
General Merchandise	1.1%	23.1%
Building Materials and Lawn & Garden	-23.2%	15.2%
Food Stores	7.3%	13.1%
Apparel & Accessories	0.2%	9.3%
Electronics & Appliances	-3.6%	8.0%
Miscellaneous Retail	8.2%	6.7%
Auto Parts & Supplies	-6.1%	5.9%
Furniture & Home	-8.7%	5.2%
Sporting Goods & Hobby Stores	-2.0%	4.8%
Pharmacies & Health Stores	27.8%	4.5%
Convenience Stores	98.0%	3.6%
Direct Sales	28.4%	0.6%
Total	-1.3%	100.0%

Other Major Categories

- Hotels & Restaurants increased 2.0% from last year.
 - Hotel revenues declined 4.3% with a majority of hotels reporting declines.
 - Eating & Drinking Establishments were up 3.3%.
- Service sales grew 6.8% with strong growth in the Rentals & Leasing category.
- Wholesale experienced a modest decrease of 0.4%.
- Utility sales increased slightly by 0.3% from last year.
- Manufacturing rose 3.1% with much of the growth from Nonmetallic Minerals. A business previously listed as Non-Classified (Other Misc.) was recently properly classified.
- Other Miscellaneous grew 5.6% with strong growth in Mining being partially offset by the recent proper classifications of a couple of businesses out of the Non-Classified subcategory.

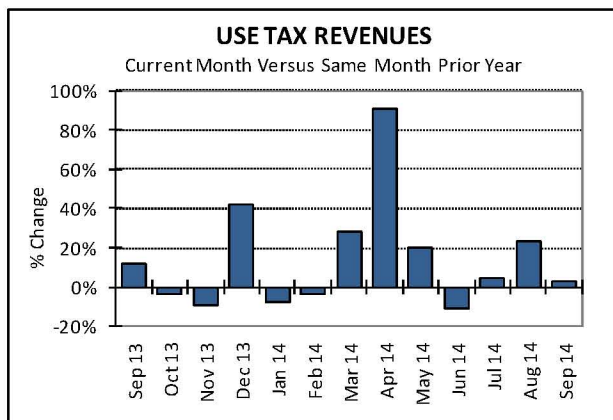
General Fund Use Tax

The September allocation of use tax to the General Fund totaled \$3,265,466, which is:

- \$194,131 or 5.6% below target for the month
- \$91,523 or 2.9% above FY 2014 collections for the month

This month’s growth is due to solid growth in Wholesale and Manufacturing offset in part by a drop in Retail revenue. Year-to-date, use tax revenues are up 9.9% from last year.

FY 2015 Use Tax: <i>Growth by Industry</i>		
Major Category	Sep 2014 Growth Rate	% of Total Sales Tax
Wholesale	22.0%	30.7%
Retail	-17.4%	21.1%
Other Miscellaneous	-6.1%	20.6%
Manufacturing	26.5%	13.4%
Services	-1.9%	12.0%
Utilities	108.9%	2.7%
Hotels & Restaurants	-191.1%	-0.4%
Total	2.9%	100.0%



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

James D. Couch
 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
September 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>
Current Month:										
Actual	\$18,214,164	\$3,415,156	\$3,415,156	\$1,138,385	\$9,107,082	-	-	-	-	\$35,289,942
Reallocations	\$333	\$62	\$62	\$21	(\$14,651)	\$10,312	\$2,131	\$895	\$835	-
Adjusted Actual	\$18,214,497	\$3,415,218	\$3,415,218	\$1,138,406	\$9,092,431	\$10,312	\$2,131	\$895	\$835	\$35,289,942
Target	\$18,793,550	\$3,523,791	\$3,523,791	\$1,174,597	\$9,380,379	-	-	-	-	\$36,396,108
+/- Target	(\$579,053)	(\$108,573)	(\$108,573)	(\$36,191)	(\$287,948)	\$10,312	\$2,131	\$895	\$835	(\$1,106,166)
%+/- Target	-3.1%	-3.1%	-3.1%	-3.1%	-3.1%	-	-	-	-	-3.0%
Prior Year Actual	\$18,095,080	\$3,392,828	\$3,392,828	\$1,130,943	\$9,031,753	\$10,647	\$3,062	\$415	\$1,072	\$35,058,627
+/- Prior Year	\$119,417	\$22,391	\$22,391	\$7,464	\$60,678	(\$335)	(\$931)	\$480	(\$238)	\$231,315
%+/- Prior Year	0.7%	0.7%	0.7%	0.7%	0.7%	-3.1%	-30.4%	115.8%	-22.2%	0.7%
Year-to-Date:										
Actual	\$54,635,907	\$10,244,233	\$10,244,233	\$3,414,744	\$27,317,954	-	-	-	-	\$105,857,070
Reallocations	\$2,637	\$494	\$494	\$165	(\$51,605)	\$32,530	\$8,292	\$2,098	\$4,895	-
Adjusted Actual	\$54,638,544	\$10,244,727	\$10,244,727	\$3,414,909	\$27,266,349	\$32,530	\$8,292	\$2,098	\$4,895	\$105,857,070
Target	\$55,176,347	\$10,345,565	\$10,345,565	\$3,448,522	\$27,542,710	-	-	-	-	\$106,858,709
+/- Target	(\$537,803)	(\$100,838)	(\$100,838)	(\$33,613)	(\$276,361)	\$32,530	\$8,292	\$2,098	\$4,895	(\$1,001,639)
%+/- Target	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-	-	-	-	-0.9%
Prior Year Actual	\$53,125,694	\$9,961,068	\$9,961,068	\$3,320,356	\$26,519,074	\$17,776	\$21,008	\$782	\$2,888	\$102,929,713
+/- Prior Year	\$1,512,850	\$283,659	\$283,659	\$94,553	\$747,275	\$14,754	(\$12,717)	\$1,315	\$2,007	\$2,927,357
%+/- Prior Year	2.8%	2.8%	2.8%	2.8%	2.8%	83.0%	-60.5%	168.1%	69.5%	2.8%
						(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
September 2014

	<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	\$3,265,466	\$1,135,814	-	-	-	-	\$4,401,280
Reallocations	-	(\$243)	\$56	\$186	-	-	-
Adjusted Actual	\$3,265,466	\$1,135,571	\$56	\$186	-	-	\$4,401,280
Target	\$3,459,597	\$1,147,822	-	-	-	-	\$4,607,419
+/- Target	(\$194,131)	(\$12,251)	\$56	\$186	-	-	(\$206,139)
%+/- Target	-5.6%	-1.1%	-	-	-	-	-4.5%
Prior Year Actual	\$3,173,942	\$1,103,021	\$1,628	(\$630)	\$0	\$16	\$4,277,978
+/- Prior Year	\$91,523	\$32,551	(\$1,572)	\$816	(\$0)	(\$16)	\$123,303
%+/- Prior Year	2.9%	3.0%	-96.5%	-129.6%	-100.00%	-100.00%	2.9%
Year-to-Date:							
Actual	\$9,494,240	\$3,302,344	-	-	-	-	\$12,796,584
Reallocations	(\$0)	(\$493)	\$70	\$424	(\$1)	-	-
Adjusted Actual	\$9,494,239	\$3,301,851	\$70	\$424	(\$1)	-	\$12,796,584
Target	\$9,419,183	\$3,401,116	-	-	-	-	\$12,820,299
+/- Target	\$75,057	(\$99,265)	\$70	\$424	(\$1)	-	(\$23,715)
%+/- Target	0.8%	-2.9%	-	-	-	-	-0.2%
Prior Year Actual	\$8,641,452	\$3,004,532	\$1,498	(\$329)	\$0	\$21	\$11,647,174
+/- Prior Year	\$852,787	\$297,319	(\$1,427)	\$753	(\$1)	(\$21)	\$1,149,410
%+/- Prior Year	9.9%	9.9%	-95.3%	-228.7%	-214.3%	-100.0%	9.9%
			(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.