



# City Manager Report

The City of  
**OKLAHOMA CITY**

**NO:** 450

**DATE:** JULY 1, 2014

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

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

Combined sales and use taxes for the General Fund are \$517,094 or 0.2% below target for the year.

### General Fund Sales Tax

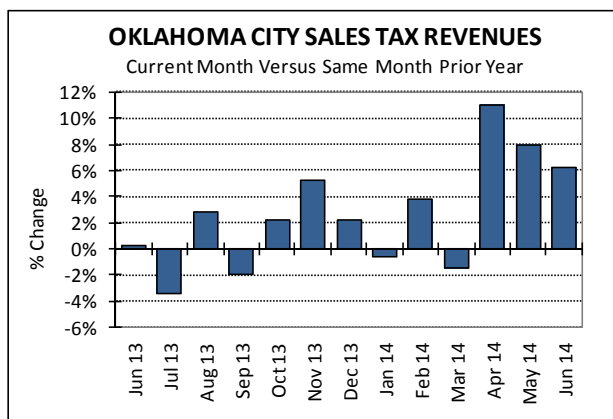
The June allocation of sales tax to the General Fund totaled \$17,785,325, which is:

- \$403,284 or 2.3% above target for the month
- \$1,037,104 or 6.2% above FY 2013 collections for the month

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 were strong for the third month in a row. Revenues for the previous two months were good overall, but one-time events in each month contributed to their high growth rates. This month's growth is the result of improved sales in six of the seven major categories. Retail sales were robust throughout as eleven out of the twelve Retail subcategories experienced growth over last year. Wholesale, Utilities, and Manufacturing also experienced healthy increases in sales. The decline in Other Miscellaneous is largely due to the proper classification of several businesses previously listed as Non-Classified.

<b>FY 2014 Sales Tax: Growth by Industry</b>		
Major Category	Jun 2014 Growth Rate	% of Total Sales Tax
Retail	7.7%	50.2%
Hotels & Restaurants	4.2%	15.2%
Services	2.1%	10.8%
Wholesale	10.1%	10.8%
Utilities	9.2%	6.1%
Manufacturing	17.7%	5.2%
Other Miscellaneous	-34.3%	1.6%
<b>Total</b>	<b>6.2%</b>	<b>100.0%</b>



City Comparison		
Major Category	Jun 2014 Growth Rate	Year-to-Date % Change
Oklahoma City	6.2%	2.7%
Tulsa	5.9%	1.2%
Norman	7.4%	5.7%
Edmond	11.0%	2.7%
Moore	12.2%	8.7%
Midwest City	6.3%	3.7%
Yukon	7.5%	4.5%
<i>* Rates are normalized to account for tax rate changes</i>		

### Comparison to Other Cities

Oklahoma City's growth this month was close to the mean growth rate of 7.1% for the top 20 cities in Oklahoma. Sales taxes were up for all but one of the top 20 cities. State sales tax collections were also healthy with the State reporting a gain from last year of 7.6%.

### Retail

- General Merchandise – A couple of the largest taxpayers experienced poor sales this month dampening otherwise good performance from the majority of the other retailers.
- Building Materials and Lawn & Garden – Good weather and lots of construction activity appear to have boosted this month's sales.
- Miscellaneous Retail – Sales were generally good; however, a low payment last year by one of the largest taxpayers in addition to a couple of refunds to other taxpayers deflated last year's sales and inflated this year's growth rate.
- Auto Parts & Supplies – Overall, sales were mostly flat for the category. A very large payment last year by a major retailer and a non-payment this month by another major retailer contributed to this month's decline.
- Convenience Stores – Virtually all of this month's growth is due to the reclassification of a major convenience store chain previously listed under Other Misc. as Non-Classified.

FY 2014 Sales Tax: Retail Sub-Category Growth		
Major Category	Jun 2014 Growth Rate	% of Total Retail Sales Tax
General Merchandise	1.2%	22.6%
Building Materials and Lawn & Garden	12.0%	18.1%
Food Stores	7.9%	12.5%
Apparel & Accessories	9.9%	9.9%
Electronics & Appliances	1.6%	8.4%
Miscellaneous Retail	20.5%	6.5%
Auto Parts & Supplies	-9.1%	5.4%
Furniture & Home	4.8%	4.3%
Pharmacies & Health Stores	7.7%	4.3%
Sporting Goods & Hobby Stores	8.4%	4.2%
Convenience Stores	89.1%	3.1%
Direct Sales	20.1%	0.7%
<b>Total</b>	<b>7.7%</b>	<b>100.0%</b>

Other Major Categories

- Hotels & Restaurants increased 4.2% from last year.
  - Hotel revenues declined 9.3% due in part to a refund and a non-payment this month.
  - Eating & Drinking Establishments were up 7.0%.
- Service sales grew 2.1% from last year.
- Wholesale jumped 10.1% with most wholesalers reporting improved sales over last year.
- Utilities were up 9.2% this month. Both natural gas and electricity sales were positive.
- Manufacturing countered last month's 16.3% drop with an increase of 17.7% this month. Most of the growth this month is due to a large payment from a major manufacturer.
- Other Miscellaneous decreased 34.3%. The decrease is largely due to the recent classification of several businesses previously listed as Non-Classified.

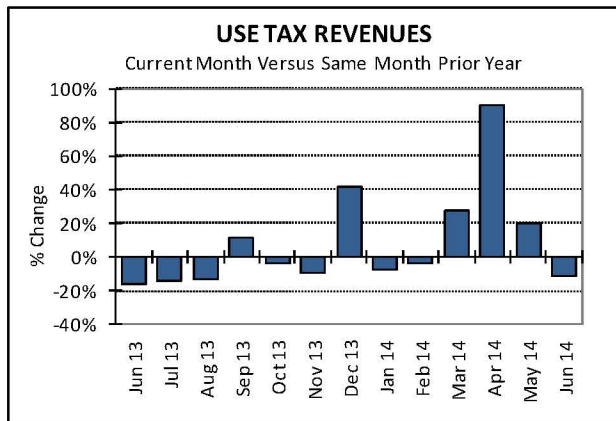
**General Fund Use Tax**

The June allocation of use tax to the General Fund totaled \$2,637,629, which is:

- \$355,950 or 11.9% below target for the month
- \$331,412 or 11.2% below FY 2013 collections for the month

Use tax fell this month by 11.2% after 3 months of strong growth. Revenues were down throughout as there were declines in five of the seven subcategories of use tax.

FY 2014 Use Tax: <i>Growth by Industry</i>		
Major Category	Jun 2014 Growth Rate	% of Total Sales Tax
Wholesale	-7.3%	27.0%
Retail	-8.4%	26.4%
Other Miscellaneous	-26.8%	17.3%
Manufacturing	6.7%	14.0%
Services	-14.3%	13.2%
Utilities	-18.6%	1.6%
Hotels & Restaurants	4.4%	0.4%
<b>Total</b>	<b>-11.2%</b>	<b>100.0%</b>



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

  
 James D. Couch  
 City Manager

**CITY OF OKLAHOMA CITY**  
**SALES TAX COLLECTIONS**  
*June 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	\$17,785,012	\$3,334,690	\$3,334,690	\$1,111,563	\$8,892,506	-	-	-	-	\$34,458,461
Reallocations	\$313	\$59	\$59	\$20	(\$4,491)	\$723	\$2,528	\$186	\$604	-
Adjusted Actual	\$17,785,325	\$3,334,748	\$3,334,748	\$1,111,583	\$8,888,015	\$723	\$2,528	\$186	\$604	\$34,458,461
Target	\$17,382,041	\$3,259,131	\$3,259,131	\$1,195,647	\$9,815,148	-	-	-	-	\$34,911,098
+/- Target	\$403,284	\$75,617	\$75,617	(\$84,064)	(\$927,133)	\$723	\$2,528	\$186	\$604	(\$452,637)
%+/- Target	2.3%	2.3%	2.3%	-7.0%	-9.4%	-	-	-	-	-1.3%
Prior Year 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
+/- Prior Year	\$1,037,104	\$194,457	\$194,457	\$64,819	\$52,302	(\$4,549)	\$470,764	\$244	(\$335)	\$2,009,263
%+/- Prior Year	6.2%	6.2%	6.2%	6.2%	0.6%	-86.3%	-100.5%	-422.2%	-35.7%	6.2%
<b>Year-to-Date:</b>										
Actual	\$212,694,872	\$39,880,288	\$39,880,288	\$13,293,430	\$106,347,436	-	-	-	-	\$412,096,314
Reallocations	\$3,285	\$616	\$616	\$205	(\$101,254)	\$29,859	\$42,956	\$2,569	\$21,148	-
Adjusted Actual	\$212,698,157	\$39,880,904	\$39,880,904	\$13,293,635	\$106,246,182	\$29,859	\$42,956	\$2,569	\$21,148	\$412,096,314
Target	\$214,922,702	\$40,298,007	\$40,298,007	\$13,541,939	\$108,335,516	-	-	-	-	\$417,396,171
+/- Target	(\$2,224,545)	(\$417,103)	(\$417,103)	(\$248,304)	(\$2,089,334)	\$29,859	\$42,956	\$2,569	\$21,148	(\$5,299,857)
%+/- Target	-1.0%	-1.0%	-1.0%	-1.8%	-1.9%	-	-	-	-	-1.3%
Prior Year 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
+/- Prior Year	\$5,615,368	\$1,052,881	\$1,052,881	\$350,960	\$2,487,753	(\$88,813)	\$418,834	(\$5,846)	\$1,992	\$10,886,012
%+/- Prior Year	2.7%	2.7%	2.7%	2.7%	2.4%	-74.8%	-111.4%	-69.5%	10.4%	2.7%
						(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 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	\$2,637,623	\$917,434	-	-	-	-	\$3,555,058
Reallocations	\$6	(\$8,382)	\$7,912	\$457	\$8	-	-
Adjusted Actual	\$2,637,629	\$909,052	\$7,912	\$457	\$8	-	\$3,555,058
Target	\$2,993,579	\$1,042,469	-	-	-	-	\$4,036,048
+/- Target	(\$355,950)	(\$133,417)	\$7,912	\$457	\$8	-	(\$480,990)
%+/- Target	-11.9%	-12.8%	-	-	-	-	-11.9%
Prior Year Actual	\$2,969,041	\$1,032,103	\$539	\$65	\$4	-	\$4,001,751
+/- Prior Year	(\$331,412)	(\$123,051)	\$7,373	\$393	\$4	-	(\$446,694)
%+/- Prior Year	-11.2%	-11.9%	1369.1%	608.5%	94.63%	-	-11.2%
<b>Year-to-Date:</b>							
Actual	\$36,342,966	\$12,641,032	-	-	-	-	\$48,983,998
Reallocations	\$344	(\$49,436)	\$39,630	\$9,151	\$272	\$39	-
Adjusted Actual	\$36,343,310	\$12,591,596	\$39,630	\$9,151	\$272	\$39	\$48,983,998
Target	\$34,635,859	\$12,047,255	-	-	-	-	\$46,683,114
+/- Target	\$1,707,451	\$544,341	\$39,630	\$9,151	\$272	\$39	\$2,300,884
%+/- Target	4.9%	4.5%	-	-	-	-	4.9%
Prior Year Actual	\$34,351,968	\$11,933,878	\$3,695	\$7,432	\$1,145	\$1,237	\$46,299,356
+/- Prior Year	\$1,991,342	\$657,717	\$35,935	\$1,719	(\$873)	(\$1,198)	\$2,684,641
%+/- Prior Year	5.8%	5.5%	972.5%	23.1%	-76.2%	-96.8%	5.8%
			(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.