



# City Manager Report

## The City of OKLAHOMA CITY

**NO: 910**

**DATE: SEPTEMBER 27, 2016**

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

**SUBJECT: SEPTEMBER 2016 SALES AND USE TAX COLLECTIONS**

Combined sales and use taxes for the General Fund are \$3,778,999 or 5.9% below projections for the year.

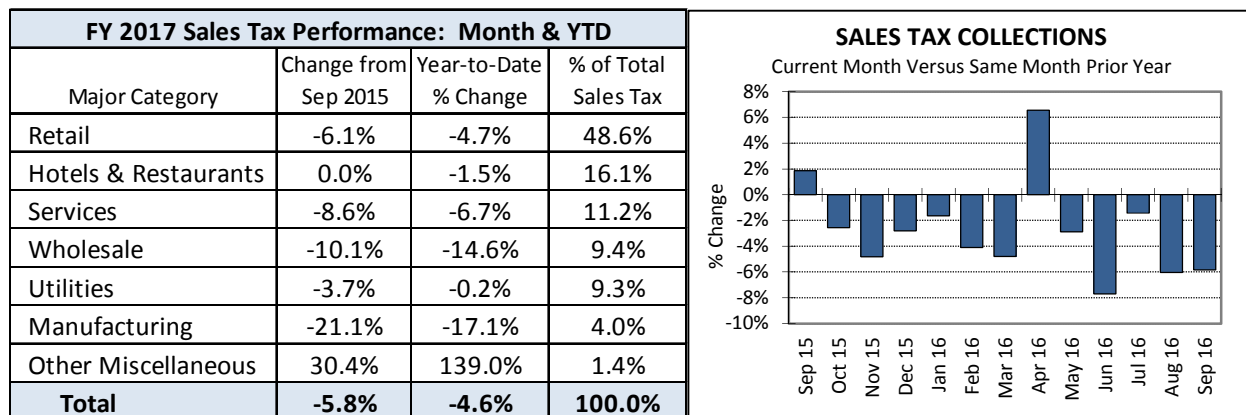
### General Fund Sales Tax

General Fund sales tax revenues for September totaled \$17,471,760, which is:

- \$992,249 or 5.4% below projection for the month
- \$1,085,032 or 5.8% below FY 2016 revenues 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 revenues have been down eleven out of the last twelve months. The reduction in spending by businesses and citizens has been felt all throughout the local economy. Oklahoma City is not alone, as many other cities in Oklahoma have been experiencing similar declines. This month last year marked the last month of fairly strong collections related to the oil and gas industry. We will monitor the impact to sales tax collections over the coming months.



City Comparison		
City	Change from Sep 2015	Year-to-Date % Change
Oklahoma City	-5.8%	-4.5%
Tulsa	-1.6%	-1.4%
Norman *	-6.4%	-4.3%
Edmond	0.1%	-3.0%
Moore	-1.8%	-2.4%
Midwest City	-4.7%	-3.3%
Yukon	-8.1%	-7.0%
* Rates are normalized to account for rate changes		

### Comparison to Other Cities

Sales tax collections continue to be below last year's levels for most major cities in Oklahoma. Through the first quarter of this fiscal year, only three of the top twenty cities in Oklahoma have experienced growth. Two of those recently had increases in their sales tax rates. If you adjust for the rate increases, only one city experienced growth this quarter.

### Retail

- Building Materials and Lawn & Garden – Sales were strong last year with several roofing related businesses reporting significant growth. Most businesses did not do as well this year.
- Electronics & Appliances – Most retailers in this sector continue to report decreasing sales.
- Auto Parts & Supplies – Sales were down across the board.
- Miscellaneous Retail – An oil and gas related business is responsible for nearly half of the drop in sales this month. The rest is due to declines in sales from the majority of retailers.
- Pharmacies & Health Stores – Most in this category did not do well, but there were several retailers who experienced strong sales growth this month.
- Sporting Goods & Hobby Stores – Sales were relatively flat for most but a couple of retailers really helped to boost year-over-year growth.

FY 2017 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from Sep 2015	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	-2.8%	-0.9%	23.8%
Building Materials and Lawn & Garden	-15.3%	-11.0%	15.2%
Food Stores	-8.2%	-9.7%	13.2%
Apparel & Accessories	-0.7%	-0.8%	9.8%
Electronics & Appliances	-12.0%	-10.1%	8.2%
Auto Parts & Supplies	-10.8%	-7.5%	6.0%
Miscellaneous Retail	-11.9%	-3.4%	5.4%
Furniture & Home	-1.6%	-3.9%	4.9%
Pharmacies & Health Stores	8.0%	3.5%	4.8%
Sporting Goods & Hobby Stores	9.8%	6.8%	4.6%
Convenience Stores	-6.2%	-4.3%	3.5%
Direct Sales	-0.6%	12.6%	0.7%
<b>Total</b>	<b>-6.1%</b>	<b>-4.7%</b>	<b>100.0%</b>

Other Major Categories

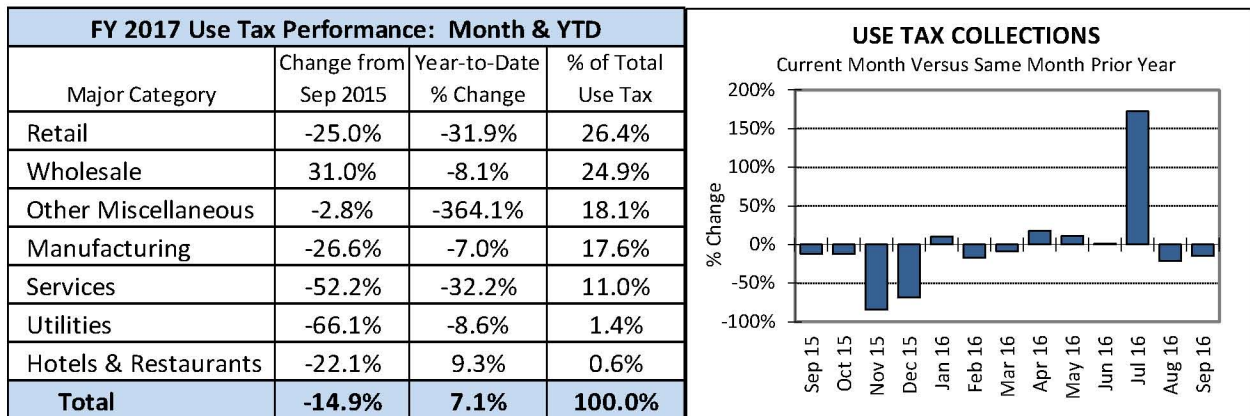
- Hotels & Restaurants were flat from last year.
  - Eating & Drinking Establishments rose 0.6%. While the majority of businesses reported declines those that did well did so by a large enough margin to enable growth.
  - Hotel sales were down 3.2% with the majority of hotels reporting declines.
- Services declined 8.6%. Last year’s sales were pretty strong (up 11.3%). This year’s sales weren’t as strong as they were last year.
- Wholesale dropped 10.1% with most wholesalers continuing to show declines in sales.
- Utilities slipped 3.7%. Sales appeared relatively normal.
- Manufacturing fell 21.1%. Most manufacturers were down. Sales have been down in Manufacturing for the last six months.
- Other Miscellaneous improved 30.4%. Most of the growth was due to an increase in the number of Non-Classified remitters this year.

General Fund Use Tax

General Fund use tax revenues for September totaled \$2,443,920 which is:

- \$714,436 or 22.6% below projection for the month
- \$427,527 or 14.9% below FY 2016 revenues for the month

This month’s use tax collections were below average. Declines in Retail, Manufacturing, and Services contributed to much of this month’s reduction in revenue.



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

James D. Couch  
City Manager

**CITY OF OKLAHOMA CITY**  
**SALES TAX COLLECTIONS**  
*September 2016*

	<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	\$17,471,680	\$3,275,940	\$3,275,940	\$1,091,980	\$8,735,840	-	-	-	-	\$33,851,380
Reallocations	\$80	\$15	\$15	\$5	(\$1,461)	\$660	\$329	\$74	\$282	-
Adjusted Actual	\$17,471,760	\$3,275,955	\$3,275,955	\$1,091,985	\$8,734,379	\$660	\$329	\$74	\$282	\$33,851,380
Projection	\$18,464,009	\$3,462,002	\$3,462,002	\$1,154,001	\$9,228,385	-	-	-	-	\$35,770,399
+/- Projection	(\$992,249)	(\$186,047)	(\$186,047)	(\$62,016)	(\$494,006)	\$660	\$329	\$74	\$282	(\$1,919,019)
%+/- Projection	-5.4%	-5.4%	-5.4%	-5.4%	-5.4%	-	-	-	-	-5.4%
Prior Year Actual	\$18,556,793	\$3,479,399	\$3,479,399	\$1,159,800	\$9,274,759	\$755	\$986	\$344	\$673	\$35,952,906
+/- Prior Year	(\$1,085,032)	(\$203,444)	(\$203,444)	(\$67,815)	(\$540,380)	(\$95)	(\$656)	(\$270)	(\$391)	(\$2,101,526)
%+/- Prior Year	-5.8%	-5.8%	-5.8%	-5.8%	-5.8%	-12.6%	-66.6%	-78.4%	-58.1%	-5.8%
<b>Year-to-Date:</b>										
Actual	\$52,719,279	\$9,884,865	\$9,884,865	\$3,294,955	\$26,359,640	-	-	-	-	\$102,143,604
Reallocations	(\$65)	(\$12)	(\$12)	(\$4)	(\$8,610)	\$3,672	\$4,605	(\$637)	\$1,064	90
Adjusted Actual	\$52,719,214	\$9,884,853	\$9,884,853	\$3,294,951	\$26,351,030	\$3,672	\$4,605	(\$637)	\$1,064	\$102,143,604
Projection	\$54,915,193	\$10,296,599	\$10,296,599	\$3,432,200	\$27,448,892	-	-	-	-	\$106,389,483
+/- Projection	(\$2,195,979)	(\$411,746)	(\$411,746)	(\$137,249)	(\$1,097,862)	\$3,672	\$4,605	(\$637)	\$1,064	(\$4,245,879)
%+/- Projection	-4.0%	-4.0%	-4.0%	-4.0%	-4.0%	-	-	-	-	-4.0%
Prior Year Actual	\$55,191,149	\$10,348,340	\$10,348,340	\$3,449,447	\$27,586,826	\$3,139	\$1,560	\$497	\$2,294	\$106,931,592
+/- Prior Year	(\$2,471,935)	(\$463,488)	(\$463,488)	(\$154,496)	(\$1,235,796)	\$534	\$3,045	(\$1,134)	(\$1,230)	(\$4,787,989)
%+/- Prior Year	-4.5%	-4.5%	-4.5%	-4.5%	-4.5%	17.0%	195.1%	-228.2%	-53.6%	-4.5%
						(1)	(1)	(1)	(1)	(2) & (3)

**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.
- (2) The percentages listed will differ from those on the Sales and Use Tax City Manager Report slightly due to the inclusion of administrative fee, interest and reallocation on this report.
- (3) The sales and use tax retention fee has changed from 1% of total collections to 0.5% of total collections beginning August 2015.

**CITY OF OKLAHOMA CITY**  
**USE TAX COLLECTIONS**  
*September 2016*

	<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	\$2,443,920	\$850,059	-	-	-	-	\$3,293,979
Reallocations	(\$0)	\$3	(\$17)	\$12	-	\$2	-
Adjusted Actual	\$2,443,920	\$850,062	(\$17)	\$12	-	\$2	\$3,293,979
Projection	\$3,158,356	\$1,098,559	-	-	-	-	\$4,256,915
+/- Projection	(\$714,436)	(\$248,497)	(\$17)	\$12	-	\$2	(\$962,936)
%+/- Projection	-22.6%	-22.6%	-	-	-	-	-22.6%
Prior Year Actual	\$2,871,447	\$945,312	-	\$53,448	-	\$5	\$3,870,211
+/- Prior Year	(\$427,527)	(\$95,250)	(\$17)	(\$53,436)	-	(\$3)	(\$576,232)
%+/- Prior Year	-14.9%	-10.1%	#VALUE!	-100.0%	-	-53.39%	-14.9%
<b>Year-to-Date:</b>							
Actual	\$7,892,044	\$2,745,059	-	-	-	-	\$10,637,102
Reallocations	\$4	(\$491)	(\$101)	\$586	-	\$2	-
Adjusted Actual	\$7,892,047	\$2,744,568	(\$101)	\$586	-	\$2	\$10,637,102
Projection	\$9,475,068	\$3,295,677	-	-	-	-	\$12,770,745
+/- Projection	(\$1,583,021)	(\$551,109)	(\$101)	\$586	-	\$2	(\$2,133,643)
%+/- Projection	-16.7%	-16.7%	-	-	-	-	-16.7%
Prior Year Actual	\$7,360,727	\$2,504,274	\$338	\$55,020	\$295	\$32	\$9,920,685
+/- Prior Year	\$531,321	\$240,294	(\$438)	(\$54,434)	(\$295)	(\$30)	\$716,417
%+/- Prior Year	7.2%	9.6%	-129.8%	-98.9%	-100.00%	-93.15%	7.2%
			(1)	(1)	(1)	(1)	(2) & (3)

**NOTES:**

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- (3) The sales and use tax retention fee has changed from 1% of total collections to 0.5% of total collections beginning August 2015.