



# City Manager Report

## The City of OKLAHOMA CITY

**NO:** 966

**DATE:** JANUARY 31, 2016

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

**SUBJECT:** JANUARY 2017 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$9,211,972 or 6.1% below projections for the year.

### General Fund Sales Tax

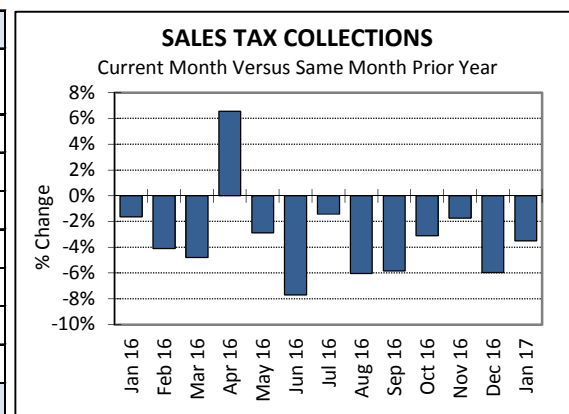
General Fund sales tax revenues for January totaled \$17,659,409, which is:

- \$1,193,483 or 6.3% below projection for the month
- \$644,370 or 3.5% below FY 2016 revenues for the month

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

Sales tax collections this month were slightly better than the year-to-date average. This marks the fifteenth month out of the last sixteen months for sales tax revenues to be down. As in many of the previous months, the declines are being experienced in most industries. Much of the decline in sales tax is likely due to the sustained depression in the oil and gas industry. The loss of revenue, both in terms of good paying jobs and goods and services utilized by oil and gas companies, continues to adversely impact tax collections. This year's early Christmas sales were down from last year. The only categories to see an increase in early Christmas sales this year were Apparel & Accessories and Electronics & Appliances.

FY 2017 Sales Tax Performance: Month & YTD			
Major Category	Change from Jan 2016	Year-to-Date % Change	% of Total Sales Tax
Retail	-2.1%	-3.5%	55.0%
Hotels & Restaurants	2.0%	-0.1%	15.4%
Services	-10.2%	-6.4%	10.5%
Wholesale	1.1%	-10.8%	8.6%
Utilities	-11.3%	-0.4%	5.4%
Manufacturing	-11.3%	-15.8%	4.0%
Other Miscellaneous	-40.3%	15.9%	1.1%
<b>Total</b>	<b>-3.5%</b>	<b>-4.0%</b>	<b>100.0%</b>



City Comparison		
City	Change from Jan 2016	Year-to-Date % Change
Oklahoma City	-3.5%	-4.0%
Tulsa	-0.5%	-1.9%
Norman *	-8.5%	-4.6%
Edmond	-0.1%	-1.8%
Moore	0.4%	-1.3%
Midwest City	-0.4%	-2.3%
Yukon	8.1%	-4.2%
* Rates are normalized to account for rate changes		

### Comparison to Other Cities

Most of the top 20 cities were relatively close in their year-over-year performance with growth rates on average slightly better than flat. Oklahoma City's growth rate was one of the lowest by comparison.

### Retail

- General Merchandise – Smaller merchandisers tended to perform better than their larger counterparts.
- Apparel & Accessories – Most apparel and accessory retailers performed well this month.
- Building Materials and Lawn & Garden – While the largest retailers performed well, most of the smaller specialized retailers did not fare as well.
- Sporting Goods & Hobby Stores – Sales were down across the board as all of the major sporting goods retailers experienced declines.
- Electronics & Appliances – Many of the larger retailers enjoyed solid gains this month.
- Miscellaneous Retail – 17 out of the top 25 retailers were down from last year.
- Auto Parts & Supplies – Overall sales were relatively flat. A big payment from one retailer is responsible for nearly all of this month's growth.

FY 2017 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from Jan 2016	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	0.0%	-0.3%	26.7%
Apparel & Accessories	2.2%	-1.2%	13.6%
Food Stores	-6.3%	-7.3%	12.0%
Building Materials and Lawn & Garden	-0.7%	-8.0%	11.9%
Electronics & Appliances	2.1%	-4.0%	8.4%
Sporting Goods & Hobby Stores	-20.1%	-2.4%	5.1%
Pharmacies & Health Stores	3.4%	2.4%	5.1%
Miscellaneous Retail	-11.8%	-3.6%	5.0%
Auto Parts & Supplies	3.7%	-4.4%	4.5%
Furniture & Home	-2.5%	-4.9%	4.3%
Convenience Stores	-9.5%	-5.4%	2.6%
Direct Sales	9.3%	12.9%	0.7%
<b>Total</b>	<b>-2.1%</b>	<b>-3.5%</b>	<b>100.0%</b>

Other Major Categories

- Hotels & Restaurants were up 2.0% from last year.
  - Eating & Drinking Establishments rose 2.6% with most performing well.
  - Hotel sales were down 0.9%. While most did not do very well, additional payments from a few larger hotels helped to offset the declines of the others.
- Services were down 10.2%. A few businesses contributed to nearly all of the decline.
- Wholesale increased 1.1%. Most wholesalers showed improvement from last year.
- Utilities declined 11.3%. Most of the decline stems from year-to-year variances in the portion of payments that are estimated by a utility company.
- Manufacturing dropped 11.3%. While the majority of manufacturers showed improvement, most of the larger manufacturers did not and caused the decline in revenue.
- Other Miscellaneous fell 40.3% largely due to the proper classification of businesses that were previously unclassified and listed under the Non-Classified subcategory.

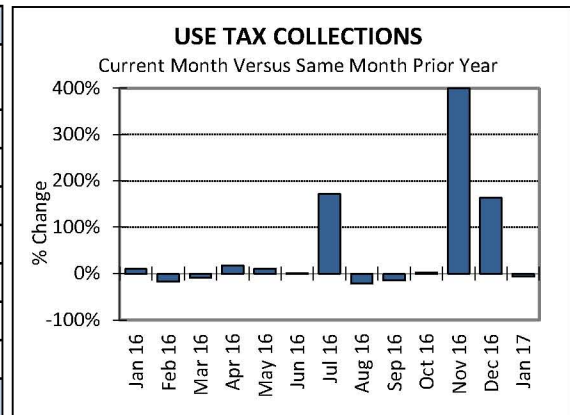
**General Fund Use Tax**

General Fund use tax revenues for January totaled \$3,062,255 which is:

- \$96,101 or 3.0% below projection for the month
- \$216,444 or 6.6% below FY 2016 revenues for the month

This year’s 6.6% decline in use tax is in part due to some very large payments that were received last year from a few businesses. Otherwise, performance was generally good for most categories of use tax.

<b>FY 2017 Use Tax Performance: Month &amp; YTD</b>			
Major Category	Change from Jan 2016	Year-to-Date % Change	% of Total Use Tax
Wholesale	-11.9%	-8.8%	25.7%
Retail	-13.9%	-21.2%	24.4%
Other Miscellaneous	-16.6%	-220.6%	16.4%
Services	18.6%	-11.8%	15.2%
Manufacturing	2.0%	-1.5%	13.5%
Utilities	9.1%	-8.4%	3.6%
Hotels & Restaurants	-10.3%	15.3%	1.2%
<b>Total</b>	<b>-6.6%</b>	<b>29.5%</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**  
*January 2017*

	<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	\$17,659,388	\$3,311,135	\$3,311,135	\$1,103,712	\$8,829,694	-	-	-	-	\$34,215,064
Reallocations	\$21	\$4	\$4	\$1	(\$785)	\$22	\$275	\$59	\$400	-
Adjusted Actual	\$17,659,409	\$3,311,139	\$3,311,139	\$1,103,713	\$8,828,909	\$22	\$275	\$59	\$400	\$34,215,064
Projection	\$18,852,892	\$3,534,917	\$3,534,917	\$1,178,306	\$9,387,930	-	-	-	-	\$36,488,962
+/- Projection	(\$1,193,483)	(\$223,778)	(\$223,778)	(\$74,593)	(\$559,021)	\$22	\$275	\$59	\$400	(\$2,273,898)
%+/- Projection	-6.3%	-6.3%	-6.3%	-6.3%	-6.0%	-	-	-	-	-6.2%
Prior Year Actual	\$18,303,779	\$3,431,958	\$3,431,958	\$1,143,986	\$9,114,495	\$23,092	\$8,742	\$2,394	\$441	\$35,460,847
+/- Prior Year	(\$644,370)	(\$120,819)	(\$120,819)	(\$40,273)	(\$285,587)	(\$23,071)	(\$8,467)	(\$2,336)	(\$41)	(\$1,245,783)
%+/- Prior Year	-3.5%	-3.5%	-3.5%	-3.5%	-3.1%	-99.9%	-96.9%	-97.5%	-9.3%	-3.5%
<b>Year-to-Date:</b>										
Actual	\$122,279,452	\$22,927,397	\$22,927,397	\$7,642,466	\$61,139,726	-	-	-	-	\$236,916,438
Reallocations	\$70	\$13	\$13	\$4	(\$26,818)	\$3,548	\$21,044	(\$432)	\$2,557	-
Adjusted Actual	\$122,279,522	\$22,927,410	\$22,927,410	\$7,642,470	\$61,112,908	\$3,548	\$21,044	(\$432)	\$2,557	\$236,916,438
Projection	\$128,696,869	\$24,130,663	\$24,130,663	\$8,043,554	\$64,283,808	-	-	-	-	\$249,285,557
+/- Projection	(\$6,417,347)	(\$1,203,253)	(\$1,203,253)	(\$401,084)	(\$3,170,900)	\$3,548	\$21,044	(\$432)	\$2,557	(\$12,369,119)
%+/- Projection	-5.0%	-5.0%	-5.0%	-5.0%	-4.9%	-	-	-	-	-5.0%
Prior Year Actual	\$127,346,678	\$23,877,502	\$23,877,502	\$7,959,167	\$63,610,131	\$31,016	\$20,681	\$2,594	\$5,222	\$246,730,492
+/- Prior Year	(\$5,067,156)	(\$950,092)	(\$950,092)	(\$316,697)	(\$2,497,222)	(\$27,468)	\$363	(\$3,025)	(\$2,665)	(\$9,814,055)
%+/- Prior Year	-4.0%	-4.0%	-4.0%	-4.0%	-3.9%	-88.6%	1.8%	-116.6%	-51.0%	-4.0%
						(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**  
*January 2017*

	<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	\$3,062,255	\$1,065,132	-	-	-	-	\$4,127,387
Reallocations	-	(\$2)	-	\$2	-	-	-
Adjusted Actual	\$3,062,255	\$1,065,130	-	\$2	-	-	\$4,127,387
Projection	\$3,158,356	\$1,098,559	-	-	-	-	\$4,256,915
+/- Projection	(\$96,101)	(\$33,429)	-	\$2	-	-	(\$129,528)
%+/- Projection	-3.0%	-3.0%	-	-	-	-	-3.0%
Prior Year Actual	\$3,278,699	\$1,112,218	\$9,102	\$18,992	\$53	-	\$4,419,063
+/- Prior Year	(\$216,444)	(\$47,088)	(\$9,102)	(\$18,990)	(\$53)	-	(\$291,676)
%+/- Prior Year	-6.6%	-4.2%	-100.0%	-100.0%	-100.00%	-	-6.6%
<b>Year-to-Date:</b>							
Actual	\$19,313,864	\$6,717,866	-	-	-	-	\$26,031,729
Reallocations	\$4	(\$1,051)	\$201	\$838	-	\$9	-
Adjusted Actual	\$19,313,867	\$6,716,814	\$201	\$838	-	\$9	\$26,031,729
Projection	\$22,108,492	\$7,689,913	-	-	-	-	\$29,798,405
+/- Projection	(\$2,794,625)	(\$973,099)	\$201	\$838	-	\$9	(\$3,766,676)
%+/- Projection	-12.6%	-12.7%	-	-	-	-	-12.6%
Prior Year Actual	\$14,904,968	\$5,094,554	\$10,911	\$77,815	\$347	\$361	\$20,088,955
+/- Prior Year	\$4,408,900	\$1,622,260	(\$10,711)	(\$76,977)	(\$347)	(\$352)	\$5,942,774
%+/- Prior Year	29.6%	31.8%	-98.2%	-98.9%	-100.00%	-97.45%	29.6%
			(1)	(1)	(1)	(1)	(2) & (3)

**NOTES:**

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