



City Manager Report

The City of
OKLAHOMA CITY

NO: 602

DATE: MARCH 24, 2015

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: MARCH 2015 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$767,498 or 0.4% above target for the year.

General Fund Sales Tax

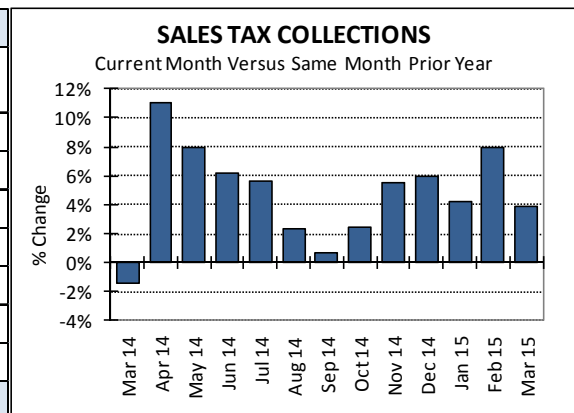
The March allocation of sales tax to the General Fund totaled \$16,934,577, which is:

- \$93,619 or 0.5% below target for the month
- \$633,413 or 3.9% above FY 2014 allocations for the month

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

Sales tax collections increased 3.9% this month and are up 4.4% for the year. This marks the 12th consecutive month of increased sales over the same month in the prior year. Retail sales were very good this month with nine of the twelve Retail subcategories showing growth from last year. Nearly two-thirds of this month's growth comes from Retail. Utilities sales increased considerably, primarily due to a reporting change last year by a utility that resulted in their sales for last year being low. Manufacturing sales fell this month as most segments reported sales declines. Other Miscellaneous' decline is mostly due to a drop in mining sales and the re-classification of several businesses to other categories.

FY 2015 Sales Tax: Growth by Industry			
Major Category	Mar 2015 Growth Rate	Year-to-Date % Change	% of Total Sales Tax
Retail	5.0%	2.7%	49.1%
Hotels & Restaurants	1.4%	6.0%	15.5%
Services	-2.4%	7.6%	11.0%
Wholesale	6.0%	4.0%	10.4%
Utilities	20.9%	5.2%	8.2%
Manufacturing	-7.9%	12.1%	4.6%
Other Miscellaneous	-20.5%	1.8%	1.3%
Total	3.9%	4.4%	100.0%



City Comparison		
City	Mar 2015 Growth Rate	Year-to-Date % Change
Oklahoma City	3.9%	4.3%
Tulsa	8.2%	4.8%
Norman	8.2%	3.5%
Edmond	4.8%	4.9%
Moore	2.5%	-0.3%
Midwest City	-1.2%	-2.6%
Yukon	12.4%	4.4%

Rates are normalized to account for tax rate changes

Comparison to Other Cities

Sales tax collections were favorable for most cities this month. Almost all of the twenty largest cities reported increases in sales tax collections over last year. Yukon, Tulsa, and Norman reported strong sales tax growth this month. Oklahoma City's sales tax collections were just below the year-to-date average.

Retail

- General Merchandise – Retail sales were impressive with the majority of retailers reporting sizeable year-over-year gains.
- Food Stores – Overall, most food stores performed well, but one food store caused nearly half of the growth due to their correction of previous reporting errors.
- Building Materials and Lawn & Garden – While sales have been down in recent months, the category is beginning to show signs of improvement.
- Electronics & Appliances – The non-payment of tax this month by a retailer held down otherwise solid growth. Staff is communicating with the Tax Commission on this issue.
- Auto Parts & Supplies – Sales were down for the majority. The recent reclassification of a business from Manufacturing was the primary reason for this month's growth over last year.
- Pharmacies & Health Stores – A large refund taken last year deflated last year's sales, inflating this month's year over year growth rate.

FY 2015 Sales Tax: Retail Sub-Category Growth			
Retail Category	Mar 2015 Growth Rate	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	7.8%	-0.9%	24.3%
Food Stores	9.7%	6.5%	13.8%
Building Materials and Lawn & Garden	-2.5%	-10.4%	12.9%
Electronics & Appliances	1.9%	5.1%	10.0%
Apparel & Accessories	4.3%	6.0%	9.3%
Miscellaneous Retail	0.6%	5.5%	6.9%
Auto Parts & Supplies	6.7%	1.0%	5.5%
Furniture & Home	4.1%	2.3%	4.8%
Sporting Goods & Hobby Stores	-1.2%	2.5%	4.3%
Pharmacies & Health Stores	28.1%	14.3%	4.2%
Convenience Stores	4.7%	72.6%	3.1%
Direct Sales	-22.5%	17.9%	0.8%
Total	5.0%	2.7%	100.0%

Other Major Categories

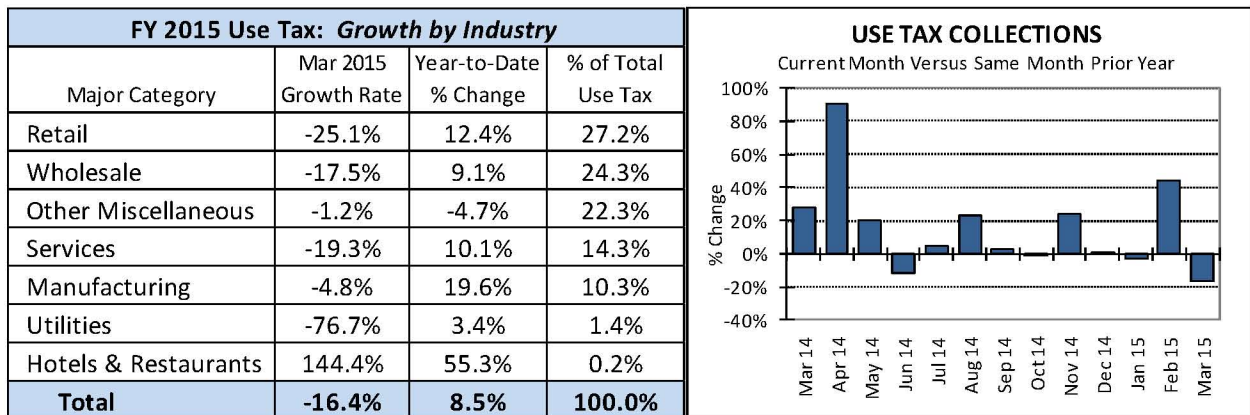
- Hotels & Restaurants increased 1.4% from last year.
 - Hotel revenues sank 16.2% from a large payment from one hotel last year and the omission of an estimated payment this year by another hotel.
 - Eating & Drinking Establishments were up 4.8%.
- Services decreased 2.4% due in part to a refund this month.
- Wholesale exhibited good growth throughout with total sales increasing by 6.0%.
- Utilities increased 20.9% largely due to payment timing issues.
- Most segments of Manufacturing reported decreases this month resulting in a 7.9% decline in sales.
- Significantly reduced Mining sales and the re-classification of a few businesses out of Non-Classified contributed to Other Miscellaneous' 20.5% decline.

General Fund Use Tax

The March allocation of use tax to the General Fund totaled \$2,641,214 which is:

- \$804,121 or 23.3% below target for the month
- \$519,643 or 16.4% below FY 2014 allocations for the month

Much of the decline this month is due to three businesses, with two of those being oil and gas field related. Netting out the three businesses, the growth rate would have been up 4.7%.



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
March 2015

	<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	\$16,934,472	\$3,175,213	\$3,175,213	\$1,058,404	\$8,467,236	-	-	-	-	\$32,810,539
Reallocations	\$105	\$20	\$20	\$7	(\$3,852)	\$1,138	\$1,122	\$188	\$1,252	-
Adjusted Actual	\$16,934,577	\$3,175,233	\$3,175,233	\$1,058,411	\$8,463,384	\$1,138	\$1,122	\$188	\$1,252	\$32,810,539
Target	\$17,028,196	\$3,192,787	\$3,192,787	\$1,064,262	\$8,511,954	-	-	-	-	\$32,989,986
+/- Target	(\$93,619)	(\$17,554)	(\$17,554)	(\$5,851)	(\$48,570)	\$1,138	\$1,122	\$188	\$1,252	(\$179,447)
%+/- Target	-0.5%	-0.5%	-0.5%	-0.5%	-0.6%	-	-	-	-	-0.5%
Prior Year Actual	\$16,301,164	\$3,056,468	\$3,056,468	\$1,018,823	\$8,148,530	(\$1,385)	\$2,265	\$214	\$540	\$31,583,086
+/- Prior Year	\$633,413	\$118,765	\$118,765	\$39,588	\$314,854	\$2,523	(\$1,143)	(\$26)	\$713	\$1,227,453
%+/- Prior Year	3.9%	3.9%	3.9%	3.9%	3.9%	-182.2%	-50.5%	-12.0%	132.0%	3.90%
Year-to-Date:										
Actual	\$166,009,948	\$31,126,865	\$31,126,865	\$10,375,622	\$83,004,974	-	-	-	-	\$321,644,274
Reallocations	\$3,387	\$635	\$635	\$212	(\$84,905)	\$34,006	\$32,206	\$3,302	\$10,522	-
Adjusted Actual	\$166,013,335	\$31,127,500	\$31,127,500	\$10,375,833	\$82,920,069	\$34,006	\$32,206	\$3,302	\$10,522	\$321,644,274
Target	\$165,097,214	\$30,955,728	\$30,955,728	\$10,318,576	\$82,452,763	-	-	-	-	\$319,780,009
+/- Target	\$916,121	\$171,772	\$171,772	\$57,257	\$467,306	\$34,006	\$32,206	\$3,302	\$10,522	\$1,864,265
%+/- Target	0.6%	0.6%	0.6%	0.6%	0.6%	-	-	-	-	0.6%
Prior Year Actual	\$159,169,388	\$29,844,260	\$29,844,260	\$9,948,087	\$79,492,334	\$28,996	\$40,243	\$1,469	\$17,927	\$308,386,964
+/- Prior Year	\$6,843,947	\$1,283,240	\$1,283,240	\$427,747	\$3,427,736	\$5,011	(\$8,037)	\$1,832	(\$7,405)	\$13,257,310
%+/- Prior Year	4.3%	4.3%	4.3%	4.3%	4.3%	17.3%	-20.0%	124.7%	-41.3%	4.3%
						(1)	(1)	(1)	(1)	(2)

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.

CITY OF OKLAHOMA CITY
USE TAX COLLECTIONS
March 2015

	<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	\$2,641,214	\$918,683	-	-	-	-	\$3,559,897
Reallocations	\$0	\$21	\$4	(\$32)	\$6	-	-
Adjusted Actual	\$2,641,214	\$918,705	\$4	(\$32)	\$6	-	\$3,559,897
Target	\$3,445,335	\$1,061,881	-	-	-	-	\$4,507,216
+/- Target	(\$804,121)	(\$143,177)	\$4	(\$32)	\$6	-	(\$947,319)
%+/- Target	-23.3%	-13.5%	-	-	-	-	-21.0%
Prior Year Actual	\$3,160,858	\$1,098,748	\$175	\$507	\$0	-	\$4,260,287
+/- Prior Year	(\$519,643)	(\$180,043)	(\$170)	(\$538)	\$6	-	(\$700,389)
%+/- Prior Year	-16.4%	-16.4%	-97.5%	-106.2%	28800.00%	-	-16.4%
Year-to-Date:							
Actual	\$29,678,671	\$10,323,016	-	-	-	-	\$40,001,687
Reallocations	(\$0)	(\$3,402)	\$584	\$2,846	(\$46)	\$18	-
Adjusted Actual	\$29,678,671	\$10,319,614	\$584	\$2,846	(\$46)	\$18	\$40,001,687
Target	\$29,827,294	\$10,347,269	-	-	-	-	\$40,174,564
+/- Target	(\$148,624)	(\$27,655)	\$584	\$2,846	(\$46)	\$18	(\$172,877)
%+/- Target	-0.5%	-0.3%	-	-	-	-	-0.4%
Prior Year Actual	\$27,364,490	\$9,486,491	\$22,445	\$8,401	\$264	\$27	\$36,882,119
+/- Prior Year	\$2,314,180	\$833,123	(\$21,861)	(\$5,555)	(\$310)	(\$9)	\$3,119,568
%+/- Prior Year	8.5%	8.8%	-97.4%	-66.1%	-117.3%	-33.3%	8.5%
			(1)	(1)	(1)	(1)	(2)

NOTES:

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