



City Manager Report

The City of
OKLAHOMA CITY

NO: 646

DATE: JUNE 2, 2015

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL

SUBJECT: MAY 2015 SALES AND USE TAX COLLECTIONS

Combined sales and use taxes for the General Fund are \$1,545,542 or 0.7% below target for the year.

General Fund Sales Tax

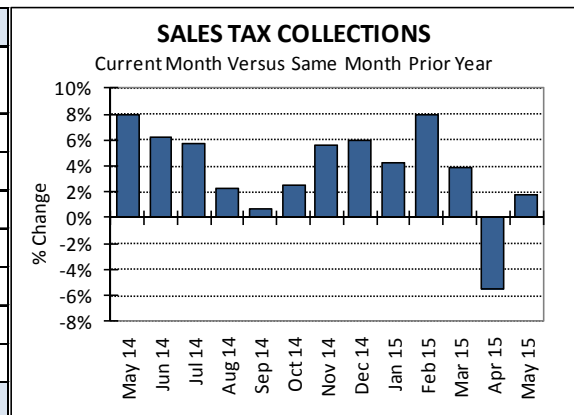
The May allocation of sales tax to the General Fund totaled \$18,463,612, which is:

- \$301,256 or 1.7% above target for the month
- \$318,313 or 1.8% above FY 2014 allocations for the month

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

Sales tax collections are up 1.8% this month. Strong retail sales contributed to this month's sales tax growth from last year. Specifically, it was spring apparel shopping that led the way for Retail. Many of those who sold apparel and accessories realized notable sales gains. Services, Wholesale, and Manufacturing were down this month. The 14.0% growth in Other Miscellaneous is largely due to an increase in non-classified sales. Treasury staff coordinates with the Oklahoma Tax Commission on a regular basis in an effort to appropriately classify businesses in this category.

FY 2015 Sales Tax Performance: Month & YTD			
Major Category	Change from May 2015	Year-to-Date % Change	% of Total Sales Tax
Retail	3.8%	1.7%	49.9%
Hotels & Restaurants	3.0%	5.3%	16.3%
Services	-3.3%	4.8%	10.6%
Wholesale	-2.1%	3.2%	10.5%
Utilities	1.2%	3.2%	7.1%
Manufacturing	-6.9%	10.4%	4.2%
Other Miscellaneous	14.0%	4.8%	1.5%
Total	1.8%	3.3%	100.0%



City Comparison		
City	Change from May 2015	Year-to-Date % Change
Oklahoma City	1.8%	3.2%
Tulsa	2.4%	3.9%
Norman	11.4%	3.6%
Edmond	2.1%	4.8%
Moore	2.3%	0.8%
Midwest City	-1.3%	-2.6%
Yukon	25.3%	6.9%
<i>Rates are normalized to account for tax rate changes</i>		

Comparison to Other Cities

Sales tax collections were up this month for seventeen of the twenty largest cities. Yukon and Norman were the growth leaders this month as both cities reported double digit sales growth. The rest of the comparison cities in the adjacent table were more representative of the whole.

Retail

- General Merchandise –Retailers offering apparel & accessories fared the best this month.
- Building Materials – Most retailers in this category performed well.
- Apparel & Accessories – Many of the major apparel & accessory retailers reported strong growth this month and helped drive Retail’s strong growth this month.
- Electronics & Appliances – A large payment last year from a major retailer contributed to half of the decline. The rest of the decline is due to falling sales for many retailers.
- Miscellaneous Retail – Most retailers experienced reduced sales. A low payment from a major retailer as well as the reclassification of another retailer to Pharmacies & Health Stores further contributed to this month’s decline.
- Auto Parts & Supplies – The reclassification of a tire business from Manufacturing to Retail helped boost already impressive sales tax growth in this category.

FY 2015 Retail Sub-Category Performance: Month & YTD			
Retail Category	Change from May 2015	Year-to-Date % Change	% of Total Retail Sales
General Merchandise	3.4%	-0.3%	22.7%
Building Materials and Lawn & Garden	5.1%	-8.5%	15.3%
Food Stores	5.8%	6.0%	12.3%
Apparel & Accessories	14.6%	6.3%	11.4%
Electronics & Appliances	-8.4%	3.4%	8.9%
Miscellaneous Retail	-10.5%	2.5%	6.4%
Auto Parts & Supplies	13.1%	2.6%	5.9%
Furniture & Home	-2.9%	-14.0%	4.7%
Pharmacies & Health Stores	17.4%	13.9%	4.5%
Sporting Goods & Hobby Stores	2.4%	2.4%	4.2%
Convenience Stores	-0.3%	53.8%	3.1%
Direct Sales	12.0%	12.1%	0.7%
Total	3.8%	1.7%	100.0%

Other Major Categories

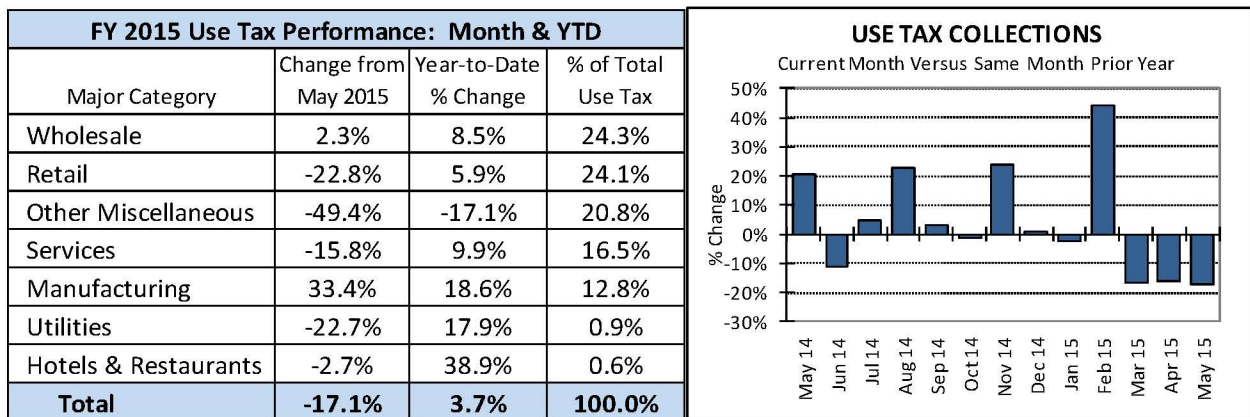
- Hotels & Restaurants increased 3.0% from last year.
 - Hotel revenues fell 6.8% as the majority of hotels reported sales below those of last year.
 - Eating & Drinking Establishments improved by 4.9%.
- Services decreased 3.3% this month with 7 of the 9 subcategories reporting declines in sales.
- Wholesale slipped 2.1%. Sales were modest for most in the category.
- Utilities edged up 1.2%. Improved electricity sales outweighed reduced natural gas sales.
- Manufacturing declined 6.9%. Large declines in Plastics & Rubber and General Purpose Machinery were the biggest contributors.
- Other Miscellaneous jumped 14.0%. A small payment last year from a mining company as well as the addition of a couple of new larger businesses helped to boost this month's growth.

General Fund Use Tax

The May allocation of use tax to the General Fund totaled \$2,815,960 which is:

- \$885,888 or 23.9% below target for the month
- \$580,231 or 17.1% below FY 2014 allocations for the month

Use taxes have been down the last three months as remittances from a major mining company and a major retailer have reduced significantly. Additionally, a large oil & gas related refund further hindered this month's performance.



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


 James D. Couch
 City Manager

CITY OF OKLAHOMA CITY
SALES TAX COLLECTIONS
May 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	\$18,463,401	\$3,461,888	\$3,461,888	\$1,153,963	\$9,231,700	-	-	-	-	\$35,772,839
Reallocations	\$212	\$40	\$40	\$13	(\$6,056)	\$1,748	\$2,962	\$191	\$851	-
Adjusted Actual	\$18,463,612	\$3,461,927	\$3,461,927	\$1,153,976	\$9,225,645	\$1,748	\$2,962	\$191	\$851	\$35,772,839
Target	\$18,162,356	\$3,405,442	\$3,405,442	\$1,135,147	\$9,251,763	-	-	-	-	\$35,360,150
+/- Target	\$301,256	\$56,485	\$56,485	\$18,829	(\$26,118)	\$1,748	\$2,962	\$191	\$851	\$412,689
%+/- Target	1.7%	1.7%	1.7%	1.7%	-0.3%	-	-	-	-	1.2%
Prior Year Actual	\$18,145,299	\$3,402,244	\$3,402,244	\$1,134,081	\$9,074,804	\$150	(\$3,117)	\$112	\$818	\$35,156,635
+/- Prior Year	\$318,313	\$59,684	\$59,684	\$19,895	\$150,840	\$1,598	\$6,079	\$79	\$33	\$616,205
%+/- Prior Year	1.8%	1.8%	1.8%	1.8%	1.7%	1063.2%	-195.0%	71.2%	4.0%	1.8%
Year-to-Date:										
Actual	\$201,102,414	\$37,706,703	\$37,706,703	\$12,568,901	\$100,551,207	-	-	-	-	\$389,635,927
Reallocations	\$3,654	\$685	\$685	\$228	(\$94,783)	\$36,635	\$37,318	\$3,574	\$12,003	-
Adjusted Actual	\$201,106,068	\$37,707,388	\$37,707,388	\$12,569,129	\$100,456,424	\$36,635	\$37,318	\$3,574	\$12,003	\$389,635,927
Target	\$200,874,257	\$37,663,924	\$37,663,924	\$12,554,641	\$100,666,980	-	-	-	-	\$389,423,726
+/- Target	\$231,811	\$43,464	\$43,464	\$14,488	(\$210,556)	\$36,635	\$37,318	\$3,574	\$12,003	\$212,201
%+/- Target	0.1%	0.1%	0.1%	0.1%	-0.2%	-	-	-	-	0.1%
Prior Year Actual	\$194,912,831	\$36,546,156	\$36,546,156	\$12,182,052	\$97,358,167	\$29,136	\$40,428	\$2,383	\$20,544	\$377,637,854
+/- Prior Year	\$6,193,237	\$1,161,232	\$1,161,232	\$387,077	\$3,098,257	\$7,498	(\$3,110)	\$1,191	(\$8,541)	\$11,998,073
%+/- Prior Year	3.2%	3.2%	3.2%	3.2%	3.2%	25.7%	-7.7%	50.0%	-41.6%	3.2%
						(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
May 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	\$2,815,960	\$979,465	-	-	-	-	\$3,795,425
Reallocations	-	(\$35,249)	\$29,428	\$5,821	-	-	-
Adjusted Actual	\$2,815,960	\$944,216	\$29,428	\$5,821	-	-	\$3,795,425
Target	\$3,701,848	\$1,256,425	-	-	-	-	\$4,958,273
+/- Target	(\$885,888)	(\$312,210)	\$29,428	\$5,821	-	-	(\$1,162,848)
%+/- Target	-23.9%	-24.8%	-	-	-	-	-23.5%
Prior Year Actual	\$3,396,191	\$1,171,561	\$9,268	\$442	-	\$12	\$4,577,475
+/- Prior Year	(\$580,231)	(\$227,346)	\$20,160	\$5,379	-	(\$12)	(\$782,050)
%+/- Prior Year	-17.1%	-19.4%	217.5%	1216.4%	-	-100.00%	-17.1%
Year-to-Date:							
Actual	\$34,961,839	\$12,160,640	-	-	-	-	\$47,122,478
Reallocations	(\$0)	(\$38,643)	\$30,005	\$8,666	(\$46)	\$18	-
Adjusted Actual	\$34,961,838	\$12,121,997	\$30,005	\$8,666	(\$46)	\$18	\$47,122,478
Target	\$36,739,192	\$12,549,516	-	-	-	-	\$49,288,708
+/- Target	(\$1,777,354)	(\$427,519)	\$30,005	\$8,666	(\$46)	\$18	(\$2,166,230)
%+/- Target	-4.8%	-3.4%	-	-	-	-	-4.4%
Prior Year Actual	\$33,705,681	\$11,682,544	\$31,718	\$8,694	\$265	\$39	\$45,428,940
+/- Prior Year	\$1,256,158	\$439,453	(\$1,713)	(\$28)	(\$311)	(\$21)	\$1,693,538
%+/- Prior Year	3.7%	3.8%	-5.4%	-0.3%	-117.4%	-54.1%	3.7%
			(1)	(1)	(1)	(1)	(2)

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.
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