

**CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES**

MEMORANDUM

DATE: May 25, 2016

TO: Mayor Gregory Hull, Council Members Jim Owen, Dawnn Robinson, Cheryl Everett, Marlene Feuer, Shelby Smith, and Dave Bency
Keith Riesberg, City Manager
John Craig, Deputy City Manager

FROM: Dan Olsen, Financial Services Director

SUBJECT: **May Gross Receipts Tax and Recent Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for May GRT collections. For the month, the City's GRT distribution to the General Fund totaled \$2,722,425, which was \$223,000 or 8.9% above the budget estimate for the month and 9.5% above the amount received in May last year. Year-to-date collections are now \$1.17 million or 4.6% above the FY2016 budget and 8.0% above GRT revenue at this time last year.

With one month to go, we expect the City's GRT revenue to remain approximately \$1 million above budget through the end of the fiscal year. As discussed during our recent budget meetings, staff is developing a policy that will allocate any surplus funds to various road, equipment, and technology projects. Our calculations of "surplus" will incorporate all revenue sources of the General Fund (not just GRT) as well as any expenditure savings so as to have a complete picture of the budget before making any allocations to special projects.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Note that all but two industries have positive year-to-date growth trends, and one of those two sectors is the medical hold-harmless distribution from the state which

Labor Market Indicators

Employment information for the Albuquerque MSA for the month of April will be published May 27th. Following is the link to the state's monthly *Labor Market Review* reporting web page:

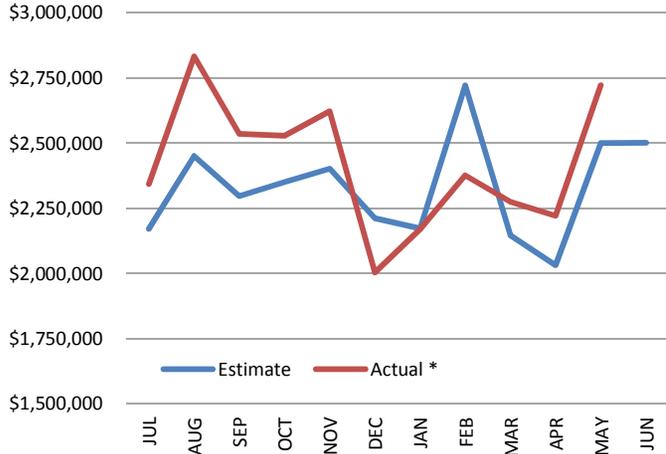
<http://www.dws.state.nm.us/Labor-Market-Information/Publications/Labor-Market-Review>

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.2% in April, unchanged from March and down from 6.6% a year ago. In contrast, the national unemployment rate was 5.0%, which was also unchanged from last month and down from 5.4% in April 2015. The full April *Employment New Release* (statewide numbers only) can be found here:

http://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0416.pdf

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Gross Receipts Tax Monthly Revenue General Fund FY16 Estimate vs. Actual



*YTD through May is \$1.17 million or 4.6% above the FY16 estimate

Chart 2: Gross Receipts Tax Monthly Revenue General Fund Current Year vs. Prior Years

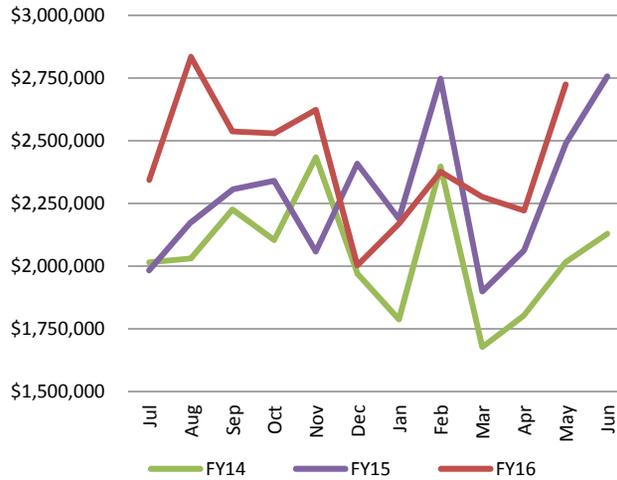


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

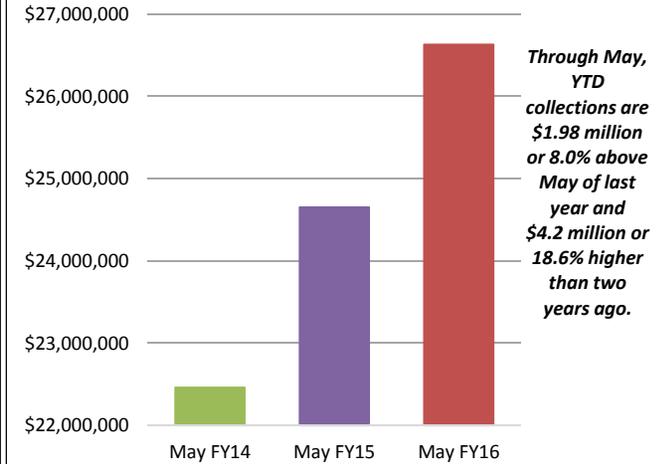


Chart 4: GRT Distribution by Industry FY16 YTD compared to FY15 YTD

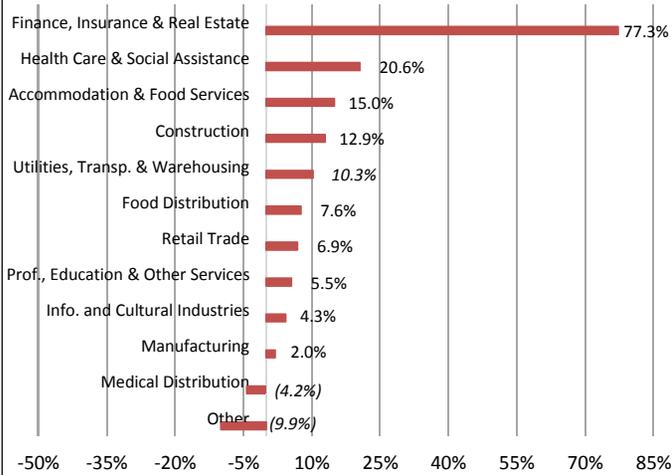


Chart 5: GRT Distribution by Industry FY16 YTD

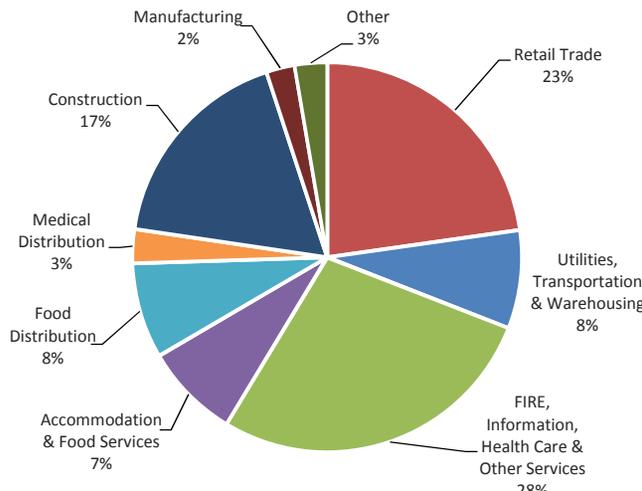


Chart 6: Changing Composition of GRT

