

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

MEMORANDUM

DATE: September 28, 2016

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

FROM: Juan Mejia, Budget & Grants Division Manager

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

Gross Receipts Tax

Attached please find the monthly dashboard for August GRT collections. For the month, the City's GRT distribution to the General Fund totaled \$2,434,598, which was \$14,386 below the projection, year to date there is a positive variance of \$240,577 or 3.3 percent. Compared to prior fiscal year cumulative variance is negative \$189,134 or -2.5 percent.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Note that Professional and other services have a significant increase of 30.5% compared to prior fiscal year same period of time; other sectors with positive growth are Accommodation and Food services 13.6%, and Retail 3.2%; in contrast, construction is contracting 20.1 percent.

Labor Market Indicators

Employment information for the Albuquerque MSA for the month of July grew 1.4 percent over the year, adding 5,300 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

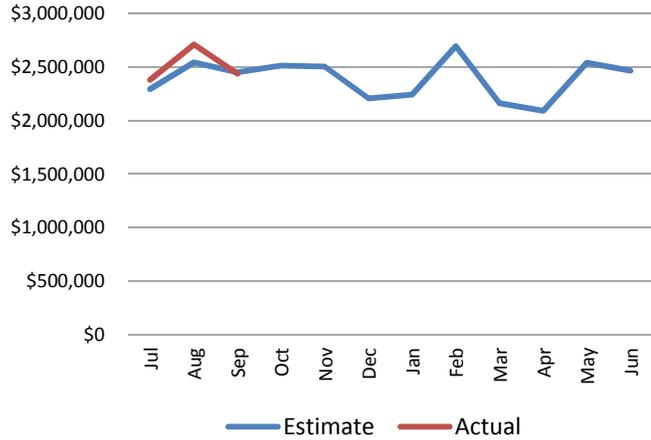
http://www.dws.state.nm.us/Portals/0/DM/LMI/lmrJul_16.pdf

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.6% in August, up from 6.4 percent in July and up from 6.5% a year ago. In contrast, the national unemployment rate was 4.9%, unchanged from July and down from 5.1 percent in August 2015. The full July *Employment New Release* (statewide numbers only) can be found here:

http://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0816.pdf

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Gross Receipts Tax Monthly Revenue General Fund FY17 Estimate vs. Actual



*YTD through July is \$87K or 3.8% above the FY17 estimate

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

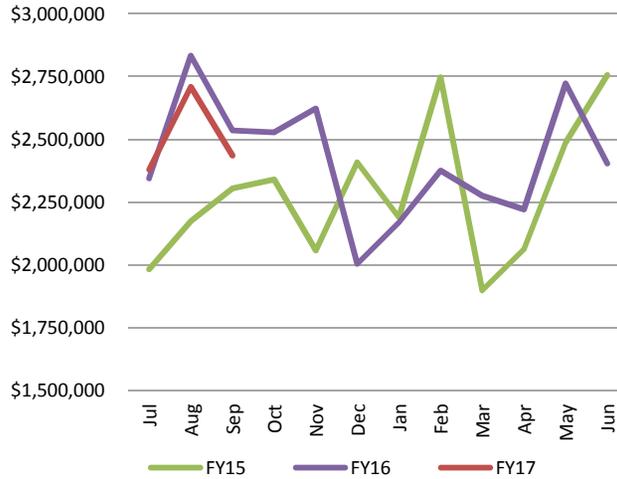
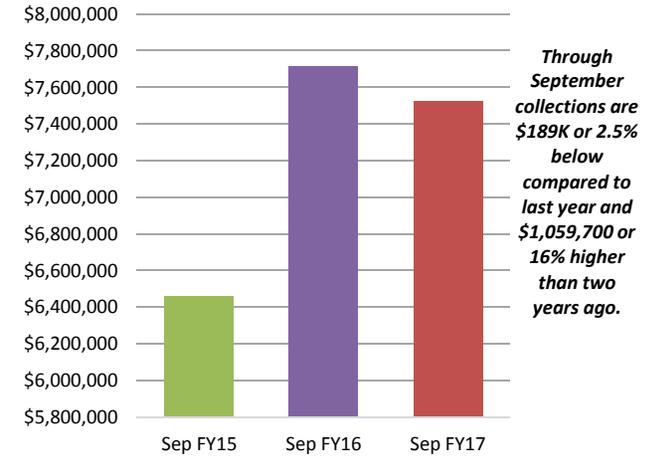


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years



Through September collections are \$189K or 2.5% below compared to last year and \$1,059,700 or 16% higher than two years ago.

Chart 4: GRT Distribution by Industry FY17 YTD compared to FY16 YTD

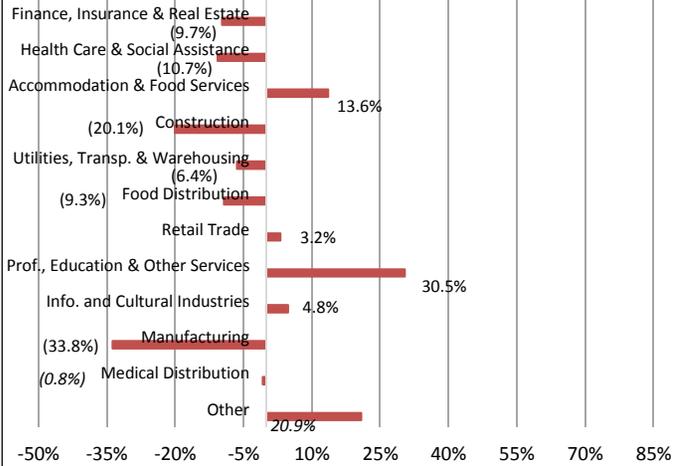


Chart 5: GRT Distribution by Industry FY17 YTD

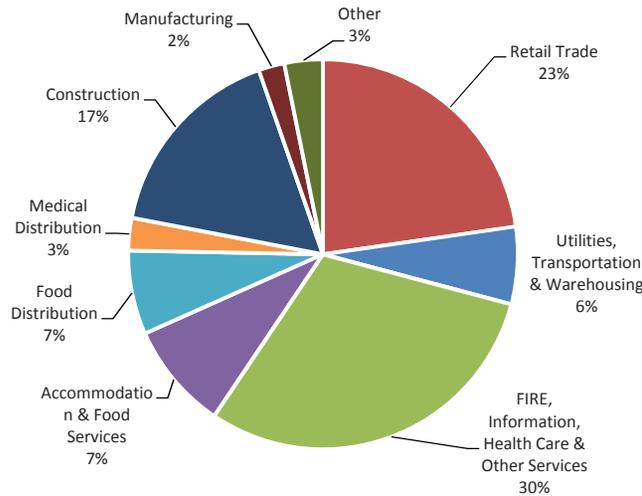


Chart 6: Changing Composition of GRT

