

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

MEMORANDUM

DATE: October 25, 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: **October Gross Receipts Tax and Recent Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for October GRT collections. For the month, the City's GRT distribution to the General Fund totaled \$2,416,065 which was \$95,457 below the projection, year to date there is a positive variance of \$145,120 or 1.5 percent. Compared to prior fiscal year cumulative variance is negative \$300,730 or -2.9 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 continue to have a significant increase of 24.9% compared to prior fiscal year same period of time; other sectors with positive growth are Accommodation and Food services 12.8%, and Retail 2.2%; in contrast, manufacturing and construction are contracting 36.8 percent and 24.7 percent respectively.

Labor Market Indicators

Employment information for the Albuquerque MSA for the month of July grew 1.1 percent over the year, adding 4,300 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

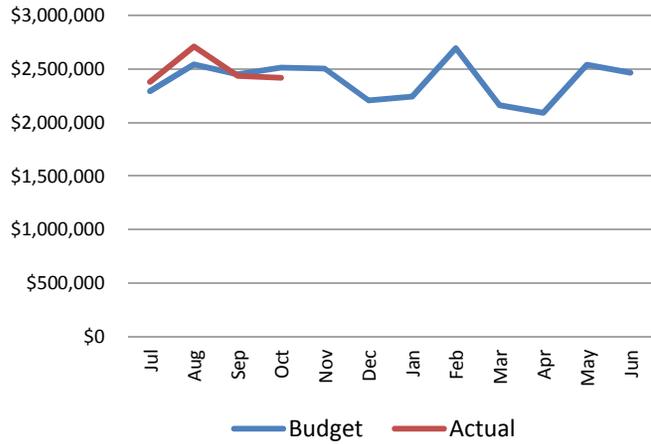
https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrAug_16.pdf

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.7% in September, up from 6.6 percent in August and up from 6.5% a year ago. In contrast, the national unemployment rate was 5.0%, up from 4.9% in August and down from 5.1 percent in September 2015. The full July *Employment New Release* (statewide numbers only) can be found here:

https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0916.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

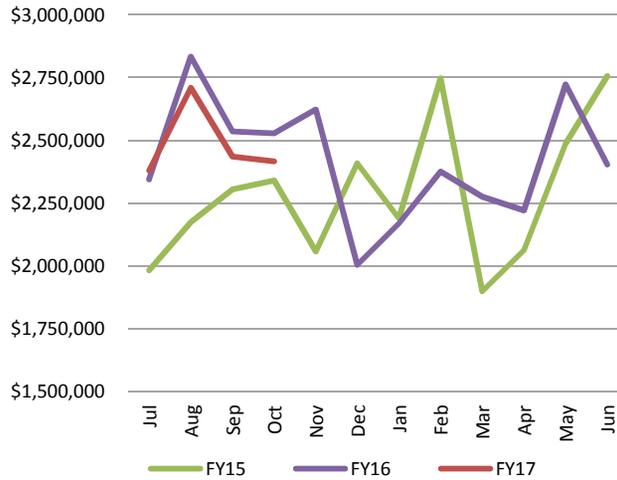
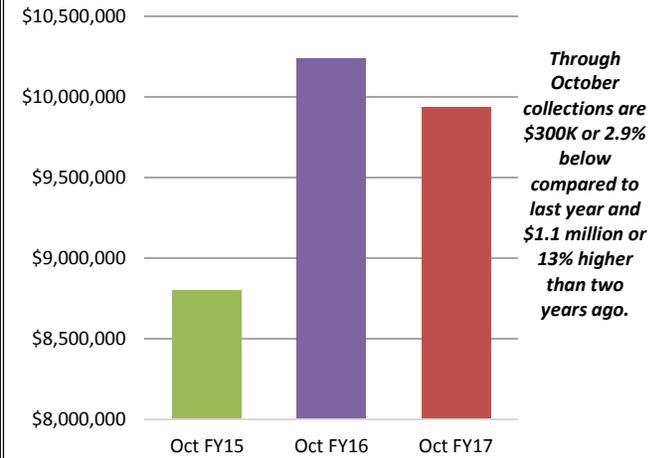


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years



Through October collections are \$300K or 2.9% below compared to last year and \$1.1 million or 13% higher than two years ago.

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

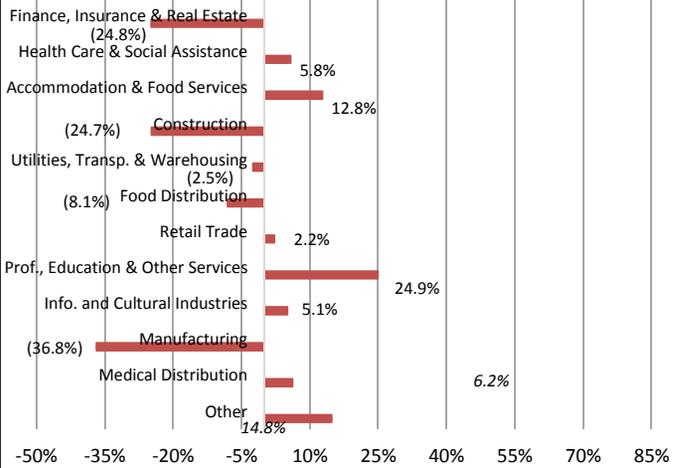


Chart 5: GRT Distribution by Industry FY17 YTD

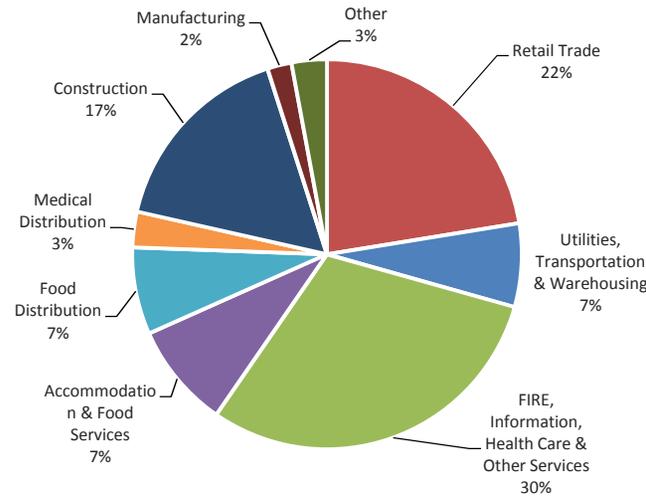


Chart 6: Changing Composition of GRT

