

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

MEMORANDUM

DATE: January 23, 2017

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: Carole H. Jaramillo, Director of Financial Services

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

Gross Receipts Tax

Attached please find the monthly dashboard for January GRT collections. For the month, the City's GRT distribution to the General Fund totaled \$2,204,999 which was \$36,622 below the projection. Year-to-date there is a positive budget to actual variance of \$359,479 or 2.1 percent. Compared to the prior fiscal year, the cumulative variance is \$69,210 or .4 percent.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Note that accommodation and food services has the most significant increase, 11.6 percent compared to the prior fiscal year for the same period of time; other sectors with positive growth are retail trade at 4.2 percent, health care and social assistance at 6.5 percent, professional, education and other services at 4.6 percent, and information and cultural industries at 4.1 percent. In contrast, and most significantly, finance, insurance and real estate and manufacturing sectors are contracting 29.0 percent and 27.3 percent respectively. Other industries that are contracting are utilities, transportation and warehousing at 7.7 percent, food distribution at 5.2 percent, and the "other" category at 4.1 percent. Construction, is still showing negative growth compared to the same period in fiscal year 2016 of 11.9%.

Labor Market Indicators

Employment information for the Albuquerque MSA for the month of November grew 0.1 percent over the year, losing 500 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

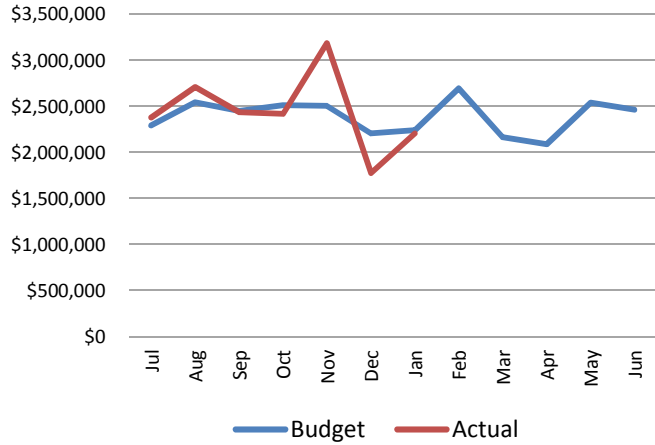
https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrNov_16.pdf

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.6 percent in December, down from 6.7 percent in November and unchanged from a year ago. In contrast, the national unemployment rate was 4.7 percent, up from 4.6 percent in November, 2016 and down from 5.0 in December 2015. The full January *Employment News Release* (statewide numbers only) can be found here:

https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_1216.pdf

Rio Rancho Gross Receipts Tax Dashboard

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



**YTD through January is \$359K or 2.1% above the FY17 estimate*

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

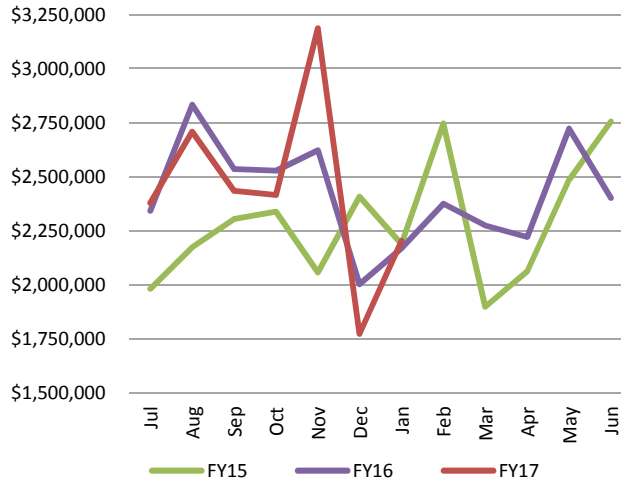


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

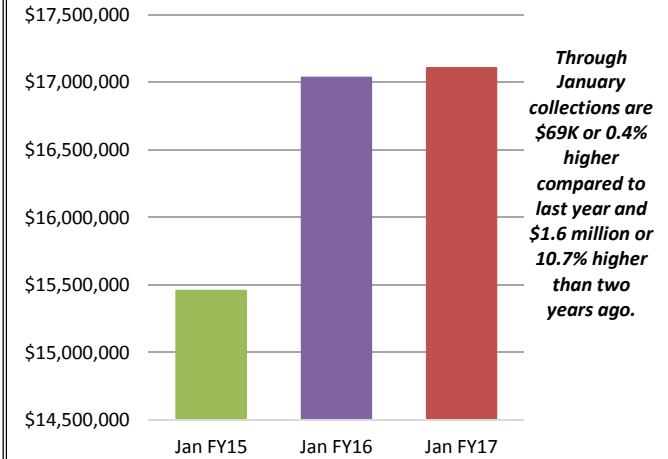


Chart 4: GRT Distribution by Industry FY17 YTD compared to FY16 YTD

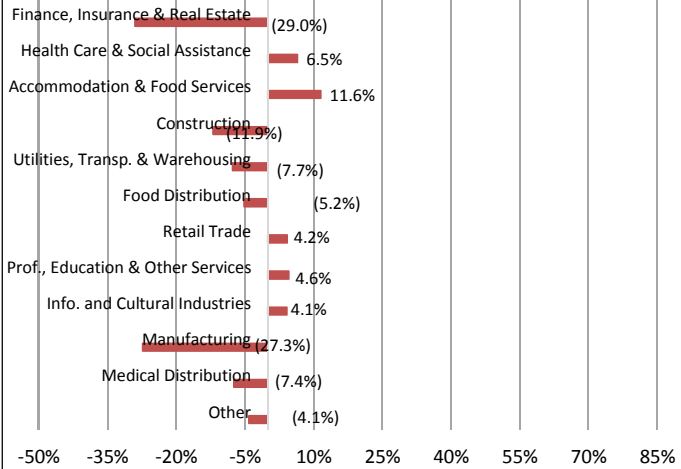


Chart 5: GRT Distribution by Industry FY17 YTD

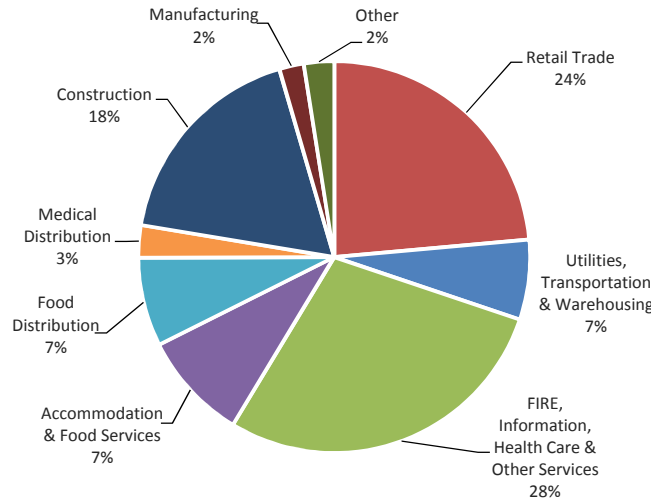


Chart 6: Changing Composition of GRT

