

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

MEMORANDUM

DATE: February 27, 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: **February Gross Receipts Tax and Recent Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for February GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,878,442 which was \$183,278 above the projection. Year-to-date there is a positive budget to actual variance of \$542,757 or 2.8 percent. Compared to the prior fiscal year, the cumulative variance is \$571,735 or 2.9 percent. Note that February GRT collections reflect December's business activities. The retail sector performed well for the 2016 holiday season with collections of \$1,000,294 (all Funds) which is \$284,153 higher than the previous month and \$170,552 higher than the same month in FY 2016.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Note that utilities, transportation and warehousing has the most significant year to date increase over FY 2016, 17.1 percent compared to the prior fiscal year for the same period of time; other sectors with positive growth are accommodation and food services at 11.7%, retail trade at 6.6 percent, health care and social assistance at 6.6 percent, professional, education and other services at 4.6 percent, and information and cultural industries at 3.0 percent. In contrast, and most significantly, finance, insurance and real estate and manufacturing sectors are contracting 32.1 percent and 27.3 percent respectively. Other industries that are contracting are utilities, medical distribution at 13.5 percent, food distribution at 1.7 percent, and the "other" category at 1.6 percent. Construction, is still showing negative growth compared to the same period in fiscal year 2016 of 11.2%.

Labor Market Indicators

Employment information for the Albuquerque MSA for the month of December grew 0.6 percent over the year, gaining 2,200 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/lmrDec_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

