

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

MEMORANDUM

DATE: April 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: **April Gross Receipts Tax and Recent Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for April GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,171,955 which was \$83,120 above the projection. Year-to-date there is a positive budget to actual variance of \$641,460 or 2.7 percent. Compared to the prior fiscal year, the cumulative variance is \$424,567 or 1.8 percent.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Sectors with positive growth compared to FY 2016 for the same period are health care and social assistance at 10.7 percent, accommodation and food services at 8.3 percent, professional, education and other services at 6.1 percent, retail trade at 4.7 percent, information and cultural industries at 2.6 percent and the "other" category at 0.7 percent. In contrast, and most significantly, finance, insurance and real estate and manufacturing sectors are contracting 32.8 percent and 25.7 percent respectively. Other industries that are contracting are medical distribution at 9.2 percent, food distribution at 7.3 percent, and utilities, transportation and warehousing at 4.3 percent. Construction, is still showing negative growth of 7.9 percent compared to the same period in fiscal year 2016. The food distribution experienced a large swing from the positive year to date change reported in March of 3.5 percent versus a 7.3 percent negative change year to date in April as compared to the prior fiscal year. The cause of this is likely due to significant fluctuations in the food distribution in FY 2016 in the months of March and April which are skewing the comparative numbers.

Labor Market Indicators

Employment information for the Albuquerque MSA for the month of February grew 0.1 percent over the year, gaining 200 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

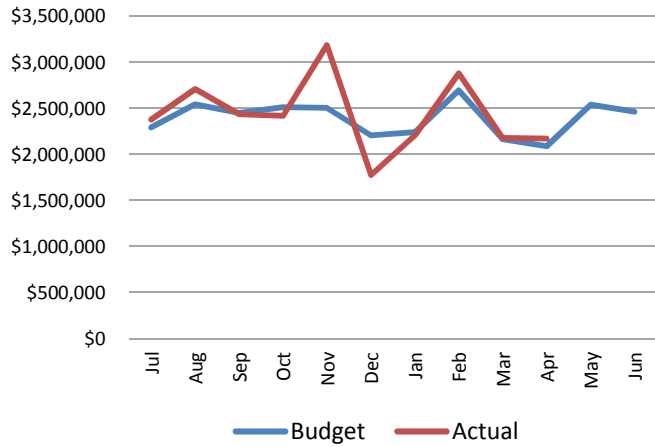
https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrFeb_17.pdf

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.7 percent in March, down from 6.8 percent in February but up from 6.6 percent a year ago. In contrast, the national unemployment rate was 4.5 percent, down from 4.7 percent in February and down from 5.0 percent in March 2016. The full February *Employment News Release* (statewide numbers only) can be found here:

https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0317_.pdf

Rio Rancho Gross Receipts Tax Dashboard

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



**YTD through April is \$641K or 2.7% above the FY17 estimate*

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

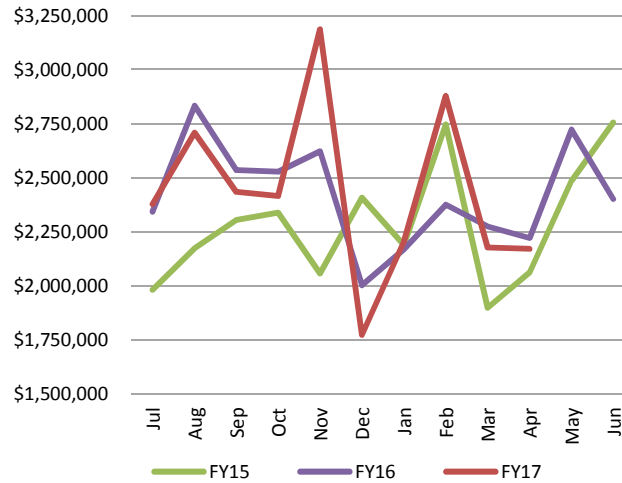


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

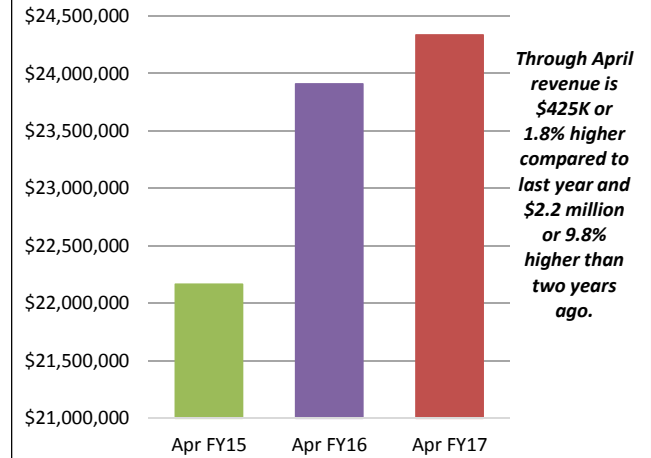


Chart 4: GRT Distribution by Industry % Change FY17 YTD compared to FY16 YTD

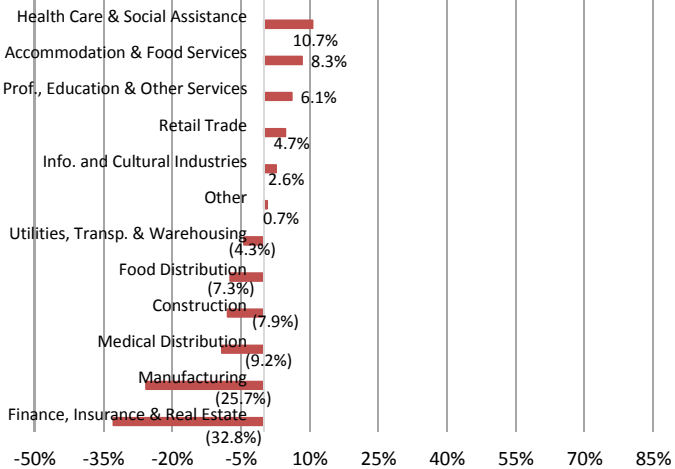


Chart 5: GRT Distribution by Industry FY17 YTD

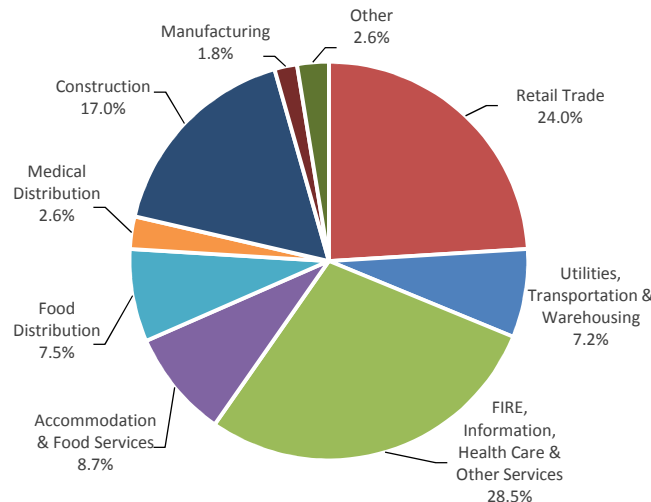


Chart 6: Changing Composition of GRT

