

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

MEMORANDUM

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

Gross Receipts Tax

Attached please find the monthly dashboard for May GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,378,795 which was \$159,879 below the projection. Year-to-date there is a positive budget to actual variance of \$481,581 or 1.8 percent. Compared to the prior fiscal year, the cumulative variance is \$80,937 or 0.3 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 9.2 percent, accommodation and food services at 8.0 percent, professional, education and other services at 6.4 percent, retail trade at 4.4 percent, the "other" category at 3.1 percent and information and cultural industries at 2.4 percent. In contrast, and most significantly, finance, insurance and real estate and manufacturing sectors are contracting 31.8 percent and 25.9 percent respectively. Other industries that are contracting are food distribution at 9.9 percent, medical distribution at 6.4 percent, and utilities, transportation and warehousing at 4.0 percent. Construction, is still showing negative growth of 6.4 percent compared to the same period in fiscal year 2016.

Labor Market Indicators

Employment for the Albuquerque MSA for the month of March grew 0.5 percent over the year, gaining 2000 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

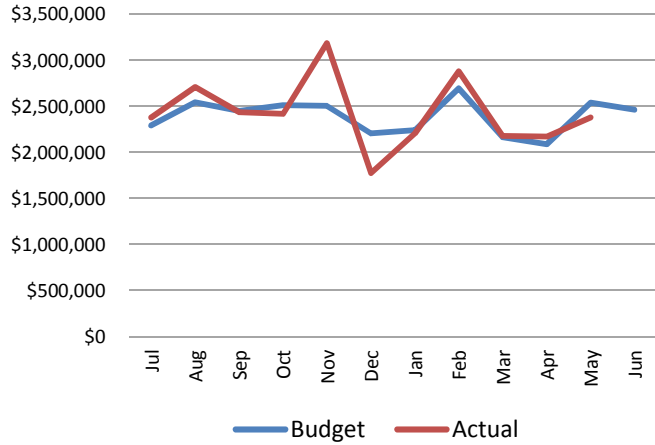
https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrMar_17.pdf

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.7 percent in April, equal to the March 2017 rate but up from 6.6 percent a year ago. In contrast, the national unemployment rate was 4.4 percent, down from 4.5 percent in March and down from 5.0 percent in April 2016. The full April *Employment News Release* (statewide numbers only) can be found here:

https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0417.pdf

Rio Rancho Gross Receipts Tax Dashboard

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



**YTD through May is \$482K or 1.8% above the FY17 estimate*

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

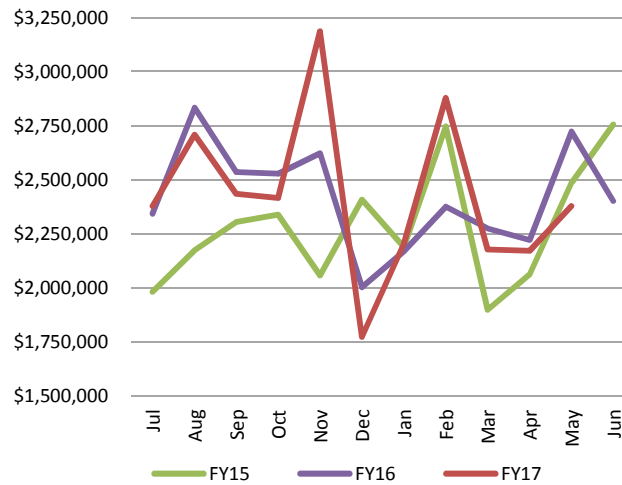


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

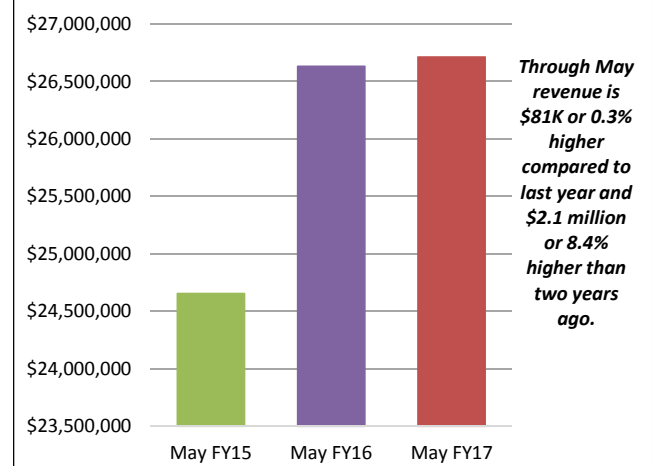


Chart 4: GRT Distribution by Industry % Change FY17 YTD compared to FY16 YTD

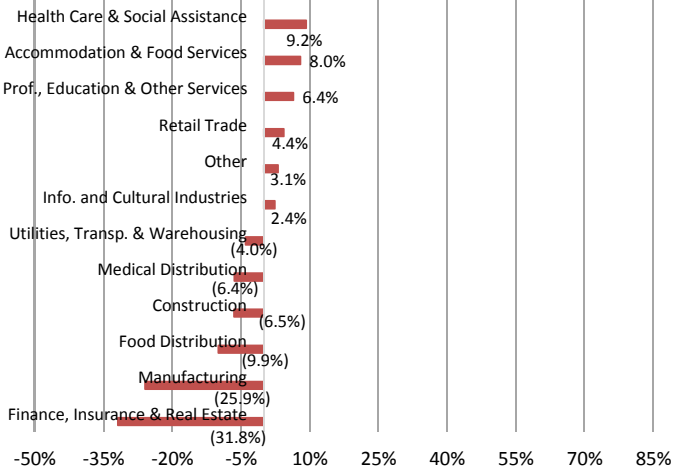


Chart 5: GRT Distribution by Industry FY17 YTD

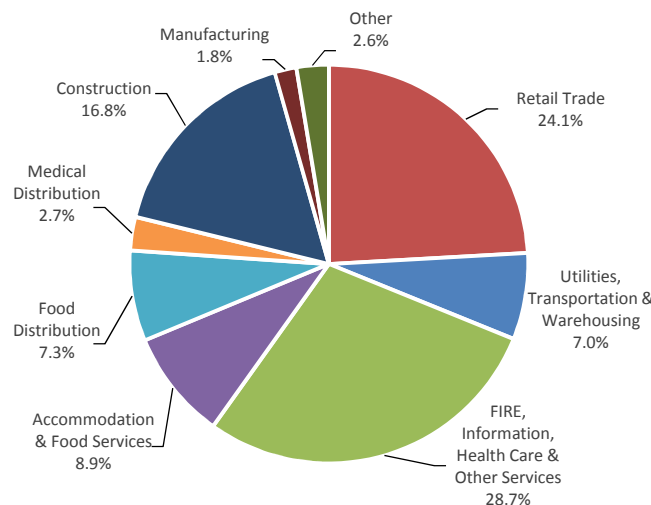


Chart 6: Changing Composition of GRT

