

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

MEMORANDUM

DATE: June 19, 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: **June Gross Receipts Tax and Recent Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for June GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,516,029 which was \$52,260 above the projection. The cumulative General Fund collections for FY 2017 is \$29,226,747 compared to \$29,032,817 for FY 2016. This is a cumulative variance of \$193,930 or 0.7 percent for the fiscal year. Compared to the FY 2017 original budget of \$28,692,906 there is a positive budget to actual variance of \$533,841 or 1.9 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 accommodation and food services at 8.6 percent, professional, education and other services at 6.9 percent, health care and social assistance at 6.3 percent, the "other" category at 5.9 percent, retail trade at 4.3 percent, and information and cultural industries at 2.3 percent. In contrast, and most significantly, finance, insurance and real estate and manufacturing sectors are contracting 31.1 percent and 18.4 percent respectively. Other industries that are contracting are food distribution at 10.9 percent, medical distribution at 4.8 percent, and utilities, transportation and warehousing at 3.8 percent. Construction, is still showing negative growth of 5.4 percent compared to the same period in fiscal year 2016.

Labor Market Indicators

Employment for the Albuquerque MSA for the month of April grew 0.5 percent over the year, gaining 1,900 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

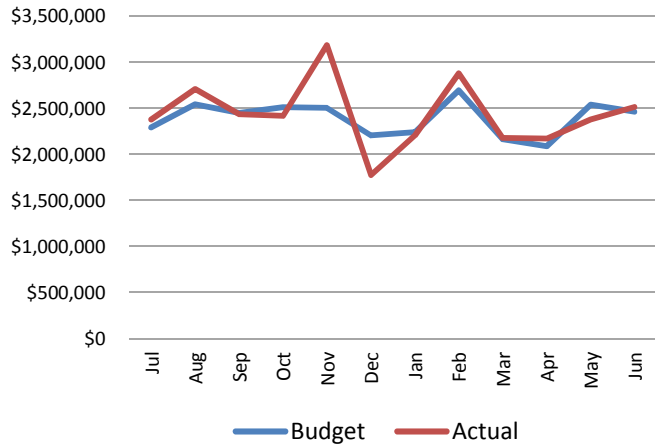
https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrApr_17.pdf

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.6 percent in May, down from 6.7 in both April 2017 and May 2016. In contrast, the national unemployment rate was 4.3 percent, down from 4.4 percent in April and down from 4.7 percent in May 2016. The full May *Employment News Release* (statewide numbers only) can be found here:

https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0517.pdf

Rio Rancho Gross Receipts Tax Dashboard

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



**YTD through June is \$534K or 1.9% above the FY17 estimate*

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

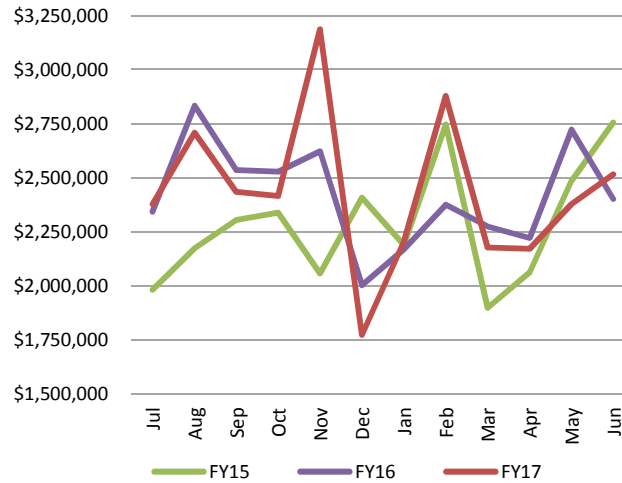


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

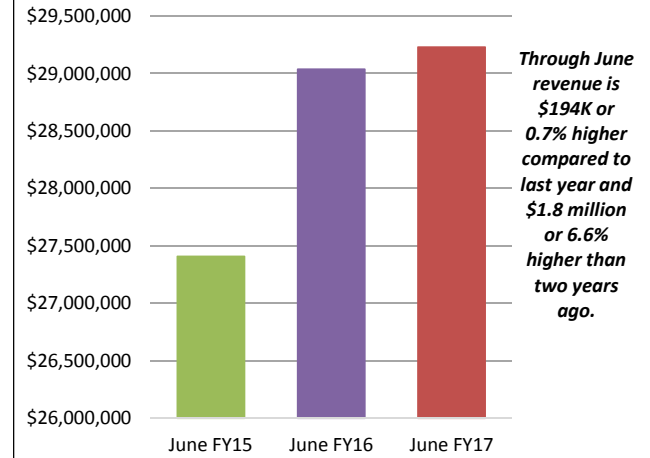


Chart 4: GRT Distribution by Industry % Change FY17 YTD compared to FY16 YTD

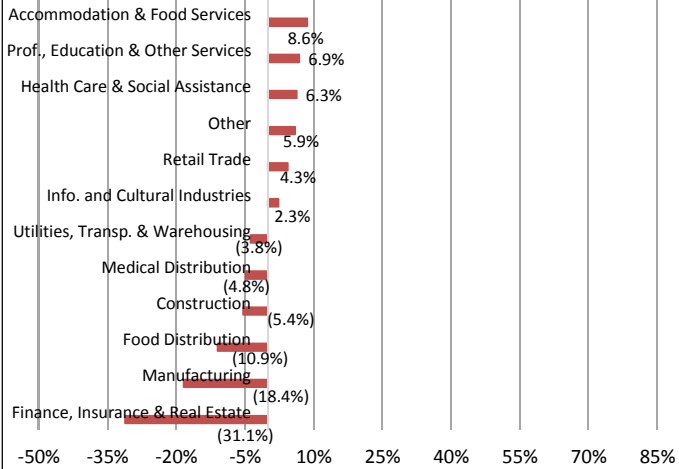


Chart 5: GRT Distribution by Industry FY17 YTD

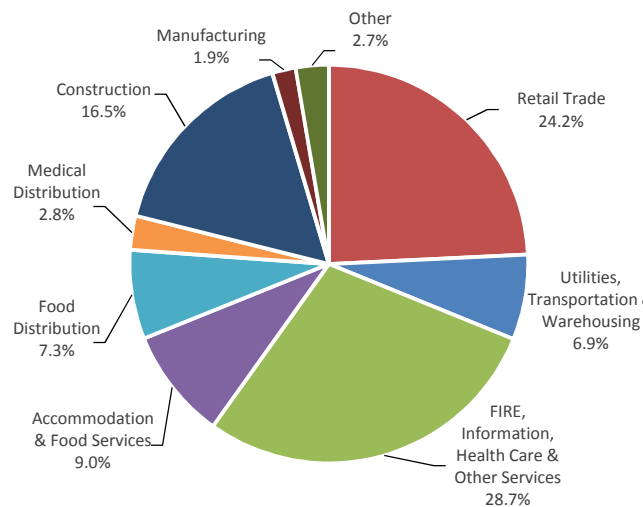


Chart 6: Changing Composition of GRT

