

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

**MEMORANDUM**

**DATE:** July 28, 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:** **July Gross Receipts Tax and Recent Labor Market Indicators**

**Gross Receipts Tax**

Attached please find the monthly dashboard for July GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,248,801 which was \$85,792 below the projection. The July General Fund collections for FY 2018 are \$130,148 less than the FY 2017 collections of \$2,378,949. This is a negative variance of 5.5 percent for the fiscal year. Compared to the FY 2018 July budget estimate of \$2,334,593 there is a negative budget to actual variance of 3.7 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 the same period in FY 2017 are the "other" category at 25.8 percent, professional, education and other services at 12.2 percent, utilities, transportation and warehousing at 10.5 percent, information and cultural industries at 7.9 percent, accommodation and food services at 5.6 percent, and medical distribution at 4.7 percent. The retail trade sector was essentially flat compared to FY 2017 with an increase of 0.2 percent. In contrast, and most significantly, manufacturing sectors and food distribution are contracting 49.5 percent and 32.5 percent respectively. The health care and social assistance sector contracted 11.2 percent and the finance, insurance and real estate sector contracted 9.7 percent as compared to FY 2017. Construction, is still showing negative growth of 3.7 percent compared to the same period in fiscal year 2017.

**Labor Market Indicators**

Employment for the Albuquerque MSA for the month of June grew 2.0 percent over the year, gaining 7,600 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

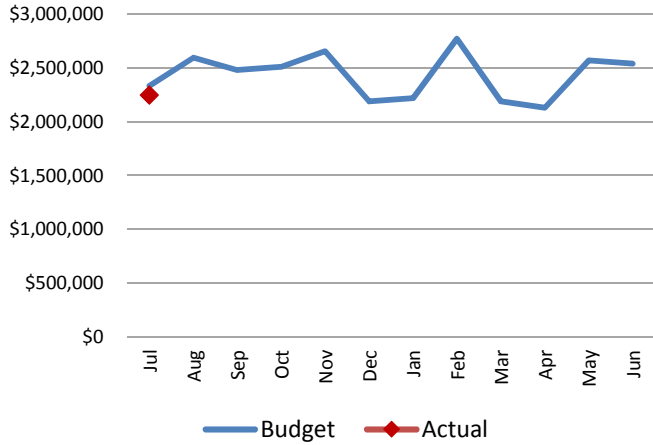
[https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrJun\\_17.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrJun_17.pdf)

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.4 percent in June, down from 6.6 in both May 2017 and 6.7 percent in June 2016. In contrast, the national unemployment rate was 4.4 percent, up from 4.3 percent in May and down from 4.9 percent in June 2016. The full June *Employment News Release* (statewide numbers only) can be found here:

[https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf\\_0617.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0617.pdf)

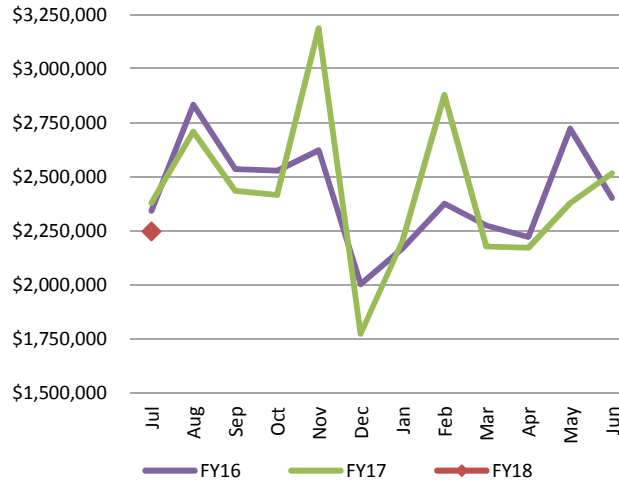
# Rio Rancho Gross Receipts Tax Dashboard

**Chart 1: Gross Receipts Tax Monthly Revenue General Fund FY18 Estimate vs. Actual**

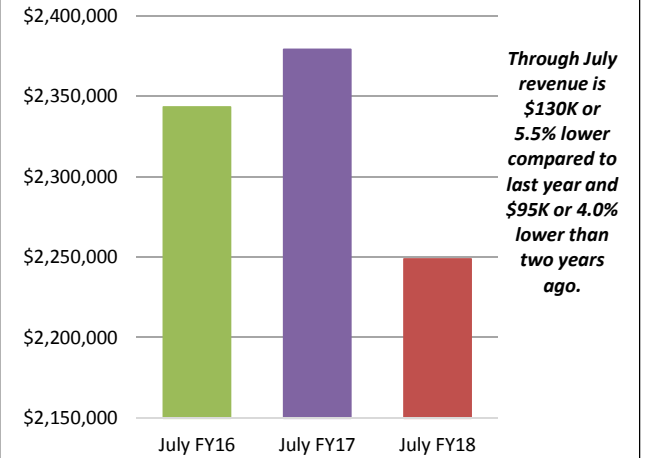


\*YTD through July is \$86K or 3.7% below the FY18 estimate

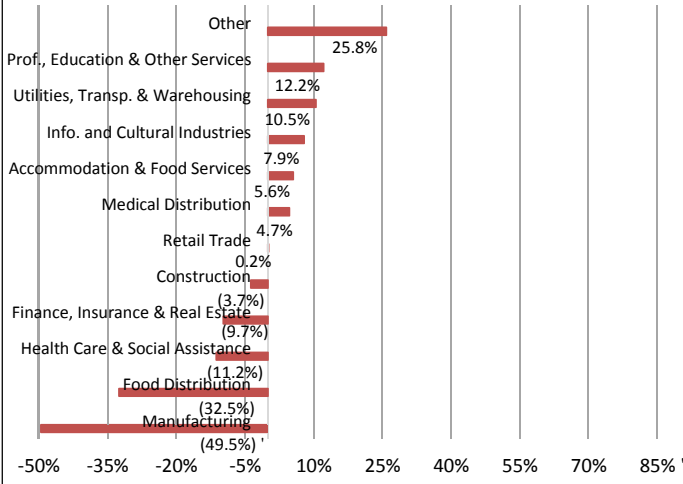
**Chart 2: Gross Receipts Tax Monthly Revenue General Fund Current Year vs. Prior Years**



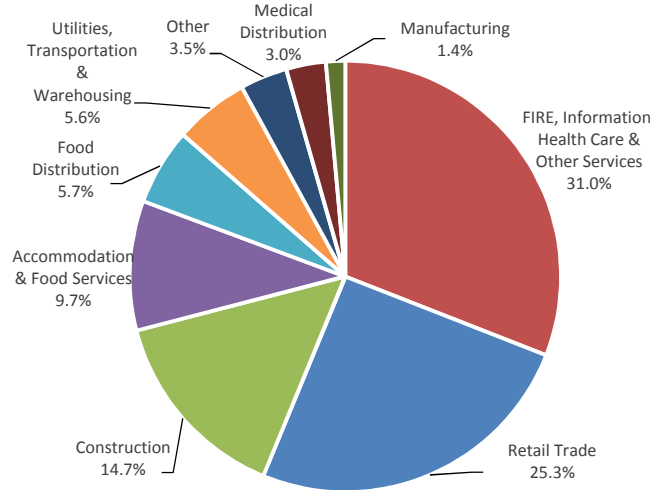
**Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years**



**Chart 4: GRT Distribution by Industry % Change FY18 YTD compared to FY17 YTD**



**Chart 5: GRT Distribution by Industry FY18 YTD**



**Chart 6: Changing Composition of GRT**

