

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

MEMORANDUM

DATE: August 25, 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: **August Gross Receipts Tax and Recent Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for August GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,607,853 which was \$10,618 above the projection. While this is an improvement over July, there is still a negative year-to-date budget to actual variance of \$75,174 or 1.5 percent. Compared to the prior fiscal year, there is a negative cumulative variance is \$230,811 or 4.5 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 32.7 percent, utilities, transportation and warehousing at 16.8 percent, professional, education and other services at 9.4 percent, information and cultural industries at 4.7 percent, medical distribution at 3.6 percent, accommodation and food services at 3.5 percent, finance, insurance and real estate at 1.7 percent, and retail trade at 1.2 percent. While more sectors are showing positive growth than in last month (eight compared to seven) there is significant negative growth in the key sectors of health care and social assistance at 12.3 percent, construction at 15.1 percent, manufacturing at 17.8 percent and the food distribution is down by 26.6 percent when compared to FY 2017.

Labor Market Indicators

Employment for the Albuquerque MSA for the month of July grew 1.3 percent over the year, gaining 4,900 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

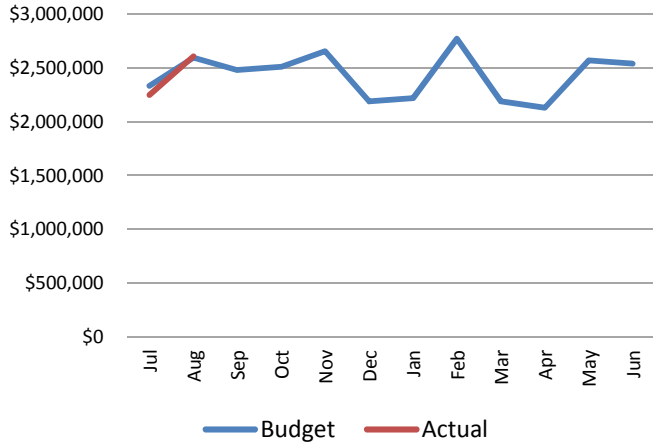
https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrJul_17.pdf

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.3 percent in July, down from 6.4 percent in June 2017 and down from 6.8 percent in July 2016. In contrast, the national unemployment rate was 4.3 percent, down from 4.4 percent in June and down from 4.9 percent in July 2016. The full July *Employment News Release* (statewide numbers only) can be found here:

https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0717.pdf

Rio Rancho Gross Receipts Tax Dashboard

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



*YTD through August is \$75K or 1.5% below the FY18 estimate

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

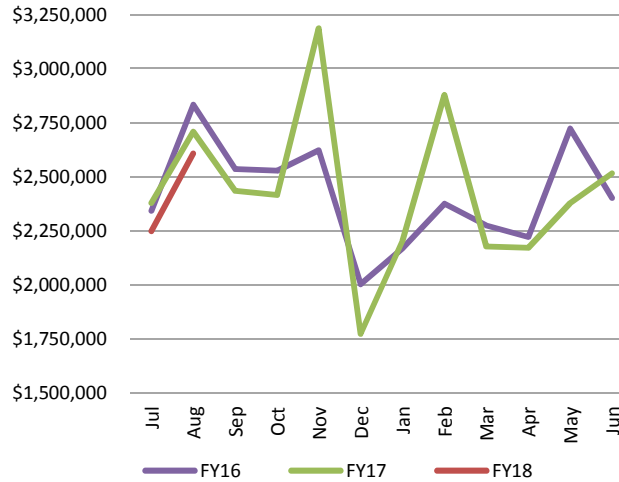


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

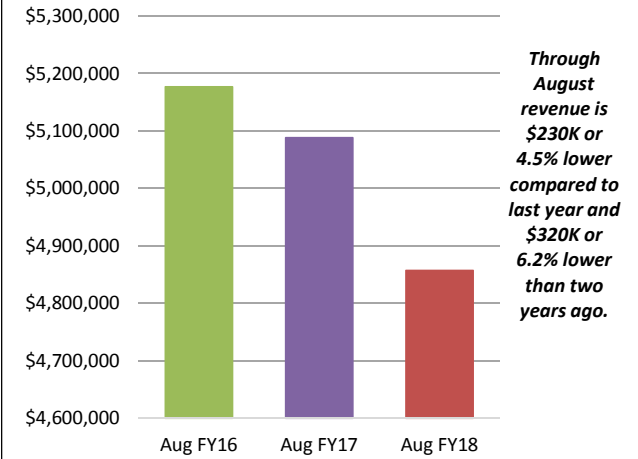


Chart 4: GRT Distribution by Industry % Change FY18 YTD compared to FY17 YTD

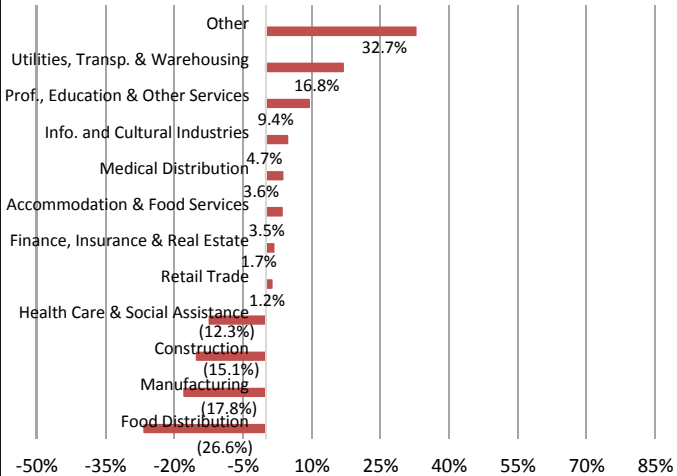


Chart 5: GRT Distribution by Industry FY18 YTD

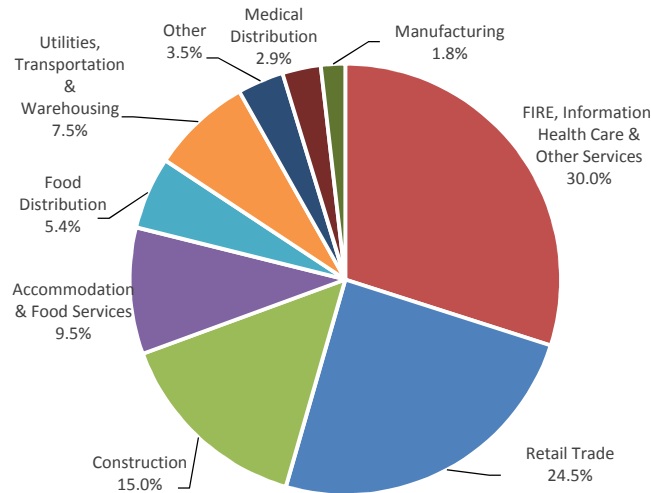


Chart 6: Changing Composition of GRT

