

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

MEMORANDUM

DATE: January 25, 2018

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: January Gross Receipts Tax and Recent Labor Market Indicators

Gross Receipts Tax

Attached please find the monthly dashboard for January GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,238,147 which was \$20,283 above the projection. The year-to-date negative budget-to-actual variance currently sits at \$850,851 or 5.0 percent. This is a modest improvement over last month and only the second month this fiscal year that actual collections have exceeded the monthly projection. Compared to the prior fiscal year, there is a negative cumulative variance is \$970,291 or 5.7 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 29.8 percent, finance, insurance and real estate at 16.3 percent, health care and social assistance at 11.0 percent, professional, education and other services at 9.3 percent, utilities, transportation and warehousing at 8.8 percent, medical distribution at 4.3 percent, accommodation and food services at 3.1 percent, retail trade at 3.0 percent and information and cultural industries at 1.3 is essentially flat at 0.3 percent. There is significant negative growth in the key sector of construction at 27.4 percent as well as manufacturing at 22.7 percent. The food distribution is down by 27.3 percent when compared to FY 2017.

Labor Market Indicators

Employment for the Albuquerque MSA for the month of December is not yet available. It should be released later this week or early next week. Following is the link to the state's monthly *Labor Market Review* reporting web page:

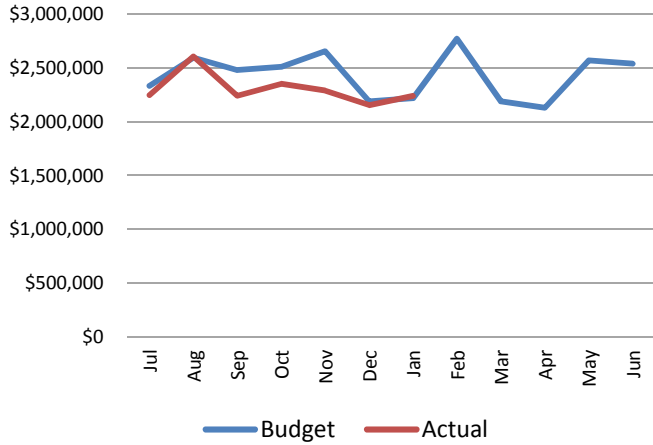
<https://www.dws.state.nm.us/Labor-Market-Information/Publications/Monthly-News-Release>

For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.0 percent in December, 2017, down from 6.1 percent in November and down from 6.7 percent in December 2016. In contrast, the national unemployment rate was 4.1 percent for the third month in a row, but down from 4.7 percent in December 2016. The full December *Employment News Release* (statewide numbers only) can be found here:

https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_1217.pdf

Rio Rancho Gross Receipts Tax Dashboard

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



**YTD through January is \$851K or 5.0% below the FY18 estimate*

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

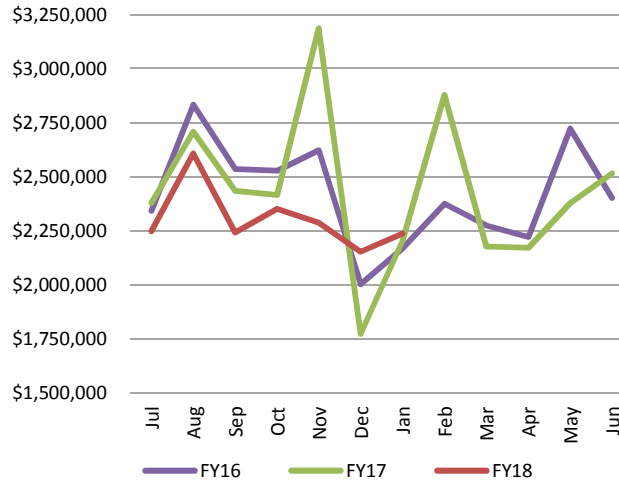


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

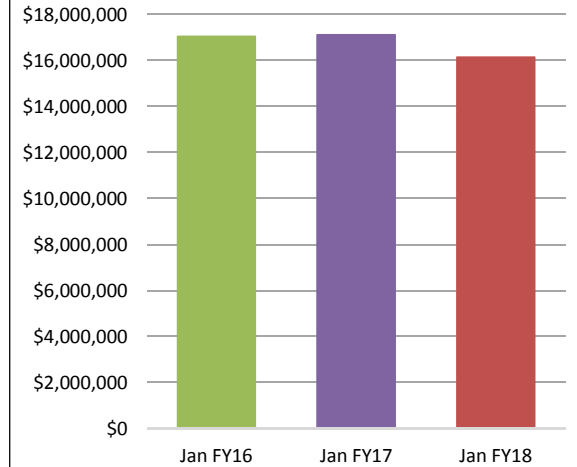


Chart 4: GRT Distribution by Industry % Change FY18 YTD compared to FY17 YTD

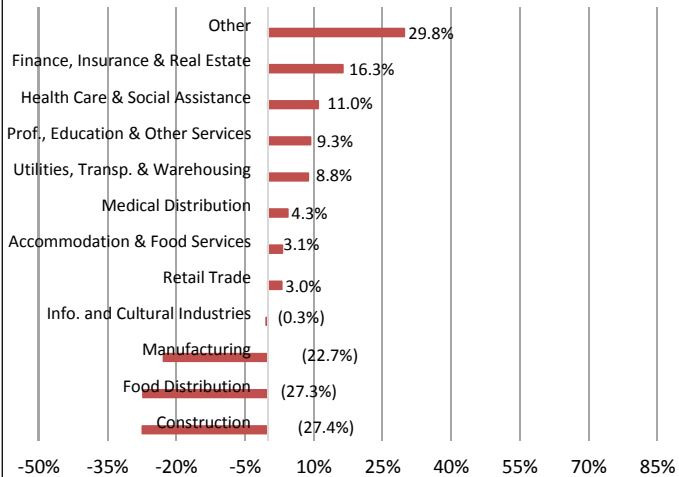


Chart 5: GRT Distribution by Industry FY18 YTD

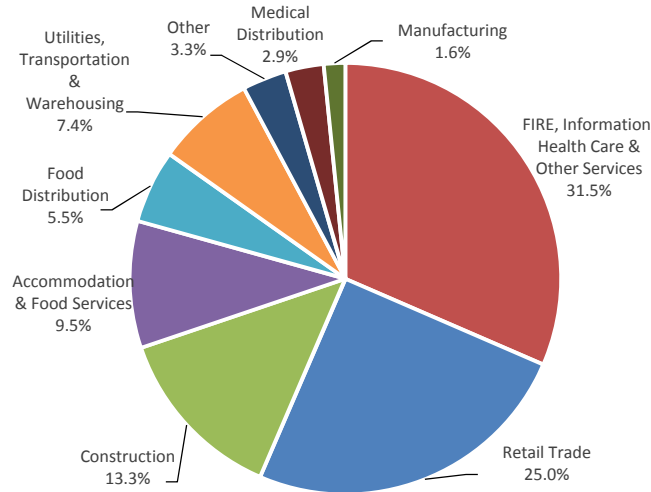


Chart 6: Changing Composition of GRT

