

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

MEMORANDUM

DATE: December 31, 2018

TO: Mayor Gregory Hull, Council Members Jim Owen, Dawnn Robinson, Bob Tyler, Marlene Feuer, Jennifer Flor, and Dave Bency  
John Craig, Acting City Manager

FROM: Carole H. Jaramillo, Director of Financial Services

SUBJECT: **December Gross Receipts Tax and Recent Labor Market Indicators**

**Gross Receipts Tax**

Attached please find the monthly dashboard for December GRT collections. For the month, the City's GRT revenue in the General Fund totaled \$2,486,427, which was \$318,943 above the revenue estimate. Year-to-date the City has a positive budget to actual gross receipts tax variance of 6.5 percent. Compared to the prior fiscal year actuals, there is a positive variance of \$1.6 million or 11.6 percent for the General Fund. This is a significant year over year variance that we do not believe is entirely related to increased business activity. Actual GRT collections throughout the first six months of fiscal year 2018 were significantly below the original estimates necessitating a downward revision of the estimates at mid-year by \$1.3 million. Staff believes that a significant amount of this positive variance is related to adjustments to the distribution from previous reporting periods however, staff is not able to validate this belief.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Year-to-date, sectors with positive growth compared to the same period in FY 2018 are manufacturing at 26.7 percent, professional, education and other services at 17.8 percent, health care and social assistance at 10.8 percent, "other" industries at 7.6 percent, retail trade at 6.1 percent, accommodation and food services at 3.3 percent, and utilities, transportation and warehousing at 1.7 percent. The food distribution is level compared to fiscal year 2018. The key sector of construction, which reflected negative growth throughout fiscal year 2018, is now showing positive growth of 33.4 percent. This is a large swing and may be due to adjustments as well as the increased construction activity visible throughout the City. There is significant negative growth in the finance, insurance and real estate sector of 10.1 percent, the medical distribution of 8.1 percent, and information and cultural industries of 5.5 percent.

**Labor Market Indicators**

Employment data for the State as a whole shows the seasonally adjusted unemployment rate was 4.6 percent in November 2018, unchanged from October and down from 6.0 percent in November 2017. In contrast, the national unemployment rate was 3.7 percent, also unchanged from October and down from 4.1 percent in November 2017. The full November *Employment News Release* (statewide numbers only) can be found here:

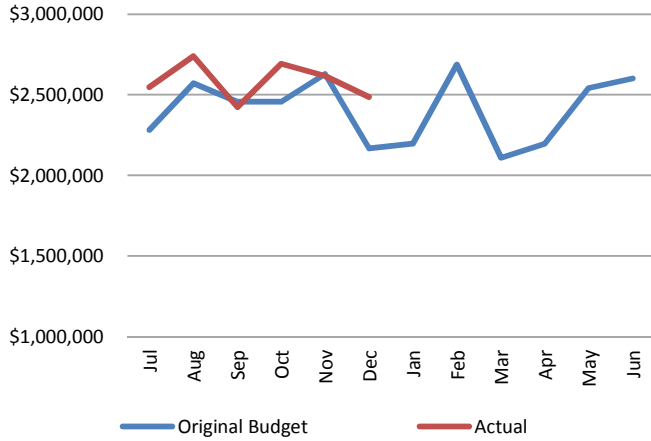
[https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf\\_1118.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_1118.pdf)

Employment for the Albuquerque MSA for the month of November 2018 increased by 10,000 jobs, or 2.5 percent. Following is the link to the *Labor Market Review* for the month of November:

[https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr\\_Nov\\_18.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr_Nov_18.pdf)

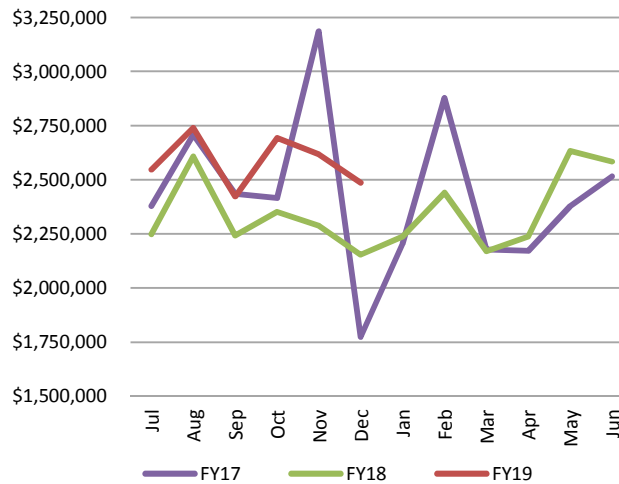
# Rio Rancho Gross Receipts Tax Dashboard

**Chart 1: Gross Receipts Tax Monthly Revenue General Fund FY19 Original vs. Actual**

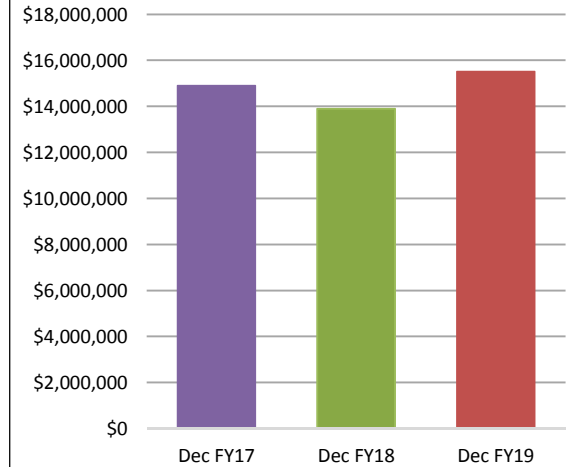


*\*Y-T-D December 2018 is \$943K or 6.5% above the FY19 estimate*

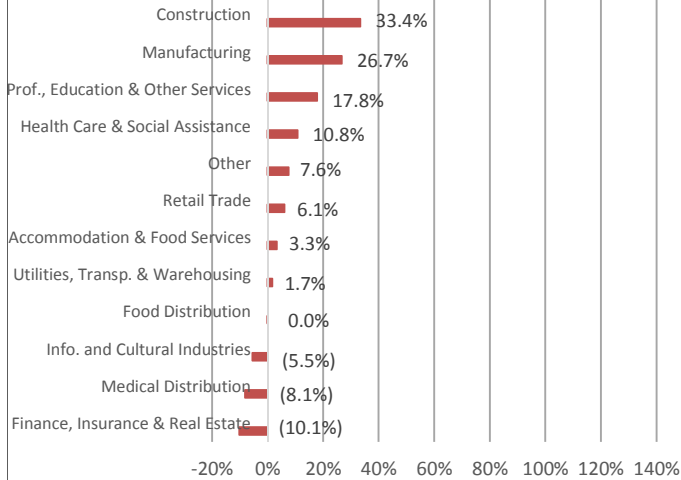
**Chart 2: Gross Receipts Tax Monthly Revenue General Fund Current Year vs. Prior Years**



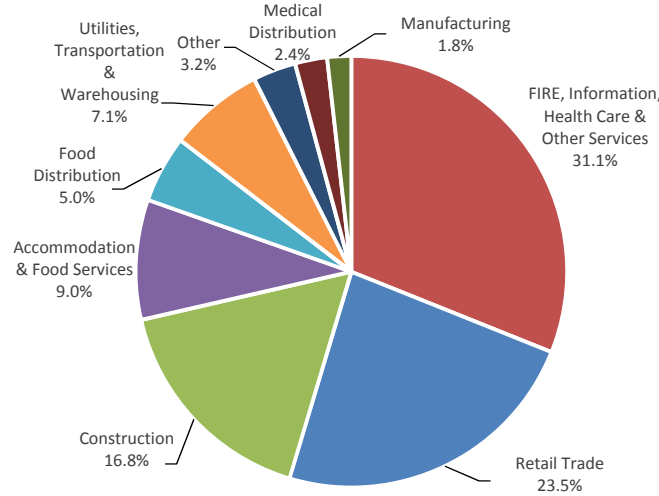
**Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years**



**Chart 4: GRT Distribution by Industry % Change FY19 YTD compared to FY18 YTD**



**Chart 5: GRT Distribution by Industry FY19 YTD**



**Chart 6: Changing Composition of GRT**

