

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

**MEMORANDUM**

**DATE:** August 29, 2019

**TO:** Mayor Gregory Hull, Council Members Jim Owen, Jeremy Lenentine, Bob Tyler, Marlene Feuer, Jennifer Flor, and Dave Bency  
David S. Campbell, City Manager  
John Craig, Deputy City Manager

**FROM:** Carole 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 \$3,194,523, which was \$370,743 above the adopted revenue estimate. Year-to-date the City has a positive budget to actual gross receipts tax variance of 10.1 percent. Compared to the prior fiscal year actuals, there is a positive variance of \$554,294 or 10.5 percent for the General Fund.

GRT trends for each major industry are shown in Chart 4 of the Dashboard on the next page. Year-to-date, sectors with positive growth compared to the same period in FY 2019 are finance, insurance and real estate at 29.3 percent, "other" industries at 28.2 percent, health care and social assistance at 18.5 percent, utilities, transportation and warehousing at 15.8 percent, professional, education & other services at 12.5 percent, retail trade at 6.6 percent, information and cultural industries at 1.9 percent and accommodation and food services at 0.8 percent. The key sector of construction continues to show positive growth with 21.5 percent growth compared to FY19. Year-to-date sectors with negative growth compared to same period in FY19 are manufacturing at 22.2 percent, and the medical hold harmless distribution at 13.8 percent. Important to note is a significant increase in the food hold harmless distribution over FY19 of 35.5 percent. This is because of an adjustment made resulting from erroneous filing, and subsequent correction, by a large grocery store that had caused prior food hold harmless distributions to be short.

**Labor Market Indicators**

Employment data for the State as a whole shows the seasonally adjusted unemployment rate was 4.9 percent in July 2019, unchanged from June 2019 and up from 4.8 percent in the previous year. In contrast, the national unemployment rate in July was 3.7 percent, unchanged from June 2019 and down from 3.9 percent in July 2018. For more employment news, follow the link below.

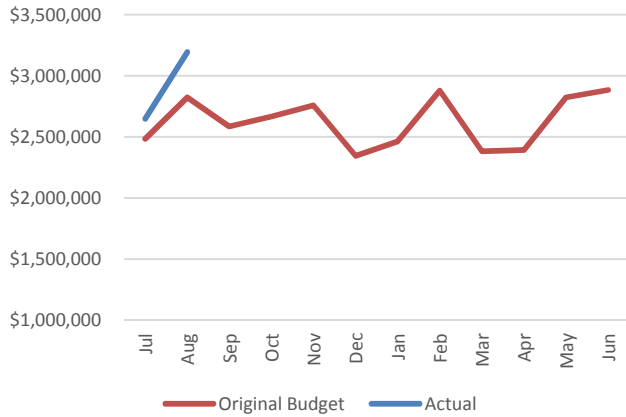
[https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf\\_0719.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_0719.pdf)

Employment for the Albuquerque MSA for the month of July 2019 increased by 5,000 jobs, or 1.3 percent year-over-year. Following is the link to the *Labor Market Review* for the month of July.

[https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr\\_July\\_19.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr_July_19.pdf)

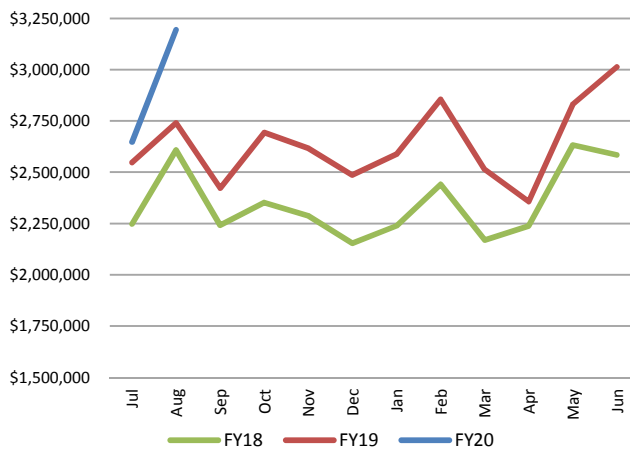
# Rio Rancho Gross Receipts Tax Dashboard

**Chart 1: Gross Receipts Tax Monthly Revenue General Fund FY20 Original and Revised vs. Actual**

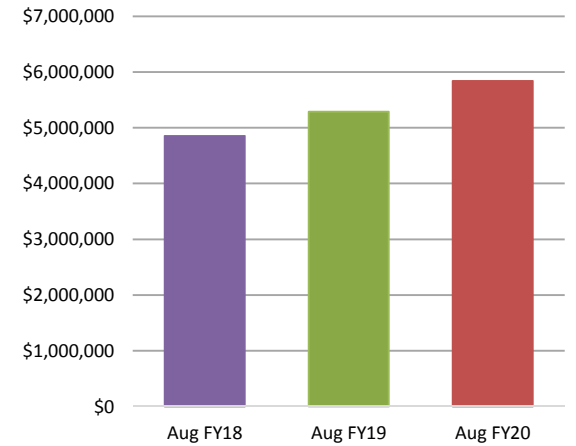


*Y-T-D August 2019 is \$554 thousand or 10.5% above the FY20 Original estimate*

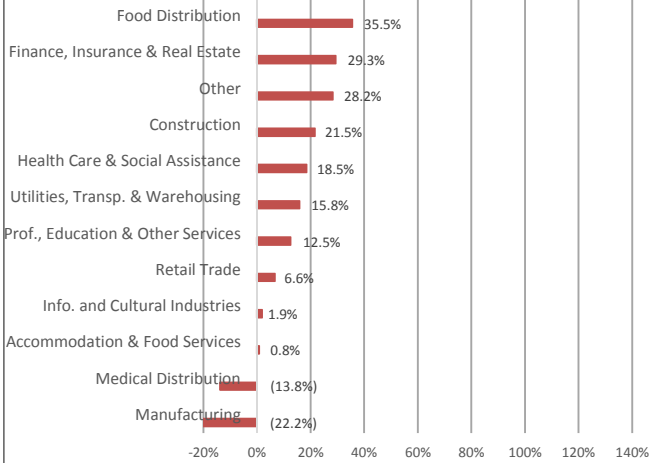
**Chart 2: Gross Receipts Tax Monthly Revenue General Fund Current Year vs. Prior Years**



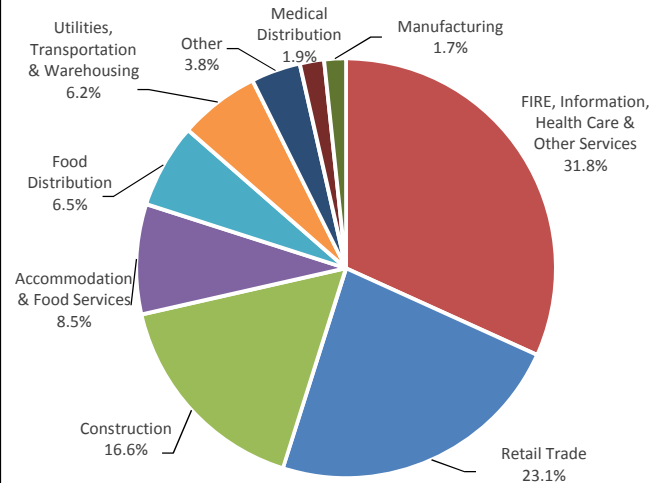
**Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years**



**Chart 4: GRT Distribution by Industry % Change FY20 YTD compared to FY19 YTD**



**Chart 5: GRT Distribution by Industry FY20 YTD**



**Chart 6: Changing Composition of GRT**

