

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

**MEMORANDUM**

**DATE:** December 12, 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:** **November Gross Receipts Tax and Recent Labor Market Indicators**

**Gross Receipts Tax**

Attached please find the monthly dashboard for November GRT collections. You may recall, in September, the City received a large adjustment to its GRT distribution for the food hold harmless. This favorable adjustment was the result of a large food retailer amending their CRS reports all the way back to 2016. The amendments resulted in a large, one-time positive adjustment to the City's food hold harmless distribution of approximately \$1.75 million. As a result, the City's GRT revenue in the General Fund spiked to \$4,719,594 for the month. You will see that spike on the dashboard reflected on charts 1 and 2. In November, GRT revenue returned to a more normal level at \$3,138,184. This is still well above the estimate for the month of \$2,758,721. Compared to FY19 actuals, the positive variance is \$3,761,249 or 28.9 percent for the General Fund. The internet sales tax distribution is included in our positive variance and totals \$241,004 through November.

GRT trends for each major industry are shown in Chart 4 of the Dashboard on the next page. Year-to-date almost all sectors show positive growth compared to the same period in FY 2019. This includes professional, education & other services at 54.2 percent, health care and social assistance at 21.0 percent, finance, insurance and real estate at 19.6 percent, "other" industries at 12.9 percent, utilities, transportation and warehousing at 12.6 percent, retail trade at 10.0 percent, accommodation and food services at 8.7 percent, information and cultural industries at 6.4 percent, and manufacturing at 1.5 percent. The key sector of construction continues to show positive growth at 17.3 percent compared to FY19. Year-to-date only the medical hold harmless distribution is showing negative growth compared to same period in FY19 at 14.8 percent.

**Labor Market Indicators**

Employment data for the State as a whole shows the seasonally adjusted unemployment rate was 4.8 percent in October 2019, down from 4.9 percent in September 2019 and down from 5.0 percent in the previous year. In contrast, the national unemployment rate in October was 3.6 percent, up from 3.5 in September 2019 and down from 3.8 percent in October 2018. For more employment news, follow the link below.

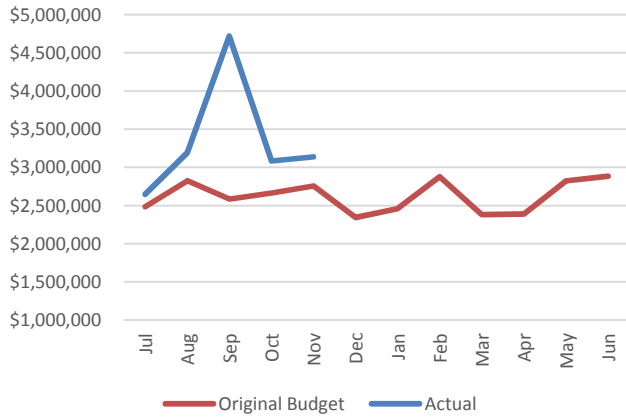
[https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf\\_1019.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_1019.pdf)

Employment for the Albuquerque MSA for the month of October 2019 increased by 3,800 jobs, or 1.0 percent year-over-year. Following is the link to the *Labor Market Review* for the month of October.

[https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr\\_Oct\\_19.pdf](https://www.dws.state.nm.us/Portals/0/DM/LMI/lmr_Oct_19.pdf)

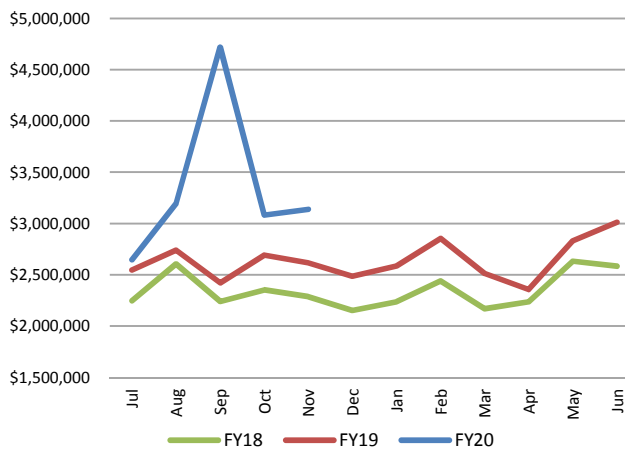
# Rio Rancho Gross Receipts Tax Dashboard

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

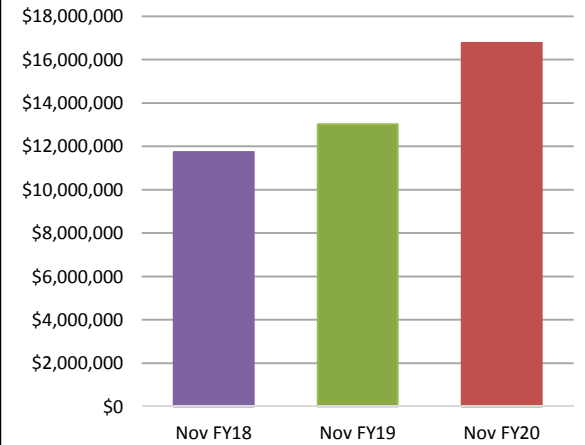


Y-T-D November 2019 is \$3.5 million or 26.0% above the FY20 Original estimate

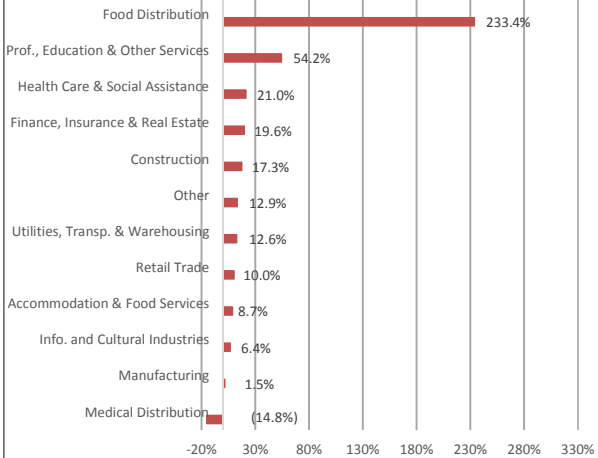
**Chart 2: Gross Receipts Tax Monthly Revenue General Fund Current Year vs. Prior Years**



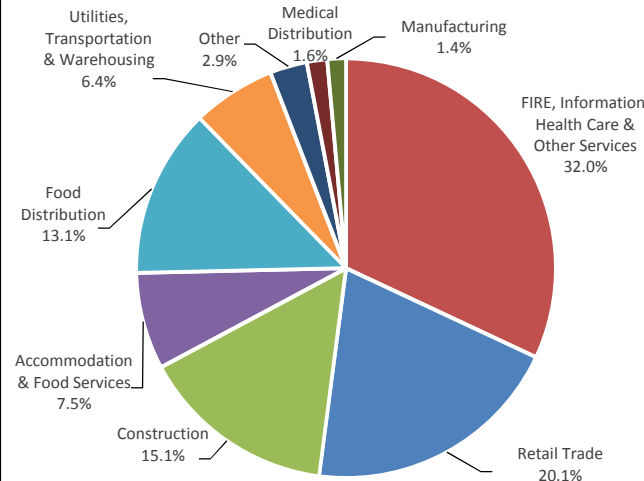
**Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years**



**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**

