

CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: May 17, 2013

TO: Mayor Thomas Swisstack,
Council Members: Chuck Wilkins, Patricia Thomas, Tamara Gutierrez, Mark Scott, Timothy Crum, and Lonnie Clayton
Keith Riesberg, City Manager
Laura Fitzpatrick, Assistant City Manager

FROM: Olivia Padilla-Jackson, Financial Services Director

SUBJECT: **May 2013 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund Gross Receipts Tax (GRT) revenue distribution for May, which is based on March economic activity, was \$2,292,257 after adjustments, \$82,814 or 3.8 percent above the monthly estimate. Fiscal year to date, GRT revenue to the General Fund is \$143,441 above the estimate, which reflects a 0.7 percent variance. Below are highlights of the month's distribution and attached is the Rio Rancho Gross Receipts Tax Dashboard showing notable GRT trends.

- The total May GRT distribution was 10 percent higher than May of 2012. Compared to last May, the Utilities sector saw the largest change. Last month was exceptionally low, and this month's amount appears to make up for that small distribution. The Construction and Manufacturing sectors grew considerably from last May, growing 27 and 478 percent, respectively (see more information below). Year over year, 11 sectors were higher than last May, while 11 sectors were lower. Fiscal year to date, total (cumulative) GRT revenue is 2.7 percent lower compared to the same period last year.
- Fiscal year to date, the Construction sector has experienced the largest decline, though that negative growth continues to diminish, currently at -22 percent from -35 percent in November. The core Retail sector, Finance and Insurance, Utilities, and Educational Services have all seen declines compared to the same period last year. However, Accommodation and Food Services is still strong, up 3.4 percent fiscal year to date.
- As of May, the shining star is the Manufacturing sector. While healthcare had been the outperformers, the fiscal year to date growth in dollars in the Manufacturing sector has now surpassed the individual Health Care and Social Assistance sector (this sector is still the strongest when you combine it with the Medical Hold Harmless, see Chart 4).
- In May, the total Manufacturing distribution was the highest on record, surpassing the monthly average of \$34K at \$119K, something to watch in the months ahead (Chart 6).

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Total Monthly GRT Distribution

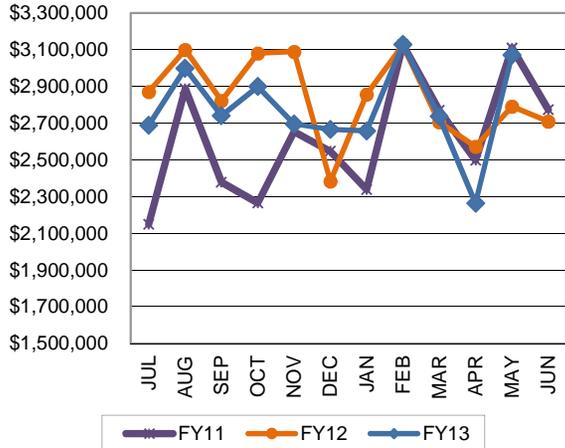


Chart 2: FY13 Gross Receipts Tax Monthly Revenue General Fund Estimate vs. Actual

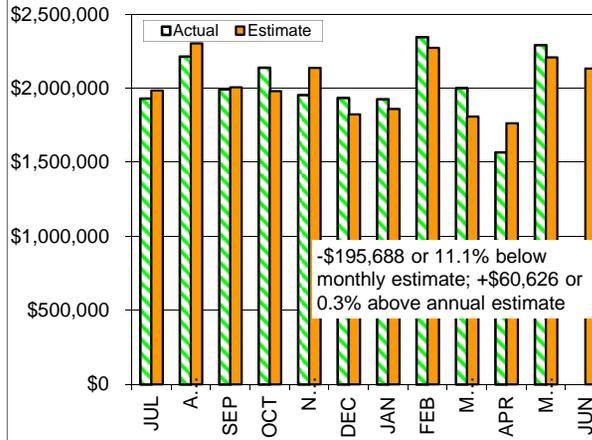


Chart 3: FY13 YTD Total GRT Distribution compared to FY12 YTD through May

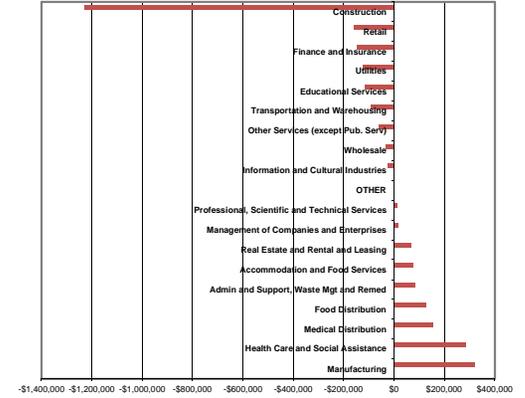


Chart 4: Health Care and Social Assistance and Medical Hold Harmless Distribution

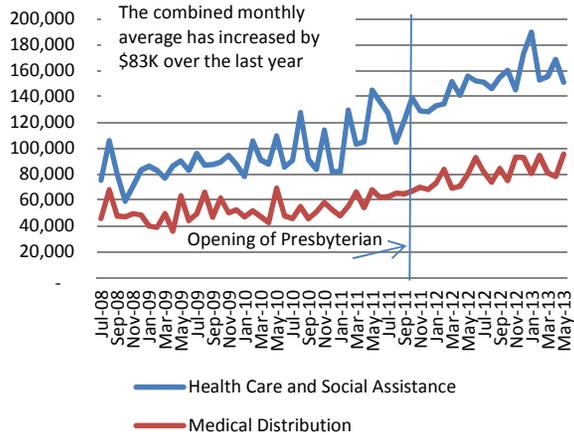


Chart 5: Accommodation and Food Services and Food Hold Harmless Distribution

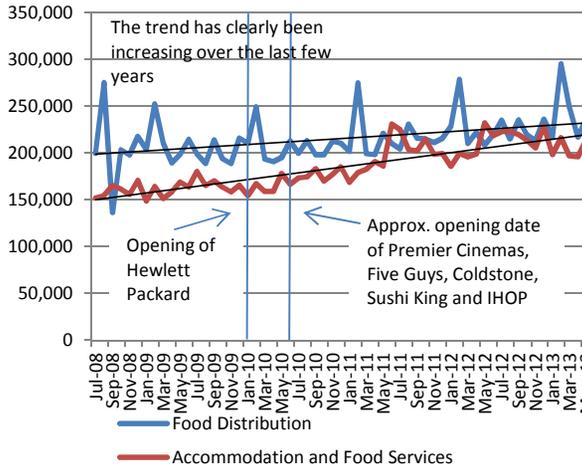


Chart 6: Manufacturing GRT Distribution

