

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

MEMORANDUM

DATE: December 30, 2014

TO: Mayor Gregory Hull
Council Members: Chuck Wilkins, Dawnn Robinson, Cheryl Everett, Mark Scott,
Shelby Smith, and Lonnie Clayton
Keith Riesberg, City Manager

FROM: Dan Olsen, Financial Services Director

SUBJECT: December Gross Receipts Tax and Latest Economic Data

Attached is the monthly dashboard for December GRT collections.

Gross Receipts Tax

The General Fund GRT distribution for December was \$2,407,638, which was \$297,000 or 14.1 percent above the budgeted monthly estimate. As you may recall, last month's distribution was unusually low due to several late filings by large companies. This month's distribution appears to have made up for that timing difference, bringing the City's year-to-date collections to a more normalized 3.8% growth rate over the same period last year.

Total GRT revenue remains 3.8 percent below budget estimates and therefore staff will propose a reduction in the GRT budget of approximately \$1.3 million with the other mid-year budget adjustments next month. However, additional revenues from other sources will nearly offset the GRT decline, eliminating the need for significant cuts to departments' current-year budgets.

Following are highlights from the December GRT data:

- The Retail sector showed positive growth for the first time this year, with year-to-date collections increasing 2.9 percent over the same period last year.
- The Construction sector has averaged month-to-month growth of 9.1 percent since July, and year-to-date collections are 29.4 percent above last year.
- Finance, Insurance, and Real Estate (FIRE) is up over 20 percent year-to-date, with most of that growth occurring in the Real Estate/Rental/Leasing sub-sector.
- The Utilities/Transportation/Warehousing and Manufacturing sectors have fallen off sharply, with both industries posting year-to-date declines of 23 percent.

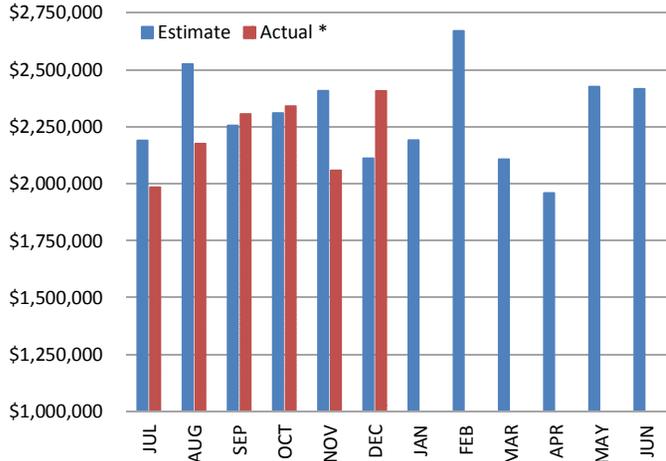
Unemployment and Jobs

The seasonally adjusted unemployment rate for the Albuquerque MSA was 6.7 percent in November, up from 6.6 percent in October but down from 7.0 percent last year. Total employment in the area grew 0.8 percent over last year, adding a net 2,900 jobs.

New Mexico's statewide unemployment rate fell from 6.5 percent in October to 6.4 percent in November, and job growth was 1.7 percent, representing a net gain of 14,100 jobs statewide. In comparison, the national unemployment rate remained unchanged at 5.8 percent.

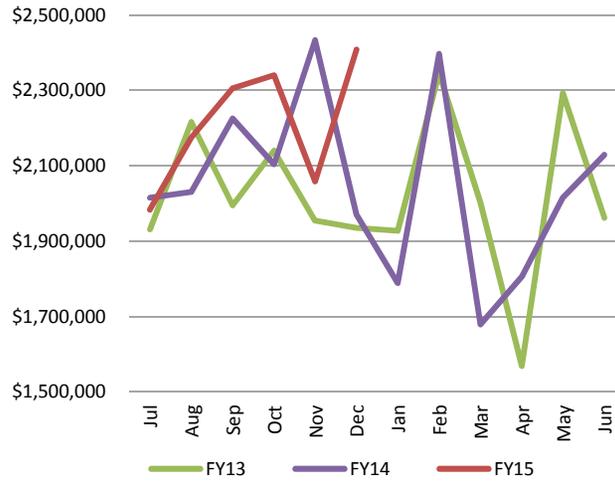
Rio Rancho Gross Receipts Tax Dashboard

**Chart 1: Gross Receipts Tax Monthly Revenue
General Fund FY15 Estimate vs. Actual**

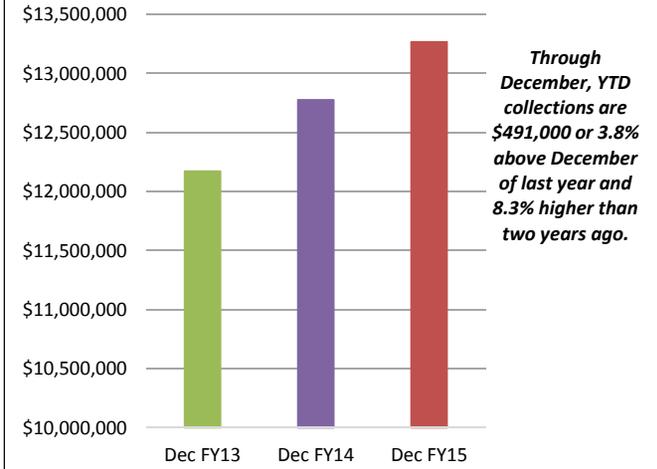


*YTD through December is (\$530,000) or 3.8% below the FY15 estimate

**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, as of November**



**Chart 4: GRT Distribution by Industry
FY15 YTD compared to FY14 YTD through November**

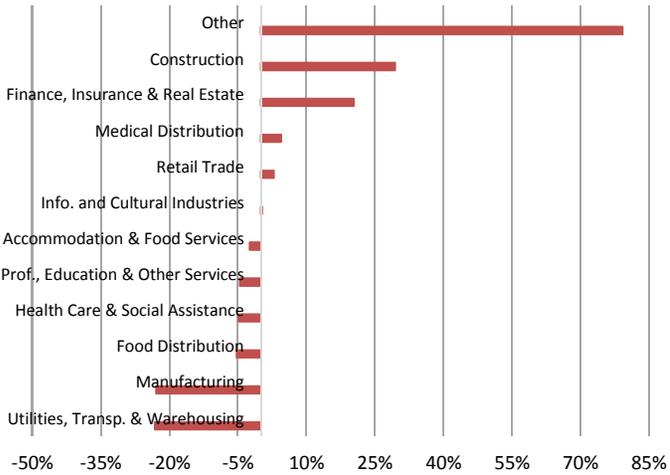


Chart 5: GRT Distribution by Industry FY15 YTD

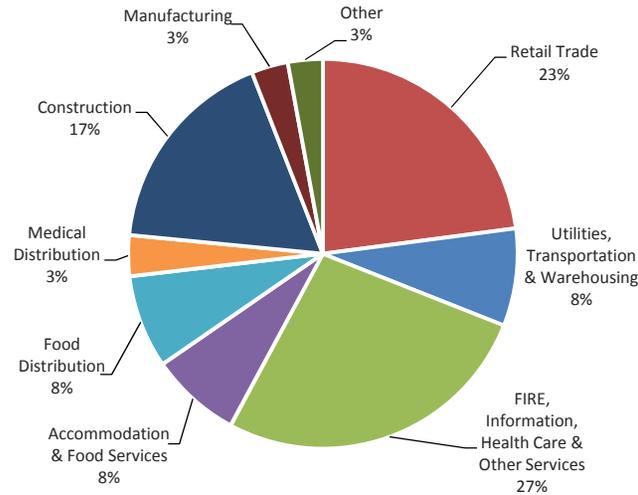


Chart 6: Changing Composition of GRT

