

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

MEMORANDUM

DATE: May 29, 2015

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

FROM: Dan Olsen, Financial Services Director

SUBJECT: May Gross Receipts Tax and Latest Economic Data

Attached is the monthly dashboard for May GRT collections.

Gross Receipts Tax

The City's May GRT distribution totaled \$2,487,067, which is \$178,000 or 7.7 percent above the budget estimate for the month. In total, year-to-date collections are \$2.19 million or 9.8 percent above the same period last year and appear to be on track to exceed the City's FY15 revised estimated growth rate of 6.7 percent.

Following are some highlights from the May GRT data:

- The Retail sector's year-to-date growth rate decreased from 6.0 percent last month to 5.8 percent this month.
- Gains in the Construction sector remain steady, with year-to-date growth of 41.7 percent. We suspect that some of the better-than-expected growth in total GRT revenue in the past two months stems from large construction projects currently progressing within the City; however, without access to detailed GRT information we cannot say for certain.
- The Finance, Insurance, and Real Estate sector is up 13.9 percent compared to last year, with most of that growth occurring in the Real Estate/Rental/Leasing sub-sector.
- The Utilities/Transportation/Warehousing and Manufacturing sectors continue to decline, falling 13.9 percent and 26.6 percent, respectively, compared to the same period last year.

Unemployment and Jobs – April

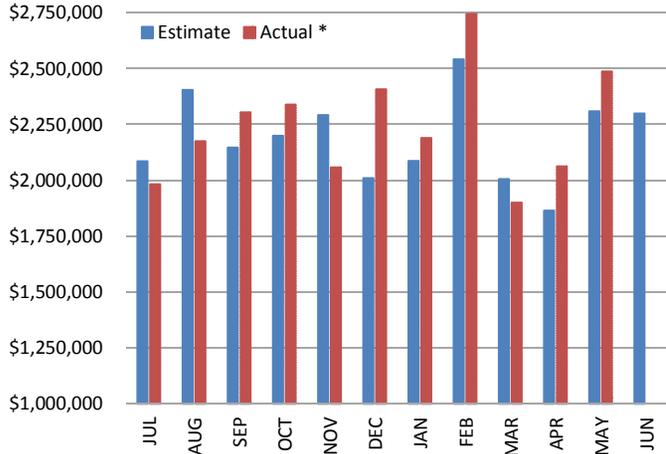
Detailed employment data for April will not be available until June. However, the preliminary (not seasonally adjusted) unemployment rate for the Albuquerque MSA moved down from 5.6 percent in March to 5.3 percent in April, and is down from 6.1 a year earlier.

New Mexico's overall unemployment rate increased from 6.1 percent in March to 6.2 percent in April but is down from 6.7 percent a year ago. Job growth since April 2014 was 1.5 percent, representing a net gain of 12,600 jobs. April was New Mexico's 32nd consecutive month of employment growth, and the state has added 10,000 or more jobs in each of the last six months.

In comparison, the national unemployment rate was 5.4 percent in April, down from 5.5 percent in February and 6.2 percent last year.

Rio Rancho Gross Receipts Tax Dashboard

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



*YTD through May is \$708,000 or 3.0% above the revised FY15 estimate

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

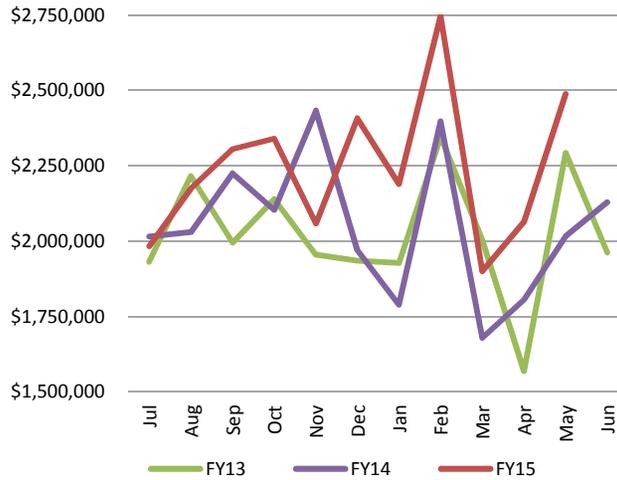
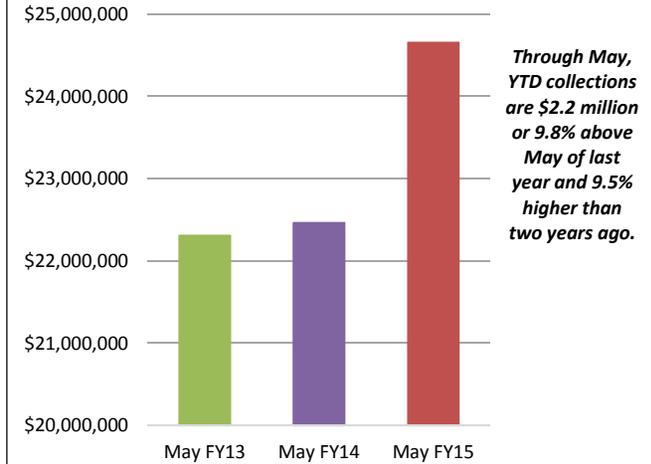


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years



Through May, YTD collections are \$2.2 million or 9.8% above May of last year and 9.5% higher than two years ago.

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

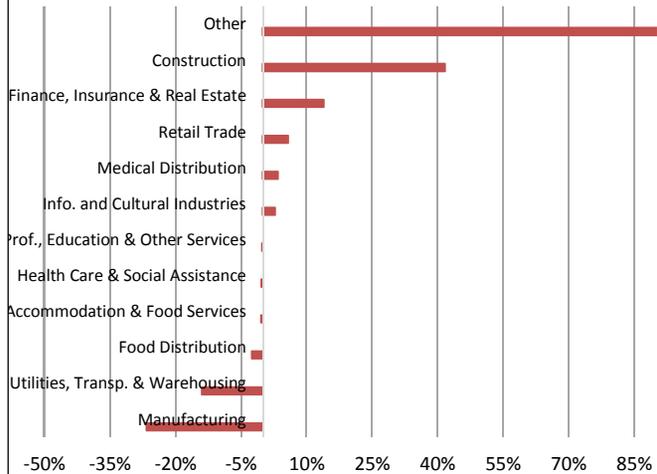


Chart 5: GRT Distribution by Industry FY15 YTD

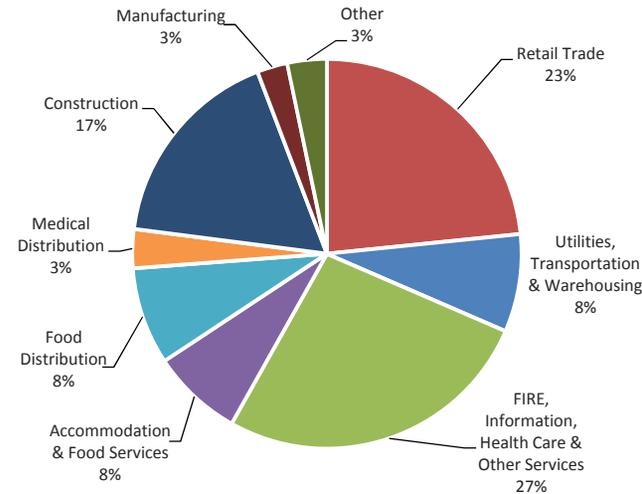


Chart 6: Changing Composition of GRT

