

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

MEMORANDUM

DATE: November 23, 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: **November Gross Receipts Tax and Latest Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for November GRT collections. The City’s November GRT distribution to the General Fund totaled \$2,622,219, which is \$220,000 or 9.2% above the budget estimate for the month and 27% above the amount received in November 2014. Year-to-date collections are 18.4% above the same period last year, compared to the 3.4% baseline growth estimate included in the fiscal year 2016 budget. As we explained at your recent work session, much of the increase in the last few months has come from the construction sector and should therefore be considered *one-time* funds. As the commercial and residential projects driving the increase are nearing completion, we expect GRT revenue to return to a more modest growth rate through the remainder of the fiscal year.

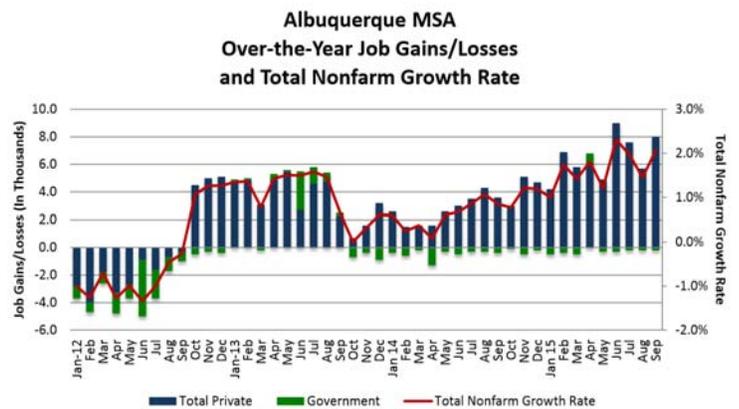
GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page.

Labor Market Indicators

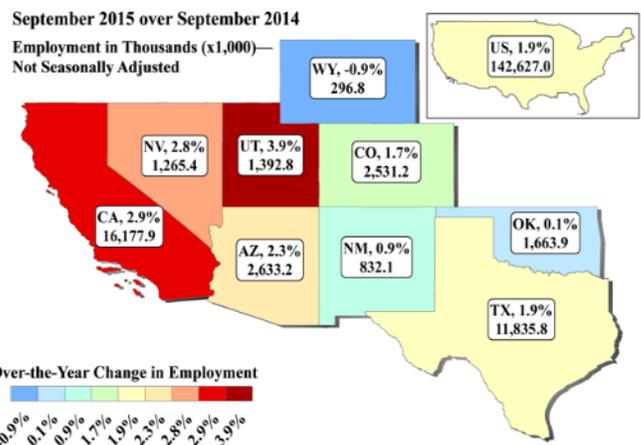
In September (the most recent data available), employment in the Albuquerque MSA grew by 2.1 percent, compared to September 2014, and the seasonally adjusted unemployment rate for the same period was 6.3 percent, up from 6.2 percent in August.

New Mexico’s seasonally adjusted unemployment rate was 6.8 percent in September, up from 6.7 percent in August and up from 6.3 percent a year ago. In contrast, the national unemployment rate was 5.1 percent, unchanged from August and down from 5.9 percent in September 2015.

The first chart at the right displays over-the-year job gains and losses for the ABQ MSA since January 2012. The second chart displays September job growth rates for selected western states. Both charts were produced by the New Mexico Department of Workforce Solutions. The latest copy of the state’s monthly *Labor Market Review* can be found [here](#).

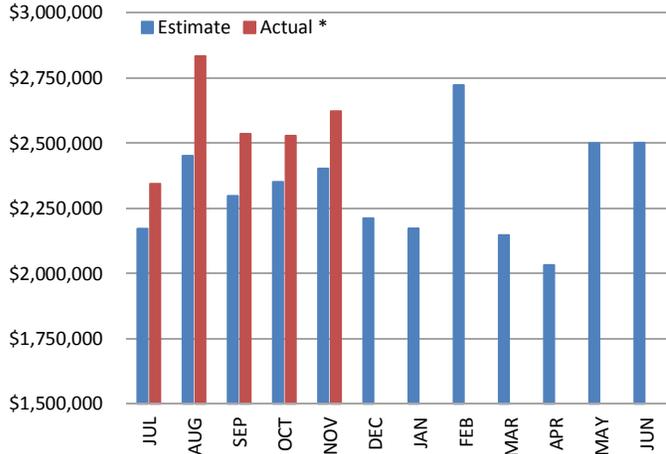


Current Regional Nonfarm Employment Growth



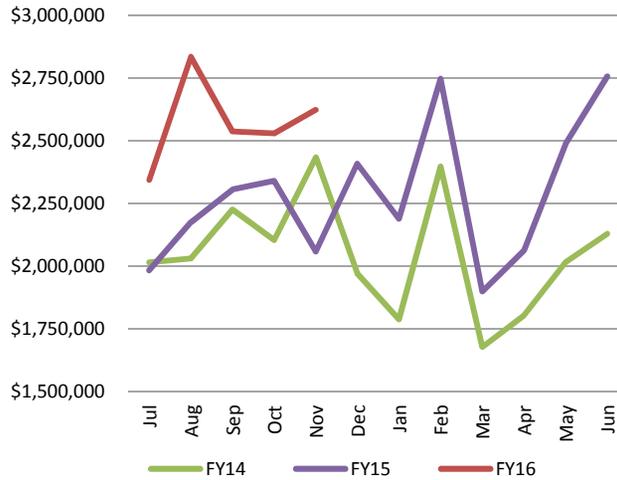
Rio Rancho Gross Receipts Tax Dashboard

**Chart 1: Gross Receipts Tax Monthly Revenue
General Fund FY16 Estimate vs. Actual**

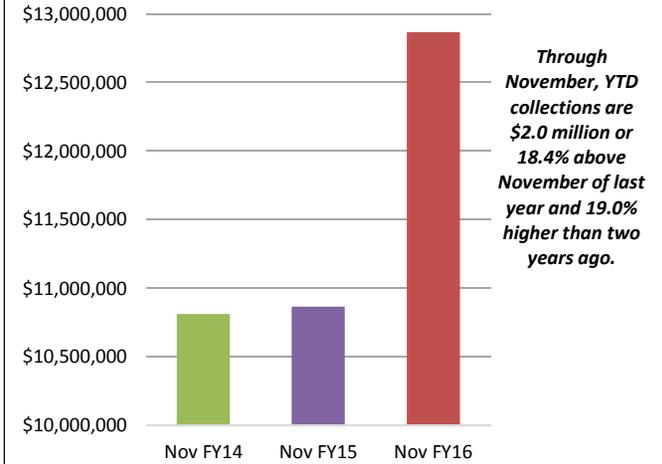


*YTD through November is \$1,189,000 or 10.2% above the FY16 estimate

**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
FY16 YTD compared to FY15 YTD**

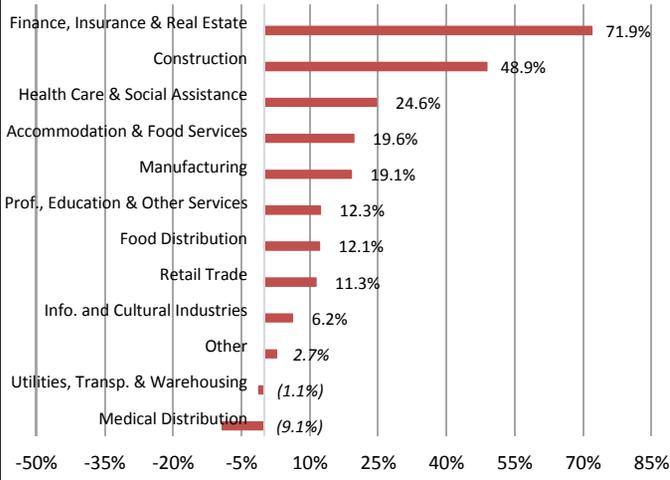


Chart 5: GRT Distribution by Industry FY16 YTD

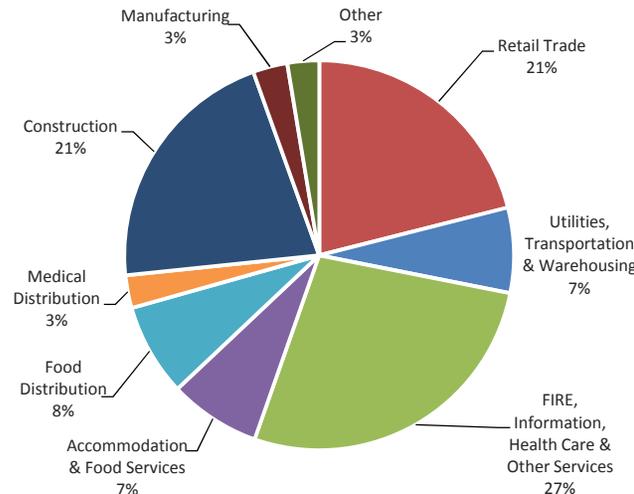


Chart 6: Changing Composition of GRT

