

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

MEMORANDUM

DATE: December 21, 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: **December Gross Receipts Tax and Latest Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for December GRT collections. The City’s December GRT distribution to the General Fund totaled \$2,003,831, which was \$207,000 or 9.4% below the budget estimate for the month and 16.8% below the amount received in December 2014. While this month’s distribution was lower than expected, year-to-date collections remain 7.1% above the FY16 budget and 12.0% above the same period last year. We expect GRT revenue to maintain a modest growth rate over the next six months, producing a small surplus by the end of the fiscal year.

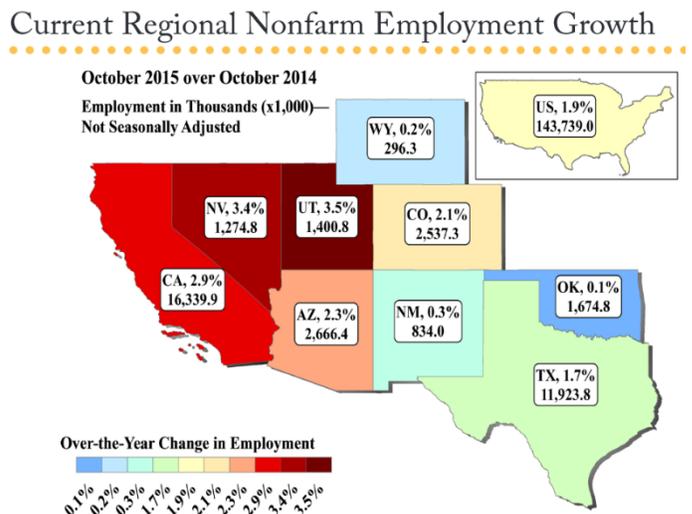
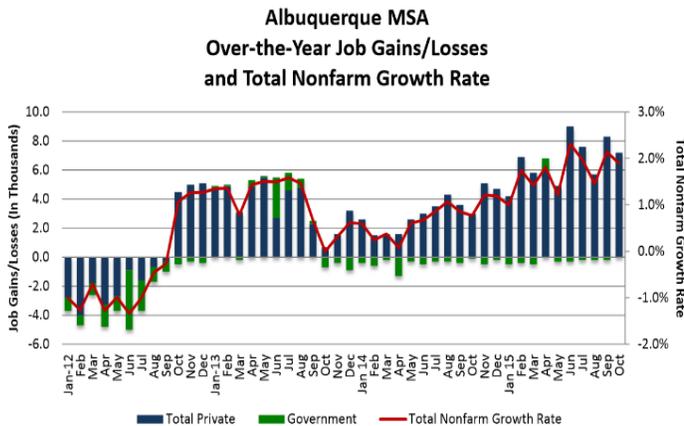
GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Note that all but two industries have positive year-to-date growth trends.

Labor Market Indicators

In October (the most recent data available), employment in the Albuquerque MSA grew by 1.9%, adding 7,200 jobs. The seasonally adjusted unemployment rate for October was 6.4%, up from 6.3% in September and up from 6.1% a year earlier.

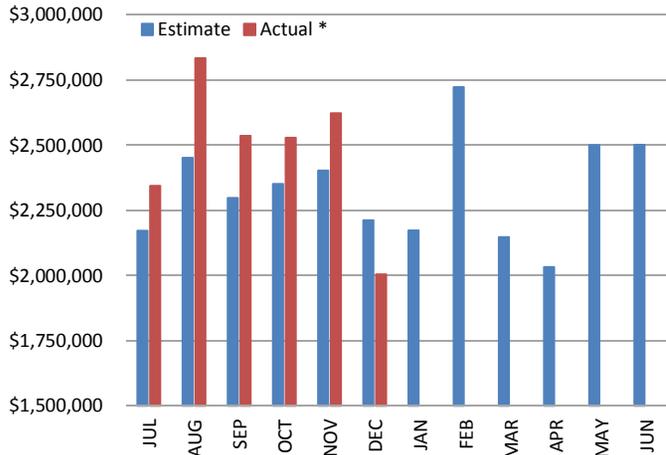
New Mexico’s seasonally adjusted unemployment rate was 6.8% in October, unchanged from September and up from 6.2% a year ago. In contrast, the national unemployment rate was 5.0%, down from 5.1% in September and down from 5.7% in October 2014.

The first chart below displays over-the-year job gains and losses for the ABQ MSA since January 2012. The second chart displays recent 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](#).



Rio Rancho Gross Receipts Tax Dashboard

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



*YTD through December is \$981,000 or 7.1% above the FY16 estimate

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

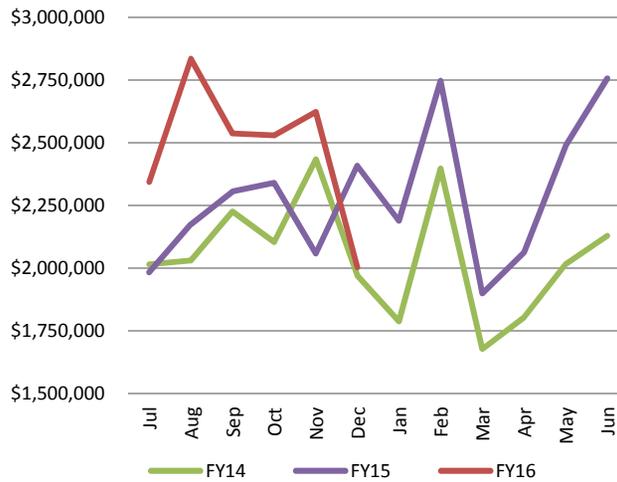


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

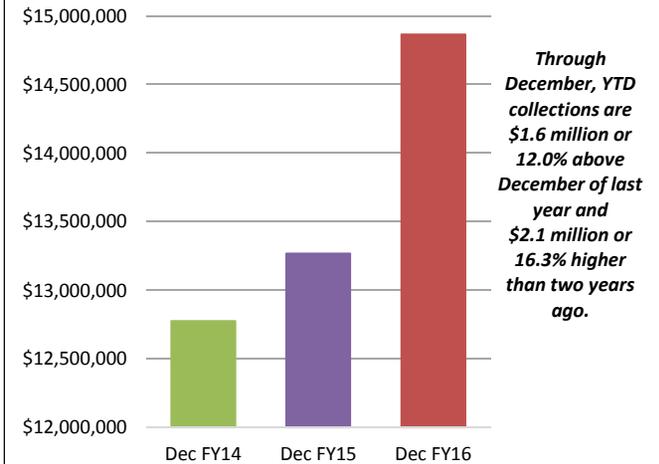


Chart 4: GRT Distribution by Industry FY16 YTD compared to FY15 YTD

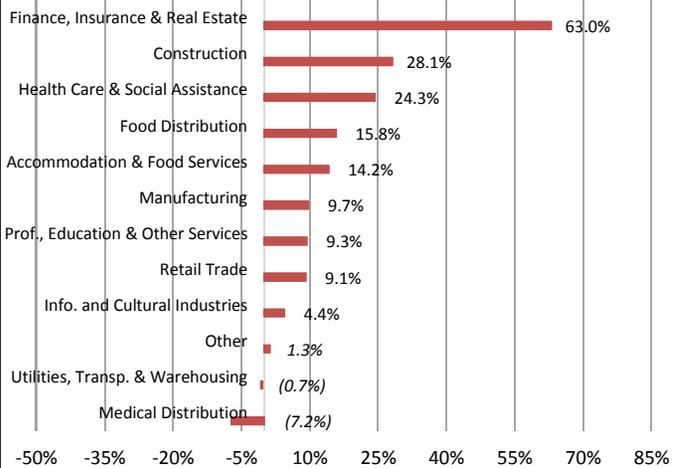


Chart 5: GRT Distribution by Industry FY16 YTD

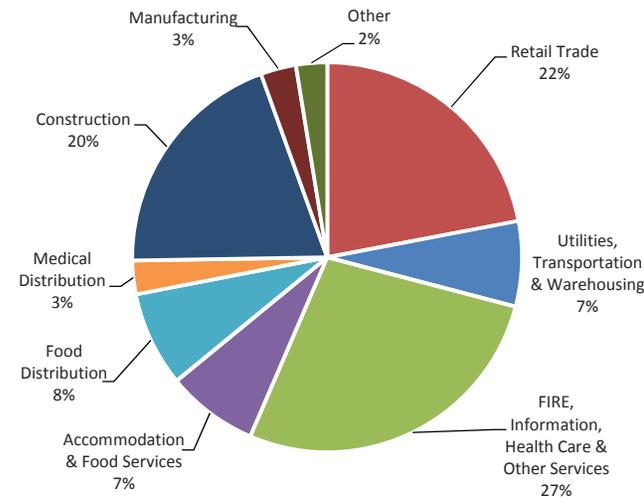


Chart 6: Changing Composition of GRT

