

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

MEMORANDUM

DATE: November 23, 2016

TO: Mayor Gregory Hull, Council Members Jim Owen, Dawnn Robinson, Cheryl Everett, Marlene Feuer, Jennifer Flor, and Dave Bency
Keith Riesberg, City Manager
John Craig, Deputy City Manager

FROM: Carole H. Jaramillo, Director of Financial Services

SUBJECT: **November Gross Receipts Tax and Recent Labor Market Indicators**

Gross Receipts Tax

Attached please find the monthly dashboard for November GRT collections. For the month, the City's GRT distribution to the General Fund totaled \$3,185,866 which was \$682,143 above the projection. Of that amount, the medical distribution of the State hold harmless contributed \$483,347. This is an unusually large medical distribution which represents 51 percent of the total year-to-date medical distribution. The large distribution is not unique to the City of Rio Rancho. Other municipalities, as well as counties, also received unusually large medical distributions in November. We have contacted the Taxation and Revenue Department for an explanation of this distribution, however, we have not yet received a response. Year-to-date there is a positive budget to actual variance of \$827,263 or 6.7 percent. Compared to the prior fiscal year, the cumulative variance is \$262,917 or 2.0 percent.

GRT trends for each major industry are shown in Table 4 of the Dashboard on the next page. Note that professional and other services continue to have a significant increase of 14.6 percent compared to prior fiscal year same period of time; other sectors with positive growth are accommodation and food services 15.3 percent, health care and social assistance 11.0 percent and retail 1.1 percent; in contrast, manufacturing and construction are contracting 19.2 percent and 17.7 percent respectively.

Labor Market Indicators

Employment information for the Albuquerque MSA for the month of September grew 0.9 percent over the year, adding 3,600 jobs. Following is the link to the state's monthly *Labor Market Review* reporting web page:

https://www.dws.state.nm.us/Portals/0/DM/LMI/lmrSept_16.pdf

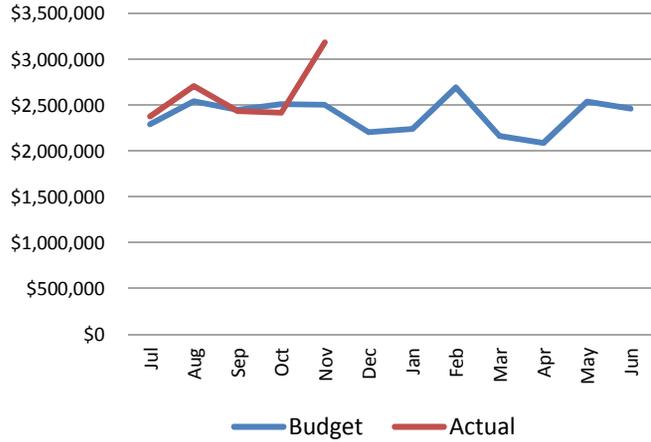
For the state as a whole, New Mexico's seasonally adjusted unemployment rate was 6.7 percent in October, unchanged from 6.7 percent from September and up from 6.5 percent a year ago. In contrast, the national unemployment rate was 4.9 percent, down from 5.0 percent in both September, 2016 and October 2015. The full October *Employment New Release* (statewide numbers only) can be found here:

https://www.dws.state.nm.us/Portals/0/DM/LMI/pr-pdf_1016.pdf

Wishing you a safe and happy Thanksgiving.

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Gross Receipts Tax Monthly Revenue General Fund FY17 Estimate vs. Actual



**YTD through November is \$827K or 6.7% above the FY17 estimate*

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

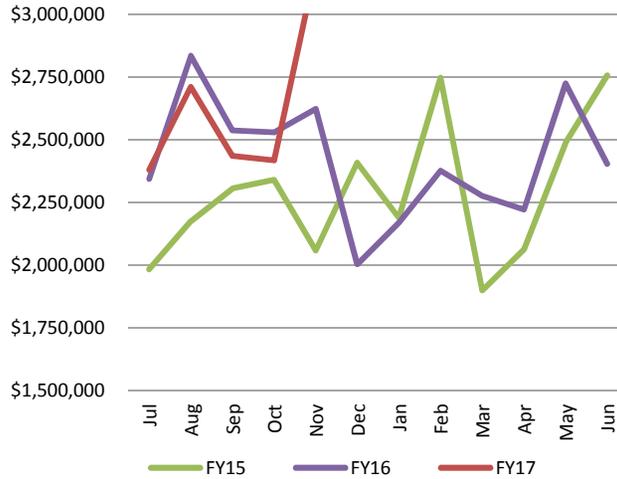


Chart 3: Gross Receipts Tax Year-to-Date Revenue General Fund Current vs. Prior Years

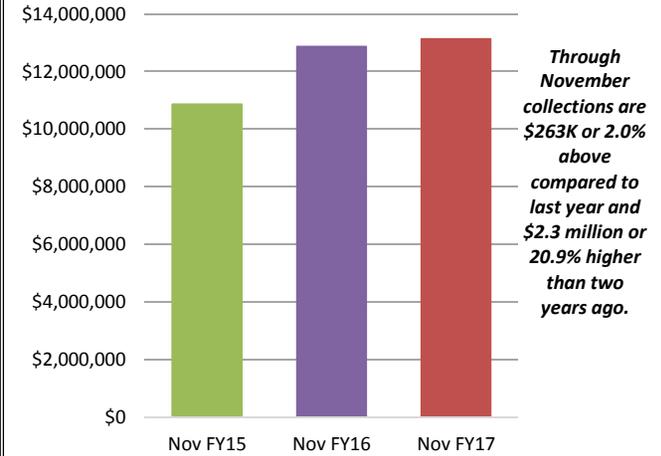


Chart 4: GRT Distribution by Industry FY17 YTD compared to FY16 YTD

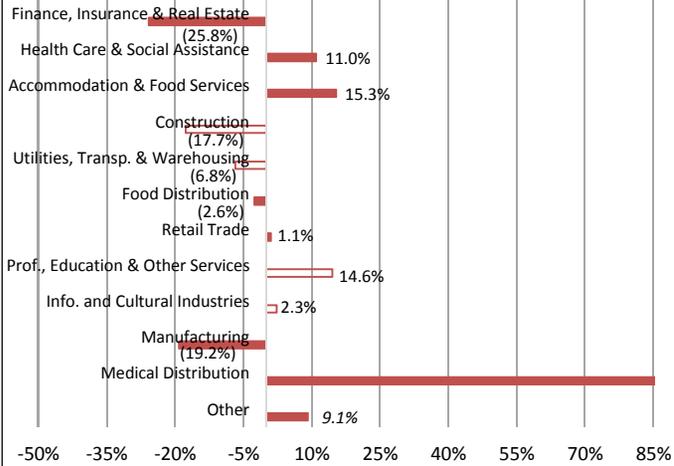


Chart 5: GRT Distribution by Industry FY17 YTD

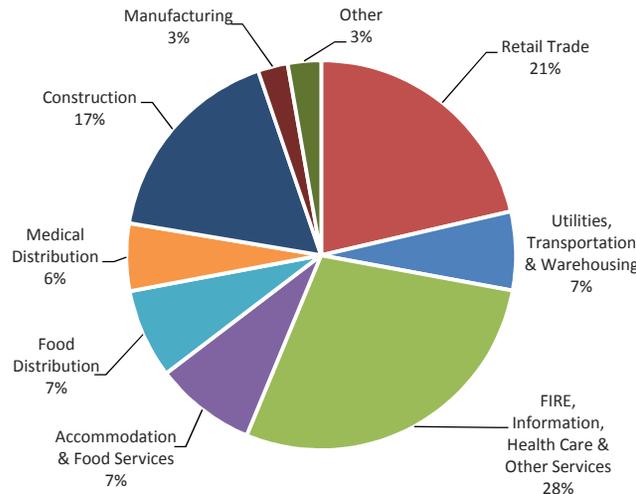


Chart 6: Changing Composition of GRT

