CITY OF RIO RANCHO DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: July 17, 2013

TO: Mayor Thomas Swisstack,

Council Members: Chuck Wilkins, Patricia Thomas, Tamara Gutierrez, Mark

Scott, Timothy Crum, and Lonnie Clayton

Keith Riesberg, City Manager and Laura Fitzpatrick, Assistant City Manager

FROM: Olivia Padilla-Jackson, Financial Services Director

SUBJECT: July 2013 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for July, which is based on May economic activity, was \$2,014,869 after adjustments, \$16,676 or 0.8 percent below the monthly estimate. Below are highlights of the month's distribution and attached is the Rio Rancho Gross Receipts Tax Dashboard showing notable GRT trends.

- The total July GRT distribution was 3.3 percent higher than July of 2012. The Manufacturing and Construction sectors grew considerably from last July, growing 124 and 11 percent, respectively (see more information below). In July, out of 22 sectors, all grew compared to last July, with the exception of four, Utilities, Finance and Insurance, Food Distribution, and Transportation and Warehousing.
- In July, the total Manufacturing distribution remained near the record high, surpassing the long-term monthly average of approximately \$30K at \$116K (See Chart 6).
- This month's total Construction sector distribution was \$422,695, a strong distribution. This month's amount marks a 5-month high and exceeds the FY13 average of \$390,490. As noted above, July's Construction distribution is 11 percent higher compared to last July, which is a good comparison due to the seasonal nature of this activity. The monthly average for FY11 and FY12 was \$545K and \$504K, respectively, much higher due to the hospitals.
- The broad Retail and Service sectors, two other major sectors of the City's economy, saw distributions growing 2.0 and 4.0 percent, respectively from last July.
- Offsetting the gains was the Utilities distribution. This month's Utilities distribution amount was \$134,130, which is below half of the historical monthly average and 48 percent below the amount reported last July. Timing of tax payments can be a factor and in the past, we have seen unusually small distributions made up the following month.

Rio Rancho Gross Receipts Tax Dashboard











