CITY OF RIO RANCHO DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: August 15, 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: August 2013 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for August, which is based on June economic activity, was \$2,029,762 after adjustments, -\$351,839 or 15 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 August GRT distribution was 9.2 percent lower than August of 2012. Three major sectors lagged behind last August, including Retail, Construction, and Utilities, which fell \$116,529 or 16 percent, \$110,427 or 25 percent, and \$94,135 or 26 percent, respectively (see more information below). The Manufacturing distribution also declined compared to last August and significantly from recent months (see below). In July, out of 22 sectors, 11 fell compared to last August.
- This month's total Construction sector distribution was \$330,755, lower than the FY13 average of \$390,490. As noted last month, the monthly average for FY11 and FY12 was \$545K and \$504K, respectively, boosted by the hospitals.
- After averaging \$90K in each of the last six months, the Manufacturing distribution in August fell closer the longer term average at \$36,991 (See Chart 6). As noted in the City Manager report, the State indicated to the City that the manufacturing sector was now remitting 100 percent of various utility expenditures, including electricity, to the State, instead of the utilities. This month's amount is counterintuitive to that assertion and staff will attempt to gather information as to why this distribution dropped so significantly.
- This month's Utilities distribution amount rose somewhat to \$277,013, still below the FY13 average monthly distribution of about \$307K and 26 percent below the amount reported last August. As noted previously, timing of tax payments by large payers in this sector can lead to large fluctuations on a month to month basis.

Rio Rancho Gross Receipts Tax Dashboard











