CITY OF RIO RANCHO DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: February 16, 2011

TO: Mayor Thomas Swisstack

Michael J. Williams, Council Member Patricia Thomas, Council Member Tamara L. Gutierrez, Council Member Steven L. Shaw, Council Member Timothy C. Crum, Council Member Kathleen Colley, Council Member James Jimenez, City Manager

Laura Fitzpatrick, Assistant City Manager

FROM: Olivia Padilla-Jackson, Financial Services Director

SUBJECT: February 2011 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for the month of February, which is based on December activity, was \$2,402,965 after deductions, \$159,300 above the monthly estimate (see Attachment 1, FY11 Gross Receipts Tax Revenue Estimate vs. Actual). Year-to-date Fiscal Year 2011 (FY11), GRT revenue is \$631,646 or 4.2 percent higher than the annual estimate and approximately 0.6 percent lower than FY10 through the same period.

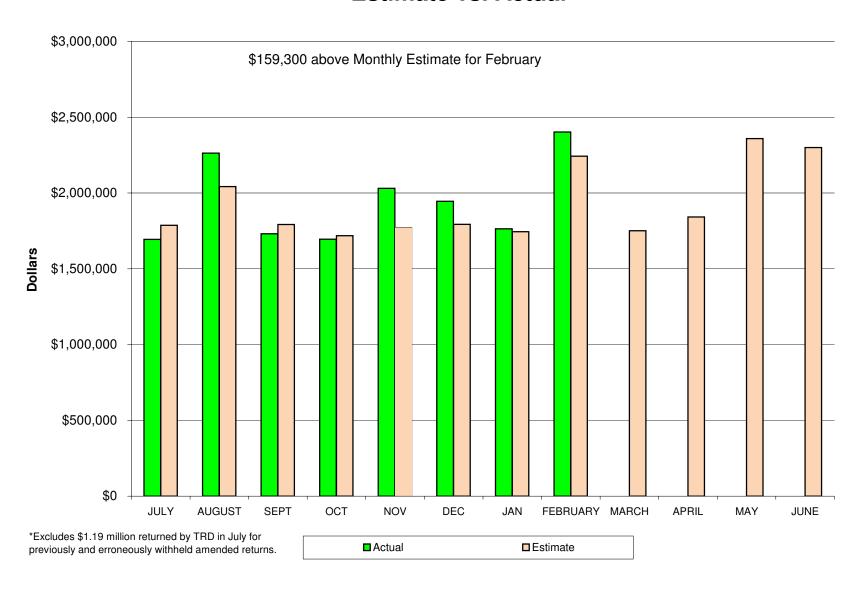
Attachments 3 and 4 illustrate the trends in Gross Receipts Tax revenues by monthly totals and major sector activity. Below are some highlights of these graphs.

- The February GRT distribution was 8.7 percent above the February 2010 amount and the highest February distribution since February 2008. YTD, construction and retail activity continues to be the most significant drags, though both sectors continue to improve. Utilities, telecom, and services are significantly higher compared to FY10.
- Construction GRT revenue increased almost 41 percent from February 2010, which is attributed to the two hospital construction projects in full swing. Overall, GRT revenue from construction activity is down 17.4 percent compared to the same period last year, or \$777,675 lower.
- Retail revenue was almost 5 percent higher than the amount received in February 2010. Fiscal year to date and was the highest monthly distribution since February 2007. Revenue from retail activity is about 3 percent lower than FY10.

- The Services sector revenue was 6.8 percent lower than February 2010. Compared to FY10 YTD, this revenue is 2.9 percent higher.
- The Transportation, Communications, and Utilities (TCU) sector revenue is 6.5 percent lower compared to last February. This sector is about 7.8 percent higher compared to the same period in FY10, which appears to be related to higher electricity prices.
- Manufacturing GRT was about \$5,600 higher than last February. Fiscal year to date, Manufacturing is over 17 percent lower compared with the same period last fiscal year.

Please see Attachment 2 that shows the amounts of GRT collected by industry and compares YTD revenue and percent of total to the prior fiscal year.

FY11 Gross Receipts Tax Revenue Estimate vs. Actual



FY11 GROSS RECEIPTS REVENUES

	February	FY11 Y-T-D	FY10 Y-T-D	Y-T-D	Y-T-D
	(December Activity)			% Change Over FY10	\$ Change Over FY10
Construction	\$588,850 18.84%	\$3,680,632 18.01%	\$4,458,307 21.28%	-17.44%	(\$777,675)
Manufacturing	\$15,167 0.49%	\$138,276 0.68%	\$167,459 0.80%	-17.43%	(\$29,183)
Trans/Comm/Util	\$297,907	\$1,963,450	\$1,820,740	-17.43/6	(\$29,163)
	9.53%	9.61%	8.69%	7.84%	\$142,710
Wholesale Trade	\$18,873 0.60%	\$159,376 0.78%	\$194,597 0.93%	-18.10%	(\$35,221)
Retail Trade	\$1,223,275 39.15%	\$7,560,477 36.99%	\$7,789,681 37.18%	-2.94%	(\$229,204)
Fin/Ins/Real Estate	\$49,597 1.59%	\$455,540 2.23%	\$495,991 2.37%	-8.16%	(\$40,451)
Services	\$639,630	\$4,644,791	\$4,513,505		
Other	20.47% \$291,435	22.72% \$1,838,471	21.54% \$1,509,019	2.91%	\$131,285
Other	9.33%	8.99%	7.20%	21.83%	\$329,452
Total GRT Receipts	\$3,124,732	\$20,441,013	\$20,949,299	-2.43% ₌	(\$508,286)
Adjustment/Reclass General Fund	(\$721,767) \$2,402,965	(\$4,936,474) \$15,504,539	(\$5,332,069) \$15,617,230	-0.72%	(\$112,691)

