CITY OF RIO RANCHO DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: November 20, 2012

TO: Mayor Thomas Swisstack,

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

Scott, Timothy Crum, and Lonnie Clayton

James Babin, Acting City Manager

Laura Fitzpatrick, Assistant City Manager

FROM: Olivia Padilla-Jackson, Financial Services Director

SUBJECT: November 2012 General Fund Gross Receipts Tax Revenue Distribution

The General Fund Gross Receipts Tax (GRT) revenue distribution for November, which is based on September economic activity, was \$1,954,369 after adjustments, \$183,696 or 8.6 percent below the monthly estimate. Fiscal year to date, GRT revenue to the General Fund is \$183,843 below the estimate, which reflects a 1.8 percent variance compared to the annual estimate. Below are some highlights of this month's distribution and attached is the Rio Rancho Gross Receipts Tax Dashboard showing notable GRT trends.

- The November General Fund GRT distribution was approximately 18 percent lower than the distribution in November of 2011, with construction by far experiencing the most significant year over year declines. Fiscal year to date, the General Fund GRT distribution is 10.8 percent lower compared to the same period last year.
- Construction GRT to the General Fund fell 50 percent from the amount one year ago, from \$766,665 to \$383,604 (before adjustments). To put this reduction into perspective, last November was the highest construction distribution month since the recession started, which likely reflected one of the final GRT payments for the Presbyterian Hospital construction. Fiscal year to date, construction is down 34.5 percent.
- The Services sector revenue was 11 percent higher compared to November of 2011, bringing the fiscal year to date amount 1.4 percent higher than the same period last year. Losses in Professional, Scientific and Technical Services and Information and Cultural Industries have now been offset with gains in the combined Healthcare and Social Assistance sector and the Medical Hold Harmless distributions. Fiscal Year to date, these two combined healthcare-related sectors are 138 percent higher than the same period last year. As noted in the last monthly report, Educational Services is an industry to keep an eye on, as it is now over 300 percent lower fiscal year to date.

- Revenue from the broad Retail sector (which incorporates Retail, Accommodation and Food Services and the Food Hold Harmless distribution) rose three percent compared to the amount received in November of 2011, to \$988,032. Fiscal year to date, this broad sector is 2.1 percent higher, with the Food Hold Harmless distribution and the Accommodation and Food Services subsector leading the gains.
- Other sectors showing strength, fiscal year to date, include Manufacturing and Utilities, while other sectors showing weaknesses include Finance and Insurance and Wholesale Trade.

Rio Rancho Gross Receipts Tax Dashboard











