

CITY OF RIO RANCHO
DEPARTMENT OF FINANCIAL SERVICES

MEMORANDUM

DATE: April 15, 2014

TO: Mayor Thomas Swisstack,
Council Members: Chuck Wilkins, Dawnn Robinson, Cheryl Everett, Mark Scott,
Timothy Crum, and Lonnie Clayton
Keith Riesberg, City Manager and Laura Fitzpatrick, Assistant City Manager

FROM: Marta Ortiz, Interim Financial Services Director

SUBJECT: **April 2014 General Fund Gross Receipts Tax Revenue Distribution**

The General Fund Gross Receipts Tax (GRT) revenue distribution for April, which is based on February economic activity, was \$1,805,332 after adjustments, \$51,999 or 15.1 percent above the monthly estimate. The reason for the increase is primarily related to manufacturing, real estate and rental and leasing, admin and support, waste management and remediation services, and educational service sectors showing 112.8, 11.7, 18.2, and 32.0 percent, respectively, increase from last April. Fiscal year to date, GRT distributions are 0.61 percent or (\$125,429) below the annual estimate; which results in the budget projection being less than 1.0 percent variance. Also, the comparison fiscal year to date actual is 2.15 percent above FY13 actual, which indicates the Albuquerque MSA economy is continuing to show signs of growth. Below are highlights of the month's distribution and attached is the Gross Receipts Tax Dashboard showing notable GRT trends.

- This month's total Construction sector distribution was \$410,452, or 10.3 percent lower than fiscal year to date through April of 2013 and lower than the FY13 monthly average of \$69,413 or 17.0 percent.
- The Manufacturing distribution grew substantially from last April fiscal year to date, growing 112.8 percent. However, month over month shows a modest decrease of \$11,430 or 37.0 percent from last April. Manufacturing companies are continuing to remit GRT on various utility expenditures, including electricity, instead of the utility companies. This change in reporting of the manufacturing distribution has lapsed one year; therefore, the month over month comparison should be modest going forward.
- The Utilities distribution amount continues to fall by \$320,985 or 10.5 percent from last April. As noted above, the decline is the change in reporting for electricity used in the manufacturing process.
- The other two major sectors, Retail and Services, show a slight change compared to one year ago. Retail is 1.6 percent lower, fiscal year to date, while Services are higher by 3.6 percent. Within the Retail sectors, food related sales are slightly higher or 4.2 percent compared to the same period last year. Within the Services sector, the Admin and

Support and Educational sectors are 18.2 and 32.0 percent, respectively, higher compared to the same time last year.

Rio Rancho Gross Receipts Tax Dashboard

Chart 1: Total Monthly GRT Distribution

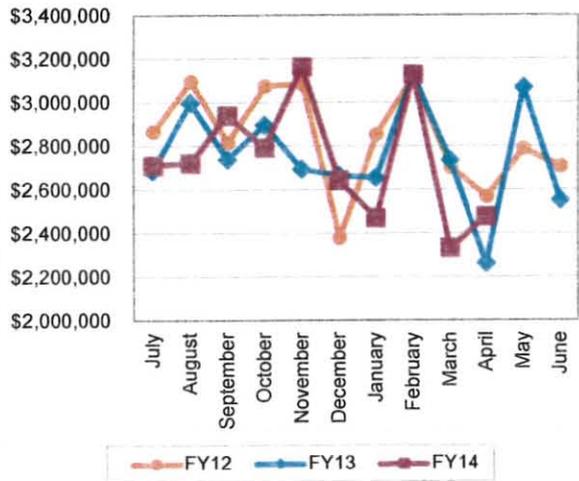


Chart 2: FY14 Gross Receipts Tax Monthly Revenue General Fund Estimate vs. Actual

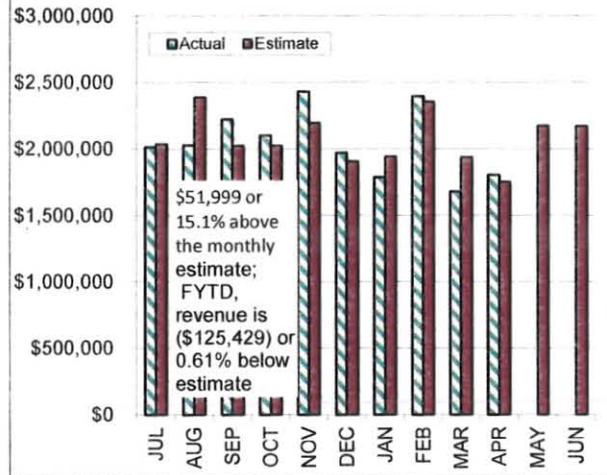


Chart 3: FY14 YTD Total GRT Distribution compared to FY13 YTD through April

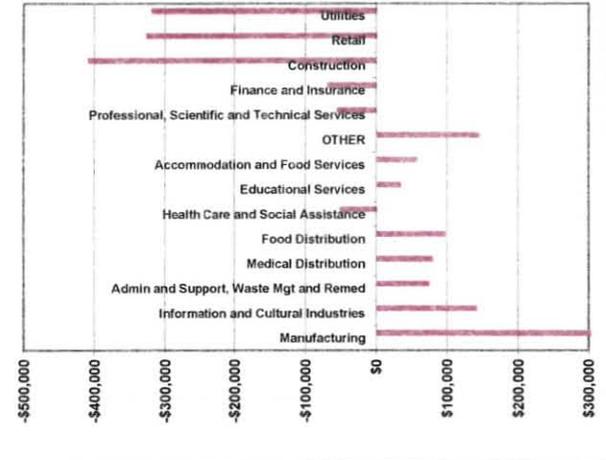


Chart 4: Health Care and Social Assistance and Medical Hold Harmless Distribution

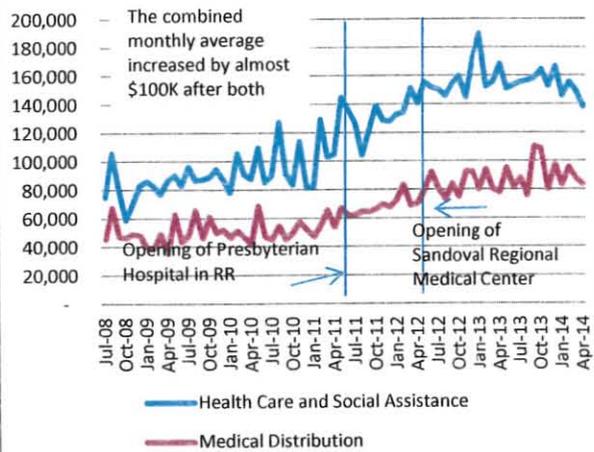


Chart 5: Accommodation and Food Services and Food Hold Harmless Distribution

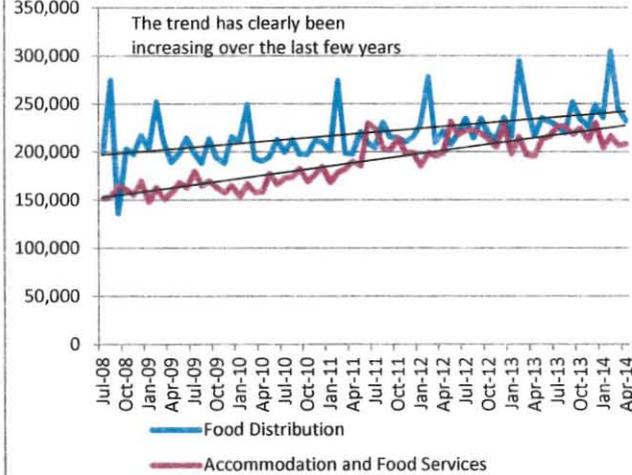


Chart 6: Manufacturing and Utilities GRT Distribution

