

PROGRAM NARRATIVE**Date:** 12/23/2014**475 ND Mill and Elevator Association****Time:** 13:00:36**Program:** Flour Mill and Grain Terminal Operations**Reporting level:** 00-475-100-00-00-00-00000000**Program Performance Measures**

The North Dakota Mill:

- (1) seeks to be the leader in quality and service for the milling industry
- (2) manufactures flour to bakery specifications from hard red spring wheat
- (3) manufactures durum flour and semolina to pasta manufacturer's specifications from hard amber durum
- (4) seeks to develop new, value added products to enhance the growth and profitability of the North Dakota Mill

Program Statistical Data

The North Dakota Mill:

- (1) purchases and mills 26,000,000 bushels of spring wheat and durum
- (2) produces and sells 12,500,000 hundred weights of finished product of which approximately 80% is bulk and 20% is bagged
- (3) will provide employment for approximately 135 people

Explanation of Program Costs

A major part of the budget is wages and benefits for the 135 employees to mill 26,000,000 bushels of grain into 12,500,000 hundred weights of flour and semolina. Costs of repairs and operating supplies are those required to keep the terminal and mill running at peak efficiency. Utilities are the next largest expense category. Electrical useage is high as several motors of various sizes are used in running the terminal and mill. Other expense includes advertising and promotion expense, data processing expense, interest expense, insurance, communications, employee expense, and postage. Agriculture promotion is money spent on general promotion that is not tied specifically to mill products. All funds are generated through operations, and when necessary bank loans from the Bank of North Dakota are used. No General Funds are required.

Program Goals and Objectives

The North Dakota Mill will:

- (1) purchase and mill 26,000,000 bushels per year of North Dakota grown spring and durum wheat.
- (2) realize profits in order to maintain the facilities in top operating condition.
- (3) return a portion of the profits to the General Fund.

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475 ND Mill and Elevator Association

Date: 12/23/2014

Time: 13:00:36

Program: Flour Mill and Grain Terminal Operations

Reporting level: 00-475-100-00-00-00-00000000

REQUEST DETAIL BY PROGRAM

475 ND Mill and Elevator Association

Bill#: HB1014

Date: 12/23/2014

Time: 13:00:36

Biennium: 2015-2017

Program: Flour Mill and Grain Terminal Operations	Reporting Level: 00-475-100-00-00-00-00000000
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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Salaries and Wages					
Salaries - Permanent	11,852,537	12,857,090	1,213,421	14,070,511	1,103,607
Salaries - Other	2,388,627	4,661,982	2,086,218	6,748,200	0
Temporary Salaries	198,005	516,000	600	516,600	0
Overtime	3,235,006	4,011,794	1,195,906	5,207,700	0
Fringe Benefits	5,731,764	7,094,884	707,809	7,802,693	540,299
Total	23,405,939	29,141,750	5,203,954	34,345,704	1,643,906
Salaries and Wages					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	23,405,939	29,141,750	5,203,954	34,345,704	1,643,906
Total	23,405,939	29,141,750	5,203,954	34,345,704	1,643,906
Accrued Leave Payments					
Salaries - Other	0	575,807	(575,807)	0	0
Total	0	575,807	(575,807)	0	0
Accrued Leave Payments					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	575,807	(575,807)	0	0
Total	0	575,807	(575,807)	0	0
Operating Expenses					
Travel	505,823	615,000	55,000	670,000	0
Supplies - IT Software	173,948	175,000	105,000	280,000	0
Supply/Material-Professional	113,808	325,000	0	325,000	0
Miscellaneous Supplies	1,576,438	2,028,000	272,000	2,300,000	0
Office Supplies	148,435	221,000	(21,000)	200,000	0
Postage	54,874	80,000	0	80,000	0
IT Equip Under \$5,000	87,398	125,000	95,000	220,000	0
Utilities	6,048,078	8,625,000	3,675,000	12,300,000	0
Insurance	1,615,180	2,325,000	200,000	2,525,000	0
Repairs	5,131,884	6,065,000	900,000	6,965,000	0
IT - Communications	144,066	252,000	(2,000)	250,000	0
IT Contractual Srvcs and Rprs	160,273	225,000	400,000	625,000	0
Professional Development	244,697	280,000	72,000	352,000	0
Operating Fees and Services	0	225,000	(225,000)	0	0

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
Fees - Professional Services	70,128	230,000	5,000	235,000	0
Total	16,075,030	21,796,000	5,531,000	27,327,000	0
Operating Expenses					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	16,075,030	21,796,000	5,531,000	27,327,000	0
Total	16,075,030	21,796,000	5,531,000	27,327,000	0
Agriculture Promotion					
Non-Operating Expenses	62,840	210,000	0	210,000	0
Total	62,840	210,000	0	210,000	0
Agriculture Promotion					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	62,840	210,000	0	210,000	0
Total	62,840	210,000	0	210,000	0
Contingency					
Non-Operating Expenses	0	400,000	100,000	500,000	0
Total	0	400,000	100,000	500,000	0
Contingency					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	400,000	100,000	500,000	0
Total	0	400,000	100,000	500,000	0
Total Expenditures	39,543,809	52,123,557	10,259,147	62,382,704	1,643,906
Funding Sources					
Special Funds					
475 Mill and Elevator Fund	39,543,809	52,123,557	10,259,147	62,382,704	1,643,906
Total	39,543,809	52,123,557	10,259,147	62,382,704	1,643,906
Total Funding Sources	39,543,809	52,123,557	10,259,147	62,382,704	1,643,906

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Biennium: 2015-2017

Program: Flour Mill and Grain Terminal Operations **Reporting Level:** 00-475-100-00-00-00-00000000

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Request 2015-2017
FTE Employees	131.00	135.00	0.00	135.00	12.00

CHANGE PACKAGE DETAIL
475 ND Mill and Elevator Association
Biennium: 2015-2017

Bill#: HB1014

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Program: Flour Mill and Grain Terminal Operations			Reporting Level: 00-475-100-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes

Ongoing Budget Changes

A-A 1 Inflationary and capacity increase changes		0.00	0	0	5,631,000	5,631,000
Base Payroll Change		0.00	0	0	4,628,147	4,628,147
Total Ongoing Budget Changes		0.00	0	0	10,259,147	10,259,147
Total Base Budget Changes		0.00	0	0	10,259,147	10,259,147

Optional Budget Changes

Ongoing Optional Changes

A-C 2 New FTE for Expansion Project	1	6.00	0	0	812,026	812,026
A-C 3 New FTEs for Workload	2	6.00	0	0	831,880	831,880
Total Ongoing Optional Changes		12.00	0	0	1,643,906	1,643,906
Total Optional Budget Changes		12.00	0	0	1,643,906	1,643,906