

**Mill and Elevator Association
Budget 475
House Bill No. 1015**

	FTE Positions	General Fund	Other Funds	Total
1999-2001 legislative appropriation	124.00		\$20,525,488	\$20,525,488
1997-99 legislative appropriation	<u>130.00</u>		<u>19,442,202</u>	<u>19,442,202</u>
1999-2001 appropriation increase (decrease) to 1997-99 appropriation	(6.00)	\$0	\$1,083,286	\$1,083,286

Item Description

Transfer to the general fund - Section 9 of House Bill No. 1015 provides for a \$3 million transfer from the Mill and Elevator Association to the general fund during the 1999-2001 biennium.

Capital improvements - 1999 House Bill No. 1115 authorizes the Industrial Commission to arrange for the funding of a Mill and Elevator Association renovation project through the issuance of evidences of indebtedness. The cost of the renovation project may not exceed \$19.5 million.

The Mill and Elevator Association renovation project involves five separate areas of improvement and modernization--elevator renovation, wheat cleaning systems upgrade, addition of a wheat tempering building, upgrade of A & B mills and refold of D & K mills, and the addition of a mids pelleting system.

Vacancy of president and general manager position - Mr. Mike Strobel, President and General Manager of the Mill and Elevator Association, resigned effective December 31, 1999.

Status/Result

Through March 2000, no transfers have been requested by the director of the Office of Management and Budget. Actual profits for the first nine months of the biennium totaled \$1,747,347. The following table compares the mill's assets, liabilities, and equity as of June 1999 and March 2000:

	June 1999	March 2000
Total assets	\$47,675,620	\$50,822,008
Total liabilities	\$1,996,662	\$3,422,464
Equity	\$45,678,958	\$47,399,544

The Mill and Elevator Association began the renovation project in the fall of 1999. As of April 12, 2000, the project is approximately 25 percent complete, and the Mill and Elevator Association anticipates the project to be completed in January 2001.

As of April 12, 2000, the Mill and Elevator Association has not borrowed any loan funds or issued any tax-exempt bonds. Project expenses to date total \$9.4 million and have been paid with current assets. The Mill and Elevator Association does have a \$7.5 million approved line of credit at the Bank of North Dakota, but at this time there is no estimate as to how much of the line of credit will be used.

The Industrial Commission is in the process of conducting interviews and anticipates a decision to be made regarding the position by the end of May.