

Mt. McKinley Meat & Sausage Facility (MMMS)

House Finance Subcommittee



**Presentation by Ed Fogels, Deputy Commissioner
Alaska Department of Natural Resources
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OVERVIEW

- State owned slaughter facility located in Palmer.
- Only USDA certified facility in southcentral, utilized by industry from Homer to Delta.
- Provides federally required USDA stamp to move product into commerce.
- Asset of the Agricultural Revolving Loan Fund (ARLF), and funded via ARLF.
- ARLF is housed within the Division of Agriculture, overseen by the Board of Agriculture & Conservation (BAC).
- No general fund money is appropriated or used in the maintenance and operation of MMMS.

MMMS REVENUES & EXPENSES

	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	FY2008	FY2007	FY2006	FY2005
Revenues											
Services	166,232	151,519	119,879	111,484	113,730	120,590	105,170	92,799	72,335	60,629	\$ 61,665
Sale of Product	1,417,607	1,679,875	1,629,660	1,227,282	1,088,606	918,549	894,898	956,026	1,115,693	1,302,897	1,284,064
Freight	18,973	19,687	15,230	10,636	9,521	29,354	34,100	37,806	26,679	29,594	28,379
Total Revenues	1,602,812	1,851,082	1,764,769	1,349,402	1,211,857	1,068,493	1,034,168	1,086,632	1,214,706	1,393,120	1,374,107
Expenses											
Personal Services	363,486	362,010	341,188	313,817	311,345	299,275	292,818	277,450	270,216	253,454	276,769
Travel	-	-	-	-	-	-	59	-	-	-	-
Contractual Services	207,808	188,842	176,421	160,215	157,296	166,323	199,000	178,144	199,329	238,954	209,223
Commodities	1,186,534	1,257,742	1,355,894	966,897	865,146	731,845	667,219	719,137	834,604	1,096,424	1,012,456
Total Expenses	1,757,827	1,808,594	1,873,503	1,440,929	1,333,787	1,197,443	1,159,096	1,221,198	1,304,148	1,588,832	1,498,448
Net Earnings / (Loss)	\$ (155,016)	\$ 42,488	\$ (108,734)	\$ (91,528)	\$ (121,930)	\$ (128,950)	\$ (124,928)	\$ (134,566)	\$ (89,442)	\$ (195,712)	\$ (124,341)

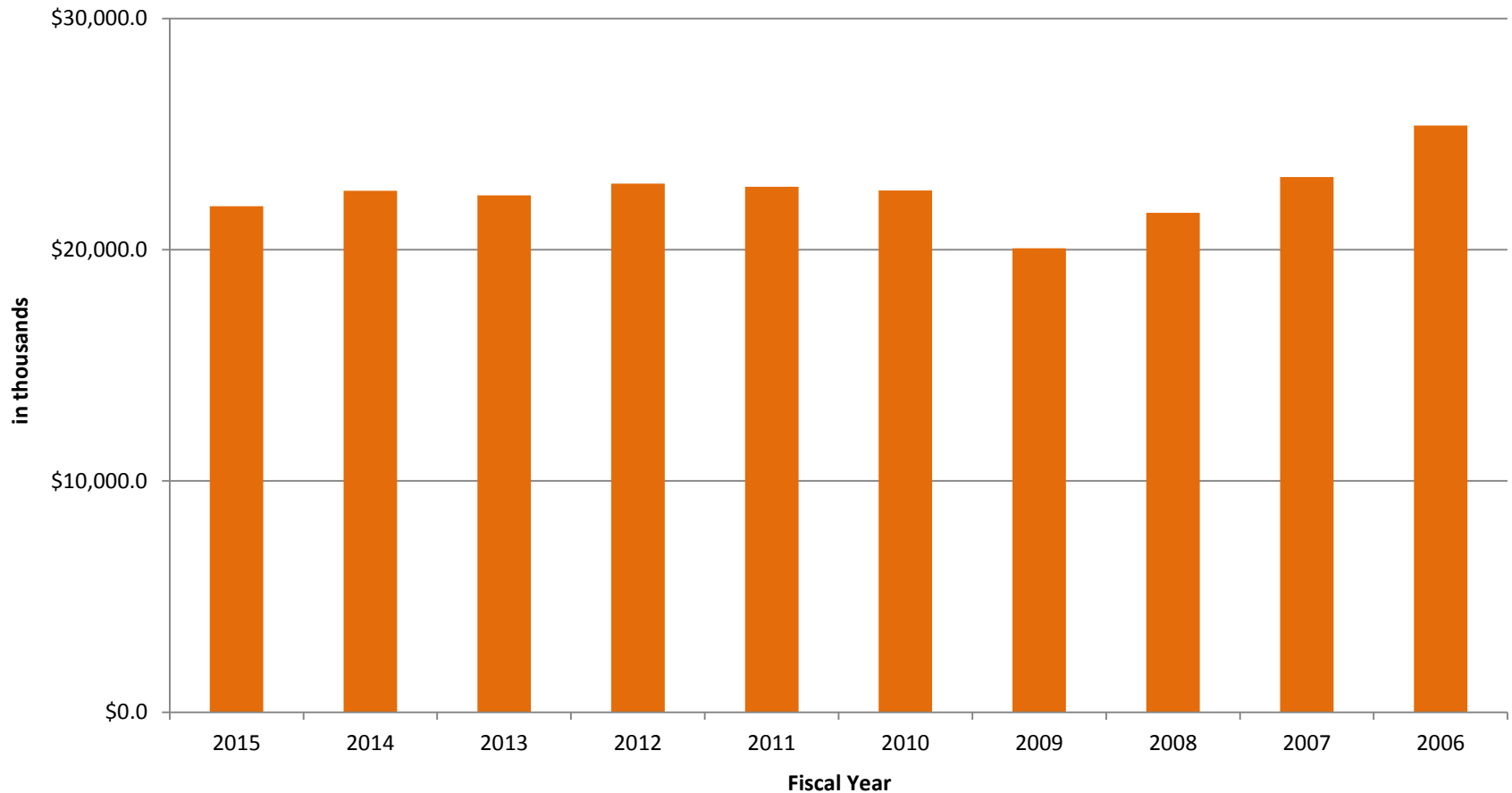
Contractual Services Expenses: Utilities, RSA for accounting services, RSA to Corrections for inmate wages, RSA to Law for ARLF legal services.

Commodities Expenses: Meat purchases for resale, live animals processed for slaughter and resale, meat processing supplies.

Average Loss: \$110,822

ARLF FINANCIAL HEALTH

Agricultural Revolving Loan Fund Fund Equity Balance



EMPLOYEE SALARIES

Department of Natural Resources

Mt. McKinley Meat and Sausage Plant Personal Services

Source: FY2016 Management Plan

PCN	Job Class Title	Type	Location	Range	Annual Salary	Annual Benefits	Total Costs
20-6122	Correctional Industry Production Manager II	Permanent Full Time	Palmer	18	91,164	49,824	140,988
20-6169	Correctional Industry Production Manager I	Permanent Full Time	Palmer	16	76,884	44,654	121,538
20-6425	Correctional Industry Production Manager I	Permanent Full Time	Palmer	16	56,401	37,237	96,638

359,164

ATTEMPTS TO PRIVATIZE

2000

- Request for Proposal (RFP) to sell with a minimum purchase price of \$600.0*

2002

- RFP for lease and operation for five years with option to purchase*

2006

- RFP to sell with no minimum purchase attached*

2014

- BAC seeking public input for options to transition (Industry Survey)

* No acceptable offers were received by the ARLF

QUESTIONS?

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