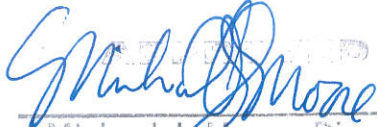


Prison Enterprises Board Meeting

January 19, 2016


Michael J. Moore, Director
DATE 3/16/16

1. Chairman Charles Chatelain called the meeting to order at 10:04 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Harvey Honore
 - Eric Lane
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Kacie Henderson
 - Daniel Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
3. Chairman Charles Chatelain asked for a motion to approve the minutes of the December 15, 2015 meeting. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Honore seconded the motion and it passed unanimously.
4. Mr. Chatelain announced that an election would be held at the end of the meeting to elect a new Chairman and Vice-Chairman for the PE board. Mr. Chatelain turned the meeting over to Director Moore.
5. Director Moore began by informing the board that Industries Manager, Scot Floyd was unable to attend the meeting as he was called to serve Jury Duty.
6. Continuing, Director Moore referenced eight (8) wooden State of Louisiana seals against the wall of the meeting room. He explained that the new administration contacted PE regarding the manufacturing of wooden seals for the Governor's Inaugural Ceremony. Mr. Floyd and various PE Supervisors worked diligently to provide multiple prototypes of stained and painted seals.
7. Next, Director Moore stated that Governor John Bel Edwards reappointed Department of Public Safety & Corrections Secretary James LeBlanc and that PE was looking forward to a smooth transition with this announcement.
8. Continuing, Director Moore reported on the water stages of the Mississippi River and the effects of the flooding to PE. He stated that three hundred fifteen (315) acres of rye grass was lost and hundreds of cattle were shuffled amongst the various farms. He noted that

- the previous governor had declared a State of Emergency relating to the rising waters and that PE was identifying the expenses and losses incurred due to the flooding.
9. Then, Director Moore discussed PE's participation in the American Correctional Association (ACA) Winter Conference in New Orleans January 22 – 27, 2016, and noted that the Louisiana Department of Corrections (DOC) was hosting the conference. PE industry supervisors were attending the conference and several administrative personnel were "volunteers" and assisting DOC in the hosting duties. Additionally, PE was providing industry tours for conference attendees from Washington State Correctional Industries.
 10. Director Moore stated that the February special Legislative session would address the state's budget shortfall. He explained that although it was unlikely PE would be "directly" affected by the budget cuts, PE could be "indirectly" affected by the reduction of supplemental spending and other cuts affecting state agencies.
 11. Lastly, Director Moore provided a personnel update by reiterating that the Quality Assurance Coordinator at PE Headquarters, Anne Myles, resigned to practice law and also noted that Myriah Chevalier was hired to fill the Front Desk position.
 12. Director Moore then asked Deputy Director Labatut for his comments.
 13. Mr. Labatut began by reiterating the importance of maintaining good working relationships between PE and the prisons. He cited Allen Correctional Center (ALC) and Elayn Hunt Correctional Center (EHCC), as two examples, stating that PE would not have successfully completed the rush order of Inaugural Ceremony seals without assistance from ALC and EHCC. He then explained that PE provided transportation assistance to Avoyelles Correctional Center (AVC) by hauling Meals Ready to Eat (MRE) from Camp Minden to AVC.
 14. Lastly, Mr. Labatut reported that the restoration of fence at DOC Headquarters looked great and is scheduled to be completed by the end of February.
 15. Mr. Moore then asked Mr. Buttross for the administrative update.
 16. Mr. Buttross began by providing an update on remodeling Building 10. He reported that all of the windows should be installed by the end of January. Mr. Buttross reported the number of offenders and correctional officers working at Building 10 during the past few months. He stated that the first delivery of modular furniture would arrive on January 26th or 27th and installed at the end of February.
 17. Continuing, Mr. Buttross announced that meetings with DOC staff were scheduled to estimate the remaining expenses associated with remodeling Building 10. He reported that the final draw on the bond would be completed by February 1st and noted that although the draw would include the estimated expenses, the money would not be disbursed to the vendors until the terms of the contract were met.
 18. Then, Mr. Buttross reported on the status of the Canteen Packaging Program Warehouse. He noted that the geo-technical engineers took the last dirt samples needed to determine if the pad meets the compaction requirements. Mr. Buttross also stated that two (2) Request for Proposal's have been received. After evaluating both proposals, PE will submit a recommendation to the Office of State Procurement.
 19. Next, Mr. Buttross stated that PE purchased a used Freightliner in Lafayette to replace a wrecked transportation truck. The Freightliner had low mileage and was in very good shape. A used Department of Wildlife and Fisheries truck was in the process of being purchased from Louisiana Property Assistance Agency to replace a truck at Louisiana

- State Penitentiary (LSP). Mr. Buttross also reported that a Purchase Order was received for an air conditioning/heating unit for PE's Chair plant at Dixon Correctional Institute (DCI).
20. Lastly, Mr. Buttross reported that the December 2015 job orders totaled \$422,000 as compared to December 2014 job orders of \$296,000. He reported that the January 2016 orders to date were \$560,000 (including a license tag order for \$362,000) while December 2014 total of job orders was \$326,000.
 21. Next, Director Moore stated that Mrs. Sigrest would provide the financial update. He explained that she would provide the changes from October 2015 preliminary financial statements she reported last month to the "finalized" October 2015 statements unless there were any questions. He noted she would also present the preliminary financial statements for November 2015 and the preliminary sales for December 2015.
 22. Mrs. Sigrest began by stating that the final October statement showed an increase of \$540 in sales and a decrease of \$7,561 in net income. Continuing, she reported that November 2015 preliminary YTD sales were \$12.9 million compared to last year's \$14 million, a decrease of \$1.1 million. Industries totaled \$4.6 million this year as compared to \$4.4 million last year, an increase of \$213,000. Agriculture totaled \$2.7 million this year and \$3.3 million last year, a decrease of \$621,000. She stated Retail sales for October 2015 were \$5.5 million and \$6.2 million for November 2014 resulting in a decrease of \$776,000 for this year.
 23. Mrs. Sigrest reported that the preliminary YTD net income for November 2015 was a loss of \$433,000 as compared to \$1.1 million profit in November 2014, a decrease of \$1.5 million. Industries net income was \$294,000 compared to \$357,000 in 2014, a decrease of \$63,000. Agriculture net income was a \$399,000 loss for November 2015 compared to a \$897,000 profit in November 2014, a decrease of \$1.3 million. Mrs. Sigrest stated Retail net income was \$203,000 as compared to last year's net income of \$338,000, a decrease of \$135,000.
 24. Next, Mrs. Sigrest reported the preliminary YTD sales for December 2015 was \$14.9 million as compared to \$16.9 million in December 2014, a decrease of \$2 million. Industries totaled \$5.3 million in December 2015 compared to \$5.6 million last December, a decrease of \$353,000. Agriculture sales were \$2.9 million for December 2015 and \$3.6 million in December 2014, a decrease of \$686,000. She stated that Retail Sales for December 2015 was \$6.6 million as compared to \$7.6 million December 2014, a decrease of \$990,000.
 25. Director Moore, then asked Mrs. Melius for the marketing update.
 26. Mrs. Melius began by reporting that PE received three (3) DOC orders: an order from Louisiana Correctional Institute for Women (LCIW) for officer uniforms, mops, brooms, print, linens, and janitorial products totaling \$72,869, an order from LSP for officer uniforms totaling \$23,298, and an order from David Wade Correctional Center (DWCC) for janitorial products totaling \$17,279.
 27. Continuing, Mrs. Melius announced that two (2) significant job orders were received: an order from the Office of Motor Vehicles (OMV) for plates totaling \$362,181 and an order from the Department of Public Safety and Corrections for printing totaling \$37,667.
 28. Lastly, Mrs. Melius reported that the Sales and Marketing staff was busy working on a quote for office furniture and to refurbish chairs for the Louisiana Commissioner of Administration.

29. Director Moore, then asked Mrs. Stagg to provide the Industries update in Mr. Floyd's absence.
30. Mrs. Stagg began with an update on the industries at LSP. She reported on the progress of the Epson Computer to Plate system that was installed at the Print Shop on January 14, 2016. She stated that PE staff and offenders were trained and immediately began using the system to make high quality press plates. She reported that the Silk Screen Shop was working on several specialized tags such as the Largemouth Bass, Support the Troops and Environmental Educator. The Print Shop was also producing signs for Louisiana State University and shirts for the Ascension Parish Jail. She noted that while there were no significant changes at the Canteen Distribution Center and Personal Property, they were waiting for some items to be awarded. Next, she reported that in addition to several small specialty and personalized plate orders the Tag Plant was also working on the latest order of 200,100 plates from OMV. Continuing, Mrs. Stagg reported that the Mattress Factory had adequately stocked the finished mattress and cover inventory, in the event offenders are moved to temporary housing due to the rising river levels. Next, she explained that the Metal Fabrication Shop was busy working on a Bayou Segnette State Park order and preparing to transport the items needing woodwork to the Furniture Shop at ALC. In addition, while touring the Metal Shop, staff members from Louisiana State Parks requested design changes on the trash can lid and the ends of the bunk beds. The changes were viable and successfully incorporated into production.
31. Then Mrs. Stagg reported on the Garment Plants. She reported that the plant at Winn Correctional Center was producing boxers and shirts and focusing on increasing the inventory of cold weather clothing and bedding. She explained that the LCIW Plant was having problems with vendors delivering substandard materials and that the condition of the loads when they arrived was poor. Noting that Club Tex delivered T-shirt material with holes and was not bolted with a continuous piece of material. She said that Elite Textiles was late with deliveries and the loads were not palletized as specified on the bid. She reported that the Garment Plant production at EHCC remained low even though PE staff and offenders were working overtime. Prior to the holiday break, production numbers increased and goals were met. After returning from the break, the production numbers declined and the number of available workers dropped.
32. Next, Mrs. Stagg reported on the Furniture, Chair, and Embroidery Plants. She explained that the ALC Furniture Plant was busy refurbishing sofas and chairs for the Ernest Morial Convention Center, building the cabinetry for Building 10 and completing the table tops and shelves for the Bayou Segnette order as well as assembling the dining room chairs for the order. She noted that the heater at DCI Chair and Embroidery was out and some production time could be lost if the temperature drops. Additional heaters were purchased to minimize downtime. The Embroidery Shop delivered one hundred thirty-eight (138) shirts to the Division of Probation and Parole and received the approval to continue producing the remainder of order. The backordered items for the second, five (5) head embroidery system were received and the installation date has been scheduled.
33. Continuing, Mrs. Stagg reported that the automatic soap press machine was received and EHCC maintenance was assisting in the installation.
34. Lastly, Mrs. Stagg announced that the Wakefield Meat Plant had increased purchases of popular bid items in order to deliver LSP orders timely.
35. Mr. Lane excused himself from the meeting.

36. Director Moore asked Mr. Hoover for the agriculture update.
37. Mr. Hoover discussed the Mississippi River flood and cresting stages and the effects to the agricultural operations at LSP. He reported the number of cows shuffled between the various prisons. He explained that breeding should begin in six (6) weeks, although it could be delayed until the cows are returned to their respective prisons.
38. Continuing, Mr. Hoover reported that two (2) loads of steers from DWCC would be sold via the Superior Video Auction held on February 12, 2016.
39. Lastly, Mr. Hoover provided an overview of the National Association of Institutional Agribusiness conference he attended January 11 – 15, 2016, in Savannah, GA. He explained the importance of attending the conference and the value of networking with other professionals in the institutional agriculture industry.
40. Mr. Chatelain announced that due to Mr. Lane's unexpected departure there were not enough members present for a quorum thus the Chairman and Vice-Chairman Election would be deferred until the February meeting.
41. Mr. Chatelain commended Mrs. Sigrest for preparing and reporting PE's financial status in a clear and precise format.
42. Mr. Chatelain announced that the next board meeting would be held at 10:00 AM on Tuesday, February 16, 2016 at PE Headquarters. At 10:58 AM, Mr. Chatelain adjourned the meeting.