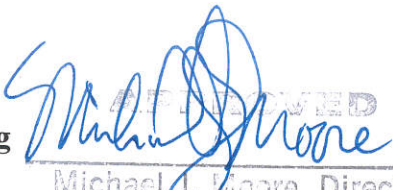


**Prison Enterprises Board Meeting**

**February 16, 2016**

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

1. Chairman Charles Chatelain called the meeting to order at 10:03 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 welcomed everyone to the meeting and noted that not enough members were present for a quorum so a vote to approve the prior meeting minutes would not be taken nor an election to select a Chairman and Vice Chairman for the PE Board would be held.
4. Mr. Chatelain turned the meeting over to Director Moore.
5. Director Moore began by reiterating the various budget cuts expected from the special Legislative session and the impact they will have to PE. A “sweep” of some of PE’s funds (cash) has been proposed. If passed it would reduce PE’s planned cash flow, thus hampering PE’s ability to build raw materials and finished goods inventories including those for hurricane season. Additionally, PE may experience a decrease in “year-end” sales due to the reduction of supplemental spending and the other cuts affecting state agencies.
6. Next, Director Moore informed the board that PE would be hosting the Louisiana Sheriff’s Association (LSA) Newly Elected Sheriffs Luncheon at PE Headquarters on March 1, 2016. He explained that PE Sales and Marketing plan to introduce various products and services that are available through PE.
7. Continuing, Director Moore provided an update on PE’s participation at the American Correctional Association (ACA) conference held in New Orleans, January 22 -27, 2016. He discussed the variety of workshops and networking opportunities, which PE’s industry personnel participated in while attending the conference. He also noted that

- several of PE's administrative personnel volunteered to assist the Department of Corrections (DOC) in hosting the conference.
8. Next, Director Moore provided details of a meeting with the Legislative Auditors. He noted that the focus of the meeting was tailored to PE's upcoming audit and to determine which facilities the auditors would tour.
  9. Director Moore continued with a brief personnel update and explained that a Quality Assurance Coordinator (QAC) was hired.
  10. Lastly, Director Moore reported that a meeting with the Office of Motor Vehicles (OMV) was requested to share information with the new Commissioner.
  11. Director Moore then asked Deputy Director Labatut for his comments.
  12. Mr. Labatut announced that the restoration of the fence at DOC Headquarters was completed.
  13. Next, Mr. Labatut announced that at the request of Mr. Ardoin, a tour of PE's Rangeherd and Industries at Louisiana State Penitentiary (LSP) has been organized for the New Orleans members of the AFL/CIO.
  14. Lastly, Mr. Labatut provided a synopsis of the Elayn Hunt Correctional Center (EHCC) and Louisiana Correctional Institute for Women (LCIW) garment plant tours he conducted for the two Deputy Directors from Washington State Correctional Industries. He reported that they commented on the cleanliness of both plants and were impressed with the positive relationship PE had developed with the offenders.
  15. Mr. Moore then asked Mr. Buttross for the administrative update.
  16. Mr. Buttross began by providing an update on Building 10 renovations and referenced pictures located in each Board Members meeting folder. He stated that the final draw on the bond was made and in accordance with the construction budget.
  17. Then, Mr. Buttross reported on the status of the Canteen Packaging Program Warehouse. He noted that the geo-technical engineers certified that the building pad conformed to the compaction requirements, signifying that the foundation (slab) could be formed and the cement poured.
  18. Continuing, Mr. Buttross discussed the Request for Proposal (RFP) for the Canteen Packaging Program. He stated that a meeting was scheduled for February 18<sup>th</sup> with the Office of State Procurement (OSP) to select a vendor. Mr. Buttross estimated it would take at least sixty days for the contract to be in place.
  19. Next, Mr. Buttross reported that the Canteen Distribution Center was awaiting one (1) large grocery bid and a few individual item bids to be awarded.
  20. Lastly, Mr. Buttross announced that the January 2016 job orders had increased significantly from January 2015. He stated that January 2016 orders totaled \$737,000 while January 2015 job orders totaled \$326,000. Next, he reported that the February 2016 orders to date were \$102,000 while February 2015 total job orders were \$1,042,000 which included a license tag order for \$543,000.
  21. Director Moore asked Mrs. Sigrest to provide the financial update. He noted that she would only provide the changes from the November Preliminary Financials that were reported in last month's meeting.
  22. Mrs. Sigrest began by stating that the net income on November's final statement decreased by \$142,000 from the November preliminary statement. Continuing, she reported that December 2015 final YTD sales were \$14.7 million as compared to December 2014 of \$16.9 million, a decrease of \$1.9 million. Industries totaled \$5.3

million this year as compared to \$5.6 million last year, a decrease of \$327,000. Agriculture totaled \$2.9 million this year and \$3.6 million last year, a decrease of \$686,000. She stated Retail sales for December 2015 were \$6.6 million and \$7.6 million for December 2014 resulting in a decrease of \$975,000 this year.

23. Mrs. Sigrest reported that the final YTD net income for December 2015 was a loss of \$829,000 as compared to \$1.3 million profit in December 2014, a decrease of \$2.1 million. Industries net income was \$175,000 compared to \$589,000 in 2014, a decrease of \$414,000. Agriculture net income was a \$619,000 loss for December 2015 compared to \$903,000 profit in December 2014, a decrease of \$1.5 million. Mrs. Sigrest stated Retail net income was \$234,000 as compared to last year's net income of \$408,000, a decrease of \$173,000.
24. Next, Mrs. Sigrest reported the preliminary YTD sales for January 2016 was \$16.8 million as compared to \$19.8 million in January 2015, a decrease of \$2.9 million. Industries totaled \$6 million in January 2016 compared to \$6.9 million last January, a decrease of \$869,000. Agriculture sales were \$3 million for January 2016 and \$4 million in January 2015, a decrease of \$1 million. She stated that Retail Sales for January 2016 was \$7.7 million as compared to \$8.8 million January 2015, a decrease of \$1 million.
25. Director Moore, then asked Mr. Buttross to provide the marketing update.
26. Mr. Buttross began by reporting that PE received three (3) DOC orders: an order from David Wade Correctional Center (DWCC) for janitorial products, offender clothing, officer uniforms, and linens totaling \$32,879, an order from LSP for linens, janitorial products, and mattresses totaling \$23,285 and from Rayburn Correctional Center for linens, offender clothing, and officer uniforms totaling \$16,950.
27. Continuing, Mr. Buttross announced that three (3) other significant job orders were received: an order from Calcasieu Parish Sheriff's Office for mattresses and offender clothing totaling \$18,698, an order from Jefferson Parish Correctional Center for mattresses totaling \$19,875 and an order from the West Feliciana Parish Library for fencing totaling \$10,665.
28. Next, Mr. Buttross stated that two (2) significant job quotes were given. A quote to St. Tammany Parish Work Release for metal bunks and lockers totaling \$74,390 and a quote to Southern University for thirty (30) stools totaling \$9,150.
29. Lastly, Mr. Buttross reported on a meeting with the Office of Juvenile Justice. Then he thanked Industries Manager Scot Floyd and PE's QAC's for assisting the Sales and Marketing staff with hosting the LSP tour of PE's Industries' for the Louisiana Office of State Parks staff.
30. Director Moore, then asked Mr. Floyd to provide an Industries update.
31. Mr. Floyd began with an update on the industries at LSP. He reported that four workstations at the Silkscreen Shop were working to complete 8,600 specialty plates. He stated that the Tag Plant had completed all 200,100 license plates the OMV ordered, with the exception of the Brown Pelican plates. He went on to report that the Print Shop was busy working on orders for new letterhead and business cards. Next, he stated that the five new embroidery machines were installed and working well at the Embroidery Plant. Continuing, Mr. Floyd announced that the Metal Fabrication Shop was close to completing the large Bayou Segnette order in addition to working on the Kiosk and Permit boxes for the Department of Wildlife and Fisheries. Lastly, Mr. Floyd reported that the Mattress Factory was steadily manufacturing mattresses and filling orders.

32. Then Mr. Floyd reported on the Garment Plants. He reiterated that the LCIW plant continued to struggle with fabric deliveries not meeting the specifications of the bid and they were deferring fabric deliveries to PE's Warehouse. Next, he discussed the challenges EHCC Garment Plant was experiencing in obtaining and retaining offender labor. Lastly, he mentioned that the Garment Plant at Winn Correctional Center was preparing for a C-05-003 ACA audit on March 1, 2016.
33. Next, Mr. Floyd provided updates on the Furniture, Chair, and Soap Plants. He explained that the Furniture Plant at Allen Correctional Center was busy completing the wooden tops for the Bayou Segnette order. He stated that a request to purchase a new router had been submitted. Then he reported that the heaters at DCI Chair and Embroidery were repaired and were in good working order. Next, he referenced the meeting folders for the new Soap Press picture. He explained that tentatively the installer was expected to arrive during the week of February 22<sup>nd</sup>.
34. Lastly, Mr. Floyd discussed the need for an electric forklift at Wakefield Meat Plant.
35. Director Moore asked Mr. Hoover for the agriculture update.
36. Mr. Hoover reported that David Wade Correctional Center (DWCC) sold two (2) loads of steers totaling one hundred eighteen (118) head and weighing an average of eight hundred thirty (830) pounds each for \$1.49 per pound. He explained that the calving was almost complete and estimated that a load of heifer calves would be ready to sell by May. He stated that the heifers at Dixon Correctional Institute (DCI) were being worked and approximately one hundred fifty (150) would be ready to sell in July.
37. Continuing, Mr. Hoover discussed the stages and water levels of the Mississippi River and the effects it had on the cattle. He reported that LSP shipped one hundred ninety-two (192) open cows to Avoyelles Correctional Center and one hundred thirty-two (132) open heifers to DCI. Also, noting that seventy (70) small heifers were shipped from DCI to DWCC.
38. Lastly, Mr. Hoover stated that due to the rising waters only minimal fieldwork was done. He projected that by the end of February the corn could be planted. He reported that a bid was out for soybean seed and the cottonseed was done today.
39. Mr. Chatelain commended Mrs. Sigrest for preparing and reporting PE's financial status in a clear and precise format.
40. Mr. Chatelain announced that the next board meeting would be held at 10:00 AM on Tuesday, March 15, 2016 at PE Headquarters. At 11:08 AM, Mr. Chatelain adjourned the meeting.