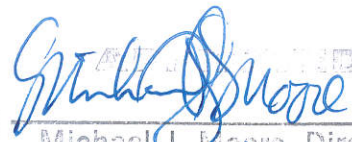


Prison Enterprises Board Meeting

March 15, 2016


Michael J. Moore, Director
DATE 4/21/16

1. Chairman Charles Chatelain called the meeting to order at 10:01 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Harvey Honore
 - Eric Lane
 - Paul Spalitta
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Kacie Henderson
 - Daniel Hoover
 - Todd Labatut
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
3. Chairman Charles Chatelain announced that a quorum was present and an election to select a Chairman and Vice Chairman for the PE Board could be held. Mr. Chatelain opened the floor for nominations. Mr. Ardoin nominated Mr. Charles Chatelain for Chairman and Mr. Honore seconded the nomination. As there were no more nominations, Mr. Chatelain closed the nomination, and Mr. Charles Chatelain was declared Chairman. Mr. Chatelain then opened the floor for Vice-Chairman nominations. Mr. Lane nominated Mr. Joseph Ardoin for Vice-Chairman and Mr. Honore seconded that nomination. Mr. Joseph Ardoin was declared Vice-Chairman.
4. Mr. Chatelain asked for a motion to approve the minutes of the January 19th and February 16th meetings. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Lane seconded the motion and it passed unanimously.
5. Mr. Chatelain turned the meeting over to Director Moore.
6. Director Moore began by summarizing the results of the special Legislative session and discussing the potential impact the current Legislative session could have to PE. He announced that a “sweep” of PE’s funds (cash) would be made and acknowledged that it will be difficult for PE to overcome the significant reduction in cash flow.
7. Next, Director Moore provided a recap of the Newly Elected Sheriffs Luncheon that PE hosted on March 1, 2016. PE presented to the group the numerous products and services that were available through PE. Several of the Louisiana Sheriffs Association (LSA)

- staff, ten (10) sheriffs, members of their staff, Secretary LeBlanc, Undersecretary Bickham as well as PE's Sales, Marketing and Executive staff attended the Luncheon.
8. Continuing, Director Moore discussed the impact of the storms and flooding occurring throughout Louisiana. He noted that PE was tracking the expenses relating to the State of Emergency/Severe Weather events and submitting them daily, to the Department of Corrections (DOC).
 9. Next, Director Moore reported on the progression of CTRP and Apprenticeship Programs. Topics such as good time credits, job positions, skill levels, incentive pay, and educational courses were discussed in detail.
 10. Director Moore announced that PE's Annual Risk Management Audit was scheduled for March 23 and noted that it would be the three (3) year "full" audit.
 11. Continuing, Director Moore disclosed that the Request for Proposal (RFP) for the Canteen Packaging Program was proceeding as expected. The Office of State Procurement (OSP) had sent an Intent of Award to a vendor and barring any appeals, PE could begin establishing the program items.
 12. Director Moore briefly reported that the status of the Elayn Hunt Correctional Center (EHCC) Rangeherd property remained unresolved.
 13. Next, Director Moore announced that DOC was completely smoke free and that some institutions had banned smokeless tobacco.
 14. Lastly, Director Moore noted the recent quantity of "public records requests" and that they are managed by the Deputy Secretary's office at DOC.
 15. Director Moore then asked Deputy Director Labatut for his comments.
 16. Mr. Labatut announced that due to the severe flooding in the state, it was necessary for several institutions to relocate offenders. As a result, PE received a rush mattress order from the Director of Operations at LaSalle Corrections. PE successfully completed the order and assisted them by delivering one hundred (100) mattresses to Madison Parish Detention Center and one hundred (100) mattresses to Richwood Correctional Center.
 17. Lastly, Mr. Labatut provided a status update on the Bayou Segnette furniture order. He presented the benefits of the site visit as it related to properly planning for the delivery, the assembly, and the installation of the furniture.
 18. Mr. Moore then asked Mr. Buttross for the administrative update.
 19. Mr. Buttross began by providing an update on the renovations at Building 10. He reported that some of the millwork built at Allen Furniture was installed, some of the carpet tiles were laid, and 85% of the modular furniture had been constructed. It was determined that after the April meeting, Mr. Buttross would provide a tour for those eager to see the transformation of Building 10.
 20. Then, Mr. Buttross reported that PE was purchasing a CNC Router for the furniture plant.
 21. Next, Mr. Buttross discussed the timber prospectus. He explained that clear cutting and thinning would begin once the prospectus had been received and put out for bid.
 22. Lastly, Mr. Buttross announced that the February 2016 job orders were \$155,000, and a significant decrease from February 2015 job orders of \$1,042,000. (He noted that the timing of Dixon Correctional Institute (DCI) and Tag orders contributed to a portion of the difference.) Next, he reported that the March 2016 orders to date were \$65,000 while March 2015 total job orders were \$402,000.
 23. Director Moore asked Mrs. Sigrest to provide the financial update.

24. Mrs. Sigrest began by reporting that January 2016 final YTD sales were \$16.8 million as compared to January 2015 of \$19.8 million, a decrease of \$2.9 million. Industries totaled \$6 million this year as compared to \$6.9 million last year, a decrease of \$869,000. Agriculture totaled \$3 million this year and \$4 million last year, a decrease of \$1 million. She stated Retail sales for January 2016 were \$7.8 million and \$8.8 million for January 2015 resulting in a decrease of \$1 million this year.
25. Mrs. Sigrest reported that the final YTD net income for January 2016 was a loss of \$1 million as compared to \$1.6 million profit in January 2015, a decrease of \$2.6 million. Industries net income was \$84,000 compared to \$751,000 in 2015, a decrease of \$667,000. Agriculture net income was a loss of \$664,000 loss for January 2016 compared to \$1.1 million profit in January 2015, a decrease of \$1.7 million. Mrs. Sigrest stated Retail net income was \$281,000 as compared to last year's net income of \$454,000, a decrease of \$172,000.
26. Next, Mrs. Sigrest reported the preliminary YTD sales for February 2016 was \$18.8 million as compared to \$21.9 million in February 2015, a decrease of \$3 million. Industries totaled \$6.8 million in February 2016 compared to \$7.7 million last February, a decrease of \$944,000. Agriculture sales were \$3.2 million for February 2016 and \$4.2 million in February 2015, a decrease of \$1 million. She stated that Retail Sales for February 2016 was \$8.8 million as compared to \$9.9 million February 2015, a decrease of \$1.1 million.
27. Director Moore, then asked Mr. Buttross to provide the marketing update.
28. Mr. Buttross began by reporting that PE received two (2) DOC orders: an order from Louisiana State Penitentiary (LSP) for printing totaling \$10,765, and order from Rayburn Correctional Center (RCC) for janitorial products and offender clothing totaling \$8,921.
29. Continuing, Mr. Buttross announced that two (2) other significant job orders were received: an order from Tangipahoa Parish Jail for offender clothing totaling \$8,514 and an order from Terrebonne Parish Consolidated Government for offender clothing and janitorial products totaling \$11,290.
30. Next, Mr. Buttross reported on a meeting with St. Thomas More Catholic Church in Baton Rouge to refurbish seventy-five (75) pews. He mentioned that a meeting with Louisiana Office of State Parks was scheduled to discuss uniforms.
31. Lastly, Mr. Buttross stated that Sales and Marketing staff attended the Police Jury Association Conference in Shreveport, Louisiana on March 3 – 4, 2016 and would attend the Correctional Education Conference in Marksville, Louisiana from March 21 – 23, 2016.
32. Director Moore, then asked Mr. Floyd to provide an Industries update.
33. Mr. Floyd began with an update on the industries at LSP. He reported that all of the industries were busy and were building inventories. He stated that the Tag Plant had completed 80,000 of the 113,000 Brown Pelican plates. He reported that the Print Shop was busy working on sign orders for several conferences, Angola Rodeo posters and new letterhead orders. Next, he announced that with assistance from LSP, the Silkscreen Shop primed, painted, and laser engraved 1,114 eggs for the Governor's Easter Gathering. Continuing, Mr. Floyd announced that the Metal Fabrication Shop had completed the Kiosk and Permit boxes for the Department of Wildlife and Fisheries. He reported that the Mattress Factory filled a rush order from LaSalle Corrections for two

- hundred (200) mattresses that were needed to accommodate evacuated inmates. Lastly, Mr. Floyd reported that all but three (3) canteen bids were awarded.
34. Then Mr. Floyd reported on the Garment Plants, stating that the Louisiana Correctional Institute for Women (LCIW) plant completed a blanket order for LSP while continuing to build inventory levels. He commended the staff and offenders at the EHCC Garment Plant for working eagerly to fill large orders for Avoyelles Correctional Center while continuing to struggle with obtaining and retaining offender labor. Lastly, he reported that the Garment Plant at Winn was busy filling orders of boxers, towels, and Angola Rodeo shirts.
 35. Next, Mr. Floyd provided the updates on the Furniture, Chair, and Soap Plants. He explained that production was down at the DCI Chair Plant, due to having few orders. The Furniture Plant at Allen Correctional Center was steadily working on cabinetry and desks for Building 10 and had completed a refurbishing order for the Ernest Morial Convention Center. Continuing, Mr. Floyd discussed the status of purchasing a CNC router and through which it would enhance PE's ability to become more price competitive. Lastly, he reported on the overwhelming efficiency of the Soap Plant explaining that the new Soap Press increased production and product uniformity.
 36. Director Moore asked Mr. Hoover for the agriculture update.
 37. Mr. Hoover began with reports of road closures, flood stages, and the crest of various rivers. He explained the effects the rain and flooding had on the crops and cattle. Mr. Hoover reported that the three hundred ten acres of corn had begun heading up and would more than likely survive the flooding. He expected that the cotton and soybean planting would begin as the water began to recede.
 38. Continuing, Mr. Hoover stated that although the levees were open and could be used for grazing, they were too wet and muddy to be used. The cattle were shifted around and doing well. Lastly, he reported that two (2) loads of DCI heifers and seventy (70) head of David Wade Correctional Center heifers would be sold in April.
 39. Mr. Chatelain announced that the next board meeting would be held at 10:00 AM on Tuesday, April 19, 2016 at PE Headquarters. At 11:07 AM, Mr. Chatelain adjourned the meeting.