

Prison Enterprises Board Meeting

March 28, 2017

APPROVED
Michael J. Moore
Michael J. Moore, Director
4/20/17
Date

1. Chairman Joseph Ardoin called the meeting to order at 10:02 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Mr. Richard Oliveaux led the opening prayer. Following the prayer, the Pledge of Allegiance was recited.
3. Attendance
 - 3.1 Members Present:
 - Joseph Ardoin, Chairman
 - Eric Lane
 - Richard Oliveaux
 - Paul Spalitta
 - Chris Wisecarver
 - 3.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Kacie Henderson
 - Danny Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
4. Mr. Ardoin acknowledged that a quorum was present and asked for a motion to approve the January and February board meeting minutes. Mr. Oliveaux made a motion that the minutes be approved as written. Mr. Eric Lane seconded the motion and it passed unanimously.
5. Mr. Ardoin asked if any board members would like to take the floor. Mr. Chris Wisecarver responded affirmatively.
6. Mr. Wisecarver began by introducing himself to the new board members and provided a brief summary of his twenty-eight (28) years as a board member. He discussed the importance of PE's mission and stressed the advisory role empowered to the board. In closing, Mr. Wisecarver related several of PE's significant achievements and recounted many of the profound challenges PE has endured thus far.
7. Mr. Oliveaux thanked Mr. Wisecarver for his years of service and provided a brief account of his lengthy affiliation with PE and the PE Board.
8. Continuing, Mr. Oliveaux requested an update on the status for hiring a Sales Representative and a Regional Manager for Louisiana State Penitentiary (LSP). He questioned the salary justification and the necessity for PE to have two (2) Regional Manager positions within a twenty-five (25) mile radius.
9. Several individual discussions ensued relating to PE job descriptions, responsibilities, and salary requirements.

10. The meeting was then turned over to Chairman Ardoin.
11. Mr. Ardoin inquired about budget issues as it relates to filling positions if a hiring freeze is introduced. He also suggested that perhaps PE may wish to notify the board members when a position has been filled if requested.
12. Director Moore indicated that he would further elaborate on the personnel issues and processes a little bit later in the meeting.
13. Mr. Ardoin then turned the meeting over to Director Moore.
14. Director Moore began by stating that the state's regular legislative session begins April 10th. He reported that the state has projected an approximate five hundred (\$500) million dollar budget deficit for the 2018 fiscal year. The Department of Corrections (DOC) has been asked to present a budget with two and half (2 1/2) percent less than last year's budget.
15. Director Moore reported that unlike previous years, PE would probably not receive any end of the fiscal year orders from DOC institutions which would normally result from supplemental funding since that funding is not expected to materialize at this point.
16. Next, Director Moore reported that the Entrance Conference for PE's annual financial and property audit with the Legislative Auditors took place at PE Headquarters on March 14, 2017. He stated that PE continues to supply copies of financial documents as requested. Director Moore added that PE staff accompanied the auditors to Dixon Correctional Institute (DCI) and Wakefield to conduct field audits.
17. Director Moore then presented a picture from a local magazine of the Governor standing next to a chair built by PE's Furniture Plant at Allen Correctional Center (ALC) and embroidered with the State of Louisiana Seal that was stitched by PE's Embroidery Plant at DCI.
18. Continuing, Director Moore discussed several projects PE has been working on such as the Annual PE Employee Awards and Training Conference, a new canteen program for the Office of Juvenile Justice, and researching a potential food waste program that could be beneficial to DOC.
19. Lastly, Director Moore reported that PE has been researching alternatives for tracking incentive pay, good time credits awarded to offenders, and the recidivism rates. Currently, DOC tracks, monitors, and compiles the data into charts. DOC has initiated a process to determine consistent parameters are used to capture, track, and monitor offenders as they move through various institutional programs. Director Moore added that the National Correctional Industries Association has been working to develop universal guidelines for appropriately defining recidivism of Correctional Industries offenders and other measures and methods for tracking the data.
20. Mr. Wisecarver requested that the board be kept informed on the progress of these studies.
21. Director Moore agreed to provide updates and stated that current PE recidivism charts will be included in the April Board Meeting folders.
22. Mr. Spalitta stated that a study on the correlation between a specific industry and the recidivism rate would be beneficial.
23. Director Moore announced that Mr. Buttross would provide his administrative report next, before he must leave to attend a DOC leadership meeting.
24. Mr. Buttross began by announcing that the Spring Canteen Package Program (CPP) closed with eighteen hundred forty-three (1,843) packages totaling one hundred fifty-two thousand four hundred seventy-two dollars (\$152,472). Sales for the Spring Program were twenty thousand dollars (\$20,000) more than the Holiday Program. Mr. Buttross added that Union

- Supply allowed the housing units that had been mistakenly flagged ineligible to receive orders to be able to participate in the last part of the ordering period of the Spring Program. He noted that it was decided that the data file used to determine offenders eligibility status would be revamped for the upcoming Summer Program.
25. Next Mr. Buttross stated that PE was exploring other options to promote and better market the program in the institutions. He explained that currently PE relies on the institutions staff to promote the program.
 26. Mr. Oliveaux inquired as to which facility had the highest participation in the program.
 27. Mr. Buttross responded that LSP had between six hundred (600) to six hundred fifty (650) packages of the total packages purchased. He stated that LSP also has the largest population of offenders.
 28. Mr. Oliveaux questioned the delivery cost associated with the packages.
 29. Mr. Buttross explained that all packages were delivered in one (1) day with one (1) truck for each institution. He noted that ALC and Winn Correctional Center (WNC) were not participating in the program.
 30. Mr. Wisecarver inquired as to the largest obstacle in obtaining sales.
 31. Mr. Buttross replied that communicating and promoting the program to each institution has been challenging. He explained that PE must rely on the staff at each facility to post the marketing material, communicate, and promote the programs.
 32. Mr. Oliveaux inquired if ALC and WNC were not participating in the program due to security issues.
 33. Mr. Buttross stated that security was not an issue. He explained that ALC and WNC are not participating in the program as a result of their transition from a prison to jail facility.
 34. Next, Mr. Buttross reported that the steel was erected on the CPP Warehouse and by next week, the hanging of sheet metal would begin.
 35. Continuing, Mr. Buttross reported that PE was only purchasing necessary items and making repairs as needed.
 36. Mr. Buttross announced that the purchase of both used trucks had been approved and the trucks have already been received.
 37. Then, Mr. Buttross stated that most of the materials associated with relocating the Louisiana Correctional Institute for Women (LCIW) Garment Plant to EHCC have been purchased and minimal additional expenses are expected.
 38. Lastly, Mr. Buttross stated that job orders for February 2017 were \$775,000 compared to \$102,000 in February 2016. He noted that the 2017 orders included a \$460,000 order from the Office of Motor Vehicles (OMV). He reported that the March 2017 to date job orders were \$339,000 and all of March 2016 orders totaled \$260,000.
 39. Mr. Buttross excused himself from the meeting in order to attend the DOC leadership meeting.
 40. Continuing with his update, Director Moore followed up on the previous personnel discussion by addressing the timing difficulties that are associated with notifying the board of open and filled employee positions. He explained that hiring personnel is challenging and a continuous process. He added several factors such as timing and budget having an effect on employment decisions from posting a position to hiring a candidate. Director Moore reported that in addition to the positions previously inquired about, PE had also hired two (2) Accountants, one (1) Marketing Representative, and one (1) Corrections Officer during March 2017 that were not inquired about.

41. Discussions ensued amongst the Board Members and Executive Staff concerning personnel issues and Director Moore further explained the nature of Civil Service Rules and Regulations regarding positions and pay that factor into job titles and salaries of staff.
42. Mr. Wisecarver added that although the board is concerned with personnel issues and expenses, it does not need to be involved in specific details. He suggested that board members address employment questions directly with Director Moore. The board members agreed with this recommendation.
43. Director Moore asked Deputy Director Labatut for his comments.
44. Mr. Labatut reported that relocating the LCIW Garment plant to Elayn Hunt Correctional Center (EHCC) was progressing rapidly. He reported that EHCC provided PE with a building and is assisting with obtaining COGIMS from the National Guard in Slidell, LA. He noted the COGIMS would be used to store raw materials and inventory for the plant.
45. Mr. Wisecarver inquired as to DOC's plan for the LCIW facility.
46. Director Moore explained that it has not yet been finally determined whether LCIW will be demolished or refurbished. He added that if things moved extremely fast that the Department estimates it could reopen LCIW in approximately one (1) year to eighteen (18) months. He noted this would be an aggressive timeline.
47. Discussions ensued on the pros and cons of remodeling and/or rebuilding LCIW.
48. Mr. Wisecarver inquired if PE plans to move the Garment Plant back to LCIW once it is reopened.
49. Director Moore responded yes.
50. Lastly, Director Moore expressed his gratitude and appreciation for the support EHCC has provided PE in relocating the plant.
51. Mr. Wisecarver suggested that a letter from the board be sent to the EHCC Warden expressing appreciation and gratitude for accommodating PE.
52. Mr. Oliveaux made a motion to send the letter, Mr. Wisecarver seconded the motion, and it passed unanimously.
53. Director Moore asked Mrs. Sigrest to provide the financial update.
54. Mrs. Sigrest stated that the final December financial statements did not have any significant changes from the preliminary statements. She reported that the January 2017 preliminary year to date (YTD) sales were \$15.5 million compared to January 2016 sales of \$16.8 million, down by \$1.3 million. The January preliminary YTD net income for 2017 was a loss of \$692,000 compared to a loss of \$1 million in 2016, increase by \$333,000. The preliminary monthly sales for February 2017 increased by \$67,000 compared to February 2016 sales although the February YTD sales were down by \$1.2 million.
55. Continuing, Mrs. Sigrest reported that the accounting staff conducted an interim physical inventory count at the Canteen Distribution Center (CDC). She explained that only a minimal adjustment was necessary.
56. Mr. Spalitta inquired as to when the last physical inventory was taken.
57. Mrs. Sigrest explained that typically physical inventory counts are performed at year-end and interim counts are done a couple of times at each operation throughout the fiscal year. Typically, the Accounting staff assists with several of the interim counts, however due to the flood and PE Headquarters move to Building 10 only one (1) interim inventory was conducted for this fiscal year.
58. Director Moore explained that CDC projects a decrease of \$1.5 million in sales due to ALC and WNC transitioning to a jail and stopped purchasing canteen items from PE.

59. Mr. Wisecarver expressed concern for PE's cash flow and ability to fund incentive pay following the decrease in sales.
60. Mrs. Sigrest reported that PE was continuing to pay incentive wages and providing payments to vendors within four (4) to five (5) weeks of the invoice date.
61. Director Moore discussed the invoices PE received from the Office of State Procurement and reported that DOC has agreed to try to assist PE with that issue.
62. Next, Director Moore asked Mrs. Melius for the marketing update.
63. Mrs. Melius began by reporting that PE received a significant DOC job order from Rayburn Correctional Center for clothing, janitorial products, and linens totaling \$16,903. Other significant job orders included an order from OMV for tags totaling \$78,105, an order from Livingston Parish Communication District for office furniture, metal bunks, and chairs totaling \$27,182, an order from Pinecrest Support and Services Center for wood furniture and chairs totaling \$26,250 and an order from the Secretary of State for task chairs totaling \$21,900.
64. Continuing, Mrs. Melius reported that PE provided two (2) significant quotes. A quote to Tulane University for sofas, chairs, and refurbishing for existing furniture totaling \$20,954 and a quote to BREC for approximately 10,000 t-shirts totaling over \$50,000.
65. Next, Mrs. Melius stated that the Sales and Marketing team would attend the National Institute of Governmental Purchasing in Marksville, LA on March 28th thru 30th.
66. Mr. Oliveaux asked if a Sales Representative had been hired.
67. Director Moore stated that the Sales Representative position was announced, however we have not chosen to fill it at this point. PE placed an advertisement in the Advocate and is awaiting resumes to see if we can find a candidate with specific marketing experience.
68. Continuing, Director Moore asked Mr. Floyd for the industries update.
69. Mr. Floyd announced that morale was good throughout the industries. He commended the staff for their hard work and dedication to PE.
70. Next, Mr. Floyd reported that the Tag plant was producing approximately twelve thousand (12,000) to thirteen thousand (13,000) tags a day and would complete all of the current orders by the end of May 2017.
71. Continuing, Mr. Floyd stated that the Metal Fabrication shop had been busy. He stated that forty-seven (47) of the sixty (60) bunk beds ordered by LCIW had been completed. Additionally, two hundred seventy (270) locker boxes ordered by EHCC were completed. They have also completed eleven (11) of the sixteen (16) fence panels for the DOC Credit Union drive thru. He added that they are assembling fifteen (15) program chairs for LSP and four (4) for EHCC.
72. Mr. Lane inquired on the press at the Tag Plant.
73. Mr. Floyd reported that the press works twice as fast as one of our old machines and it only requires a three (3) or four (4) man crew to operate.
74. Director Moore asked Mr. Hoover for the agriculture update.
75. Mr. Hoover began with a narrative of the National Guard's recent efforts to repair the main levee. He noted that mid April 2017 was the scheduled completion date for the project. Currently, the National Guard was using the dirt from the temporary levee. He explained that PE would need to plant grass on the construction site to prevent erosion. He added that the seeding should be done at around April 15th. Seeding cannot begin until the levee is very near completion.

76. Next, Mr. Hoover reported that the cows looked good and were being worked, vaccinated and dewormed. He stated that the DCI heifers were separated from the bulls and three (3) or four (4) loads would be ready to sell in May 2017.
77. Lastly, Mr. Hoover reported that the corn was up and looked good. He explained that all the seed bids were out and the fields were ready to plant the remaining crops. He projected that soybean planting could also be done behind the levee.
78. Mr. Wisecarver suggested that during the April board meeting considerations be made to have some of the board meetings take place at one of the facilities.
79. Mr. Ardoin stated that the next meeting would be at 10:00 AM on Tuesday, April 18, 2017 at PE Headquarters.
80. At 11:36 AM, Mr. Ardoin adjourned the meeting.