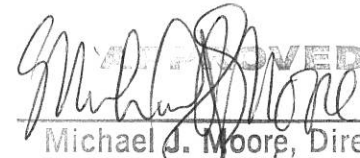


Prison Enterprises Board Meeting

May 27, 2014


APPROVED
Michael J. Moore, Director
DATE 6/17/14

1. Chairman Charles Chatelain called the meeting to order at 10:06 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Harvey Honore
 - Eric Lane
 - Frank Strickland
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Robert Honeycutt
 - Daniel Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
 - 2.3 Department of Corrections Staff Present:
 - James Le Blanc, Secretary
 - Thomas Bickham, Jr., Undersecretary
 - Burl Cain, Warden Louisiana State Penitentiary
3. Chairman Charles Chatelain asked for a motion to approve the minutes of the prior meeting. Mr. Strickland made a motion that the minutes be approved as written. Mr. Ardoin seconded the motion and it passed unanimously.
4. Mr. Chatelain began the meeting by thanking Secretary Le Blanc, Undersecretary Bickham and Warden Cain for attending the meeting.
5. Mr. Chatelain turned the meeting over to Director Moore.
6. Director Moore thanked Secretary Le Blanc, Undersecretary Bickham and Warden Cain for attending the meeting. Then, he offered the floor to Secretary Le Blanc.
7. Secretary Le Blanc opened with a review of the bills before the 2014 Legislative Session. He also reported on the status of this year's supplemental budget and next year's executive budget.
8. Next, he commended Warden Cain for consistently maintaining high standards in productivity, security, farming, education, reform and reentry programs, while patiently awaiting the much needed additional staff. He conveyed his appreciation for Warden Cain in providing exceptional offender programs and managing to overcome the logistical challenges that arise.
9. Lastly, Secretary Le Blanc thanked PE for everything it does. He reiterated his support and assistance to the continued success of PE.

10. Warden Cain agreed with Secretary Le Blanc and reaffirmed his passion for the Agriculture business and stated what a marvelous job PE was doing.
11. Director Moore thanked Warden Cain and Secretary Le Blanc for their support and started the meeting by announcing, the Governor has re-appointed Chris Wisecarver to the PE board, and referred to the appointment letter in each attendee's meeting folder.
12. Continuing, Director Moore reported the Ancillary Budget Bill passed the Senate meeting he attended on Sunday, May 25, 2014.
13. Next, Director Moore reported on the relocation of PE Headquarters. He stated he met with the contractors again and was awaiting their quote to build out the DPS&C building on Mayflower. He also said the electrical and mechanical reports would include the specifications required for the building's plumbing and electrical to conform to the appropriate building codes.
14. Mr. Chatelain asked if bond money was available to assist PE in funding the relocation expense. Undersecretary Bickham said bonding might be available.
15. Next, Director Moore reminded the board members of the December 31st deadline for Ethics Training.
16. Director Moore then provided an update on PE's staffing changes at PE Headquarters and at the Soap Plant.
17. Continuing, Director Moore reported on the potential smoking ban the prisons may adopt and the impact it will have on PE.
18. Next, Director Moore stated that PE was making preparations to occupy the LSU pasture property adjacent to the EHCC which could be ready as early as June 1st.
19. Director Moore then reviewed PE's Janitorial Contracts with the Office of State Buildings, Department of Transportation and the LA Workforce Commission.
20. The last agenda topic Director Moore discussed was the financial status of PE. He discussed the accounts receivables, accounts payables and the cash position of PE over the last few months.
21. Director Moore then asked Deputy Director Labatut for his comments.
22. Mr. Labatut began by providing an update on the Southeastern Louisiana University jobs. He stated the \$226,000 customized dorm furniture would be made in two deliveries, June 10th (with a backup date June 11th) and June 17th (with a backup date of June 18th). He reported EHCC would provide the labor for removing the old furniture and putting the new furniture in place. He commended the Allen Furniture Plant for doing a fantastic job on the SLU order. He provided pictures and described the precision and details involved in constructing each piece of the furniture in the order.
23. Next, Mr. Labatut discussed the Earnest Morial Convention Center parking lot fences. He stated the powder coating on the fences PE manufactured three years ago needed refurbishing several years sooner than expected. After researching and testing the product and the processes involved, PE determined the fence panels should be re-coated and will begin when it's convenient for the convention center.
24. Director Moore then asked Mr. Buttross for an administrative update.
25. Mr. Buttross began by announcing most of PE's professional contracts have been renewed and executed. The examples he cited included architects, chemical contractors, engineers, website developers, and forestry consultants. He added the Veterinarian contract should be completed soon.
26. Next Mr. Buttross reported on the PE Headquarter move. The current facility occupies approximately 33,000 square feet and the DPS&C building on Mayflower has

- approximately 28,000 feet. The electrical engineers reported 50% of the first floor needs to be rewired and the second floor requires less. He reiterated the plumbing and mechanical reports will provide all of the necessary requirements needed in order for the building to comply with the current electrical, mechanical and plumbing codes.
27. Next, Mr. Buttross reported April 2013 job orders totaled \$472,000, while April 2014 totaled \$543,000. He went on to state the orders for the entire month of May 2013 totaled \$369,000 and through May 23rd of this year, the orders were \$328,000.
 28. Director Moore then asked Mrs. Sigrest for the financial update.
 29. Mrs. Sigrest stated that March 2014 YTD sales totaled \$20.7 million as compared to last year's \$21.2 million, a decrease of \$507,000. Industries totaled \$6.9 million as compared to last year's \$8 million, a decrease of \$1.1 million, Agriculture totaled \$3.3 million as compared to last year's \$2.9 million, an increase of \$360,000, Retail totaled \$10.5 million as compared to last year's \$10.2 million, an improvement of \$264,000.
 30. The March 2014 YTD Net Loss was \$177,000 as compared to last year's income of \$517,000, a decrease of \$694,000. Industries reported a loss of \$108,000 for March 2014 and in March 2013 a net income of \$616,000, a decrease of \$725,000, Agriculture totaled a net income of \$299,000 as compared to last year's net income of \$297,000, an increase of \$2,300, Retail totaled a net income of \$443,000 as compared to last year's net income of \$396,000, an improvement of \$48,000.
 31. Mrs. Sigrest stated that the April 2014 YTD preliminary sales totaled \$22.8 million as compared to last year's \$23.4 million, a decrease of \$557,000. Industries totaled \$7.5 million as compared to last year's \$8.7 million, a decrease of \$1.2 million, Agriculture totaled \$3.5 million as compared to last year's \$2.9 million, an improvement of \$512,000, Retail totaled \$11.9 million as compared to last year's \$11.8 million, an improvement of \$149,000.
 32. Lastly, Mrs. Sigrest reported the April 2014 YTD Net Loss was \$313,000 as compared to last year's income of \$453,000, a decrease of \$766,000. Industries reported a loss of \$245,000 for April 2014 and in April 2013 a net income of 580,000, a decrease of \$826,000, Agriculture totaled a net income of \$303,000 as compared to last year's net income of \$234,000, an increase of \$69,000, Retail totaled a net income of \$527,000 as compared to last year's net income of \$513,000, an improvement of \$14,000.
 33. Director Moore then asked Mrs. Melius for the marketing update.
 34. Mrs. Melius began by reporting the following Department of Corrections job orders: 1) Avoyelles Correctional Center for cleaning supplies, jeans, t-shirts and boxers totaling \$38,325, 2) LSP for mattresses totaling \$27,825.
 35. Next, she reported the following significant job orders: 1) Bayou Segnette State Park for wooden furniture and chairs totaling \$13,500, 2) Winn Parish Library for re-furbish totaling \$26,154, 3) Allen Parish Sheriff's Office for bunks, metal tables and benches totaling \$97,635, 4) St. Alphonsus Catholic Church in Hessmer, LA for re-furbish of pews totaling \$19,090.
 36. Continuing, Mrs. Melius reported on the following notable quotes: 1) City of Plaquemine for signage totaling \$19,305, 2) St. Vincent de Paul for metal bunks totaling \$15,600, 3) West Feliciana Parish Library for furniture and fencing \$33,500.
 37. Lastly, Mrs. Melius stated that the sales team attended the LSA Jail Training Conference, May 18th – 20th and will attend the following conferences in July: 1) The Louisiana Association of Chiefs of Police (LACP) in Baton Rouge July 9th – 11th, 2) The Louisiana Sheriffs' Association (LSA) Sheriffs' and Wardens' Training Conference and Exhibition

- in Destin, Florida from July 27th – July 31st and 3) The Louisiana Municipal Association in Baton Rouge from July 31st – August 2nd.
38. Director Moore then asked Mr. Honeycutt for the Industries update.
 39. Mr. Honeycutt began by reporting that the Burton Coliseum handrail order was delivered and installed by the target date. He provided pictures of the installed handrails in each attendee's meeting folder.
 40. Next, Mr. Honeycutt announced the Metal Fabrication Shop was producing the beds for the Lafayette Parish Jail bed order.
 41. He went on to state the Silkscreen Shop was producing 450 metal signs for the Earnest Morial Convention Center order.
 42. Mr. Honeycutt reported the Metal Fabrication Shop assisted the sales team with providing a customized bed and bunk quote for St. Vincent de Paul.
 43. Continuing, Mr. Honeycutt stated the Silk Screen Shop embroidered 2,900 Ice Polo shirts for the DPW.
 44. Lastly, Mr. Honeycutt announced the Transportation Department will haul the wheat in two tractor trailers, as time permits, to eliminate overtime.
 45. Director Moore then asked Mr. Hoover for the Agriculture update.
 46. Mr. Hoover began the crop update by stating all of the wheat had been harvested. He stated each acre harvested an average of 46 bushels.
 47. Continuing the crop update, Mr. Hoover reported the soybean harvesting has stopped because of the dry weather.
 48. Next, Mr. Hoover reported that four loads of DCI heifers were delivered on May 22nd. They weighed about 882 lbs and sold for \$297,974.
 49. Then Mr. Hoover reported that one load of Brahman calves and eight loads of non-Brahman calves were videoed for the June 10th – 12th auction.
 50. Lastly, Mr. Hoover reported on timber sales. He stated DWCC has a good amount of timber logs and it will possibly generate revenue as soon as July 2014. He went on to explain the timber at WINN consists of mostly pulp and will not generate income until the end of the 2014-2015 fiscal year.
 51. Mr. Chatelain announced the next board meeting would be held on Tuesday, June 17, 2014 at PE Headquarters at 10:00 AM. Mr. Chatelain then adjourned the meeting.