

Prison Enterprises Board Meeting

July 26, 2016

APPROVED
Michael J. Moore
Michael J. Moore, Director
9/20/16
Date

1. Chairman Charles Chatelain called the meeting to order at 10:05 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Harvey Honore
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Kacie Henderson
 - Daniel Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Michael Moore
 - Kristie Sigrest
 - Misty Stagg
3. Chairman Charles Chatelain noted that the board did not have a quorum present and the vote to approve the June 21st meeting minutes would be postponed until the next meeting.
4. Mr. Chatelain turned the meeting over to Director Michael Moore.
5. Director Moore began by honoring all fallen law enforcement officers and their families. He acknowledged the impact from the fallen officers in Baton Rouge was tremendous. The Marriott Hotel hosted national law enforcement officials and numerous dignitaries since the tragedy. Director Moore participated in several events and PE provided souvenir candy dishes as Louisiana mementos for the guests.
6. Director Moore continued with an update on PE's operational concerns relating to the financial cash deficit. He explained that PE would focus on the industries that provided an immediate return on money. Various discussions relating to PE expenses, account payables, accounts receivables, and cash flow ensued.
7. Next, Director Moore announced that Allen (ALC) and Winn Correctional Centers would begin operating as jail facilities beginning on August 1, 2016. He explained the changes that would occur and the impact it would have to PE.
8. Director Moore continued with a personnel update. He announced that Frank Lemoine our longtime Farm Manager and current Canteen Package Program supervisor, was retiring. Director Moore reported that the supervisor of the Canteen Distribution Center and the assistant supervisor at garment factory at Elayn Hunt Correctional Center (EHCC) were both on Family Medical Leave Act (FMLA) leave. He also noted that PE had four (4) vacant positions: a sales position, a quality assurance coordinator, an administrative

- program specialist B, and now the supervisor position for the Canteen Package Program (CPP).
9. Continuing, Director Moore reported that PE was in the process of introducing and promoting the Canteen Package Program and a video conference with several wardens was scheduled. Next, he explained that PE was unable to participate in the Louisiana Sheriffs and Wardens' 2016 Training Conference as it was canceled due the events involving law enforcement officers in Baton Rouge on July 17th. He noted that he would be attending the American Correctional Associations 146th Congress of Corrections held in Boston, August 5- 16, 2016.
 10. Lastly, Director Moore announced that the physical inventory counts for the 2016 fiscal year-end were completed. He noted that the fiscal year-end orders for 2016 had increased as compared to the fiscal year end orders in 2015.
 11. Director Moore asked Deputy Director Labatut for his comments.
 12. Mr. Labatut reported on two (2) inquiries PE received requesting quotes for janitorial services and grounds maintenance. He discussed the financial impact the jobs would have to PE. He reiterated PE's concern for the availability of qualified trustees and stated that PE would continue to meet with wardens and discuss feasible solutions.
 13. Director Moore then asked Mr. Buttross for the administrative update.
 14. Mr. Buttross began by providing an update on the renovation progress of Building 10. He reported that although PE's side of the building was ninety percent (90%) complete, the Credit Union side needed to be further along to receive the required "certificate of occupancy".
 15. Next, Mr. Buttross reported on the Canteen Package Program (CPP). He provided a construction time line for completing the program's warehouse. He provided an update on the on-going preparations for implementing the Canteen Package Program (CPP) and projected that the impact of the revenues generated from the program could be realized by the end of the calendar year.
 16. Then, Mr. Buttross informed the board that PE would be receiving the second "half" shipment of blue denim very soon and was purchasing a used round hay baler for PE's rangeherd at David Wade Correctional Center. Additionally, PE was seeking approval to purchase a used refrigerated reefer trailer to replace a unit that was too expensive to repair.
 17. Lastly, Mr. Buttross announced that the June 2016 job orders were \$1.45 million, an increase from the June 2015 job orders of \$806,000. Next, he reported that the July 2016 orders to date were \$2.7 million while July 2015 total job orders were \$2.4 million.
 18. Director Moore asked Mrs. Sigrest to provide the financial update.
 19. Mrs. Sigrest began by reporting that PE's Net Loss for May increased by \$427 more than originally reported in May's preliminary financials.
 20. Next, Mrs. Sigrest reported the preliminary YTD sales for June 2016 was \$28.6 million as compared to \$32.5 million in June 2015, a decrease of \$3.9 million. Industries totaled \$10.9 million in June 2016 compared to \$12.3 million last June, a decrease of \$1.4 million. Agriculture sales were \$3.4 million for June 2016 and \$4.5 million in June 2015, a decrease of \$1.1 million. She stated that Retail Sales for June 2016 were \$14.2 million as compared to \$15.6 million June 2015, a decrease of \$1.4 million.
 21. Lastly, Mrs. Sigrest reported that the accounting department was working on the year-end entries and inventory counts.
 22. Director Moore asked Mrs. Melius for the marketing update.

23. Mrs. Melius began by reporting that PE received (and delivered) three (3) June 30th orders from the Department of Corrections (DOC). An order from Louisiana State Penitentiary (LSP) for offender clothing, janitorial products, lockers, linens and mattresses totaling \$82,732, an order from EHCC for offender clothing, janitorial products and linens totaling \$143,533 and an order from Dixon Correctional Institute (DCI) for offender clothing and janitorial products totaling \$41,293. Additionally, PE received (and delivered) a significant June 30th order from the Office of State Parks for picnic tables, grills, and chairs totaling \$53,791.
24. Continuing, Mrs. Melius reported that PE received four (4) DOC job orders for Fiscal Year 2017. An order from LSP for offender clothing, janitorial products, linens, and officer uniforms totaling \$731,548, DCI placed an order for offender clothing, janitorial products, print, mattress covers and officer uniforms totaling \$430,184, DWCC ordered clothing, linens janitorial products, mattress covers, officer uniforms totaling \$91,445 and lastly, Rayburn Correctional Center ordered offender clothing, linens, janitorial products, and mattress covers totaling \$47,842.
25. Mrs. Melius presented four (4) other significant job orders PE received for Fiscal Year 2017. She stated that the Office of Motor Vehicles placed a tag order totaling \$1,156,047, Jefferson Parish Correctional Center ordered mattresses totaling \$19,477, the Thibodaux Volunteer Fire Department ordered office furniture, and chairs totaling \$18,348 and Bossier City Correctional Center ordered single beds and mattresses totaling \$17,554. She noted that PE successfully completed a last minute, rush order of offender clothing for East Feliciana Parish.
26. Lastly, Mrs. Melius stated that Sales and Marketing staff attend the Louisiana Chiefs of Police Association Annual Conference in Lake Charles from July 12th – 14th, and planned to attend the Louisiana Municipal Association Annual Conference in Alexandria from July 28th – 30th.
27. Director Moore, then asked Mr. Floyd to provide an Industries update.
28. Mr. Floyd began with the updates on PE's industries at LSP. He reported that the Tag Plant worked overtime for two weeks on a supplemental OMV order and the Metal Fabrication Shop worked overtime to complete the Office of State Parks order in addition to making a prototype of a programming chair for high-risk offenders. Production at the Mattress Factory was limited while awaiting two truckloads of cores to arrive. He continued by stating that the Print Shop was busy working on an order for the Ernest Morial Convention Center and the Silk Screen Shop was working on specialty plates. He reiterated that the Canteen Distribution Center supervisor that was out on FMLA leave and PE's swingman that was filling in for him was busy reviewing contracts and preparing for the Canteen Standards Meeting in August. Lastly, he commended PE Transportation Supervisor, Steve Gaspard for doing a great job during his first (1st) year as supervisor.
29. Continuing, Mr. Floyd reported on the Garment Plants and disclosed that PE requested five offenders to be reassigned from the Winn Garment Plant to the EHCC Garment Plant. He noted that EHCC had increased production by one thousand (1,000) pair of pants as compared to the previous month.
30. Next, Mr. Floyd provided updates on the Furniture Plant. He reported that ALC was near completion of the furniture for PE Headquarters' new building and would soon begin working on the Credit Union's furniture. Lastly, Mr. Floyd announced that prior to the new Soap Press machine the Soap Plant produced thirty-six hundred (3,600) cases of bar

soap annually. He revealed that with the new Soap Press that was installed in February, the plant had already produced twenty-five hundred (2,500) cases in of bar soap by June 30th.

31. Continuing, Director Moore asked Mr. Hoover for the agriculture update.
32. Mr. Hoover announced that the river levels were dropping and the National Guardsmen were steadily repairing the levees.
33. Next, Mr. Hoover stated that one (1) load of English sired calves from EHCC and four (4) loads of English sired calves and one (1) load of Brahman sired calves from LSP, would be sold on August 1st via video auction. He estimated the calves would be shipped between the middle to end of August.
34. Continuing, Mr. Hoover announced that all of the crops looked very good. He reported that the soybeans looked great and the corn and milo were almost ready to be harvested.
35. Lastly, Mr. Hoover acknowledged Frank Lemoine's retirement, stating that PE Agriculture was fortunate to have such a dedicated employee and he would be missed.
36. Mr. Chatelain announced that the next board meeting would be held at 10:00 AM on Tuesday, August 23, 2016 at PE Headquarters. At 11:24 AM, Mr. Chatelain adjourned the meeting.