

Prison Enterprises Board Meeting

APPROVED
Michael J. Moore
Michael J. Moore, Director
8/21/18
Date

July 17, 2018

1. Chairman Joseph Ardoin called the meeting to order at 10:03 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
 - Tim Travis
 - 3.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Danny Hoover
 - Kacie Henderson
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
4. Mr. Ardoin acknowledged that a quorum was present and asked for a motion to approve the May and June board meeting minutes. Mr. Oliveaux made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
5. Mr. Ardoin turned the meeting over to Director Moore.
6. Director Moore provided an explanation on PE's year end processes and the preparation that was necessary to successfully fill and deliver all of the year end orders by June 30th. He thanked the PE staff for their hard work and dedication in closing the year.
7. Next, Director Moore reported on the status of the Legislative Auditors. He reiterated from the June Board Meeting, that PE's annual Financial Audit was completed and the exit conference would take place when the entire Department of Corrections (DOC) Financial Audit was finalized. The Legislative Auditors continue working on PE's Performance Audit. Intending to expedite the audit, they have temporarily moved into a vacant office in Building 10.
8. Continuing, Director Moore announced that PE would participate in two (2) conferences in August. He would attend the American Correctional Association (ACA) Congress of Correction from August 3rd – 8th in Minneapolis, Minnesota and several PE staff members would attend the eight (8) state South Central Correctional Industries Association (SCCIA) Regional Conference in Hot Springs, Arkansas from August 22 – 26, 2018.
9. Then, Director Moore asked Mrs. Henderson to report on the PE Headquarters C-05-003 ACA audit.

10. Mrs. Henderson stated that the audit was conducted at PE Headquarters on July 10th. The audit consisted of a walkthrough of the warehouse, a random check on several PE property items, and an inspection of PE's ACA compliance files. The audit went well and the auditors were complimentary of the PE staff and had many positive comments on PE.
11. Lastly, Director Moore noted that the Apprenticeship Program was approved by the Apprenticeship Council and asked Mr. Buttross to expound.
12. Mr. Buttross stated that he and Director Moore, Kacie Henderson, Scot Floyd, Dr. Sanders, and Assistant Secretary Covington presented the Apprenticeship Program to the Apprenticeship Council in a meeting on June 28th. The meeting went very well, the program was approved, and council members were complimentary of DOC and PE for advancing the program.
13. Director Moore added that a report summarizing the events of the meeting was sent to Secretary Le Blanc.
14. Mr. Oliveaux mentioned that Mr. Peck's family continues to express their appreciation of the board room dedication.
15. Director Moore then asked Mr. Buttross for an administrative update.
16. Mr. Buttross reported that plans to host the annual Canteen Standards Meeting have begun. Although the exact date of the meeting has not been identified, it will likely be in the middle of August.
17. Continuing, Mr. Buttross announced that a bid for metal is out and is expected to be awarded by July 20th.
18. Next, Mr. Buttross reported that the June 21st re-bid was awarded for the blue broadcloth fabric order that was never received. The Office of State Procurement sent a letter of default to the original fabric vendor.
19. Then, Mr. Buttross stated that PE received approval to purchase a used grain cart for \$9,000.
20. Lastly, Mr. Buttross reported job orders for June 2018 were \$1.53 million compared to June 2017 job orders of \$1.34 million. Continuing, he stated that the July 2018 job orders to-date are approximately \$636,000 and for the entire month of July 2017, the job orders totaled \$2.35 million. He noted that the July 2017 job orders reflect an \$800,000 order from Office of Motor Vehicle (OMV) and blanket orders from Dixon Correctional Institute (DCI) and Louisiana State Penitentiary (LSP). All of which are expected to be received for fiscal year (FY) 2019 by July 31, 2018.
21. Director Moore, then asked Mrs. Sigrest to provide the financial update.
22. Mrs. Sigrest began by reporting that May 2018 finalized year to date (YTD) sales were \$24 million compared to May 2017 YTD sales of \$23.9 million, an increase of \$74,000. YTD net income for the month of May 2018 was a loss of \$483,000 compared to a YTD loss of \$437,000 for May 2017, a decrease of \$45,000. Currently, the June 2018 preliminary monthly sales compared to June 2017 currently reflect a decrease of \$265,000 and the preliminary June 2018 YTD sales compared to June 2017 YTD reflect a decrease of \$190,000. However, additional sales for June 2018 are expected.
23. Lastly, Mrs. Sigrest stated that the physical year-end inventory counts performed at the plants were completed on July 9th.
24. Mr. Spalitta inquired on how the inventory counts turned out.
25. Mrs. Sigrest explained that the counts went well, other than a computer network issue at the Canteen Distribution Center (CDC).
26. Director Moore asked Mrs. Melius for the sales and marketing update.
27. Mrs. Melius began by reporting PE received four (4) DOC orders through June 30th totaling \$638,145. She stated that DCI ordered offender clothing, janitorial supplies, linens, mattress

- covers, furniture, and chairs totaling \$469,316, Elayn Hunt Correctional Center (EHCC) ordered offender clothing, locker boxes, and janitorial supplies totaling \$107,280, DOC Headquarters ordered furniture and chairs totaling \$25,963, and Raymond Laborde Correctional Center (RLCC) ordered offender clothing totaling \$35,596.
28. Next, Mrs. Melius reported that PE received an order on July 1st from LSP for officer uniforms, offender clothing, janitorial supplies, and printing totaling \$474,289.
 29. Continuing, Mrs. Melius stated that PE received two (2) other significant job orders. An order from Pinecrest Support Services for furniture totaling \$67,100 and an order from Caddo Parish Sheriff's Office for offender clothing totaling \$33,300.
 30. Lastly, Mrs. Melius announced that PE plans to participate in the Louisiana Municipal Association Annual Conference in Lake Charles, Louisiana July 30th – August 2nd and the Louisiana Sheriffs' and Wardens Exhibition and Training Conference in Sandestin, Florida July 31st – August 2nd.
 31. Director Moore and Mrs. Melius discussed the Louisiana Association of Chiefs of Police Conference in Shreveport. Mrs. Melius stated that there was a significant interest in the new "no snag" uniform shirt at the conference.
 32. Mr. Oliveaux asked for an update on hiring a salesperson.
 33. Director Moore reported that two (2) candidates were interviewed and two (2) other candidates will be interviewed today.
 34. Mr. Oliveaux stated that PE needs the ability to offer incentives in order to attract qualified candidates. He asked the board for a motion to send a request to Secretary Le Blanc asking him to grant PE permission allowing sales representatives to drive state vehicles to and from home as an incentive to hire and retain sales personnel.
 35. Discussions ensued on the rules for utilizing state vehicles.
 36. Director Moore offered to verify whether PE could legitimately allow an employee to drive a state vehicle to their personal residence.
 37. Mr. Ardoin and the board agreed to allow time for PE to research the legality of driving a state vehicle to and from an employee's personal residence, before the board petitions the Secretary's approval.
 38. Director Moore then asked Mr. Floyd for an industries update.
 39. Mr. Floyd began by acknowledging PE's plants for working many hours of overtime to successfully complete all June 30th orders. He added that the plants are currently working to restock finished product inventory in preparation for hurricane season.
 40. Next, Mr. Floyd stated that the Tag Plant received the aluminum order. They anticipate receiving the FY19 license plate order from OMV soon.
 41. Continuing, Mr. Floyd reported that since the beginning of the new fiscal year the Metal Fabrication (Metal Fab) Shop has resumed normal working hours while continuing to work on three (3) large orders. They have completed a \$100,000 locker box order for the Youth Challenge Program (YCP)/Minden and the furnishings for one (1) dorm of the Office of Juvenile Justice (OJJ) order. The shop continues working on the remaining two (2) dorms as well as the bunks and single beds for the Lafourche Parish Sheriff's Office to be delivered in September.
 42. Mr. Floyd reported that the Summer Canteen Package Program (CPP) was completed. The Fall Program begins July 23rd and will run through August 23rd. The deliveries are scheduled to conclude by October 19th.
 43. Continuing, Mr. Floyd reported that the T-Shirt Factory has been busy and plans to deliver the first shipment of t-shirts produced from the LSP plant soon. He added that LSP accepted

- a transfer of a correctional officer that had previous experience at PE's Garment Plant at Louisiana Correctional Institute for Women (LCIW), to run the factory.
44. Next, Mr. Floyd reported that the Garment Plants are steadily working to meet their quotas and the EHCC plant has resumed working shifts of five (5), eight (8) hour days.
 45. Lastly, Mr. Floyd reiterated that the Mattress Factory and Soap Plant have been working diligently to build adequate inventory levels for hurricane season.
 46. Mr. Oliveaux inquired as to the processes involved in the purchase of embroidered shirts.
 47. A discussion ensued on the processes and purchasing.
 48. Director Moore asked Mr. Hoover for an Agriculture update.
 49. Mr. Hoover reported that PE shipped one (1) split load of fall born calves. The shipment consisted of forty-two (42) steers and thirty-five (35) heifers. Additionally, six (6) loads are scheduled to sell at video auction. A load of eighty (80) head of Braham steers weighting approximately six hundred (600) pounds and four (4) loads of three hundred twenty (320) head of English sired steers weighing approximately six hundred (600) pounds from LSP and a load from EHCC of seventy-eight (78) head of calves weighing approximately six hundred thirty (630) pound.
 50. Next, Mr. Hoover stated that the LSP calves looked good and are being weaned from the two (2) year old heifers. They would be shipped to David Wade Correctional Center (DWCC) on Wednesday, to be backgrounded and will be ready to sell in about forty-five (45) days.
 51. Lastly, Mr. Hoover reported that although the soybean crop looks good, the price of soybeans dropped to \$8.50 per bushel. He added that the cotton and corn crops also look good and corn cutting will begin between August 10th – 15th.
 52. Mr. Lane inquired on working the cattle.
 53. Mr. Hoover responded that cattle working went great.
 54. Mr. Oliveaux reiterated that B.B. "Sixty" Rayburn Correctional Center (RCC) would like PE to establish an industry or agriculture operation at their facility. He also stated that the old Louisiana Training Institute (LTI) Monroe has approximately six hundred (600) acres of good land potentially available to PE.
 55. Mr. Travis inquired on the status of the LCIW facility.
 56. Director Moore reported that finding funding for some significant, initial upfront cost not covered by FEMA is preventing the start of any progress.
 57. Mr. Ardoin set the August meeting for 10:00 AM at DCI on Tuesday, August 21m 2018.
 58. Mr. Ardoin adjourned the meeting at 10:48 AM.