

Michael J. Moore, Director
DATE 9/17/13

Prison Enterprises Board Meeting

August 27, 2013

1. Chairman Charles Chatelain called the meeting to order at 10:00 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Frank Strickland
 - Eric Lane
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore
 - Todd Labatut
 - Misty Stagg
 - Kristie Sigrest
 - Robert Honeycutt
 - Richard Rees
 - Joe Buttross
 - Vickii Melius
 - Michelle Montalbano
3. Mr. Chatelain welcomed Mr. Lane to the board.
4. Mr. Ardoin made a motion to approve the minutes from the June and July meetings. The motion was seconded by Mr. Strickland with no objections.
5. Mr. Chatelain then turned the meeting over to Director Moore.
6. Director Moore began by welcoming Mr. Lane to the board and expressed his gratitude for his father's long time support of the Department of Corrections (DOC) and PE.
7. Director Moore stated that Mr. Bickham may not make the meeting because his prior meeting has been extended. He stated Mr. Spalitta cannot attend the meeting as a work issue has unexpectedly arisen and Mr. Hoover will not attend due to cattle shipping.
8. Director Moore continued with a personnel update. Morgan LeBlanc, former Administrative Program Director, has been replaced by Joe Buttross, The Executive Management Officer position previously held by Diane Breaux was filled with Michelle Montalbano and the vacant Accountant Technician position, is to be redefined to an Accountant I (career progression group) position and will be announced soon. Director Moore stated PE will be fully staffed in a few weeks.
9. Continuing with personnel issues, Director Moore stated Kenny Juneau has been promoted to Quality Assurance Coordinator at Louisiana State Penitentiary (LSP), and Michael Ducote has been hired to replace Mr. Juneau's vacant position of Canteen Distribution Center (CDC) Supervisor.

10. Director Moore stated the Silkscreen Shop Supervisor, Steve Lynch will move to the PE Headquarters warehouse and John Brossett, currently in the Swingman position at LSP will be transferred to Silkscreen Shop Supervisor. The vacant Swingman position will be announced soon. Director Moore reported Francis Abbott has left the Quality Assurance Coordinator position which oversees Dixon Correctional Institute (DCI), Elayn Hunt Correctional Center (EHCC) and Wakefield facilities. This position has been announced. Director Moore also announced Randy Soileau, an Industrial Arts teacher in the Lafayette Parish school system, has been appointed as PE Supervisor for the Furniture Plant at Allen Correctional Center (ALC).
11. Director Moore stated the August 7th, DOC-American Correctional Association (ACA) Headquarter (HQ) audit was a success and the audit files were in order. He credited Emily Perret for its success. He added that the 3 year audit, by ACA will be held October 21st & 22nd.
12. Director Moore also stated he attended the ACA conference in Washington, DC from August 10th – 13th. As a member of the National Correctional Industries Association (NCIA) board, he also attended a board meeting where they discussed next year's conference to be hosted by PE at the New Orleans Hilton Riverside in April 2014.
13. Director Moore stated the Pointe Claire property housing cattle at EHCC apparently has a purchase agreement signed. A decision will be made soon, as to whether or not to plant rye grass, or bale hay. The projected cattle working dates at EHCC are September 11th and 13th and September 16th, 17th, 23rd, and 24th at LSP.
14. Director Moore reported the Louisiana Legislative Audit Exit revealed no reportable findings.
15. Director Moore stated the Department could be facing a significant budget shortfall, which will likely affect PE sales.
16. Director Moore stated the Department announced for the 4th consecutive year, merit increases will not be given.
17. Director Moore reported a \$7,000 outstanding receivable from December 2011 has been collected and gave credit to the accounting staff for their persistence with this debt.
18. Director Moore then asked Mr. Labatut for his comments.
19. Mr. Labatut began by discussing the historical sales relationship between PE and Southeastern Louisiana University (SLU). The Housing Director approved a quote from PE to move mattresses and beds, stored in containers, back into a dormitory. While B.B. Rayburn Correctional Center (RCC) & EHCC crews completed this project, SLU placed another \$20,000 mattress order. They have since requested a quote for 170 custom built wooden desk and cabinets. This is potentially a \$150,000 - \$170,000 sales order.
20. The Administrative update was given by Mr. Buttross.
21. Mr. Buttross stated three vendors were awarded the office chair contract. It resulted in the addition of 12 ergonomic chairs added to the line.

22. Mr. Buttross stated on August 20th, the clear mattress ticking contract was awarded. The vendor presented a new clear mattress ticking option as requested by a PE customer. Mr. Buttross stated upon receipt of additional material, three mattress samples will be made and burn tested.
23. Additionally, Mr. Buttross reported the DOC Uniform Contract will close August 27th. A meeting with DOC purchasing resulted in the addition of delivery factors to the new contract. The new contract is projected to increase the uniform cost by 10%. The current vendor has agreed to extend the current contract price until September 30th.
24. Mr. Buttross reported job orders for July 2013 were \$801,303 while July 2012 was \$1,369,912. The decrease of \$568,609 was primarily due to the large DOC orders in July 2012.
25. Mr. Buttross reported job orders through August 23rd were \$354,037 while the entire month of August 2012 was \$701,207, resulting in a temporary decrease of \$347,170 for this August.
26. Mr. Buttross stated job orders for July and August 2013, combined, have decreased by \$915,780 compared to the combined job orders from July and August 2012.
27. Director Moore then asked Mrs. Sigrest for the financial update.
28. Mrs. Sigrest stated that the 2013 final YTD sales totaled \$29.2 million as compared to last year's \$27.9 million, an improvement of \$1.3 million. Industries totaled \$11.3 million as compared to last year's \$10.8 million, an improvement of \$481,000, Agriculture totaled \$3.4 million as compared to last year's \$3 million, an improvement of \$401,000, Retail totaled \$14.5 million as compared to last year's \$14.1 million, an improvement of \$432,000.
29. The YTD Net Income was \$764,000 as compared to last year's \$422,000, an improvement of \$342,000. Industries totaled \$1 million as compared to last year's \$998,000, an improvement of \$23,000, Agriculture totaled \$118,000 as compared to last year's loss of \$257,000, and an improvement of \$375,000, Retail totaled \$687,000 as compared to last year's \$706,000, a decrease of \$19,000.
30. Mrs. Sigrest stated that July 2013 preliminary sales totaled \$1.8 million as compared to last year's \$1.6 million, an improvement of \$222,000, Industries totaled \$513,000 as compared to last year's \$576,000 a decrease of \$64,000, Agriculture totaled \$15,000 as compared to last year's \$51,000, a decrease of \$35,000, Retail totaled \$1.3 million as compared to last year's \$936,000, an improvement of \$321,000.
31. Mrs. Sigrest then stated that the JD Edwards software upgrade is complete and all of the major issues have been resolved. There are still some reporting issues we are researching for solutions to fix. RF Smart update has been completed and the upgrade to the IBM system will take place mid-September. Upon its completion Mrs. Sigrest will begin implementing the new functionality available in the JD Edwards software.

32. Mrs. Sigrest reported the annual financial report is complete and in review. The fiscal year end will be closed by Friday and the accounting staff will work to get the financial statements caught up soon.
33. Director Moore then asked Mr. Rees for the Marketing update.
34. Mr. Rees began by reporting significant job orders included EHCC orders of garments and chemicals totaling \$263,000, McNeese State University ordered \$3,000 for reupholstered cushions, Orleans Parish Sheriff ordered mattresses and garments for a total of \$14,925, Calcasieu Parish Sheriff ordered \$15,777 for garments and the Zachary Police Department ordered a conference table and chairs for \$4,395.
35. Continuing, Mr. Rees gave an update on conferences. The sales staff attended the Louisiana Municipal Association Conference, of which 10-15 leads were obtained and Tim Travis attended the Louisiana Narcotics Officers Association Conference.
36. Mr. Rees stated that the Marketing Plan has been completed and the website will be launched in December.
37. Director Moore interjected Mrs. Sigrest will complete the Business Plan once financials are complete.
38. Director Moore then asked Mr. Honeycutt for the Industries update.
39. Mr. Honeycutt began by announcing the Ernest Morial Convention Center staff was pleased with the metal and mahogany wood partition sample.
40. Mr. Honeycutt reported the Youth Challenge Program requested a metal locker sample. The sample was made and delivered to the customer. While the customer was very pleased with the sample, modifications may be made by them to reduce the cost. Also, 358 innerspring mattresses were delivered by the deadline.
41. Mr. Honeycutt stated the miniature metal furniture replicas displayed in the conference room, were built for the marketing staff to take to conferences and sales calls. He credited Mrs. Melius for the creative idea.
42. Mr. Honeycutt reiterated three different style clear mattresses will be sent for burn testing and the approximate cost is \$2,000 per test.
43. Director Moore then asked Mrs. Stagg for the Agriculture update.
44. Mrs. Stagg began by stating that the corn harvest is complete. The approximate yield is 170 bushels per acre and there is approximately 50,000 bushels in the bins.
45. Mrs. Stagg reported the soybeans are ready to be cut and 25,000 bushels have been booked at approximately \$13 per bushel. Continuing, Mrs. Stagg stated 2 loads of steers from EHCC sold for \$1.56 per pound, 5 loads of steers from LSP sold for \$1.60 per pound. Wade sold 1 load of heifers for \$1.60 per pound and 1 load of steers for \$1.67 per pound. Also, 2 loads of heifers from DCI are scheduled for sale September 11th -13th.
46. Director Moore closed the meeting by thanking Eric Lane and welcoming him again.
47. Mr. Chatelain announced the next Board meeting will be September 17th at Prison Enterprises Headquarters at 10 AM. Mr. Chatelain then adjourned the meeting,