


Prison Enterprises Board Meeting

January 20, 2015


Michael J. Moore, Director
DATE 2/24/15

1. Chairman Charles Chatelain called the meeting to order at 10:01 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Harvey Honore
 - Paul Spalitta
 - Frank Strickland
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Danny Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
3. Chairman Charles Chatelain asked for a motion to approve the minutes of the December meeting. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
4. Mr. Chatelain turned the meeting over to Director Moore.
5. Director Moore began by announcing Secretary James Le Blanc son, Myles Le Blanc, lost his battle to cancer on January 12th. He asked that everyone continue to keep the Le Blanc family in their prayers.
6. Director Moore continued with an update on PE's relocation status. He provided a synopsis of the bond commission funding process and acknowledged PE's diligence in answering the questions and providing the documents they had requested. He reported the bond issue went out on January 16th and the bidding will continue until January 29th. He stated the projected date to close is February 4th.
7. Next, Director Moore asked Mr. Buttross to provide an update on the status of the Mayflower building. Mr. Buttross reported the Baton Rouge City Police Department has almost completely vacated the building which has permitted a great deal of the inside demolition to be done. Mr. Buttross reported the electrical and mechanical bids went out and the architects intend to award the contracts by mid February.
8. Mr. Chatelain asked Mr. Buttross to report on the buildings' condition. Mr. Buttross stated the building was solid, it was very well made and the integrity of the building was excellent. References to salvaging and preserving the historical aspects of the building were discussed.

9. Next, Director Moore discussed the various funding terms available to PE. He speculated the interest on the loan would capitalize for one year, payments would be amortized at fifteen years and the interest rate would possibly be reset after ten (10) years.
10. Continuing, Director Moore reviewed the state's projected budget shortfall for Fiscal Year 2015 and 2016 and the potential impact it would have on PE.
11. Director Moore provided an update on PE's personnel. He stated that Ms. Megan Broom was promoted from the Accounts Payable position to the Inventory Accounting position and Ms. Broom's position was announced and closed. He reported between twenty (20) and twenty-five (25) applications were being reviewed for the Accounts Payable position. Director Moore announced that on January 19th, Mr. Rusty Dubea from the LSP Maintenance Department filled the PE Supervisor position at the Mattress Factory that was open as a result of Mark Kilgore's transfer to the Swingman position.
12. Then, Director Moore reported on the PE and State Purchasing meeting that took place on January 16th. He reported the meeting was a great opportunity for PE to present the Print Shop's qualifications and accomplishments. He explained that the meeting was a result of the GEMS Project and that the goal was that a savings could be realized by centralizing all of the printing tasks for the state. The meeting was held to determine PE's capabilities before bidding out other state printing services to third (3rd) party vendors.
13. Lastly, Director Moore announced that the preparations for PE's Annual Awards and Training Conference had begun. He stated the details would be announced when they are finalized.
14. Director Moore then asked Deputy Director Labatut for his comments.
15. Mr. Labatut began by reporting on the site visit Mrs. Stagg, Ms. Simpson, Mr. Floyd, and he took to the Livingston Parish 21st Judicial Court building. He provided pictures of the finished courtrooms, the jury box chairs, the podiums, and the desks that PE produced. Mr. Labatut thanked PE's staff for their professionalism, determination, and commitment. He attributed the success of the project to their diligence.
16. Director Moore then asked Mr. Buttross for the administrative update.
17. Mr. Buttross began by stating PE was complying with the "Expenditure Freeze" and purchasing only the items needed to maintain business continuity.
18. Mr. Buttross reported some PE shops were retaining raw material inventories in preparation of large fiscal year end orders.
19. Continuing, Mr. Buttross reported that the last of the three timber checks had been processed and mailed and PE was awaiting receipt.
20. Mr. Buttross informed the board, that PE acquired a 110 horsepower Kubota tractor for the LSP Rangeherd.
21. Lastly, Mr. Buttross stated that December 2014 job orders totaled \$296,000 as compared to December 2013 job orders of \$940,000. He explained the difference was due to the timing of a large LSP order. Next, he reported January job orders to date totaled \$110,000, while January 2013 job orders totaled \$290,000 for the entire month.
22. Director Moore then asked Mrs. Sigrest to provide the financial update.
23. Mr. Sigrest stated that the sales for November 2014 were \$14 million as compared to last year's \$12.1 million, an increase of \$1.9 million. Industries totaled \$4.4 million this year as compared to \$3.7 million last year, an increase of \$699,000. Agriculture totaled \$3.4 million this year and \$2.7 million last year, an increase of \$645,000. Lastly, she stated

Retail sales for November 2014 were \$6.3 million and \$5.7 million for November 2013 resulting in an increase of \$590,000 this year.

24. Then Mrs. Sigrest reported total November 2014 Net Income YTD was \$1.1 million compared to last year's loss of \$39,000, an increase of \$1.1 million. Industries net income for November 2014 totaled \$357,000 compared to the November 2013 loss of \$152,000, an increase of \$509,000, Agriculture's total net income for November 2014 was \$898,000 as compared to last year's income of \$326,000, an increase of \$572,000, Retail totaled a net income of \$339,000 compared to last year's net income of \$229,000, an increase of \$110,000.
25. Next, Mrs. Sigrest reported the preliminary sales for December 2014 were \$16.9 million as compared to \$14.6 million in December 2013, an increase of \$2.3 million. Industries sales were \$5.7 million compared to \$4.7 million in 2013, an increase of \$970,000. Agriculture 2014 sales totaled \$3.6 million and \$3.1 million in 2013, an increase of \$532,000. Lastly, Mrs. Sigrest stated Retail sales this year were \$7.6 million as compared to last year's sales of \$6.8 million, an increase of \$814,000.
26. Director Moore then asked Mrs. Melius for the marketing update.
27. Mrs. Melius began by reporting December had two (2) significant DOC orders. DWCC ordered chemicals totaling \$9,458 and LCIW ordered offender clothing totaling \$10,100.
28. Then, Mrs. Melius reported on the five (5) other significant job orders PE received during the month of December. She noted the largest order was from the Plaquemines Parish Sheriff for mattresses, linens, and offender clothing totaling \$66,942. The Dequincy LA Workforce ordered linens, mattresses, and locker boxes totaling \$29,546. The East Baton Rouge Parish Library had an order for \$10,260 in re-furnished furniture. The Livingston Parish 21st Judicial Court had an additional furniture order totaling \$6,981 and the LSU Health Sciences Center ordered innerspring mattresses totaling \$6,525.
29. Lastly, Mrs. Melius reported the Sales and Marketing staff were participating in three upcoming conferences. The Police Jury Association Conference in New Orleans from January 29th and 30th, the National Institute of Government Purchasing expo in Lafayette on March 17th and the Louisiana Association of Municipal Secretaries and Assistants held in Lake Charles March 25th and 26th.
30. Director Moore then asked Mr. Floyd to provide an Industries update.
31. Mr. Floyd began by providing an update on the Furniture and Chair Plant's orders. He stated the Earnest Morial Convention Center placed a large reupholstering order for sofas and chairs and a separate order for two hundred (200) benches. Next, he reported Southeastern Louisiana University placed an order for solid oak chairs and laminate tables.
32. Continuing, Mr. Floyd announced that the Mattress Factory received orders from the Orleans Parish Sheriff's office and the Plaquemines Parish Sheriff's office for sixteen hundred (1,600) clear mattresses. He noted the factory completed eight hundred (800) multiple sized mattresses in four (4) days.
33. Next, Mr. Floyd reported the Tag Plant was on target to finish the Office of Motor Vehicle's 330,000 license tag order by January 23rd. He noted they were expected to order another 300,000 license tags by the end of the fiscal year. He stated the plant was also waiting on an order for the Battle of New Orleans sheeting.
34. Mr. Ardoin asked Mr. Floyd to provide an update on the fence re-work job they were doing for the Earnest Morial Convention Center. Mr. Floyd responded that the job was almost complete and the EMCC was pleased with PE's work and reliability.

35. Next, Director Moore asked Mr. Hoover to provide the Agriculture update.
36. Mr. Hoover began by reporting the wheat continued to look good. He stated the first application of fertilizer was scheduled to be applied before January 30th. He reported the corn seed bid was awarded and the seed had been ordered.
37. Next, Mr. Hoover reported that LSP sold thirty-two (32) Brahman sired steers weighing about seven hundred-fifty pounds each and sold for \$2.0350 per pound. He stated they are scheduled to ship by January 30th. He also mentioned DWCC had two (2) loads of cattle that will be sold in February.
38. Lastly, Director Moore thanked everyone for attending.
39. Mr. Chatelain announced the next board meeting would be held at 10:00 AM on Tuesday, February 24, 2015 at PE Headquarters. He announced a tour of the Mayflower building would be offered at the conclusion of next month's meeting. Mr. Chatelain then adjourned the meeting.