

Prison Enterprises Board Meeting

June 18, 2019

APPROVED

Michael J. Moore, Director
9/18/19
Date

1. Chairman Joseph Ardoin called the meeting to order at 10:01 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana (LA).
2. Mr. Richard Oliveaux led the opening prayer. Following the prayer, the Pledge of Allegiance was recited.
3. Attendance:
 - 2.1 Members Present:
 - Joseph Ardoin, Chairman
 - Harvey Honore'
 - Richard Oliveaux
 - Tim Travis
 - Chris Wisecarver
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Kacie Henderson
 - Danny Hoover
 - 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 March 26, 2019 and the May 14, 2019 board meeting minutes.
5. Mr. Oliveaux made a motion that the minutes be approved as written. Mr. Wisecarver seconded the motion and it passed unanimously.
6. Next, Mr. Ardoin turned the meeting over to Director Moore.
7. Director Moore provided a brief update on the Legislative Session. He explained that PE's budget bill passed. Additionally, the Department of Corrections (DOC) supplemental bill passed and was funded.
8. Next, Director Moore announced that the Louisiana Legislative Auditors (LLA) publicly released the results of PE's performance audit on May 6, 2019.
9. Continuing, Director Moore provided an update on PE's preparations for fiscal year-end. He stated that industries remain busy building inventory and filling supplemental orders.
10. Director Moore reported that Winn Correctional Center (WNC) would change from housing state offenders to housing detainees for Immigration and Customs Enforcement (ICE). PE's Garment Plant will relocate to an existing building at Raymond Laborde Correctional Center (RLCC). Preparations to the building are being done. RLCC staff is supportive of PE and plan to incur some of the building expenses. One (1) of the PE supervisors working at WNC Garment Plant will relocate to RLCC. A smooth transition is expected.
11. Mr. Wisecarver inquired on the status of WNC's current management contractor.

12. Director Moore explained that the management company would likely renegotiate their contract.
13. Next, Director Moore stated that PE staff met with wardens at Elayn Hunt Correctional Center (EHCC) and Louisiana Correctional Institute for Women (LCIW) on the shortage of offender workers at the Garment Plants. The plants continue to struggle with meeting production expectations due to inadequate offender staffing.
14. Lastly, Director Moore reported that at fiscal year-end PE plans to pay out k-time hours comparable to those being paid out at other DOC institutions.
15. Director Moore asked Mr. Buttross for an Administrative update.
16. Mr. Buttross began with an update on purchasing. PE received approval for its three (3) professional service contracts that needed to be established for fiscal year (FY) 2020. Additionally, the three (3) year Canteen Package Program (CPP) contract with Union Supply was renewed for one (1) year with a one (1) year renewal option remaining.
17. Next, Mr. Buttross reported the general contractor that is reconstructing freezer #11 at Wakefield Meat Plant replaced the sub-contractor. The freezer box was ordered and scheduled to be installed by August 1st.
18. Continuing, Mr. Buttross stated that the Apprenticeship Program received the funding for supplies and put bids out for numerous supplies needed for the program.
19. Mr. Oliveaux inquired on names of the general and sub-contractors for the freezer and where the businesses are located.
20. Mr. Buttross replied that the contractor is Live Oak Construction located in Natchez, MS. He was unsure of the sub-contractor's name but will provide it at the next meeting.
21. Mr. Oliveaux expressed his disappointment that the contractor was not a LA company. He and Mr. Buttross discussed the importance of the freezer, the length of time it has taken to reconstruct it, and the contractor's qualifications.
22. Director Moore added that some of the delay was due to obtaining funding approval from the Louisiana Equipment Acquisition Fund (LEAF).
23. Mr. Buttross noted that PE would pay the expenses for reconstructing the freezer in lieu of obtaining funds from LEAF.
24. Director Moore, Mr. Buttross, and Mr. Oliveaux discussed the advantages and disadvantages regarding reconstructing and the demolition process of the freezer.
25. Next, Mr. Ardoin inquired on the "time remaining" requirements for an offender to participate in the Apprenticeship Program.
26. Mr. Buttross stated that an offender must have a minimum of five (5) years remaining on his sentence to participate in the four (4) year program.
27. Mr. Buttross, Mr. Ardoin, and Mr. Oliveaux discussed the employment challenges facing offenders when released from prison.
28. Lastly, Mr. Buttross reported that job orders for May 2019 were \$710,000 compared to May 2018 job orders of \$626,000. The job orders through June 11th were \$412,000 compared to \$1.3 million for all of June 2018.
29. Director Moore, then asked Mrs. Sigrest to provide the financial update.
30. Mrs. Sigrest began by stating that copies of the final February and March financial statements were included in the board folders. She reported that the final year to date (YTD) sales for April 2019 was \$20.9 million compared to April 2018 YTD sales of \$21.5 million, a decrease of \$605,000. The YTD net income for April 2019 was a \$749,000 loss compared to a \$856,000 YTD loss in April 2018, an increase of \$106,000. Preliminary sales for the month of May 2019 decreased by \$270,000 compared to monthly sales for

- May 2018 and preliminary YTD sales for May 2019 decreased by \$875,000 compared to May 2018 YTD sales.
31. Lastly, Mrs. Sigrest stated that the accounting department plans to begin taking physical inventories at the industries on June 25, 2019.
 32. Referencing the April financial statement, Mr. Wisecarver noted the significant increase in sales and net income for the Metal Fabrication (Metal Fab) Shop.
 33. Director Moore explained that Metal Fab had quite a few large orders that were delivered and have received additional orders for bunk beds and lockers that will keep sales elevated into the next year.
 34. Mr. Wisecarver questioned the Tag Plant's \$163,000 decrease in net income.
 35. Mr. Floyd reported that the third and final tag order was completed in May and will be reported in May job orders.
 36. Mr. Wisecarver asked Mr. Hoover whether he anticipates anything that will affect agriculture sales/net income in May and June.
 37. Mr. Hoover stated the cows and heifers selling this week should be captured in May or June.
 38. Director Moore noted that the corn and soybean sales decreased last year due, to rain and lower market prices resulting from the tariffs. Additionally, sales for 2018 include timber sales.
 39. Then, Director Moore asked Mrs. Melius for the sales and marketing update.
 40. Mrs. Melius began by reporting that PE received five (5) significant DOC orders. An order from Louisiana State Penitentiary (LSP) for linens, offender clothing, janitorial supplies, mattresses, print, furniture, chairs and officer clothing totaling \$663,103. An order from Raymond Laborde Correctional Center (RLCC) for offender clothing, linens, janitorial supplies, and chairs totaling \$60,310. An order from David Wade Correctional Center (DWCC) for linens, janitorial supplies, offender clothing, and officer uniforms totaling \$30,840. An order from EHCC for print, janitorial supplies, and chairs totaling \$29,970, and an order from ALC for offender clothing, linens, and chairs totaling \$20,249.
 41. Additionally, Mrs. Melius stated that PE provided a significant quote to the Ernest C. Morial Convention Center (EMCC) for fencing panels totaling \$150,126.
 42. Director Moore noted that EMCC made changes after the original quote was submitted.
 43. Mr. Floyd explained the EMCC job consists of approximately nineteen hundred (1,900) linear feet of fencing panels, several standard gates, and a few motorized gates and arms.
 44. Mr. Wisecarver inquired as to whether Metal Fab would be capable of filling the order along with the current volume of production.
 45. Mr. Floyd stated that it will not be easy however, it can be done.
 46. Director Moore, Mr. Floyd, and Mr. Travis discussed the powder coating process and several options to minimize bottlenecking during the sandblasting phase.
 47. Lastly, Mrs. Melius advised that the sales staff plan to attend the Louisiana Association of Chiefs of Police Annual Conference on July 9th – 11th in Lafayette, LA and the Louisiana Sheriffs' and Wardens Training Conference on July 15th – 17th in Lake Charles, LA.
 48. Mr. Travis inquired on the status of hiring sales staff.
 49. Director Moore reported that effective June 5th PE appointed Amy Grafton to one (1) of the vacant sales positions and two (2) other viable candidates were selected for the remaining sales position. However, one (1) candidate did not accept the employment offer and the other candidate did not return several calls.
 50. Director Moore asked Mr. Floyd for an industries update.

51. Mr. Floyd reported that all the orders for the CPP Summer Program were picked and the final delivery is scheduled for the week of June 25th.
52. Next, Mr. Floyd reported that Transportation was busy. He noted one (1) driver is out on Family and Medical Leave Act (FMLA) and plans to return on June 24th.
53. Continuing, Mr. Floyd reported that Metal Fab has five (5) jobs that will ship soon. He noted that a bid for materials opens July 9th.
54. Mr. Floyd reported on the DCI plants. The Embroidery Plant is busy working on a DOC uniform order and will complete the LA Department of Wildlife and Fisheries (LDWF) shirt order soon. The Chair Plant, with assistance from the ALC Furniture Plant and LSP Tag Plant, are working on an abundance of orders, mentioning an order from LSP for two hundred ninety-two (292) chairs.
55. Lastly, Mr. Floyd stated that WNC Garment Plant has stopped production and is preparing to relocate to RLCC.
56. Mr. Wisecarver inquired on the estimated length of time production will be down at the Garment Plant.
57. Mr. Floyd explained that production should resume in approximately six (6) weeks barring any issues relocating the offender workers.
58. Mr. Wisecarver inquired on the garments produced at the WNC plant.
59. Mr. Floyd stated that white and blue broad cloth shirts, sheets, boxers, denim jackets, wash cloths, and towels.
60. Director Moore explained that the product mix amongst the garment plants might change. He noted the challenges affiliated with relocating offender workers.
61. Mr. Oliveaux stated that B.B. Sixty Rayburn Correctional Center (RCC) could accommodate a PE industry as it has plenty of land and available offender workers.
62. Director Moore then asked Mr. Hoover for the agriculture update.
63. Mr. Hoover stated that the Mississippi River crested at sixty-one and two tenths (61.2) feet and expected to be down to sixty and six tenths (60.6) feet by June 21st. However, the water levels are projected to only be at fifty-five and one tenth (51.1) feet by July 17th.
64. Next, Mr. Hoover reported that due to the high water levels and seepage only thirteen hundred sixty (1,360) acres of soybeans were planted this year compared to sixteen hundred (1,600) last year and cotton crops are down by fifty (50) acres.
65. Continuing, Mr. Hoover reported that two hundred forty-three (243) DCI heifers weighing approximately seven hundred seventy-nine (779) pounds sold for \$227,412. Additionally, thirty-nine (39) steer calves weighing approximately six hundred forty-eight (648) pounds and thirty-nine (39) heifer calves weighing about six hundred forty-one (641) pounds will ship soon.
66. Lastly, Mr. Hoover reported that most of the crop planting was completed and looks good. However, small areas of cotton were replanted.
67. Mr. Hoover explained that the Mississippi River has been above flood stage since November 15, 2018 and more seepage has occurred than ever before.
68. Mr. Oliveaux requested that the next Board Meeting be held at RLCC.
69. Mr. Ardoin set the next meeting for 10:00 AM, Tuesday, July 23, 2019 at RLCC.
70. Mr. Ardoin adjourned the meeting at 11:12 AM.