

Prison Enterprises Board Meeting
August 16, 2022

APPROVED

Misty Stagg, Director
Date: 8/16/22

1. Chairman Joseph Ardoin called the meeting to order at 10:00 AM at Prison Enterprises (PE) Headquarters (HQ's), Baton Rouge, Louisiana.
2. Attendance:
 - 3.1 Members Present:
Joseph Ardoin, Chairman
Harvey Honore'
Eric Lane
Richard Oliveaux
 - 3.2 Prison Enterprises Staff Present:
Misty Stagg, Director
Scot Floyd
Angela Burrell
Danny Hoover
Kenny Juneau
Michelle Montalbano
Kelly Ransome
Vickii Melius
3. Mr. Ardoin called the meeting to order and asked Mr. Richard Oliveaux to lead the prayer. Following the prayer, the Pledge of Allegiance was recited.
4. Mr. Ardoin noted this was Mr. Danny Hoover's last meeting and congratulated him on retiring.
5. Then, Mr. Ardoin turned the meeting over to Director Stagg.
6. Director Stagg reported that PE's fiscal year (FY) 22 sales increased by nearly \$1.5 million from FY 21.
7. Next, Director Stagg announced that the Department of Corrections (DOC) revised the Employee Work Schedules Policy to allow "Alternate Work Schedules" and a "Hybrid Work Schedule" allowing employees to telework up to two (2) days per week. However, PE does not currently have any employee that is teleworking.
8. Lastly, Director Stagg thanked Mr. Hoover for his many years of dedicated service to PE and for sharing his extensive knowledge of agriculture with her and all of the PE staff. Additionally, Director Stagg reported that Eric Eiland, PE's Regional Manager at Dixon Correctional Institute (DCI) retired on August 15th.
9. Director Stagg asked Mr. Floyd for his updates.
10. Mr. Floyd also congratulated Mr. Hoover on his retirement and expressed his appreciation of Mr. Hoover for successfully developing PE's agricultural operations.
11. Next, Mr. Floyd provided an update on PE potentially implementing a Braille Program at Louisiana State Penitentiary (LSP). However, feasibility studies and research indicates most Braille Programs are being managed by DOC Education.
12. Continuing, Mr. Floyd reported that PE hosted a tour of the LSP Industries for the Director, Deputy Director, and Operations Manager from the Utah Correctional Industries. Due to inclement weather the agricultural operations were not visited.

13. Then, Mr. Floyd stated the he would provide Mrs. Farrar's audit updates as she was unable to attend the meeting due to Leadership Training.
14. Mr. Floyd reported that PE HQ's continues to prepare for the DOC AM-H-2 monitoring site visit scheduled for August 18th.
15. Lastly, Mr. Floyd reported that LSP and PE are preparing for their American Correctional Association (ACA) Reaccreditation Audits which are scheduled for August 22nd – 24th and October 24th – 25th respectively.
16. Mr. Oliveaux discussed in general the overall value of audits with respect to the resources required to participate in audits.
17. Then, Director Stagg asked Mrs. Ransome for the Administrative updates.
18. Mrs. Ransome stated that administratively FY 22 was challenging due to staffing and continued supply chain issues.
19. Mrs. Ransome reported that an Accountant 3 was hired effective August 29th and interviews are being scheduled for two (2) vacant Accountant 1 or 2 positions.
20. Lastly, Mrs. Ransome stated that procurement is working on FY 23 contracts. However, PE continues to struggle with contract renewals and obtaining raw materials due to the ongoing supply chain challenges.
21. Director Stagg asked Mrs. Burrell for the financial update.
22. Mrs. Burrell began by stating that the May 2022 final year-to-date (YTD) sales for Industries were \$9.1 million compared to \$8.4 million in May 2021. Agriculture YTD sales for May 2022 were \$3 million compared to \$2.5 million in May 2021. Retail YTD sales for May 2022 were \$14.5 million compared to \$14.4 million in May 2021. Overall, YTD sales for May 2022 increased by \$1.6 million compared to May 2021.
23. Next, Mrs. Burrell reported that May 2022 preliminary YTD net income for Industries was \$310,000 compared to loss of \$300,000 in May 2021. Agriculture YTD net income for May 2022 was \$372,000 compared to a loss of \$333,000 in May 2021. Retail YTD net income for May 2022 was \$1.1 million compared to \$1.2 million in May 2021. Overall, YTD net income for May 2022 increased by \$1.2 million compared to May 2021.
24. Continuing, Mrs. Burrell reported that the following June 2022 preliminary financial update does not include allocations or fixed assets depreciation. The June 2022 preliminary YTD sales for Industries were \$10.9 million compared to \$9.8 million in June 2021. Agriculture YTD sales for June 2022 were \$3 million compared to \$2.6 million in June 2021. Retail YTD sales for June 2022 were \$16.5 million compared to \$16.5 million in June 2021. Overall, YTD sales for June 2022 increased by \$1.5 million compared to June 2021.
25. Then, Mrs. Burrell reported that June 2022 preliminary YTD net income for Industries was \$1.3 million compared to loss of \$993,000 in June 2021. Agriculture YTD net income for June 2022 was a loss of \$5,000 compared to a loss of \$739,000 in June 2021. Retail YTD net income for June 2022 was \$1.6 million compared to \$1.5 million in June 2021. Overall, YTD net income for June 2022 increased by \$1.6 million compared to June 2021.
26. Lastly, Mrs. Burrell stated that the physical inventory counts from July 5th and 6th were entered and the fiscal year end closing is expected to be completed soon. Immediately

following closing the year, she will begin on the Annual Financial Report (AFR) that is due August 31st.

27. Next, Director Stagg asked Mrs. Melius for the sales and marketing updates.
28. Mrs. Melius began by reporting PE received five (5) significant DOC job orders. An order from Elayn Hunt Correctional Center (EHCC) for inmate clothing, linens, and janitorial supplies totaling \$355,458, an order from DCI for inmate clothing and janitorial supplies totaling \$133,832, an order from David Wade Correctional Center (DWCC) for inmate clothing, linens, janitorial supplies, and officer uniforms totaling \$115,200, an order from B.B. "Sixty" Rayburn Correctional Center (RCC) for inmate clothing, linens, print, and janitorial supplies totaling \$114,978, and an order from Louisiana Correctional Institute for Women (LCIW) for officer uniforms totaling \$51,925.
29. Next, Mrs. Melius reported PE received two (2) other significant orders. An order from the Office of Motor Vehicles (OMV) for license tags totaling \$767,600 and an order from DeSoto Parish Sheriff's Office for uniforms totaling \$210,086.
30. Then Mrs. Melius stated that PE does not have any outstanding and/or significant quotes. However, there are several potential and/or upcoming jobs such as the City of Sulphur for police, city works, and fire department uniforms, the Shreveport Library for re-furbished items, Sabine Parish Sheriff's Office for a one hundred (100) bed women's facility, Northwestern State University (NSU) for library seating, Webster Parish for fifty (50) bunk beds, Baton Rouge (B.R.) Police Department for custom office furniture, Hammond City Court Judge for furniture and chairs, and the Athletic Department at Southeastern Louisiana University (SLU) for some furniture, as well as embroidered polo shirts and screened t-shirts resulting from their rebranding initiative.
31. Additionally, Mrs. Melius reported that PE received a purchase order (PO) from Livingston Parish Sheriff's Office for furniture totaling \$14,040.
32. Continuing, Mrs. Melius reported that the Sales and Marketing staff attended the Louisiana (LA) Library Association Conference in Alexandria July 7th – 9th, the LA Chiefs of Police Association Conference in B.R. July 18th – 20th, the LA Municipal Association Conference in Lafayette July 27th – 29th, and the LA Sheriffs' and Wardens Training Conference in Destin, Florida August 1st – 4th.
33. Next, Mrs. Melius stated that PE received orders from two (2) customers that have not ordered in several years. Concordia Parish Sheriff's Office ordered scrubs and has not ordered since 2017 and Ascension Parish Homeland Security has not ordered since 2005 and placed an order for furniture.
34. Lastly, Mrs. Melius reported monthly and year-to-date (YTD) job orders for July 2022 were \$800,000 compared to \$657,000 for July 2021. The August 2022 monthly job orders to date were \$1.5 million compared to \$1.4 for all of August 2021. The current YTD job orders for August 2022 were \$2.3 million compared to \$ 2.2 million through August 2021.
35. Then, Director Stagg asked Mr. Juneau for an Industries update.
36. Mr. Juneau began with a staff update. A PE Truck driver remains out due to an injury, a supervisor was hired for the Raymond Laborde Correctional Center (RLCC) Garment Factory, and the Truck Driver position was re-announced and closes on August 18th.
37. Next, Mr. Juneau provided an equipment update. The overflow filling machine for the EHCC Soap Plant is scheduled to arrive by the end of August and the five (5) head embroidery machine for DCI Embroidery Plant was received and scheduled to be installed on August 30th.

38. Continuing, Mr. Juneau reported that the bid for 80,000 pounds of aluminum was awarded on August 3rd. 40,000 pounds of the order is expected in mid-December and the remaining 40,000 pounds of aluminum in mid-January. Additionally, the plant is awaiting an emergency bid order that is expected in mid-November. The bid for the roller coat paint machine for Metal Fab was awarded August 3rd. The EHCC Soap Plant has a large raw material bid that opens on August 23rd.
39. Then, Mr. Juneau stated that the marketing materials for the Fall Canteen Package Program (CPP) were delivered to the institutions. The racks, scanners, and scan guns at the CPP Warehouse were installed and operating. The conveyer system is scheduled to be installed to begin picking the Fall Program Packages on September 13th.
40. Lastly, Mr. Juneau reported on several other industries. The RLCC Garment Plant is averaging two hundred (200) pairs of jeans per day, with three hundred thirty-one (331) pairs of jeans as the highest day of production. Metal Fab remains busy manufacturing six hundred fifty (650) items for the LA Department of Education (LDOE) as well as wall lockers for the Youth Challenge Program (YCP)/Camp Minden, single beds for the St. George Fire Department, and tables for the Office of Juvenile Justice (OJJ). The Print Shop was trained on the new Xante printer and begun working on sales packets showing PE's new printing capabilities. The sales and marketing team plan to distribute the packets to new and existing customers.
41. Director Stagg asked Mr. Hoover for the agriculture updates.
42. Mr. Hoover began with a cattle report. He stated that the DCI heifers were pregnancy checked and the next year's replacement heifers were selected. EHCC weaned calves are scheduled to ship on August 16th, LSP's Brahman calves are scheduled to ship on August 18th, and the remaining LSP calves are expected to ship the week of August 22nd. Additionally, Mr. Hoover reported PE intends to sell two (2) loads of DWCC calves and one (1) load of DCI heifers at the next video livestock auction. Lastly, Mr. Hoover stated that cattle working is scheduled for September 6th, 8th and 9th.
43. Lastly, Mr. Hoover provided a timber update. The new timber consultant will consider cutting timber at Winn Correctional Center (WNC), thinning the timber at RCC, and explore spraying the pine trees at SWTWP.
44. Mr. Ardoin acknowledged that a quorum exists, therefore, a vote to approve the board meeting minutes for June 21, 2022 could be taken.
45. Mr. Oliveaux made a motion to approve as written the above noted minutes. The motion was seconded by Mr. Honore' and it passed unanimously.
60. Mr. Oliveaux reiterated that PE should consider establishing an industry at RCC.
46. Director Stagg reported that she spoke with Warden Day on implementing operations at RCC.
47. Discussions ensued regarding land requirements for cows, hogs, and goats.
48. Mr. Oliveaux explained that an industry would benefit from RCC's labor force.
49. Then, Director Stagg provided an update on Warden Hooper's offer to allow PE to borrow a covered concrete slab at LSP to build a storage facility for Metal Fab.
50. Continuing, Director Stagg provided an update on PE manufacturing the beds for the new LCIW facility. The importance of obtaining an approved price quote from LCIW prior to beginning to build the beds was discussed.

51. Lastly, Director Stagg provided an update on potentially meeting with Civil Service to discuss an special entrance rate (SER) adjustment for PE Supervisor's that are working in the same capacity as Correctional Officer's that received SER adjustments at the institutions.
52. Mr. Lane announced that the 2022 Angola Rodeo begins at 1pm every Sunday in October.
53. Mr. Ardoin stated that the next meeting was Tuesday, September 20, 2022.
54. Mr. Oliveaux made a motion to adjourn the meeting and Mr. Honore' seconded the motion.
55. Mr. Ardoin adjourned the meeting at 10:38 AM.