

Prison Enterprises Board Meeting

October 23, 2018

APPROVED
Michael J. Moore
Michael J. Moore, Director
12/20/18
Date

1. Chairman Joseph Ardoin called the meeting to order at 10:02 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
 - Harvey Honore'
 - Eric Lane
 - Richard Oliveaux
 - Paul Spalitta
 - Tim Travis
 - Chris Wisecarver
 - 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 September board meeting minutes.
5. Mr. Oliveaux commented that the board is a public entity and he requested that all comments he makes during a meeting be reflected in the minutes of the meeting as stated.
6. Mr. Oliveaux made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
7. Mr. Ardoin distributed invitations to the board members and the PE staff for the Baton Rouge Building and Construction Trade Council's annual Christmas Party.
8. Mr. Ardoin turned the meeting over to Director Moore.
9. Director Moore began by reiterating that PE as well as correctional industries in other states, continue to struggle with a shortage of offender staff. PE's Janitorial Program and Garment Plant at Elayn Hunt Correctional Center (EHCC) have been significantly impacted by the shortage of offender staff. DCI's Warden Kent and EHCC's Warden Hooper have been working with PE to resolve the situation. In Warden Hooper's next scheduled meeting with Secretary Le Blanc, he indicated that he plans to mention the challenges the offender shortages are creating.
10. Continuing, Director Moore provided an update on DCI's Janitorial Program and the Office of State Buildings' (OSB) decision to bid out the grounds portion of the contract. It is likely that part of the reason is that OSB would like to relinquish ownership and maintenance of lawn equipment. The new grounds bid will require the vendor to supply the equipment

necessary to fulfill the terms of the contract, amongst additional terms not currently covered under the contract.

11. Director Moore reported that he and several PE sales, administrative, and field staff attended the Louisiana Correctional Association (LCA) Conference in Lake Charles, Louisiana. The conference provided an opportunity to network with state and non-state customers and promote PE products to a wide network of sheriff's and wardens. Additionally, Scot Floyd and Kacie Henderson participated in the American Correctional Association (ACA) Certified Corrections Professionals (CCP) certification exam offered at the conference.
12. Next, Director Moore announced that the Legislative Auditors working in Building 10 and conducting a Performance Audit of PE have moved back to their office as they continue the audit.
13. Continuing, Director Moore thanked Mr. Oliveaux and Mr. Spalitta for the meal they provided at the September Board Meeting held at Louisiana State Penitentiary. He referenced the board folders for the memo sent to Warden Vannoy on behalf of PE and the board thanking him and his staff for hosting the meeting.
14. Then, Director Moore reminded the board members that the Louisiana Code of Governmental Ethics requires all public servants to take one hour of ethics training each calendar year. Instructions to access the training course are located in the board meeting folders.
15. Next, Director Moore stated that PE's 2017 Supervisor of the Year and Support Employee of the Year have been nominated to be considered for the Departmental Supervisor and Support Employee of the Year Awards. The recipients of the awards will be announced at DOC's Annual Employee Memorial Service and Awards Ceremony held on Thursday, November 8, 2018.
16. Lastly, Director Moore addressed the equipment challenges impacting PE. PE's agriculture operations purchased a tractor to replace an older tractor. Two (2) tractor trailer trucks are needed in Transportation to replace a wrecked truck and a truck that is in disrepair and additional embroidery machines are needed to increase the capacity of the Embroidery Plant. The cost to replace or rebuild the collapsed ceiling in freezer #11 at Wakefield Meat Plant's is approximately \$125,000 and the estimated rental price for two (2) portable containers to use in the interim significantly increased due to lack of availability after hurricane Michael in Florida.
17. Mr. Spalitta suggested using off-site freezer storage as an alternative to renting portable containers and offered to assist Mr. Floyd with exploring the options that are available.
18. Director Moore asked Deputy Director Stagg for her updates.
19. Mrs. Stagg explained that the Men's Warehouse Suit Drive provides suits for released offenders and for several years PE has assisted the project by sorting, storing and distributing the suits to institutions throughout the state.
20. Then, Director Moore asked Mr. Buttross for an administrative update.
21. Mr. Buttross stated that PE's procurement staff have been steadily working on rebidding and renewing contracts for food and personal property items for the Canteen Distribution Center (CDC) and raw materials for the industries. He noted that the blue denim contract was awarded and a purchase order was submitted. However, the vendor notified PE that the bid price was established prior to the significant increase in the China tariffs recently imposed and is trying to source the fabric from a different factory than originally planned.
22. Next, Mr. Buttross reported that PE submitted a request to Louisiana Property Assistance Agency (LPAA) to purchase a used Wildlife and Fisheries truck to be used at the LSP industries. He noted that PE previously purchased a used Wildlife and Fisheries for the EHCC Rangeherd operation.

23. Lastly, Mr. Buttross reported job orders for September 2018 were \$370,000 compared to September 2017 job orders of \$508,000. He stated that the October 2018 job orders to-date are approximately \$296,000 and for the entire month of October 2017, the job orders totaled \$823,000.
24. Director Moore commented that PE may utilize the Louisiana Equipment Acquisition Fund (LEAF) to purchase some of the equipment discussed earlier. The LEAF program provides an installment payment option for purchasing equipment that would benefit PE.
25. Continuing, Director Moore referred back to the topic of the shortage of offender worker's. He noted that a tool to assist PE in obtaining offender workers was provided in legislation approximately ten (10) years ago permitting PE to increase offender wages up to \$.40 per hour. Director Moore and Secretary Le Blanc continue to discuss this option.
26. Mr. Spalitta asked whether PE has considered offering incentive based bonuses to offenders.
27. Director Moore was unsure if bonus payments could be made to offenders however he agreed to explore the possibility.
28. Director Moore, then asked Mrs. Sigrest to provide the financial update.
29. Mrs. Sigrest reported that the July 2018 finalized monthly and year to date (YTD) sales were \$1.6 million compared to July 2017 monthly and YTD sales of \$1.4 million, an increase of \$142,000. Monthly and YTD net income for July 2018 was a loss of \$67,000 compared to a monthly and YTD loss of \$171,000 for July 2017, an increase of \$104,000. The preliminary monthly sales for August 2018 decreased by \$471,000 compared to August 2017 sales and preliminary YTD sales decreased by \$329,000 for August. Preliminary sales for September 2018 decreased by \$475,000 compared to sales for September 2017 and preliminary YTD sales for September 2018 decreased by \$804,000 as compared to September 2017 YTD sales.
30. Director Moore asked Mrs. Melius for the sales and marketing update.
31. Mrs. Melius began by reporting PE received four (4) Department of Corrections (DOC) orders. An order from Elayn Hunt Correctional Center (EHCC) for mattresses, print, offender clothing, and linens totaling \$67,288, David Wade Correctional Center (DWCC) for offender clothing, and officer uniforms totaling \$44,400, Louisiana State Penitentiary (LSP) for officer uniforms and janitorial supplies totaling \$24,958 and B.B. "Sixty" Rayburn Correctional Center (RCC) ordered offender clothing and janitorial supplies totaling \$23,871.
32. Continuing, Mrs. Melius stated that PE received three (3) other significant job orders. An order from Office of Juvenile Justice (OJJ) /Swanson Correctional Center for Youth (SCCY) for janitorial supplies, linens, and uniforms totaling \$77,434, Probation and Parole Headquarters for officer uniforms, furniture, and chairs totaling \$49,345, and Attorney General's Office for office furniture and chairs totaling \$21,256.
33. Lastly, Mrs. Melius reported that PE submitted a quote to Pinecrest Support Services for furniture totaling \$53,405.
34. Director Moore provided an update on a potential order from Burton Coliseum and noted that a bid has not yet been put out. Additionally, he reported that the Department of Wildlife and Fisheries has inquired on a large order of pants and shirts.
35. Mr. Oliveaux inquired on the status of hiring a salesperson.
36. Director Moore explained that an offer was made and it was turned down by the applicant. PE plans to announce the position again.
37. Director Moore then asked Mr. Floyd for an industries update.
38. Mr. Floyd announced that ordering for the Holiday Canteen Package Program (CPP) began on October 1st and will remain open until October 31st. The orders are schedule to be delivered November 29th through December 21st.

39. Next, Mr. Floyd reported that the Metal Fabrication (Metal Fab) Shop has one hundred eight (108) bunks and forty (40) single beds remaining on the Lafourche Parish Sheriff's Office order. The projected completion date for the order is December 1st. The shop continues working on the custom beds and desks for the OJJ order which is scheduled to be completed by mid-January. He noted that bottleneaking continues to occur during the sandblasting and powder coat processes.
40. Continuing, Mr. Floyd stated that Dr. Sanders is conducting the National Center for Construction Education and Research (NCCER) training for the Apprenticeship Program instructors to become certified.
41. Then, Mr. Floyd reported that the Print Shop supervisor took a position with LSP. PE announced the job, conducted interviews for the position, and made an offer to a viable candidate. The offer was accepted and a start date will be determined soon.
42. Mr. Floyd went on to report that the Tag Plant completed the first license plate order from the Office of Motor Vehicles (OMV) and expects to receive the second order sometime in December. Currently, all four (4) presses are fully operational as the plant works on specialty plate orders.
43. Next, Mr. Floyd announced that the Soap Plant has updated the Material Safety Data Sheets (MSDS) for the new foaming soap and the lavender fragranced cleaner. Production of the products will begin once the labeling has been completed.
44. Continuing, Mr. Floyd reported on the Garment Plants. The Winn Correctional Center (WNC) and the LSP T-Shirt Factory have been busy filling orders. The EHCC and LCIW Garment Plants continue to struggle with a lack of offender workers.
45. Director Moore and Mr. Floyd discussed advantages and disadvantages of potentially out sourcing blue jeans if additional offender workers are not available.
46. Next, Mr. Floyd explained that the Embroidery orders have increased such that additional embroidery machines are needed. The new machines will cost approximately \$50,000 and will assist in completing the expected Wildlife and Fisheries order in a timely manner.
47. Lastly, Mr. Floyd announced that the PE supervisor, Randy Soileau, working in the Allen Correctional Center (ALC) Furniture Plant retired. The vacant position was posted and interviews are being scheduled.
48. Mr. Oliveaux asked to know the number of RCC offenders that are qualified and available to work. He suggested that consideration to move one (1) of the garment plants struggling with obtaining workers to RCC.
49. Director Moore explained that to establish an industry at RCC, PE must consider the expense for constructing a building to accommodate the industry. Additionally, RCC is technologically advanced with many offenders pursuing education and other programming and therefore may be unavailable to work in a plant.
50. Mr. Oliveaux requested that PE report on the number of offenders that are qualified and available to work at RCC at the next board meeting.
51. Mr. Lane inquired if PE explored potentially moving the garment plant to local level facilities.
52. Director Moore reiterated that Lafourche Parish Sheriff's Office has contacted PE in regards to establishing an industry in their new facility. Also, Raymond Laborde Correctional Center (RLCC) has requested that PE open an industry in the building PE used to operate a paint and auto repair shop when it was the Avoyelles Correctional Center (AVC).
53. Mr. Oliveaux questioned the number of offenders retained at RLCC.
54. Director Moore responded that RLCC has a large offender population available to work.
55. Discussions regarding the cost associated with establishing a new industry and/or relocating a plant ensued.

56. Mr. Travis inquired whether a sheriff's prison or parish prison would benefit financially by housing a PE plant.
57. Director Moore explained that several factors will determine the economic value a PE plant generates.
58. Mr. Lane questioned whether it would be costly for a sheriff's prison or parish prison to provide offender crews for a PE plant.
59. Several discussions ensued regarding the financial impact PE plants have to an institution.
60. Concluding, Director Moore reiterated that PE and the wardens at EHCC and LCIW are working together and exploring alternatives to help resolve the shortage of offender workers available to PE.
61. Director Moore asked Mr. Hoover for the agriculture update.
62. Mr. Hoover began by commending his staff for working diligently to harvest all the crops and work all the cattle.
63. Next, Mr. Hoover stated that the calves were weaned. The heifer calves are at DCI and the remaining backgrounded steer calves are at DWCC.
64. Continuing, Mr. Hoover reported that forty-two (42) cows were culled at EHCC, one hundred forty-five (145) cows culled at LSP, and fifty (50) replacements were sent to EHCC. On November 1st, two (2) loads of about one hundred twenty (120) head of background steers weighing approximately seven hundred seventy-five (775) pounds will be sold via video auction.
65. Then, Mr. Hoover reported that the majority of the ryegrass at LSP and DCI has been planted. The cotton crops were harvested and are at the gin. The price of cotton has increased by \$0.10 compared to last year and the final yield on this year's crop will be available soon.
66. Next, Mr. Hoover noted that preliminarily PE had a high yield on soybeans of about fifty (50) bushels per acre. However, the price of soybeans continues to be affected by the China tariffs and selling soybeans has been unusually difficult. The grain elevators are full and are changing the damage percentage of soybeans that is acceptable on a daily basis. PE has approximately fifty (50) loads of soybeans left to be sold and they are in excellent condition. Overall, PE has fared the soybean crisis much better than most Louisiana soybean farmers that are warehousing or disking their beans under.
67. Director Moore asked Mr. Hoover to provide an update on basis for soybeans.
68. Mr. Hoover explained that the basis fluctuates frequently and varies by grain elevators in today's market. Currently, the basis is between a negative \$0.50 - \$0.60.
69. Mr. Spalitta inquired whether the auditors attended the cattle working.
70. Director Moore and Mr. Hoover confirmed that the auditors observed the cattle working at LSP and we reconciled the Property Control Manager's log sheets to the electronic print out.
71. Next, Director Moore asked Mrs. Henderson to provide an update on the bid for the Christmas Canteen.
72. Mrs. Henderson stated that the Christmas Canteen bid opened on October 17th and should be awarded in one (1) – two (2) weeks.
73. Continuing, Director Moore asked Mrs. Melius to provide an update on Mr. Oliveaux's suggestion that PE contact the East Feliciana Police Jury regarding a conference room podium.
74. Mrs. Melius thanked Mr. Oliveaux for the sales lead and explained that she contacted the East Feliciana Police Jury. They indicated they will contact PE when they begin working on their furniture needs.
75. Lastly, Mr. Lane reported that the Angola Rodeo was doing really well. The weather, the attendance, and several rodeo events were discussed.

76. Mr. Ardoin set the next meeting for 10:00 AM, Tuesday, December 11, 2018 at PE Headquarters.
77. Mr. Ardoin adjourned the meeting at 11:12 AM.