

Prison Enterprises Board Meeting

APPROVED
Michael J. Moore
Michael J. Moore, Director
1/29/19
Date

December 18, 2018

1. Chairman Joseph Ardoin called the meeting to order at 10:03 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
 - Eric Lane
 - Richard Oliveaux
 - Paul Spalitta
 - 3.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Danny Hoover
 - Kacie Henderson
 - Vickii Melius
 - Michelle Montalbano
 - Misty Stagg
4. Mr. Ardoin acknowledged that a quorum was present and asked for a motion to approve the October 23, 2018 board meeting minutes.
5. Mr. Lane made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
6. Mr. Ardoin turned the meeting over to Director Moore.
7. Director Moore began by thanking Mr. Ardoin for inviting PE staff to the Baton Rouge Building and Construction Trade Council's Annual Luncheon and for personally introducing the staff to many potential customers.
8. Next, Director Moore referenced four (4) documents in the board meeting folders. A copy of former PE board member Frank Strickland's obituary reporting his death on November 7th, the copy of PE's Regional Agricultural Manager Walt Giffin's obituary reporting his death on November 16th, an email from Trey Peck thanking PE and the board for naming the board room in his grandfather's memory, and a copy of the thank you card from the Strickland family for the plant PE sent for Mr. Strickland's service.
9. Then, Director Moore reported on the Performance Audit. The Louisiana Legislative Auditors continue requesting documents and information weekly. Mr. Buttross and PE's accounting staff are providing documents, answering questions, and explaining processes as requested by the auditors.
10. Continuing, Director Moore announced that the American Correctional Association's (ACA) 2019 Winter Conference will be held in New Orleans, Louisiana (LA) from January 11 – 15, 2019. As the host state, the Department of Corrections (DOC) and PE are providing volunteers to assist with the conference.
11. Lastly, Director Moore noted that the elections for Chairman and Vice-Chairman of the PE board are typically held during the January board meeting. A reminder will be sent to all the board members regarding the upcoming elections.

12. Director Moore asked Deputy Director Staggs for her updates.
13. Mrs. Staggs stated that although PE continuously updates the Policies and Procedures Manual when changes occur, she is reviewing and updating the entire manual.
14. Lastly, Mrs. Staggs extended an invitation to the board member to attend the PE Christmas luncheon on December 19th.
15. Then, Director Moore asked Mr. Buttross for an administrative update.
16. Mr. Buttross explained that all the contracts for Canteen Distribution Center (CDC) and Personal Property items were submitted to the Office of State Procurement (OSP) to be established or renewed. OSP put out all but two (2) of the bids. The remaining two (2) bids should be out soon.
17. Next, Mr. Buttross stated that a bid will open on December 20, 2018 for the reconstruction of freezer #11 at the Wakefield Meat Plant. On November 29, 2018, PE held a pre-bid conference allowing potential bidders an opportunity to assess freezer #11. Six (6) vendors participated in the conference. PE submitted an addendum to the bid modifying the holding temperature requirement to coincide with the holding temperature of the existing equipment.
18. Continuing, Mr. Buttross reported that PE contacted the Office of Finance and Support Services to finance two (2) used tractor trucks to replace two (2) older tractor trucks.
19. Additionally, Mr. Buttross noted that PE issued a purchase order (PO) for a John Deere tractor 6130 to replace the LSP Rowcrops tractor that burned.
20. Lastly, Mr. Buttross reported job orders for October 2018 were \$422,000 compared to October 2017 job orders of \$823,000. Job orders for November 2018 were \$297,000 compared to job orders of \$740,000 in November 2017. He stated that the December 2018 job orders to-date are approximately \$662,000 and for the entire month of December 2017, the job orders totaled \$396,000. Noting, that an Office of Motor Vehicles (OMV) order for license tags was placed earlier this month.
21. Then, Director Moore asked Mr. Buttross to provide the financial update as Mrs. Sigrest was ill and unable to attend the meeting.
22. Mr. Buttross reported that the August 2018 finalized industries year to date (YTD) sales were \$1.5 million compared to August 2017 industries YTD sales of \$1.7 million, a decrease of \$216,000, agriculture YTD sales for August 2018 were \$587,000 compared to August 2017 agriculture YTD sales of \$775,000, a decrease of \$187,000, and August 2018 retail YTD sales were \$1.8 million compared to August 2017 retail YTD sales of \$1.7 million, an increase of \$75,000. Cumulative August 2018 YTD sales were \$3.9 million compared to August 2017 YTD sales of \$4.2 million, a decrease of \$329,000.
23. Continuing, Mr. Buttross reported the September 2018 preliminary YTD sales were \$6.5 million compared to the September 2017 YTD sales of \$7.3 million, a decrease of \$800,000. Preliminary YTD net income for September 2018 was a loss of \$292,000 compared to a YTD profit of \$179,000 for September 2017, a decrease of \$471,000.
24. Lastly, Mr. Buttross reported that preliminary sales for October and November 2018 were compiled. The preliminary YTD sales for November 2018 were \$10.6 million compared to \$11.6 million for YTD sales in November 2017, a decrease of \$1 million.
25. Mr. Lane commented that soybeans and automobiles are a large percentage of the loss deficit in the current economy.
26. Director Moore, Mr. Buttross, and Mr. Lane discussed the impact land, timber and crops have on PE's financial statements.
27. Director Moore then asked Mrs. Melius for the sales and marketing update.
28. Mrs. Melius began by reporting PE received three (3) significant Department of Corrections (DOC) orders. An order from Elayn Hunt Correctional Center (EHCC) for mattresses, print, officer uniforms, and linens totaling \$64,687, DWCC for offender clothing, janitorial

- supplies, and officer uniforms totaling \$41,209, and RCC for offender clothing, linens, officer uniforms, and janitorial supplies totaling \$39,100.
29. Continuing, Mrs. Melius stated that PE received five (5) other significant job orders. An order from OMV for plates totaling \$458,217, Pinecrest Support Services for furniture and clothing totaling \$66,869, Lasalle Management for bunks totaling \$50,777, Westlake Police Department for furniture and chairs totaling \$39,999, and an order from Caddo Parish Correctional Center for mattresses totaling \$22,000.
 30. Then, Mrs. Melius reported that PE submitted a quote to the Allen Parish Sheriff's Office for metal tables and bunks totaling approximately \$170,000.
 31. Lastly, Mrs. Melius announced that PE participated in the Louisiana Chapter National Institute of Governmental Purchasing (LANIGP) Conference in Lake Charles from December 5 – 7, 2018.
 32. Director Moore added that Burton Coliseum's bid for small animal pens was put out and the specifications were changed from metal to galvanized pens. Currently, PE does not have the ability to galvanize metal.
 33. Mr. Oliveaux inquired on the status of hiring a salesperson.
 34. Director Moore stated that the PE sales position was posted as a PE Supervisor position (official title) and most applicants responding are correctional officers without sales experience and are not interested in traveling.
 35. Mr. Oliveaux asked the status of the request to offer a car allowance as an employment incentive.
 36. Director Moore stated that consideration was given to offering an automobile incentive however, it was not feasible.
 37. Numerous conversations ensued regarding the use of state vehicles by various state agencies, old and new state laws, and global positioning systems (GPS).
 38. Continuing, Director Moore asked Mr. Floyd for an industries update.
 39. Mr. Floyd reported that the Canteen Package Program (CPP) successfully completed the holiday program. The total package count was twenty-nine hundred forty-five (2,945), an increase of two hundred twenty (220) packages from the fall program.
 40. Next, Mr. Floyd stated that the Metal Fabrication (Metal Fab) Shop nearly completed the Lafourche Parish Sheriff's Office order and the majority of the order was delivered. The remaining three (3) loads will be delivered prior to January 1, 2019.
 41. Continuing, Mr. Floyd reported that the Tag Plant was busy working on the OMV order for 237,630 license tags. In preparation for OMV purchasing approximately 275,000 additional license tags by June 30, 2019, PE put out a bid for 80,000 pounds of aluminum and a bid for one hundred (100) rolls of sheeting.
 42. Mr. Floyd stated that the remaining LSP industries are operating smoothly.
 43. Next, Mr. Floyd provided an update on the two (2) new items produced by the Soap Plant at EHCC. The Safety Data Sheets (SDS), product structures, batch sheets, and labels for the new foaming hand soap were completed. PE will sell soap dispensers imprinted with a PE logo in conjunction with the foaming hand soap. The Soap Plant continues working to finalize the documentation needed to begin production on the lavender scented cleaner.
 44. Continuing, Mr. Floyd reported on the Garment Plants. Louisiana Correctional Institute for Women (LCIW) Garment Plant was busy manufacturing the OJJ order and orange jumpsuits for inventory. Production at EHCC Garment Plant continues to fluctuate with the number of offender workers. However, an average of two hundred thirty-four (234) pairs of jeans per day were manufactured when an adequate number of offenders were present. The Winn Correctional Center (WNC) Garment Plant continues working on the blue broadcloth orders and plan to begin stocking inventory soon.

45. Then, Mr. Floyd reported on the Embroidery Plant and Wakefield Meat Plant at Dixon Correctional Institute (DCI). The Embroidery Plant recently received the new embroidery machine and is trying to schedule installation. The PE Supervisor at the Wakefield Meat Plant continues to manage the freezer inventory closely, requiring no additional storage space at this time. Repairs to freezer #11 are pending.
46. Lastly, Mr. Floyd announced that a supervisor was hired for the Allen Furniture Plant. The plant has been steadily working on several DOC orders, Pinecrest Support Services, and Westlake Police Department orders.
47. Director Moore reported that Mrs. Melius and PE Sales Supervisor, Debbie Wise plan to attend the Lafourche Parish Sheriff's Office grand opening on Wednesday, December 19, 2018.
48. Next, Director Moore reported that insects had been sighted in the CPP building.
49. Mr. Spalitta inquired on the resolution.
50. Director Moore explained that PE conferred with Louisiana State University Entomology Department and contracted with Orkin Pest Control. Although the insects are not affecting the product, PE will continue to work to resolve the issue.
51. Director Moore then asked Mr. Hoover for the agriculture update.
52. Mr. Hoover reported that the cattle are calving and look good. PE shipped one hundred twenty-three (123) steers each weighing approximately seven hundred eighty (780) pounds from David Wade Correctional Center (DWCC). They sold for \$1.44 per pound, totaling \$135,527. On Wednesday, December 19th, two (2) loads of cattle weighing approximately seven hundred fifty (750) pounds will ship from DWCC. The bid price was \$1.39 per pound.
53. Next, Mr. Hoover reported on the crops. He stated that all the cotton was harvested and the average yield was eight hundred twenty-four (824) pounds per acre which is two hundred (200) pounds more per acre than the previous year. The current price for cotton averages around \$0.79 per pound.
54. Continuing, Mr. Hoover reported that the soybean crop looked good and produced the highest yield to date with a preliminary average yield of fifty-two (52) bushels per acre. PE's average price was approximately \$8.00 per bushel.
55. Then, Mr. Hoover reported that all the corn was harvested and the crop yielded an average of two hundred (200) bushels an acre.
56. Lastly, Mr. Hoover stated that the river levels continue to fluctuate and are preventing the ring levee from being repaired. When the river allows, some cattle are grazing on the levee, however ryegrass will not be planted behind the main levee.
57. Next, Director Moore asked Mrs. Henderson for ACA audit updates.
58. Mrs. Henderson stated that PE participated in a C-05-003 audit conducted at DCI. There were no discrepancies reported for any PE operation at DCI.
59. Mr. Oliveaux asked for a report on the number of offenders that are qualified and available to work at B.B. "Sixty" Rayburn Correctional Center (RCC) and Raymond Laborde Correctional Center (RLCC).
60. Mr. Floyd responded that RCC reported a population of approximately thirteen hundred sixty (1,360) offenders and estimated they have about three hundred fifty (350) offenders that could work daily. RLCC has a prison population of approximately sixteen hundred (1,600) and potentially seventy-five (75) to one hundred (100) offenders available daily to work in an industry, and potentially many more.
61. Director Moore stated that the available offenders may also be in programming which may reduce the hours they can work.

62. Continuing, Mr. Oliveaux suggested PE consider using more innovative methods to attract and retain qualified offenders. As an example, he proposed using Jetson Correctional Center as an industry camp that would also provide upgraded housing for the working offenders.
63. Lastly, Mr. Ardoin discussed the date for the next board meeting.
64. Mr. Oliveaux suggested that the board consider compiling a list of board meeting dates for all of 2019.
65. Mr. Ardoin set the next meeting for 10:00 AM, Tuesday, January 29, 2019.
66. Mr. Ardoin adjourned the meeting at 10:53 AM.