

Prison Enterprises Board Meeting

February 27, 2018

**APPROVED**  
*Michael J. Moore*  
**Michael J. Moore, Director**  
3/20/18  
**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
    - Eric Lane
    - Richard Oliveaux
  - 3.2 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 not enough board members were present for a quorum therefore a vote to approve the prior meeting minutes could not be taken.
5. Mr. Ardoin expressed his appreciation to PE for the Henry Clarendon "H.C." Peck, Sr. Executive Board Room Dedication Ceremony and Reception that took place after last month's board meeting. He thanked Mr. Oliveaux for preparing and providing the food for the luncheon.
6. Mr. Oliveaux thanked PE for allowing the board to honor Mr. Peck. He commended Ms. Montalbano for organizing the event.
7. Mr. Ardoin turned the meeting over to Director Moore.
8. Director Moore thanked Mr. Oliveaux for providing the food for the reception. He recognized Mr. Oliveaux and Mr. Wisecarver for sharing their memories of Mr. Peck and his passion for growing the Department of Corrections.
9. Continuing, Director Moore referenced a news article in the board meeting folders pertaining to the H.C. Peck Executive Board Room Dedication Ceremony. He pointed out that the article was written by Ken Pastorick and was published in the DOC Newsletter.
10. Next, Director Moore provided an update on the performance audit the Louisiana Legislative Auditors (LLA) are conducting on PE. He added that the LLA had begun the annual financial audit of PE as well.
11. Director Moore summarized the budget crisis that the Legislature's special session is addressing. He discussed PE and DOC's budget issues for Fiscal Year (FY) 17/18 and FY 18/19.

12. Continuing, Director Moore disclosed that plans to refurbish or demolish (and rebuild) the Louisiana Institute for Women's (LCIW) facility has yet to be fully determined.
13. Lastly, Director Moore announced that PE's annual Office of Risk Management Audit (ORM) has been scheduled. He asked Mrs. Kacie Henderson to provide the details of the audit.
14. Mrs. Henderson stated that the ORM conducts an audit of PE Headquarters annually. This year the audit is scheduled for March 28<sup>th</sup>. She explained that ORM would walk through PE Headquarters and evaluate PE's compliance in safety, training, and human resources. She added that ORM performs a "full" audit every three (3) years, but this year's audit is considered a "compliance" audit.
15. Director Moore then asked Mr. Buttross for the administrative update.
16. Mr. Buttross began with the procurement contracts. He stated that the uniform bid was out and that the majority of the Canteen Distribution Center (CDC) contracts had been awarded. He explained that twelve (12) to fifteen (15) CDC items did not receive bids and will be rebid once the item specifications have been reviewed. Mr. Buttross added that the annual "tractor trade-in program" was completed and has received approval from the Louisiana Property Assistance Agency (LPAA). The "trade-in program" has been submitted to the Office of State Procurement (OSP) and is awaiting their approval.
17. Next, Mr. Buttross reported job orders for January 2018 were \$368,092 compared to 2017 job orders of \$307,238. February 2018 job orders to date are approximately \$416,343 and for the entire month of February 2017, job orders totaled \$775,027.
18. Director Moore then asked Mrs. Sigrest to provide the financial update.
19. Mrs. Sigrest reported that December 2017 finalized year to date (YTD) sales were \$13.5 million compared to December 2016 YTD sales of \$13.9 million, a decrease of \$420,000. YTD net income for the month of December 2017 was a loss of \$619,000 compared to a YTD loss of \$476,000 for December 2016, an increased loss of \$142,000. The January 2018 preliminary monthly sales increased by \$323,000 compared to January 2017 monthly sales and the preliminary YTD sales showed a decrease of \$96,000 as compared to January 2017 YTD sales.
20. Continuing, Director Moore asked Mrs. Melius to provide a sales and marketing update.
21. Mrs. Melius reported PE received three (3) significant DOC job orders. An order from Raymond LaBorde Correctional Center (RLCC) for offender clothing, linens, and janitorial supplies totaling \$59,167, an order from LCIW for officer uniforms and linens totaling \$19,425, and an order from David Wade Correctional Center (DWCC) for offender clothing, janitorial supplies, and linens totaling \$17,299.
22. Continuing, Mrs. Melius stated that three (3) other significant job orders were received. An order from the Youth Challenge Program/Minden for metal lockers, bunks, mattresses, and pillows totaling \$161,370, an order from Pinecrest Support Services for metal benches and furniture totaling \$51,550 and an order from Caddo Parish Correctional Center for offender clothing totaling \$17,650.
23. Next, Mrs. Melius reported that that one (1) significant job quote was submitted in February. The quote was to the Lafourche Parish Correctional Center for bunks, single beds, mattresses, and metal desk and stool combos for approximately \$165,000.
24. Lastly, Mrs. Melius stated that the Sales and Marketing team plans to attend the Chiefs of Police Mid-Year Conference, from March 6<sup>th</sup> - 8<sup>th</sup> in Lake Charles and the Louisiana Library Association Conference from March 7<sup>th</sup> - 9<sup>th</sup> in Alexandria.

25. Director Moore noted that the staff from Lafourche Parish Correctional Center toured the showrooms at PE Headquarters and were amazed with the products and services PE offers. They were provided samples of several items they may potentially purchase from PE.
26. Director Moore asked Mr. Floyd for an industries update.
27. Mr. Floyd reported that PE's Canteen Package Program (CPP) Supervisor Mel Fruge was doing a great job. He announced that the Spring CPP ordering period opened on February 12<sup>th</sup> and concludes on March 13<sup>th</sup>. He explained that this program is currently out performing all of the previous programs. During the first week the Spring Program sold four hundred forty (440) food and hygiene packages totaling \$37,130 and three hundred eighty-six (386) personal property packages totaling \$29,874. He noted that PE's CPP partner, Union Supply, provided a representative to assist PE in reviewing and managing inventory.
28. Mr. Oliveaux questioned PE's involvement with the inventory for the program.
29. Mr. Floyd explained that Union Supply receives the individual CPP orders, combines all the orders, and ships full cases of the items ordered. PE receives the cases of products and breaks them down to fill each order. The remaining inventory is stored in the CPP warehouse however, it is owned by Union Supply.
30. Continuing Mr. Floyd reported that PE's Transportation Manager, Stephen Gaspard remains out on leave due to a shoulder injury that will require surgery. PE's Industries Relief Supervisor, Mark Kilgore will continue overseeing the 914 Warehouse/Transportation in Mr. Gaspard's absence.
31. Next, Mr. Floyd reported that the Metal Fabrication Shop has been working on two (2) large orders for one hundred (100) each locker boxes and an order for twelve (12) programming chairs.
32. Mr. Floyd went on to explain that the Mattress Factory is waiting on samples to award contracts on several types of mattress ticking and bands.
33. Lastly, Mr. Floyd provided a sample of the new foaming soap produced by PE's Soap Plant and a sample dispenser PE plans to sell. He disclosed the components used to manufacture the foaming hand soap and discussed the advantages relating to sales, profit, packaging, and product cost of the foaming soap and the dispenser. He stated that the batch sheet and the product structure were completed and the plant supervisor was working on a label and the safety data sheet for the foaming soap.
34. Mr. Lane noted that introducing the foaming soap as a new product was timely, due to the flu epidemic.
35. Mr. Oliveaux inquired as to whether offenders purchase bottled water or is it issued by PE and which brand of water PE chooses to carry.
36. Mr. Buttross explained that bottled water is a CDC item that is bid out. PE sells to the Canteens the bottled water that has been awarded the bid. The canteens in turn sell the bottled water to the offenders.
37. Director Moore asked Mr. Hoover for an agriculture update.
38. Mr. Hoover announced that the cattle and calves were doing well with an abundance of grass and clover for them to eat. The bulls at Dixon Correctional Institute (DCI) were tested last week and the bulls at LSP will be tested Wednesday, February 28<sup>th</sup>. He noted that the water level of the Mississippi River is a concern. Currently, the river at LSP is predicted to crest at fifty-eight (58) feet on March 17<sup>th</sup> and historically, the river will go over the levee at Camp G at fifty-eight (58) and half (1/2) feet.

39. Next, Mr. Hoover reported on the row crops. He explained that although the corn seed was ready, planting has been delayed due to wet weather. Mr. Hoover stated that crop prices have been rising. Two (2) weeks ago, PE booked 5,000 bushels of soybeans for \$10.30 and booked another 5,000 bushels today for \$10.50.
40. Continuing, Mr. Hoover referenced the board meeting folders for a copy of the positive article the Western Horseman magazine wrote on PE's Rangeherd, horse operation, and offender workers.
41. Mr. Ardoin asked if PE was planting wheat.
42. Mr. Hoover replied that PE was not planting wheat and explained the rationale for not planting wheat.
43. Mr. Ardoin inquired of the status of the combine.
44. Mr. Hoover reported that PE is evaluating quotes to repair the combine as well as quotes to lease a combine.
45. Mr. Ardoin set the next meeting for 10:00 AM at PE Headquarters on Tuesday, March 20, 2018.
46. Mr. Ardoin adjourned the meeting at 10:39 AM.

Today's Date: 3/12/18

Date Completed: 3/15/18

# REVIEW

## Board Meeting Minutes

Tuesday, February 27, 2018

Please review the attached Board Meeting Minutes . Make any corrections/suggestions, initial & date

**RETURN TO MICHELLE ASAP**

Staff Member Initial

Date

Scot Floyd SF

12 Mar 18

Danny Hoover DH

3/12/18

Vickii Melius VM

3-13-18

Kristie Sigrest KS

3/12/18

Joe Buttross JB

3/13/18

Misty Stagg MS

3/14/18

MJM MJM

3/15/18