


Prison Enterprises Board Meeting

March 17, 2015


Michael J. Moore, Director
DATE 4/29/15

1. Chairman Charles Chatelain notified Director Moore that he would not arrive by 10:00 AM, due to traffic. He requested that the meeting begin without him.
2. Mr. Harvey Honore called the meeting to order at 10:11 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
3. Attendance
 - 3.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Eric Lane
 - Harvey Honore
 - Paul Spalitta
 - Frank Strickland
 - 3.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Kacie Henderson
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
4. Mr. Harvey Honore asked for a motion to approve the minutes of the February meeting. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
5. Mr. Honore turned the meeting over to Director Moore.
6. Director Moore began by reiterating that the state's projected budget deficit of \$1.6 billion for fiscal year 2016 had not changed. He discussed the effects the deficit could have to PE and to other DOC units.
7. Director Moore went on to explain that PE was continuing to stock finished product inventory for hurricane preparedness and for the anticipated influx of potential DOC orders expected at the end of this fiscal year.
8. The board was in agreement with stocking finished product inventory and reiterated the importance of stocking raw product inventory as well.
9. Director Moore continued with an overview the Government Efficiencies Management Support (GEMS) initiatives and the potential affects to PE.
10. Next, Director Moore informed the board of the personnel changes at PE. He reported the two open Accounting positions would be filled soon. Two excellent candidates had been selected and were proceeding through the hiring process.
11. Continuing, Director Moore announced that the PE 2014 Annual Awards and Training Conference held on March 12th was deemed a success. He referred to the list of awards

- and winners located in each board member's folder. He recognized each winner and congratulated Mr. Joe Buttross as the 2014 Director's Award recipient.
12. Next, Director Moore provided an update on relocating PE HQ's and the status of the renovations to the Mayflower Building. He reported the closing for the lease revenue bond was on March 9th and that PE requested that the first drawdown be made to cover expenses that had been incurred. He recognized EHCC, LSP, and DCI for providing offenders to assist with the demolition work done inside the building.
 13. Then, Director Moore recounted the events of the Beauregard Homeowners Association meeting he attended along with Mr. Labatut, Mr. Buttross, Secretary Le Blanc and Undersecretary Bickham. He reported that the associations concerns were expressed and adequately addressed.
 14. Lastly, Director Moore announced that the Data Center currently handling DOC's emails would be moved to the State Police building on Independence Blvd. He reported PE's email might be temporarily down during the physical move only.
 15. Director Moore then asked Deputy Director Labatut for his comments.
 16. Mr. Labatut provided an update on his recent meeting with the Orleans Parish Sheriff's office. He reported that the meeting focused on the many drafts he presented of various designs of conference room tables.
 17. Lastly, Mr. Labatut reported that Southeastern Louisiana University (SELU) requested a quote on new mattresses. He explained that PE sent them mattress samples for their consideration. He stated that burn test on the new mattress samples will be performed.
 18. Director Moore then asked Mr. Buttross for the administrative update.
 19. Mr. Buttross began by reiterating PE was complying with the "Expenditure Freeze" and purchasing only the items needed to maintain business continuity and to stock necessary inventory items. Mr. Buttross reported that the second container of blue denim material was scheduled to arrive at PE's central warehouse next week.
 20. Continuing, Mr. Buttross informed the board that PE's midyear budget decreased by sixty-three thousand dollars (\$63,000). He stated it was the result of a reduction in risk management premiums and was reported as an interagency transaction and will not have a financial impact to PE
 21. Mr. Buttross reported on two purchases PE has made. He stated a vehicle was purchased for a salesperson and the vehicle currently being used by her will revert to PE's much needed pool of vehicles. He reported that an aluminum twenty-four foot (24') dual axle trailer was purchased in time to haul bulls recently purchased.
 22. Next, Mr. Buttross announced he was working on preparing a custom bid to be written for cotton.
 23. Lastly, Mr. Buttross stated that February 2015 job orders totaled \$1,040,000 as compared to February 2014 job orders of \$588,000. Then he reported March's job orders to date were \$132,600 and all of March 2014 job orders totaled \$150,000.
 24. Director Moore then asked Mrs. Sigrest to provide the financial update.
 25. Mrs. Sigrest stated that the preliminary YTD sales for January 2015 were \$19.8 million as compared to last year's \$16.8 million, an increase of \$3 million. Industries totaled \$6.9 million this year as compared to \$5.4 million last year, an increase of \$1.5 million. Agriculture totaled \$4 million this year and \$3.2 million last year, an increase of \$772,000. Lastly, she stated Retail sales for January 2015 were \$8.8 million and \$8.1 million for January 2014 resulting in an increase of \$784,000 for this year.

26. Then Mrs. Sigrest reported that the January 2015 preliminary Net Income YTD was \$1.6 million compared to last year of \$34,000, an increase of \$1.6 million. Industries net income for January 2015 totaled \$752,000 compared to a loss of \$58,000 in January 2014, an increase of \$810,000. Agriculture's total net income for January 2015 was \$1.1 million as compared to last year's income of \$385,000, an increase of \$727,000. Retail totaled a net income of \$454,000 compared to last year's net income of \$331,000, an increase of \$123,000.
27. Next, Mrs. Sigrest reported the preliminary YTD sales for February 2015 were \$21.9 million as compared to \$18.6 million in February 2014, an increase of \$3.3 million. Industries sales were \$7.7 million compared to \$6.1 million in 2014, an increase of \$1.6 million. Agriculture sales for February 2015 totaled \$4.2 million and \$3.3 million in February 2014, an increase of \$915,000. Mrs. Sigrest stated Retail sales so far this year were \$9.9 million as compared to last year's sales of \$9.2 million, an increase of \$746,000.
28. Then Mrs. Sigrest referenced the Baton Rouge Janitorial sales on the January year to date cumulative sales report provided in the meeting folders. She clarified that the \$11,772 decrease in janitorial sales did not represent a decrease in the Janitorial contracted amounts, but was the result of the customers not utilizing supplemental janitorial services as had been done in the previous years.
29. Director Moore then asked Mrs. Melius for the marketing update.
30. Mrs. Melius began by reporting that there were two (2) significant DOC orders in March. The orders were as follows: DWCC ordered linens, offender clothing and janitorial supplies totaling \$17,485, and EHCC ordered offender clothing and duffle bags totaling \$7,402.
31. Then, Mrs. Melius stated PE received two (2) other significant job orders in March. She reported that the Fontainebleau State Park ordered cabin furniture (wood bunks, end tables, and dining chairs and tables) totaling \$50,130 and the LA Workforce ordered linens, mattresses, and locker boxes totaling \$48,760. Mrs. Melius noted that a \$15,000 quote for metal trash cans, picnic tables, and barbeque pits was submitted to the Poverty Point Reservoir.
32. Lastly, Mrs. Melius reported the Sales and Marketing staff attended the Justice of the Peace and Constables Conference in Marksville on March 3rd and 4th. She stated various staff members would be attending the National Institute of Government Purchasing expo in Port Allen, LA on March 17th and the Louisiana Association of Municipal Secretaries and Assistants held in Lake Charles, LA on March 25th and 26th.
33. Director Moore then asked Mr. Floyd to provide an Industries update.
34. Mr. Floyd began by providing an update on the LSP industries. He noted that while the Tag Plant was waiting on the aluminum sheeting to continue processing the 300,000 plates for the OMV order, they were busy processing other orders. He stated the Metal Fabrication Shop was busy working on the rodeo panels for the Burton Coliseum, the locker boxes for the LA Workforce order and the Earnest Morial Convention Centers fence panels. H reported the Silkscreen shop had completed the Heart Association shirts for the DOC, the Print Shop was working on a large order for LSP and that the Mattress Factory had produced six (6) dorm size sample mattresses and nine (9) mini mattresses for SELU.
35. Next, Mr. Floyd announced that Hunt's Soap Plant is operating more efficiently due to the inventory management plan the Soap Plant staff implemented. He stated that

- customer service was also improved, as orders are immediately filled from stocked inventory shelves instead of waiting for it to be produced.
36. Continuing, Mr. Floyd reported that the Allen Furniture Shop was diligently working to complete the EMCC reupholstering job and the DCI Chair Factory was close to completing the EMCC order for two hundred (200) benches. He noted that the SELU order for tables and chairs was scheduled to be delivered during the University's spring break.
 37. Lastly, Mr. Floyd reported the LCIW and Hunt Garment Factories continued to be affected by the "port" strike and were waiting for numerous deliveries of raw materials to complete orders. He reported Hunt Garment was not affected because denim had already been purchased in large quantities and stored at the PE warehouse.
 38. Next, Director Moore asked Mr. Labatut to provide the Agriculture update.
 39. Mr. Labatut began by explaining that Mr. Hoover was unable to attend the meeting because he was traveling to purchase Hereford bulls for the PE's LSP Rangeherd.
 40. Mr. Labatut reported that five hundred sixteen (516) acres of wheat had been fertilized and looked good. He reported that the rain was preventing PE from planting three hundred fifty (350) acres of corn.
 41. Next, Mr. Labatut reported that the heifers at DCI were being worked and that the cows and calves would start to be worked in April.
 42. Lastly, Mr. Labatut reported that all the steers had been shipped and that a few open cull heifers would be available soon.
 43. Mr. Chatelain announced the next board meeting would be held at 10:00 AM on Tuesday, April 28, 2015 at PE Headquarters. He announced that a tour of the Mayflower building would be offered at the conclusion of next month's meeting. Mr. Chatelain then adjourned the meeting.

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