

**Prison Enterprises Board Meeting**

**April 28, 2015**

1. Chairman Charles Chatelain called the meeting to order at 10:04 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
  - 2.1 Members Present:
    - Charles Chatelain, Chairman
    - Joseph Ardoin
    - Paul Spalitta
    - Frank Strickland
  - 2.2 Prison Enterprises Staff Present:
    - Joe Buttross
    - Scot Floyd
    - Todd Labatut
    - Vickii Melius
    - Michelle Montalbano
    - Kristie Sigrest
    - Misty Stagg
3. Chairman Charles Chatelain deferred approving the minutes for the March meeting, as not enough board members were present to make a quorum.
4. Mr. Chatelain turned the meeting over to Deputy Director Todd Labatut.
5. Mr. Labatut reported that Mr. Paul Spalitta was delayed and would arrive shortly. Mr. Labatut reported that Director Moore could not attend the meeting.
6. Mr. Labatut began by reviewing the legislative status of Senate Bill 33 and its impact to PE.
7. At 10:09 AM, Mr. Paul Spalitta joined the meeting.
8. Mr. Labatut went on to explain that PE was purchasing raw materials and building product inventories to prepare for the influx of large orders that typically occur at the end of the fiscal year as well as in preparation for hurricane season.
9. Next, Mr. Labatut provided an update on personnel changes at PE. He reported that with the recent new hire, Drew Weidenbacher, the accounting department was fully staffed. He reported that Tracey Gremillion at CDC and Cliff Adcock that works security at DWCC Rangeherd were both out on medical leave.
10. Mr. Labatut continued with an update on the renovations to the Mayflower Building. He announced that the Louisiana Correctional Facilities Corporation (LCFC) awarded the electrical and mechanical contracts and added that PE sincerely appreciated the continuous support and assistance from the LCFC board.
11. Then, Mr. Labatut asked Mrs. Misty Stagg to report on a letter from the Louisiana Board of Ethics. Mrs. Stagg stated that PE received a letter requesting documentation to substantiate that PE Board members are not required to file personal financial disclosure statements. Mrs. Stagg reviewed with the board members, PE's written response to the Board of Ethics. She explained that PE also sent a letter to the Louisiana Ethics Administration requesting that a formal advisory opinion be issued.

12. Mr. Labatut reported that Director Moore indicated he observed various innovative processes, attended numerous educational seminars, and networked with many vendors at the annual National Correctional Industries Association conference in Indianapolis.
13. Next, Mr. Labatut stated that PE's canteen sales at LCIW and RCC seemed not to be effected by the ban on smoking at these prisons.
14. Mr. Labatut reviewed the status of the Janitorial Contracts. He reported that PE submitted contracts to the Office of State Buildings (OSB) and the Department of Transportation and Development (DOTD). The OSB contract was in circulation for signatures and the DOTD contract was under review.
15. Mr. Labatut summarized the meeting he and Director Moore had with DCI's Warden Vannoy, Deputy Warden Stevens, Assistant Warden Bickham, and Assistant Warden Kent to evaluate and discuss the likelihood of PE obtaining additional offenders for the janitorial crews.
16. Then Mr. Labatut reported on a meeting with the Orleans Parish Sheriff that resulted in PE submitting multiple furniture quotes with various pictures and prices.
17. Lastly, Mr. Labatut announced that with the assistance of EHCC, PE delivered the entire Southeastern Louisiana University order of tables and chairs in one day.
18. Mr. Labatut 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.
20. Mr. Buttross reported that PE was in the process of purchasing a vehicle for PE Headquarters, a John Deere Gator for the Janitorial crews, a truck lift for PE Transportation and a soap press for the Soap Plant.
21. Next, Mr. Buttross provided an update on the construction of the Canteen Packaging warehouse that will be built next to CDC at LSP. He also reported that the RFP for the Canteen Packaging was submitted to state procurement and awaiting final approval.
22. Lastly, Mr. Buttross stated that March 2015 job orders totaled \$402,000 as compared to March 2014 job orders of \$323,000. Then he reported April's job orders to date were \$278,000 and all of April 2014 job orders totaled \$93,000. He explained that the increase in job orders was due to an increase in the volume of business and not the result of the timing of job orders.
23. Mr. Labatut then asked Mrs. Sigrest to provide the financial update.
24. Mrs. Sigrest stated that the YTD sales for February 2015 were \$21.9 million as compared to last year's \$18.6 million, an increase of \$3.3 million. Industries totaled \$7.7 million this year as compared to \$6.1 million last year, an increase of \$1.6 million. Agriculture totaled \$4.2 million this year and \$3.3 million last year, an increase of \$915,000. Lastly, she stated Retail sales for February 2015 were \$9.9 million and \$9.2 million for February 2014 resulting in an increase of \$748,000 for this year.
25. Then Mrs. Sigrest reported that the February 2015 Net Income YTD was \$1.6 million compared to last year's loss of \$77,000, an increase of \$1.7 million. Industries net income for February 2015 totaled \$775,000 compared to a loss of \$114,000 in February 2014, an increase of \$890,000. Agriculture's total net income for February 2015 was \$1.1 million as compared to last year's income of \$349,000, an increase of \$777,000. Retail totaled a net income of \$489,000 compared to last year's net income of \$393,000, an increase of \$97,000.

26. Next, Mrs. Sigrest reported the preliminary YTD sales for March 2015 were \$24.1 million as compared to \$20.7 million in March 2014, an increase of \$3.4 million. Industries sales were \$8.5 million compared to \$6.9 million in 2014, an increase of \$1.6 million. Agriculture sales for March 2015 totaled \$4.2 million and \$3.3 million in March 2014, an increase of \$922,000. Mrs. Sigrest stated Retail sales so far this year were \$11.4 million as compared to last year's sales of \$10.5 million, an increase of \$885,000.
27. Mr. Labatut then asked Mrs. Melius for the marketing update.
28. Mrs. Melius began by reporting that there were three (3) significant DOC orders in April. The orders were as follows: DWCC ordered linens, offender clothing and janitorial supplies totaling \$60,272, RCC ordered offender clothing totaling \$20,684, and AVC ordered janitorial supplies totaling \$31,096.
29. Then, Mrs. Melius stated PE received three (3) other significant job orders in April. She reported that the Allen Parish Sheriff's Office ordered wood furniture totaling \$36,687, the Union Parish School Board ordered chairs and conference room tables totaling \$32,728, the Poverty Point Reservoir ordered metal trashcans, and barbeque pits totaling \$15,150.
30. Next, Mrs. Melius reported a quote for \$24,678 was given to the Attorney General's Office for wood furniture and task chairs.
31. Lastly, Mrs. Melius reported that the Sales and Marketing staff attended the Louisiana Association of Municipal Secretaries and Assistants Conference held in Lake Charles, LA on March 25<sup>th</sup> and 26<sup>th</sup> and the Louisiana Recreation and Parks Association Conference that was held in Lafayette, LA on March 31<sup>st</sup> and April 1<sup>st</sup>. Mrs. Melius announced that the Sales and Marketing team was scheduled to attend the Louisiana Sheriff's Association Warden and Jail Training Conference from May 17<sup>th</sup> – May 19<sup>th</sup> in Lake Charles, LA.
32. Mr. Labatut then asked Mr. Floyd to provide an Industries update.
33. Mr. Floyd began by providing an update on the LSP industries. He stated that the Tag Plant was close to completing the motorcycle plates and the remaining 115,000 of the Battle of New Orleans license plates. He noted in preparation for a large Office of Motor Vehicle order expected in late June, a bid for 80,000 pounds of aluminum sheeting had been submitted to state procurement. He reported that the Metal Fabrication Shop had completed the rodeo panels for the Burton Coliseum order, the locker boxes for the LA Workforce order and the order for Office of State Parks. He also reported that the PE Metal Fabrication staff attended a powder coating workshop provided by a representative of Sherwin Williams. Lastly, the Mattress Factory at LSP reported that they were in the process of evaluating the need to re-establish the state contracts for a twelve-month period (January – December) and to eliminate the estimated arrival time as part of the requirement of the bid.
34. Next, Mr. Floyd announced that the Garment plants had successfully been filling all of the current orders and were working to build inventory. He noted receipt of the Mesh fabric order that had been previously been held at the docks. He recognized the staff and offenders for working to quickly complete all of the mesh bags that were backordered.
35. Mr. Floyd reported that the furniture and chair plant completed the Earnest Morial Convention Center (EMCC) re-upholstery order and the SELU order for tables and chairs. He recognized the PE and EHCC staff and offenders for working diligently to provide an excellent customer service experience for the SELU staff. Additionally, Mr.

Floyd reported that half of the benches and two (2) loads of EMCC fence panels were completed and scheduled to be delivered.

36. Lastly, Mr. Floyd reported that the Soap Plant ordered a new soap press that would increase the soap bar production from twenty (20) bars a minute to over one hundred (100) bars per minute. The increased rate of production will allow the Soap Plant to fill orders more efficiently and build inventory.
37. Mr. Labatut asked Mrs. Stagg to provide the Agriculture update.
38. Mrs. Stagg began by explaining that Mr. Hoover was unable to attend the meeting.
39. Mrs. Stagg reported that the corn and soybeans were up and looking good. She stated that the prevailing rains were preventing cotton and additional soybeans to be planted.
40. Next, Mrs. Stagg reported that hay cutting and working cows were slightly delayed due to the rainy conditions.
41. Lastly, Mrs. Stagg announced that three (3) loads of DCI heifers would be sold at the Superior Livestock Video Auction on May 8<sup>th</sup> and in early May two (2) Quarter Horses will be sold at the stockyard.
42. Mr. Labatut thanked the board members and PE staff for participating in the meeting.
43. Mr. Chatelain announced that a quorum was reached with the arrival of Mr. Spalitta. He asked for a motion to approve the minutes of the March meeting. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
44. Mr. Chatelain announced the next board meeting would be held at 10:00 AM on Tuesday, May 26, 2015 at PE Headquarters. Mr. Chatelain then adjourned the meeting at 10:59 AM.