

Prison Enterprises Board Meeting

April 19, 2022

APPROVED

Misty Stagg, Director
5/17/22
Date

1. Chairman Joseph Ardoin called the meeting to order at 10:02 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance:
 - 3.1 Members Present:
Joseph Ardoin, Chairman
Harvey Honore'
Richard Oliveaux
 - 3.2 Prison Enterprises Staff Present:
Misty Stagg, Director
Scot Floyd
Angela Burrell
Brooke Farrar
Danny Hoover
Kenny Juneau
Vickii Melius
Michelle Montalbano
Kelly Ransome
3. Mr. Ardoin called the meeting to order and asked Mr. Richard Oliveaux to lead the prayer. Following the prayer, the Pledge of Allegiance was recited.
4. Mr. Ardoin acknowledged that not enough board members were present for a quorum; therefore, a vote to approve the February and March board meeting minutes could not be taken.
5. Mr. Ardoin turned the meeting over to Director Stagg.
6. Director Stagg announced that PE's Annual Awards and Training Conference would be held on May 5th at the Oak Lodge Reception and Conference Center. She referenced the Board member folders for an invitation to attend the conference.
7. Next, Director Stagg stated that due to the significant increase in fuel prices, PE is paying its staff (5) hours of earned K-Time, unless they choose not to participate. Director Stagg noted that several other Department of Corrections (DOC) institutions are offering similar compensation to employees.
8. Lastly, Director Stagg introduced PE's new Administrative Program Director, Kelly Ransome to the Board members.
9. Mr. Oliveaux welcomed Mrs. Ransome and inquired on her previous employment.
10. Mrs. Ransome stated that she worked for the Louisiana (LA) Department of Agriculture for nearly ten (10) years and LA State Police for more than five (5) years.
11. Then, Director Stagg asked Mr. Floyd for his updates.
12. Mr. Floyd reported that PE continues to struggle with supply chain shortages and price increases. However, the industries are busy preparing for hurricane season and fiscal year end orders.

13. Next, Mr. Floyd provided an equipment and procurement update. PE received an agriculture truck that was ordered more than a year ago, a purchase order for a squeeze chute for Louisiana State Penitentiary (LSP) Rangeherd was recently awarded and is being built, and the bid was awarded for a full color production Xante printing machine.
14. Mr. Honore' inquired on the model truck that was purchased and Mr. Oliveaux asked how many trucks were purchased?
15. Mr. Floyd stated that a Ford F250 was purchased to replace the Agriculture Manager's truck, a used tractor truck was received in March, and the Industries Manager received an F250 truck in November 2021.
16. Director Stagg, Mr. Oliveaux, Mr. Floyd, and Mr. Juneau discussed the types of trucks, how/where they are used within PE, and the importance of functionality for farming and industry vehicles.
17. Next, Director Stagg asked Mrs. Farrar for her updates.
18. Mrs. Farrar reported that on April 14th an AM-H-2 monitoring site visit was conducted at PE's Soap Plant and Rangeherd at Elayn Hunt Correctional Center (EHCC). Both operations were found to be in compliance. Additionally, an AM-H-2 monitoring site visit is planned for LSP operations in May.
19. Continuing, Mrs. Farrar reported that preparations continue for PE's American Correctional Association (ACA) Reaccreditation audit that is scheduled for October 24th and 25th.
20. Lastly, Mrs. Farrar stated that PE was found to be in compliance with the Office of Risk Management (ORM) audit performed on March 25th.
21. Director Stagg asked Mrs. Burrell for the financial update.
22. Mrs. Burrell reported the December 2021 final year-to-date (YTD) sales for Industries were \$4.6 million compared to \$4.7 million in December 2020. Agriculture YTD sales for December 2021 were \$2.5 million compared to \$2.2 million in December 2020. Retail YTD sales for December 2021 were \$8.4 million compared to \$7.3 million in December 2020. Overall, YTD sales for December 2021 increased by \$1.3 million compared to December 2020.
23. Next, Mrs. Burrell reported that December 2021 final YTD net income for Industries was a loss of \$115,000 compared to loss of \$277,000 in December 2020. Agriculture YTD net income for December 2021 was \$144,000 compared to a loss of \$171,000 in December 2020. Retail YTD net income for December 2021 was \$695,000 compared to \$546,000 in December 2020. Overall, YTD net income for December 2021 increased by \$536,000 compared to December 2020.
24. Continuing, Mrs. Burrell reported that January 2022 preliminary monthly sales for Industries were \$5.6 million compared to \$5.7 million in January 2021. Agriculture YTD sales for January 2022 were \$2.5 million compared to \$2.3 million in January 2021. Retail YTD sales for January 2022 were \$9.8 million compared to \$8.3 million in January 2021. Overall, YTD sales for January 2022 increased by \$1.5 million compared to January 2021.
25. Then, Mrs. Burrell reported that January 2022 final YTD net income for Industries was a loss of \$6,000 compared to loss of \$253,000 in January 2021. Agriculture YTD net income for January 2022 was \$108,000 compared to a loss of \$221,000 in January 2021. Retail

YTD net income for January 2022 was \$891,000 compared to \$572,000 in January 2021. Overall, YTD net income for January 2022 increased by \$846,000 compared to January 2021.

26. Lastly, Mrs. Burrell reported that February 2022 preliminary monthly sales increased by \$172,000 compared to February 2021 sales and February 2022 preliminary YTD sales increased by \$1.6 million compared to February 2021 YTD. March 2022 preliminary monthly sales decreased by \$848,000 compared to March 2021 and March 2022 preliminary YTD sales increased by \$823,000 compared to March 2021.
27. Mr. Honore inquired on the preliminary sales for the Canteen Distribution Center (CDC).
28. Director Stagg explained that the preliminary sales Mrs. Burrell reported do not include the entire month of sales.
29. Discussions ensued, regarding CDC sales, the inability to obtain procurement contracts on canteen items, the effects of rebidding products, and supply chain issues.
30. Director Stagg asked Mrs. Melius for the sales and marketing update.
31. Mrs. Melius reported job orders for the month of March were \$339,000 compared to \$697,000 for March 2021. YTD job orders for March 2022 were \$7.6 million compared to \$5.7 million for March 2021. The April 2022 monthly job orders to-date were \$694,000 compared to \$401,000 for all of April 2021. The current YTD job orders to-date were \$8.3 million compared to \$6.2 million through April 2021.
32. Next, Mrs. Melius reported that PE received four (4) significant DOC job orders. An order from Allen Correctional Center (ALC) for inmate clothing, linens, janitorial supplies and officer uniforms totaling \$72,313 an order from Raymond Laborde Correctional Center (RLCC) for janitorial supplies, inmate clothing, and officer uniforms totaling \$68,540, an order from LSP for furniture, print, officer uniforms, inmate clothing, linens, and janitorial supplies totaling \$51,255, and an order from B.B. "Sixty" Rayburn Correctional Center (RCC) for janitorial supplies, inmate clothing, and linens totaling \$31,199.
33. Continuing, Mrs. Melius reported PE received three (3) other significant job orders. An order from Louisiana Department of Education (LDOE) for picnic tables and benches totaling \$42,782, an order from St. Landry Parish Sheriff's Office for bunks totaling \$21,150, and an order from Orleans Parish Sheriff's Office for mattresses totaling \$18,000.
34. Then, Mrs. Melius stated that PE submitted a quote to St. Vincent de Paul for innerspring mattresses totaling approximately \$70,000, a quote to the Caddo Parish Sheriff's Office for mattresses totaling \$36,500, and a quote to the City of Gonzales for picnic tables totaling \$22,725.
35. Next, Mrs. Melius reported that the Sales and Marketing staff plan to attend the Louisiana Sheriffs' Association (LSA) Jail and Wardens Training Conference May 15 – 18, 2022 in Lake Charles.
36. Lastly, Mrs. Melius reported on several potential upcoming jobs including the City of Sulphur for police, city works, and fire department uniforms and a one hundred (100) bed women's facility in Sabine Parish.
37. Mr. Ardoin inquired on the increasing cost of raw materials and the effect it has to sales and profit margins.
38. Director Stagg explained that some of these products are custom and priced individually allowing for the increase in raw materials. We are currently beginning the process of evaluating contract pricing for next fiscal year.

39. Then, Director Stagg asked Mr. Juneau for the industries update.
40. Mr. Juneau began with an equipment update. The full color high quality production Xante printer is scheduled to be delivered April 20th. The bottle filler bid opens on April 20th, as well as the bid for a FuelTrac compatible gas pump dispenser for transportation. Additionally, LSP maintenance is working on connecting the two (2) air conditioning units PE purchased for the Print Shop.
41. Next, Mr. Juneau provided updates on some LSP industries. The ordering period for the Canteen Package Program (CPP) summer program is April 11th – May 16th. PE expects to receive all the packages by April 26th to begin distributing them to the institutions. In addition to waiting on an order of 80,000 pounds of aluminum, the Tag Plant is working overtime to complete the second half of the Office of Motor Vehicles (OMV) order by June 30th. The CDC placed the third emergency order for canteen products. However, most CDC contracts are in place.
42. Lastly, Mr. Juneau reported that the Southwest Transitional Work Program (SWTWP) Garment Factory is busy making jumpsuits and scrubs, while the Garment Factory at RLCC is busy manufacturing jeans. Additionally, the Mattress Factory, Metal Fabrication (Metal Fab) Shop, and Soap Plant are busy completing orders and preparing inventory for fiscal year end orders and hurricane season.
43. Mr. Oliveaux inquired on what becomes of the old license tags turned into OMV.
44. Mr. Juneau explained that PE picks up the old tags and sells some of them to an aluminum recycling tag vendor. PE's recycling revenues will be available for the May Board meeting.
45. Next, Director Stagg asked Mr. Hoover for the agriculture updates.
46. Mr. Hoover provided an update on row crops. All of the corn is planted and up. It is being fertilized and looks great. Soybean planting is expected to begin this week. However, the river is expected to continue rising and soybean planting behind the main levee is uncertain.
47. Next, Mr. Hoover reported that half the cattle were worked at LSP and all the cattle at the other institutions. Calving is complete and the bulls are out with the cows. PE plans to sell three (3) loads of DCI yearling heifers by the end of May.
48. Mr. Hoover added that PE has two (2) or three (3) horses to sell at the April 30th Southwest Horse Auction in Bush, LA.
49. Lastly, Mr. Hoover reported that the timber bid is expected to be out by April 30th.
50. Mr. Oliveaux asked the status of the levee that was repaired.
51. Mr. Hoover stated that the levee is holding up very good.
52. Then, Mr. Oliveaux inquired on the success of obtaining inmate workers at SWTWP.
53. Mr. Juneau provided an update on the status of inmate workers at SWTWP.
54. Mr. Ardoin stated that the next meeting will be held at 10 AM on May 17, 2022.
55. Mr. Ardoin adjourned the meeting at 10:37 AM.