

May 24, 2016

**APPROVED**  
*Michael J. Moore*  
**Michael J. Moore, Director**  
5/24/16  
**Date**

1. Chairman Charles Chatelain called the meeting to order at 10:00 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
  - 2.1 Members Present:
    - Charles Chatelain, Chairman
    - Joseph Ardoin
    - Harvey Honore
    - Eric Lane
  - Prison Enterprises Staff Present:
    - Michael Moore, Director
    - Joe Buttross
    - Scot Floyd
    - Kacie Henderson
    - Daniel Hoover
    - Michelle Montalbano
    - Kristie Sigrest
    - Misty Stagg
3. Chairman Charles Chatelain asked for a motion to approve the minutes of the April 19, 2016 board meeting. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Honore seconded the motion and it passed unanimously.
4. Mr. Chatelain turned the meeting over to Director Michael Moore.
5. Director Moore began by reporting that Deputy Director Labatut was unable to attend the meeting.
6. Director Moore provided an update on the Legislative session, House Bill 215, and the cash flow effects of Senate Bill 460 with relevance to PE. He explained that PE's financial statements reflect the significant increases to expenses and a decrease in sales that was expected from the lack of supplemental funding and various budget cuts to state agencies. In regard to the upcoming fiscal year, Director Moore provided a spreadsheet of the mandated Executive Budget expenses as they appear in the respective Budget bills for Fiscal Year 15/16 as compared to Fiscal Year 16/17. This comparison reflects the increases assigned to PE for the coming fiscal year. Additionally, he disclosed that the "sweep" of PE's funds (cash) to the Treasury Fund this fiscal year was a significant unexpected expense for PE of over \$331,000. Director Moore referenced a Cash Flow statement in the meeting folders and various discussions ensued.
7. Next, Director Moore reported on the NCIA Training Conference that he and Mr. Floyd, Mr. Juneau and Ms. Simpson attended in April. The operational roundtables were pertinent to several PE industries and beneficial to those that attended.
8. Continuing, Director Moore provided a recap of the Annual Awards and Training conference PE hosted on May 5, 2016.
9. Then, Director Moore discussed personnel changes at PE over the last month.

10. Lastly, Director Moore reported that PE continues to receive media request and staff have met with legislative auditors several times.
11. Director Moore asked Mr. Buttross for the administrative update.
12. Mr. Buttross provided an update on the progress of Building 10. He reported that the crews were working on the second (2<sup>nd</sup>) floor punch list, painting the first (1<sup>st</sup>) floor and completing the warehouse areas. He noted that the storefronts and the glass for the modular furniture would be installed by the end of the month.
13. Next, Mr. Buttross presented an implementation timeline for the Canteen Packaging Program and Warehouse. He stated that the concrete bid for the warehouse had been awarded and was scheduled to be poured in July and August. He reviewed the marketing plan for the program and all of the menu selections available.
14. Then, Mr. Buttross reported on PE's purchases. He announced that fifty thousand (50,000) yards of denim was ordered and received at PE Headquarters, that an aluminum bid was put out for the Tag Plant and that the CNC Router for Allen Furniture has been scheduled to be delivered in June.
15. Lastly, Mr. Buttross announced that the April 2016 job orders were \$156,000, a decrease from April 2015 job orders of \$332,000. Next, he reported that the May 2016 orders to date were \$308,000 while May 2015 total job orders were \$684,000.
16. Director Moore asked Mrs. Sigrest to provide the financial update.
17. Mrs. Sigrest began by reporting that PE's Net Loss for March increased by \$50,000 more than originally reported in March's preliminary financials. She explained that the transfer of funds to the State's General Fund was the primary reason for the change.
18. Next, Mrs. Sigrest reported the preliminary YTD sales for April 2016 was \$23.1 million as compared to \$26.6 million in April 2015, a decrease of \$3.4 million. Industries totaled \$8.5 million in April 2016 compared to \$9.5 million last April, a decrease of \$1 million. Agriculture sales were \$3.2 million for April 2016 and \$4.2 million in April 2015, a decrease of \$996,000. She stated that Retail Sales for April 2016 were \$11.4 million as compared to \$12.8 million April 2015, a decrease of \$1.4 million.
19. Mrs. Sigrest reported the preliminary YTD net income for April 2016 was a loss of \$1.6 as compared to \$1.6 million profit in April 2015, a decrease of \$3.2 million. Industries net income was \$118,000 compared to \$820,000 in 2015, a decrease of \$702,000. Agriculture net income was a loss of \$858,000 compared to \$1 million profit in April 2015, a decrease of \$1.8 million. Retail net income for April 2016 was \$435,000 as compared to last year's profit of \$663,000, a decrease of \$228,000.
20. Director Moore referred to a Cash Comparison Statement in the meeting folders and emphasized the significant decrease displayed on the four (4) year comparison chart.
21. Director Moore asked Mrs. Melius for the marketing update.
22. Mrs. Melius began by reporting that PE received four (4) significant Department of Corrections (DOC) orders: an order from Louisiana State Penitentiary (LSP) for linens, printing and officer uniforms totaling \$83,350, an order from Probation and Parole (P&P) for officer jackets totaling \$55,086, an order from Avoyelles Correctional Center (AVC) for offender clothing, janitorial products, and linens totaling \$50,014, and an order from Rayburn Correctional Center (RCC) for offender clothing totaling \$22,561.
23. Continuing, Mrs. Melius announced that three (3) other significant job orders were received: an order from Calcasieu Parish Sheriff's Office for janitorial supplies, mattresses, and laundry bags totaling \$11,685, an order from the Pineville Youth Challenge Program

- for linens and janitorial supplies totaling \$10,738 and an order from the Eastern Louisiana Mental Health System for mattresses totaling \$7,500.
24. Next, Mrs. Melius reported that three (3) significant quotes were presented. A quote to Louisiana State Parks for mattresses, chairs, wood furniture, and metal fabrication items totaling \$140,000, a quote to St. John Fire Department for chairs, desks and metal fabrication items totaling \$20,900 and a quote to the Baton Rouge Office of Juvenile Justice for "Facetme" desks totaling \$20,400.
  25. Lastly, Mrs. Melius stated that Sales and Marketing staff attended two (2) conferences in Lake Charles, the Louisiana Recreation Park Association Conference April 26<sup>th</sup> and 27<sup>th</sup> and the Louisiana Sheriff's Associations Warden & Jail Training Conference May 15<sup>th</sup> – May 18<sup>th</sup>.
  26. Director Moore, then asked Mr. Floyd to provide an Industries update.
  27. Mr. Floyd began with the update on PE's industries at LSP. He reported that the Print Shop staff and offenders completed training on the "new" Epson Computer to Plate system. The Tag Plant received a supplemental order from the Office of Motor Vehicles for license tags totaling \$469,333. He stated that the Metal Fabrication shop successfully completed and delivered the Bayou Segnette order and provided a quote to State Parks for picnic tables, barbeque pits, and trashcans. Lastly, PE's Transportation Department assisted P&P with moving from New Orleans.
  28. Continuing, Mr. Floyd reported on the Garment Plants, reiterated that the EHCC Garment Plant was operating with only 47% of the offenders needed to fulfill the outstanding orders. The Louisiana Correctional Institute for Women (LCIW) Garment Plant was busy working on an LSP order for 13,000 sheets for delivery by June 30, 2016. Lastly, he announced that the Garment Plant Supervisor at Winn Correctional Center, Becky Dougan returned from medical leave on May 4<sup>th</sup>.
  29. Next, Mr. Floyd provided updates on the Furniture and Chair Plants. He reported that the Furniture Plant at Allen Correctional Center was awaiting delivery of the CNC router and working on a sample pew for St. Thomas More Catholic Church. The Embroidery and Chair Plants at Dixon Correctional Center were working on jackets for P&P and an order for RCC for tactical shirts and pants, caps and nametags.
  30. Lastly, Mr. Floyd announced that the Soap Plant increased bar soap production with a record of 92,000 bars of soap in April due to the new equipment.
  31. Continuing, Director Moore asked Mr. Hoover for the agriculture update.
  32. Mr. Hoover announced that soybeans would be planted on only a portion of Monkey Island since the Mississippi River was below flood stage. He reported that the National Guard was exploring the possibilities of repairing the levee.
  33. Next, Mr. Hoover stated that David Wade Correctional Center sold sixty-six (66) heifers weighing an average of seven hundred eighty-one (781) pounds and DCI sold one hundred twenty-six (126) heifers weighing an average of seven hundred sixty-three (763) pounds via video auction.
  34. Lastly, Mr. Hoover announced that nineteen (19) horses, mules, and donkeys were sold at the Southwest Horse Sale. Additionally, he disclosed that another quarter horse was sold for \$6,000.
  35. Mr. Chatelain announced that the next board meeting would be held at 10:00 AM on Tuesday, June 21, 2016 at PE Headquarters. At 11:08 AM, Mr. Chatelain adjourned the meeting.