

Prison Enterprises Board Meeting

May 15, 2018

APPROVED
Michael J. Moore
Michael J. Moore, Director
5/17/18
Date

1. Chairman Joseph Ardoin called the meeting to order at 10:04 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. In lieu of the opening prayer, Mr. Richard Oliveaux directed a moment of silence and followed with the Pledge of Allegiance.
3. Attendance
 - 3.1 Members Present:
 - Joseph Ardoin, Chairman
 - Eric Lane
 - Richard Oliveaux
 - Chris Wisecarver
 - 3.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Danny Hoover
 - Kacie Henderson
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
4. Mr. Ardoin acknowledged that a quorum was present and asked for a motion to approve the April 24, 2018 board meeting minutes. Mr. Oliveaux made a motion that the minutes be approved as written. Mr. Lane seconded the motion and it passed unanimously.
5. Mr. Ardoin inquired of the status of Mr. Strickland regarding his seat on the board.
6. Director Moore explained that he left a message for Mr. Strickland's son and has not heard back from him.
7. Conversations regarding Mr. Randy Strickland resuming a seat on the board and other potential candidates ensued.
8. Mr. Wisecarver requested Mr. Strickland's telephone number and stated that he will attempt to contact him.
9. Mr. Ardoin turned the meeting over to Director Moore.
10. Director Moore began with a Legislative Session update and stated that on May 14th, he and Mr. Buttross attended the Senate Finance Committee meeting for the PE Budget Bill which passed and went to the Senate floor. Additionally, the committee passed the DOC's FY 17/18 supplemental bill. He explained that if the Senate passes the supplemental bill before the regular session ends, that will allow PE more than five (5) weeks to process and fill the much anticipated fiscal year-end orders resulting from funding associated with the supplemental bill. Director Moore noted that the regular session may end early as the second (2nd) Legislative Special Session has been scheduled to begin May 22nd.

11. Next, Director Moore summarized the highlights from PE's Employee Awards and Training Conference held April 26, 2018. He referenced a list of the awards and the award recipients located in the board meeting folders and announced the major award winners.
12. Mr. Oliveaux explained that he was unable to attend the conference. He expressed the importance and the significance the James E. "Boss Dick" Oliveaux award has to the Oliveaux family.
13. Then, Director Moore stated that the Department of Corrections (DOC) observed National Correctional Officers and Employees week. He expounded on several team building activities hosted by the department.
14. Continuing, Director Moore provided information on a meeting he and several PE staff members had with the 3M representative on May 14th. They discussed several revenue generating ideas.
15. Director Moore also reported on a meeting with the architect that is building new cell blocks at Jetson Center for Youth (JCY) and EHCC for Louisiana Correctional Institute for Women (LCIW) offenders.
16. Mr. Wisecarver mentioned California's new digital LED license plates and questioned whether Louisiana was considering digital LED plates.
17. Director Moore explained that typically these types of changes would be generated by the Office of Motor Vehicles and PE would work with them to accommodate any changes they required.
18. Next, Director Moore provided an update on the textile order that was awarded in October 2017 (for a January delivery) and has not been received. Vendor deficiencies have been reported and the possibility of changing the vendor has been discussed with OSP. Although PE Garment Plants have managed to complete all job orders thus far, there is a possibility that supplemental job orders requiring blue broadcloth and red twill fabric would not be delivered timely.
19. Mr. Wisecarver inquired whether OSP contracts have provisions for penalties when deadlines are not met.
20. Mr. Buttross cited several examples of vendor situations that resulted in penalties. Discussions on vendors and penalties continued.
21. Next, Director Moore provided an update on the progress of restoring garment production to the level it was prior to the 2016 floods that closed PE's Garment Plant at LCIW. Thirteen (13) sewing machines recovered from LCIW were recently moved to an available building at LSP and Warden Vannoy provided a crew of offenders and a correctional officer to work them. This allowed PE to resume T-shirt production with minimal additional expenses and potentially reestablish T-shirt production to "pre-flood" levels.
22. Mr. Oliveaux questioned whether B.B. "Sixty" Rayburn Correctional Center (RCC) could facilitate a T-shirt plant at their institution.
23. Director Moore explained that per previous discussions RCC did not have a building that would accommodate a plant and they would have to be willing to provide the supervisory personnel to staff it.
24. Lastly, Director Moore announced that PE received a significant job order for bunks and single beds from the Lafourche Parish Sheriff's Office. He provided details of a meeting he, Mrs. Stagg, and Mr. Floyd had with them and a tour of the new complex they are building. He noted that they were interested in potentially partnering with PE to run an industry in their new complex.

25. Director Moore then asked Mr. Buttross for an administrative update.
26. Mr. Buttross began with an update on the Apprenticeship Program. He explained that a meeting with the Apprenticeship Council to review the application, answer questions, and ultimately receive approval to proceed with the program has been scheduled for 10 AM, May 30th. PE and the Louisiana Workforce Commission will meet at 10 AM, May 18th to prepare for the Apprenticeship Council meeting.
27. Next, Mr. Buttross reported that PE continues monitoring sales orders and raw material inventories to ensure all orders are filled timely and to properly plan for fiscal year-end orders.
28. Lastly, Mr. Buttross reported that job orders for April 2018 were \$764,000 compared to April 2017 job orders of \$186,000. He noted that the April 2018 job orders reflect some purchase orders from the Youth Challenge Program/Carville, Office of Juvenile Justice (OJJ), and Lafourche Parish Sheriff's Office. The May 2018 job orders to-date are approximately \$171,000 and the job orders for the entire month of May 2017 totaled \$664,000. He noted that the May 2017 job orders reflect large purchase orders for Kappa Sigma Fraternity, Elayn Hunt Correctional Center (EHCC), Raymond Laborde Correctional Center (RLCC) and Military Affairs.
29. Director Moore then asked Mrs. Sigrest to provide the financial update.
30. Mrs. Sigrest stated that March 2018 finalized year to date (YTD) sales were \$19.7 million compared to March 2017 YTD sales of \$19.8 million, a decrease of \$109,000. YTD net income for the month of March 2018 was a loss of \$702,000 compared to a YTD loss of \$476,000 for March 2017, a decrease of \$226,000. The April 2018 preliminary monthly sales decreased by \$75,000 compared to April 2017 monthly sales and April 2018 YTD sales decreased by \$185,000 compared to April 2017 YTD sales.
31. Director Moore asked Mrs. Melius to provide a sales and marketing update.
32. Mrs. Melius reported PE received three (3) significant DOC job orders. An order from Louisiana State Penitentiary (LSP) for offender clothing, lockers, and officer uniforms totaling \$67,418, an order from David Wade Correctional Center (DWCC) for offender clothing, officer uniforms, and janitorial supplies totaling \$33,650, and an order from RLCC for mattresses, janitorial supplies, and officer uniforms totaling \$33,394.
33. Continuing, Mrs. Melius stated that four (4) other significant job orders were received. An order from Lafourche Parish Sheriff's Office for bunks and single beds totaling \$124,470, an order from Eastern Louisiana Mental Health System for patient clothing and employee shirts totaling \$67,450, an order from Probation and Parole for uniform shirts totaling \$34,278, and an order from OJJ/Picard Center for mattresses totaling \$30,000.
34. Next, Mrs. Melius reported that one (1) significant job quote was submitted. A quote to Burton Coliseum for small animal pens totaling approximately \$254,000 with a December 2018 expected delivery date.
35. Lastly, Mrs. Melius stated that the Sales and Marketing team would be attending the Louisiana Sheriff's Association Jail Training Conference in Lake Charles, May 20th – 22nd.
36. Mr. Oliveaux inquired on the progress of hiring a new sales person.
37. Director Moore and Mrs. Melius explained that PE has met with two (2) candidates and received a resume on a third person. However, attempts to contact the applicant were made and they have not responded.
38. Director Moore asked Mr. Floyd for an industries update.

39. Mr. Floyd began by stating that PE industries were busy planning for fiscal year-end orders and hurricane season. Raw materials and inventory levels are being closely monitored.
40. Continuing, Mr. Floyd provided an update on the Tag Plant's raw materials inventory. The plant currently has nearly 126,000 pounds of aluminum, which will produce approximately 567,000 license plates. To place an adequate sheeting order, PE has requested an estimate from the Office of Motor Vehicles on their first FY19 order.
41. Mr. Floyd went on to report that the Metal Fabrication (Metal Fab) shop remains extremely busy. The open order report reflects \$325,000 of orders to be delivered prior to June 30th and additional orders are expected.
42. Continuing, Mr. Floyd announced that a new style of mattress with an eight (8) inch core was sent for fire testing. He confirmed that the Mattress Plant has three (3) outstanding orders for the mattresses being fire tested.
43. Then, Mr. Floyd reported that the EHCC Soap Plant is working on expanding their product line. They are currently testing a lavender fragranced all-purpose cleaner.
44. Continuing, Mr. Floyd stated that on May 10th PE delivered a large wooden furniture order to the Office of Juvenile Justice/Acadiana Center. The offenders from Raymond Laborde Correctional Center (RLCC) assisted with unloading and setting the furniture in place. RLCC did a great job and their assistance is greatly appreciated.
45. Lastly, Mr. Floyd reported on the Canteen Package Program (CPP). He noted that the ordering period for the Summer Program was open and the food and hygiene orders to date have increased compared to the previous Summer Program.
46. Director Moore asked Mr. Hoover for an agriculture update.
47. Mr. Hoover provided an update on the river stages, noting that the water is expected to drop below flood stage for a short time, then rise again above flood stage by May 18th. The pastures behind the main levee remain unusable. He noted that damage to the levees would be assessed once the water recedes.
48. Continuing, Mr. Hoover reported that during the last month all the cattle were worked and lots of hay was baled with the recent purchase of an inline hay wrapper. He stated that four (4) loads (approximately two hundred forty (240) head) of Dixon Correctional Institute (DCI) heifers weighing approximately 825 pounds sold for \$1.2550 and would be shipped on May 17th.
49. Lastly, Mr. Hoover stated that between eight hundred (800) and one thousand (1,000) acres of the planned fifteen hundred (1,500) acres of soybeans have been planted. Four hundred (400) acres of cotton and three hundred (300) acres of corn were planted and up. He noted that the crops could use some rain.
50. Mr. Wisecarver questioned whether PE was experiencing any unusual threats to the crops such as diseases and insects.
51. Mr. Hoover replied that no unusual insects have been reported.
52. Mr. Oliveaux inquired as to what the board could do to assist PE in resolving the situation with the fabric vendor. He questioned whether a meeting with the Secretary would be beneficial and suggested that the board make a resolution to invoke a plan at the next board meeting if the situation has not been resolved.
53. Mr. Wisecarver agreed that the board could intervene, but only if it would be beneficial to PE and not a hindrance.

54. Director Moore expressed his appreciation for the support from the board. In an effort to maintain a good working relationship with OSP, he recommends that PE make another appeal for a resolution before the board intervenes.
55. Mr. Lane stated that PE should convey the boards concern and that they are pressuring PE to resolve the situation.
56. Mr. Wisecarver and other members expressed their frustration and discussed the bid process that allows suppliers to bid on products they cannot deliver.
57. Mr. Ardoin set the next meeting for 10:00 AM at PE Headquarters on Tuesday, June 19, 2018.
58. Mr. Ardoin adjourned the meeting at 10:52 AM.