

Prison Enterprises Board Meeting

November 19, 2019

APPROVED

Michael J. Moore, Director
12/18/19
Date

1. Chairman Joseph Ardoin called the meeting to order at 10:01 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana (LA).
2. Mr. Richard Oliveaux led the opening prayer. Following the prayer, the Pledge of Allegiance was recited.
3. Attendance:
 - 2.1 Members Present:
 - Joseph Ardoin, Chairman
 - Eric Lane
 - Harvey Honore'
 - Richard Oliveaux
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Brooke Farrar
 - Scot Floyd
 - Kacie Henderson
 - Daniel Hoover
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
4. Mr. Ardoin acknowledged that not enough board members were present for a quorum.
5. Next, Mr. Ardoin presented the board and PE staff with invitations to the Baton Rouge Building and Construction Trade Council Annual Christmas Luncheon.
6. Mr. Ardoin turned the meeting over to Director Moore.
7. Director Moore began by introducing Brooke Farrar to the board members. Mrs. Farrar was recently promoted to Mrs. Henderson's former position as American Correctional Association (ACA) Manager. In addition to her new position, Mrs. Farrar will continue her role in asset management until a replacement is hired.
8. Next, Director Moore reported that the State of LA website, email systems, and networks were taken offline because of an attempted ransomware cyberattack on the government servers.
9. Director Moore then stated that following the December Board Meeting, computers would be available for board members to take the 2019 Code of Ethics' for Public Servants training course or they could take it online on their own.
10. Mr. Ardoin noted that upon the arrival of Mr. Lane, a quorum was present and a vote to approve the September 17th and October 22nd board meeting minutes could be taken. Mr. Honore' made a motion to approve the minutes as written. Mr. Lane seconded the motion and it passed unanimously.
11. Continuing, Director Moore announced that ACA conducted a reaccreditation audit of PE on October 28th – 29th. PE was one hundred (100) percent compliant on all mandatory and non-mandatory standards. To complete the reaccreditation process, Director Moore and Mrs. Henderson will appear before the reaccreditation panel in January at the upcoming ACA Winter Conference in San Diego, CA.

12. Next, Director Moore discussed Phelps Correctional Center (PCC) and potentially planting pine trees on the property.
13. Then, Director Moore stated that PE's 2018 Supervisor of the Year, Becky Dougan and Support Employee of the Year, Michelle Montalbano have been nominated for the Department of Corrections (DOC) Departmental Supervisor and Support Employee of the Year Awards. The recipients of the awards will be announced at DOC's Annual Employee Memorial Service and Awards Ceremony held on Friday, November 22, 2019.
14. Continuing, Director Moore reported on the Office of State Buildings (OSB) janitorial contract and the reduction in revenue that is expected without the grounds keeping portion of the contract.
15. Director Moore and Mr. Ardoin discussed several other revenue-generating possibilities.
16. Next, Director Moore stated that several PE staff will participate in a National Correctional Industries Association (NCIA) webinar "Focus on the CI Metal Shop" on November 20th.
17. Lastly, Director Moore announced that some Office of Motor Vehicles (OMV) staff are scheduled to tour the Tag Plant on November 21st.
18. Mr. Oliveaux inquired on the status of the equipment PE used to maintain the OSB grounds contract.
19. Director Moore and Mr. Floyd reported that the PE equipment was relatively minimal and redistributed to suitable PE operations.
20. Director Moore then asked Mrs. Henderson for an Administrative update.
21. Mrs. Henderson reported that job orders for the month of October 2019 were \$245,000 compared to \$421,000 for the month of October 2018. The year to date (YTD) job orders for October 2019 were \$3.6 million and the YTD job orders for October 2018 were \$2.9 million. The November monthly job orders to date were \$270,000 compared to \$296,000 for all of November 2018. The current YTD job orders for November 2019 are \$3.9 million compared to \$3.2 million through November 2018.
22. Lastly, Mrs. Henderson stated that PE continues to work on establishing new contracts and renewals to begin January 1, 2020.
23. Director Moore asked Mrs. Farrar for the audit updates.
24. Mrs. Farrar stated that she and Mrs. Henderson reviewed the files and walked through all the PE operations at Dixon Correctional Institute (DCI) on November 14th during DCI's C-05-003 audit.
25. Next, Director Moore asked Mrs. Sigrest to provide the financial update.
26. Mrs. Sigrest reported that the July 2019 finalized YTD sales were \$1.4 million compared to July 2018 YTD sales of \$1.6 million, a decrease of \$171,000 and YTD net income for July 2019 was a loss of \$293,000 compared to a loss of \$67,000 July 2018, a decrease of \$225,000.
27. Continuing, Mrs. Sigrest stated that preliminary monthly sales for August 2019 are down by \$122,000 and preliminary YTD sales are down by \$293,000 compared to August 2018. September 2019 preliminary monthly sales are up by \$80,000 and preliminary YTD sales are down by \$212,000 compared to September 2018. Currently, the preliminary monthly sales (that have been received) for October 2019 increased by \$149,000 and preliminary YTD sales are down by \$63,000 compared to October 2018.
28. Lastly, Mrs. Sigrest reported that PE is purchasing an IBM hardware upgrade for use with the J D Edwards accounting software. The current IBM computer is not compatible with the Windows 10 operating system the Office of Technology Services (OTS) is installing on PE computers.

29. Director Moore referenced the financial statements and discussed the trends of several PE operations.
30. Mr. Lane inquired on the variance in October sales between the garment factories.
31. Mrs. Sigrest explained that each plant manufactures specific products. The type of product, selling price, and quantity ordered greatly impacts the sales for the plant. For example, Winn Garment sales are generally higher in the fall because they produce jackets that cost significantly more than other items and are primarily ordered during cooler months.
32. Next, Mr. Lane questioned the decrease in October sales for soybeans, heifers, and Rangeherd, as well as the increase in canteen sales.
33. Mr. Hoover stated that that soybeans are still being hauled and their selling price has decreased by ten (10) to fifteen (15) cents compared to 2018.
34. Mrs. Sigrest added that September and October sales are preliminary and some of the agriculture sales have not been recorded.
35. Director Moore stated that the increase in canteen sales would be reviewed.
36. Next, Director Moore asked Mrs. Melius for the sales and marketing update.
37. Mrs. Melius began by reporting that PE received four (4) significant DOC orders. An order from Elayn Hunt Correctional Center (EHCC) for offender clothing and decals totaling \$59,814. An order from Louisiana State Penitentiary (LSP) for officer uniforms, janitorial supplies, and print totaling \$36,334, an order from Raymond Laborde Correctional Center (RLCC) for janitorial supplies, linens, offender clothing, and officer uniforms totaling \$33,180 and an order from David Wade Correctional Center (DWCC) for janitorial supplies, offender clothing, linens, and chairs totaling \$29,362.
38. Next, Mrs. Melius reported that PE received four (4) other significant job orders. An order from the Madison Parish Detention Center for bunks and mattresses totaling \$41,735, an order from Pinecrest Support Services for restraint beds, linens, and furniture totaling \$30,505, an order from Lafourche Parish Sheriff's Office for bunks totaling \$21,315, and an order from the City of Alexandria for furniture totaling \$15,975.
39. Lastly, Mrs. Melius reported that she met with the website developers on updating PE's website.
40. Then, Director Moore asked Mr. Floyd for an industries update
41. Mr. Floyd begin with the Canteen Package Program (CPP). Ordering for the Holiday program closed on November 3rd and a total of thirty-two hundred sixty-five (3,265) packages were sold. The warehouse is receiving inventory and will begin picking orders soon. The packages are scheduled to be delivered by December 20th.
42. At the request of Mr. Honore', Mr. Floyd explained the basis for the CPP, as it was opened prior to Mr. Honore being re-appointed to PE's Board.
43. Additionally, Mr. Floyd responded to inquiries from Mr. Oliveaux regarding CPP's online ordering process, commission payments, and the estimated income expected from the Holiday Program.
44. Then, Mr. Floyd reported that the Metal Fabrication Shop (Metal Fab) continues working on the Earnest Morial Convention Center (EMCC) fence order. The picnic grills for the Office of State Parks (OSP) and the locker boxes for the Youth Challenge Program (YCP)/Camp Minden were completed and waiting to be shipped.
45. Continuing, Mr. Floyd announced that some OMV staff plan to tour the Tag Plant on November 21st. He added that a bid was put out for eighty thousand (80,000) pounds of aluminum necessary to fill OMV's second blanket order.

46. Next, Mr. Floyd provided an update on the garment plants. The Louisiana Correctional Institute for Women (LCIW) Garment Plant received fifty thousand (50,000) yards of orange fabric and is busy working on an order from Orleans Parish Sheriff's Office. The EHCC Garment Plant continues to struggle with obtaining offenders and the RLCC Garment Plant needs to replace five (5) sewing machine operators that were released. Mr. Floyd noted that RLCC has other offenders available to work. Additionally, the RLCC Garment Plant received a purchase order for the equipment needed to begin silk-screening onsite.
47. Lastly, Mr. Floyd provided an update on the warehouse and equipment repairs at the Soap Plant.
48. Mr. Ardoin inquired on the Apprenticeship Program.
49. Mr. Floyd reported that currently the Apprenticeship Program has three (3) journeymen and three (3) apprentices and that other candidates are being interviewed to potentially participate in the program.
50. Director Moore added that PE plans to contact DOC's Reentry Program for assistance in obtaining potential candidates.
51. Continuing, Director Moore asked Mr. Hoover to provide an agriculture update.
52. Mr. Hoover began by reporting that two (2) loads of steers, approximately one hundred twenty-five (125) head weighing, an average of seven hundred eighty (780) pounds will be sold on November 21st and delivered between November 25th and December 5th.
53. Next, Mr. Hoover reported that PE sold fifteen (15) horses averaging nine hundred forty dollars (\$940) each at the November 16th Southwest Horse Auction.
54. Continuing Mr. Hoover stated that the soybean hauling would be completed this week and that all of the cotton was picked and is at the gin.
55. Lastly, Mr. Hoover provided an update on PE potentially planting pine trees on approximately five hundred (500) acres of Phelps Correctional Center (PCC) pastures.
56. Mr. Oliveaux inquired on the availability of the pastures at the former Jetson Correctional Center for Youth (JCCY) and suggested that PE consider moving the bulls to JCCY in lieu of moving them to RLCC.
57. Mr. Hoover stated that JCCY has approximately one hundred (100) acres.
58. Director Moore explained that the displaced LCIW offenders are be housed at JCCY and will likely be there for the next few years.
59. Then, Director Moore reported that the proposed 2020 Board Meeting dates are being prepared. He noted that a suitable date for the January meeting is unlikely.
60. Mr. Ardoin stated that the January elections for the Chairman and Vice-Chairman of the Board could be held in February 2020.
61. Mr. Ardoin set the next meeting for 10:00 AM, Tuesday, December 17, 2019 and adjourned the meeting at 10:48 AM.