

APPROVED
Michael J. Moore
Michael J. Moore, Director
1/25/19
Date

Prison Enterprises Board Meeting

January 29, 2019

1. Chairman Joseph Ardoin called the meeting to order at 10:01 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Mr. Richard Oliveaux led the opening prayer. Following the prayer, the Pledge of Allegiance was recited.
3. Attendance
 - 3.1 Members Present:
 - Joseph Ardoin, Chairman
 - Harvey Honore'
 - Eric Lane
 - Richard Oliveaux
 - Paul Spalitta
 - Tim Travis
 - 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
4. Mr. Ardoin acknowledged that a quorum was present and asked for a motion to approve the December 18, 2018 board meeting minutes.
5. Mr. Lane made a motion that the minutes be approved as written. Mr. Travis seconded the motion and it passed unanimously.
6. Next, Mr. Ardoin stated that an election to select a Chairman and Vice Chairman for the PE Board would be held. Mr. Ardoin opened the floor for nominations. Mr. Oliveaux nominated Mr. Ardoin for Chairman and Mr. Lane seconded the nomination. As there were no more nominations, Mr. Ardoin was declared Chairman. Mr. Ardoin then opened the floor for nominations for Vice-Chairman. Mr. Wisecarver nominated Mr. Spalitta for Vice-Chairman and Mr. Eric Lane seconded that nomination. As there were no more nominations, Mr. Spalitta was declared Vice-Chairman.
7. Mr. Ardoin turned the meeting over to Director Moore.
8. Director Moore provided an update on the Performance Audit the Louisiana Legislative Auditors (LLA) are conducting on PE. The auditors presented PE with the preliminary findings. PE will meet with the auditors Friday, February 1, 2019 to discuss the findings. Soon after the meeting the auditors will submit the draft report. PE will formally respond to the draft before a final report is published.
9. Director Moore cited a few of the preliminary findings.
10. Mr. Wisecarver inquired as to whether the state established guidelines or formulas for assessing sample products.

11. Discussions regarding prototypes, promotional items, and legislation allowing PE to operate as a business ensued.
12. Next, Director Moore announced that PE was working on the annual property certification for Louisiana Property Assistance Agency (LPAA).
13. Lastly, Director Moore reported on the American Correctional Associations (ACA) 2019 Winter Conference held in New Orleans, Louisiana (LA), January 11 – 15, 2019. The conference was hosted by the LA Department of Corrections (DOC) and the Lafourche and Orleans Parish Sheriff's offices. A variety of leadership and professional development workshops and several correctional facility/institutional tours were available to conference attendees. PE's ACA Manager, Kacie Henderson, completed and passed the Certified Corrections Managers exam during the conference and PE's Industries Manager, Scot Floyd passed the Certified Corrections Executive exam at the Louisiana Correctional Association conference.
14. Director Moore asked Mrs. Henderson to report on PE's upcoming audits.
15. Mrs. Henderson stated that PE will participate in the annual Risk Management Audit on March 19, 2019 and is preparing for the ACA Reaccreditation Audit in October.
16. Director Moore reported that Louisiana State Penitentiary (LSP) will have an ACA Reaccreditation Audit this year that will also require PE's participation.
17. Continuing, Director Moore provided information on the dual Reaccreditation process many Correctional Industries would like the ACA to consider.
18. Director Moore asked Mr. Buttross for an administrative update.
19. Mr. Buttross announced that the two (2) largest bids for Canteen Distribution Center (CDC) and personal property opened. The grocery bid contained approximately sixty-eight (68) line items and opened January 8th and the pharmaceutical bid opened on January 15th. The Office of State Procurement (OSP) plans to award both bids by February 1st.
20. Next, Mr. Buttross reported the two (2) used tractor trucks for PE Transportation were approved and delivered to LPAA. PE and LPAA are working to get the required Global Positioning Systems (GPS) installed.
21. Continuing, Mr. Buttross reported that the bid to reconstruct the collapsed freezer at Wakefield Meat Plant was awarded and the bid price was less than originally projected. The vendor has until April 30th to complete the job.
22. Mr. Wisecarver asked Mr. Buttross to define "reconstruct" the freezer.
23. Mr. Buttross explained that the existing warehouse structure that holds the freezer, the existing slab, and the original refrigeration equipment will be used. The inside freezer walls and ceilings will be removed and replaced.
24. Mr. Spalitta inquired as to whether the current refrigeration uses Freon and if freezer panels (insulated) will be used for the walls.
25. Mr. Buttross responded yes to both questions. Mr. Buttross and Mr. Floyd discussed in detail the vents and panels, and the specifications for a reinforced ceiling.
26. Next, Mr. Buttross reported job orders for December 2018 were \$1.1 million compared to December 2017 job orders of \$396,000. The January 2019 job orders to-date are approximately \$543,000 and for the entire month of January 2018, the job orders totaled \$368,000. Noting, that two large orders were received in December 2018 (the Office of Motor Vehicles (OMV) and the Allen Parish Sheriff's Office) and in January 2019 PE received a large LSP order.
27. Lastly, Mr. Buttross mentioned that he and Dr. Sanders with DOC, along with the Director of the Louisiana Workforce Commission Apprenticeship Division presented a workshop at the ACA conference on the Apprenticeship Program.

28. Mr. Ardoin asked how many journeymen and apprentices are in the program.
29. Mr. Buttross explained that there were about fifty (50) applicants from which six apprentices were selected to work under the six journeymen that we have already identified.
30. Director Moore asked Mrs. Sigrest to provide the financial update.
31. Mrs. Sigrest reported that the September 2018 finalized year to date (YTD) sales were \$6.5 million compared to September 2017 YTD sales of \$7.3 million, a decrease of \$804,000 and YTD net income for September 2018 was a loss of \$329,000 compared to \$179,000 net income for September 2017, a decrease of \$508,000.
32. Continuing, Mrs. Sigrest stated that preliminary monthly sales for October 2018 are down by \$443,000 and preliminary YTD sales are down by \$1.2 million compared to October 2017. November 2018 preliminary monthly sales are up by \$445,000 and preliminary YTD sales are down by \$801,000 compared to November 2017. Currently, the December 2018 preliminary monthly sales are down by \$124,000 and preliminary YTD sales are down by \$925,000 compared to December 2017.
33. Lastly, Mrs. Sigrest reported that the cash balance as of September 30, 2018 was \$2.7 million as compared to the cash balance of \$2.7 million on September 30, 2017. The cumulative net cash for the current fiscal year to date (July 2018 – September 2018) reflects an increase of \$300,000 and the cumulative net cash for the same period in the prior FY (July 2017 – September 2017) was an increase of \$1 million.
34. Mr. Wisecarver questioned what led to the overall decrease in agriculture's net income of \$507,000.
35. Mrs. Sigrest explained that the contributing factors for the decrease are the timing of soybean and cattle sales, and the significantly large timber sale that occurred in 2017.
36. Mr. Wisecarver inquired as to when the cost of the revenues is recognized.
37. Mrs. Sigrest replied that the cost is applied when the revenue is received.
38. Director Moore then asked Mrs. Melius for the sales and marketing update.
39. Mrs. Melius began by reporting PE received three (3) significant DOC orders. An order from LSP for mattresses, print, linens, offender clothing, janitorial supplies, and officer uniforms totaling \$493,247, Elayn Hunt Correctional Center (EHCC) for print, linens, and offender clothing totaling \$180,860, David Wade Correctional Center (DWCC) for offender clothing, janitorial supplies, linens, and officer uniforms totaling \$45,618.
40. Continuing, Mrs. Melius stated that PE received five (5) other significant job orders. An order from Allen Parish Sheriff's Office for metal tables and bunks totaling \$191,760, Calcasieu Parish School Board for chairback covers totaling \$52,000, Office of Juvenile Justice (OJJ)/Swanson Correctional Center for Youth (SCCY) for clothing totaling \$22,621, Jefferson Parish Correctional Center for mattresses totaling \$21,000 and Pinecrest Support Services for metal benches totaling \$18,375.
41. Lastly, Mrs. Melius reported that PE submitted a quote to the Youth Challenge Program (YCP)/Camp Minden for metal lockers totaling \$44,850.
42. Director Moore added that the large order from Allen Parish Sheriff's Office was for the new prison built to house federal offenders.
43. Next, Director Moore asked Mr. Floyd for an industries update.
44. Mr. Floyd began by reporting on the LSP industries. The Canteen Package Program (CPP) package count for the Spring program as of January 25th was five hundred thirteen (513) packages. The ordering period for the Spring program ends February 6th, however the ordering period may be extended. Delivery will conclude for the Spring program on March 25th.

45. Next, Mr. Floyd reported that the Metal Fabrication (Metal Fab) Shop worked overtime in January to complete the Lafourche Parish Sheriff's Office order. The shop continues working on the bunks for the OJJ/Bunkie order and have begun putting out bids for the materials needed for the Allen Parish Jail order. Bottlenecking continues to occur during the sandblasting and powder coat processes, however, it will be alleviated soon, as the Allen Parish Jail order will be painted and does not require sandblasting. Lastly, Mr. Floyd reported that construction for the Apprenticeship Program classrooms has begun next to the Metal Fab Shop.
46. Continuing, Mr. Floyd stated that 3M replaced the Applicator machine at the Tag Plant and production of blanks has resumed.
47. Then, Mr. Floyd announced that Stephen Gaspard, PE's Transportation Supervisor retired on January 2nd. Mark Kilgore (previously PE's Industries Relief Supervisor) assumed the Transportation Supervisor position effective January 21st.
48. Next, Mr. Floyd stated that PE's Furniture Plant Supervisor at Allen Correctional Center (ALC), Ken Bushnell, completed all of the required training.
49. Continuing, Mr. Floyd reported that the new embroidery machine was installed at the Embroidery Shop at DCI. Additionally, all of the computer software was updated to accommodate the new machine and the offender workers were trained.
50. Then, Mr. Floyd reported that the Garment and Soap plants at EHCC are busy working on a large LSP order. Additionally, the Soap plant plans to begin producing cases of four (4) one (1) gallon containers of foaming hand soap on January 30th.
51. Lastly, Mr. Floyd stated that the first of three (3) shipments of PE's annual order of approximately 100,000 yards of denim is expected to be delivered to the 914 Warehouse in early February.
52. Director Moore announced that Mrs. Stagg was unable to attend the meeting as she is out after having a procedure.
53. Continuing, Director Moore noted that he and Mr. Buttross attended the exit interview for the Civil Service audit of PE's human resources files. The auditors were very complementary of PE's files and the services that DOC Human Resources provides PE.
54. Director Moore then asked Mr. Hoover for the agriculture update.
55. Mr. Hoover reported that on December 19, 2018, PE sold one hundred thirty-four (134) steers from DWCC for \$133,594. The cattle on the other farms look good and approximately two (2) thirds of the cattle have completed calving.
56. Next, Mr. Hoover stated that the Mississippi River is above flood stage at fifty-four (54) feet. The river is expected to remain above flood stage into February.
57. Continuing, Mr. Hoover reported that all the soybeans were sold and this year's soybean crop produced fifty-four (54) bushels per acre, the highest yield in the history of PE. He added that the quality of the soybeans was good.
58. Lastly, Mr. Hoover stated that minimal fieldwork can be done, due to the water and mud in the fields.
59. Mr. Oliveaux inquired on the list of board meeting dates he requested during the December board meeting.
60. Director Moore presented a list of tentative dates for the 2019 Board Meetings. Ms. Montalbano provided each member with a copy of the proposed meeting schedule that also included alternate dates for meetings that conflict with national and local conferences.
61. Mr. Ardoin requested that Ms. Montalbano email the proposed meeting schedule to the board members.
62. Mr. Oliveaux inquired on the status of hiring a salesperson.

63. Director Moore stated that a salesperson has not been hired. However, Civil Service has given PE an option to include questions directly related to the job description.
64. Lastly, Mr. Oliveaux reiterated the importance of finding a PE operation for the offenders at B.B. "Sixty" Rayburn Correctional Center (RCC).
65. Mr. Ardoin set the next meeting for 10:00 AM, Tuesday, February 19, 2019.
66. Mr. Ardoin adjourned the meeting at 10:54 AM.