

Prison Enterprises Board Meeting

May 16, 2017


APPROVED
Michael J. Moore, Director

Date 5/22/17

1. Chairman Joseph Ardoin called the meeting to order at 10:02 AM at Louisiana State Penitentiary (LSP), Angola, 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
 - Richard Oliveaux
 - Tim Travis
 - 3.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Kacie Henderson
 - Danny Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
4. Mr. Ardoin acknowledged that not enough board members were present for a quorum therefore a vote to approve the prior meeting minutes could not be taken. He called for board member comments.
5. Mr. Oliveaux apologized for not attending PE's 2016 Annual Awards and Training Conference held on May 2, 2017.
6. Next, Mr. Ardoin inquired on board member Frank Strickland's health.
7. Director Moore reported that Mrs. Strickland notified Ms. Montalbano that his health was declining and he could not attend PE's Annual Awards. She noted that although Mr. Strickland's intentions have been to attend one last meeting and retire from the board his declining health has not permitted him to do so.
8. Mr. Oliveaux praised Mr. Strickland for his many years of service to PE's Board and suggested that the Board consider holding a meeting near Mr. Strickland's hometown of Bogalusa, if his family thought that may allow him to attend.
9. Mr. Ardoin then turned the meeting over to Director Moore.
10. Director Moore began by acknowledging LSP's Warden Vannoy for his tremendous support and assistance that he continuously provides PE. He noted Warden Vannoy intends on personally welcoming the Board to LSP provided his schedule permits.

11. Director Moore reported that he and Mr. Buttross attended the House Appropriations Committee meeting for House Bill (HB) 64. The bill was later passed in the full House of Representatives and has now been assigned to the Senate Finance Committee.
12. Continuing, Director Moore reported that Senate Bill (SB) 163 which would provide an exemption from requiring state prisons to purchase goods from PE and allowing them to purchase from vendors within their parish if the price is lower than PE or Central Purchasing passed the full Senate and has been referred to the House's Committee on Administration of Criminal Justice.
13. Mr. Oliveaux discussed the potential effects associated with some Legislative bills and provided his insight on this.
14. Mr. Travis added that another Legislative bill limiting the deductions that can be withheld from offenders pay may impact work release programs and jails.
15. Director Moore reiterated that the Department and PE diligently continues to track Legislative bills relating to PE and correctional facilities.
16. Next, Director Moore asked Mrs. Henderson to provide an update on PE's annual Office of Risk Management (ORM) audit.
17. Mrs. Henderson reported that the ORM audit took place on Thursday, April 27th. The auditor visually inspected PE Headquarters and examined training records, general safety practices, policies, and logs. PE scored a 99.7%. She noted that the post accident drug testing policy that mirrors the Department Regulation resulted in the .3% deficiency and the Department of Corrections (DOC) plans to update the regulation to comply with ORM guidelines.
18. Continuing, Director Moore referenced the list of PE's 2016 Annual Award Winners found in the board folders. He summarized highlights of the conference and announced the award winners. He noted that several pictures are on DOC's Facebook page.
19. Next, Director Moore stated that DOC Headquarters has planned several events in commemoration of National Corrections Security Officers and Employees Week from May 7th - 13th.
20. Director Moore provided an update on production at Louisiana Correctional Institute for Women (LCIW) Garment Plant at Hunt. In an effort to fill jobs orders by June 30th, PE has bids out to purchase some of the needed garment items. Mississippi and Arkansas Correctional Industries were contacted and sending samples for comparison.
21. Lastly, Director Moore announced that Deputy Director Todd Labatut plans to retire June 1, 2017. He congratulated Mr. Labatut and thanked him for his continuous loyalty and dedication to PE exhibited throughout the last twenty-eight (28) years. Concluding, he referenced an invitation in the board folders, which provide details for Mr. Labatut's Retirement Celebration.
22. Director Moore then asked Mr. Buttross for the administrative update.
23. Mr. Buttross began by referencing a picture in the board meeting folders of the Canteen Package Program (CPP) warehouse structure. He pointed out that some interior office spaces had been studded. He added that construction of the building was scheduled for completion in the beginning of June.
24. Continuing, Mr. Buttross reported that job orders for April 2017 were \$186,000, which exceeded April 2016 job orders of \$85,000. Job orders through May 12, 2017 were \$279,200 and for the month of May 2016 job orders totaled \$308,000.

25. Lastly, Mr. Buttross reported that bids were out for white t-shirts, jeans, and jumpsuits. He added that a bid was out on the lumber needed for Allen Furniture to manufacture the bed units for the Kappa Sigma Fraternity job order.
26. Director Moore asked Mrs. Sigrest to provide the financial update.
27. Mrs. Sigrest stated that the February financial statements were finalized and did not reflect any significant changes. She reported that the final financial statements for March 2017 reflected year to date (YTD) sales of \$19.8 million compared to March 2016 YTD sales of \$21 million, a decrease of \$1.2 million. She reported that YTD net income for March 2017 reflected a \$476,000 loss compared to a \$1.3 million loss in March 2016, an increase of \$863,000.
28. Mrs. Sigrest reported that preliminary monthly sales for April 2017 decreased by \$190,000 compared to April 2016 and preliminary YTD sales for April 2017 were down by \$1.4 million.
29. Next, Mrs. Sigrest announced a \$687,000 cash reduction YTD through March 31, 2017. She referenced a Cash Flow Statement located in the board folders.
30. Lastly, Mrs. Sigrest stated that preparations for the fiscal year end had begun. She noted that dates were being discussed for accounting to perform physical inventory counts at each industry.
31. Next, Director Moore asked Mrs. Melius for the marketing update.
32. Mrs. Melius began by reporting that PE received three (3) significant DOC job orders. She stated that an order for offender clothing, linens, mattresses, officer uniforms, janitorial products and programming chairs totaling \$112,319 was received from Elayn Hunt Correctional Center (EHCC), an order for offender clothing, janitorial products, linens, and officer uniforms totaling \$45,697 was received from Rayburn Correctional Center, and an order for janitorial products and offender clothing totaling \$23,172 was received from Raymond Laborde Correctional Center.
33. Continuing, Mrs. Melius stated that a significant job order for mattresses totaling \$65,000 was received from Youth Challenge Program, Pineville.
34. Mrs. Melius reported that two (2) significant job quotes were submitted. A quote for courtroom furniture and chairs totaling between \$25,000 - \$30,000 was provided to Beauregard Parish Courthouse and a quote was submitted to the Youth Challenge Program, Carville for lockers totaling \$26,250.
35. Lastly, Mrs. Melius announced that the Sales and Marketing staff planned to attend the Louisiana Sheriffs' Association Jail Training Conference in Lake Charles from May 21st – May 23rd.
36. Mr. Oliveaux requested an update on hiring a salesperson.
37. Mr. Buttross responded that five (5) interviews and four (4) additional telephone interviews were conducted. A candidate has been selected and we have begun the hiring process.
38. Mr. Oliveaux asked the status of hiring for the Deputy Director's position.
39. Director Moore explained that the position was announced for seven (7) days. Four (4) applications were received and now that the announcement has closed, the interview process can begin.
40. Lastly, Mr. Oliveaux inquired as to the geographical territory the new sales representative would cover.
41. Director Moore stated that the territory covered by that representative would be the southern parishes of Louisiana.

42. Continuing, Director Moore asked Mr. Floyd for the industries update.
43. Mr. Oliveaux requested to discuss the Wakefield Meat Plant. He questioned the rationale and the profitability of the plant receiving product, separating it for distribution, and delivering to individual customers as opposed to PE placing an order with a vendor and requesting the order to be drop shipped directly to customer.
44. Mr. Buttross explained that drop shipments would still require a monthly bid process since the facilities use cycle menus and place orders accordingly. The vendors would likely increase the product cost substantially, to deliver multiple smaller orders. Currently, Wakefield Meat Plant monitors the market cost of products and solicits bids for bulk quantities delivered to the Wakefield Meat Plant thereby resulting in a cost savings. The costs associated with PE storing the product, and delivering to the individual facilities are factored into the sales price.
45. Mr. Oliveaux questioned whether delivery expenses could be reduced if the plant were more centrally located.
46. Discussions continued relating to revenue, product cost, delivery cost, cycle menus, and drop shipments for the Wakefield Meat Plant.
47. Next, Mr. Floyd reported on the National Correctional Industries Association Conference that he and PE's Quality Assurance Coordinator Tim Seilhan attended in Tucson, AZ from April 21 – 25, 2017. He recounted the highlights of the Arizona Correctional Industries (ACI) facility tour.
48. Mr. Floyd explained the similarities of ACI's and PE's Metal Fabrication shop and noted that he and ACI's shop supervisor planned for a more in-depth conversation later in the month.
49. Continuing, Mr. Floyd reported that the Tag plant was operating efficiently and producing approximately 9,000 license plates a day. He estimated that the remaining 166,000 tags of the Office of Motor Vehicles (OMV) order would be completed in twenty (20) days.
50. Mr. Floyd provided a brief update on the Metal Fabrication shop and the Mattress factory. He stated that the Metal shop was manufacturing the second order of sixty (60) bunk beds for LCIW and the Mattress factory was busy preparing for a \$65,000 inner spring mattress order for the Youth Challenge Program, Pineville.
51. Continuing, Mr. Floyd reported on the progress of LCIW Garment Plant at Hunt. The plant began operating on May 8th and has an average of twenty (20) offenders a day available to work in the plant. With minimal training, the plant produced seventy-five (75) jumpsuits in a day. Production at the plant should continue to steadily increase.
52. Next, Mr. Floyd reported that the Dixon Correctional Institute (DCI) Office and Chair plant was working on a sixty (60) chair order for the Secretary of State's office and a ten (10) chair order for the Livingston Parish Communication District.
53. Lastly, Mr. Floyd announced that in less than two weeks the Soap plant would fill all of the remaining open orders for FY17. The plant would then begin stocking inventory.
54. Mr. Oliveaux asked Mr. Floyd how many license plates were in the OMV order and the percentage of errors made on the order.
55. Mr. Floyd responded that 166,000 tags remained on OMV's order and minimal errors were made.
56. Director Moore asked Mr. Hoover for the agriculture update.

57. Mr. Hoover began by announcing that the National Guard completed the repairs to the main levee. However, preparations to move the cattle from the levee are ongoing. The current weather forecasts predict the Mississippi River will crest at fifty-eight (58) feet and the level of the levee is fifty-nine (59) feet.
58. Continuing, Mr. Hoover stated that the Lafayette Cattle Association toured LSP and PE's Rangeherd. He reported that all the cattle had been worked and looked good. He added that four (4) loads of DCI heifers sold for \$1.295 pound and are scheduled to ship the week of May 22nd.
59. Mr. Hoover provided a brief update on the rowcrops. He reported that 406 acres of cotton, 1,409 acres of soybeans and 284 acres of corn had been planted thus far. He added that the additional 170 acres of soybean seeds would be planted as the weather permits.
60. Lastly, Mr. Hoover reported that PE sold 1,684 quail and 265 chukars in April.
61. Mr. Ardoin requested that PE contact Mr. Strickland to determine his availability to attend a board meeting in Bogalusa. He stated that the next board meeting would be at 10:00 AM on Tuesday, June 20, 2017 at PE Headquarters unless notified otherwise.
62. Mr. Ardoin adjourned the meeting at 11:10 AM.