

Prison Enterprises Board Meeting

June 21, 2022

APPROVED

Misty Stagg, Director
8-10-22
Date

1. Chairman Joseph Ardoin called the meeting to order at 10:06 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance:
 - 3.1 Members Present:
 - Joseph Ardoin, Chairman
 - Harvey Honore'
 - Eric Lane
 - Richard Oliveaux
 - 3.2 Prison Enterprises Staff Present:
 - Misty Stagg, Director
 - Scot Floyd
 - Angela Burrell
 - Brooke Farrar
 - Danny Hoover
 - Kenny Juneau
 - Michelle Montalbano
 - Kelly Ransome
3. Mr. Ardoin called the meeting to order and asked Mr. Richard Oliveaux to lead the prayer. Following the prayer, the Pledge of Allegiance was recited.
4. Mr. Ardoin stated that Mr. Lane is expected to arrive shortly and then a vote to approve the board meeting minutes will be taken.
5. Mr. Ardoin turned the meeting over to Director Stagg.
6. Director Stagg discussed PE's preparation and expectations for fiscal year end and hurricane season. PE's commitment to successfully filling all fiscal year end orders and maintaining adequate inventory levels for mattresses, linens, and garments for hurricane season remain priority.
7. Continuing, Director Stagg stated that supply chain shortages and significant price increases continue to be a challenge. PE staff monitor sales orders and raw material inventories regularly to ensure all orders are filled timely.
8. Then, Director Stagg commended the sales team for the significant growth in sales, as well as all of the PE staff for their hard work and dedication.
9. Lastly, Director Stagg noted that plans for expanding the Metal Fabrication area continue. However, obtaining metal building quotes has been an unexpected setback.
10. Mr. Honore' inquired on the requirements, qualifications, and/or procedures needed for a metal building contractor to submit a quote. He stated he may know someone that will provide a quote on a metal building.
11. Director Stagg provided an explanation and asked Mr. Honore' to send Mrs. Ransome the contact information to follow up on.
12. Mr. Oliveaux asked whether PE would benefit from some of the supplemental funds provided by the Ancillary Appropriations Bill.

13. Director Stagg explained that PE does not directly obtain any funds. However PE benefits indirectly when the institutions use the funds to purchase products from PE.
14. Mr. Ardoin noted the arrival of Mr. Lane and stated that a quorum exists. Therefore a vote to approve the board meeting minutes for February 15, 2022, March 15, 2022, and April 19, 2022 could be taken.
15. Mr. Honore' made a motion to approve as written the above noted minutes. The motion was seconded by Mr. Oliveaux and it passed unanimously.
16. Continuing, Director Stagg asked Mr. Floyd for his updates.
17. Mr. Floyd announced that the Utah Correctional Industries (CI) requested a tour of the PE Industries at Louisiana State Penitentiary (LSP) when attending the American Correctional Association (ACA) Conference in New Orleans. Director Stagg and Mr. Floyd are scheduled to host a tour for the Utah CI representatives on August 3rd.
18. Next, Director Stagg asked Mrs. Ransome for the Administrative updates.
19. Mrs. Ransome began with an update on PE's ongoing supply chain challenges.
20. Continuing, Mrs. Ransome reported that procurement is continuously working to obtain contracts on items for the Canteen Distribution Center (CDC). She noted that the expected delivery date for several contracted items is in October.
21. Next, Mrs. Ransome explained that she will provide the financial reports in Mrs. Burrell's absence. Mrs. Burrell and accounting staff are performing fiscal year-end (FYE) physical inventory counts at the institutions.
22. Mrs. Ransome reported that April 2022 final year-to-date (YTD) sales for Industries were \$7.7 million compared to \$7.8 million in April 2021. Agriculture YTD sales for April 2022 were \$2.7 million compared to \$2.3 million in April 2021. Retail YTD sales for April 2022 were \$13.2 million compared to \$12.8 million in April 2021. Overall, YTD sales for April 2022 increased by \$783,000 compared to April 2021.
23. Then, Mrs. Ransome reported that April 2022 final YTD net income for Industries was a loss of \$136,000 compared to loss of \$204,000 in April 2021. Agriculture YTD net income for April 2022 was \$133,000 compared to a loss of \$394,000 in April 2021. Retail YTD net income for April 2022 was \$1 million compared to \$987,000 in April 2021. Overall, YTD net income for April 2022 increased by \$602,000 compared to April 2021.
24. Lastly, Mrs. Ransome reported that May 2022 preliminary monthly sales increased by \$117,000 compared to May 2021 sales and May 2022 preliminary YTD sales increased by \$851,000 compared to May 2021 YTD.
25. Director Stagg asked Mrs. Farrar for her updates.
26. Mrs. Farrar began by reporting on upcoming audits. She conducted an AM-H-2 monitoring site visit at Raymond Laborde Correctional Center (RLCC) on June 8th and 9th to review the RLCC Garment Factory's ACA files. She found all the files to be in compliance with ACA standards.
27. Next, Mrs. Farrar reported that Allen Correctional Center (ALC) is scheduled for an AM-H-2 monitoring site visit on July 6th and 7th.
28. Lastly, Mrs. Farrar noted that PE HQ's is scheduled for an AM-H-2 site visit on July 14th and the ACA Reaccreditation audit is planned for October 24th and 25th.
29. Then, Director Stagg asked Mrs. Melius for the sales and marketing update.

30. Mrs. Melius began by reporting PE received three (3) significant Department of Corrections (DOC) job orders. An order from LSP for janitorial supplies, linens, inmate clothing, furniture, and chairs totaling \$101,536, an order from Dixon Correctional Institute (DCI) for linens and janitorial supplies totaling \$29,878, and an order from David Wade Correctional Center (DWCC) for chairs and janitorial supplies totaling \$21,129.
31. Next, Mrs. Melius reported PE received four (4) other significant job orders. An order from Terrebonne Parish Sheriff's Office for triple bunks totaling \$49,450, an order from Caddo Parish Sheriff's Office for inmate clothing totaling \$42,525, an order from the Capital Area Transit System (CATS) for signs, posts, and shirts totaling \$37,379, and an order from the Baton Rouge Fire Department for uniform polo shirts totaling \$24,934.
32. Then, Mrs. Melius stated that PE has an outstanding/significant quote to St. Vincent de Paul for innerspring mattresses totaling approximately \$70,000 and Pinecrest Support Services for furniture totaling \$57,000.
33. Continuing, Mrs. Melius reported on several potential upcoming jobs including the Shreveport Library for re-furnished items, Sabine Parish Sheriff's Office for a one hundred (100) bed women's facility, Northwestern State University (NSU) for library seating, Webster Parish for fifty (50) bunk beds, Assumption Parks and Recreations for metal fab signs and fencing, Baton Rouge Police Department for custom office furniture, Hammond City Court Judge for furniture and chairs, Livingston Parish Sheriff's Office for furniture in the Sheriff's new office and a few pieces for a new training facility, and the Orleans Parish Sheriff's Office for signage decals, and possibly re-upholstery of chairs.
34. Additionally, Mrs. Melius reported that a new customer, Port of New Orleans is interested in furniture, signs, and officer uniforms.
35. Then, Mrs. Melius stated that the Sales and Marketing staff are scheduled to exhibit PE products at the Louisiana (LA) Library Association Conference in Alexandria, LA on July 7 – 9, 2022.
36. Lastly, Mrs. Melius reported job orders for the month of May 2022 were \$546,000 compared to \$541,000 for May 2021. YTD job orders for May 2022 were \$9 million compared to \$6.7 million for May 2021. The June 2022 monthly job orders to-date were \$292,000 compared to \$1 million for all of June 2021. The current YTD job orders to-date were \$9.3 million compared to \$7.7 million through June 2021.
37. Mr. Ardoin and Mrs. Melius discussed PE's new customers.
38. Then, Director Stagg asked Mr. Juneau for an Industries update
39. Mr. Juneau began with a staff update. A PE truck driver remains out due to an injury and another truck driver was hired on May 23rd.
40. Next, Mr. Juneau provided an equipment and project update. The overflow filling machine for the Soap Plant is expected to arrive in several weeks, a bid was received for the five (5) head embroidery machine and is being reviewed, the Xante printer is being networked to the computers this week and training with the manufacturer will begin soon after the networking is completed, the FuelTrac compatible gas pump bid was awarded on May 19th, and we are waiting on the leased copy machines for the Print Shop to be installed.
41. Then, Mr. Juneau reported that the Canteen Package Program (CPP) Summer Program deliveries were completed. PE staff met with Keefe on improving logistics, marketing strategies, sales taxes, pricing, and item selections. Four (4) days in June were scheduled for Keefe and PE staff to visit the participating institutions and discuss marketing the program.

42. Continuing, Mr. Juneau stated that the Tag Plant continues to wait on 38,000 pounds of aluminum and sixteen (16) rolls of Scotchlite. The expected delivery date for the aluminum is July 8th. An emergency purchase order was submitted for another 40,000 pounds of aluminum.
43. Next, Mr. Juneau announced that the RLCC Garment Factory is averaging one hundred sixty-one (161) pairs of jeans per day. However, for the new highest production day, two hundred twenty-six (226) pairs of jeans were completed.
44. Then, Mr. Juneau reported that the Mattress Factory has four hundred seventy-three (473) mattresses and seventeen hundred (1,700) cores on inventory in preparation for FYE orders and hurricane season.
45. Lastly, Mr. Juneau explained that the industries are working diligently to fulfill FYE orders, however some t-shirts and jeans were outsourced to ensure the orders were filled timely.
46. Next, Director Stagg asked Mr. Hoover to report the agriculture updates.
47. Mr. Hoover reported on row crops. Approximately nineteen hundred (1,900) acres of soybeans were planted, which included about three hundred (300) acres behind the main levee. Five hundred twenty (520) acres of corn was planted and it looks very good.
48. Lastly, Mr. Hoover reported that all the cows and calves were worked and the bulls were picked up from the cows. Three (3) loads of DCI heifers weighing an average of seven hundred forty nine pounds sold for \$193,677. Additionally one (1) mixed load of fall born calves from LSP were shipped. The steers averaged seven hundred eleven pounds (711) and the heifers averaged six hundred seventy-seven (677) pounds and sold for \$ 70,535.
49. Prior to adjourning the meeting, Mr. Ardoin thanked the board members for attending the meetings.
50. Mr. Oliveaux suggested that a PE Board Meeting be held at LSP in a couple of months.
51. Mr. Ardoin stated that tours at RLCC were canceled due to the increase in COVID cases.
52. Once the date is established for LSP to host the Board Meeting, Director Stagg will contact Warden Hooper.
53. Mr. Oliveaux made a motion to adjourn the meeting and it was seconded by Mr. Lane.
54. Mr. Ardoin adjourned the meeting at 10:32 AM.