

Prison Enterprises Board Meeting

June 23, 2015

Michael J. Moore
APPROVED
Michael J. Moore, Director
DATE 7/28/15

1. Chairman Charles Chatelain called the meeting to order at 9:58 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Harvey Honore
 - Eric Lane
 - 2.2 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
3. Mr. Chatelain noted that not enough members were present to form a quorum so a vote to approve the prior meeting minutes would be postponed until Mr. Honore arrived.
4. Mr. Chatelain turned the meeting over to Director Moore.
5. Director Moore began with a Legislative update and announced that Senate Bill 33 and a Supplemental Bill passed during the session. He reported that PE's Executive Staff had been meeting daily and working diligently to ensure that all the fiscal year end orders would be filled and delivered on time.
6. Director Moore discussed the prospect of new business for PE. He announced that Mississippi Correctional Industries requested PE's assistance in completing embroidery job orders for them. He discussed the potential growth in print shop orders, resulting from the consolidation of the Office of State Procurement (OSP) and Senate Bill 33.
7. Director Moore acknowledged the arrival of Mr. Honore and welcomed him to the meeting.
8. Next, Director Moore announced that PE's nomination of former PE Director Jim Leslie for a plaque on the memorial wall at Department of Corrections (DOC) Headquarters (HQ) was approved and the plaque will be presented at the Annual Memorial and Awards Ceremony to be held in the fall.
9. Director Moore provided an update on personnel changes at PE. He reported that PE Transportation Supervisor Kevin Kippers retired at the end of May and that Transportation Truck Driver Steven Gaspard will assume the Supervisor position June 30, 2015. PE had two truck driving positions open and was interviewing to fill. PE

Warehouse Master Sergeant Steve Lynch resigned. Tag Plant Supervisor John Hebert transferred to the vacant warehouse position.

10. Director Moore proceeded with an update on the fencing options for the Mayflower Building and then requested that Mr. Buttross update the Board on the construction status of the Mayflower building.
11. Mr. Buttross began with an invitation to the board to tour the Mayflower building at the conclusion of the board meeting. He explained that the electrical and mechanical contractors were working relentlessly. He stated that all of the second floor studs were completed; along with fifty percent (50%) of the studs on the first floor and that, almost all of the concrete work was complete.
12. Lastly, Director Moore referred the Board Members to their meeting folders for a copy of a public records request email PE received. He explained DOC HQ would respond to the request on behalf of the Board.
13. Chairman Charles Chatelain noted that with the arrival of Mr. Honore, the board had a quorum and the approval of the May minutes could be voted on. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Honore seconded the motion and it passed unanimously.
14. Director Moore then asked Deputy Director Labatut for his comments.
15. Mr. Labatut informed the Board that PE's executive staff meets every morning to ensure the end of the year orders are completed and shipped on time. He complimented the staff on their preparedness for the meetings and their abilities to communicate and determine the best plan of action to accommodate the customer. Mr. Labatut cited several examples of various situations that the daily meetings successfully resolved.
16. Director Moore asked Mr. Buttross for the administrative update.
17. Mr. Buttross reported that PE made a third (3rd) bond draw to pay the first (1st) billing on the mechanical and electrical contracts.
18. Mr. Buttross provided details on the heating and cooling systems at the Mayflower building. Various one-on-one discussions ensued.
19. Next, Mr. Buttross specified the numerous areas and tasks PE presides over in the remodeling project. He thanked Dixon Correctional Institute (DCI), Louisiana State Penitentiary (LSP), and Elayn Hunt Correctional Center (EHCC) for providing offenders to assist with labor for the project. He commended the correctional officers for working many overtime hours to ensure all deadline dates were successfully met.
20. Then, Mr. Buttross reported on the status of PE's equipment purchases. He stated that the following items were purchased and received: a used vehicle for Sales, a used forklift for the Soap Plant, a John Deere Gator for Janitorial, a used bulldozer for David Wade Correctional Center (DWCC), a Cutting Plotter for Silkscreen, a used twenty-eight foot (28') box trailer for Transportation and ten (10) sewing machines for the Garment Plants of which four (4) had been received. Next, he stated the following equipment was ordered, but not received: two (2) fifteen (15) passenger vans for Janitorial, a Soap Press Machine for the Soap Plant, a Dirt Bucket for Rowcrops and for the Transportation Department two (2) used truck cabs, and a used box truck. He went on to report that a bid opened for a vehicle lift for Tractor Repair, but it had not been awarded and that PE HQ was awaiting final approval from Louisiana Property Assistance Association (LPAA) to buy a vehicle. He noted that PE was in the process of putting a bid out for the building materials needed for the new Canteen Packaging Program's Warehouse.

21. Lastly, Mr. Buttross reported that May 2015 job orders totaled \$684,000 as compared to May 2014 job orders of \$611,000. Then he announced that June's job orders to date were \$570,000 and all of June 2014 job orders totaled \$356,000.
22. Director Moore, then asked Mrs. Sigrest to provide the financial update.
23. Mrs. Sigrest stated that the Year to Date (YTD) sales for April 2015 were \$26.6 million as compared to last year's \$22.8 million, an increase of \$3.8 million. Industries totaled \$9.5 million this year as compared to \$7.4 million last year, an increase of \$2.1 million. Agriculture totaled \$4.2 million this year and \$3.4 million last year, an increase of \$776,000. Lastly, she stated Retail sales for April 2015 were \$12.8 million and \$11.9 million for April 2014 resulting in an increase of \$950,000 for this year.
24. Then Mrs. Sigrest reported that the April 2015 Net Income YTD was \$1.5 million compared to last year's loss of \$312,000, an increase of \$1.8 million. Industries net income for April 2015 totaled \$820,000 compared to a loss of \$244,000 in April 2014, an increase of \$1 million. Agriculture's total net income for April 2015 was \$1 million as compared to last year's income of \$303,000, an increase of \$717,000. Retail totaled a net income of \$663,000 compared to last year's net income of \$527,000, an increase of \$136,000.
25. Next, Mrs. Sigrest reported the preliminary YTD sales for May 2015 were \$29.2 million as compared to \$25 million in May 2014, an increase of \$4.2 million. Industries sales were \$10.6 million compared to \$8 million in 2014, an increase of \$2.6 million. Agriculture sales for May 2015 totaled \$4.5 million and \$3.8 million in May 2014, an increase of \$703,000. Mrs. Sigrest stated Retail sales were \$14 million as compared to last year's sales of \$13.1 million, an increase of \$882,000.
26. Then Mrs. Sigrest reported that the May 2015 preliminary Net Income YTD was \$1.7 million compared to last year's loss of \$358,000, an increase of \$2 million. Industries net income for May 2015 totaled \$989,000 compared to a loss of \$334,000 in May 2014, an increase of \$1.3 million. Agriculture's total net income for May 2015 was \$1 million as compared to last year's income of \$364,000, an increase of \$696,000. Retail totaled a net income of \$717,000 compared to last year's net income of \$594,000, an increase of \$123,000.
27. Lastly, Mrs. Sigrest announced that the Accounting Department would be visiting each PE Unit to perform the year-end physical inventory between June 24th and July 8th.
28. Director Moore, then asked Mrs. Melius for the marketing update.
29. Mrs. Melius began by reporting that PE received three (3) DOC orders in June. The orders were as follows: LSP ordered locker boxes, offender clothing, soap products, officer uniforms and print totaling \$94,130, EHCC ordered offender clothing, locker boxes, mattresses & officer uniforms totaling \$64,072 and Rayburn Correctional Center ordered mattress covers, offender clothing & officer uniforms totaling \$30,575.
30. Then, Mrs. Melius announced the four (4) significant job orders received in June. She reported an order from Ernest Morial Convention Center for re-furbishing sofas and chairs totaling \$46,790, Office of Juvenile Justice for staff uniform shirts, mattresses, linens and soap products totaling \$35,937, DOC HQ/Bossier Parish Sheriff's Office for re-entry student seating totaling \$38,700 and the Orleans Parish Sheriff's Office order for jumpsuits and t-shirts totaling \$22,816.
31. Lastly, Mrs. Melius reported that the Sales and Marketing staff would attend the following upcoming conferences: The Louisiana Association of Chiefs of Police Conference in Shreveport, Louisiana from July 6th – 9th, The Louisiana Sheriffs' and

Wardens Training Conference in Shreveport, Louisiana from July 19th – 22nd and the Louisiana Municipal Association 78th Annual Conference from July 30th – July 31st in Lafayette, LA.

32. Director Moore, then asked Mr. Floyd to provide an Industries update.
33. Mr. Floyd began by announcing that the industries were prepared for the upcoming fiscal year-end inventory counts and would successfully complete (and deliver) all year-end orders. He reported that the Metal Fabrication Shop was steadily manufacturing locker boxes to be shipped to EHCC and LSP by June 30, 2015. He reported that the Tag Plant was current on all orders and were waiting for 80,000 pounds of aluminum to arrive.
34. Next, Mr. Floyd reported that the Garment Plants at Louisiana Correctional Institute for Women (LCIW) and Winn Correctional Center (Winn) had successfully completed and delivered all year-end orders. He noted that EHCC staff and offenders were working overtime to complete a large year-end jean order for LSP by June 30, 2015.
35. Mr. Floyd reported that the furniture plant at Allen Correctional Center completed all year-end orders and was working on an Allen Parish Jail order to be delivered in July. He stated that DCI's staff and offenders were working overtime to complete and deliver an order for 240 chairs by June 30, 2015.
36. Lastly, Mr. Floyd reported that the Embroidery Plant was finishing a year-end order for eight hundred (800) uniforms by June 30, 2015. He also noted that the Soap Plant would successfully fill all janitorial products and bar soap year-end orders timely.
37. Director Moore asked Mr. Hoover to provide the Agriculture update.
38. Mr. Hoover reported that due to excessive rains the wheat yield was at a low 23.6 bushels per acre. He stated the corn was ready and continued drying out. He said fifteen hundred (1500) acres of soybeans were germinating and the cotton crops looked good and steadily growing. He noted that the milo would head out by the end of June.
39. Mr. Hoover announced that the river's flood stage is forty-eight feet (48') and the river is projected to crest fifty-three feet (53').
40. Mr. Hoover announced that PE booked 35,000 pounds of soybeans at \$10.19 average per bushel including the basis.
41. Next, Mr. Hoover reported all the calves will be worked and receive the pre-weaning vaccine. He said the majority of the weaning calves from the two (2) year old heifers would be sent to DWCC.
42. He estimated that six (6) or seven (7) loads of LSP steers calves and one (1) load of EHCC steers calves would be sold at the July Video Auction. He noted they would not ship until August.
43. Mr. Chatelain announced the next board meeting would be held at 10:00 AM on Tuesday, July 28, 2015 at PE Headquarters. At 11:07 AM, Mr. Chatelain adjourned the meeting.