

**Prison Enterprises Board Meeting**

**August 21, 2018**

**APPROVED**  
*Michael J. Moore*  
**Michael J. Moore, Director**  
9/20/18  
**Date**

1. Chairman Joseph Ardoin called the meeting to order at 10:04 AM at Dixon Correctional Institute (DCI) Jackson, 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
    - Eric Lane
    - Richard Oliveaux
    - Tim Travis
  - 3.2 Prison Enterprises Staff Present:
    - Michael Moore, Director
    - Joe Buttross
    - Scot Floyd
    - Danny Hoover
    - Kacie Henderson
    - Vickii Melius
    - Michelle Montalbano
    - Kristie Sigrest
    - Misty Stagg
4. Mr. Ardoin acknowledged that a quorum was present and asked for a motion to approve the July board meeting minutes. Mr. Lane made a motion that the minutes be approved as written. Mr. Travis seconded the motion and it passed unanimously.
5. Mr. Ardoin requested that Ms. Montalbano send Warden Kent a thank you note for allowing the board to meet at DCI.
6. Mr. Ardoin turned the meeting over to Director Moore.
7. Director Moore conveyed his gratitude to Warden Kent and Warden Bickham providing the Training Room for the meeting and for planning, and coordinating the meeting. He recognized DCI's continued support for PE and the successful partnership with the Chair and Embroidery Plant, Wakefield Meat Plant, Replacement Heifer program, and Janitorial program.
8. Next, Director Moore reviewed the challenges the Baton Rouge Janitorial program has experienced. Obtaining an adequate number of offenders necessary to properly maintain the grounds crew has been difficult. The success of the Justice Reinvestment Initiative, Louisiana Prison Reentry Initiative, and other programming seem to have affected the offender population that is available to work with PE. Additionally, the Louisiana State Legislature utilized offenders for most of the year during the regular session and three (3) special sessions. A meeting with Secretary LeBlanc, Undersecretary Bickham, Chief Smith, and Warden Kent has been scheduled to discuss obtaining additional offenders for the program.
9. Director Moore announced that the Office of State Buildings (OSB) has indicated the grounds portion of the janitorial contract will likely be bid out to private companies. He

reviewed the Request for Proposal (RFP) process, as well as the expected changes and terms of the contract that will presumably be effective July 1, 2019 if privatizing is feasible for them. Director Moore discussed in detail, the financial impact the change will have to PE's revenues and net income.

10. Mr. Travis interjected that OSB submitted a similar type RFP in fiscal year (FY) 2013. The results of that RFP were addressed.
11. Several discussions transpired regarding OSB's objective, the terms of the new contract, and the efforts PE put forth to maintain the current contract.
12. Continuing, Director Moore provided an update on PE's Legislative Performance Audit. The PE staff continues meeting with the auditors, providing requested documents, explaining processes, and answering questions. The auditors stated they hope to complete the audit sometime in September.
13. Next, Director Moore reported on the American Correctional Association (ACA) Congress of Correction he attended from August 3<sup>rd</sup> – 8<sup>th</sup> in Minneapolis, Minnesota. The workshops and meetings he participated in were informative. However, networking with other correctional industry professionals was most beneficial. He noted that correctional industries in other states are also struggling with obtaining offender workers for their shops.
14. Lastly, Director Moore reported that PE participated in the annual Louisiana Sheriffs' and Wardens' Training Conference and Exhibition in Sandestin, Florida from July 30<sup>th</sup> – August 2<sup>nd</sup>. Additionally, several PE staff members will attend the eight (8) state South Central Correctional Industries Association (SCCIA) Regional Conference in Hot Springs, Arkansas from August 22 – 26, 2018.
15. Mr. Oliveaux inquired if plant supervisors will attend the conference.
16. Director Moore explained that since the conference is in Hot Springs, Arkansas it was economically possible to send several PE staff members by car. PE Quality Assurance Coordinators, Plant Supervisors, and Managers will attend the conference.
17. Director Moore asked Deputy Director Stagg for her updates.
18. Mrs. Stagg announced that the ceiling in freezer #11 at the Wakefield Meat Plant collapsed. The inventory was moved to various freezers within the plant and a rental freezer is not required at this time. A preliminary quote to rebuild the freezer is estimated to be \$125,000. The insurance company was contacted and PE is waiting for their report.
19. Mr. Oliveaux questioned the age and functionality of the current facility. He suggested evaluating the cost spent on repairing and upgrading freezers to relocating the plant to DCI.
20. Conversations ensued on freezer repairs at the plant.
21. Then, Director Moore asked Mr. Buttross for an administrative update.
22. Mr. Buttross stated that the Canteen Standards Meeting was held August 16<sup>th</sup> at PE Headquarters. Several new canteen items were added to the list and a few items were removed. The updated canteen list will be submitted to the DOC Statewide Program Manager and will be routed for approval. Additionally, PE's procurement staff has started working on 2019 renewals and new contracts for industries.
23. Next Mr. Buttross announced that a P-Card Compliance Review was conducted at PE. Although there will likely be findings for the department as a whole, none specific to PE were cited.
24. Lastly, Mr. Buttross reported job orders for July 2018 were \$1.21 million compared to July 2017 job orders of \$2.35 million. He stated that the August 2018 job orders to-date were approximately \$709,000 and for the entire month of August 2017, the job orders totaled \$554,000. As expected timing and size of blanket orders account for the vast disparity. He reiterated that the July 2017 job orders reflect an \$800,000 order from Office of Motor

- Vehicles (OMV) and blanket orders from DCI and Louisiana State Penitentiary (LSP). July 2018 job orders reflect a significantly smaller OMV job order than July 2017. Additionally, DCI, LSP and Elayn Hunt Correctional Center (EHCC) blanket job orders were not received until August 2018 and were smaller than orders placed in previous years.
25. Director Moore, then asked Mrs. Sigrest to provide the financial update.
  26. Mrs. Sigrest began by stating that preliminary June 2018 monthly sales decreased by \$233,000 compared to June 2017 and preliminary June 2018 year-to-date (YTD) sales decreased by \$158,000 compared to June 2017. Preliminary July 2018 monthly and YTD sales increased by \$132,000 compared to July 2017.
  27. Next, Mrs. Sigrest reported that the cash balance as of June 30, 2018 was \$2.3 million as compared to the cash balance of \$1.6 million on June 30, 2017. The cumulative net cash for the current FY 18 (July 2017 – June 2018) reflects an increase of \$734,000 and the cumulative net cash for the same period in the prior FY (July 2016 – June 2017) was an increase of \$14,000.
  28. Director Moore noted that Allen Furniture Plant FY 18 sales more than doubled compared to sales in FY 17.
  29. Director Moore asked Mrs. Melius for the sales and marketing update.
  30. Mrs. Melius began by reporting PE received six (6) Department of Corrections (DOC) orders. An order from DCI for offender clothing, janitorial supplies, officer uniforms, and chairs totaling \$316,471, EHCC ordered mattresses, linens, print, chairs, and janitorial supplies totaling \$103,937, Raymond Laborde Correctional Center (RLCC) ordered offender clothing, janitorial supplies, and officer uniforms totaling \$100,836, B.B. “Sixty” Rayburn Correctional Center (RCC) ordered officer uniforms, offender clothing, janitorial supplies, linens and chairs totaling \$65,021, David Wade Correctional Center (DWCC) ordered offender clothing, janitorial supplies, linens and officer uniforms totaling \$36,857, and Louisiana Correctional Institute for Women (LCIW) ordered officer uniforms, offender clothing, print, and janitorial supplies totaling \$35,372.
  31. Continuing, Mrs. Melius stated that PE received four (4) other significant job orders. An order from OMV for license plates totaling \$356,600, an order from Pinecrest Support Services for furniture, clothing, and janitorial supplies totaling \$30,068, an order from Jefferson Parish Sheriff’s Office for mattresses totaling \$21,000 and an order from Calcasieu Parish Sheriff’s Office for mattresses, chairs, and offender clothing totaling \$19,671.
  32. Next, Mrs. Melius reported that PE submitted three (3) significant job quotes. A quote to Burton Coliseum for animal pens and storage racks totaling \$173,680, a quote to Lincoln Parish Sheriff’s Office for bunks and tables totaling approximately \$75,000, and a quote to the Youth Challenge Program (YCP)/Beauregard for lockers totaling \$49,950.
  33. Lastly, Mrs. Melius stated that the Sales and Marketing staff participated in Louisiana Sheriffs’ and Wardens’ Training Conference and Exhibition in Sandestin, Florida from July 30<sup>th</sup> – August 2<sup>nd</sup>. Additionally, with assistance from Mr. Floyd, Mrs. Henderson, and Mrs. Farrar PE also participated in the Louisiana Municipal Association Convention in Lake Charles, Louisiana July 31<sup>st</sup> – August 2<sup>nd</sup>.
  34. Director Moore noted that several significant quotes have been submitted for Metal Fabrication (Metal Fab) jobs.
  35. Mr. Oliveaux requested an update on the status for hiring a salesperson.
  36. Director Moore stated that PE made an offer and waiting for the candidate to respond.
  37. Mr. Oliveaux asked if consideration was given on PE offering the use of a state vehicle as a hiring incentive.

38. Mr. Buttross reported that the Louisiana Division of Administration allows personal assignment and/or home storage of state owned vehicles provided specific conditions are met. He noted that PE sales representatives do not meet the criteria nor do they qualify for home storage and a specific exception would need to be granted by the Commissioner of Administration.
39. Mr. Oliveaux made a motion that the board submit a letter requesting PE be given a tool to hire a qualified sales person by offering a vehicle as an employment incentive or a higher salary.
40. Mr. Lane suggested that PE could consider offering a car allowance in lieu of using a state vehicle.
41. Mr. Oliveaux agreed and stated that a car allowance is an acceptable incentive. He emphasized that the Board needs to stress to the Administration the importance of allowing PE to offer an employment incentive.
42. Conversations ensued regarding job requirements for the sales person, the competitive employment market in the sales industry, and state insurance requirements.
43. Director Moore agreed to prepare a letter.
44. Director Moore then asked Mr. Floyd for an industries update.
45. Mr. Floyd began by announcing that the ordering period for the fall Canteen Package Program (CPP) was extended from August 23<sup>rd</sup> to August 26<sup>th</sup>. Fall sales for the fourth week are down compared to the same time period in the summer program. As of August 20<sup>th</sup> the total package count was thirteen hundred sixty (1,360) packages consisting of seven hundred thirty-seven (737) food and hygiene packages and six hundred twenty-three (623) personal property packages. The plant has begun receiving and stocking inventory items for the fall program.
46. Continuing, Mr. Floyd stated that the Metal Fab Shop staff and offenders are busy working on several large orders. They are manufacturing single beds and outdoor furniture for OJJ/Bunkie, single and bunk beds for Lafourche Parish Sheriff's Office, contour benches for Pinecrest Support Services, and a barbeque pit for Catholic High School. Mr. Floyd acknowledged PE Metal Fab supervisor Steve Walters for being selected as PE's Supervisor of the Second Quarter Award.
47. Next, Mr. Floyd announced that due to the success of the T-Shirt Factory PE has stopped outsourcing t-shirts. The factory shipped orders to LSP and Pinecrest Support Services and is working diligently on completing a large t-shirt order for DCI. Mr. Floyd noted that the factory produces an average of three hundred seventeen (317) shirts a day.
48. Mr. Oliveaux inquired on the type of t-shirts.
49. Director Moore explained that the t-shirts are for offender use and are the t-shirts produced at LCIW Garment prior to the flood.
50. Mr. Oliveaux questioned how long PE has been making the t-shirts and where the plant is located.
51. Mr. Floyd stated that PE began manufacturing t-shirts in June. The plant is using a building that was available at LSP.
52. Mr. Oliveaux reiterated B.B. "Sixty" Rayburn Correctional Center (RCC) interest in housing a PE operation.
53. Director Moore explained that per previous discussions with RCC they did not have a building that could accommodate a plant. The startup cost for the T-Shirt Factory at LSP was minimal. LSP provided a building, a crew of offenders, and a correctional officer allowing PE the opportunity to resume t-shirt production.

54. Mr. Oliveaux inquired on how many security officers work in the CPP and what is the percentage of loss on inventory.
55. Mr. Floyd replied that one (1) officer works the CPP. He explained that the vendor has not expressed a concern with inventory loss and has not provided any loss data as they own the inventory.
56. Mr. Lane asked the selling price and colors of the t-shirts produced.
57. Mrs. Melius stated that certain white t-shirts produced by PE sell for \$2.25.
58. Multiple conversations regarding t-shirt production, colors, cost, and silk-screening ensued.
59. Mr. Floyd continued with an update on the Tag Plant. The plant received two (2) blanket orders from OMV totaling approximately 420,000 plates. The remainder of the OMV tag order will likely be sent in January. The plant is diligently working and will complete the current order in October.
60. Next, Mr. Floyd reported on the Garment Plants. The Garment Plant at Winn Correctional Center (WNC) received the blue broadcloth fabric order and is steadily working to fill all outstanding blue broadcloth orders. Elayn Hunt Correctional Center (EHCC) Garment Plant continues to struggle with a lack of offender workers. Typically, the daily number of offenders working averages fifty (50) percent of the plant's daily quota.
61. Mr. Oliveaux asked how long did it take for PE to receive the broadcloth order from the new vendor.
62. Mr. Floyd stated that the broadcloth was rebid went out in February/March, awarded in April and PE received half the order on August 20<sup>th</sup>.
63. Director Moore reported that the original vendor was not charged a surcharge, as the new vendor price was less than the previous vendor.
64. Lastly, Mr. Floyd stated that the Soap Plant is working on a new fragrance for the all-purpose cleaner.
65. Director Moore asked Mr. Hoover for the agriculture update.
66. Mr. Hoover reported that PE shipped eighty (80) head of steer calves weighing six hundred two (602) pounds from EHCC and seventy-five (75) head of Braham-sired steer calves weighing five hundred ninety-eight (598) pounds from LSP. On August 22<sup>nd</sup>, LSP will ship four (4) loads of steer calves consisting of about three hundred twenty (320) head, weighing approximately six hundred (600) pounds.
67. Next, Mr. Hoover stated that PE sold one hundred sixty (160) head of heifers from DCI in addition to a load of steer calves for \$1.62 pound and a load of heifer calves for \$1.50 a pound from DWCC.
68. Continuing, Mr. Hoover reported that LSP and EHCC will send cutoff steers to DWCC for backgrounding. Three hundred ninety (390) pregnant heifers shipped from DCI to LSP and PE plans to sell forty-seven (47) pregnant culls.
69. Lastly, Mr. Hoover provided an update on the crops. He stated that approximately one hundred seventy-five (175) acres of the three hundred (300) acres of corn planted has been cut and is yielding an average of one hundred seventy (170) to one hundred (180) bushels per acre. He added that the cotton crop looked good with many bolls and the soybeans would be ready to harvest in approximately two (2) weeks. The estimated market prices for corn was \$3.99, soybeans \$8.93 (without basis), and cotton was \$.81 pound.
70. Director Moore informed the board that in late September Mr. Hoover will attend the National Association of Institutional Agribusiness conference in Williamsburg, VA.
71. Mr. Ardoin set the next meeting for 10:00 AM, Tuesday, September 18, 2018 at LSP.
72. Mr. Ardoin adjourned the meeting at 11:06 AM.