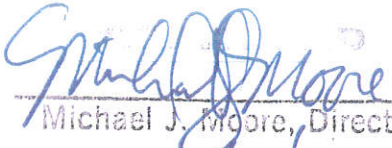


Prison Enterprises Board Meeting

December 15, 2015


Michael J. Moore, Director
DATE 1/19/16

1. Chairman Charles Chatelain called the meeting to order at 10:10 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
 - Daniel Hoover
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
3. Chairman Charles Chatelain asked for a motion to approve the minutes of the November 17, 2015 meeting. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Lane seconded the motion and it passed unanimously.
4. Mr. Chatelain turned the meeting over to Director Moore.
5. Director Moore began the meeting by discussing the state's new administration. He reported that PE submitted a transition document to Department of Corrections (DOC) Headquarters that is usually requested when a new administration takes office.
6. Next, Director Moore explained that PE has had several conference calls and meetings with staff from the Office of State Procurement (OSP). The discussions focused on the impact the new purchasing processes and procedures have on PE. He noted that OSP staff was accommodating and eager to find an acceptable resolution.
7. Then, Director Moore provided an update on the progress of PE's Apprenticeship Program. He reported that he and Mr. Buttross had participated in a couple of conference calls with the Director of Reentry and Indiana DOC staff and were planning to meet with Louisiana Workforce Commission in January.
8. Director Moore announced that Anne Myles, PE Quality Assurance Coordinator at PE Headquarters, would be resigning to return to practicing law.
9. Then, Director Moore discussed the potential of clearcutting or thinning the timber at Winn Correctional Center to improve the security of the perimeter of the prison.
10. Continuing, Director Moore announced that the Wakefield meat specification committee recently formed to review the existing bid specifications would meet Wednesday, December 16, 2015.

11. Lastly, he reminded the board members that the Louisiana Code of Governmental Ethics requires all public servants to take one hour of ethics training each calendar year.
12. Director Moore explained that in Mr. Labatut's absence, he would provide an update on the offender labor challenges at EHCC Garment Factory and report on VIP furniture requests.
13. Director Moore began by summarizing the difficulties the EHCC Garment Factory has endured due to a fluctuating number of offenders available to work. He asked PE Industries manager, Scot Floyd to review a recent assessment of the available labor force and the effect it has on the Garment Factory. Mr. Floyd reported that eighty-two (82) working offenders are necessary to staff the factory properly. He explained that currently the daily roster averages between fifty (50) and sixty (60) offenders. Typically ten (10) of the offenders on the roster participate in day school and are unable to work the morning shift. Adding that with medical call outs and day school, the morning shifts average less than forty (40) offenders daily. Mr. Floyd commended the staff and offenders for working diligently to complete the orders timely.
14. Lastly, Director Moore reported that Mr. Labatut was in contact with members of the state's new administration and PE will have an opportunity to quote on office furniture.
15. Mr. Moore then asked Mr. Buttross for the administrative update.
16. Mr. Buttross began by providing an update on remodeling Building 10. He reported that the contractor began replacing the exterior windows and is scheduled to have them completed by the middle of January 2016. He stated that progress on the interior of the building involved pulling data wires and taping and floating sheetrock.
17. Then, Mr. Buttross reported that the dirt work on the building pad for the Canteen Packaging Program Warehouse was awaiting the "last" approval from the geo-technical engineers. He noted that the supplies and materials PE put out for bid, were awarded, and have been received. Specifically, everything needed to pour and form the concrete slab.
18. Next, Mr. Buttross stated that PE purchased two (2) new vans for PE's janitorial crews and a vehicle for PE Headquarters pool. He also stated that a vehicle from the PE Headquarters' pool would be transferred to a PE janitorial supervisor. Next, Mr. Buttross announced that the new soap press had arrived in the New Orleans port. He projected it would be delivered and installed before December 25th and that the training would begin sometime after January 1, 2016.
19. Mr. Buttross reported that PE and LSP closely monitored the smoking tobacco inventory, so PE was only minimally affected by the November 30th smoking ban.
20. Continuing, Mr. Buttross announced that PE's annual Legislative Audit has a preliminary meeting scheduled for Wednesday, December 16th.
21. Lastly, Mr. Buttross reported that the November 2015 job orders totaled \$904,000 as compared to November 2014 job orders of \$1.2 million. He reported that the December orders to date were \$295,000 and would surpass the December 2014 total of \$295,000.
22. Next, Director Moore stated that Mrs. Sigrest would provide the financial update. He explained that the financial statements for September 2015 were finalized. He stated that Mrs. Sigrest would address only changes from the preliminary statements provided last month to the "finalized" September statements unless there were other questions. She will also present the preliminary sales and net income for October along with the preliminary sales for November.

23. Mrs. Sigrest began by stating that the final September reports reflect a \$10,000 increase in loss than previously reported on the September preliminary reports provided last month. She explained that some feed expenses were not processed until after the preliminary financials had been run.
24. Continuing, Mrs. Sigrest reported that preliminary YTD sales for October 2015 were \$11 million as compared to last year's \$11.3 million, a decrease of \$281,000. Industries totaled \$4 million this year as compared to \$3.6 million last year, an increase of \$424,000. Agriculture totaled \$2.5 million this year and \$2.7 million last year, a decrease of \$191,000. She stated Retail sales for October 2015 were \$4.4 million and \$4.9 million for October 2014 resulting in a decrease of \$514,000 for this year.
25. Mrs. Sigrest reported that the preliminary YTD net income for October 2015 was a loss of \$353,000 as compared to \$561,000 profit in October 2014, a decrease of \$914,000. Industries net income was \$391,000 compared to \$286,000 in 2014, an increase of \$105,000. Agriculture net income was a \$487,000 loss for October 2015 compared to a \$405,000 profit in October 2014, a decrease of \$892,000. Mrs. Sigrest stated Retail net income was \$152,000 as compared to last year's net income of \$244,000, a decrease of \$92,000.
26. Next, Mrs. Sigrest reported the preliminary YTD sales for November 2015 was \$12.8 million as compared to \$14 million in November 2014, a decrease of \$1.2 million. Industries totaled \$4.6 million in November 2015 compared to \$4.4 million last November, an increase of \$213,000. Agriculture sales were \$2.7 million for November 2015 and \$3.3 million in November 2014, a decrease of \$621,000. She stated that Retail Sales for November 2015 was \$5.4 million as compared to \$6.2 million November 2014, a decrease of \$808,000.
27. Director Moore, then asked Mrs. Melius for the marketing update.
28. Mrs. Melius began by reporting that PE received four (4) DOC orders: an order from LSP for offender clothing, mops, brooms, print, linens and janitorial products totaling \$546,863 an order from AVC for linens and offender clothing totaling \$67,864, an order from DWCC for mops, brooms, linens, and offender clothing totaling \$44,855 and an order from EHCC for offender clothing totaling \$31,062.
29. Continuing, Mrs. Melius announced that four (4) significant job orders were received: an order from Bayou Segnette State Park for furniture totaling \$203,744, an order from Ernest Morial Convention Center for sofa and chair refurbish totaling \$28,420, an order from the East Baton Rouge Parish Library for chair refurbish totaling \$15,041 and an order from the Department of Wildlife and Fisheries for permit boxes and kiosks totaling \$14,250.
30. Mrs. Melius reported that PE hosted an LSP Industries tour for members of the Ernest Morial Convention Center staff.
31. Lastly, Mrs. Melius reported that sales and marketing sent a blast email to DOC promoting "Non-Smoking" signs from PE Silkscreen, which resulted in an order for twenty (20) signs thus far.
32. Director Moore, then asked Mr. Floyd to provide an Industries update.
33. Mr. Floyd began by providing updates on the LSP Industries. He reported that the Metal Fabrication Shop was busy working on the Bayou Segnette State Park order. The Print Shop was building a cage for the new "computer to plate" printer. The Tag Plant, with

assistance from LSP Maintenance, painted and performed preventive maintenance on the plants equipment.

34. Then Mr. Floyd reported on the Garment Plants. He reported that the LCIW Plant was busy working on large linen and offender clothing job orders. He added that they were reviewing and updating fabric specifications on the bid. He reiterated the labor challenges at EHCC and emphasized the staff's determination to complete orders by the deadline dates.
35. Next, Mr. Floyd discussed the various orders the Embroidery Plant, Chair Plant, and Allen Furniture were busy working to complete.
36. Lastly, Mr. Floyd announced that the Soap Plant continued processing orders, as they moved and relocated the presses to make room for the new Soap Press.
37. Director Moore asked Mr. Hoover for the agriculture update.
38. Mr. Hoover announced that the cows were calving at all locations and they were grazing on ryegrass at most locations. He explained that DCI had an outbreak of armyworms, and spent Thanksgiving spraying them.
39. Next, Mr. Hoover reported that DWCC shipped sixty-six (66) steers weighing 735 pounds for \$73,948. He stated that on December 18th LSP would ship close to seventy (70) steers with each weighing about 725 pounds.
40. Continuing, Mr. Hoover explained that due to weather, minimal fieldwork and drainage rows were done. He went on to say that the corn seed was out for bid and they were working on the fertilizer bid. He projected that the corn would be planted by the end of February 2016.
41. Mr. Chatelain announced the next board meeting would be held at 10:00 AM on Tuesday, January 19, 2016 at PE Headquarters. At 11:05 AM, Mr. Chatelain adjourned the meeting.