

Prison Enterprises Board Meeting

December 20, 2016

**APPROVED**  
  
**Michael J. Moore, Director**  
  
**Date**

1. Vice-Chairman Joseph Ardoin called the meeting to order at 9:32 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
  - 2.1 Members Present:
    - Joseph Ardoin, Vice-Chairman
    - Eric Lane
    - Richard Oliveaux
    - Paul Spalitta
    - Tim Travis
  - 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. Vice Chairman Joseph Ardoin acknowledged that a quorum was present and asked for a motion to approve the minutes for the September board meeting. Mr. Spalitta made a motion that the minutes be approved as written. Mr. Travis seconded the motion and it passed unanimously.
4. Mr. Oliveaux made a motion to add the pledge of allegiance and a prayer to the beginning of all future board meetings. Mr. Lane seconded the motion and it passed unanimously.
5. Mr. Ardoin turned the meeting over to Director Michael Moore.
6. Director Moore began by welcoming Mr. Tim Travis and Mr. Richard Oliveaux to the Prison Enterprises Board. He expressed his gratitude to Mr. Chatelain and Mr. Honore for the many years of dedication and support given to Prison Enterprises.
7. Director Moore reported on the state's financial situation and budget issues relevant to PE.
8. Mr. Oliveaux inquired on PE's financial status, specifically sales and expenses. Discussions ensued on PE's strategy to withstand the consequences of the significant budget cuts projected for 2017.
9. Continuing, Director Moore reported on the challenges PE's Garment Plants were encountering. Primarily the obstacles associated with relocating the Louisiana Correctional Institute for Women (LCIW) Garment Plant to Jetson Correctional Center for Youth (JCCY) and the lack of adequate offender labor at Elayn Hunt Correctional Center (EHCC)

- Garment Plant. He noted that adding a second (2<sup>nd</sup>) shift of LCIW women offenders at EHCC Garment Plant has been implemented.
10. Mr. Oliveaux inquired about the equipment and other losses PE sustained during the flooding at LCIW.
  11. Director Moore explained that PE's executive staff responded quickly during the flooding events and with assistance, they successfully stacked and moved the equipment, inventory and raw materials before anything was lost.
  12. Next, Director Moore announced that he and PE's American Correctional Association (ACA) Manager would appear before the ACA Reaccreditation panel in San Antonio, Texas to complete the final phase of PE's Reaccreditation Audit.
  13. Lastly, Director Moore reiterated that December 31, 2016 was the deadline to complete the 2016 Ethics Training course.
  14. Director Moore asked Deputy Director Labatut for his comments.
  15. Mr. Labatut summarized the difficulties PE's janitorial crews were experiencing due to a lack of offenders available to work. He provided an update on meetings with Dixon Correctional Institute (DCI) staff to resolve the inconsistency in the number of offenders provided for the work roster.
  16. Lastly, Mr. Labatut reported on a meeting with the Louisiana Workforce Commission regarding a ground maintenance quote.
  17. Director Moore then asked Mr. Buttross for the administrative update.
  18. Mr. Buttross began by providing a recap of the renovations to Building 10 and all that it entailed. He noted that the Credit Union portion of the building was progressing rapidly.
  19. Next, Mr. Buttross provided an update to the Canteen Package Program (CPP) and the number of packages purchased for each of the programs.
  20. Mr. Oliveaux inquired as to PE's financial expectations of the CPP and the contractual agreements with the vendor.
  21. Questions concerning the financial benefits and responsibilities of the program were discussed.
  22. Lastly, Mr. Buttross reported on job orders. He announced that the November job orders for this year were \$2.4 million, a substantial increase from November 2015 job orders of \$76,000. He stated that the December 2016 job orders to date were \$130,000, compared to the entire month of December 2015 that totaled \$135,000.
  23. Director Moore asked Mrs. Sigrest to provide the financial update.
  24. Mrs. Sigrest began by reporting the preliminary YTD sales for September 2016 was \$6.5 million as compared to \$8.2 million in September 2015, a decrease of \$1.7 million. She reported that the September 2016 preliminary Net Income was a loss of \$367,000 compared to September 2015 loss of \$313,000, down by an additional \$53,000. She noted that the numbers do not include the new lease payment of approximately \$83,000.
  25. Continuing, Mrs. Sigrest reported the preliminary YTD sales for October 2016 was \$9.3 million compared to 2015 sales of \$11 million, a decrease of \$1.7 million.
  26. Lastly, Mrs. Sigrest reported the preliminary YTD sales for November 2016 was \$11.7 million and November 2015 sales were \$12.8 million, a decrease of \$1.1 million in sales. She noted that \$402,493 of the 2016 sales included sales to LCIW relating to the August floods.
  27. Next, Director Moore asked Mrs. Melius for the marketing update.
  28. Mrs. Melius began by reporting PE had two (2) significant orders. An order from Louisiana State Penitentiary (LSP) for janitorial supplies, offender clothing, print, and

- linens totaling \$697,458 and an order from the Office of Motor Vehicle for tags totaling \$1,400,000.
29. Next, Mrs. Melius reported that Sales and Marketing staff were pursuing orders from the Winn Parish Sheriff's Office, the Allen Parish Sheriff's Office, and the Beauregard Parish Courthouse.
  30. Mr. Oliveaux requested additional information on the structure of PE's Sales staff.
  31. Director Moore explained that the Sales and Marketing staff was comprised of five (5) people.
  32. Lastly, Mrs. Melius discussed the objectives for the sales staff.
  33. Director Moore, then asked Mr. Floyd to provide an Industries update.
  34. Mr. Floyd began by providing an update on two (2) LSP Industries. In order for the Tag Plant to fulfill orders for 800,000 license tags, PE purchased (at a significant savings) two (2) used tag presses to replace the broken Cincinnati Brake press.
  35. Mr. Oliveaux agreed that PE's press was outdated and purchasing the presses would be beneficial to PE.
  36. Mr. Floyd continued by commending the Transportation department for successfully distributing the CPP packages to the participating prisons timely and without complications. He explained that PE supervisors were scheduled to assist in the last and largest delivery to LSP.
  37. Next, Mr. Floyd provided an update on the progress of relocating LCIW Garment Plant to JCCY. He discussed the importance of two (2) six (6) hour shifts operating at EHCC Garment Plant. The first shift consisted of all men and the second shift were the trained LCIW women temporarily housed at EHCC.
  38. Board members discussed the importance of offender labor as it related to PE's current needs and future growth potential.
  39. Lastly, Mr. Floyd reported that the Soap Plant was ahead of schedule in stocking inventory and shipping product as it is ordered.
  40. Director Moore asked Mr. Hoover for the agriculture update.
  41. Mr. Hoover provided an update on the levee repairs the National Guard was working on at LSP.
  42. Mr. Oliveaux inquired on the fuel cost and various expenses associated with the repairs to the levee at Camp G.
  43. Discussions regarding the associated cost continued.
  44. Next, Mr. Hoover discussed PE's cattle sales and noted that the cattle market price had increased by four (4) cents. He stated that the cows were calving and doing well.
  45. Continuing, Mr. Hoover reported the yields from PE crops. He discussed the effects of the weather conditions stating that the yield from the cotton crop was significantly lower due to weather recent weather events.
  46. Lastly, Mr. Hoover reported on the horse sale PE had in November.
  47. Mr. Oliveaux inquired as to the number of personnel PE employs at the prisons and at PE Headquarters.
  48. Director Moore approximated that PE Headquarters staffed thirty (30) employees and seventy-two (72) statewide.
  49. Mr. Ardoin announced that elections for the Chairman and Vice-Chairman position would be held at the next board meeting. He stated that the meeting would be at 10:00 AM on Tuesday, January 17, 2017 at PE Headquarters.
  50. At 10:28 AM, Mr. Ardoin adjourned the meeting.