

Prison Enterprises Board Meeting

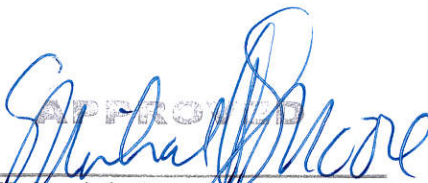
June 18, 2013

1. Chairman Charles Chatelain called the meeting to order at 10:00 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairmam
 - Joseph Ardoin
 - Frank Strickland
 - Paul Splitta
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore
 - Todd Labatut
 - Misty Stagg
 - Kristie Sigrest
 - Robert Honeycutt
 - Danny Hoover
 - Richard Rees
 - Vickii Melius
3. Mr. Chatelain made a motion to approve minutes and it was seconded by Mr. Ardoin and Mr. Spalitta with no objections.
4. Director Moore began by stating that fiscal year end orders are priority right now for all of our plants.
5. Mr. Chatelain asked about the jean production, Director Moore replied that the plant is meeting the daily goals set to meet all fiscal year end orders.
6. Director Moore stated that the budget bill was passed without question and is waiting on signature. The budget is \$1.5 million less than last year but at this time the decrease does not pose a concern.
7. Continuing, Director Moore then stated that Prison Enterprises is preparing for hurricane season. All plants are producing inventory to stock in case of emergency. The inventory is being monitored and the fleet is also being prepared.
8. Director Moore stated that a reimbursement check from FEMA has been received from Hurricane Isaac. This reimbursement is to pay employees for some K-time worked during this storm.
9. Continuing, Director Moore then stated that there have been some personnel changes. The QAC for the Allen and Winn plants has retired and Scott Bearb who was formerly the Prison Enterprises Headquarters' Warehouse Supervisor was given a promotion to fill this vacancy. The job announcement for Warehouse Supervisor and LSP QAC are announced.

10. Director Moore stated that in July, PE will be storing the suits collected by P&P for the Annual Men's Warehouse Suit Drive. This year it will be called the Michael Ellerbee Legacy Suit Drive to honor Mr. Ellerbee who recently passed away.
11. Continuing, Director Moore stated that PE will have a (3) year ACA re-accreditation audit October 21st and October 22nd.
12. Director Moore then asked Deputy Director Labatut for his comments.
13. Mr. Labatut began by discussing a visit to the Jackson Barracks to look at a project to construct custom exhibit cases. After reviewing the specs and construction details of this project, PE may have to pass due to the unfamiliarity with the materials used for a project like this.
14. Mr. Labatut then stated that while cutting the wheat a wiring harness on the combine caught fire due to a possible bearing issue. The part is possibly covered by warranty and this is currently being verified.
15. Continuing Mr. Labatut stated that one of the freezers at the Wakefield Meat plant is down and currently being repaired. This repair is being expedited so that PE can hold additional inventory for year-end.
16. Director Moore then asked Mrs. LeBlanc for the Purchasing Update.
17. Mrs. LeBlanc stated that Purchasing is currently working on rebidding the DOC officer uniforms, and patches, and working on bidding the clear mattress ticking. We are also working on bidding two trucks for the farm operations.
18. Mrs. LeBlanc then stated that the job orders are up for the month of May by \$537,000 and YTD job orders are up \$1.2 million as compared to last year. Job orders through mid-June are down \$559,000 as compared to the same time as last year but YTD job orders are still up \$658,000.
19. Director Moore then asked Mrs. Sigrest for the Financial Update.
20. Mrs. Sigrest stated that the April final YTD sales totaled \$23.4 million as compared to last year's \$22.4 million, an improvement of \$993,000. The YTD Net Income was \$453,000 as compared to last year's \$370,000, an improvement of \$83,000.
21. Mrs. Sigrest stated that the May Preliminary sales totaled \$25.9 million as compared to last year's \$24.9 million, an improvement of \$1.0 million, Industries totaled \$9.6 million as compared to last year's \$9.4 million, an improvement of \$193,000, Agriculture totaled \$3.3 million as compared to last year's \$2.8 million, an improvement of \$452,000, Retail totaled \$13.1 million as compared to last year's \$12.7 million, an improvement of \$355,000. The YTD Net Income was \$433,000 as compared to last year's \$410,000, an improvement of \$23,000. Industries totaled \$590,000 as compared to last year's \$795,000, a decrease of \$204,000, Agriculture totaled \$227,000 as compared to last year's loss of \$48,000, and an improvement of \$275,000, Retail totaled \$570,000 as compared to last year's \$610,000, which reflects a decrease of \$40,000.

22. Continuing, Mrs. Sigrest stated the JD Edwards testing has been completed and the “go live” date has been moved from prior to June 30th to July 17th. The IBM software update will be complete by September 30th.
23. Mrs. Sigrest stated that year-end physical inventory counts will start June 26th.
24. Director Moore then asked Mr. Rees for his comments on the Marketing Update.
25. Mr. Rees reported on significant jobs orders. DOC has purchased \$903,809 in year end orders. Other notable orders were received from Calcasieu Parish Sheriff’s Office for mattresses totaling \$7,466, St. Mary Law Enforcement Center and Eastern LA Mental Health System for scrub pants and shirts totaling \$23,094, Orleans Parish Sheriff’s Office for jumpsuits \$5,725, OMV for specialty plates totaling \$20,720, and East Baton Rouge Parish Library for refinished wooden chairs totaling \$3,190.
26. Mr. Rees than gave an update on conferences. He stated the sales staff attended the LA Sheriff’s Association Jail Training Conference May 19th – May 22nd. Upcoming conferences for the sales staff are: Louisiana Sheriff’s Association Conference July 14-18, 2013 and the Correctional Education Association Conference October 14th – 16th.
27. Continuing, Mr. Rees stated that benchmarking is ongoing in preparation for 2014 pricing.
28. Mr. Rees concluded by including that between Sales and Industry they met a two week timeline for refinishing two shoeshine booths for the Morial Convention Center. Credit is given to Mr. Honeycutt and the furniture plant for an excellent job done.
29. Director Moore then asked Mr. Honeycutt for his comments on the Industry Update.
30. Mr. Honeycutt began by stating that he attended the S&W Food Vendor Expo hosted by Mr. Spalitta. He received some vendor contacts and will sample a coffee received from one of the vendors.
31. Continuing, Mr. Honeycutt stated that Metal Fab is working overtime on lockers for LSP and beds for Allen Correctional. Hunt Soap and DCI Embroidery are also working overtime on fiscal year-end orders.
32. Mr. Honeycutt stated that Metal Fab is currently working on a “new” locker design for Youth Challenge Program. This locker will be heavier than what we currently produce to withstand daily use in a facility.
33. Mr. Honeycutt concluded by stating that on June 4th and 5th he toured a fabric vendor through the garment plants.
34. Director Moore then asked Mr. Hoover for his comments on the Agriculture Update.
35. Mr. Hoover began by giving an update on the status of crops. He stated that the soybean planting should finish this week; they have planted between 1,700 – 1,750 acres. The wheat harvest has been completed.
36. Mr. Hoover then stated that the cattle and calves were doing well. The grass is plentiful. We will be selling some cattle by video auction at the end of the month.

37. Mr. Chatelain then stated that it was time to decide the date and time of the next meeting of the Prison Enterprises Board. It was decided that the next meeting will be held at PE Headquarters Tuesday, July 23, 2013, at 10:00AM. Mr. Chatelain then adjourned the meeting.

APPROVED


Michael J. Moore, Director
DATE 8/28/13