

Prison Enterprises Board Meeting

February 24, 2015


Michael J. Moore, Director

DATE 3/18/15

1. Chairman Charles Chatelain called the meeting to order at 10:03 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Eric Lane
 - Harvey Honore
 - Paul Spalitta
 - Frank Strickland
 - Chris Wisecarver
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Danny Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
 - Kacie Henderson
3. Chairman Charles Chatelain asked for a motion to approve the minutes of the January meeting. Mr. Wisecarver made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
4. Mr. Chatelain recognized and thanked the board members and the PE staff for attending the meeting. He stated it had been many years since all board members were present along with PE Staff for a board meeting.
5. Mr. Chatelain turned the meeting over to Director Moore.
6. Director Moore began by introducing PE's Administrative Program Specialist Kacie Henderson to the meeting. He informed the board that she was training as an alternate for transcribing the board meeting minutes.
7. Director Moore continued with an overview of Louisiana's budget deficit and the potential effects to PE. He explained that PE has proactively implemented various initiatives in preparation for the potential influx of orders at the end of the fiscal year. A discussion on raw materials and finished product inventory ensued amongst the staff and board members.
8. Next, Director Moore informed the board of the personnel changes at PE. He reported the Executive Staff Officer position and a Shop Supervisor position were open. He also noted the Accounting department had two positions open, and were currently

- interviewing candidates. He announced Bobby Babin and Anne Myles were hired, filling the two open Quality Assurance Coordinator positions.
9. Continuing, Director Moore announced that the PE 2014 Annual Awards and Training Conference would be held on Thursday, March 12, 2015 at the Louisiana Sheriff's Association training room, located at 1175 Nicholson Drive in Baton Rouge, beginning at 9:30 AM. He stated the board members would receive an invitation to attend via email.
 10. Director Moore reported on the American Correctional Associations Conference (ACA) he attended earlier in the month. He affirmed the value to PE of participating in conferences allows an opportunity to exchange ideas and network with other prison industries professionals and customers. He noted the president elect of the ACA, Dr. Mary Livers also serves as the Deputy Secretary of Louisiana's Office of Juvenile Justice.
 11. Next, Director Moore discussed the television news report on the un-located property in Louisiana's state agencies. He explained the state's property certification process for reporting and valuation of inventory.
 12. Lastly, Director Moore provided an update on the status of relocating PE Headquarters. He recounted a meeting with the bank and disclosed the proposed financial terms of the bond. He and Mr. Buttross provided a slide show of the building's floor plan. The Administrative Offices, showrooms, warehouse storage space and conference rooms were depicted.
 13. Director Moore then asked Deputy Director Labatut for his comments.
 14. Mr. Labatut began by reporting on a site visit he and Mr. Floyd took to the Orleans Parish Sheriff's office. He stated they toured the offices and discussed the furniture items they would like to purchase from PE. Mr. Labatut advised that they were interested in tables and chairs for three (3) conference rooms, and potentially other offices as the project progressed. Mr. Labatut plans a second site visit that will include Mrs. Melius, PE's Marketing Manager, Ms. Simpson, PE's Marketing Representative and Mr. Seilhan, PE's Quality Assurance Coordinator.
 15. Continuing, Mr. Labatut noted that he and the new Warden at Winn discussed the possibility of obtaining additional inmate labor to assist with the significant amount of backorders at the Garment Plant. They also discussed the possibility of working weekends until all the orders were completed.
 16. Director Moore then asked Mr. Buttross for the administrative update.
 17. Mr. Buttross began by reiterating PE was complying with the "Expenditure Freeze" and purchasing only the items needed to maintain business continuity. Mr. Buttross reported PE shops were continuing to retain raw material and product inventories in preparation of large fiscal year end orders. He noted an order for 353 rolls of denim would be arriving at the central warehouse this week.
 18. Continuing, Mr. Buttross informed the board that the Canteen Packaging Program was in the RFP process. He discussed the various processes involved in procuring, packaging, and selling the canteen items to the families and friends of the offenders.
 19. Lastly, Mr. Buttross stated that January 2015 job orders totaled \$325,500 as compared to January 2014 job orders of \$329,300. Then he reported February's job orders to date were \$992,800 and February 2014 job orders totaled \$321,500. He explained this year's substantial increase was due to a \$543,000 order from the Office of Motor Vehicle (OMV).
 20. Director Moore then asked Mrs. Sigrest to provide the financial update.

21. Mrs. Sigrest stated that the YTD sales for December 2014 were \$16.9 million as compared to last year's \$14.6 million, an increase of \$2.3 million. Industries totaled \$5.7 million this year as compared to \$4.7 million last year, an increase of \$981,000. Agriculture totaled \$3.6 million this year and \$3.1 million last year, an increase of \$536,000. Lastly, she stated Retail sales for December 2014 were \$7.6 million and \$6.8 million for December 2013 resulting in an increase of \$814,000 for this year.
22. Then Mrs. Sigrest reported total December 2014 Net Income YTD was \$1.3 million compared to last year of \$112,000, an increase of \$1.2 million. Industries net income for December 2014 totaled \$590,000 compared to \$6,300 in December 2013, an increase of \$583,700. Agriculture's total net income for December 2014 was \$903,000 as compared to last year's income of \$369,000, an increase of \$534,000. Retail totaled a net income of \$409,000 compared to last year's net income of \$283,000, an increase of \$126,000.
23. Next, Mrs. Sigrest reported the preliminary YTD sales for January 2015 were \$19.8 million as compared to \$16.8 million in January 2014, an increase of \$3 million. Industries sales were \$6.9 million compared to \$5.4 million in 2014, an increase of \$1.5 million. Agriculture sales for January 2015 totaled \$4 million and \$3.2 million in January 2014, an increase of \$772,000. Mrs. Sigrest stated Retail sales this year were \$8.8 million as compared to last year's sales of \$8.1 million, an increase of \$784,000.
24. Then Mrs. Sigrest reported that in January the accounting staff conducted an interim physical inventory count at Winn Garment. She stated an adjustment to inventory was made due to reporting issues that the Winn staff and offenders were trained to correct.
25. Lastly, Mrs. Sigrest provided a cash flow statement and agreed to provide quarterly cash flow statements beginning with the April 2015 meeting.
26. Director Moore then asked Mrs. Melius for the marketing update.
27. Mrs. Melius began by reporting that in December there were five (5) significant DOC orders. These orders are as follows: DCI ordered linens and offender clothing totaling \$123,636, EHCC ordered officer uniforms totaling \$66,689, LCIW ordered offender clothing, linens, chemicals, mops and brooms totaling \$36,869, AVC ordered offender clothing totaling \$29,353 and LSP had a printing order totaling \$19,000.
28. Then, Mrs. Melius reported on eight (8) other significant job orders PE received during the month of January. She noted the largest order was from the OMV for license tags totaling \$543,000. The Dequincy LA Workforce ordered linens, mattresses, and locker boxes totaling \$48,760. The Office of Juvenile Justice (OJJ)/Swanson Center for Youth ordered employee shirts totaling \$43,600. The St. Landry Parish Sheriff's office ordered \$19,350 in furniture. The Burton Coliseum ordered arena stall panels and ties totaling \$19,490. The Orleans Parish Sheriff's office ordered mattresses and blankets totaling \$13,375. The Terrebonne Parish Consolidated Government ordered \$10,147 in offender clothing and the Livingston Parish Sheriff's Office ordered additional furniture totaling \$10,025.
29. Lastly, Mrs. Melius reported the Sales and Marketing staff attended the Police Jury Associations of Louisiana Conference January 29th and 30th. She stated various staff members would be attending the National Institute of Government Purchasing expo in Port Allen, LA on March 17th and the Louisiana Association of Municipal Secretaries and Assistants held in Lake Charles, LA on March 25th and 26th.
30. Director Moore then asked Mr. Floyd to provide an Industries update.

31. Mr. Floyd began by providing an update on the LSP industries. Although the Tag Plant was waiting on sheeting to continue processing the 300,000 plates for the OMV order, they were busy processing other orders. He stated the Metal Fabrication Shop was working on the rodeo panels for the Burton Coliseum and working on four hundred thirty-two (432) open locker boxes for the Louisiana Workforce in Dequincy, LA.
32. Continuing, Mr. Floyd announced that the Furniture Shop was busy building dorm furniture for Southeastern Louisiana University and working on a large upholstery job for the Ernest Morial Convention Center.
33. Mr. Floyd reported that the DCI Chair Factory was working on two hundred benches for the Earnest Morial Convention Center and that the DCI Embroidery Plant was working on the \$43,000 shirt order for the OJJ.
34. Next, Mr. Floyd reported the Garment Factories were busy filling all of the DOC orders. He stated the "port" strike on the west coast was holding up 8,000 yards of mesh needed to complete the orders in a timely fashion.
35. Next, Director Moore asked Mr. Hoover to provide the Agriculture update.
36. Mr. Hoover began by reporting the wheat continued to look good and would be fertilized again in March. He reported 350 acres of corn would be planted as soon as the weather allowed. He stated that all products for the cotton and soybean crops had arrived.
37. Next, Mr. Hoover reported that calving would be finished in two (2) weeks. He also stated DWCC sold two (2) loads of steers at \$1.955 per pound with each steer weighing about eight hundred (800) pounds.
38. Lastly, Mr. Hoover reported that all the timber checks had been received and that none of the trees had been harvested yet. He explained, that the terms of the timber contracts allow twelve months for cutting the timber.
39. Mr. Chatelain announced the next board meeting would be held at 10:00 AM on Tuesday, March 17, 2015 at PE Headquarters. He announced that a tour of the Mayflower building would be offered at the conclusion of next month's meeting. Mr. Chatelain then adjourned the meeting.