

Prison Enterprises Board Meeting

APPROVED

Michael J. Moore, Director
5/15/18
Date

April 24, 2018

1. Chairman Joseph Ardoin called the meeting to order at 10:02 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, 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:
 - Joe Buttross
 - Scot Floyd
 - Kacie Henderson
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
4. Mr. Oliveaux stated that he believed the PE Board should continue to give thanks, ask for guidance and recite the Pledge of Allegiance at every meeting.
5. Mr. Ardoin turned the meeting over to Deputy Director Stagg.
6. Deputy Director Stagg began by explaining that Director Moore was unable to attend the meeting due to a previously scheduled meeting for the Justice Reinvestment Initiative.
7. Deputy Director Stagg provided an update on the performance audit and the annual financial audit the Louisiana Legislative Auditors (LLA) are conducting on PE. She reported that all the documents for the Financial audit have been submitted. She explained it would be several weeks before PE heard back on the Performance audit as the auditors were still analyzing the data.
8. Next, Deputy Director Stagg provided a brief update on the Legislative Session as it relates to the supplemental bill and House Bill 809. She explained that while Director Moore attended the National Correctional Industries Association Conference (NCIA) April 15th – 18th, Mr. Buttross represented PE at the House Appropriations committee meeting for PE's Budget Bill and the Administration of Criminal Justice committee for consideration of House Bill 809.
9. Continuing, Deputy Director Stagg discussed PE's participation at the NCIA conference and recounted the benefits PE employees obtained from the roundtable discussions, workshops, and vendor exhibits.
10. Deputy Director Stagg, then asked Mrs. Henderson to report on PE's annual Office of Risk Management (ORM) audit conducted on March 28th.

11. Mrs. Henderson announced that the audit went very well and that PE scored 100%. Deputy Director Stagg noted that PE scored 99.76% on the ORM audit conducted last year.
12. Continuing, Deputy Director Stagg announced that PE proposed a slight price increase on license plates due to higher metal prices and many other factors. She noted that PE has not implemented any price increases since FY 05/06.
13. Next, Deputy Director Stagg stated that May 6 – 12, 2018 was National Correctional Officers and Employees Week and State Employee Recognition Week. The Department of Corrections (DOC) has several events planned to recognize and honor its employees.
14. Deputy Director Stagg referenced an invitation in the board folders to PE's 2018 Employee Awards and Training Conference on April 26th at the Oak Lodge Reception and Conference Center.
15. Lastly, Deputy Director Stagg reported that the PE industries were busy preparing for the anticipated fiscal year end jobs orders that could come from the potential passage of the supplemental bill for DOC. On behalf of Director Moore and herself she expressed her appreciation and thanks to the PE employees that are working hard to ensure the fiscal year end orders would be completed and delivered timely.
16. Mr. Oliveaux thanked Deputy Director Stagg for her update and prompted Chairman Ardoin to call for an approval of the prior board meeting minutes.
17. Mr. Ardoin stated that a quorum was present and asked for a motion to approve the March 20, 2018 board meeting minutes. Mr. Lane made a motion that the minutes be approved as written. Mr. Travis seconded the motion and it passed unanimously.
18. Deputy Director Stagg then asked Mr. Buttross for an administrative update.
19. Mr. Buttross began with an update on the Apprenticeship Program. He stated that the application has been submitted to the Louisiana Workforce Commission for approval. He explained that the next step for PE would be to appear before the Apprenticeship Council to review the application, answer questions, and ultimately receive approval to proceed with the program.
20. Next, Mr. Buttross stated that PE was staying vigilant in monitoring and procuring raw materials and in maintaining the proper inventory levels to adequately fill the anticipated fiscal year end orders.
21. Lastly, Mr. Buttross reported job orders for March 2018 were \$634,355 compared to March 2017 job orders of \$421,908. April 2018 job orders to date are approximately \$321,838 and for the entire month of April 2017, job orders totaled \$186,024. He noted that the March and April 2018 job orders reflect some purchase orders from the Office of Juvenile Justice (OJJ).
22. Deputy Director Stagg then asked Mrs. Sigrest to provide the financial update.
23. Mrs. Sigrest began by stating that February 2018 finalized year to date (YTD) sales were \$17.62 million compared to February 2017 YTD sales of \$17.61 million, an increase of \$14,000. YTD net income for the month of February 2018 was a loss of \$619,000 compared to a YTD loss of \$465,000 for February 2017, an increased loss of \$154,000. The March 2018 preliminary YTD sales were \$19.7 million compared to March 2017 YTD sales of \$19.8 million, a decrease of \$109,000. Preliminary YTD net income for March 2018 was a loss of \$595,000 compared to a loss of \$476,000 YTD net income in March 2017, an increased loss of \$119,000.
24. Next, Mrs. Sigrest referenced the Cash Statement in the board folders. The cash balance as March 31, 2018 was \$1.5 million as compared to the cash balance of \$961,000 cash on March 31, 2017. The cumulative net cash for the current FY (July 2017 – March 2018) reflects a

- decrease of \$86,000 and the cumulative net cash for the same period in the prior FY (July 2016 – March 2017) was a decrease of \$687,000.
25. Mr. Lane commented that PE's financial stability should continue to improve as Louisiana's economy improves with the rising price of oil.
 26. Mr. Oliveaux advised that PE remain focused and strive to increase sales and net income.
 27. Mr. Lane added that tours he conducted during the Angola Rodeo, were impressed with the PE operations at Louisiana State Penitentiary (LSP).
 28. Mr. Travis, Mr. Lane, and several board members discussed the Angola Rodeo that was held April 21st and 22nd.
 29. Deputy Director Stagg asked Mrs. Melius to provide a sales and marketing update.
 30. Mrs. Melius reported PE received two (2) significant DOC job orders. An order from Elayn Hunt Correctional Center (EHCC) for offender clothing, linens, chairs, print, and officer uniforms totaling \$41,634, and an order from David Wade Correctional Center (DWCC) for offender clothing, linens, officer uniforms, and janitorial supplies totaling \$40,292.
 31. Continuing, Mrs. Melius stated that five (5) other significant job orders were received. An order from Youth Challenge Program/Carville for metal lockers, mattresses, and linens totaling \$108,565, an order from Pinecrest Support Services for dining tables, chairs, sofas, and metal benches totaling \$39,225, an order from Lafourche Parish Sheriff's Office for mattresses totaling \$26,400, an order from St. Vincent De Paul for bunks totaling \$ 22,425, and an order from Southern University for janitorial supplies totaling \$15,806.
 32. Mrs. Melius reported that two (2) significant job quotes were submitted. A quote to Pinecrest Support Services for dining tables, chairs, and sofas totaling approximately \$60,000 and a quote to Chicot State Park for mattresses totaling \$26,320.
 33. Lastly, Mrs. Melius stated that the Sales and Marketing team attended the Louisiana National Emergency Number Association conference in Marksville, April 16th and 17th.
 34. Deputy Director Stagg asked Mr. Floyd for an industries update.
 35. Mr. Floyd reported on the status of the tractor and grain-trailer purchase. All of the paperwork has been submitted and he anticipates a purchase order to be completed next week. Mr. Floyd added that the surplus truck will be turned in on April 25th.
 36. Next, Mr. Floyd stated that the Metal Fabrication (Metal Fab) shop was working overtime to complete several large jobs. The shop has open orders for four hundred (400) to six hundred (600) locker boxes of which they have completed approximately half. They anticipate completing the orders timely and plan to fill fiscal year end orders.
 37. Then, Mr. Floyd announced that the Furniture Plant at Allen Correctional Center has been working overtime to successfully complete all open job orders by June 30th.
 38. Next, Mr. Floyd reported that all of the Spring Canteen Package Program (CPP) orders have been delivered with the exception of the LSP orders. Preparations for the Angola Rodeo and an emergency bed count delayed the picking and delivery of the LSP orders. They have been rescheduled for delivery on May 1st and 2nd. The vendor was notified of the change and the authorization to adjust upcoming schedules to allow for more flexibility has been requested. Mr. Floyd added that the ordering period for the summer program runs from April 18th – May 18th.
 39. Continuing, Mr. Floyd reported that the Youth Challenge Program placed two (2) orders, each for one hundred (100), eight (8) inch thick cotton-core mattresses. The Mattress Plant produced a prototype of the new mattress and sent for fire testing.
 40. Lastly, Mr. Floyd discussed the proposed increase in license tags, noting that the costs to produce tags has increased over the past ten (10) years.

41. Mr. Oliveaux stated that PE's transportation operation may consider purchasing or replacing trucks with a rotation system. He provided a detailed explanation of the rotation method and compared it to purchasing used equipment.
42. Next, Mr. Oliveaux discussed PE increasing the sales price of license tags. He concluded that the new selling price should be reassessed and increased significantly.
43. Several board members agreed.
44. Deputy Director Stagg stated that PE intends on reassessing the price in the next fiscal year.
45. Mr. Oliveaux suggested that PE obtain advice from the board regarding price increases.
46. Discussions relating to license tags continued.
47. Deputy Director Stagg announced that Mr. Hoover was working cows and unable to attend the meeting and she would provide the agriculture update.
48. Deputy Director Stagg stated that the Mississippi River water level remains at fifty-four (54) and one-half (1/2) feet. It is predicted to slowly decrease and reach flood stage of forty-eight (48) feet in May. The pasture behind the main levee remains underwater. Current observations reflect that a portion of the ring levee around Camp G may have sustained some damage. It will be properly assessed when the water recedes.
49. Next, Deputy Director Stagg reported that four (4) loads of open heifers from Dixon Correctional Institute (DCI) were sold and would be delivered in late May. The heifers weighed eight hundred twenty-five (825) pounds and sold for \$1.250. In comparison the heifers sold last year weighed seven hundred ninety-nine (799) pounds and sold for \$1.295.
50. Continuing, Deputy Director Stagg explained that due to the wet weather only two hundred fifty (250) acres of the planned fifteen hundred (1,500) acres of soybeans have been planted. She reported that another five thousand (5,000) bushels of soybeans were booked at \$10.76. To date a total of fifteen thousand (15,000) bushels of soybeans have been booked.
51. Lastly, Deputy Director Stagg announced that the bid to purchase a new inline hay wrapper opens April 25th.
52. Mr. Ardoin inquired on the status of Mr. Strickland.
53. Deputy Director Stagg explained that Director Moore contacted Mr. Strickland's son and has not heard back from him.
54. Mr. Ardoin adjourned the meeting at 10:48 AM.