

Prison Enterprises Board Meeting

June 21, 2016

**APPROVED**  
*Michael J. Moore*  
Michael J. Moore, Director  
9/20/16  
Date

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
    - Paul Spalitta
    - Chris Wisecarver
  - 2.2 Prison Enterprises Staff Present:
    - Michael Moore, Director
    - Joe Buttross
    - Scot Floyd
    - Kacie Henderson
    - Daniel Hoover
    - Todd Labatut
    - Vickii Melius
    - Michelle Montalbano
    - Michael Moore
    - Kristie Sigrest
    - Misty Stagg
3. Chairman Charles Chatelain asked for a motion to approve the minutes of the May 24, 2016 board 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 Michael Moore.
5. Director Moore began by requesting that everyone keep PE Supervisor Michael Ducote and his family in their prayers. He explained that Mr. Ducote's eight (8) year old daughter was killed in an automobile accident on June 4, 2016.
6. Director Moore continued with an update on the Legislative session, House Bill 215, and Senate Bill 460 as they relate to PE.
7. Next, Director Moore discussed the preparation and expectations for PE's fiscal year end. He analyzed PE's current financial position and reported that the year end sales from state agencies have been slightly higher than previously projected. He reiterated PE's commitment to successfully filling all fiscal year end orders.
8. Director Moore continued with a personnel update. He stated that a sales position was vacant and that an assistant supervisor was out on Family Medical Leave Act (FMLA) leave.
9. Lastly, Director Moore reported that PE continues to comply with numerous public record requests.

10. Director Moore asked Deputy Director Labatut for his comments.
11. Mr. Labatut announced that the Department of Transportation and Development extended PE's Janitorial Contract for only six (6) months, through December 31, 2016. He reported that two (2) state agencies contacted PE inquiring on janitorial services. Mr. Labatut explained to the board that the shortage of offenders available to work for PE was a major concern. He noted that a meeting with Secretary LeBlanc, several wardens, and PE staff was scheduled to evaluate and discuss feasible solutions to increase the number of offenders available to PE.
12. Next, Mr. Labatut reported that PE was evaluating whether to repair or replace a hay baler at David Wade Correctional Center (DWCC). He reported that a refrigerated trailer was needed for the Wakefield Meat Plant.
13. Mr. Labatut concluded by acknowledging PE's Transportation department for diligently continuing to work to deliver the year-end orders to the designated institutions.
14. Director Moore then asked Mr. Buttross for the administrative update.
15. Mr. Buttross began by providing an update on the renovation progress of Building 10. He reported that the second (2<sup>nd</sup>) floor punch list was almost complete. He explained that after the installation of the storefront glass, PE's portion of the building would be sealed off and the air-conditioning units would be turned on and calibrated. Mr. Buttross announced that PE would not move into the building until the Credit Union side of the building was near completion. He estimated the move in date would be mid-August.
16. Next, Mr. Buttross reported that a meeting was scheduled for July 13, 2016 to inform and educate the wardens on the new Canteen Packaging Program. He projected that the impact of the revenues generated from the program could be realized by the end of the calendar year. Mr. Buttross explained that the construction of the Canteen Packaging Warehouse was progressing ahead of schedule and that the main concrete slab would be poured by mid- July.
17. Then, Mr. Buttross informed the board that PE's purchases were minimal, as the industries worked hard to properly managing their inventories in order to fill orders adequately.
18. Lastly, Mr. Buttross announced that the May 2016 job orders were \$423,000, a decrease from May 2015 job orders of \$684,000. Next, he reported that the June 2016 orders to date were \$1,086,000 while June 2015 total job orders were \$806,000.
19. Director Moore asked Mrs. Sigrest to provide the financial update.
20. Mrs. Sigrest began by reporting that PE's Net Loss for April decreased by \$23,000 than originally reported in April's preliminary financials. She explained that correcting an expense that was recorded incorrectly was the primary reason for the change.
21. Next, Mrs. Sigrest reported the preliminary YTD sales for May 2016 was \$25.2 million as compared to \$29.2 million in May 2015, a decrease of \$4 million. Industries totaled \$9 million in May 2016 compared to \$10.6 million last May, a decrease of \$1.6 million. Agriculture sales were \$3.4 million for May 2016 and \$4.5 million in May 2015, a decrease of \$1.1 million. She stated that Retail Sales for May 2016 were \$12.7 million as compared to \$14 million May 2015, a decrease of \$1.3 million.
22. Mrs. Sigrest reported the preliminary YTD net income for May 2016 was a loss of \$1.9 as compared to \$1.7 million profit in May 2015, a decrease of \$3.6 million. Industries net income was a loss of \$33,000 compared to a profit of \$989,000 in 2015, a decrease of \$1 million. Agriculture net income was a loss of \$889,000 compared to \$1 million profit in May 2015, a decrease of \$1.9 million. Retail net income for May 2016 was \$502,000 as compared to last year's profit of \$718,000, a decrease of \$215,000.

23. Lastly, Mrs. Sigrest reported that the year end physical inventory counts were scheduled for June 24<sup>th</sup> – July 8<sup>th</sup> and then year end reporting would begin.
24. Mr. Wisecarver proposed several financial questions, leading to in-depth discussions pertaining to inventories, purchasing, price comparisons, sales, and staffing. The board members and PE staff deliberated over alternatives for improving and promoting PE during the next fiscal year.
25. Director Moore asked Mrs. Melius for the marketing update.
26. Mrs. Melius began by reporting that PE received four (4) significant Department of Corrections (DOC) orders: an order from Louisiana State Penitentiary (LSP) for mattresses, offender clothing, printing and janitorial products totaling \$122,859, an order from Elayn Hunt Correctional Center (EHCC) for chairs, offender clothing, janitorial products, mattresses and print totaling \$120,361, an order from Avoyelles Correctional Center (AVC) for offender clothing and janitorial products totaling \$86,626, and an order from Rayburn Correctional Center (RCC) for offender clothing, officer uniforms, chairs and mattresses totaling \$50,554.
27. Continuing, Mrs. Melius announced that four (4) other significant job orders were received: an order from Office of State Parks for wood furniture and metal fabricated items totaling \$128,634, an order from Caddo Correctional Center for offender clothing totaling \$41,106, an order from East Baton Rouge Parish Library for furniture refurbishing totaling \$19,475, and an order from the Orleans Parish Sheriff's Office for offender clothing totaling \$15,470.
28. Lastly, Mrs. Melius stated that Sales and Marketing staff were attending three (3) conferences. The Louisiana Chiefs of Police Association Annual Conference in Lake Charles from July 12<sup>th</sup> – 14<sup>th</sup>, the Louisiana Sheriffs' and Wardens' Training and Exhibition Conference in Lake Charles from July 17<sup>th</sup> – 20<sup>th</sup> and the Louisiana Municipal Association Annual Conference in Alexandria from July 28<sup>th</sup> – 30<sup>th</sup>.
29. Director Moore, then asked Mr. Floyd to provide an Industries update.
30. Mr. Floyd began with the updates on PE's industries at LSP. He reported that the Print Shop produced its first four (4) color business card in addition to working diligently to complete the end of the year orders. He noted that the air conditioning compressor at the Silk Screen Shop went out and had been repaired. He explained that PE's swingman was filling in for the Canteen Distribution Center supervisor that was out on FMLA leave. The Tag Plant was busy working overtime to complete an unexpected rush order from the Office of Motor Vehicles. Production at the Mattress Factory increased upon the receipt of several sizeable year-end orders. The Metal Fabrication Shop was working to complete a large order for the Office of State Parks before June 30<sup>th</sup>. Lastly, in addition the customary deliveries PE's Transportation Department made, they assisted LSP with moving vegetables to be processed and PE's Rangeherd with moving hay to the storage shed.
31. Continuing, Mr. Floyd reported on the Garment Plants and disclosed that the Winn Correctional Center Garment Plant had shifted production to primarily producing denim jackets. He explained that the Garment Plant at Louisiana Correctional Institute for Women was working on a large year-end order of sheets, and Garment Plant at EHCC had a full production schedule of year-end orders.
32. Next, Mr. Floyd provided updates on the Furniture and Chair Plants. He reported that the Furniture Plant at Allen Correctional Center and the Chair Plant at Dixon Correctional Institute were steadily working to complete their segments of the Office of State Parks order.

33. Lastly, Mr. Floyd announced that the Soap Plant surpassed April's record producing four hundred sixty (460) cases of bar soap, by producing seven hundred fifty cases (750) in May.
34. Continuing, Director Moore asked Mr. Hoover for the agriculture update.
35. Mr. Hoover announced that the river levels were too high for the first group of National Guardsmen to work on repairing the levee. He reported that the second group was scheduled to begin working on July 9<sup>th</sup>.
36. Next, Mr. Hoover stated that no significant calf sales were planned until August. He reported that the cattle had been given their preventative vaccines and were doing well with plenty of good pastures to graze.
37. Lastly, Mr. Hoover announced that all of the crops were planted, were up, and looked good. He informed the board that the crop prices seemed to be higher than last year's prices.
38. Mr. Chatelain announced that the next board meeting would be held at 10:00 AM on Tuesday, July 26, 2016 at PE Headquarters. At 11:21 AM, Mr. Chatelain adjourned the meeting.