

Prison Enterprises Board Meeting

July 22, 2014

APPROVED
Michael J. Moore
Michael J. Moore, Director
DATE 9/17/14

1. Chairman Charles Chatelain called the meeting to order at 10:04 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
2. Attendance
 - 2.1 Members Present:
 - Charles Chatelain, Chairman
 - Harvey Honore
 - Frank Strickland
 - Chris Wisecarver
 - 2.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Daniel Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
 - 2.3 Department of Corrections Staff Present:
 - Thomas Bickham, Jr.
3. Chairman Charles Chatelain asked for a motion to approve the minutes of the prior meeting. Mr. Honore made a motion that the minutes be approved as written. Mr. Wisecarver seconded the motion and it passed unanimously.
4. Mr. Chatelain began the meeting by thanking everyone for attending the meeting.
5. Mr. Chatelain turned the meeting over to Director Moore.
6. Director Moore began by reiterating the date PE Headquarters has officially been given to vacate the building remains December 31, 2014. He stated the building located behind PE, Louisiana Property Assistance Association (LPAA), official vacate date remains August 31, 2014.
7. Next, Director Moore reported that DOC maintenance crews had begun cleaning some of the unoccupied offices in the Mayflower Building.
8. Director Moore noted he has not received an estimate from the architects but has been informed the renovation cost would be much less than originally anticipated if the HVAC unit did not need to be replaced and offender labor could be utilized.
9. Director Moore's next topic detailed the staff changes at PE Headquarters. He stated Walter Johnson, staffed at PE Warehouse, would transfer on July 28th to a position at DCI and Dusty Bickham, PE's QAC transferred to DCI on July 21st.
10. Continuing, Director Moore informed the board of PE's participation as a member of the South Central Region NCIA (SCRNCIA) to co-host a Regional NCIA meeting with the Southeastern Region NCIA (SERNCIA). He discussed the revenue benefits and cost savings for the region by participating in a joint regional meeting.

11. Lastly, Director Moore reported on PE's efforts to form a committee to research, document and report other potential industry opportunities.
12. Director Moore then asked Deputy Director Labatut for his comments.
13. Mr. Labatut began by reporting the total furniture PE sold and delivered to Southeastern Louisiana University (SLU) during last fiscal year totaled \$335,000. He also reported that due to service PE provides SLU as well as other customers, PE was awaiting another order for over \$100,000 for the new fiscal year.
14. Next, Mr. Labatut discussed the collaboration involved between the Lincoln Parish Sheriff, PE's QAC Kenny Juneau, PE's LSP Supervisor Steve Walters, DWCC's Warden Goodwin and DWCC's offender welders to provide 31 customized bunk beds for the Lincoln Parish Detention Center. The sheriff and warden were pleased with the quality of work and the cost savings PE provided. He noted PE QAC Kenny Juneau and PE Metal Fabrication Shop Supervisor Steve Walters did an outstanding job coordinating this order.
15. Director Moore then asked Mr. Buttross for an administrative update.
16. Mr. Buttross began by informing the board of Act 864 of the 2014 Regular Legislative Session. He explained the Office of State Purchasing and the Office of Contractual Review would merge and form the Office of State Procurement by December 31, 2014. He reported the effects and the procedural changes for PE in purchasing, resulting from the consolidation.
17. He then reported the significant increases in jobs orders for June and July 2014 as compared to 2013. He stated June 2013 job orders totaled \$512,000 while June 2014 job orders totaled \$1.1 million. He went on to report the orders to date for July 2014 were \$1.50 million and the orders for the entire month of July 2013 totaled \$801,000.
18. Lastly, Mr. Buttross announced that the Annual Canteen Standards Meeting will be held at PE Headquarters on July 24th at 9:30 am.
19. Director Moore then asked Mrs. Sigrest for the financial update.
20. Mrs. Sigrest stated that May 2014 YTD sales totaled \$25 million as compared to last year's \$25.9 million, a decrease of \$870,000. Industries totaled \$8 million this year as compared to last year's \$9.5 million, a decrease of \$1.5 million, Agriculture totaled \$3.8 million this year compared to \$3.3 million last year, an increase of \$590,000, Retail sales totaled \$13.1 million this year, compared to \$13.1 million last year, an increase of \$60,000.
21. The May 2014 YTD Net Loss was \$358,000 as compared to last year's net income of \$433,000, a decrease of \$791,000. Industries net loss for May 2014 totaled \$334,000 compared to May 2013's profit of \$590,000, a decrease of \$924,000, Agriculture totaled a net income of \$364,000 as compared to last year's net profit of \$227,000, an increase of \$138,000, Retail totaled a net income of \$595,000 compared to last year's net profit of \$570,000, an increase of \$24,000.
22. Mrs. Sigrest stated that the June 2014 YTD preliminary sales totaled \$28.1 million as compared to last year's \$29.2 million, a decrease of \$1.1 million. Industries totaled \$9.5 million as compared to last year's \$11.3 million, a decrease of \$1.8 million, Agriculture totaled \$3.9 million as compared to last year's \$3.3 million, an improvement of \$612,000, Retail totaled \$14.5 million as compared to last year's \$14.5 million, an improvement of \$31,000.
23. Next, Mrs. Sigrest confirmed that all of the fiscal year-end inventory counts were completed and everything went well.

24. Mr. Wisecarver discussed a concern for the expense ratio shown on the statement for LSP's Metal Fabrication Shop and Allen Furniture Shop. Mrs. Sigrest explained to properly analyze these facilities she could provide statements further detailing the effect of allocated and other expenses.
25. Director Moore then asked Mrs. Melius for the marketing update.
26. Mrs. Melius began by reporting there were two significant last minute DOC orders in June, one was LSP's order for mattresses, offender clothing, printing and chemicals which totaled \$358,134, and the other was from Vernon Parish Police Jury for metal benches, tables, and trash cans totaling \$8,700.
27. Then, she reported that PE received seven significant DOC job orders during the month of July. LSP, DCI, and AVC ordered offender clothing, officer uniforms, and chemicals totaling \$479,537, \$249,520, and \$86,954 respectively. DWCC ordered offender clothing, linens, and chemicals totaling \$28,796 and LCIW ordered offender clothing and chemicals for a total of \$89,791. EHCC ordered \$293,182 of offender clothing, chemicals, and printing and lastly RCC ordered chemicals and printing totaling \$15,986.
28. Next, Mrs. Melius reported eight significant job orders. The Lincoln Parish Detention Center ordered \$25,271 in refurbished beds, new bunks and metal tables, the West Feliciana Library ordered \$35,930 in furniture and fencing, St. Vincent de Paul ordered custom bunk beds totaling \$17,200, the City of Plaquemine ordered \$13,395 in signage, the Town of Brusly ordered a custom conference room table for \$7,000, the Orleans Parish Sheriff's Office purchased \$62,800 of jumpsuits, scrubs, socks and mattresses, Livingston Parish Courthouse ordered furniture totaling \$9,925 and lastly the Morial Convention Center ordered custom metal table carts totaling \$12,800.
29. Mrs. Melius reported that the sales team recently attended the Louisiana Association of Chiefs of Police (LACP) conference in Baton Rouge on July 9th – 11th. She went on to inform the board of the upcoming conventions the sales team will attend. Beginning with the Louisiana Sheriffs' Association (LSA) Sheriffs' and Wardens' Training Conference and Exhibition from July 27th – July 31st, and immediately following they will attend the Louisiana Municipal Association (LMA) conference in Baton Rouge from July 31st – August 2nd. She reported the NGIP meeting was cancelled due to the current consolidation of the State Purchasing Department.
30. Lastly, Mrs. Melius stated the 2014/2015 State Contract Prices are being finalized.
31. Director Moore then asked Mrs. Stagg to provide the Industries update on behalf of Mr. Honeycutt.
32. Mrs. Stagg began by reporting that Mr. Honeycutt was sorry he was unable to attend the PE Board meeting due a conflicting meeting with the Burton Coliseum in Lake Charles.
33. Next, Mrs. Stagg commended the Metal Fabrication Shop for designing a custom bed for St. Vincent de Paul that could be separated and moved in and out of various rooms.
34. Continuing, she reported the Tag Plant completed samples for the "I'm Creole & Proud" and the "Future Farmers of America" specialty tags. A large fiscal year end tag order from OMV was partially completed by June 30th. The plant continues to work on the remainder.
35. Lastly, Mrs. Stagg informed the board that industries had been preparing for hurricane season by producing extra mattresses. At this point the numbers of stocked mattresses are less than originally planned because of the numerous customers ordering mattresses at year-end.

36. Director Moore then asked Mr. Hoover for the Agriculture update.
37. Mr. Hoover began the crop update by stating the corn looked great and was drying down and the harvest should begin in mid August. He reported during July the Milo was sprayed for insects, primarily the Sugarcane Aphid. Continuing with the crop update, Mr. Hoover reported 2,014 acres of Soybeans were planted and looked good. He stated that 5,000 bushels were booked at \$13 (market \$12.30 basis \$0.70).
38. Next, Mr. Hoover reported the calves from LSP's two-year-old heifers have been weaned. He also stated one load of steers and one load of heifers from Wade will be sold at the mid August Video Auction and the expected delivery for the sale will be the end of September. He also reported the 660 head of Angus & Charolais sired steers and the 80-85 head of Braham Steers that sold at the last Video Auction are scheduled to ship at the end of August.
39. Mr. Chatelain announced the next board meeting would be held on Tuesday, August 26, 2014 at PE Headquarters at 10:00 AM. Mr. Chatelain then adjourned the meeting.