

Prison Enterprises Board Meeting

APPROVED

Michael J. Moore, Director
10/23/18
Date

September 18, 2018

1. Chairman Joseph Ardoin called the meeting to order at 10:00 AM at Louisiana State Penitentiary (LSP) Angola, 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
 - Harvey Honore'
 - Richard Oliveaux
 - Paul Spalitta
 - Tim Travis
 - 3.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Danny Hoover
 - Kacie Henderson
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
 - 3.3 Department of Corrections Staff Present:
 - Thomas Bickham, Jr., Undersecretary
4. Mr. Ardoin thanked Warden Vannoy for allowing the board to meet at LSP.
5. Mr. Ardoin acknowledged that a quorum was present and asked for a motion to approve the August board meeting minutes. Mr. Oliveaux made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
6. Mr. Oliveaux discussed and asked questions regarding the upcoming rodeo.
7. Mr. Ardoin welcomed Mr. Honore' back to the PE Board.
8. Mr. Ardoin turned the meeting over to Director Moore.
9. Director Moore began by thanking Warden Vannoy and staff for hosting the PE Board Meeting and recognized their continued support for PE. He welcomed Mr. Honore and thanked Undersecretary Bickham, Deputy Warden Joe Lamartiniere, Deputy Warden Stephanie Lamartiniere, Assistant Warden Kevin Benjamin, and PE Quality Assurance Coordinator Kenny Juneau for attending the board meeting. He thanked Mr. Honore' for his willingness to again serve on the PE board.
10. Director Moore offered the floor to Undersecretary Bickham.
11. Undersecretary Bickham noted that the Department of Corrections (DOC) secured funding during the 2018 Legislative Session for correctional officer pay raises and supplemental funding for supplies and other expenses at the end of fiscal year (FY) 2018. He noted revenues for the state are better than originally predicted therefore DOC's budget that was contingent upon the state receiving additional revenues will likely get funded.

12. Director Moore explained the impact the funding has to PE and DOC. He discussed the assistance DOC provides PE and expressed his appreciation for DOC's continued support of PE.
13. Next, Director Moore named the PE industries and agricultural operations that are located at LSP. He expressed his appreciation to Warden Vannoy and staff for supporting these and other operations.
14. Warden Vannoy welcomed the PE board and introduced the members of his staff that were present.
15. Director Moore discussed the Baton Rouge Janitorial program and the revenue generated from the program. He reiterated that it appears as if the Office of State Buildings (OSB) intends to bid out the grounds portion of the janitorial contract and other components currently not required in the existing contract. OSB may be trying to accomplish this prior to the current FY contract ending, but that is not confirmed.
16. Director Moore stated that he met with Secretary LeBlanc, Undersecretary Bickham, Chief Smith, and Warden Kent regarding the decreasing offender numbers on the janitorial crews to determine a solution. Director Moore then stated as a result of that meeting, he then met with Warden Boutte and Deputy Warden Le Blanc regarding potentially adding a Louisiana Correctional Institute for Women (LCIW) crew back to the Janitorial program.
17. Next, Director Moore announced that the Performance Audit the Louisiana Legislative Auditors (LLA) are conducting at PE is ongoing. PE staff continues meeting with the auditors, providing requested documents, explaining processes, and answering questions.
18. Director Moore, then explained that PE participated in the Exit Interview for DOC's Financial Audit and no discrepancies specific to PE were reported.
19. Mr. Buttross mentioned that during the Financial Audit the LLA's audited PE's operating account and cash handling procedures. In their report, the auditors noted that PE has adequate controls in place.
20. Director Moore stated that the auditors intend on observing the PE cattle working at the end of the month.
21. Continuing, Director Moore reported several PE staff members from various levels attended the South Central Correctional Industries Association (SCCIA) Regional Conference in Hot Springs, Arkansas from August 22 – 26, 2018. In addition, PE Agriculture Manager, Danny Hoover will attend the National Association of Institutional Agribusiness (NAIA) Conference in Williamsburg, Virginia from September 24 – 28, 2018.
22. Next, Director Moore stated that PE submitted the Annual Fiscal Report (AFR) to the Office of Statewide Reporting and Accounting Policy (OSRAP) on August 31, 2018.
23. Lastly, Director Moore provided an update on the loss of business income claim filed due to the 2016 flood at LCIW. He discussed the claim process with the Office of Risk Management (ORM) and their 3rd party insurer. On September 20th, Director Moore and Mr. Buttross are scheduled to meet with the ORM's new 3rd party insurer firm to review the claim.
24. Director Moore asked Deputy Director Stagg to provide her updates.
25. Mrs. Stagg began by reporting that in early September, one of the older PE Rowcrop tractors caught fire and burned. To finish out hay season, PE rented a John Deere 6145 tractor for two (2) months or two hundred (200) hours. Additionally, a new John Deere 6130 tractor was purchased for the PE Rangeherd that will be used to assist with mowing and hay baling and eventually replace an older Rangeherd tractor.
26. Next, Mrs. Stagg reviewed the insurance claim status for freezer #11 at Wakefield Meat Plant and noted that the insurance company will not likely pay the estimated \$125,000 cost to

- repair or rebuild the freezer. PE plans to put out a bid to rent two (2), twenty-four (24) foot portable freezers for approximately six (6) months while freezer #11 is repaired and/or rebuilt.
27. Mr. Spalitta inquired on the size of freezer #11 and later Mr. Oliveaux asked what level of capacity does the freezer utilize.
 28. Director Moore and Mr. Floyd provided information on the size and storage capacity of the freezer and the necessity for adequate space to properly rotate the inventory.
 29. Discussions regarding repairing, rebuilding, or replacing the freezer continued as well as the tangible and intangible cost associated with relocating the freezer. The rental expense for the portable freezers was also evaluated.
 30. Lastly, Director Moore verified with Mrs. Stagg that an insurance claim would be made on the Rowcrop tractor that burned.
 31. Mrs. Stagg replied that a claim would be filed, however the age of the tractor would probably prohibit the insurance company from paying any substantial proceeds.
 32. Then, Director Moore asked Mr. Buttross for an administrative update
 33. Mr. Buttross announced that he and Mrs. Sigrest are working on the budget request for FY 19/20.
 34. Next, Mr. Buttross provided updates on the Apprenticeship Program.
 35. Mr. Ardoin commended Mr. Buttross for his presentation of the Apprenticeship Program before the Reentry Advisory Council.
 36. Continuing, Mr. Buttross reported that PE obtained approval for the list of canteen items developed from the Canteen Standards Meeting and is establishing the procurement contracts (and renewals) for the Canteen Distribution Center (CDC) as well as raw materials for other industries to submit to the Office of State Procurement (OSP).
 37. Lastly, Mr. Buttross reported job orders for August 2018 were \$950,000 compared to August 2017 job orders of \$554,000. He stated that the September 2018 job orders to-date were approximately \$198,000 and for the entire month of September 2017, the job orders totaled \$507,000. He noted that the timing of the license tag order and other blanket orders account for the vast disparity of job orders in August 2018 compared to August 2017.
 38. Director Moore, then asked Mrs. Sigrest to provide the financial update.
 39. Mrs. Sigrest reported that the June 2018 finalized year to date (YTD) sales were \$27.7 million compared to June 2017 YTD sales of \$27.9 million in, a decrease of \$158,000. YTD net income for June 2018 was a loss of \$235,000 compared to a YTD profit of \$288,000 for June 2017, a decrease of \$523,000. The preliminary month and YTD sales for July 2018 increased by \$142,000 compared to July 2017 sales. Preliminary sales for August 2018 decreased by \$502,000 compared to sales for August 2017 and preliminary YTD sales for August 2018 decreased by \$359,000 as compared to August 2017 YTD sales.
 40. Lastly, Mrs. Sigrest announced that the accounting department held an allocation meeting on September 6th and plan to have the July financials completed soon.
 41. Director Moore asked Mrs. Melius for the sales and marketing update.
 42. Mrs. Melius began by reporting PE received three (3) DOC orders. An order from Elayn Hunt Correctional Center (EHCC) for mattresses, print, offender clothing, officer uniforms, and janitorial supplies totaling \$100,498, LSP for offender clothing, print, janitorial supplies, and linens totaling \$71,307, and David Wade Correctional Center (DWCC) ordered offender clothing, janitorial supplies, and officer uniforms totaling \$32,432.
 43. Continuing, Mrs. Melius stated that PE received four (4) other significant job orders. An order from Youth Challenge Program (YCP)/Beauregard for lockers totaling \$53,946, Probation and Parole Headquarters for officer uniforms totaling \$21,503, Jefferson Parish

- Sheriff's Office for mattresses, janitorial supplies, and linens totaling \$16,240, and an order from Salvation Army/Alexandria for lockers and beds totaling \$13,080.
44. Next, Mrs. Melius reported that PE submitted two (2) significant job quotes. A quote to Allen Parish Sheriff's Office for metal tables and bunks totaling approximately \$170,000, and a quote to Attorney General's Office for office furniture totaling \$21,256.
 45. Mrs. Melius added that Burton Coliseum will bid out the animal pens and storage racks using the specifications that PE quoted in August. PE explained to the Burton Coliseum administration in order for PE to manufacture the order for the requested due date of December 31st and for the price quoted, PE would need to receive a purchase order in September.
 46. Mr. Oliveaux requested an update on the status for hiring a salesperson and the letter requesting approval to offer automobile incentives to incoming sales representatives.
 47. Director Moore stated that an offer was made to an applicant for the sales position however, the candidate rejected the offer.
 48. Additionally, Director Moore stated that a draft letter to the Secretary has been prepared. Director Moore continued by explaining to Undersecretary Bickham, the board's interest in providing PE with a tool to hire a qualified sales person by offering a vehicle or a higher salary as an employment incentive for new sales representatives.
 49. Next, Mr. Oliveaux mentioned that a PE sales person should contact the East Feliciana Police Jury regarding a conference room podium.
 50. Director Moore then asked Mr. Floyd for an industries update.
 51. Mr. Floyd stated that the Canteen Package Program (CPP) has begun picking orders for the Fall Program and the CPP Supervisor has arranged a tour of the facility following today's Board Meeting.
 52. Undersecretary Bickham inquired on the status of PE packaging individual offender canteen orders for the Office of Juvenile Justice (OJJ).
 53. Director Moore stated that PE is prepared to begin the packaging program with OJJ however no orders have been received. Mr. Buttross explained that PE worked with Offender Banking to ensure the systems are communicating properly in order to successfully receive and process orders.
 54. Mr. Floyd addressed the percentage of loss on the vendor's CPP inventory discussed in the August meeting. The vendor reported that the inventory shrink is less than one (1) percent which is typically due to mislabeling and not a concern.
 55. Mr. Spalitta added that mislabeling causes errors in physical inventory counts performed at his warehouse.
 56. Next, Mr. Floyd reported that Metal Fabrication (Metal Fab) Shop was busy working on twelve (12) large orders including beds and furniture for OJJ/Bunkie, beds for Lafourche Parish Sheriff's Office, and lockers for the Youth Challenge Program (YCP). Storage space for finished products and bottlenecking that occurs during sandblasting are challenges the shop is working to overcome.
 57. Continuing, Mr. Floyd reported on the Garment Plants. The LCIW Plant continues filling orders timely with a consistent number of workers. However, EHCC Garment Plant continues to struggle with a lack of offender workers. The blue broad cloth fabric was received and the Winn Correctional Center (WCN) Garment Plant is working to complete the backorders.
 58. Next, Mr. Floyd provided a brief update on the Embroidery Plant and Wakefield Meat Plant. He announced that the Soap Plant provided a sample of Lavender fragranced cleaner to LSP. Warden Vannoy and his staff indicated that they are pleased with the product.

59. Mr. Oliveaux reiterated that B.B. "Sixty" Rayburn Correctional Center (RCC) is still interested in housing a PE operation.
60. Director Moore added that Raymond Laborde Correctional Center (RLCC) and Lafourche Parish Sheriff's Office have also requested that PE open programs in their facilities as well.
61. Undersecretary Bickham, Director Moore, and Mr. Ardoin discussed the success of the Justice Reinvestment Initiative and the Louisiana Prison Reentry Initiative and the changes that have occurred with the offender population that is available to work.
62. Director Moore asked Mr. Hoover for the agriculture update.
63. Mr. Hoover reported that on August 23rd PE shipped three hundred twenty (320) head of English sired steers from LSP to a repeat buyer that came to Angola to observe. On September 5th PE shipped from DWCC two (2) loads of calves consisting of seventy-six (76) head of steer and eighty-nine (89) head of heifer calves, and on September 7th PE shipped one hundred fifty-eight (158) open heifers weighing eight hundred twenty (820) pounds from DCI. Additionally, PE sold forty-two (42) culls from EHCC and plans to sell more culled cows when the cattle inventory at LSP is completed.
64. Next, Mr. Hoover provided an update on the crops. He stated that the corn crop yielded approximately two hundred (200) bushels per acre and almost five hundred (500) acres of the estimated sixteen hundred (1,600) acres of soybeans planted were harvested and producing a good yield. However, the price of soybeans continues to drop. Cotton picking will begin the week of September 24th. The current price for cotton is at a high of eighty-one (81) cents per pound.
65. Lastly, Mr. Hoover stated that although the water in the Mississippi River is rising, it should not breach flood stage.
66. Director Moore asked Mr. Hoover to provide an update on the ring levee.
67. Mr. Hoover explained that there is a break in the ring levee and plans to repair it are being discussed.
68. Warden Vannoy reported that the LSP river pumps are being repaired. LSP is not capable of pumping water out for the row crops until the pump repairs have been completed.
69. Director Moore asked Mrs. Henderson for audit updates.
70. Mrs. Henderson stated that she participated in DWCC's annual C-05-003 audit of the PE Rangeherd on September 11th. DWCC's reaccreditation audit will take place in Spring 2019.
71. Next, Mrs. Henderson announced that she and PE Industries Manager, Scot Floyd plan to take the Certified Corrections Exam through the American Correctional Association (ACA) in October.
72. Lastly, Mrs. Henderson reported that as part of our canteen process, for approximately four (4) years PE has assisted DOC in bidding out the Christmas Canteen items (that do not come through PE) for the offenders to purchase beginning in November. She noted that PE submitted the bid for approximately thirty (30) items to OSP.
73. Mr. Ardoin set the next meeting for 10:00 AM, Tuesday, October 23, 2018 at PE Headquarters.
74. Mr. Ardoin adjourned the meeting at 11:04 AM.