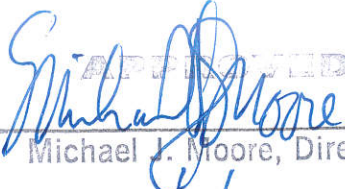


Prison Enterprises Board Meeting

October 14, 2014

APPROVED

Michael J. Moore, Director
DATE 11/20/14

1. Director Moore reported Mr. Chatelain was delayed, due to traffic and he requested that the meeting begin on time.
2. Director Moore called the meeting to order at 10:04 AM at Prison Enterprises (PE) Headquarters, Baton Rouge, Louisiana.
3. Attendance
 - 3.1 Members Present:
 - Charles Chatelain, Chairman
 - Joseph Ardoin
 - Paul Spalitta
 - Frank Strickland
 - Chris Wisecarver
 - 3.2 Prison Enterprises Staff Present:
 - Michael Moore, Director
 - Joe Buttross
 - Scot Floyd
 - Danny Hoover
 - Todd Labatut
 - Vickii Melius
 - Michelle Montalbano
 - Kristie Sigrest
 - Misty Stagg
 - 3.3 Department of Corrections Staff Present:
 - Thomas Bickham, Jr.
4. Director Moore asked for a motion to approve the minutes of the September meeting. Mr. Ardoin made a motion that the minutes be approved as written. Mr. Spalitta seconded the motion and it passed unanimously.
5. Director Moore began by welcoming Undersecretary Bickham to the meeting.
6. Director Moore reported on the relocation status for PE's headquarters. He stated the architectural plans to renovate the Mayflower Building were progressing. He noted Undersecretary Bickham, Director Moore, and Mr. Buttross have a meeting scheduled with the Louisiana Correctional Facilities Corporation (LCFC) regarding a passage of a resolution.
7. Director Moore announced the architects projected a minimum of (9) nine months to complete the renovations. He reiterated December 31, 2014 was the still the last date indicated for PE to vacate the building.
8. Individual discussion relating to the vacate date and the projected renovation timeframe, were ongoing. Mr. Buttross interjected the warehouse space at the Mayflower Building will be approximately 50% less and the office design and administrative workflow will be very efficient.
9. Next, Director Moore reported PE would attend the First Annual Louisiana Correctional Association Conference (LCA) in Marksville, Louisiana from October 20th – 22nd.

10. Continuing, Director Moore stated he would be attending the National Correctional Industries Association Regional Conference in Nashville, TN from November 2nd – 5th along with five other PE staff members.
11. Director Moore informed the board of his meetings with the Deputy Secretary of the Office of Juvenile Justice (OJJ) which resulted in thirteen (13) OJJ executive staff members touring PE Headquarters. During the tour, staff members recognized their ability to utilize PE's products in their various facilities.
12. Next, Director Moore provided an update on the status of PE's personnel. He reported that interviews were scheduled for the open accounting position and a second interview with a candidate had been scheduled for the truck driver position. Then he explained the LSP Swingman position was filled for one (1) week and was now, open again. Next, he reported the Executive Staff Officer position recently opened and there are three (3) PE employees retiring, Mr. Ott, Mr. Baggett and Mr. Lemoine.
13. Lastly, Director Moore stated Mr. Hoover and Mr. Buttross would provide the details of PE's Timber Sale during their updates.
14. Director Moore then asked Deputy Director Labatut for his comments.
15. Mr. Labatut began by recognizing the importance of the Livingston Parish 21st Judicial District Court Building job order. He announced the Furniture Plant would be working weekends and overtime in order to fulfill the \$245,000 order by the deadline. He thanked Misty Stagg, Scot Floyd, and Scott Bearb for assisting him in coordinating and ensuring the order would be completed by the January 5, 2015 deadline.
16. Next, Mr. Labatut reported on the progress of the \$78,000 furniture order for Southeastern Louisiana University and mentioned the possibility of an upcoming Ascension Parish order.
17. Director Moore then asked Mr. Buttross for an administrative update.
18. Mr. Buttross began by announcing a purchase order for a 110-hp tractor for David Wade Correctional Center (DWCC) was issued. The tractor would be delivered within the next two (2) weeks.
19. Next, Mr. Buttross provided an update on the consolidation of the Department of Corrections (DOC) purchasing to the Office of State Procurement. He noted the consolidation began on September 29th and that PE was using the new bid processes and it was working well.
20. Continuing Mr. Buttross announced the Timber Bid was awarded and awaiting the proper signatures.
21. Next, Mr. Buttross reported the job orders for September 2014 totaled \$1.1 million and the 2013 September job orders totaled \$992,000. He announced the October 2014 month to date job orders were \$269,000 and the job orders for the total month of October 2013 were \$265,000.
22. Director Moore then asked Mrs. Sigrest for the financial update.
23. Mrs. Sigrest stated that the preliminary total sales for August 2014 were \$5.5 million as compared to last year's \$4.5 million, an increase of \$958,000. Industries totaled \$2.3 million this year as compared to last year's \$1.5 million, an increase of \$833,000, Agriculture totaled \$984,000 this year compared to \$701,000 last year, an increase of \$283,000, Retail sales totaled \$2.2 million this year, compared to \$2.3 million last year, a decrease of \$159,000.
24. The August 2014 preliminary YTD Net Income was \$298,000 as compared to last year's net loss of \$212,000, an increase of \$510,000. Industries net income for August 2014

totaled \$440,000 compared to the August 2013 loss of \$48,000, an increase of \$488,000, Agriculture total net loss was \$7,500 as compared to last year's net loss of \$99,000, an increase of \$92,000, Retail totaled a net income of \$67,000 compared to last year's net income of \$101,000, a decrease of \$34,000.

25. Mrs. Sigrest stated that the September 2014 preliminary sales totaled \$8.3 million as compared to last year's \$7.4 million, an increase of \$947,000. Industries totaled \$3 million as compared to last year's \$2.3 million, an increase of \$754,000, Agriculture totaled \$1.8 million as compared to last year's \$1.6 million, an increase of \$187,000, Retail totaled \$3.4 million as compared to last year's \$3.4 million, an increase of \$6,500.
26. Mrs. Sigrest reported that a physical inventory was taken at Elayn Hunt Correctional Center (EHCC) Soap Plant on September 30th and Mrs. Tisha Amy will train the employees on the RF Smart Inventory System in order for real time inventory to be implemented at the end of October.
27. Director Moore, Mr. Labatut, and Mr. Wisecarver reviewed PE's profitability trends for fiscal years 2013 and 2014.
28. Director Moore reported on PE's general cash flow position for 2012, 2013 and 2014. Discussions continued between Undersecretary Bickham, Mr. Wisecarver, and Director Moore relating to the financial impact of the additional expenses that will be incurred due to relocating PE Headquarters.
29. Next, Mr. Wisecarver requested to include a quarterly cash flow statement in the board meeting folders.
30. Director Moore then asked Mrs. Melius for the marketing update.
31. Mrs. Melius began by reporting four significant DOC orders in September. Louisiana State Penitentiary (LSP) ordered offender clothing totaling \$24,525, Dixon Correctional Institution (DCI) ordered offender clothing, blankets, and printing totaling \$15,436, and DWCC ordered offender clothing, soaps and linens totaling \$28,665 and EHCC ordered officer uniforms totaling \$10,625.
32. Then, Mrs. Melius reported on the significant job orders PE received during the month of September. A furniture order from the 21st Judicial District Court totaling \$64,169, a furniture order from the Livingston Parish Sheriff's Office totaling \$68,426, an order from Southeastern Louisiana University for dining tables and chairs totaling \$77,040, an order from the Ernest Morial Convention Center for furniture and printing totaling \$13,710, a license plate order from the Office of Motor Vehicle (OMV) totaling \$19,610, and an order from the Calcasieu Parish Sheriff's Office for mattresses, soap and scrubs totaling \$11,974.
33. Mrs. Melius continued with reporting two significant quotes were given. One to Louisiana Workforce (Phelps location) for metal lockers, mattresses, and linens totaling \$110,000 and a furniture quote to Cameron Parish Sheriff's Office totaling \$15,000.
34. Mrs. Melius announced the sales staff attended the Louisiana Association of Municipal Secretaries and Assistants Conference in Baton Rouge on September 18th and will attend the Louisiana Corrections Association Conference in Marksville October 20th – 22nd.
35. Next, Mrs. Melius reported the last PE website training session has been scheduled for October 16th.
36. Lastly, Mrs. Melius referred to a picture in each person's folder showing the furniture PE made for the West Feliciana Library.
37. Director Moore then asked Mr. Floyd to provide an Industries update.

38. Mr. Floyd began by describing the positive impact the 21st Judicial District Court job order and the Livingston Parish Sheriff's Office job order has on three (3) of PE 's Industries. He explained some of the existing jury chair pedestals are to be refurbished at LSP's Metal Fabrication Shop; the Chair Plant will produce the office-seating portion of the orders, while the Furniture Plant will fulfill the majority of the job. Mr. Floyd commended the Furniture Plant staff and offenders for the many overtime and weekend hours they are continuously working to meet the deadline date.
39. Next, Mr. Floyd reported LSP's Tag Plant was diligently working to fill the annual OMV order. He stated, to date this month, 19,000 plates had been made.
40. Continuing, Mr. Floyd announced that the delivery and installation of the Earnest Morial Convention Center's reworked panels has been scheduled for October 23rd.
41. Lastly, Mr. Floyd reported that a panel redesign was submitted to the architect for the West Feliciana Library and awaiting approval.
42. Director Moore then asked Mr. Hoover to provide the Agriculture update.
43. Mr. Hoover began with a soybean crop status. He reported the crop looked great and seven hundred fifty (750) acres of the two thousand (2,000) acres of soybeans were left to be harvested. He estimated the harvest would be completed in two (2) weeks, weather permitting.
44. Next, Mr. Hoover announced all of PE's cattle were worked. He reported LSP culled 471 head of cattle for around \$565,000, EHCC sold 18 culled cows for \$22,529 and DCI had two (2) sales of pregnant heifers. One (1) sale was for 78 pregnant heifers that sold for \$118,410 and the other sale was for 81 pregnant heifers at \$150,811. He noted Avoyelles Correctional Center (ACC) sold two (2) loads of open heifers weighing about 922 pounds on Superior Video for \$1.945 per pound. They are expected to ship on October 20th.
45. Lastly, Mr. Hoover reported the timber bid was sold in three tracts totaling \$848,329.
46. Mr. Chatelain announced the next board meeting would be held at 10:00 AM on Tuesday, November 18, 2014 at PE Headquarters. Mr. Chatelain then adjourned the meeting.