



**Meeting Minutes**  
**Iowa Prison Industries Advisory Board**  
**Friday, December 9<sup>th</sup>, 2011**

*Present:* Dwanyne Anderson, Robert Carr, Dan Clark, Terry Goodman, Dr. Doug Hillman, Robin Malmberg, Thomas Phillips

*Absent:*

*Staff:* Ann Baughman, Maria Contreras, Bob Fairfax

*Guest:* Liz Robinson

**I. Call to Order.**

**Dr. Doug Hillman** called the meeting to order at **9:00am** on December 9<sup>th</sup>, 2011.

**II. Approval of Minutes from Previous Meeting.**

Dr. Hillman called for the approval of the minutes from the September 30<sup>th</sup>, 2011 board meeting. Mr. Bob Carr made a motion to approve the minutes, seconded by Ms. Robin Malmberg. All were in favor and the minutes were approved.

**III. Review of FY2012 Results.**

Mr. Clark reviewed the YTD FY2012 results for Traditional Industries through the end of October. Overall, results are on track versus budget, but Mr. Clark noted that IPI has some strategic challenges with Graphic Arts (printing), Rockwell City Operations, and Modular Office Furniture. Wood Furniture sales remain well ahead of prior year. The financial statements for IPI now eliminate interdepartmental sales. In regards to the Balance Sheet, Mr. Clark noted that about \$500,000 of Metal Furniture for the new ISP remains in inventory but should be shipped out in December or January. There was also a review of the Long Term Liabilities for early retirees (SERIP).

**IV. Habitat for Humanity of Iowa.**

Mr. Clark reviewed the production of cabinetry for HFH, which transitioned to IPI as of November 1, 2011. Mr. Dwanyne Anderson noted that he had installed some of the cabinetry as a volunteer, and commended the quality of construction. IPI hopes to supply HFH affiliates with “base and case” as well.

**V. Eldora Barn Deconstruction.**

Mr. Clark reviewed the project to “deconstruct” a barn belonging to IPI Farms at the Eldora State Training School. The barn was removed by Iowa Central Community College as part of a training program for inmates at the NCCF in Rockwell City. The inmates had been trained by Iowa Central on OSHA safety, lead abatement, and asbestos handling prior to the project. About 7,000 board feet of lumber was recovered and purchased by IPI in order to compensate Iowa Central, which supplied all of the labor, equipment and expertise. The net cost to IPI for the project was less than \$2,000. A very large barn remains and is planned to be taken down next Spring, in conjunction with Iowa Central training for a new group of offenders at NCCF.

**VI. New Prison Update.**

Mr. Clark showed progress photos of the new Iowa State Penitentiary (ISP) being built in Ft. Madison. IPI will provide much of the millwork and FF&E for this new facility as well as the expanded prison in Mitchellville. Mr. Clark also discussed the new IPI facilities at ISP.

IPI is responsible to install the Millwork at both prisons, which will begin in late March of 2012. And when the new ISP is occupied (expected Feb-May 2013) IPI will need to relocate its entire facility.

**VII. Audit of Private Sector Operations.**

Mr. Clark reviewed the results of the internal and external audits of IPI’s private sector operations (Prison Industry Enhancement – “PIE”). As previously noted, an external audit conducted by NCIA for BJP had determined that back wages needed to be paid to inmate employees of four out of seven partner companies. Mr. Clark reported that three of the companies had paid all back wages, and the fourth was expected to complete these payments by January.

An internal audit had also been completed, and indicated that certain procedures laid out in the *Iowa Administrative Code* had not been followed, such as required notifications to public agencies when a new project starts up.

The internal auditor had developed a “checklist” for new PIE projects, which Mr. Clark said would be followed in the future.

**VIII. Sales and Marketing Update.**

Mr. Robert Fairfax, Director of Sales and Marketing for IPI, reviewed the sales team structure and the “Top 10” prospects that had been identified by each of the four salespeople. In reply to a question from Ms. Malmberg, Mr. Fairfax reported that Kirkwood Community College wasn’t on the Top 10 list of prospects because they are already an existing customer. He continued that Southeastern Iowa

Community College might be a good prospect, in which case he would ask for the assistance of Ms. Malmberg.

Mr. Thomas Phillips inquired about sales training, and recommended that Mr. Fairfax pursue external training for the sales team.

Ms. Ann Baughman reviewed the new IPI website, scheduled for launch in January 2012. The site will allow customers to pay by credit card, which previously had not been possible. Mr. Terry Goodman asked how IPI will verify that an individual ordering from the site is an eligible customer, and recommended that the site include a more prominent feature such as "Am I an Eligible Customer?" Mr. Goodman noted that the new website and credit card payment will allow IPI to serve many more individuals, and so it would be wise that IPI examine freight charges and shipping policies for small orders.

During the discussion about eligible customers, which includes churches and other nonprofits, the Board requested that Mr. Clark present the Church Furnishings Business Plan at a board meeting in the near future.

#### **IX. Miscellaneous Reports, Charitable Contributions.**

Mr. Maria Contreras reviewed the Customer Satisfaction index for IPI, which is compiled via user return cards. YTD, 85% of customers rated IPI as "Excellent", 14% as "Good" and 1% as "Below Average". Based on the return cards, 96.7% of IPI customers would recommend IPI to others. Ms. Contreras said she was not aware of any major customer service problems.

Ms. Contreras reviewed the Ethnic Report, which compares the makeup of IPI's workforce to the overall inmate population. For November 2011, IPI's workforce was 69% white, versus an overall prison population of 66%. Ms. Contreras said there were no major concerns that needed to be addressed.

Finally, Ms. Contreras reported on the charitable contributions made by IPI, which totaled more than \$15,000 for the Sep-Nov period. Some of the notable projects included furniture produced for the Iowa City Ronald McDonald House, and a project for "Extreme Makeover: Home Edition".

Ms. Contreras distributed an updated list of Board member contact information.

#### **X. Private Sector**

Ms. Contreras reported on the status of private sector business operations. Results for Q1 of FY2012 showed that Inmate Hours were up 21% and Gross Wages were up 40%. Ms. Contreras also noted that the report now breaks out Rest and Remainder, showing the amounts going back to the General Fund separate from the funds returned to the DOC institutions.

In response to a question by Dr. Hillman, Ms. Contreras reported that PIE partner companies must continuously maintain open job postings for their positions, and retain the same level of civilian employment while employing offenders.

## **XI. Farm Report**

Mr. Clark presented the report for IPI Farms, which operate on a Calendar Year basis. 2011 sales are expected to be well ahead of 2010 due to high prices for oilseeds, grains and beef. Reports were given regarding 2011 livestock sales and 2012 plans for the cow-calf operation, as well as row crop yields for 2011 and planting plans for 2012.

About 600 trees are being harvested from the Newton property by John Flanagan Logging, which had submitted the winning bid of \$55,100. IPI Farms received payment in 2009 and 2010.

Farm leases for 2012 have all been completed, with prices ranging from \$110 per acre for a small parcel in Clarinda to \$352 per acre for 641 acres in Woodward.

Mr. Clark also discussed with the Board plans for vegetable and fruit production at Farm 3 in Montrose during the coming year. This activity is expected to employ about 10 inmates from mid-March. The DNR has also expanded its plans for tree seedling production at Farm 3, and IPI will provide about 10 more inmates for this program. Both programs are efforts to boost the number of inmate opportunities offered by IPI Farms.

Mr. Carr inquired as to the status of the Central Distribution Center (CDC) for the supply of foodstuffs and other products to the DOC and DHS institutions. Mr. Clark reported that analysis had shown Newton is a preferable location to Woodward, as trucking miles would be reduced by more than 20%. However, the cost of a new warehouse would be approximately \$3 million and it's not clear how to fund this sort of capital investment. Mr. Goodman suggested that IPI investigate potential space in the Newton area that could be suitably modified.

*\* Farm report is available upon request.*

## **XII. Laundry and Textiles Business Plan.**

Mr. Clark reviewed for the Board a proposed new business for IPI Traditional Industries focused on laundering. Much of the proposal was based on a similar Correctional Industries program in Nebraska that Mr. Clark had visited twice. Mr. Clark outlined some of the technical requirements for JCAHO certification, which is required by many health care agencies. JCAHO contains provisions intended to prevent the spread of communicable disease and prevent employee injury due to contaminated laundry.

Dr. Hillman discussed a letter that Director Baldwin had received from Iowa Senator Hancock inquiring as to the status of an IPI laundry. Copies had been sent to Mr. Clark and Dr. Hillman.

The Board considered the following motion, made by Mr. Phillips and seconded by Mr. Carr: "The Board supports that the IPI Director continue the development of a business plan for a laundry in Ft. Madison that would (a) Possess a capacity of 1-2 million pounds per year in order to meet DOC needs, and (b) have some additional capacity in order to act as a backup for other eligible customers". All were in favor, and the motion was passed.

**XIII. 2012 Board Meeting Schedule**

The Board agreed to the following schedule for 2012 Advisory Board meetings:

Friday	March 30, 2012	NCCF - Rockwell City
Friday	June 8, 2012	ISP - Ft. Madison
Friday	September 14, 2012	NCF - Newton
Friday	December 7, 2012	IPI Showroom - Des Moines

**XIV. New Business**


The Board was pleased to present former Board Member Ms. Elizabeth Robinson with an engraved commemorative IPI clock in thanks for her service to Iowa.

No other new business was reported.

**XV. Adjourn**

**Dr. Hillman** called for a motion to adjourn the meeting. Mr. Thomas Phillips made the motion to adjourn the meeting, seconded by Mr. Goodman. All were in favor and the meeting was adjourned at 12:55pm.

Minutes submitted by:



**Dan Clark, Director**

Minutes approved by:



**Dr. Doug Hillman, Chair**