

Customer Council Meeting Minutes



Maryland Correctional Enterprises
Customer Council Minutes
April 24, 2018
MCE Headquarters – 7275 Waterloo Road, Jessup, MD 20794

Attending via Conference Call: Todd Deak, Anokhee Desai, Constantine Hill, Ashley Lohr, Renee Milburn, and Steve Shiloh

Meeting was called to order by Stephen Shiloh, CEO, at 9:35 AM

Agenda Item I – Welcome / Introductions: Stephen Shiloh

Agenda Item II – MCE Update: Stephen Shiloh

- Tom Jackson (Dept. of Health) will be retiring at the end of June – thank you for your support of MCE over the years. We wish you well in your retirement.
- NIC Security Assessment Audit was scheduled for the first week of April, but has been rescheduled with a pending date prior to September 30th.
- MCE News:
 - Sales at the end of first half (December) were in excess of \$25 million – down 14% as compared to same period last year
 - FY16 and FY17 were record years, but this year’s goal to hit \$50 million will be a challenge
 - We were at \$38.4 million through the third quarter
 - Inmate employment is down to the low 1,700s due to decreased revenues and staffing issues
 - The new Brock Bridge Road Warehouse is almost complete; we hope to hold our October meeting there
 - We are still attempting to procure an ERP system; this has been a struggle for several years
 - We were not negatively impacted by legislation this year
 - Todd Deak, Mark Rowley and Stephen Sanders attended this year’s NCIA Conference on behalf of MCE

Agenda Item III – Marketing Division Update: Anokhee Desai

- MCE will attend four conferences in May and June as an exhibitor
- We are in the process of updating the catalog; customers will see those changes in July
- A new Marketing and Sales Plan has been written
- We are sending out new employee and promotional e-blasts
- A new clearance e-blast was sent to customers

- We have provided samples of our Daily Deals e-blast as well as our most recent newsletter
- Our Positive Pathways literature and video have been updated
- We are excited to open our new showroom; it will showcase a large variety of our products. It is located on Brock Bridge Road about five minutes away from our current headquarters.
 - Clearance items will be available at the showroom, but will initially only be on sale for state agencies. We may open sales to public afterwards as we are able to sell surplus goods that were manufactured more than one year ago.
- The new catalog will be available in a print and online version; access to the catalog does not require a login.

Agenda Item IV – Sales Division Update: Todd Deak

- Incoming orders - \$37 million; down 25%, but should be picking up
- Website sales - \$475,000
- Capital Projects - \$11 million
- Quick ship remains popular
- New showroom is opening soon and looking great
- MCIW Design Plan will be closed until we can hire additional staff
- The NCIA Conference took place in Atlanta and was very informative. We are looking into new furniture lines and textiles equipment that was showcased. Conference was well attended and our employee, Stephen Sanders, was nominated for the honor roll.
- Upcoming capital projects for:
 - Towson
 - PG Community College
 - University of Baltimore

Agenda Item V – Council Recommendations, Miscellaneous, Comments & Concerns:

Council Members: Steve Shiloh

- No additional comments, suggestions or concerns
- Next meeting will be held on July 24th via conference call
- We will hold October meeting at the new warehouse
- Thank you for your support!

Meeting adjourned at 10:00 AM

Maryland Correctional Enterprises
Customer Council Minutes
October 30, 2018
MCE Headquarters- 7275 Waterloo Road, Jessup, MD 20794

Attended Meeting: Stephen Shiloh, Joseph Sommerville, Todd Deak, Cliff Benser, Cynthia Tims, Eric Lomboy, and Tyrese Jackson

Attending via Conference Call: John West, Calvin Johnson

Meeting was called to order by Stephen Shiloh, CEO, at 9:30 a.m.

Agenda Item I- Welcome/ Introductions: Stephen Shiloh

Agenda Item II- MCE Update: Joseph Sommerville, Chief Information Officer

- Finishing up FY 18 financial statements for the General Accounting Division. MCE has a bottom line of 6.99% or \$3.845 million profitability.
- House of Delegates-
 - Phase 1- Due December of 2018- \$333k order value ordered 6 months ago hope to deliver in November
 - Phase 2- Due December of 2019- \$1 million order value
 - Working 6 to 7 weeks of overtime to get this completed. Longest lead time we've ever had
- FY19 Sales thru September- \$11.5 million- \$15.5 million today /down \$2.3 million from last year (\$50 million anticipated sales)
- Inmate Count-1619/down 300 from last year due to staff shortages(25% vacancy rate)
- Conducting Interviews for Graphics Regional Manager today
- New warehouse renovations basically complete – Currently painting the outside of the building due to complete next week. We've had some humidity issues which prevented us from finishing up the showroom
- ERP- little movement on this
- ACA audit-%100 compliance for the 4th time on 8 mandatory and 74 non mandatory requirements. Auditors commented- MCE one of the best industry they've ever audited
- Holding our Annual Showcase in Annapolis at the HOD in January
- MCE will be hosting a tour for the country of Georgia in November
- MCE will also have a tour on Election day for Mexico
- MCE will be having an annual holiday lunch for our inmate workforce which is the highlight for the men and women each year
- Community Service
 - Annual Bea Gaddy- Thanksgiving turkeys 11/2/18
 - Annual Antietam Battle event- providing candle boxes and printed literature

- Micah's Backpack-providing food for poor school children. Providing donation boxes for inmates to give commissary food items.

Agenda III –Review of MCE Business Plan: Cliff Benser, Project Consultant

- Simple changes have been made during our Annual Business Plan Review
 - Objective # 1.1.1.
 - Date Changed from ~~2020~~ to (2021)
 - 1.1.1.2- Changes
 - Performance Measure –~~Annual Review of customer data to be compared to FY 2017 baseline data~~ to (Annual review of top 10 customers data to be compared to data from three prior FY (2015,2016,2017))
 - Members –~~Removed Director of Marketing, Cost Accountant, CIO, Rotating Plant Mgr., Design Mgr~~ added (IT Manager)
 - 1.1.1.3- Changes
 - Performance Measure -Replaced the word ~~measure~~ with (report).
 - Members - ~~CFO, CIO, Inventory Manager, CDO.~~ (Added IT Manager)
 - 1.1.1.4- No changes made
 - 1.1.1.5- Changes
 - Strategy- Replaced the word ~~Collaborate~~ with (Network)
 - Performance Measure- changed- ~~Annually document contacts with other state correctional industries-~~ to (Compile an annual FY report identifying relevant best practices & additional venture opportunities)
 - Members- Added (Other State Rep)
 - 1.2.1.1- Changes
 - Strategy- Replace word ~~semi-annual~~ with (Biennial)
 - 1.3.1.1-No changes made
 - 2.1.1.1-Changes
 - Objective –~~Continue to employ at least 2000~~ (Continue to employ inmates while maintain a safe staff to inmate ratio)
 - Strategy- Investigate inmate employment opportunities ~~through expansion of existing facilities, the creation of new business units, and the identification of additional inmate job functions~~ (based on industry standards as recommended by the National Institute of Corrections and National Correctional Industries Association (ACA))
 - Performance Measures- ~~Inmate Employment achieved in each fiscal year.~~ (Maintain an appropriate number of civilian staff members in order to ensure a safe, secure, & efficient workplace.)
 - MCE has 2 projects that are in the capital improvement program- 1 JCI and ECI restoration plant
 - MCE will be writing a new meat program- looking at a different location
 - 2.1.1.2- Deleted

- 3.1.1.1- Changes
 - Members- ~~CIO~~-added IT Manager
- 3.1.2.1.- Changes
 - Strategy- ~~Evaluate delivery time by product grouping~~ to (Weekly evaluation of overdue orders)
 - Members- Added- (Administrative Assistant to COO)
- 3.1.2.3.- Deleted
- 3.1.3.1.-Changes
 - Chairperson-Removed ~~Project Manager~~-added (IT Manager)
 - Members- (Chief Information Officer)
- 4.1.1.1.-Changes
 - Objective- ~~2018~~ to (2019)
 - Strategy- ~~For cross training~~ to (improve staff development)
 - Performance Measures- ~~Cross training program~~ to (Staff development)
 - Members-~~Guest Trainer from PCTC, MFR Participants 2017~~ to (MCE Training Committee)
- 4.1.2.1.-Changes
 - Objective- ~~By June 2018, establish and implement additional initiatives to improve teamwork and morale~~- to (Continue and enhance opportunities to improve communications between headquarters and field staff.)
 - Strategy- ~~Explore~~ to (Identify)
 - Performance Measures- ~~Identify~~ to(Explore)
 - Chairperson- ~~Executive Assistant~~ to (Director of Marketing)
 - Members- ~~Director of Marketing, Administrative Staff, MFR Participants 2017~~ to (Chief Operating Officer, Operations Manager, Regional Managers, Plant Managers)
- 4.1.3.4.-Changes
 - Objective- ~~Research, Identify~~ to(Establish)
 - Strategy- ~~Conduct a survey to Develop a committee to research~~ and (identify an employee)
 - Performance Measures- ~~Establish and~~ (Implement an employee recognition program by June-~~2018~~ to (2019)
 - Chairperson- ~~Director of Marketing~~ to (Accounting Representative)
 - Members- ~~MFR Participants 2017~~ to (Departmental Volunteers)
- 4.1.4.5.-Changes
 - Objective- Streamline paperwork and processes by updating policy and procedures across ~~business~~ all units.
- 5.1.1.1.- No Changes
- 5.1.2.1.-Changes
 - Strategy- Identify ~~business and community partners as resources for inmate workers upon release~~. (Businesses, community partners and economic resources to enhance inmate employment upon release.)

- 5.1.3.1- Changes
 - Objective- (Increase modern, technical training opportunities for offender's inmates.
 - Chairpersons- ~~CIO and Operations Manager~~
 - Members- ~~CIO~~ to (IT Manager)
- Any recommendation for improvement to our Business Plan is welcomed
- Our goals are based upon the laws contained in the Correctional Services Article

Agenda IV – Marketing Division Update: Joe Sommerville, Chief Operating Officer

- 50% Capacity in Marketing. We had 4 people - now down to 2
- Selling Blue Catfish as requested by DGS and MDA - So far 32 Cases ordered!
- We have redone our Building Positive Pathways literature
- MCE At a Glance- Snapshot of our successes
- Daily Deals- Updated every other month or so
- Started our new Catalog which comes out each July- We have already started our update for next year
- Busy season for our 2 people

Agenda V – Sales Division Update: Todd Deak, Sales Director

- Capital Projects
 - Howard Community College
 - University at Shady Grove
 - Montgomery Community College
 - Harford Community
 - Morgan state University
 - Prince Georges Community College
- Wrapping up a lot of specification to get this out to customer
- PO for Hagerstown Community College-
- Brendan Iribe College Park-just started yesterday. 1st capital project of the fiscal year
- Incoming Sales for October as of yesterday- \$3.8 million- \$4.3 million last year
- YTD sales -\$16.4 million vs. \$17.6 million last year
- Website Sales through October- \$54K -last Oct \$46K (YTD \$240K- last year \$183K)
- Quickship Sales YTD- \$377K- last year \$334K (\$1.2 million in QS sales last year)
- Promoting
 - Blue Catfish
 - Rolled Sticker Capability
- We picked up another blanket PO for PG County Restoration job

- MVA - printing numerous forms, manuals and hang tags
- House of Delegate is one of our important / high profile projects

Agenda VI -Comments and Concerns

- This is the last meeting for calendar year 2018. The law requires us to have 4 a year.
- Meeting dates for 2019 will be sent to Council members in early January. Meetings generally conducted in last week of January, April, July and October.
- Eric Lomboy (DGS)-
 - Maryland E- Market Place goes live July of next year. We would like to work with MCE on your new catalog.
- Mr. Shiloh thanked everyone for their support and patronage, also wished everyone a safe and happy Holiday Season. We will see you in January 2019

Meeting adjourned at 10:30

Maryland Correctional Enterprises
Customer Council Minutes
January 29, 2019
MCE Headquarters – 7275 Waterloo Road, Jessup, MD 20794

Attending: Nicole Copeland, Todd Deak, Sandra Filippi, Calvin Johnson, Ashley Lohr, Mark Riesett (DGS), Steve Shiloh, and Joe Sommerville

Meeting was called to order by Steve Shiloh, CEO, at 9:35 AM

Agenda Item I – Welcome / Introductions: Steve Shiloh

- Happy New Year and welcome to our new Director of Marketing, Nicole Copeland
 - Nicole noted that her goals for the Marketing team include incorporating a great mission and great products into a new strategy to enhance and grow MCE

Agenda Item II – MCE Update: Steve Shiloh

- Staffing issues continue, but we have recently hired three new employees:
 - Inventory Manager
 - Textiles Coordinator
 - Reentry Director
- We received our 4th ACA Accreditation Certificate
- Ashley Lohr will be receiving the NCIA Staff Award at the NCIA national training conference in April
- A Quartermaster Operation is in development per direction from DPSCS; this may be located in the new warehouse
- 4.9% bottom line; \$25 million revenues through December
 - We are on track to hit our \$50 million goal
 - Sales are down 2.5% as compared to the same period last year
- ERP – DPSCS and DoIT are hiring a project manager to revise RFP
- 25.2% vacancy rate for civilian staff
- Inmate employment is down to 1,552
- Maintaining strict 20:1 inmate to staff ratio
- Legislative Session has begun
 - FY 20 Budget - \$54.9 million
 - Four PINs removed
 - Many new Senators and Delegates; all were invited to our Annapolis Showcase
 - MCE Budget hearings will be held at the end of February

Agenda Item III – Marketing Division Update: Nicole Copeland

- Annapolis Showcase (held 1/24/19 in the House of Delegates) was a success; we reserved two rooms this year. Delegates and Senators were able to view products and were amazed at the depth and variety of MCE products.
- We are updating the website and looking at options for a new host
- We are updating conference and marketing material
- Mr. Johnson asked why only one bid was received for the ERP RFP and why it wasn't selected
 - Steve explained that only bid was received on second solicitation and bid did not meet MBE goals and we received zero bids on initial solicitation because the RFP was over 200 pages and too complex. The next solicitation (#3) will focus on streamlining the RFP

Agenda Item IV – Sales Division Update: Todd Deak

- Incoming orders are at \$27.8 million
- Website sales for this year are \$350,000 vs \$274,000 this time last year
- We are working on our new warehouse which has a clearance sale area; we hope to bring customers in soon
- College Park – finishing installation and walkthrough this week
- Large upcoming projects – Shady Grove, PG Community College, UMBC, Howard Community College, Montgomery College, St. Mary's and Towson Universities

Agenda Item V – Council Recommendations, Miscellaneous, Comments & Concerns: Council Members: Steve Shiloh

- Mr. Johnson asked how we have been impacted by justice reform:
 - Enhanced “good time” credits
 - Sales from DPSCS down due to prison population decline
- Mr. Johnson asked who conducts financial literacy training for inmates
 - Ashley explained our Reentry Director oversees the program, but the sessions are taught by a volunteer, Michelle Singletary and the Management Council Executive Director – Dave Jenkins
 - Mr. Johnson recommended that we connect with higher education resources; it was noted that we do partner with colleges to expand resources for our former offenders
- We are still trying to fill three council vacancies
- Our next meeting will be held at our new warehouse location on Brock Bridge Road

Meeting adjourned at 10:00 AM

Maryland Correctional Enterprises
Customer Council Minutes
April 30, 2019

MCE Brock Bridge Road Warehouse – 8037 Brock Bridge Road, Jessup, MD 20794

Attending: Nicole Copeland, Brenda Lee, Ashley Lohr, Steve Shiloh, Joe Sommerville, Cynthia Tims, and John West

Meeting was called to order by Steve Shiloh, CEO, at 9:30 AM

Agenda Item I – Welcome / Introductions: Steve Shiloh

- Welcome to our new showroom and warehouse!

Agenda Item II – Warehouse and Showroom Tour: Ashley Lohr and Nicole Copeland

Agenda Item III – MCE Update: Steve Shiloh

- MCE at a Glance was provided to new Council Members
- MCE Update
 - 5.3% bottom line; we have a 3% goal each year. Part of this profit can be attributed to short-staffing
 - End of March revenues were \$35.9 million
 - We are currently at \$39.4 million in revenues for the year; it will be a struggle to hit our \$50 million goal
 - Open Orders are \$15 million; our normal is \$10 million. This is partially due to increased production time
 - Our efforts to procure a new ERP continue; this has been ongoing since 2009
 - Our vacancy rate continues to be around 25%
 - A decrease in MCE results in a negative impact on the state in regards to revenues and recidivism
 - We have received several PIA requests from colleges regarding inmate pay. Ashley explained that there are some students asking for a disassociation between colleges and correctional enterprises due to the misconception of prison labor. We have invited student councils to tour our facilities and they have left believers of our program. We have extended an invitation to host another tour. MCE pays the highest wages in the institution, has a waiting list consistently over 800, and hires returning citizens for available opportunities post-release.
 - MCE's goal has been to employ 2,000 offenders, but we have been unable to achieve that with our high vacancy rate
- Legislative Update

- DLS analysts asked what the impact on the decreasing prison population would be on MCE; we noted that the reduction was good for the state but would result in a loss of revenues relating to prison products.
- HB1265 – a bill was presented that would require MCE to pay minimum wage to all inmate workers. MCE testified against the bill and it received an unfavorable vote. Passage of this bill would have resulted in the bankruptcy of MCE due to inmate wage expenditures increasing to approximately \$27 million.
- DLS Audit is underway; they will be with MCE for a few months

Agenda Item IV – Marketing Division Update: Nicole Copeland

- Our marketing team is down to two, but we will soon be staffed to four again
- We are working on updates to the catalog and website
- A copy of our internal newsletter is included in your folder
- We have been increasing our email marketing campaigns and expanding our overall communication efforts
- We will be distributing new marketing materials with updated formatting
- We have scheduled approximately 12 conventions for the year

Agenda Item V – Sales Division Update: Joe Sommerville

- Operations Update
 - Overdue orders are still at 1% despite short staffing issues
 - We are rotating staff continuously to accommodate to production needs
- Sales Update
 - Year to date incoming sales are at \$3.7 million vs. \$3.8 million last year
 - Incoming sales are up 12% to \$42.7 million overall
 - Website sales are at \$113,000 vs. \$80,000 last year – catalog usage is going down
 - Upcoming Capital Projects:
 - Hagerstown Community College
 - Howard Community College
 - University of Maryland Shady Grove
 - University of Baltimore
 - PG Community College
 - Towson dorms
 - Customer Service
 - We are short-staffed and currently using contractors and work release inmates to maintain operation
 - Design Unit

- We are working to fill our Plant Manager positions

**Agenda Item VI – Council Recommendations, Miscellaneous, Comments & Concerns:
Council Members: Steve Shiloh**

- We are mandated to address recommendations and concerns regarding products and initiatives; please use this meeting as a forum.
 - Brenda Lee asked if the turnaround time was increasing – specifically in our printing plants; Joe Sommerville noted that we are working overtime to maintain production and fulfill the needs of customers. Some product lines may take longer than usual. Printing has maintained a quick turnaround time. Printing samples will be sent to Ms. Lee per her request.
- Steve Shiloh offered a facility tour to all councilmembers and staff.
- DPSCS is welcoming a new Secretary, Rob Green, on May 13th.
- A list of upcoming events was shared with the Council.

Meeting adjourned at 10:30 AM