

IPI Newsletter

September 2008

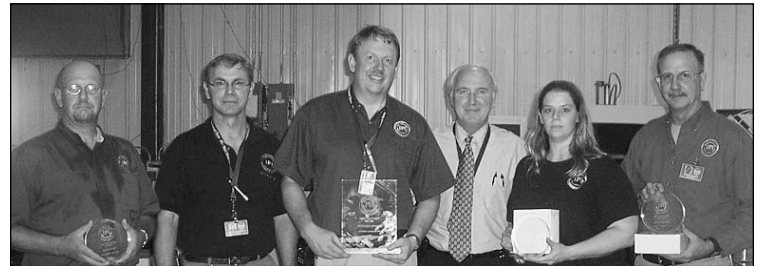
Mitchellville/Newton Wins The Directors Award!

This year's Directors Award goes to the Mitchellville/Newton Team. Their many accomplishments and great deeds were in the spirit of our mission statement. They never took their eyes off of the customer! The results are astounding: 39% increase in sales, 60% increase in sustainable income, and most impressive of all a 17% increase in inmate training hours! They also have a 92.9% EXCELLENT Customer Satisfaction Rate!

Shawn and his team have demonstrated a commitment to achieving high performance results by planning their work and working their plan. This is a winning combination every time! For the first time in our history Mitchellville sold over \$2 million in chairs. 75 offenders come to work everyday with a drive and determination to learn, to be productive and to do just a little better than the day before. We are fortunate to have staff and offenders who work together in a unified manner that would be the envy of ANY shop. The same applies to the Newton Central Commissary; their unwavering

support generated \$563,000.00 in rebates to The Department of Corrections! Chad and company met 99.8% of our deliveries within the two-hour window that we have committed to. This is remarkable! Both of Shawn's shops, staff and offenders are to be commended for putting the customer at the front of the line and for living up to our commitment of exceeding the customer's expectations.

Please join me in congratulating Shawn Preston, Mike Spooner, Scott Darr, Dennis Piotraschke, Rhonda Stroller, Carl Eggermont, Karen Hartwig,



Top (left to right): Scott Darr, Dennis Piotraschke, Shawn Preston, Roger Baysden, Karyn Hartwig & Mike Spooner. Bottom (left to right): Carl Eggermont, Roger Baysden, Deanna Cross, Shawn Preston, Chad Squires & Dale Schwickerath. Not shown: Rhonda Stoller & Jim Pinegar.

Chad Squires, Deanna Cross, James Pinegar, Dale Schwickerath and all of our offender workers for their commitment to excellence; we are all proud of your accomplishments.

Baysden's Corner

BY ROGER L. BAYSDEN
IPI DIRECTOR



Well here we are at the end of another year and quite frankly I am happy that it is over, as I suspect many of you are. Each year there seems to be memorable things that helped to shape our year end. This year it has been price increases and fuel increases, both of which have contributed a very disappointing year for IPI. While sales increased, profits suffered.

Enough of the bad news, the year is

over and it is time to turn our sights on the positive changes that we have implemented that I'm sure will ensure a great year for us. Our managers have developed ways to stay ahead of the increases and measures to ensure that our vehicles are full when they leave the plant. Ensuring that IPI is solvent and successful is everyone's responsibility.

Recently I shared with the managers my vision of Industries and it focuses on OWNERSHIP. If we think of ourselves as owners of the business, I'm convinced that we will begin to think differently. Let me use gasoline as an example. Prices

have increased dramatically, and I'll bet that most of you (me included) think before we jump in our cars and drive off. It is this same kind of thinking that I hope will emerge in our shops, with our sales people and our support departments of accounting and purchasing. We are a team and if we approach our jobs as if we owned the business, everything else falls into line. We will be more focused on our levels of SERVICE, QUALITY AND COMPETITIVE PRICES.

This is what our customers expect and what we must deliver to our valued customers.

Customer Spotlight: University of Iowa General Stores

IPI has been very fortunate to work with the University of Iowa's General Stores Group with our plastic bag division. The University of Iowa has been the top customer for this division for the past two years. IPI started this program with the University in the fall of 2006, and it has continued to grow and develop with new products and services within this timeframe. This partnership has allowed IPI to expand our offering to other colleges and universities in addition to K-12 public school programs across the state.

Helping with this endeavor at the U of I include (but not limited to) the following staff: Gary Anderson, Dan Wyjack, Joel Tresslar in the General Stores and Anne Sopher in the Purchasing department. Without the support and help from these fine "Hawkeyes", IPI would not be a part of the great partnership that exists now.

The plastics products are used all over



The University of Iowa typically orders about 1,000 cases of plastic bags at a time.

campus, including such locations as the research labs, the U of I Hospitals and Clinics and Kinnick Stadium to mention a few. This represents over 14,000 cases annually. That represents a lot of work by many people.

A heartfelt "thanks" to the University of Iowa and the other Regents institutions for being a great supporter of Iowa Prison Industries programs. Without the support of fine schools like this, our program does not exist.

Coming Soon: New IPI Showroom

Iowa Prison Industries is excited to announce the upcoming move of the IPI Sales Office & Showroom to a new location! We have outgrown our current location on Dean Avenue in Des Moines and are looking forward to having more room to showcase the quality goods and services that the shops manufacture. With more than twice the display area we currently have, we will be able to have displays of our classroom, dorm, church, parks and office furniture as well as a design center and a clothing sample area. The new location will also be closer to the Capitol Complex so that we will be better able to serve those customers.

The move is scheduled to be completed by September 30th. An Open House is currently being planned for the first week in December; please watch your mailbox for further details.

IPI Donates To Disaster Relief Efforts

Iowa Prison Industries was proud to donate to the two most recent disasters in the State of Iowa this year. Director Baysden, working with the Governor's Office and Ken Ransing at the Emergency Command Center in Parkersburg, donated the signage needed to get this town back in business and marked for the future. Anamosa Plant Manager Al Reiter and his staff put a special effort in getting this product out quickly to help them get back on their feet and to help the town move forward. The donation of the street signs was close to \$3500 and will help Parkersburg with a portion of the enormous task ahead. Thanks to all the Anamosa team for this good work and great donation to this worthy task.

Later in the year, the massive flooding that paralyzed Cedar Rapids was another task that needed attention. Director Baysden, working with 6th Judicial Director Gary Hinzman, in conjunction with Brulin, our Green Chemical raw

material supplier, developed a plan to help the most individuals with our product. Brulin handled the product donation and IPI delivered the product to Bill Hoekstra with the 6th District who was the coordinator for the relief effort within the DOC. With the product delivered, IPI and

Brulin donated enough chemicals to make 10,000 one-gallon buckets of disinfectant to tackle the tough cleaning jobs ahead in Cedar Rapids. Our thanks to our valuable partner in the Chemical Manufacturing segment of our business, Brulin and

Company, Inc.

IPI has always donated to charity auctions, fundraisers and emergency relief funds; this shows that IPI is willing to take the next step to help fellow Iowans in their time of need.

Dear Mr. Fairfax:

Thank you so very much for the donation of cleaner to aid in the Department's efforts to assist people in Linn County and Johnson County. Your donation will allow us to treat 10,000 gallons of water to assist us in our efforts to clean up homes damaged by the Flood of 2008. Having spent the last thirty plus years in government, it never ceases to amaze me how Iowans will pull together when tragedy strikes. It gets down to people working and helping people. Iowa Prison Industries epitomizes this statement. We are ever so grateful.

Kindest personal regards and best wishes for a lovely upcoming weekend and a great remaining 2008.

Sincerely,

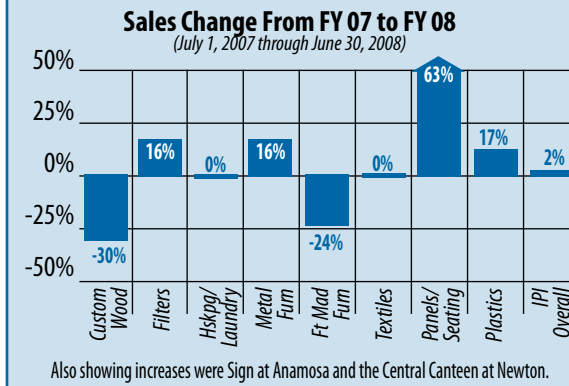
Bill Hoekstra, 6th Judicial District

Top 25 Customers By Sales Dollars FY08

1	DOT Des Moines Vehicle Reg.....	\$1,005,109
2	University Of Iowa.....	982,759
3	Des Moines Ind Cmnty School.....	871,658
4	Iowa State University.....	567,760
5	DHS Fiscal Mgmt.....	455,484
6	DOT Ames.....	384,808
7	Glenwood Resource Ctr.....	383,965
8	Iowa State Penitentiary.....	323,224
9	Iowa Western Cmnty College.....	309,038
10	Iowa Medical Class Center.....	280,254
11	Clarinda Correctional Facility.....	256,626
12	University Of Arkansas.....	249,897
13	Economic Development Dept Of.....	235,324
14	Fort Dodge Corr Facility.....	222,136
15	Mt Pleasant Corr Fac.....	221,258
16	Anamosa St Penitentiary.....	220,960
17	Newton Correctional Fac.....	192,708
18	Administrative Serv Dept Of.....	185,283
19	Blind Dept For The.....	181,990
20	Iowa Crrctnl Inst Women.....	166,925
21	Various Surplus Customers.....	157,668
22	Iowa Veterans Home.....	138,742
23	Morningside College.....	135,628
24	Natural Resource Des Moines.....	128,752
25	Woodward Resource Center.....	127,021
TOTAL.....		\$8,384,876

*Excludes Canteen & Interdepartmental Sales

Sales Report Card



4th Quarter New Customer / New Project Orders

(For a complete list contact the Des Moines office)

Customer	Products	Sales
DMP5 - 4 New Schools '08	School Furniture	\$281,904
Treynor CSD	School Furniture	\$48,502
DC-Grimes CSD	School Furniture	\$46,614
Briar Cliff College	Dorm Furniture	\$22,048
Dowling Catholic HS	Library Refinishing	\$19,625
City of Monticello	Printed Trash Bags	\$14,135
South Tama CSD	School Furniture	\$10,554
U of IA Hardin Library	Shelving	\$10,400
Iowa State University	Green Chemicals	\$5,000
MHI-Independence	Green Chemicals	\$3,700

4th Quarter New Customer Sales By Sales Rep

Dennis Barry.....	\$20,110	Scott Klinefelter.....	\$0	Michael O'Brien....	\$356,660
Kevin Peterson.....	\$25,394	Dino Costanzo.....	\$0		

YTD Customer Satisfaction Card Results

(July 1, 2007 through June 30, 2008)

	Excellent	Good	Below Average
Sales Representative Knowledge	86.6%	13.1%	0.3%
Timeliness of Delivery	76.5%	20.0%	3.4%
Delivery Service	82.6%	16.3%	1.1%
Quality of Goods	83.8%	15.8%	0.5%
Value for Money	84.4%	14.7%	0.9%
Question/Problems Handled Promptly	86.3%	13.2%	0.5%
Average	83.0%	15.8%	1.2%
	Yes	No	Maybe
Would you recommend us to others?	96.5%	0.4%	3.1%

NEWTON

Canteen Releases New Catalog

The Central Canteen continues to assume its national leadership role in correctional industries. One way is striving to provide products to meet our customers' needs. It is this sensitivity to people that keeps us busy in creating new ideas via products and services!

A new commissary catalog was recently

released providing Iowa's offenders with an expanded list of products to purchase. The catalog includes several new food, hygiene, and electronic items. An emphasis was placed on offering high quality products at a reasonable price. We now have over 1,000 separate product listings in our latest catalog.

New Footwear Offered

The Central Canteen continues its policy of providing products that meet offender needs. For the summer we have been offering a men's New Balance running shoe and a women's Reebok running shoe. These special offers typically are run for a period of 60-days. However,

because of the tremendous response we have extended these offerings for the entire summer. These shoes have been described as capable of "weathering the storm" under the demanding conditions our customers have grown to expect in the products we offer.

Central Canteen Recycling Efforts

The Central Canteen is doing its part to help with the environment in being "Green". Instead of throwing away of all of the cardboard and plastic waste we generate, we recycle it through a recycling company. Over this last fiscal year we recycled 510 bails of cardboard, 180 palette boxes of loose cardboard, five palette boxes of plastic and 1,345 wooden shipping pallets.

IPI Newton Division Staff Departure

On May 29th Sean Culbertson resigned to take a new position at the State's Department of Administrative Services. We wish him well in his new endeavors.

Shop Spotlight: Braille

This month's spotlight is on Braille. In May, the Braille staff and offenders were recognized by the Iowa Corrections Association (ICA) for Outstanding Correctional Program. The criteria for this award is "a group of correctional workers or a program which has shown outstanding achievement, perseverance, dedication, and/or vision in an area of endeavor. The recipients should be employed directly in the field of corrections in the State of Iowa, however they do not necessarily have to be members of ICA".

Deputy Director Larry Brimeyer nominated the Braille shop for this award... "no program better exemplifies the meaning of giving back to society than this year's winning program." Transcribed books are placed on the Louis Database for potential customers to review. Last year the Braille program produced 142,966 pages of Braille. Offenders start with the basic text and can advance to the math (Nemeth) or music Braille. A new component to the program features a process called Kurzweil. This is similar to reading programs that produce audio as the user points to the words.

As the offender begins the program, he will work on a very basic manual Braille typewriter. On average, an offender takes



Supervisor Greg Hart (left) and Senior Industries Technician Lennie Miller (right) accept ICA's Outstanding Correctional Program award from DOC Deputy Director Larry Brimeyer (center).



about 12 months to reach certification by the Library of Congress. This means his work has been evaluated by peers in the field and is a permanent record at the national library.

Congratulations to IPI staff Lennie Miller and Greg Hart as well as the offender employees; your dedication makes this program a success.

Braille has grown over the years. We now have 19 offenders here at Anamosa and an additional 10 offenders at Newton and Mt Pleasant.

No Smoking Signs Produced At Record Breaking Pace

We do not always know the effects of new legislation on IPI, but the No Smoking law has been a big benefit to the Sign shop. The last two months have produced some of the best sales in the recent history of the Sign Division. The sales and production staff have done a great job of helping agencies get into compliance with the new laws and move



toward making the state healthier.

Anamosa Finishes FY08 In The Black

The final numbers are in and Anamosa's finished with a healthy bottom line. For the 2007-2008 year ending, Anamosa finished with sales of \$8,892,477 and sustainable income of \$414,358. This represents a string of six years in the black and has not been easy, especially with the increases this last year. Everyone has to take a moment to recognize this great accomplishment. When you read in the paper everyday of record losses, layoffs and no end in rising costs, we persevere to meet the difficult challenges. Coupled with this is benefit of putting offenders to work. For FY07-08 that was 349,501 less hours of offender's time spent idle.

Welcome New Sales Office Employee

IPI Anamosa welcomes new employee Diane Hughes. Diane will be located in the Anamosa Sales office and work mainly with Custom Wood and Metal Furniture Divisions.



Why do offenders like working in the shops?

Pay is a big factor, but as with any employment pay is not the most important factor long term. Work gives personal satisfaction in seeing a job done and contributing to a larger goal.

FORT MADISON

Furniture Looks For Bright Start To FY09

Wow, what a crazy year! With the flooding issues that caused havoc throughout the state and for us here at IPI-Fort Madison, we have had a very busy fourth quarter manufacturing dorm, school, library and custom furniture. The first quarter of FY 09 looks bright for Fort Madison, which is good news after the grim year we just had. This is all thanks to the continued support from University of Iowa, University of Northern Iowa, Iowa Western College, Iowa State University, Grinnell College, Briar Cliff College and the school districts, like Des Moines School and Treynor.

With the opening of our furniture shop at Mt. Pleasant and the outstanding job that they are doing making loft beds, wardrobes and ladders, this has enabled Fort Madison to take orders late in the busy summer season that they normally would have had to turn down.

Our custom wood shop has been very busy. Recent installations include several libraries and custom furniture for the Iowa Veteran's Cemetery new building.



Above: Everly Library wood shelving and circulation desk.
Below: Iowa Veteran's Cemetery office.

This division continues to provide quality furniture as it grows.

Quality and service is very important and Fort Madison continues to improve in these areas.



New Embroidery Operation Up & Running

Our textile operation is undergoing a lot of changes. With the changing needs of our customers, we have added a new embroidery line called Office and School Apparel. A new embroidery machine has been installed and orders are being accepted. The shop is currently filling initial orders and honing their logo digitizing skills by working on samples for the Sales Team. The full line of Office & School Apparel offerings can be found on the IPI web site.

This division will still continue to produce the standard textile items that the institutions purchase for the

offenders needs like bedding and offender clothing.



Fort Madison Flooding

Photo taken of the IPI-Fort Madison warehouse on July 17, 2008. Luckily, no finished products or raw materials were affected by the floods, although trucks were not able to get to the warehouse until the water receded.



Upcoming Retirements

IPI Fort Madison will see two employees retire over the next few months:

- | | |
|----------------|----------|
| Ray Reyes | 19 years |
| Mark Meinhardt | 14 years |

"If you don't have time to do it right the first time, how do you have time to redo it."

Mitchellville Highlights

Jeans from Start to Finish!

Along with moving to a new area and more than doubling its workforce, MV Textiles has greatly expanded its production. A new cutting table, fabric spreader, belt loop setter, electronic double-stitch machine and several single-stitch machines were added to enable MV Textiles to take over all stages of jeans production. New electrical tracks were installed to accommodate all of the new equipment.



The newly expanded Textiles Shop has increased production to 600 pairs of jeans monthly.

In July, MV Textiles began its jeans cutting operation. Since their initial training session with Mike Nye, the Textiles women have completed 5 cuts of 500 jeans each.

Now that the Textiles women have learned all stages of jeans production, their monthly output has increased from 400 pair to 600 pair a month.

Record Year for MV Plastics

FY2008 saw new records for Plastics Division production, sales and profits. Our capacity, customer base and product offerings continue to grow each month. And, with the addition of three sizes of 100% Biodegradable Bags and the expansion of the Pay-As-You-Throw line, we are expecting even greater things for FY2009.

New Products, New Customers

Innovation in Imaging

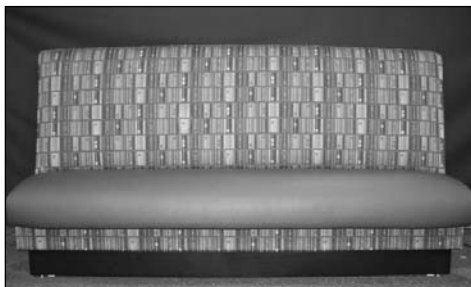
Digitize and save a tree! In addition to quality document imaging and indexing, IPI MV now offers volume CD and DVD duplication. The Imaging women recently converted a DOC training series from VHS cassette to DVD and are currently producing over 400 copies of the Iowa Association of County Conservation Board's "Outdoor Adventure" DVD series.

Along with this, a new Chameleon G600

wide format scanner will accommodate scanning of maps and large-size books up to 36" wide and unlimited length.

MV Seating Goes to College

When opportunity knocks, MV Seating answers – even if it means traveling 1,000 miles round-trip. In August, IPI MV delivered 505 chairs and eight tables it produced for the University of Arkansas. MV Seating also designed and upholstered 21 dining area booths for Iowa State.



The new "Booth" designed especially for Iowa State University.



The install crew at the University of Arkansas (L to R): Carl Eggermont, Mike Spooner, Shawn Preston and Jim Pinegar (not shown: Bob Fairfax).

Housekeeping Continues to Expand

With the installation of a new water softener, bottler, and mixer, IPI Housekeeping is now producing its own chemicals and is almost fully operational. The Floor Care, General Cleaning, Health Care and Specialty lines have already been transferred from Anamosa, and the Laundry line is set for August 26th delivery.

The biggest need for MV Housekeeping is space. With four lines here and another yet to come, the Housekeeping workers are all anxiously anticipating the arrival of IPI MV's new cold storage unit. May the construction begin soon!



Industries Technician Dennis Piotraschke and the Housekeeping Crew.

Did You Know?

MV Panels uses Recycled panels, work surfaces, support arms, tackboard clips, hanger frames and hardware whenever possible. Our most recent order for DHS Ankeny was produced with 100% recycled panels.



BUSINESS OFFICE

Internal Control Project Continues

The development of a formal Internal Control Review and Operational process at all location and functional areas of IPI is well underway, although much work remains.

- Written reports of all visits done and communicated to management.
- Profitability analysis of some branches being done.

- Flowcharting of operations in some branches.
- Developing a checklist of what should be reviewed in each shop.

What has been done:

- Initial visits made to almost all the plants and areas.

Current projects:

- Continue profitability analysis and expand to other branches.

The Business Office will continue to keep IPI staff up-to-date on the progress of this project as they move forward.

IPI Historical Statistics

FY	Total Sales	Profit	Average Inmate Employment	Inmate Contact Hours - Work Training, Security	Annual Productivity Per Inmate Employee	Average IPI Staff
2008	\$20,819,986	73,126	381	768,641	\$54,646	88
2007	\$20,398,056	976,907	390	806,026	\$52,303	84
2006	\$19,095,222	279,018	351	692,969	\$54,402	81
2005	\$19,582,132	401,110	410	811,522	\$47,761	78
2004	\$16,483,191	332,976	365	774,622	\$45,159	78
2003	\$15,291,186	(71,199)	328	658,168	\$46,619	76
2002	\$13,386,781	(1,063,259)	316	648,749	\$42,363	84
2001	\$13,333,308	10,247	333	647,598	\$40,040	89
2000	\$14,841,110	1,376,615	328	658,269	\$45,247	80
1999	\$12,373,677	166,956	334	626,131	\$37,047	76
1998	\$12,823,937	1,177,554	323	607,113	\$39,703	75
1997	\$10,531,420	211,165	310	564,774	\$33,856	74
1996	\$13,176,709	2,908,614	347	624,600	\$34,973	70
1995	\$10,602,302	910,825	299	538,200	\$35,459	68
1994	\$10,330,073	787,859	281	505,800	\$36,762	64
1993	\$8,821,510	215,660	258	496,134	\$34,192	60
1992	\$7,838,082	431,357	246	473,058	\$32,156	64
1991	\$7,910,415	264,349	258	464,142	\$30,660	66
1990	\$7,463,546	120,996	279	501,921	\$26,751	66
1989	\$7,635,756	633,037	264	474,936	\$28,923	65

Goals

"Life's ups and downs provide windows of opportunity to determine your values and goals. Think of using all obstacles as stepping stones to build the life you want." -- Marsha Sinetar

"Goals provide the energy source that powers our lives. One of the best ways we can get the most from the energy we have is to focus it. That is what goals can do for us; concentrate our energy." -- Denis Waitley

"Goals give you a compass in order to direct your path through life. Goals focus your thoughts and actions on areas that have precise purpose and meaning." -- Catherine Pulsifer, from Wings for Goals

"Crystallize your goals. Make a plan for achieving them and set yourself a deadline. Then, with supreme confidence, determination and disregard for obstacles and other people's criticisms, carry out your plan." -- Paul Meyer

"Choosing a goal and sticking to it changes everything." -- Scott Reed

DES MOINES

Busy Summer For Move & Install

It is a typical summer work load for the Moving and Installation crews in Des Moines. The Des Moines School Crews have been working since June 4th on various schools, removing the furniture from schools that are going to be remodeled the following fall, and resetting the schools that were remodeled last year with the items that were removed and put into storage from last year. This year, the Des Moines School crew has consisted of 12

to 15 inmate offenders, and lead by our newest employee, Dan Crook.

Bob Mesecher has been leading a crew of 20-35 inmates at Iowa State University. Their summer has mostly been removing furniture from Friley Hall, which is going through renovations of its own, and coming back to reset the furniture that they had removed earlier in the summer. Other projects included removal and resetting of furniture in Oak/Elm and Helzer Hall, replacing



Production Coordinator Bob Mesecher supervises offenders installing window blinds at ISU.

1,500 mattresses around the ISU Campus, removing outdated furniture at Schillitter & University Villages and replacing it with furniture from Fort Madison. Also the annual debunking and rebunking of Maple and Martin for the ISU campers has been completed. The last project that Bob has on his agenda at ISU this summer is a new project, installing 1,200 window blinds into Helzer, Friley and Oak/Elm residence halls.

Welcome New Move & Install Employee

IPI welcomes Dan Crook to the Des Moines team. As a State Industries Tech, Dan supervises offenders on various Move & Install projects in the Des Moines area.



Dan comes to IPI with years of supervisory experience with employers such as the Des Moines Register and more recently Maytag Co. He also holds a BS in Business Management from Drake University and served in the US Navy for four years.

Dan Crook resides in his hometown of Newton with his wife Julie. They have three children and six grandchildren. Dan enjoys spending time with his grandchildren, golf, woodworking, fishing, travelling and reading in his spare time.

ON THE LIGHTER SIDE



Birthdays

Make sure you jot down these upcoming birthdays so you can make sure they have a great day!

August

- 2 – Aaron Lofthus (FM)
- 10 – Patty Gassman (AN)
- 12 – Jim Pinegar (NW)
- 14 – Mark Hollenback (AN)
- 14 – Rita Light (RW)
- 15 – Craig Ahlen (FM)
- 29 – Deb Kraft (DM)

September

- 7 – Julie Schaefer (Farms)
- 20 – Jerry Burdette (Farms)
- 22 – Dino Costanzo (DM)
- 23 – Gary Schilling (AN)

October

- 4 – Kent Ashline (AN)
- 8 – Joe Wright (FM)
- 9 – Cathy Benedict (AN)
- 9 – Randy Bryant (FM)
- 14 – Teresa Engelbart (AN)
- 15 – Greg Hart (AN)
- 20 – Bob Fairfax (DM)
- 22 – Jeffery Bufurd (Farms)
- 22 – Karyn Hartwig-Evans (DM)
- 30 – Grace Kurt (AN)

November

- 2 – Jim Conmey (AN)
- 3 – Pat Fowler (AN)
- 9 – Bill Janssen (AN)
- 10 – Ray Reyes (FM)
- 12 – Julie Dietiker (AN)
- 18 – Rhonda Stoller (MV)
- 22 – Don Chapman (AN)
- 22 – Tammy Diesburg (AN)
- 26 – Tim Diesburg (AN)
- 28 – Julie Nassif (Farms)
- 30 – Rod Schlee (AN)
- 30 – Al Stecher (AN)

Please submit any personal news you would like included in the IPI Newsletter to your plant manager or to Ann Baughman at the Sales Office.