



IPI Newsletter

www.iaprisonind.com

October 2011

Green: It's The New Black

We don't normally give fashion advice here at Iowa Prison Industries. But if you want to put your budget in the Black – *Think Green!*

That's **Green** as in Environmental Stewardship. And **Black** as in Bottom Line Savings.

It seems that just about every product on the market promotes itself as being Green these days – and usually at a premium price that will cost you some green. But at Iowa Prison Industries, Green is more than just a marketing slogan – it's a proven method for you to save money and meet your environmental goals at the same time.

Green and Black: Your average college student can be a bit rough on the furniture, especially dorm room chairs. So, Iowa Prison Industries and Iowa State University developed a program to repair and reupholster dormitory chairs at the

Iowa Correctional Institute for Women in Mitchellville. Instead of sending hundreds of worn out chairs to the landfill, ISU gets them back, good as new, and at half the price of new chairs.

Green and Black: Iowa counties and municipalities save money and the environment by sending old used traffic signs to the Iowa Prison Industries Sign Shop in Anamosa. There, IPI refurbishes the used signs, reclaiming the aluminum. Refurbished signs “Stop” waste from heading to the landfill, and “Yield” savings of 20-30% versus new signs.

Green and Black: When Des Moines Public Schools needed new teacher desks and library shelving, they didn't send five truckloads of old furniture to the dump – they sent them to Fort Madison instead. Iowa Prison Industries put the used furniture through its environmentally friendly refurbishing process, where the

desks and shelves were repaired, re-glued, and refinished. The price? Forty percent less than new.

Perhaps it's a bit out of fashion these days, but we used to call this “being thrifty”. Really, it comes down to plain common sense ways that Iowa Prison Industries can help you reduce waste.

Over the next few issues of our Newsletter, we will feature sustainability projects IPI has undertaken with customers, in hopes that this will help you generate similar ideas for your enterprise.

When you work with IPI, being environmentally responsible doesn't have to cost more. Working together, we can help you achieve both: ecologically green and economically in the black.

Fashion tip: Green and Black are in fashion every year.

One Million Training Hours!

BY DAN CLARK
IPI DIRECTOR



Thanks to our customers, staff and many supporters, Iowa Prison Industries provided 1,025,767 training hours to offenders during FY2011 through the three IPI divisions: Traditional Industries, IPI Farms, and Private Sector operations.

And as always, Iowa Prison Industries fulfilled its mission without receiving any appropriation from state government. Indeed, *IPI's Private Sector and Commissary operations returned more than \$1.3 million to DOC institutions and Iowa's General Fund during FY2011.*

IPI customers such as government agencies, school districts and non-profit

groups face tough budget situations, and as one would expect, their purchases from IPI Traditional Industries have been under pressure. Yet this same difficult economic environment led to increased purchases from other customer segments, in particular the Regents Universities, and Iowa's private and community colleges. Enrollments at Iowa's colleges and universities surged due to the slow job market, and this in turn meant increased purchases of dormitory and instructional furniture.

Sales of institutional furniture were strong as well, as IPI began supplying the new state prison in Fort Madison. And a number of product lines turned in record breaking performances, such as Signs, HVAC Filters and Braille Services. IPI's Commissary celebrated its tenth

anniversary with its highest sales ever.

As we look ahead to FY2012 and future years, we remain focused on delivering excellent value, quality and service to our customers, while providing offenders with an opportunity to develop personal responsibility and valuable work skills, and indeed, the chance to change their lives for the better. In so doing, IPI will continue to benefit all of Iowa's taxpayers and citizens.

On behalf of Iowa Prison Industries, I invite you to visit our website and enjoy the FY2011 Annual Report, which provides an overview of our organization and Mission, as well as more details about our statewide operations.

Dan

SALES & MARKETING

Customer Spotlight: Children's Discovery Center

Iowa Prison Industries recently manufactured and installed the last of three large displays for the Children's Discovery Center in Clinton. Design for the *Felix The Clown* circus theme project began in October of 2009, with production in the Anamosa Custom Wood shop beginning in December 2010. Phase One was a 14 feet by 18



Phase One: Office Area / Ticket Booth

feet enclosed office area complete with a circus ticket booth for taking admissions. Phase Two was an 18 feet circular gift shop with a large drum as the centerpiece. Phase Three, just completed over the summer, was an 18 feet by 23 feet interactive display with a performing arena.

The Children's Discovery Center held its ribbon cutting and open house on June 24, 2011, with the Felix Adler Day festival held the following day. IPI donated a toy train and toy fire truck for the silent auction they held. A number of

IPI novelty items are also available for purchase in the gift shop. More information on the Center can be found on their website at <http://adlerdiscoverycenter.org>.

Margaret Kuhl, along with her staff and board members, took part in the design of all three phases. The results are beautiful, and if you are in Clinton, they would love to show off their new pieces built in our Anamosa Custom Wood shop.



Phase Two: Gift Shop



Phase Three: Interactive Performance Arena

Governor's State Fair Booth Receives New Look

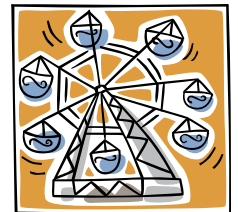
Traditionally, Iowa Prison Industries assists the Governor's Office with its Iowa State Fair display in the Varied Industries Building. This year, Governor Branstad's office requested a new design for the display.

IPI staff worked closely with Jimmy Centers of the Governor's Office and

the media specialists at Red Wave Communications to produce a new display. The offenders at Mitchellville produced the new modular panel system display while the Des Moines Moving & Installation team handled the transportation, set up and tear down of the display. IPI Mitchellville will store the

display for next year.

Kudos to all IPI staff involved for their fine efforts. To no one's surprise, high praise was received from Jimmy and everyone at the Governor's Office for a job well done.



IPI Exhibits At AFSCME Convention

Iowa Prison Industries exhibited at the recent AFSCME Council 61 Biannual Convention in Des Moines. We provided travel coffee mugs for all the attendees in their welcome bag as well as gave away pens, Iowa Books and other items at our display booth. One lucky AFSCME member won an intarsia flag, which

was planned for display at a union hall in southwest Iowa. IPI is proud to be a partner with AFSCME creating work that benefits everyone in Iowa.



Intarsia is a woodworking technique that uses varied shapes, sizes and species of wood fitted together to make a complete picture. The wood pieces are either stained or painted to create the desired effect.

Sales Report Card

FY12 YTD New Customer Sales By Sales Rep

(July 1, 2011 through September 30, 2011)

Dennis Barry \$19,310	Michael O'Brien..... \$54,463
Scott Klinefelter \$22,240	Kevin Peterson \$2,110

FY12 YTD Customer Satisfaction Card Results

(July 1, 2011 through August 31, 2011)

	Excellent	Good	Below Average
Sales Representative Knowledge	83.3%	16.7%	0.0%
Timeliness of Delivery	76.7%	16.7%	6.7%
Delivery Service	82.0%	11.5%	6.6%
Quality of Goods	81.0%	17.2%	1.7%
Value for Money	80.4%	17.9%	1.8%
Question/Problems Handled Promptly	80.0%	20.0%	0.0%
<i>Average</i>	<i>80.5%</i>	<i>16.6%</i>	<i>2.9%</i>
	Yes	No	Maybe
Would you recommend us to others?	90.4%	0.0%	9.6%

1st Qtr New Customer / New Project Orders

(For a complete list contact the Des Moines office)

Customer	Products.....	Sales
Clinton High School.....	School Furniture.....	\$26,300
US District Court.....	Custom Wood Furniture	\$14,305
Hedrick Public Library	Library Furniture.....	\$11,802
Sidney Library	Library Furniture.....	\$8,649
Phi Kappa Fraternity	Dorm Furniture	\$7,840
American Home Finding Assoc.....	Kitchen Cabinets	\$7,025
Hudson Schools.....	School Furniture.....	\$4,824
Washington Middle Sch, Clinton	School Furniture.....	\$4,623
Lemme Elementary, Iowa City.....	School Desks	\$3,200
Joshua Christian Academy.....	School Furniture.....	\$2,118
New Horizons Academy.....	School Furniture.....	\$1,820
Omega Gamma Phi	Dorm Furniture	\$1,468
Marion Co Care Facility	Consumables	\$1,014

FORT MADISON

Furniture Shop Finishes Up Busy Summer

Wow what a year; Fiscal Year 2011 was one of our most challenging years. First, start out with one of our busiest summers, add this to the lockdowns and heat, and we had some challenges to meet, but we prevailed.

Thanks to help from Fort Madison, Mount Pleasant, Rockwell City, Fort Dodge and Anamosa institutions, along with the hard work of staff, we were able to pull together as a team to meet all of our summer commitments. Teamwork is a necessity in getting the job done, and we couldn't be more proud of the IPI team.

A big thank you to everyone!

With the continued support of colleges and universities across Iowa, especially Iowa State University, University of Iowa, University of Northern Iowa, and Iowa Western Community College, we were able to complete and ship over 8,000 pieces of dorm furniture this summer.

Fort Madison reopened the dormitory furniture operation at Mount Pleasant in March, which concentrated on loft bed and safety rail production for the summer orders. Even though the large dorm orders are now complete, the Mount Pleasant

operation will remain open this fall to allow us to fulfill our wood furniture orders in a timelier manner. The Mount Pleasant operation will be instrumental in the transition of Fort Madison's Furniture operation into the new industry building being constructed at the new Fort Madison prison. Completion is expected to be around June 2013.

The Furniture Shop is also getting geared up for the millwork and furniture orders for the new Fort Madison Penitentiary and the expansion at the Mitchellville prison.



Fort Madison Plant Manager Becky Munoz & Julie Hartl of ISU Residence Department at Wilson Hall.



**Iowa Western Community College Reiver Suites:
Left: A complete dorm room; Right: IWCC Director of College Services Diane Osbahr with IPI Sales Rep Scott Klinefelter & IPI Director Dan Clark.**

Shop Spotlight: Metal Furniture

This month's spotlight is the Metal Furniture Division. Since we last visited them in Spring of 2008, the shop has been extremely busy. After 18 months of meetings, plans, revisions and coordination, the first shipments of cell furniture for the State of Iowa's new Fort Madison prison were made from Metal Furniture. Part of the furniture has been installed and the prison is taking shape.

Tim Diesburg is the Supervisor of Metal Furniture, and his team includes Senior Technician Mark Hollenback and Technicians Dave Schmitt and Darin Jarding. Chris Gillmore, who passed away suddenly on October 4, 2011, was Production Coordinator of the shop and had a significant role in the shop's successes over the years.

The Metal Furniture team worked through a sweltering summer, fielded many rush requests and changes, and manufactured a lot of product in a small area. June's sales in Metal Furniture were over \$816,000. This took the combined

efforts and dedication of all involved to make this happen. The new fiscal year will be just as strong as customers utilize the quick ship furniture in stock to meet their school needs.

Metal Furniture continues to enhance its diverse product lines, which include school furniture, components for other divisions, office furniture, detention furniture, lockers, boat docks, park fire rings and grills, novelties, library shelving, and sign kiosks. Metal Furniture frequently customizes stock items or creates a new product altogether to meet specific customer requests. As the construction of the new prisons



Metal Furniture Shop Staff (left to right): Tim Diesburg (Supervisor), Chris Gillmore (Production Coordinator), Dave Schmitt (Technician) & Mark Hollenback (Technician).

continue, the architects and designers are increasingly turning to IPI to see what we can custom manufacture.

Metal Furniture is not content to rest on its accomplishments. They will soon be adding a plasma cutting system to enhance the types of products we offer to customers. Our own IPI line of file cabinets will complement our other lines and present a well-built product to the customer that they have not seen at this price level. We have upgraded our powder coat paint application equipment that will have a short time to payback in material savings.

Remembering Chris "Gilly" Gillmore



The IPI family lost a co-worker on October 4, 2011, with the sudden passing of Chris Gillmore at the age of 48.

Chris touched many lives in his short time with us. He was driven to excel and instilled that spirit in offenders and staff alike. Anyone that knew Chris had a deep respect for him.

He was willing to aid those in need, and his down to earth personality helped many through difficult times. He enjoyed life to the fullest and was there every day ready to give his best.

Chris loved spending time with his family, racing stock cars, and fixing anything but most loved working on

cars, bowling with friends, telling old stories, working with his co-workers, and talking about it all when we would sit down for lunch each day.

Fall is upon us and the changing leaves remind us of life's cycles. While we are deeply saddened, we know Chris would want us to think of football and his beloved Packers.

Chris had most recently worked in the Metal Furniture shop as the Production Coordinator. Chris started his Corrections career at the Anamosa State Penitentiary in 1983 as an officer. Later he worked in maintenance and for the last thirteen years with Iowa Prison Industries.

Chris will be missed by co-workers, friends and family. He is survived by his wife Marcy, and children Nathaniel, Cassie and Caleb.

ASRT Tours IPI Shops

Recently, the Advancing Successful Reentry Team (ASRT) visited ASP and toured the IPI shops. They met with several staff and offenders to gain a better understanding of the value work provides to the offender and his eventual release. They noted not only the work skills developed in each unique division, but also the behaviors our staff models for the offender to learn from. In our shops, work is an opportunity and a privilege that the offender has to earn.

FY2011 Financial Recap

Anamosa finished the fiscal year in fine shape. Anamosa sales improved 8% to over \$9.8 million. Offender work totalling 359,000 hours was provided that benefits the offender, the staff working at ASP and the taxpayers of Iowa. We are working earnestly to make this year even better.

Canteen Celebrates 10 Years

July 2011 marks the 10-year anniversary of the creation of the Central Canteen division of IPI. Things have come a long way since that first HOT and HUMID day, July 31, 2001 (not sure if heat stress index even existed back then!). Of course that is according to how staff remember it!

Fort Madison was the first facility to go online. With the help of former IPI Director Roger Baysden, 548 orders were processed that first day, taking almost 8 hours to complete (68 orders per hour). Layout consisted of 7 stores, 3 check

stations, 3 staff, and 25 inmate workers.

Ten years later we faced the same temps and humidity levels; it was a heat index of 122 degrees on our anniversary day, but things now run with much more efficiency. Today 1,480 products are divided across 10 stores, processed through 8 check stations, using 4 staff and 39 inmate workers. On our anniversary day we processed 1,437 orders in about 8.5



hours (169 orders per hour), with triple the sales dollars and a little more than double the number of items sold.

First Day

- Hot And Humid!
- 7 Stores
- 3 Check Stations
- 3 Staff (Plus Roger Baysden)
- 25 Inmate Employees
- 548 Orders
- 11,579 Items
- \$9,497.36 In Sales
- Run Time: 8 Hours (68 Orders/Hr)

Tens Years Later

- Hot And Humid! (122° Heat Index)
- 10 Stores
- 8 Check Stations
- 4 Staff
- 39 Inmate Employees
- 1,437 Orders
- 31,832 Items
- \$30,091.05 In Sales
- Run Time: 8.5 Hours (169 Orders/Hr)

Canteen Prepares For Holidays

As the holiday season approaches, the Central Canteen is getting geared up for the specialty products normally offered this time of year, but with one change – Halloween candies are being offered for the first time. And of course there is a holiday gift bag offering as well. Last year we experienced a record sales year, and we look forward to the same this year.

Greening Iowa: Church Pew Restoration

When we talk about quality furniture that is built to last for generations, church pews are a perfect example and are the exact type of furniture that is ideal for restoration.

The savings reaped by restoring pews rather than replacing are numerous:

- Saves usable pews from being discarded into Iowa's landfills
- Saves the nostalgic value of older (often antique) pews
- Saves the style of the church while allowing for updates
- Saves funds versus purchasing new

Over the past several years, IPI has partnered with numerous churches on pew restoration projects. IPI offers a full range of services

including de-install/re-install, wood refinishing, reupholstery and custom modifications.

One recent pew restoration project IPI completed was at St. Joseph's Catholic Church in Des Moines. IPI Fort Madison worked with the Des Moines Move & Install crew to remove all the church's pews, enabling the church to undergo a major remodel. IPI Fort Madison stripped, repaired and stained the pews – many of which had to be resized for the new floor plan – while IPI Mitchellville produced new pew cushions. Move & Install then reinstalled all the pews.

St. Joseph's decision to refurbish their pews was both environmentally and financially friendly... a winning combination for any organization.



MITCHELLVILLE

Expanding to Meet Our Customers' Needs

Adaptability and flexibility have always been two of Mitchellville Textiles Division's strongest assets. In keeping with our goal of meeting every customer's needs, Textiles recently produced several extra-



The BIG jeans and BIG sweatpants.

large institutional clothing items for a few extra-large offenders. In order to clothe these offenders, Textiles dropped everything to develop workable patterns for and sew 6 pair of 60" x 32" jeans, 6 pair of 58" x 34" jeans, and 5 pair of size 11XL sweatpants – all with the same high-quality standards as our smaller sizes. The results created a fun moment for everyone involved.



IPI Mitchellville offender workers with the biggest and smallest jeans Textiles has made to date.

MV Reupholstery Business Increases

When budgets are tight, reupholstery can become the most viable option for some of our customers. In other cases, a customer chooses reupholstery in order to preserve and give new life to their classic or heirloom furniture. In FY2011, Panels & Seating reupholstered a total of 220 chairs, couches, and loveseats.

Whether a customer requests reupholstery for financial or aesthetic reasons, Panels & Seating seeks to meet their needs by providing quality reupholstery at an affordable price.

Offender employees learn the reupholstery business from frame to stud, using the same care they would for any of our new offerings. This training has paid off for several offenders upon release. We know of at least two former Panels & Seating employees who have gone on to work in and even manage upholstery shops across Iowa!

Current upholstery projects include 10 couches for University of Northern Iowa, 2 chairs and 2 loveseats for Corinthian Gardens, a couch and loveseat set for



Homestead Living Center, and 26 chairs for Roosevelt High School.

Framing For Iowa Lottery

For the last several years, IPI Mitchellville has matted and framed all of Iowa Lottery's promotional posters. Once a year, we mat and frame 50 or more posters for Iowa Lottery's central office using bright silver frames and white mats.

Some of the highlights of MV's partnership with Iowa Lottery have included posters for the *It's Your Dream*, *VIP Club*, *Mega Millions*, *Dollarific*, *Uncle Sam*, *Golden*, *Aim to Win*, *Black Cherries*, *Midwest Millions*, *Lifetime Riches*, and *John Wayne* games. Most recently, we matted and framed T-shirts, keys, ticket stubs, and other memorabilia for Iowa Lottery's *Rock of Ages* campaign, which was the first lottery game in the US to be

based on a Broadway play.

Whether they are for instant scratch ticket lotteries or the Mega Powerball, all of the Iowa Lottery posters are colorful, fun, and provide a creative outlet for our framers. We look forward to producing next year's batch of frames, and we wish all of you good luck on your lottery dreams!



Miles And Miles Of Plastic

Just how many feet of plastic did Mitchellville Plastics Division use in the past year? Would you believe 23,167,903? Yes, that's 23 MILLION feet of plastic used in FY2011 alone, or an average of 5.8 MILLION feet a quarter. Putting those figures in terms a bit easier to visualize, the FY2011 total equaled 4,387.8 miles, or enough plastic to stretch from Mitchellville to Mexico City and back!

BUSINESS OFFICE

FY 2011 vs FY 2010

Income Statement

Income Statement	FY 2011	FY 2010	Increase / (Decrease)
Sales	20,792,652	20,283,528	509,124
Cost of Goods Sold	<u>15,269,681</u>	<u>15,720,266</u>	<u>(450,585)</u>
Gross Profit	5,522,971	4,563,262	(959,709)
Operating Expenses	3,990,584	3,843,230	147,354
Canteen Redistribution	483,617	427,423	56,194
Net Sustainable Income / (Loss)	1,048,770	292,609	756,161

Balance Sheet

	FY 2011	FY 2010	Increase / (Decrease)
ASSETS			
Current Assets			
Cash	2,989,645	2,901,560	88,085
Accounts Receivable	2,547,006	2,292,961	254,044
Inventory	7,955,416	7,093,605	861,811
Prepaid Expense	<u>16,179</u>	<u>16,115</u>	<u>64</u>
Total Current Assets	13,508,246	12,304,242	1,204,005
Property, Plant & Equipment			
Land	222,666	222,666	0
Machinery & Equipment	1,300,814	1,392,743	(91,929)
Buildings	3,213,789	3,241,298	(27,508)
Vehicles	<u>244,646</u>	<u>313,888</u>	<u>(69,243)</u>
Total Property, Plant & Equipment	4,981,915	5,170,595	(188,680)
TOTAL ASSETS	18,490,161	17,474,837	1,015,324
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	973,244	920,840	52,404
Deferred Revenue	<u>2,409</u>	<u>24,669</u>	<u>(22,260)</u>
Total Current Liabilities	975,653	945,509	30,144
Long Term Liabilities			
Accrued Vacations Payable	539,272	534,528	4,744
Accrued Sick Leave Term/Ret Pay	121,154	55,076	66,078
SERIP/SLIP Cash Payment	224,259	0	224,259
SERIP/SLIP Insurance Payment	<u>336,656</u>	<u>0</u>	<u>336,656</u>
Total Long Term Liabilities	1,221,342	589,605	631,738
Total Equity	16,293,166	15,939,724	353,442
TOTAL LIABILITIES & EQUITY	18,490,161	17,474,837	1,015,324

DES MOINES

Iowa State University 2011



It was quite a summer for Iowa Prison Industries at Iowa State University. Thousands of pieces of furniture were produced, delivered and installed from May through August of 2011.

In regards to the Move & Install program, it was a seemingly endless flow of

semi-trailers, ramps, and carts for most of the summer. The number of offender work hours was nearly 15,000. During those hours, offenders touched, moved, and installed roughly 18,000 pieces of different furniture, ranging from beds, wardrobes, mattresses, chairs, lounge furniture, modular furniture, tables, and other items that needed to find a new home.

An installed dorm room at Iowa State University.

Learjet Finds New Home Via Federal Surplus

On May 21, 2011, Des Moines Public Schools Central Campus Aviation Engineering Technologies Program received a C-21 Learjet through Iowa Federal Surplus. The DMPS program is the only school certified by the FAA as a Part 147 School out of over 4,000 public school districts in the Midwest. This program works closely with 29 different school districts, 62 high schools and 3 community colleges.

According to Department Chair Jerry Bradley, "this aircraft certainly gives the public schools in our state a leg up on modern turbine powered aircraft that our students will see and work on in their chosen field."

This aircraft is located at the program's facility at the Des Moines International Airport.



ON THE LIGHTER SIDE



Birthdays

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

October

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

November

- 2 – Jim Conney (AN)
- 3 – Pat Fowler (AN)
- 9 – Bill Janssen (AN)
- 14 – Brian Sickels (MV)
- 22 – Don Chapman (AN)
- 26 – Tim Diesburg (AN)
- 28 – Julie Nassif (Farms)
- 30 – Rod Schlee (AN)
- 30 – Al Stecher (AN)

December

- 1 – Wayne Schilling (AN)
- 7 – Dave London (RW)
- 15 – Dave Reidner (FM)

- 16 – Al Reiter (AN)
- 22 – Shawn Preston (MV)
- 30 – Bob McGrew (AN)

January

- 16 – Deanna Cross (NW)
- 22 – Dale Schwickerath (NW)
- 26 – Scott Klinefelter (DM)
- 27 – Mike Lynch (Farms)
- 30 – Kevin Peterson (DM)
- 31 – Lennie Miller (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.