

Suit-Quotes

Holiday Edition 2019



In Memory of Jeff Stout

President's Perspective **FRANK SUITS Jr.**



want us to learn from his passing? I extend my prayers to Rachel, Jade, Cayleb, Kylie, and the rest of Jeff's family and friends.

There are many facets to our industry that continue to present challenge and change, and I am going to categorize 2019 as a solid, successful year with no exception to challenges. I continue to observe the strength and security that all of Suit-Kote realizes as a result of our vertically integrated business model. We have strategic geography, state of the art infrastructure, technology second to none, competitive raw materials, and a grand scale of well-maintained equipment. Our greatest asset, however, is each and every one of you. We collectively are a free-thinking, merit-based organization with strong values. It is essential to remember that each and every division in one way or another is dependent on the others.

I now look back at 2019 through the rear view mirror and look forward to 2020 and beyond. Our core focus will always be to improve Suit-Kote by being creative and alert while working unselfishly together. Perhaps our greatest external challenge in NY is the state budget deficit in conjunction with the current transportation program expiring in March of 2020. Be assured that we are diligently committed to working with our trade associations and our consultants towards the implementation of a new highway bill. Please carefully read this edition of Suit-Quotes as there is important information enclosed about transportation funding and other key topics.

Please have a safe and happy holiday season.

Despite the many accomplishments by all of you at Suit-Kote there resides a dark cloud over 2019 as a result of the loss of Jeff Stout. We must never drop our guard as the health and safety of every employee is paramount. A fatality is unacceptable at Suit-Kote; the loss of Jeff challenges our spirit and resolve. How would Jeff want us to proceed? What would he

Suit-Kote Employee Newsletter

4. 98 Years of Excellence
A celebration of Suit-Kote's history
6. News from Around the Company
What's new(s) in the Suit-Kote family
8. Jeff Stout
A tribute to our fallen Suit-Kote brother
9. Sales Representative Tom East Announces Retirement
A career defined by dedication to Suit-Kote and his customers
10. 2019 Operations Overview
Another solid season
11. 2019 Financial Highlights
The state of Suit-Kote is strong
12. Sales and Marketing Year in Review
New structure, more training, and expanding our products
13. Safety Spotlight
Winter safety
14. Upcoming Budget Battle
What Suit-Kote is doing and how you can help in the fight
16. Information Technology Update
IT Steering Committee is formed
17. HR Update
Intra Company Transfer Program enters its fifth year
18. 401(k) Update
Insight from Eric Schneider on planning for the future
19. Celebrating Work Anniversaries
Congratulations to those reaching Suit-Kote career milestones



98 Years of Excellence

On the evening of October 30th, as part of the annual year-end Suit-Kote sales meeting, Frank Suits Jr. hosted a dinner with sales personnel and managers representing the entire company. Included on the guest list were the evening's honorees, Harry "Bud" Suits and Frank Suits Sr., who led our Company and helped foster its values in the second generation. In addition, Paul Suits Sr. and Kevin Suits were in attendance.

Frank Jr. led a presentation about Suit-Kote's history from its beginning in 1921 until the present day at the Harbor Point Hotel which is located on the same property that was once home to the Company in its infancy. Frank Sr. and Bud provided background and stories about how the Company grew throughout the years. With near precision memory, they both rattled off names of employees and customers who played an integral role in building Suit-Kote. Several times throughout the evening the room erupted in laughter as they walked the audience through humorous anecdotes and stories.

"It is important to remember where we came from and to make sure our history is preserved for the generations to come," said Frank Jr. In the lead up to the event, Frank spent time with his father, uncle, brother (Paul), and cousin (Kevin), as well as various others in an attempt to fill in any holes in the 98-year Suit-Kote history. On the screen to his right were images and details of how the Company was shaped, highlighting each major event. Everyone in the room learned something new about our history, including our honorees.

1921



For instance, it is a widely held position that Suit-Kote began in Watkins Glen, NY. However, that is not exactly accurate. The Watkins Glen location was home to Harry J. Suits, Inc., which was a highway



contractor. Central Asphalt was not founded until 1946, when Harry purchased Mohawk Valley Asphalt in New Hartford, which was when all locations were changed to the Central Asphalt name.

Throughout the evening, two generations of Suits' and many longtime employees traded stories and filled in details of the many different acquisitions and people along the way. Frank Sr. explained the mystery behind how Suit-Kote got its name in September 1982. He told a story of how he and few others were sitting around a table and were trying to come up with a name for the Corporation, which at the time had various location names like Central Asphalt, Cortland Asphalt, Northern Asphalt, and Western Bituminous. In the end, the name they came up with was a mix of the family name Suits and our main focus of coating the road with asphalt, thus Suit-Kote was born and would become the gold standard of the industry.

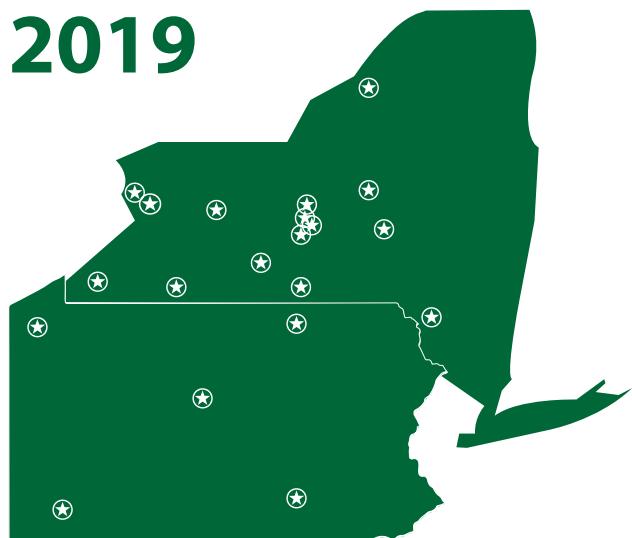
Frank Sr. and Bud talked about the turning point in our history. They were in agreement that this point came when they partnered with K.E. "Mac" McConaughay whose West Lafayette, IN Company was pioneering high float asphalt emulsion technology. This partnership thrusted Suit-Kote onto the scene and gave them instant credibility in the industry. Mac's formulations and the Suits' unmatched attention to the customer was a powerful combination and soon led many competitors to consolidate or leave the industry altogether.

Although the evening was filled with smiles, pride, and laughter, some of the rocky times were explained, too. In the early nineties, the industry underwent dramatic changes and tested Suit-Kote's resolve and ability to overcome. It was a difficult era where many tough decisions had to be made in order for the Company to survive. It proved to be a great learning experience and allowed it to regroup and rise to where it is today.

As the evening came to a close, Frank Sr. stood to address the group. He told everyone, "We are only here today because of our customers. Without them there is no Suit-Kote, and we should never lose sight of that." He encouraged everyone to continue to follow the principles and values Suit-Kote was founded upon.



2019



News from around the company



We are happy to welcome **Courtney Nicholson** into the Suit-Kote family as a Human Resources Coordinator. She started at our Preble, NY location in August. She is a recent graduate of SUNY Oswego where she earned her Bachelor of Science in Human Resource

Management and gained experience working with local businesses to assess their staffing and business practices. In the few months Courtney has been with Suit-Kote she has already proven to be a valuable member to the Human Resource team.

We would also like to welcome **Brenna Thilburg** to the team at the Cortland office. She has done a great job working in Payroll, Accounts Payable, Accounts Receivable, and occasional coverage as a Receptionist.



New additions to the family since our last edition of Suit-Quotes:

Randy Bergey, Transport Driver
Robert Bieber, Traffic Control
Daylon Booth, Laborer
Jamie Brown, Transport Driver
Kyle Deering, Laborer
Michael Dominie, Transport Driver
Shannon Eaton, Laborer
William Goebel, Distributor Driver
David Harding, Dump Truck Driver
Dillon Hatch, Traffic Control
Darren Henry, Mill Operator
Calvin Hewitt, Lowbed Driver
Mallory Kindron, Traffic Control
Joshua Lambright, Laborer
Owen Lang, Traffic Control
Christopher Mackey, Roller Operator
Deirdre Monroe, Traffic Control
Leonard Moore, Dump Truck Driver
Joshua Mutz, Mechanic

Courtney Nicholson, HR Coordinator
Austin Nickerson, Laborer
James Phelps, Transport Driver
Benjamin Restauri, Driver
James Ripley, Transport Driver
Garrett Rosen, Dump Truck Driver
Thomas Schwab, Transport Driver
Rebekah Shea, Night Scale Operator
Steven Shoemaker, Mill Operator
Jessica Silfee, Preble Shop Administrative Assistant
Adam Steinberg, Yard/Tank Loader
Dalton Sudbrink, Laborer
Brenna Thilburg, Cortland Office Admin
Shane Thurston, Parts Counter Clerk
Derek Uhle, Traffic Control
Dustin Wilson, Transport Driver

Harrison Finn

On July 15, 2019, Emily and Matthew Finn became parents for the second time. Harrison weighed 8 lb 7 oz and was 20 inches long.



Gary Canfield Retires

When Gary Canfield announced his retirement after nearly nineteen years with Suit-Kote many people were left wondering, "Who is Gary Canfield?" Moments later the record is corrected when someone utters, "Torch is retiring." The story behind his nickname remains a mystery, but legend has it that it was given to him amidst a Halloween prank when he was nineteen years old and has been his identity ever since.

Torch started painting and repairing auto and machine bodies at the age of sixteen when he helped out at Kurtz Welding where he worked on milk trailers. This understanding of how to work with tankers served him well at Suit-Kote. Throughout his career, he has spent most of his time performing paint and body work except for a couple stops earlier in life at Smith Corona and Drummond Allied.

Torch has led our paint and body shop in Cortland/Preble since joining the Company in 2001. Prior to coming to Suit-Kote, he worked for MAACO (America's Body Shop) in Endicott, NY. He left his job there when they sold to a private owner and wanted to work closer to home.

Since 2001, he has likely touched every piece of equipment in our fleet. Our Preble Body and Paint Shop is responsible for painting and body repair for nearly our entire fleet.

When Torch arrived at Suit-Kote he was a one-man Body Shop. It wasn't until 2005 when a new trailer program was initiated that he added people to the shop.

On December 31st Torch is set to retire, but he has no intention of slowing down. First up on his checklist is to head to Florida and then Texas to visit friends. He plans to take his time while the snow is falling at home and then return and get back to work – this time on his own home. Torch has a lot of unfinished projects, or as he likes to put it, he has some "tinkering to do" that will keep him very busy in retirement.

Torch, we wish you all the best in your well-earned retirement!

Conversion to ELD from AOBRD by Paige Howell

The FMSCA deadline of AOBRD (automatic on-board recorder device) conversion to ELD (electronic logging device) of December 17, 2019 is approaching quickly. Suit-Kote has roughly 300 trucks that are outfitted with tablets to record a driver's hours of service. The Company is in the process of conducting over-the-air updates to convert all tablets from AOBRD to ELD before the deadline. Many of you are assisting with the conversion and know that some tablets convert easier than others. This is a team effort, and I want to thank each of you for the help and support.

With the tablet conversion to ELD there will naturally be uncertainty and hesitation. We want to reassure all drivers that there will be another training session prior to the start of the 2020 season. The training will help

prepare drivers for changes such as how to utilize the new format of the ELD, what is required of the driver and their annotations and edits, and review of the exemptions that can be used while utilizing either ELDs or paper logs. Also, with the conversion to ELDs, some enhancements are now more user-friendly.

Again, I want to thank everyone who has helped with the conversion from AOBRD to ELD. Also, thanks to all Managers, Supervisors, Dispatchers, and Drivers for their continued effort and support in maintaining hours of service compliance and all aspects of transportation. If you have any questions or concerns, please do not hesitate to contact me.

SAMSARA Trailer/Asset Trackers

In 2019, Suit-Kote made a commitment to asset utilization of both owned and rented trailers and equipment. Initially, 350 asset trackers were purchased to go on all Suit-Kote owned and rented trailers. As the Managers and Supervisors realized the benefits of asset trackers, the Company committed to installing additional trackers on pieces of equipment. To date, Suit-Kote has purchased a total of 390 trackers. Installation began on chippers and quickly spread to pavers, brooms, rollers, and loaders. In addition, both owned and rented Hot Asphalt trailers and Emulsion trailers received trackers.

Initially, the trackers were used by Managers and Supervisors for the utilization of the assets in their divisions but also for reduced liability and anti-theft practices. Other benefits of the trackers quickly became apparent and Dispatchers, Drivers, and Equipment Operators were given access and training on the uses of trackers. Some of these additional uses include location of equipment for drop off or pick up, operators working with transport drivers to maximize job efficiency and productivity (taking into consideration hours of service regulations), etc. In 2020, we anticipate installing more trackers on equipment to further the benefits of asset tracking.

Jeff Stout

A tribute to our fallen Suit-Kote brother



Jeffrey Stout was a man who was loved by many and respected by all. Jeff wore many hats but none more proudly than the one he wore for his family. Jeff Stout was born on October 4, 1978, to Donald and Debra Harter Stout. Jeff had a brother, Jason, and a sister, Rachel. He graduated from Homer Central High School in 1996.

Jeff met Rachel Parker while working for Suit-Kote in 2006. They became fast friends after working on the same job. Upon reconnecting in 2012, Jeffery and his daughter, Jade, and Rachel and her son, Cayleb, blended their families and together welcomed their daughter, Kylie. Their four dogs and two cats rounded out their household.

Jeff had a very special bond with his children and they treasured their time together, especially during the offseason. One of their favorite family traditions was going to Pennsylvania to any of the indoor waterparks the state has to offer. Attending the Homer Field Days to watch the parade and walk the fair with the kids was something they looked forward to every year.

Jeff enjoyed playing basketball with friends and was a diehard fan of the Detroit Lions. Jeff was laid back, had an adventurous spirit, and enjoyed swimming. He loved to listen to older rap (Dr. Dre and Akon being two of his favorites) and classic rock.

Jeff began working at Suit-Kote in 2006 as a traffic foreman. Jeff's attention to detail and safety was indisputable. Jeff's role in traffic control focused on the safety of his coworkers and the public. This was a role he was proud of and a role that he approached with the same dedication every time he put on his hard hat. In talking to many of Jeff's coworkers a common theme repeated- Jeff was an honest, hardworking, family loving man who approached all he did in life with the same dedication and consistency. It's evident that Jeff's presence as a person and coworker will be deeply missed by his Suit-Kote family.

Tragically, Jeffrey Stout died on Wednesday, October 9, 2019, from injuries sustained in a work-related accident. He loved working for Suit-Kote and had a dedication and loyalty to Suit-Kote that was unparalleled. Together with all of us at Suit-Kote, we ask that you keep Rachel, their children, and Jeff's family in your thoughts.



Sales Representative Tom East Retires

His career was defined by dedication to Suit-Kote and his customers



Tom East first joined Suit-Kote on June 21, 1991, as a transport driver at our Western Bituminous location in Rochester, NY. Soon thereafter, Tom moved to a role in Operations as a Mix Paver Operator. He proved everyday his loyalty to the Company and our customers.

In the late 1990s, Tom left Suit-Kote to pursue other opportunities. Thankfully, he returned on February 4, 2002, as a sales representative covering Livingston and Yates Counties. He was a natural in this role from day one. He quickly earned the respect of his customers and formed an unbreakable bond with them. "Tom is the kind of guy who gets to work very early and refuses to leave until everyone else has gone home," said Steve Rebman.

Steve Rebman recalls, "A while back Tom had asked me if he could change his coverage territory to include Livingston and Ontario Counties and

reassign Yates to someone else. His reason for the request was because he was missing valuable time with his wife, Marybeth, and his daughters, Kelly and Erin." Steve Rebman granted his request but wasn't prepared for the ensuing backlash. When word spread to customers in Yates County, they nearly revolted. They called an emergency meeting and invited Steve Rebman to explain his decision, believing they could somehow get him to reverse it. That evening, Steve explained to Tom's customers that this decision was made because of family and geography. The customers understood the decision but were understandably sad to lose Tom's presence in Yates.

Throughout Tom East's career at Suit-Kote he has proven to be a dedicated employee who always led by example. He was so revered by those who worked with him he was asked to serve on both the Ontario and Livingston County Highway Association Executive Committees. It is believed he served longer than any other vendor ever. He also served as a Vendor Liaison for the New York State Association of Town Superintendents of Highways. At the end of his tenure in 2017, he was honored at the annual dinner for his service to the industry.

Tom East has been a leader in the fight for CHIPS funding and has worked tirelessly to advance our Company and industry. As Tom heads off to retirement, he will be missed by all who know him and, most of all, those who have worked with him. Derek Smith has taken over his territory, and we wish him well as he has some pretty big shoes to fill!





2019 Operations Overview

By Mike Guerin

The Suit-Kote Operations Division turned in another solid performance year. This group is used to cramming in a great deal of work into a short summer season. For everything to run it requires a combination of many processes occurring simultaneously with many people. It's only natural that the complexity, time pressure, and number of people will tax our system at times. Despite the high demand for trucking, occasional material issues, uncooperative weather, and breakdowns, we were able to achieve another solid operations year.

Cold In-Place crews came out of the box early and ran late. Square yard milestones were achieved by all four crews. The CIPR process has matured into a very viable pavement maintenance rehabilitation process for use at the state, county, and town levels. Congrats to all the crews, foremen, and group leaders - well done! Micro and Slurry crews saw a strong, consistent season in 2019. Continued solid performance in our core areas as well as growth into Pennsylvania bodes well for the future of the process. Thanks again to the crews for their performance in 2019!

Cold Mix continues to achieve measured growth in our marketing areas. In addition to the work we normally do, we were able to overcome some process and material issues and grow the business such as the project done for PennDOT in Southeast Pennsylvania. It is jobs like this that will allow us to grow this part of our business into other areas and provide more work for our folks throughout the construction season.

As we always say, Surface Treating is the core of our Pavement Maintenance groups. Both of the local

Surface Treatment groups, as well as the Turnkey groups, were challenged with a heavy workload combined with various timing, weather, and, in some cases, material constraints. The normal fourteen chippers swelled to sixteen at times! However, this group performed very well. The veteran crews along with some new folks to this process developed into a good working group. Again, we all appreciate the folks supporting these crews – the dispatchers, office personnel, and all who support this effort!

Crack Filling continued with a solid performance – many miles of successful work accomplished!

Grinding and Reprofiling continued to be viable processes for our customers. Thank you to our crews who continue to insure the viability of these processes. As in the past, Micro Milling continues to grow in our marketing areas.

Suit-Kote offers a wide variety of Pavement Maintenance processes. This was no different in 2019. Without the efforts of all who are involved, we would never be able to maintain our strong position in the Pavement Maintenance arena in the Northeast. In addition, this commitment to providing quality service is the only way we will be able to grow the business which will provide opportunities for our folks going forward. Thanks again!



2019 Financial Highlights

By Tom Whipple

With our year coming to an end, 2019 will go down as another solid financial year - one which displayed our strength as a company along with some key business achievements. As a company, we successfully navigated through some very tough market challenges, further supporting the strength of our vertically integrated business model. We continue to make improvements throughout the company, which again will be key to our success. We have continued to make significant investment in our business which supports future growth and efficiency. The key to future growth and sustainability is continuous improvement, when needed, across every facet of the Company. We must continue to efficiently meet our customer's needs and provide them with superior solutions to resolve their various issues.

Some of the noteworthy achievements in 2019 include the following:

- Revenues grew 6.9% over 2018.
 - Resale revenues increased but at the expense of margin for the purpose of maintaining and increasing market share and reducing inventory.
 - Construction revenues increased as a result of great performance coupled with the benefits of our vertically integrated business model - we were able to secure the work by eroding raw material margins.
 - We had a record year with our CIPR Division due to New York State seeing it as the most cost effective solution to the deteriorating secondary highway system.
- Increased volumes and improved efficiencies enable us to continue to make significant investment in our operations. Since 2016, we have invested over \$25 million in our facilities and equipment. In addition, we will invest another \$15 million in our operations in 2020 alone. This investment is critical to our ability to maintain our competitive edge.
- Success brings opportunity and new jobs. Our employment levels neared 850 employees in 2019. Of note, our payroll in 2019 will exceed \$40 million!

As you can see, 2019 was a solid year. What's next – do it again and do it better. Continuous improvement is crucial for us to continue to grow. We must continue to develop our employees, invest in new equipment, and find ways to improve upon our business processes. Without doubt, 2020 will bring new challenges, and we are well-positioned to address these as they surface.



The Year In Review, Sales & Marketing

By Frank Cawell

The 2019 season began by building off the structure we implemented in 2018. First was our Sales Kick Off Meeting in late January where we set our objectives for 2019 and provided a training refresher to our team. Our objectives focused on:

1. Progress on expanding the use of Cold Mix in Western NY
2. Continued growth of CIPR applications, particularly with DOT and County customers
3. Introduction of Dense Graded Cold Mix with PennDOT
4. Improved planning with our Customers to allow for more effective job scheduling
5. Continued Customer Education of the benefits for Pavement Preservation Processes, particularly with new Highway personnel

The training was in the form of workshops where we provided a refresher of some of the fundamentals of processes and shared best practices. Areas covered were:

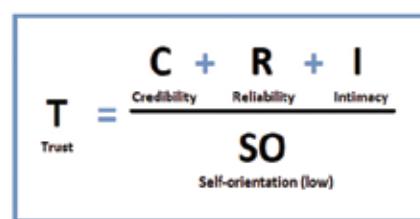
- High Float Emulsion; features and benefits
- Aggregate Quality
- Cold Mix
- Road Structure
- County/Town Budgeting and Pricing of our Offer

With objectives set and training complete, we hit the ground running in 2019. The year turned out to be a challenging one with highway funding as a strong consideration. However, we certainly saw progress toward our objectives:

- Doing a Dense Graded Cold Mix job with PennDOT in District 8 & then a follow up hosting PennDOT personnel in Cortland to further discuss the benefits of the process with very positive PennDOT feedback
- Expansion of Cold Mix use into what traditionally has been a Hot Mix territory in Livingston, Orleans, & Wayne counties (at the expense of Hot Mix)
- Effective use of shared Operations services, particularly in Surface Treatment, which allowed for expansion of both Surface Treatment and Cold Mix in Sullivan County while maintaining our programs in Broome & Tioga Counties. These Counties have traditionally shared Operations which had limited participation in Sullivan County work.

On the Marketing side we followed through on an upgrade to our Sales booth used at Conferences for a new, modern look. Additionally, we improved our Sales materials for use with Customers. This was all part of updating our Suit-Kote brand.

All in all it was successful season, and we are well-positioned as we head into 2020 as Trusted Advisors to our Customers.



Safety Spotlight: Winter Safety

What do you think about when you hear "winter safety?" Driving? Most of us can agree that driving is a serious cause for concern when the roads have snow and ice on them. However, there are other threats we need to consider during the winter such as slips, falls, and dehydration.

Even though we are not currently performing road work and most of our employees have been laid off for the 2019 season there is still potential for an incident to occur, especially with the snow and ice. Unfortunately, we do experience a slip and fall incident in the work place due to the winter weather every season. How we deal with snow may be the difference between a serious injury and an inconvenience.

Whether you are walking into the office or grocery store, those few steps from your car can spell disaster. A great practice to follow would be wearing boots or sneakers that have deep tread. Try to avoid wearing dress shoes or flats when the weather isn't cooperating. These types of footwear offer almost no tread and increase the chances of a slip and fall.

Below are some helpful techniques to follow in order to prevent a slip, trip, and/or fall injury:

- Plan ahead and give yourself sufficient time. Use smart phones and websites to get regular weather reports.
- Look out for "black ice." Dew, fog, or water vapor can freeze on cold surfaces and form an extra-thin, nearly invisible layer of ice that can look like a wet spot on the pavement. It often shows up early in the morning or in areas that are shaded from the sun.
- Look for parking areas that have already been plowed and salted.
- Use special care when entering and exiting vehicles (use the vehicle for support). This also goes for sidewalks and walkways. If the sidewalk has not been tended to take short steps and walk

at a slower pace so you can react quickly to a change in traction.

- Bending your knees a little and taking slower and shorter steps increases traction and can greatly reduce your chances of falling. It helps to stop occasionally to break momentum.
- Some of us may have to go up or down steps to get to our office or home. Always use the hand railings and plant your feet firmly on each step.
- It might seem crazy but be prepared to fall and try to avoid using your arms to break your fall. If you fall backward, make a conscious effort to tuck your chin so your head doesn't strike the ground with a full force.
- When entering a building, remove as much snow and water from your boots as you can. Take notice that floors and stairs may be wet and slippery (walk slowly).
- Lastly, do not attempt to shovel large amounts of heavy snow at one time. Snow can weigh up to 21 pounds per cubic foot. This weight combined with the leverage of the shovel handle can cause an overexertion injury to your back or throw off your balance.



Those of us that are performing annual maintenance at our facilities or plow in the off season have a higher chance for exposure to the cold. Working in a cold climate has additional hazards that may not be so obvious. Dehydration is a serious consideration. Breathing cold dry air robs moisture from your body every time you take a breath. If you become dehydrated, you are more susceptible to frost bite and hypothermia. To avoid dehydration:

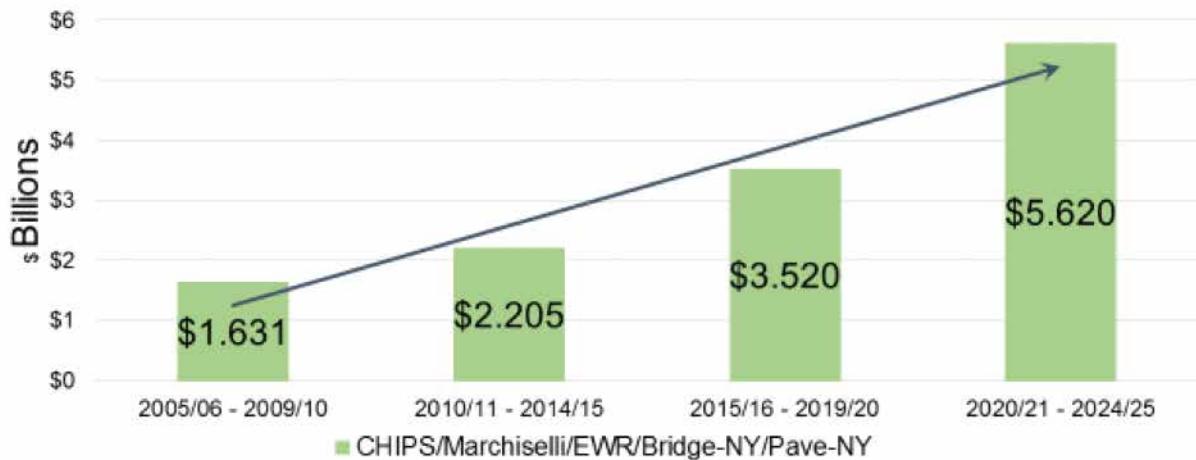
- Drink plenty of water.
- Avoid working up a sweat. Damp or moist clothing will increase your body's heat loss rate and make you more susceptible to a cold weather injury.
- If you are starting to sweat, take a break.

FY2020-2021 Budget Battle Ahead

Suit-Kote Joins Public Partners in Fight for Local Highway Funding Seeking \$5.6 Billion for Local Roads and Bridges

While the New York State Department of Transportation's (NYSDOT) five-year capital program doesn't end until March of 2020, the effort to ensure continued funding for local roads is in full force. NYSDOT's capital program includes funding for local roads through the CHIPS, PAVE-NY, BRIDGE-NY, and Emergency Winter Recovery funding programs. The four programs allocated a record \$3.5B through the state's current five-year capital plan. However, even at these levels, local roads continue to be underfunded by \$1.7B annually. In the next five-year plan (2020-2025), we are seeking a \$2.1B increase to \$5.6B.

State Assistance for Local Roads (DOT Five-Year Capital Program)



We are very pleased that both of the new Chairmen of the Legislature's Transportation Committees are from Suit-Kote's service territory. Senator Tim Kennedy (Buffalo) Chairs the Senate Transportation Committee and Assemblyman Bill Magnarelli (Syracuse) Chairs the Assembly Transportation Committee. Both Chairmen have already held hearings on the needs of the highway system and have joined us in our call for increased funding. We need to support their efforts. Suit-Kote and other industry partners will be coordinating meetings between our other local state legislators and their town highway superintendents and county highway commissioners to get our message out. The goal is to meet with every state lawmaker before the Governor's Executive Budget is introduced in January and explain why the following funding request is necessary:

2020-2025 Local Highway Funding Request

- Increase the CHIPS program from \$438 million to \$588 million annually
- Determine whether Marchiselli is adequately funded at \$39.7 million since it has not been increased in 20 years
- Increase BRIDGE-NY from \$100 million to \$200 million annually
- Increase PAVE-NY from \$100 million to \$200 million annually
- Increase local federal construction by \$200 million annually
- Establish a \$400 million (over five years) City Routes Program – assisting municipalities that are responsible for maintaining state touring routes with these costs – including sewer, water, and utility work.

WHAT YOU CAN DO TO ASSIST IN THIS FIGHT

As we prepare to lobby for a new five-year program, we would like to ask everyone in the Suit-Kote family to get active in this fight. It is incumbent upon all of us to reach out to your state representatives so they hear our concerns. You can help by calling or writing your Senator or Assembly person. When communicating to your representatives you can use the following points to make your case for funding:

- Local highway superintendents are responsible for safeguarding the operation of 87% of the state's public roads, half of its bridges, and plowing not only their huge system but over a quarter of the NYSDOT roads.
- Every time there is a winter weather event, major snow accumulation, freezing temperatures, and/or severe flooding, the hardworking men and women at our local highway departments do their best to ensure that New York's drivers get to and from where they're going safely.
- The property tax cap has reduced the amount of resources local governments have to properly maintain the local system.
- The New York State Comptroller's study indicates a large number of road mileage is deteriorating and many bridges in the state are rated structurally deficient and functionally obsolete. The Comptroller reports 34% of bridges are deficient and 48% of road pavements are rated fair or poor and getting worse. The Comptroller estimates that there will be \$89B in unmet local infrastructure needs over the next 20 years with much of this shortfall on the already deteriorating local transportation system.
- The NYS Association of Town Superintendents of Highways (NYSAOTSOH) "Needs Study" of the local transportation system determined that on average local governments (excluding New York City) should be spending \$2.72B annually on their highways and bridges. Currently these municipalities spend about \$1B annually, leaving an annual shortfall of \$1.7B.

This fight is not just about Suit-Kote and our industry partners - it is about every person in New York who drives a vehicle. Every year it costs New York drivers nearly \$2,800 as a result of our deteriorated and congested roads and bridges. We are all in this together and need to remember our transportation infrastructure is vital to the survival of our economy.

We hope you will join this campaign for adequate funding because this year, more than any other in memory, could change the direction of our industry's future.



Information Technology Steering Committee

Based on the strategic need to ensure long-term sustainability, functionality, and security around the information and technological assets at Suit-Kote, a new IT Steering committee was formed earlier this fall. Its main purpose is to help create presentable, useful, and logical information to assist us in doing our jobs better and more efficiently. The members include: Frank Suits Jr., Mike Guerin, Tom Whipple, Frank Cawkell, Emily Kissel, Mike Natale, and David Nicholls.

One of the first initiatives was to coordinate some initial discussions to begin the formation of subcommittees with Finance, Human Resources, Sales, and Operations to discover some of the key pain points, understand what is working well, and to discover opportunities that could help immediately, next season, and for the longer term.

The roles of the Steering Committee are as follows:

- Provide guidance and oversight in planning, prioritizing, and implementing IT transformational initiatives to improve the quality and efficiency of Suit-Kote's applications and processes
- Clearly articulate the roles and responsibilities of subcommittees made up of subject matter experts (SME's) representing various divisions and departments within Suit-Kote
- Ensure alignment with Suit-Kote's strategic vision
- Work with the organization to build and coordinate a long-term application roadmap

We are working towards some basic principles as well:

- We will move to a paperless process when possible
- We will strive for "real time" data capture
- Information capture will flow through the Suit-Kote processes, largely untouched, but filters for quality & completeness along the way
- Reporting will focus on the "business" needs, used to improve our market penetration (price, volume, & where) and process execution (utilization & cost)
- Reporting must roll up and be linked to our financial reporting & forecasting

In summary, the idea is to look at how we are doing things, learn lessons from within and outside the company, and determine the best way to approach things in a simple and sustainable manner over the long-term.



Intracompany Transfer Program Enters its Fifth Year

This off season will mark the fifth year of the Suit-Kote Intracompany Transfer Program. The Company created this program to allow current employees to apply and interview for open positions throughout the Company.

Overall, this program has been a tremendous success. Those seeking different challenges and opportunities were not confined to applying for positions in their current division, they were able to apply for any open position. All employees who applied for positions before the transfer deadline were granted an interview with the respective managers. Due to the nature of our business and the need to prepare for the season, we instituted an April 1st transfer deadline because in

order to have all of our workforce needs met we have to limit the time frame for personnel changes.

This program is currently underway and will remain open until April 1, 2020. We encourage all employees who are looking to advance or seek a position they are passionate about next year to utilize the program. Please understand any employee who is interested in seeking another position with Suit-Kote will be looked at as a positive step to bettering their career and it will not be viewed in any other way. This will in NO WAY have a negative effect on your current position or standing within the Company if you are not selected to fill an open position. Suit-Kote values all employees and will continue to make programs such as this available because we are dedicated to providing everyone with the opportunity to better their careers right here at Suit-Kote.

How the Program works:

- When a position becomes available, the hiring managers contact Human Resources, they draft a job description and then post it to our Corporate website www.suit-kote.com under the tab of Job Openings.
- Interested employees complete the online application and submit it to Human Resources.
- Employees are then contacted to set up an interview.

NEW! Vision Plan Offer for Suit-Kote Employees

Effective January 1st, employees have the opportunity to enroll in vision benefits through Davis Vision. This voluntary benefit provides coverage for your yearly eye exam, glasses, and/or contacts. Some major retail providers in the Davis network are Empire Vision Works and select Wal-Mart locations. For a complete listing of In-Network providers in your area visit the Davis Vision website at www.davisvision.com.

If you are interested in enrolling in this coverage, you will need to complete and submit an application to HR. Applications can be found on the P drive or you may contact an HR representative and they will provide you with the form.

	Davis Network	Non-Davis Network
Eye Exam (every 12 Months)	\$10	Up to \$30
Lenses (every 12 months)	\$25	Up to \$25
Contacts (every 12 months)*	Up to \$130	Up to \$75
Frames (every 12 months)	Up to \$130	Up to \$30
Dependents to Age		26

* Contacts Lenses are in lieu of glasses

DAVIS VISION EYECARE REFRAMED™	
Vision Plan Monthly Rates	
Individual	\$6.95
Two Person	\$12.50
Family	\$19.44



401(k)

Suit-Kote Safety Meetings Push 401(k) to Record High

By Eric H. Schneider

The Suit-Kote 401(k) plan has now surpassed \$61 million in total assets. Participation and deferral rates continue to climb to all-time company records. Following the safety meetings, the average active participant is now at an 11% salary deferral average. Disciplined savings by employees, corporate profit sharing contributions, and outstanding investment results have combined to push the plan to all time record highs.

While these results are impressive and exciting, they can come with a bit of fear. Headlines suggesting an "economic downturn is right around the corner" are everywhere in our 24 hour news cycle. But making snap decisions in response to fear-mongering like this would probably be a mistake. Attempting to time the market can often lead to sub-par performance. Instead of asking yourself, "Is this a good time to be invested in the market?" try asking yourself "Is my investment horizon long enough to overcome any potentially bad market outcomes?"

Even those who enter the market at the "right time" still have their bravery tested. The best example was someone who entered the market in June 1980 and held onto stocks for the next 20 years. They would have earned more than 18% per year. There were many news events in this time period to scare investors.

If history is any guide, a long investment horizon may give you at least some freedom to ignore the ominous headlines and invest with confidence. Of course, each investor has unique circumstances they should consider when determining their own investment horizon. But if you have the luxury of a long horizon — and the courage to stare market volatility in the face without flinching — history suggests you're unlikely to suffer significant losses even if you're unlucky enough to have invested at what might feel like the worst possible time.

For those approaching retirement (within three years) it is time to ask yourself vitally important questions - am I carrying too much risk in my account? What if my balance falls 20% or more, giving back some of my hard earned gains? Of course we all welcome more gains and upside when we open our statements or check online. Good times don't last forever and even bull markets have corrections. Over time we become numb to market risk. We assume every statement will be higher than the last. Take time to protect what you have built. Please understand what you own, for risk is very real.

I am here to help. I'm here to answer your questions. The plan is doing very well but doesn't mean every individual is doing well or positioned correctly.

Have a Happy Holiday season. I wish everyone a Healthy, Happy, and Prosperous New Year.

Congratulations to Those Celebrating a Suit-Kote Work Anniversary Milestone

40 YEARS

LEE EICHELSBACHER

35 YEARS

DOUGLAS GILBERT
STEVEN MOFFITT

30 YEARS

PATRICK CAPPS
KENNETH MOWERS
JONATHAN CURTIS
BARRY WOOD
JASON BLANCHARD
JAMES FISKE
DAVID HOTALING
LISA AUSTIN

25 YEARS

MICHAEL GUERIN
KEVIN SUITS
DAVID GILBERT

20 YEARS

DAVID BULKLEY
MARTIN ACKLEY
EMORY KNIGHT
KEVIN HURD
BRIAN RENNA
BRIAN SMITH
JAMES HALSTROM
DANIEL BASSETT
FRANK HAMMOND
HAROLD QUAILE
CHARLES LOROWS
RANDY ABBEY
DAVID BLISS
GARY ALEXANDER
RAYMOND RUTAN

15 YEARS

JEFFERY SOUVA
ALLAN STAUBER
ASHLI BADEN
DELACEY BROWN
FRANK WILEY
PATRICK RACE
ALAN CRICHTON

MICHAEL KEHL
ANDREW STANSFIELD
DUSTIN SWEENEY
VINCENT CRANDALL
GARY GARDNER
PAUL HEATH
JOSHUA HENDERSON
TIMOTHY LEROW
RALPH DALABA
DANIEL MACMASTER
CHRISTOPER RISLEY
ERIC HALL
JAMES DEER
JASON BASSETT

10 YEARS

ANNE YANNONE
EDWARD MOORE
TRENT SEARS
THOMAS MINNARD
THOMAS MONROE
JENNIFER THORPE
DEAN KARGES
JOHN SANFILIPPO
SHAWN REED
CHARLES HADSELL
CHARLES HALLOCK
PATRICK NORROD
RYAN DALABA
GREGORY SKINNER

DANIEL MOORE
CHRISTOPHER ODIN
BERT BARNE
DIANE METZ
WILLIAM WHITEMAN
JAMES CLARK

JEFFREY FIELDS
ERIC TOWERS
CLAIR RICKERT
EUGENE UNSINGER
TRACEY BROWN
JEREMIAH CLARK
TERRY QUICK
IRA EVANS
PAUL LEE
GEORGE LYNCH
JOHN PARKER
KRISTOPHER PETTIT
ALLIE POTTER
HOLLIS THURSTON
BRADLEY POTTER
KEVIN McNAMARA
RYAN MORAN
BRUCE BARNARD
BRANDON HUTCHES
GERALD LAMAY
MEREDITH BASSETT
BRANDON ANDERSON
DANIEL MILLER
JAMES SHAWCROSS
DAVID SLACK
NICHOLAS GORDON
JEREMIAH NEYMAN
JOSEPH VOLPICELLI
ADAM BREVETTI
MIKHAIL BROWN
MATTHEW STOCKWIN

5 YEARS

SHANNON WILBUR
JOSEPH GOODMAN
RANDEL GUSTAFSON
KEVIN YOUNG
RICHARD FINK
JON BECKWITH
EVAN SOBIESKI
RICHARD COOK
ERIC BURCH
SUZANNE PATRIARCO
DAMON WARD
TODD MCCONNELL
DALE WORLEY
DAYTON BROWN
EDWARD WARD
MATTHEW GRINNELL
BRADLEY McCLELLAN
DEAN WOLF
JOHNIE DEBIW
JESSICA WALRAD
EDWARD GONZALEZ
TRAVIS NYE
DENISE GAVIN
ROBERT JULIAN
FREDERICK BILLS

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Suit-Kote
Merry Christmas

