

Suit-Quotes

Winter 2020



**Suit-Kote Partners with Imperial
Oil in Nanticoke, Ontario**

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



Well, this year was one of uncertainty and challenge. The year of 2020 was the first year in my career where transportation funding had a significant impact on our industry and employment levels. It was a challenging year for everyone with all that COVID-19 brought about.

Despite all the challenges that Suit-Kote faced, it is a testament to our business model, resiliency, and financial strength as a company to make it through this year as well as we did. There are many things to credit for this achievement:

- **Deemed an Essential Business** - In New York, Suit-Kote was deemed an essential business so we were able to be prepared for our season when it arrived. In Pennsylvania, initially only some aspects of our business were deemed essential, so we had a slower start in Pennsylvania than we would have hoped. Eventually, all aspects of our business were deemed essential so once we received the green light, we proceeded full steam ahead.
- **Navigating Business with COVID-19** - It is nothing short of a miracle that we made it through the season relatively unscathed in terms of people needing to quarantine due to possible exposure and had very few positive COVID-19 cases reported. I am thankful that our workforce largely remained healthy amid this pandemic and that we were able to safely and efficiently complete our projects. While navigating this uncharted territory, we were forced to modify workspaces, change the way employees travel to job sites, and change workplace common practices to accommodate social distancing guidelines and minimize potential exposure.
- **Weather** - It was a blessing that we had such favorable weather conditions this year given all other obstacles we faced. Having so few rain interruptions allowed us to maximize the work we had scheduled.
- **Suit-Kote Employees** - Every year I am more impressed with our workforce, and this year was no exception. On top of COVID-19 and the complexities it brought, we threw a lot of changes your way concerning the organizational structure and modifications brought forth from "Efficiency 2020". There were several factors that led to a shorter season than normal. It was undoubtedly a tough and strenuous year for all. However, I observed and appreciated everyone's hard work and commitment this year to getting the job done.
- **"Efficiency 2020"** - I am sure many of you have grown tired of hearing this phrase which I coined back in the beginning of February before COVID-19 was what it is today. The catalyst for "Efficiency 2020" was not COVID-19. However, the unusual circumstances brought on by COVID certainly magnified the need to find efficiencies at Suit-Kote. Suit-Kote has experienced incredible growth in recent years, and it was and still is imperative that we find ways that we can be better and cut costs while not sacrificing quality and our relationships with our customers. "Efficiency 2020" will continue as there are so many areas which we have discovered this year that can be improved upon. As a company, it is our duty to find better business practices and set the company and employees up for the best chance of long-term success and sustainability.

Thank you again for all your hard work this year. Please stay safe and healthy. I look forward to seeing everyone back in 2021, and we will continue to navigate these rough waters together. Merry Christmas, Happy Holidays, and Happy New Year to you all and your families.

table of contents

4. Mike Nolan's Addition to Suit-Kote
A message from Frank Suits Jr.
5. Suit-Kote Partners with Imperial Oil in Ontario, Canada
Expands production for Imperial's Nantikoke refinery
5. Tonawanda Tank Project
Tonawanda adds 23,000 tons of storage
6. Fleetwatcher & Acumatica
Suit-Kote makes major technological advances
6. Capital Expenditures Update
Amid economic concerns, Suit-Kote continues to invest in the future
7. 2020 Financial Highlights
Thomas Whipple provides a Suit-Kote financial update
8. Suit-Kote Operations Update
Scott Harris reviews 2020 Operations
9. Construction 2020
Year-end review of Suit-Kote's Construction Division
10. Election and Funding Update
A review of election results and the 2021 funding outlook
12. Joe DeLaney
The passing of a friend and mentor
13. Leland Wall
Thirty-one years of dedicated service
14. Safety Spotlight
Heroes who work among us
15. ADP Payroll Project
New payroll system will improve employees access to information

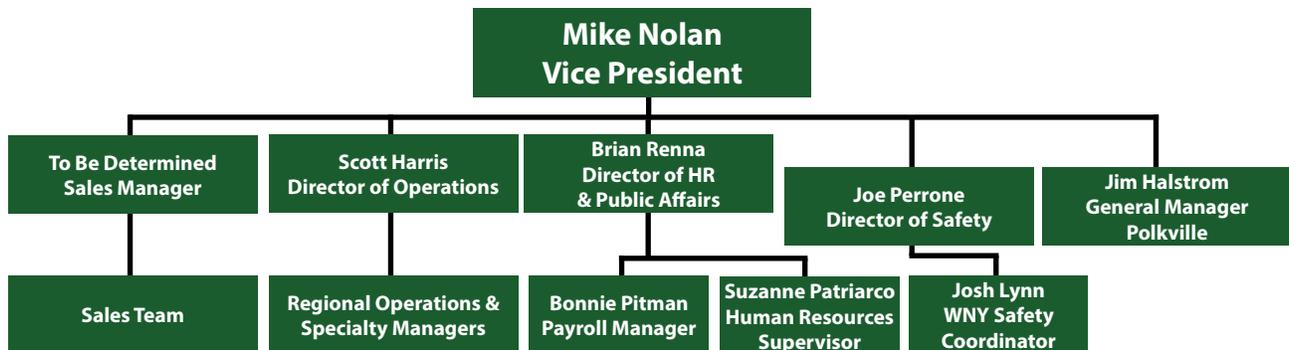
Mike Nolan Joins the Suit-Kote Team



By Frank Suits Jr.

On August 24th, an email was sent introducing the newest member of our Executive Team, Mike Nolan. Many of you have already met him, and Mike has quickly become an integral part of our Suit-Kote team and family. I want to thank Mike, his wife, Erin, and their ten children for making their long-term commitment to Suit-Kote Corporation by relocating to Aurora, NY from Central Indiana. His ability to listen, assess, and execute is second to none and I am proud to have him a part of our team.

In that introductory email I mentioned that Mike would be doing a rotational program for his first few months to learn more about our company and industry as well as overseeing HR and Safety. After assessing our management and business needs, we have decided that his leadership and strengths are best suited to oversee Operations, Sales and Marketing, and Polkville, as well as HR and Safety (see the graphic below). You will notice that we have a void for the Sales Manager position. We will look at candidates both internally and externally to fill this position and will inform you when we know more.



I have mentioned many times that our organizational structure is just now catching up with the rapid growth that we have experienced. Our structure has gone through some changes in recent years and we will continue to iterate to find the right organizational structure that suits us. I am thankful for everyone's continued cooperation while we determine what works best in the pursuit of excellence.

Finance will remain unchanged and will continue to fall under Thomas Whipple's oversight. Emily Kissel will continue overseeing IT and the Lab. For now, Resale, Construction, the Mills, Terminals, Maintenance, and Transportation will remain under me with some support from Emily Kissel as needed.

Again, I thank you for your ongoing support as we evolve and determine what our management needs are. If you have any questions or have any concerns, please do not hesitate to discuss with your supervisor or Executive Level Manager.

Suit-Kote Partners with Imperial Oil in Nanticoke, Ontario



Suit-Kote has entered into a partnership with Imperial Oil (Canada's ExxonMobil) to enable Imperial to expand production at the refinery in Nanticoke, Ontario, improve supply reliability, and added logistics. Suit-Kote will own, build, and operate the asphalt terminal, and it will be leased to Imperial through a long-term agreement. This will be mutually beneficial as it will allow Suit-Kote to source more asphalt closer to our operations which will save on transportation costs. Suit-Kote will also have exclusive marketing rights for asphalt out of this location in the Northeast and Mid-Atlantic U.S. The terminal will be commissioned in January 2021 and be fully operational by June 2021.

Tonawanda Tank Project

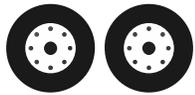


In June 2020, we broke ground on the new asphalt tank project at our terminal in Tonawanda, NY. This tank is one of the largest in the company at 140 feet in diameter, 48 feet tall, and a capacity of 5,531,900 gallons of asphalt (about 23k tons). This large tank will enhance storage capacity, help with managing inventory, and increase our ability to strategically purchase asphalt.

The project team was developed in early April by Frank Suits Jr. and consists of Don Niver, Jake Eggleston, Brent Hall, Mike Natale, and Dean Wolf (the Terminal Manager in Tonawanda). Collectively, the project team brings a wide range of cross-functional expertise to effectively manage the project.

The initial phase involved site excavation and foundation preparation. The foundation required 313 piles driven into the ground to stabilize the base before the installation of the concrete pad. Once the concrete pad was fully cured in September, the building of the tank ring walls began. In addition to constructing the tank, the project team is also managing the supply chain and lead times for piping, valves, pumps, heating, and insulation. The estimated completion date is February 2021 with a successful hydrotest and tank insulation being the final steps prior to commissioning. We anticipate the tank will be ready to fill in the spring of 2021 - just in time to accept barges of asphalt when the Niagara River waterway opens for the season.

FLEETWATCHER

By Mike Nolan 

Throughout 2020, Suit-Kote has been piloting the Fleetwatcher System on a cross-section of our mobile equipment. Fleetwatcher is a GPS and Bluetooth enabled system to support the safety, efficiency, and compliance of our mobile construction and transportation equipment. Fleetwatcher will equip our field managers with insights on equipment location, utilization, and preventive maintenance tracking in a single and easy-to-use mobile and desktop app. With this key operational data available in real-time on their phones, tablets, and laptops, managers will be able to make better-informed decisions to deploy equipment and other resources. Additionally, Fleetwatcher will replace Zonar for logging hours for ELD vehicles and drivers, completing pre-shift inspections, tracking speed, hard breaking, and other related safety tools and metrics. The project team of Ashli Baden, Tristan Hartnett, Paige Howell, Joe Perrone, and Josh Lynn are working diligently to bring Fleetwatcher online for over six hundred pieces of equipment for the start of the 2021 season with a training plan in development to ensure a smooth start. A special thanks to Tristan Hartnett, Ken Mowers, Bill Weddle, Dale Fellows, Frank Cobb, Dave Conroe, John Gray, Dave Stauber, and Steve Cooper for their work supporting the installation in the field. **Please keep an eye out for more communications on this exciting project.**



You may have heard of or participated in discussions these past few months about the Acumatica Project. To provide some insight, Suit-Kote has invested in the Acumatica software package and partnered with Polaris Business Solutions to build a 'Quote-to-Cash' (Q2C) system to replace much of what we currently do in Enterprise and eCMS. The Acumatica project team, currently comprised of Mike Natale, Lisa Austin, Brent Hall, Lauren Silber, Cheryl

Potter, Todd Treacy, Jill Holl, and Mike Nolan, is working to document our processes and build the new system to go live next year with a focus on providing an easy-to-use tool to support our Project Quoting, Job Costing, Billing, Purchasing, Accounting, and Inventory tracking processes for all divisions. By removing redundant data entry, many paper-based processes, and some of our older systems, Suit-Kote will be well-positioned to increase speed and efficiency of key business processes along with faster access to key information to aid in decision-making and help drive operational efficiencies. As the project progresses, the project team will expand to include subject matter experts from all divisions and functions. Many thanks to those who have participated in previous workshops and **please keep an eye out for further updates on this exciting project.**

Despite economic uncertainties in 2021, Suit-Kote will invest millions of dollars in capital equipment and projects to support the long-term sustainability of the company. These investments are critical to ensuring Suit-Kote can safely and efficiently serve our customers and markets. Our 2021 CapEx planning process started in September with in-person workshops attended by managers from across all areas of the company and participation from all key management, including Frank Suits Jr. The process was structured to ensure that each division was able to present their needs and recommendations directly to the management team, facilitating a deeper understanding of the rationale behind funding requests and providing a forum for managers to hear from their peers and share best practices. All told, this process helped us streamline the capital allocation process and prioritize projects and timing. This approach also enabled us to complete the CapEx planning process a month sooner than last year, helping us better plan resources and manage lead times. Many thanks to all the presenters and managers who participated in this valuable process.





FINANCIAL HIGHLIGHTS

By Thomas Whipple



With our year coming to an end, 2020 will go down as another solid year, one which displayed our strength and resiliency as a company as we navigated through Covid-19. We were faced with delays at the beginning of our season, and we were then challenged with an abrupt ending to our season as CHIPS funding was cut by 20% in early September. We navigated through this year and the very tough market challenges it brought. Our vertically integrated business model softened some of the blows that we took as a Company. We continued to make improvements throughout the Company this year which will be key to our success in the future. We also continued to make significant investment in our business which supports future growth and efficiency with Capital Investment the highest in company history at nearly \$20 million. The key to future growth and sustainability is continuous improvement across every facet of our Company. We must continue to efficiently meet our customers' needs and provide them with superior solutions to resolve their varied issues.

This year must be viewed in terms of overall business improvement and not just revenues which were impacted by the CHIPS reductions. Often, the true strength of a company is shown by how well it performs during times of adversity. One of our competitive strengths is our financial condition and the strength of the banking group which supports our investment. Our banking group is second to none, and they are pleased with how we navigated through this year's difficult conditions. When many companies were pulling back in March, we were able to make crucial

inventory purchases which played a major role in our success this year.

With that said, some of the noteworthy achievements in 2020 include the following:

- We improved our margins across the board with every product line up over 2019.
- We generated the required efficiencies to offset our decrease in volume (part of our "Efficiency 2020" theme for the year).
- We are in the final stages of constructing a new Terminal in Tonawanda.
- We are about 50% complete with our Terminal Project with Imperial Oil in Nanticoke, Ontario.
- The success of our supply chain management provided an economic boost in the third quarter and resulted in a significant improvement in our Balance Sheet position.
- Despite these challenges and record investment in 2020, we reduced our debt by 25%.

Without a doubt, 2020 was a solid year given the challenges we faced. It was a true test of our business model, and we performed much better than one could have expected. While we are still looking at some uncertain market conditions for 2021 that will yield new challenges, we are well-positioned to address these challenges as they arise.

OPERATIONS UPDATE

By Scott Harris



A look back at historical Suit-Quote's publications from the operational perspective would suggest that each season has had its own trials and tribulations to contend with, and 2020 was certainly no exception. This year was challenging to say the least; some would say it was the most challenging season that they can remember. That same look back into prior Suit-Quotes has also seen various authorship of the operation section. I am grateful to be the one helping to pen this year's end-of-the-season operational overview. With my new position as Director of Operations, I had the good fortune of stepping into a role that had a great team of people already in place, which has made the transition gratifying and pleasurable. To all, I say thank you for that.

"Efficiency 2020" was the theme outlined by Frank Jr. starting at our first safety meeting this year. With that as our mantra, along with all the COVID-19 hoops to jump through, the operations team rose to meet the challenge. The challenges of 2020 created several opportunities for the Suit-Kote team. This year, the operations team drew on as well as expanded a network of cross-trained individuals which allowed us to call upon those people and deploy their energies and capabilities throughout the organization to support the LA and Specialty teams with Metro-Micro being the primary emphasis for support. Kudos to everyone with the success of this endeavor. It was because of this effort that Suit-Kote was able to successfully deliver on a very tight schedule of projects not only for Metro-Micro but across the LA and Specialty divisions. This formidable accomplishment was only achieved through the collective effort of everyone involved. Throughout the season, the scheduling and coordination efforts of Sales, Operations, Construction, and Production showed that together we can accomplish a great deal. This only proves the old adage that the whole is greater than the sum of its parts and that together we can accomplish anything we set our minds to.

The LA and Specialty groups had many successes in 2020, too many to cite individually here, but suffice to say, they all had their daily challenges as well. Each team was able to work together collectively to overcome those challenges

and provide our customers with a successful project. Many of our customers went out of their way this year to communicate their appreciation for your efforts...job well done.

Another successful element of our operational efforts this year was to expand on and enhance the ever-present safety culture at Suit-Kote. We experienced a few incidents in 2020 which could have ended much worse than they did, and for that we are grateful. The takeaway from these incidents was if you need to stop to evaluate a concern or questionable situation then please do so. It is always important to take your time to make sure it is safe to move forward with your task, and you may save yourself or someone else from getting injured in the process. Please take time to talk to or call the job foreman or your supervisor if needed. Please remember that you can always call myself, Joe Perone, or Josh Lynn, as well. Joe and his team are a valuable resource for us all.

As 2020 ends, our quest for safety, efficiency, and customer satisfaction will remain our focus for the future and sustainability of Suit-Kote. Thank you to everyone for your hard work and dedication to your team and the company - great job this year!



Congratulations to Matt and Katie Pilarski on the birth of their son, Patrick

CONSTRUCTION

By Don Knickerbocker

2020

Year-End Review

To say that 2020 has been a unique year for the Suit-Kote Construction Division would be a massive understatement. No recap of our season would be complete without acknowledging the tragic passing of our former leader, Joe Delaney. The loss of our friend and mentor leaves us with heavy hearts, but the impact that he made on the division and the people in it will last forever. Thank you, Joe.

Our efforts in the “Bid Room” paid off early in the season. We were able to secure three sizable projects that ensured work for the employees at Suit-Kote for at least two seasons. Two of the contracts have completion dates in 2021. The first project is on Interstate 81 in the City of Cortland where two bridges which carry the highway over an abandoned railroad will be removed and replaced with cast-in-place concrete box culverts and a Multi-Culvert Replacement. The second project is a Rehabilitation job in Otsego County. We were also fortunate enough to be low bidder on an 18.2-mile Micro-Surfacing project in Monroe County.

The Interstate 81 project was well-outside of our typical scope of work, thus requiring imagination when developing costs for our bid. Our challenges included building a substantial fill with imported material, controlling grade in the most efficient manner, demolition of existing structures, and construction of the new structures. Of course, elaborate planning for construction started well before any ground was broken at the site. Our concept of fitting equipment with electronic grade control, the associated employee training, and aggressive execution of the earth moving operation proved to be extremely successful. An additional victory relative to fill material came because of “outside the box” thinking after previously forgotten stockpiles of material were identified at our Homer location.

While we are no strangers to completing box culvert replacements, the magnitude of the Multi-Culvert project required a collective effort to calculate the costs which were used to formulate our bid. The preparation for construction was a significant part of the success that we realized to date on this project. We felt that a substantial part of effectively progressing this project was based on the transitions from one location to the next. Identifying

and managing the many variables was accomplished through teamwork. The result has been a nearly seamless transition from one site to the next. Prior planning, meaningful communication, and efficient execution at the various locations allowed us to progress the project effectively and safely.

The benefits of vertical integration at Suit-Kote were showcased during the construction of the Monroe county Micro-Surfacing project. Construction crews prepared the lengthy project by completing planned pavement repairs. This was followed by our Micro Division placing a scratch course and top coat of Micro. We wrapped up the project with the help of the folks in Caledonia by fog sealing the shoulders. The competence and professionalism of the people involved in the various operations made our job of interfacing with the NYSDOT much easier.

Our Hot Mix volume was down slightly this season. However, we did have the opportunity to complete fourteen different multiple lift paving projects throughout the area. As I draft this article in early November, we still have three projects to address.

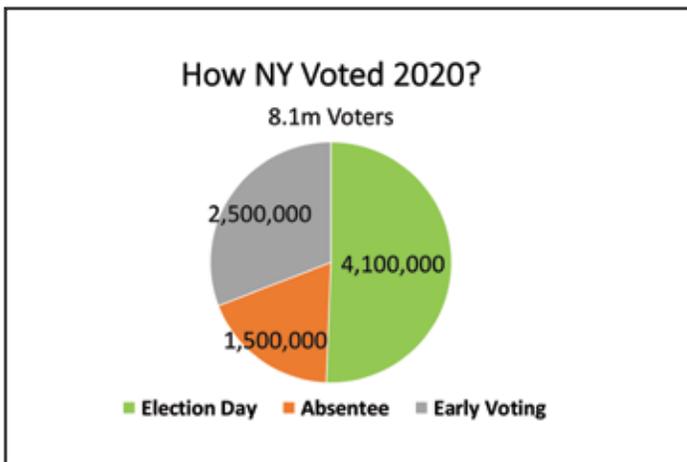
As has been the case for several seasons, the construction division has been engaged with our partners at the NYSDOT in Region 3 and Region 9 as part of our where & when contracts. Nearly every person in our division is involved in these projects at some point in the season. Often, we reach out to other divisions for assistance. We have had as many as five crews and multiple subcontractors working to address hazardous conditions or emergency repairs in the two regions that represent thirteen counties in New York State. We appreciate the challenges and view them as opportunities to demonstrate the capabilities of the people at Suit-Kote.

This 2020 season has been dominated by the COVID-19 pandemic. The construction industry was identified as essential and could work while most of our friends and neighbors were subject to lockdowns. Despite the risks, Suit-Kote answered the call when the season began. By following the proper protocols, our crews completed their work while doing their part to reduce the spread of the virus.

ELECTION 2020

THE ALBANY UPDATE: STATE BUDGET GAP WIDENS IN 2021 AND VOTERS HAVE THEIR SAY

With nearly two-thirds of registered voters in our country coming out for the 2020 Presidential election, both Joe Biden and Donald Trump received record numbers of votes along their party lines. Once again, political pundits stumbled in their forecasts. However, Joe Biden will be the next President of the United States despite many close races. The Democrats will retain control over the House but lost between six and twelve seats giving them the smallest majority in twenty years. The Senate Republicans currently have fifty seats with the two Georgia seats still yet to be determined.



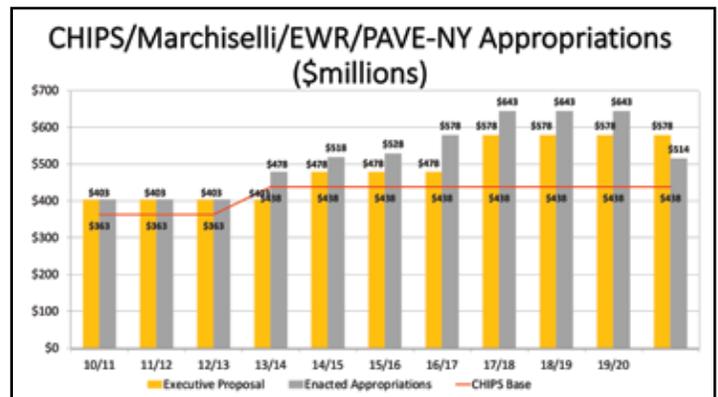
During this election, about 60% of registered NY voters went to the polls which is down slightly from the 62% who voted in 2016. Roughly 51% of New York voted in-person on Election Day, 30% voted in-person before Election Day, and 19% voted by absentee ballot. With some races not yet officially called, we have a pretty clear idea of how Albany will look in January when all votes are finalized. One thing is abundantly clear - voters made their voices heard and rejected a number of incumbents from around the State.

New York had twenty-seven Congressional seats heading into this year's election. Democrats held twenty-one while the GOP held six. On election night, three New York Congressional Democrats were trailing their GOP opponents. The race between Claudia Tenney(R) and Anthony Brindisi(D) for a Central New York seat is at a razor-thin margin with Claudia Tenney in the lead by twelve votes (as of 12/03/2020). Nicole Malliotakis(R) defeated Max Rose(D) for a Staten Island Congressional seat giving the GOP eight House seats.

Going into election night, the State Senate Democrats had forty seats to the GOP's twenty-three. The Democrats now have reached super majority status with at least forty-three seats. In the Assembly going into election night, Democrats already had a super majority (over one hundred seats) and even though the GOP is projected to pick up two to three seats, they are not expected to hit the mark of fifty-one seats needed to break the Democrats super majority.

COVID-19 PANDEMIC SENDS STATE AND LOCAL GOVERNMENT BUDGETS INTO THE RED

While governments across the country are feeling the financial impact from the virus, New York is faring far worse. According to the NYS Division of the Budget, New York's State government lost an estimated \$14 billion in the current fiscal year and will lose a projected \$16 billion in the upcoming fiscal year. The Metropolitan Transportation Authority (MTA) is facing a multi-year \$12 billion deficit. Local governments around the State are facing \$13.5 billion in shortfalls over the next two years.



The Governor has not issued a plan to the Legislature on how he will balance the State's finances as required in the 2020-21 Enacted Budget. Instead, he has borrowed money and reduced local assistance by 20%. In some cases, as with CHIPS funding, there was a sixty-nine-day delay from when the Budget was formally adopted until the State released each municipality's financial award letter, guaranteeing at least an 80% reimbursement. This inaction delayed millions of dollars in highway work and tens of thousands of construction workers from starting their jobs. These critical local highway programs are fully bonded and reducing them saved the State little cash (less than 25% of the programs' total values).

Local Governments are not the only ones seeing reductions in their State transportation infrastructure funding. The Governor’s proposed Executive Budget included a two-year Capital Plan for the NYS Department of Transportation (NYSDOT). It was a significant increase from \$9.011 billion over the last two years (2018-19 and 2019-20) to \$11.953 billion (2020-21 and 2021-22). The NYSDOT Capital Program was to increase by ~\$2.4 billion over the two years. As the economic realities of COVID-19 sank in, the State backtracked and adopted a one-year NYSDOT Capital Program funded at \$6.112 billion (2020-21) which would have still been a significant increase as compared to last year’s \$4.504 billion (2019-20) budget.

We just passed the halfway point of the State’s fiscal year, and it appears NYSDOT and its capital programs will only receive a fraction of the funding outlined in the State’s Enacted Budget. While these reductions may simply seem to bring current spending in line with those of previous years, we must remember the 2020-21 increase was based on the necessity to slow the increasing rate of deterioration on the State and local highway systems.

Governor Cuomo’s administration did forecast the deep, long-term financial challenges that the State and its localities are facing. It is critical that the State consider alternative transportation funding sources

to ensure necessary resources remain available to maintain our critical highway and bridge infrastructure. The Dedicated Highway and Bridge Trust Fund (DHBTf) presents a unique opportunity to guarantee adequate State and local highway funding during these difficult times. The DHBTf bonding credit has not been utilized since 2012. At that time, there was just under \$7 billion of outstanding debt on that bonding credit. The revenues available provided debt service coverage of 2.3X which is still strong coverage. Today, as bonds have matured and retired, there is less than \$1 billion of DHBTf bonds and revenues covering debt service by over 18.9X. The DHBTf remains an untapped asset with its own bonding credit and needs to be fully utilized in these challenging times.

Five-Year NYSDOT Capital Program	SFY Enacted 19-20	SFY Enacted 20-21	SFY Projected 20-21
State/Local Construction	\$2,521	\$3,601	\$2,880
Engineering/Administration	\$582	\$994	\$817
Preventative Maintenance	\$360	\$360	\$288
Right of Way	\$67	\$37	\$30
Facilities/Equipment	\$32	\$32	\$26
Other Federal	\$25	\$25	\$25
Rail	\$72	\$72	\$50
Aviation	\$17	\$17	\$10
Non-MTA Transit	\$85	\$131	\$109
CHIPS/Marchiselli/EWR/Local PAVE NY	\$643	\$643	\$514
Airport Program	\$0	\$100	\$80
Local Bridge Program	\$100	\$100	\$90
Plan Total	\$4,504	\$6,112	\$4,919

PA Transportation Funding Uncertain for 2021

In 2019, the Pennsylvania Transportation Advisory Committee (TAC) identified six major risks to future funding. Two of the largest risks were uncertain federal funding and declining revenue from shrinking gas tax revenues (impacted by improved fuel efficiency, hybrids, and electric cars). Since then, COVID-19 struck and gas tax revenues fell at an even faster rate. In addition, all other user fees dropped because people were staying home/travelling less. Considering these funds are responsible for up to 75% of all PA transportation funding, it has accelerated the annual gap in highway and bridge funding which is now estimated to be \$8.1 billion.

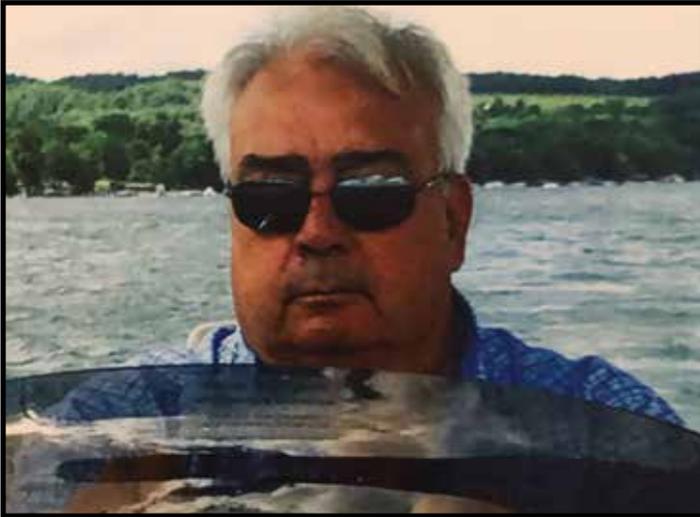
This stark funding reality has led to some difficult decisions. In late November, PENN DOT Transportation Secretary, Yassmin Gramian, asked the House and Senate Transportation Committees for approval to borrow \$600

million or they would be forced to stop hundreds of ongoing projects and delay an untold number of needed projects from beginning. She highlighted a loss of between \$500 million to \$600 million in revenue from declining gas tax revenues largely a result of the pandemic. She also noted this was a stop-gap measure, and a much more in-depth plan to address this issue was already underway.

In recent years, the PA legislature has been proactive in attempting to meet the future needs of transportation infrastructure funding. They have enacted programs such as Act 44, Act 89, and Act 13 - all designed to raise large sums of funding to address their many needs. Unfortunately, the pandemic has created a new reality, and the programs are simply not enough to meet the needs they were intended for. In hopes of addressing this serious issue, PA has launched a program named PennDOT Pathways. This is an extensive initiative to examine possible short and long-term funding solutions. It is anticipated they will report the findings of this study early in 2021 and act to ensure the shortfalls are addressed before the commencement of the 2021 work season. Stay tuned!

Joe DeLaney

1956 • The Passing of a Friend and Mentor • 2020



On July 31, 2020, Joe DeLaney tragically passed away peacefully following complications from chronic lymphocytic leukemia.

Joe DeLaney was a person who genuinely cared for others and never wanted the conversation to focus on him. Joe always desired to know how he could help everyone he met and quite often provided sage advice at times when it was needed most. Joe proved to be much more than a manager at Suit-Kote; he was able to navigate that fine line of mentor, friend, and supervisor. Those who worked under Joe held him in the highest regard and those who did not knew they would always find a welcoming ear to simply listen. He was a team builder and coined the phrase "one Suit-Kote wins" which will live on as part of his legacy for many years to come.

For eighteen years, Joe showed up every day with a bright smile and comedic wit. He had a knack of stopping any conversation to share some obscure fact about a topic which was foreign to others all while exuding such confidence that one would think Joe was an expert. As it turned out, those facts always turned out to be correct and would spark a fun-loving conversation that seemed to always end with laughter and smiles all around.

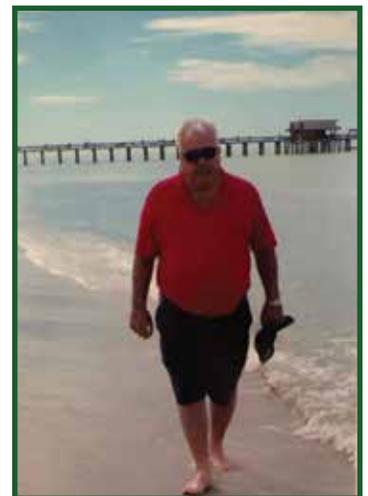
Everyone at Suit-Kote has their own personal story to tell about Joe going out of his way to lend a hand or advice

to make that day or situation just a little bit better. He was also very selfless with his time. He would field a call from coworkers any time of any day and would usually conclude his workday by reaching out to someone to share his ride home just to see how their day had gone.

Although many of us at Suit-Kote have never met Joe's family, most of us feel like we know them. He took us through their lives in real time. It did not matter if it were Bill's lacrosse games, Kathleen's paralegal pursuit, or Ryan's amazing computer skills, Joe was one of the proudest fathers a child could ever dream to have. And then there was his wife, Janet, a woman he obviously adored and often would remind everyone how very lucky he was to be able to share his life with her. It cannot be put into words how sad his loss must be for them, but we hope it provides a little comfort knowing the impact Joe made on so many lives at Suit-Kote.

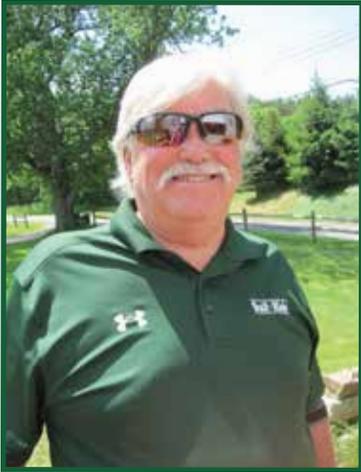
We are quite certain Joe would not want anyone to sit around and be sad. Instead, we are sure he would want everyone to remember the good things about his life - the times he made us laugh or taught us a vital lesson that made us all better for it. He would want us to smile and laugh as we reflect on his stories like the one about his trip to China for his son Bill's wedding. He would want us to remember how proud he was to become a grandfather for the first time.

When Notre Dame took the field against Clemson recently you could almost feel Joe willing them to victory. It was a tough battle, yet Notre Dame was able to win in double overtime. While ordinarily you could chalk this up to the luck of the Irish, this year it felt like it was a little more than simply luck. May God bless you, Joe!



Leland Wall

Thirty-One Years of Dedication



Leland “Lee” Wall began his career with Oneida County Department of Public Works at the age of twenty. He started at the bottom and, over the next two decades, rose to the position of Highway Supervisor.

Throughout his time with Oneida County, Lee had frequent contact with many different firms in the road building/maintenance industry. One of the companies Lee held in high esteem was Suit-Kote. It seemed like a natural fit for him if he planned to transition to the private sector and join the Suit-Kote family.

In February of 1990, Lee Wall was hired as a sales representative working out of Suit-Kote’s New Hartford location, formerly known as Mohawk Valley Asphalt. This facility played an important role in Suit-Kote’s history because it was the birthplace of its asphalt emulsion enterprise. At the time, Lee received training from “Nook” Phender who planned to retire at the end of the year.

After getting up to speed on the sales profession and marketplace, Lee was promoted to General Manager of New Hartford. He would oversee a rather small operation of two surface treatment box crews, two distributors, and one transport.

At New Hartford in 1993, Suit-Kote experienced its first major market breakthrough under Lee Wall’s leadership with the introduction of cold mix asphalt. Lee sold the first project in this region to the Town of Marcy. While the project may have only been one mile in length (two thousand tons of cold mix), it marked the creation of a market which eventually grew in recent years to approximately 150,000 tons per year.

Continuing to look for ways to expand Suit-Kote’s footprint in the region, Lee began to learn more about slurry and micro paving. He quickly realized these processes would be beneficial to his customer base who were juggling dwindling funds, the need to lengthen the life of their

roads, and staving off major reconstruction projects. The first micro paving project was completed on Main Street in the Village of Whitesboro. It was a great success and led the way to large-scale use in the region. Micro paving is currently a preferred process at the state, county, town, and village levels of government, and it is often used as a solution for pavement preservation at Griffiss Airforce Base in Rome, NY.

During the 2000s, reprofiling was introduced to Eastern New York and proved to be a viable rehabilitation solution for secondary roads in rural counties. It began in Herkimer County, saw great success there, and led to Suit-Kote reprofiling over three hundred miles in that county alone. Today, this process (as well as Cold-In-Place Recycling) is routinely performed in most towns and counties in the region.

While the New Hartford facility was experiencing significant business growth, its location in a residential neighborhood precluded any physical upgrades to the site. Suit-Kote was prohibited from making site improvements such as new tanks or even converting an existing structure into a serviceable garage. This forced Suit-Kote look for a new home. In 2010, the perfect site was found in the Oneida County Industrial Park in Oriskany, NY. Its geographic location and friendly zoning ordinances provided Suit-Kote with the opportunity to reach its full potential in the region. Lee Wall worked with other Suit-Kote personnel throughout the entire planning and building process. Once completed, it exceeded all expectations and continues to be one of our best facilities in the Company.

As we approached 2018, Lee Wall was asked to take up a new challenge for the Company. He was named Regional Sales Manager and given sales oversight responsibilities over Watertown, Oneonta, Fosterdale, and Oriskany. Lee remained in this role until December 1, 2020, when he made the decision to retire after forty-one years (thirty-one with Suit-Kote). With Lee Wall’s legacy at Suit-Kote firmly in place, he welcomed the opportunity to spend his days working on his golf game, doing a little more fishing, and honing his skills as a rustic furniture maker.

Congratulations Lee Wall! We wish you the very best in your well-earned retirement.



Safety Spotlight: Heroes Work Among Us

Incident 1: On September 9th, Greg Shannon (Terminal/Mill Employee) was performing maintenance around the Meadville Facility. A coworker approached Greg and mentioned that he was not feeling well and described symptoms of having chest pain and numbness. Greg told the coworker that if he did not feel better soon that he was going to take him to the hospital. When Greg checked back in, the coworker's symptoms had worsened. He looked very pale in the face. Greg told his coworker to grab his belongings - he was taking him to the local hospital.

We found out that if Greg had not taken his coworker to the hospital, he would most likely not be with us today. The coworker was in kidney failure and was hospitalized for the next nine days. However, the coworker has since made a full recovery and is feeling much better. Due to Greg's strong will and persistence, he saved a life.

Incident 2: On September 15th, a Suit-Kote driver arrived on the construction job site at approximately 8:30 AM. Thirty minutes later, Mike Gillette (Foreperson) noticed the driver was having difficulty operating his vehicle. Mike went to the cab to check on the driver and quickly realized the driver was not behaving normally. Mike then went on to ask the driver questions about how he was feeling, and the responses were not typical. The driver then exited his truck, and Mike noticed he was favoring the right side of his body as if he were suffering a stroke. Mike placed the driver in his pickup and dialed 911 immediately. At the instruction of 911 dispatch, the driver went through several tests while waiting for paramedics. Around 9:30 AM, paramedics arrived to take our driver to the hospital.

Incident 3: On September 25th, John Debiew and Richard Pember had a meeting with Steve Terzo and Tom Hoskins from the DOT regarding a large culvert replacement project. No work was being done on the culvert at the time. After the meeting ended,

discussions continued in a vacant parking lot about one hundred yards east of the culvert site. Shortly thereafter, two girls frantically ran across the road to the house the men were just standing nearby during the meeting. Richard heard glass breaking and a woman's cry for help. John's instincts kicked in, and he immediately ran to the house with Richard. Steve also pulled into a neighbor's driveway to help.

The house next to the culvert site was on fire. As smoke billowed around her, an elderly woman screamed out for help from her second-floor window. John realized that she needed to get out of the house immediately and emphatically coaxed her to jump from the second floor. Richard tried to find a ladder but there was no time. John not only successfully convinced her to jump out of the window, but he caught her, too. Both John and Richard carried her away from the burning building.



With the amount of smoke around the woman on the second floor, there is no doubt that she would not have made it out alive if she failed to jump out when she did. In addition to smoke inhalation, she suffered only minor injuries from the broken glass. She did not sustain any injuries from the fall. Subsequently, the fire department and EMS arrived to fight the fire and treat the woman. John and Richard's instinctive actions saved this woman's life.



Incident 4: On October 12th at 2:30 PM, the Oriskany Facility experienced a very close call with their Meeker boiler system in the tank farm. Employees had checked the temperature on the boiler at 6:00 AM as they do every morning. All gauges and warning lights were normal. Around 2:30 PM, Bruce Barnard was scaling his distributor. He noticed smoke/steam coming from the expansion tank vent above the boiler and immediately informed Shawn Wall of the issue.

Shawn ran out to the boiler and noticed the red light was on. Smoke and transfer oil were coming out the expansion tank. Shawn immediately turned off the power to the heater. The highest reading on the tank temperature gauges go up to 550°F, but the needle was two inches past that. They believe the boiler exceeded 700°F and was attempting to go even higher. The needle on the discharge pressure gauge broke from the extreme pressures. Shawn called William Hough of Suit-Kote for his expertise and guidance. William told Shawn to keep everyone as far away as possible and be ready to call the fire department if the transfer oil caught fire.



The temperature slowly dropped with the boiler off, and they were able to get the situation under control. William traveled to Oriskany to inspect the system. After running diagnostics, it was determined that the high limit switch failed due to a wire which shorted out from worn insulation. Oriskany will be installing a secondary high limit switch to prevent something like this from happening in the future. We were lucky that this incident happened on a day of business and that Bruce Barnard noticed and reported the problem.

These stories should make us all proud to work at a company with employees who act courageously when faced with difficult challenges. This article serves to recognize everyone mentioned – well done!



Payroll Project

As we announced in the last edition of Suit-Quotes, we are planning for the future of Suit-Kote and have selected ADP to handle the processing of our payroll. We will continue to have a Payroll Department that will manage the daily complexity of our operations, and ADP will handle the processing. This means ADP will handle expediting the paychecks, deductions, W-2s, and certified payroll. The project team consists of Brian Renna, Bonnie Pitman, Rose Bush, Mike Natale, and IT support from Rob Gray at Plan First Technology.

The configuration phase has been in process and the testing needs to be perfect before going live. The target date is in late 2020. The initial transition will be seamless to all employees since our Payroll Department will feed time entry data from our SK Enterprise system to ADP for processing. During the offseason, we will begin the

next phase of the project for moving time entry out of SK Enterprise and into ADP.

Our goal as we transition to ADP is to make it as smooth as possible. We plan to provide all of the necessary training this spring to all employees who will be responsible for time entry. This platform will also provide each employee with their own portal so they will be able to see their individual payroll and benefit information. The long-term goal for ADP is to become a resource for all employees to make changes to their tax deductions, and it is also the place where employee pay advices will be stored (they will no longer be mailed out).

Next year, we also plan to use ADP and its human resources capabilities for employees returning to work and for new employees during the onboarding process. In addition, we plan to have ADP replace our previous employee performance software known as Trakstar in 2021.

We will continue to keep you informed as this project evolves, and we are excited to bring you new technology to improve the employee experience at Suit-Kote.

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