

Suit-Quotes

Summer 2020



**Suit-Kote Introduces Stone Matrix
Asphalt to New York State**

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



The message that I write to you in each Suit-Quotes edition is typically one of optimism and enthusiasm. This edition's message is about reality. As you all know, we are in the midst of the crazy moment in our world's history that is COVID-19. On top of that, most of Suit-Kote's work force is in the state that's most severely affected by COVID-19. The last time that I sent an email to all of you the message was that we will

be ready when the season gets here. Well, we are ready for the season but unfortunately the season is not as we hoped it would be. A silver lining is all of the money in CHIPS, PAVE-NY, and EWR has been released. This gives us the opportunity to salvage what we can of the season and hopefully finish stronger than we began.

Many of you have heard my slogan for the year- Efficiency 2020. Even before COVID-19 engulfed our country, this year at Suit-Kote was about becoming more efficient, leaner, and fairer. This slogan holds even more weight now that COVID-19 is impacting the economy and the demand for our work. Many of you have been on the receiving end or informed of policy changes that have happened or will happen. The goal of this is not to take things away from people for the sake of it. Essentially, we have been out of control for a long time in some areas of spending, and we are now making it a priority to get many of these problem areas under control. The reason for this is not solely COVID-19, as this was going to happen with or without COVID-19. As all of you do with your individual households, it is imperative that we all take a step back, reevaluate, and see where we are overspending/inefficient.

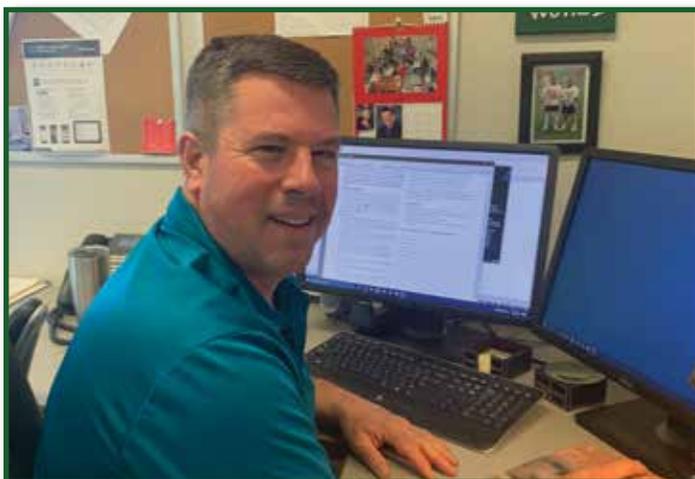
I have no doubt that Suit-Kote will still be a strong company at the end of this year or even when COVID-19 is in our past. You have all heard me talk about the vertical integration of our business model at Suit-Kote. In times like these this is especially important because we have multiple revenue streams to help soften the blow of major downturns in the economy like we are experiencing right now. However, there is still so much that is out of our control. It is imperative that we make fundamental business decisions for the health of our company. Society and the economy demand that we make smarter and more efficient business decisions.

Please stay safe and thank you for your hard work and continued cooperation as we implement some much needed changes.

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Meet Joe Perrone, Suit-Kote's New Director of Safety



Suit-Kote would like to welcome Joseph Perrone to the Company as our new Safety Director. Joe comes to us with a broad range of Environmental, Health, and Safety experience. Over the last 20 years he has been involved in natural gas pipeline safety, manufacturing, logistics/transportation, construction, and Process Safety Management.

Many of you may remember Joe Perrone from safety training over the past few years. Prior to arriving at Suit-Kote, he worked as a Senior Loss Control Specialist for Oryx Insurance Brokerage, Inc. and was hired to instruct Suit-Kote employees about workplace safety. On display every day he taught with unquestioned passion for keeping people safe on the job and in life. He enjoyed this role but was eager to get back to making a direct impact on helping to keep people safe.

Suit-Kote has always been committed to putting the safety of its employees first and adding someone with Joe Perrone's credentials is an illustration of

this commitment. Joe earned a Bachelor of Science degree in Business Administration/Management from Clarion University of Pennsylvania and currently holds 28 different safety-focused certifications. He also serves as a Lieutenant in the Volunteer Fire Service and has been a firefighter/EMT for the last twenty years. As Rescue Captain with the department he has been recognized as a "top ten responder" by his peers for three consecutive years and was the 2005 "Firefighter of the Year". Joe obviously likes to keep busy because in addition to all of his responsibilities, he still finds enough time on the weekends to teach National Safety Council/ American Red Cross First Aid classes at Syracuse University.

We are happy to have Joe Perrone leading our safety efforts, and we are certain he will motivate us to continue to improve in this most important area of our daily work. Joe's office is located in our Preble office and he can be reached at (315) 345-4125 or via email at jperrone@suit-kote.com.

Welcome aboard Joe!





Suit-Kote Partners with Plan First Technologies for IT Needs

We are proud to announce that we have partnered with Plan First Technologies, Inc. (P1 Tech) to provide all of our IT services for Suit-Kote. The forward vision and executive support will be led by the IT Committee which includes Frank H. Suits Jr., Emily Kissel, Frank Cawkell, Mike Natale, Brian Renna, and Nick Pizzola (President of P1 Tech).

Many of you have worked with at least one of the fifteen P1 Tech team members, but the most commonly known to our Suit-Kote employees are Nick Pizzola, Bob Bartilotti, Marty Medina, and Rob Gray. P1 Tech has been working with Suit-Kote since 2009 and have made many great strides in system integrations, performance, and management. In their newest role they will be the single point of contact for all IT related functions which include the following:

1. Workstation and laptop support
2. New hardware requestsà continue to email requests to IT_Requests@suit-kote.com
3. Hardware upgrades
4. New accounts / changes in accounts
5. Account terminations
6. New office setups
7. Wireless access
8. Managing the antivirus infrastructure which will help keep the Suit-Kote network free from viruses and malware

They will continue to staff the Suit-Kote helpdesk email system, and if anyone is in need of IT support they simply need to email helpdesk@suit-kote.com or call the Helpdesk at (607) 753-1100 ext. 362.

One of their first steps to harden the security posture at Suit-Kote will be to upgrade the wireless infrastructure for the entire company to a newer, more secure technology. This will be happening in phases over the summer, and there will be new access rules which will protect Suit-Kote more as technologies evolve. P1 Tech will also conduct several security audits over the coming months and start addressing any issues identified to make sure that Suit-Kote's infrastructure is solid and protected.

Many of you will encounter some of the personnel from P1 Tech over the next year whether it is from on-site assistance or at large meetings such as safety training. They will go over how to defend against some of the most common hacking attempts and see if there are any questions or issues that they can help with. In the meantime, if you need any assistance or have any questions please do not hesitate to reach out to them!

We are looking forward to all of the knowledge and experience that the P1 Tech team will bring to Suit-Kote!





Suit-Kote Introduces Stone Matrix Asphalt to New York State

For decades, the Interstate Highway System in New York has faced many challenges, chiefly among them is the weather. In any given year, pavements are exposed to extreme heat and cold. This cycle of freezing and thawing causes the concrete under the highway to deteriorate causing harm to the driving surface. In order to address these problems governments have been forced to mill and replace the surface, and a few years later – rinse and repeat.

This seemingly never-ending cycle places stress on the dwindling financial resources available and takes money away from other areas of need. Everyone who works in the industry knows we have to find a better way and any new innovative path must be forged by cooperation between government and private contractors.

In January of 2019, Suit-Kote was awarded an \$8,018,471 project to mill and resurface a 7.2 mile stretch of Interstate 81 between the Town of LaFayette and the City of Syracuse. A few days after being awarded the bid, Frank Suits, Jr. issued a challenge to the Suit-Kote team – find a better way address the issues caused by the crumbling concrete below the surface of the road.

The typical design for this project called for 4 inches of mainline milling and 1-1.5 inches on the shoulders. It would be topped with 2.5 inches of fiber reinforced 19 mm binder and 1.5 inch wearing course consisting of 9.5 mm with polymer modified asphalt.

After conducting extensive research to meet the challenge, the team at Suit-Kote believed using a stone matrix asphalt (SMA) might provide a longer lasting solution to the chronic problems caused by failing concrete. The idea was to use SMA as a wearing course along with detailed fiber binder to give it the flexibility and durability to achieve a longer life cycle.

SMA is not a new invention, however, it has a rather small history of use in New York State. It has been used successfully in Minnesota and Alaska which have much more punishing climates. The product itself promotes more “stone on stone” contact by significantly reducing the amount of sand in the mix allowing the asphalt to achieve better adhesion.

This innovative approach was first informally presented to NYSDOT officials to gauge their interest in trying different something different. This type of collaborative effort is not new to Suit-Kote or others in the industry when working with NYSDOT officials. They have, time and time again, proven their commitment to finding more functional and economical ways to address our ailing transportation system.

After gaining a preliminary agreement to move forward together, Suit-Kote’s lab, with insight and cooperation from NYSDOT’s Zoeb Zavery, P.E., began work on developing a suitable mix design. Based on the preliminary mix design, a cost per FOB ton was able to be calculated that fell within the parameters of the budget. The administrative details were soon

worked out, and SMA was added to the existing contract.

Earlier in the summer with the oversight of NYSDOT officials, Suit-Kote performed a “dress rehearsal” for this new process. NYSDOT specifically sought out an alternate road with similar stress levels to I-81. A one mile stretch on Route 34B in Tompkins County in front of the Cargill Salt mine was chosen because of the extreme nature of the traffic. Construction of this project was completed in late June and was done using the same personnel, machinery, and mix that would be used on I-81. Once the project was completed it immediately started to show promise. NYSDOT noticed the short-term performance of the SMA performed significantly better than previous mixes and provided the confidence needed to take it to the Interstate.

Suit-Kote’s team then moved to I-81 to place 6,000 tons of SMA on a four mile trial section. The paving was completed without complication and met the expectation of NYSDOT. It will not be known for a couple of years how effective this new mix will be

to extending the life cycle of the interstate, but if Minnesota and Alaska are any indication, it is likely to be a tremendous success.

Subsequent to the I-81 job, Suit-Kote completed a third project with this mix on SR 366 in Freeville, NY. Once again, the SMA proved to be an immediate success.

There were many people who were willing to accept this “outside-the-box” approach, and it could not have been achieved without them. Special recognition is due for: NYSDOT Regional 3 Director David Smith, P.E., Regional Construction Engineer John Cronkwright, P.E., Area Job Supervisor Rob Smith, P.E., Engineer-in-Charge Russ Greeg, Regional Materials Engineer Jacob Scarano, and Greg Harder of The Asphalt Institute. Their collaboration was instrumental in bringing this project to the surface of I-81. Suit-Kote’s crew led by Superintendent Tim Carr did an amazing job pioneering this project. Finally, Suit-Kote’s lab led by Gary Foux and New York Construction Materials’ Bruce Barkevich played important roles in developing the mix.



Jordan, Lisa, & Brian

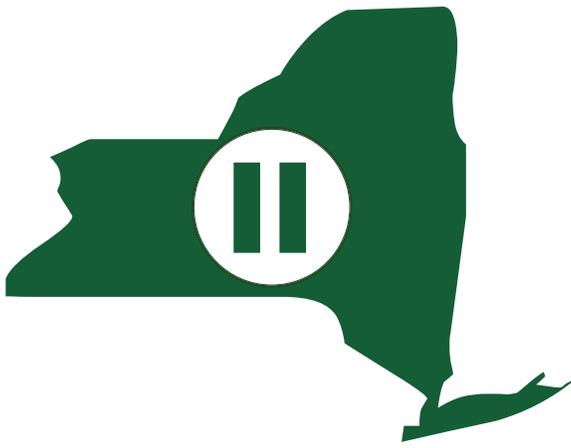
Brian “Dink” Davis 1975 - 2020

On February 11, 2020 Brian Davis suddenly passed away. He was 44 years old.

Brian, known to many as Dink, was one of Suit-Kote’s best chipper operators. He was one of the most customer requested operators in the Company. His dedication to detail, thoroughness, and talent made him stand out in our group of excellent chipper operators.

Brian was a lifelong resident of McGraw, graduating from McGraw High School in 1993. After high school he worked as an electrician, at UPS, for the Village of McGraw, for the NYS State Highway Dept., and most recently Suit-Kote Corp. Since Brian was in high school he volunteered at the McGraw Fire Dept. The Fire Dept. was a very important part of his life. He has served his community for the past twenty-six years, serving most recently as Deputy Fire Chief at the McGraw Fire Dept. He enjoyed the outdoors and especially camping. His family and countless numbers of friends will cherish his memory as being selfless - always putting others and his community first.

On the day Brian was laid to rest, his funeral procession was a testament to who he was. The streets of McGraw were lined with firemen from several different departments, and in the middle of the procession was his chipper that he operated at Suit-Kote. It was a fitting tribute to a man who was taken far too soon. God bless you, Brian, may you rest in peace.



New York State on **PAUSE: a Spring Like No Other**

At 8pm on Sunday, March 22 with COVID-19 spreading globally, Governor Andrew Cuomo issued his New York State on PAUSE order effectively closing all non-essential businesses in the State. As you know, Suit-Kote and others in our industry were deemed essential but still took necessary precautions with many employees who had the ability to work from home. Twelve days later, State lawmakers passed a \$177B budget and gave themselves for the first time in history the authorization to vote remotely. New York State soon became the epicenter of the virus in the United States with over 2.1 million confirmed cases and over 118,000 deaths (as of June 16th). Throughout all of this, highway construction never stopped for Suit-Kote or its municipal customers, but we did see a slower than usual start due to COVID-19 and weather delays.

The State's municipal and transportation agencies, highway construction contractors and their suppliers were classified as essential and exempt from the PAUSE order. On March 20th, the NYSDOT issued the following directive noting that contractors, consultants, services and material suppliers are considered exempt from reduction in workforce requirements outlined in Governor Cuomo's Executive Order 202, as amended. The Executive Order provides that essential businesses and services not subject to the in-person restrictions include transportation infrastructure including vendors that provide essential services needed to ensure the continuing operation of government.

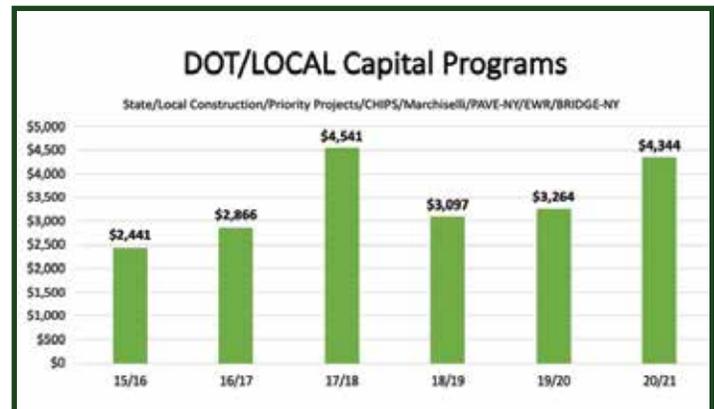
While highway construction continued, most other industries were shut down causing over two million New Yorkers to file for unemployment and creating significant budget shortfalls for governments at every level. When New York State adopted its budget on April 3rd, they projected their budget to have a \$10B deficit. Passing a budget with a projected deficit is against State law which requires a balanced budget. Lawmakers banked on short-term borrowing, increased federal aid, and as a last resort the ability to make reductions to balance the budget during the year.

The good news is that when faced with these huge health, social, and financial concerns, lawmakers still gave significant support to the State's highway capital program. March 31st marked the end of the NYSDOT five-year capital program which means funding for all programs including CHIPS started at zero.

The executive budget proposal included a two-year NYSDOT capital program for 2020-21 and 2021-22. The enacted budget instead is a one-year NYSDOT capital program funded at \$6.112B (2020-21) which is a significant increase as compared to last year's \$4.504B (2019-20). The NYSDOT core capital program increases by about \$200M and by \$1.1B overall.

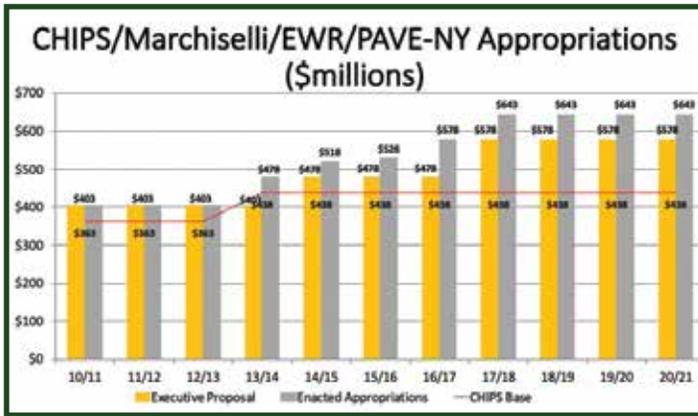
The 2020-2021 NYSDOT Capital Program includes:

- Core NYSDOT Highway Program at \$2.701B
- PAVE-NY program continues at \$100M, along with CHIPS and Marchiselli at \$478M
- BRIDGE-NY program continues at \$100M
- Emergency Winter Recovery Restored at \$65M



The NYSDOT capital program, which is mainly funded with federal dollars, has moved forward including two OGS VPP lettings. Unfortunately, the local programs (CHIPS/PAVE-NY/EWR) which are funded with state dollars have been slowed as the Governor tries to determine if the amount

of federal aid coming from Washington will be enough to allow the adopted budget to move forward at its current levels.



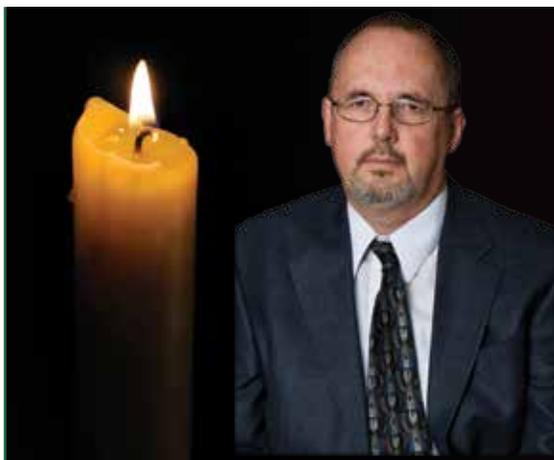
cuts if possible. For example, if the State borrows the funds necessary to fund the current budget levels through July but at that point state income tax revenues (due July 15th) come in below projections, no additional federal aid has been appropriated and state sales tax revenues continue to lag, the state could consider an across the board cut.

The budget allows the budget director to make reductions during these assessment periods:

- April 1, 2020 to April 30, 2020
- May 1, 2020 to June 30, 2020
- July 1, 2020 to December 31, 2020

The enacted budget includes provisions allowing the budget director to adjust state spending based on whether the State’s revenue projections are out of balance. While the budget director can cut specific appropriations, the enacted budget language encourages across-the-board

As of June 8, 2020, the New York State Budget Director announced the official release of CHIPS/Marchiselli/EWR and PAVE-NY funding without any reductions. However, this is still an ongoing issue and is likely to be revisited in mid-July. The good news is, the Director has assured the industry that any reductions made at a later date would not exceed 20%.



Steve Rebman

Our Beloved Friend

Everyone that knew Steve Rebman, including the entire Suit-Kote family, was met with great sorrow when our beloved friend, mentor, and coworker passed away on January 4, 2020. Since that day, there has been a hole in the heart of everyone who knew him. He was such a selfless individual who always gave more of himself than he ever asked for in return. Steve will forever be remembered as a truly kind man, a loving husband, and wonderful father.

Steve Rebman dedicated his entire professional career to Suit-Kote. He started in the lab and worked his way up to a Vice President and a member of the Board of Directors. However, his tenure will not be remembered for his rise but instead cherished for the way in which lived - with grace and kindness.

It would be easy to point to all of the successes he led in the industry, but it is hard to quantify the impact he had on the lives of those he touched. Steve was a quiet man who did not ask for much but was always there to lend advice, guidance, or a piece of himself to help brighten your day. There are many stories of him showing up to a person’s house because he heard they were building a new deck, installing windows, or making some other improvement. He was never asked to give up his weekend to help another, it was just something he did because that is who he was.

Steve leaves behind his loving wife Pat of 45 years. The two of them experienced a love and friendship that is rare. He also had two sons, Erik and Brian, who Steve made us feel like they grew up with us - always filling us in about their music or sports, he would be so excited to share his happiness while always taking genuine interest in the lives of others.

Steve Rebman was one-of-a-kind. We all are better for having known Steve. He will be greatly missed.

Safety Spotlight: COVID-19

Protecting yourself from the spread of COVID-19 is just as important at work as it is at home. Due to the highly contagious nature of the virus, it's important that everyone at our facilities and on the jobsite does their part to ensure that we are protecting ourselves, our co-workers and in turn, our families and the general public. Below are some essential tips to keeping our facilities and jobsites safe while we battle this pandemic together. Please keep in mind the practices described below are not just for COVID-19. Many of these are just good general hygiene practices that you should use to help prevent ANY illness. Help keep your coworkers working! Practice good hygiene.

- Stay home if you are sick. If you are experiencing any of the following symptoms – fever, coughing, or shortness of breath – seek medical attention and notify your supervisor, a workplace coordinator (Brian Renna, Josh Lynn, or Joe Perrone) or the HR Committee immediately. Employees who stay home must contact their local Health Department for guidance on testing and treatment. Employees will have to be cleared by a medical professional before returning to work if you test positive for COVID-19.
- Cover sneezes and coughs with a tissue or your elbow; throw tissue in trash after use and wash your hands. Avoid touching your eyes, nose, and mouth with unwashed hands.
- Frequently wash your hands with soap and water for twenty seconds. If running water is unavailable, use an alcohol-based hand sanitizer and/or wipes with at least 70% alcohol content.
- Clean and disinfect high touch areas such as handles, doorknobs, keyboards, copiers, switches, machinery, and equipment controls after use. Also clean and disinfect your personal protective equipment.
- Practice social distancing. Avoid standing or working within six feet of anyone on the jobsite or at the facility, if possible.
- Wear cloth face coverings in settings where other social distancing measures are difficult to maintain, such as tasks that require close contact with others. Cloth face coverings should be made according to CDC guidelines.
- All meetings in the office or on the road must be limited to no more than ten people - strictly adhering to social distancing.
- Stagger breaks and lunches to limit the size of any group at any one time.
- Don't use common sources of drinking water or coffee machines.
- If a job task requires two employees to ride together in the same vehicle, ensure adequate ventilation and properly clean and disinfect high touch surfaces on the interior after transport.
- Let the Safety and Human Resources Departments know if our COVID-19 policies are not being implemented and/or enforced. Furthermore, let us know if the policy can be improved.



By following these tips we ALL can help prevent the spread of COVID-19, continue to work safely, and have a successful season.

ADP Payroll Project

As we plan for the future sustainability of Suit-Kote, we evaluated a few payroll providers to outsource and process our payroll, which is done manually in-house. We have selected ADP and have been working with them on transitioning our payroll processing. ADP is a worldwide leader - handling payroll for over 800,000 companies and pays over thirty-one million people in more than 140 countries. Our payroll is very complex due to the prevailing wage aspect and we're confident ADP is the best company to handle this.

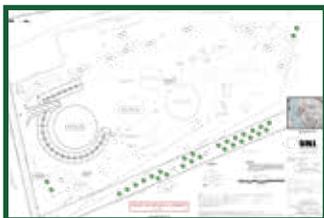
Transitioning payroll is challenging and critical. Therefore, a project team was created to manage the process. The project team consists of the following: Brian Renna, Mike Natale, Sue Chase, Bonnie Pitman, Rose Bush, and IT support from Rob Gray at Plan First Technologies. The configuration phase and training for Payroll staff is complete, and we have conducted testing for certified payroll reports. Once this is complete, the target date for going live is July 1st. All employees will be unaffected at this stage since our Payroll Department will feed the time-entry data you currently enter into the Suit-Kote Enterprise system to ADP for processing. At the end of this season, we

will begin the next phase of the project which includes an enhanced time-entry system on ADP's platform. Once this is complete, we will conduct training in the offseason. The ADP time system is accessible online and through a mobile app from a phone or tablet. All employees will have access for time-entry. There is more to come on this later this year.

This project is setting the stage for an enhanced HR module from ADP that we are looking to implement in late 2020 and into 2021. All employee data is integrated and will provide enhanced benefits administration, employee development tracking, recruiting, onboarding, reporting dashboards, and employee self-serve portals. This new technology will also do away with paper pay stubs - all pay stubs will be available on the online portal. This will improve efficiency, provide a central repository for employee records, and put Suit-Kote in a modern state of technology for managing Human Resources.



Tonawanda Tank Project



Suit-Kote is making a significant capital investment for a new asphalt tank at our Tonawanda location. The tank will be one of the largest in the company

and will increase our storage capacity. This large tank will enhance our flexibility of managing our inventory and increase our ability to take advantage of pricing opportunities in the asphalt market. In addition, this location has barge access which has a lower freight cost per ton for transporting asphalt from the refiner to us.

Building a new tank takes a tremendous amount of effort, planning, and coordination. The project team was developed and overseen by Frank Suits Jr. and consists of Joe Delaney, Don Niver, Jake Eggleston, Dean Wolf, and Mike Natale. Collectively, the project team brings a wide range of expertise

from Operations, Facilities, Terminals, and Finance. We are currently in the planning phase and recently completed a competitive market bid with five tank building companies to select a builder that offered the best pricing proposal and timeline to meet our objectives.

With the approval process complete, we were able to break ground in mid-June. The foundation is expected to take about 6-8 weeks to complete before the tank can be fabricated. There are many steps involved with planning this. We are working with an engineering firm for the foundation design and sourcing local contractors for handling the dirt work, geotechnical requirements, and concrete pad. Once this phase is complete, we anticipate the tank construction to begin around late July to early August. The estimated time frame for tank construction is twenty weeks with several additional weeks for insulating and testing.

By the next edition of Suit-Quotes, we hope the new tank is in the final stages of completion.

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