Suit-Quotes

Summer 2023

Upgraded Heating System at the Cortland Terminal Paves the Way for Greater Efficiency and Expansion

A Message from Chairman & CEO Frank H Suits Jr.

It is hard to believe we are already well into June. The season is off to a busy start. Funding levels are at a record high, and the cost of asphalt is cheaper than it was last year. Thus, the taxpayer's dollar has substantially more buying power translating into an extremely busy year for Suit-Kote and all employees.

This past winter seemed busier than most with the large amount of CapEx work completed and the other capital improvement projects that were taking place, especially at the Cortland Terminal and the Cortland Mill. We are committed to being well-positioned and ready to supply our customers and ourselves with top-quality products and services. All the changes and tremendous investment back into the business have yielded, and will continue to yield, even greater efficiencies and benefits for years to come.

I became the President of Suit-Kote in August of 1993, and for nearly three decades I held that position. In November of 2021, Mike Nolan became President, and since then I have remained in my roles of CEO and Chairman of the Board. Starting with Suit-Kote in 1975 as a teenager, and holding various seasonal roles, I joined Suit-Kote full-time in 1982. Having been part of Suit-Kote in many different positions throughout my almost five decades with the company, I have witnessed the journey and evolution during that time, something only a few of us employed at Suit-Kote have done. However, I am grateful, proud, and confident of where Suit-Kote is today and believe that we are on a sustainable and strong path forward. Although I have taken a step back as President (and am confident and excited to have Mike Nolan in that position), I want to reassure everyone that I am just as engaged as I have ever been. My enthusiasm and passion for who Suit-Kote is and what we do is stronger than ever. The initiatives underway, both across the company and at the upper management level, have my full support, and I am excited about the direction we are moving in.

I hope everyone has a great summer and remainder of the season. As always, please keep safety at the forefront of your mind and actions - nothing is more important.

A Message from President Mike Nolan

As we concluded our annual season startup process with our Sales group's spring kick-off on April 20th, I reflect on the important elements that contribute to making our season kickoff events so lively and productive. For me it all boils down to engagement. A positive sense of engagement is at the heart of our culture. Starting with our numerous safety meetings and subsequent site and department kick-off meetings, we saw high levels of attendance and participation from all areas of the company resulting in improved dialogue, solid planning, and strong coordination across the various business functions. It is a truly effective and exciting way to start the season.

During this year's meetings, we introduced new tools and initiatives to engage with our employees such as our Employee Assistance Program, our certified driving school, our leadership development program, and as always, we continued our ongoing efforts to engage employees in the benefits of contributing to their 401(k) plans.

These important meetings are attended by Safety, Operations, Sales, Tech Services, Finance, Procurement, and senior leadership. Through wide engagement from across the company, these meetings bring context, perspective, education, and ever-important communication among key managers and departments in developing plans and initiatives to support our teams and customers.

A notable initiative this season was the launch of Suit-Kote's leadership development program, representing a significant investment in teaching, developing, and growing the key leadership concepts, tools, and skills of existing and emerging managers. Effective leadership development is important for employee satisfaction, efficient operations, succession planning, and overall sustainability. Ultimately, strong leaders can better support their teams, which is a major element of job satisfaction for our employees. The leadership development program started with a full day management session for senior and middle managers from around the company and covered important topics around valued behaviors of leaders, the introduction of leadership tools, and other HR topics. We are looking forward to growing and expanding this exciting and necessary initiative.

While it is the efforts of our Suit-Kote employees who are the ultimate key to our success each season, the coordination and planning at the beginning of the year is an excellent opportunity to re-engage and set the plan, tone, and pace for the year. Many thanks to all our employees for your attendance and contributions at these meetings and for your high level of engagement that will make a positive impact, once again, this season.

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Budget Resolution Leads to Industry Funding Increases

Welcome News for Our Industry and Our Customers

On May 3rd, the Governor and Legislature announced a budget resolution which was welcome news for our industry and our customers. The 2023/2024 budget notably increases CHIPS funding by $60 million from $578 million to $638 million and the State Touring Routes program by $40 million from $100 million to $140 million. The DOT construction budget was also significantly increased. While these funding levels fall short of the much-needed proposed increases by the industry, they nevertheless represent an all-time high for CHIPs and related programs. With the lower asphalt costs for the 2023 season and the tremendous value and 'bang for your buck' of pavement preservation products, our customers can do more this season for our critical road infrastructure. The components of our products and services (e.g., aggregates, fuel, polymer, price of asphalt, etc.), except for labor, have either stabilized or decreased this year, thereby minimizing the variables which we had to deal with last year.

Suit-Kote recently held open houses in Jamestown and Cortland to engage with local legislators to highlight our pavement preservation products and the tools used at Suit-Kote to ensure the most effective products are matched to the needs of a given road to maximize road network life and pavement quality. We pride ourselves in our consultative sales approach, partnering with our municipal customers to maximize value for the funds invested in pavement preservation and resultant network longevity.

Throughout March of 2023, we sent out several emails company-wide encouraging Suit-Kote employees to take action by supporting Rebuild NY Now, an initiative led by AGC which campaigned for appropriate funding due to the escalating costs of road and bridge repairs. Suit-Kote was happy to financially support the initiative as a corporate sponsor. Additionally, several hundred Suit-Kote employees responded by composing a message to our elected officials encouraging them to support the proposal from Rebuild NY Now. As mentioned earlier in this article, even though those levels of funding were not fully achieved, record funding levels were approved, and this is a win for our industry. Thank you to everyone who participated.

NYSDOT Capital Program (in Million $s)	SFY Enacted 2020-21	SFY Enacted 2021-22	SFY Enacted 2022-23	SFY Executive 2023-24	SFY Enacted 2023-24
State/Local Construction	$2,571	$2,340	$2,575	$2,599	$2,599
Signature	$1,030	$1,410	$850	$1,300	$1,300
State/Local Construction/Signature	$3,601	$3,750	$3,425	$3,899	$3,899
Engineering/Administration	$994	$732	$1,039	$1,041	$1,041
Preventative Maintenance	$360	$360	$391	$391	$391
Right of Way	$37	$67	$75	$75	$75
Facilities/Equipment	$32	$32	$37	$37	$37
Other Federal	$25	$25	$26	$26	$26
Rail	$72	$72	$90	$90	$90
Aviation	$17	$17	$27	$27	$27
Non-MTA Transit	$125	$85	$160	$160	$160
CHIPS/Marchiselli	$477.8	$577.8	$577.8	$577.8	$637.8
Local PAVE-NY	$100	$150	$150	$150	$150
Local POP	-	-	$100	$100	$100
EWR	$65	$100	$100	$100	$100
Local BRIDGE-NY	$100	$100	$200	$200	$200
Local State Touring Route Program	-	$100	$100	$100	$140
Airport Program	$100	-	$150	$0	-
NYSDOT Plan Total	$6,106	$6,168	$6,648	$6,974	$7,074
State/Local Construction Total	$4,443.8	$4,777.8	$4,652.8	$5,126.8	$5,226.8

CapEx Update

Suit-Kote's 2023 CapEx Program is Among the Largest in the Company's History

Consistent with our significant growth and capital investment over the decade, 2023 saw major infrastructure upgrades, expansions, and critical equipment purchases. These investments reflect the continued strong commitment to the long-term sustainability and efficiency of our 102-year-old company.

Our Cortland Asphalt Terminal received a complete heating system upgrade to align with our twenty years of strong growth in sales and capacity at the site (especially in the Polymer Modified product line). For this project, a new zone-based heat manifold and tank-based heat control system was installed, allowing for more efficient heating of tanks, mills, and related production equipment. The project has the dual benefit of improving heating times and greatly reducing natural gas consumption, allowing us to eliminate one of our three industrial heaters from the site. The heating system upgrade at the Terminal is being followed by the addition of two new 15,000-ton asphalt tanks which will greatly increase the efficiency of the site and ensure strong customer service and product availability well into the future.

Our Cortland Mill likewise saw an update to its heating system and base asphalt tank, providing similar heat efficiency to the terminal and creating major efficiencies. Other mill investments included two new emulsion mills, mixers, hot water tanks, and electrical upgrades.

In Polkville, we installed a new cone crusher, a new drum on the batch plant, upgraded duct work, took delivery of two new loaders, and completely remodeled the office.

Notable additions to our LA/Specialties and Resale fleet included two pavers, two chippers, a full lane milling machine, large capacity trailers, and various support vehicles.

Together, these and other capital investments will help ensure continued efficiencies, customer service, and workplace safety and satisfaction over many years. Thank you to all our teams and third-party vendors for their participation in managing and executing these initiatives. From a facility maintenance and CapEx perspective, the efforts from our Maintenance and Electrical Division greatly reduced costs and helped ensure a smooth start up.

Suit-Kote Driving Institute

The 2022 Entry Level Driver Training (ELDT) Regulation

The Federal Motor Carrier Safety Administration established the Entry Level Driver Training (ELDT) regulation in 2022, requiring any person who wished to obtain their Class A or B CDL (Commercial Driver's License), Hazmat endorsement, School Bus, or Passenger endorsement to attend a certified CDL School. The certified school is required to instruct on materials that are outlined in ELDT regulation as well as drive time, backing, and parking maneuvers. Suit-Kote decided to invest in both our CDL driver pool as well as our employees and created the Suit-Kote Driving Institute, a certified CDL school for existing employees which was overseen by a committee comprised of Paige Howell, Chelsea Mancuso, Joe Perrone, and Rob Didio. Numerous applications were received for both instructor positions and CDL students. Jeremy Stanton, a Preble Micro Foreperson, and Marty Henry, the Polkville Dispatcher, were program instructors. Jeremy was the lead classroom instructor and certified Smith Systems Trainer as well as the behind-the-wheel instructor. Marty was our second instructor both in the classroom and behind-the-wheel.

There were two classes that lasted four to six weeks each. Class one was CDL B to CDL A consisting of three students who successfully completed the program and obtained their CDL A.

Class two was Class D to CDL A in which four students successfully completed and obtained their CDL A. Those students will be using their CDL to enhance their careers at Suit-Kote and relieve some of the driving shortage that Suit-Kote faces, either by operating a CMV as a full-time driver or by enhancing their current crew and the shortages they encounter. Each student completed class instruction including over thirty-chapter exams and a final as well as receiving Smith Systems training. They received one-on-one instruction time in the tractor/trailer combination over the four to six weeks by both instructors. In addition to the behind-the-wheel training, daily road course time was provided to practice and become proficient in their skills. Once students passed the classroom portion and the instructors deemed the student proficient in driving, backing, parallel parking, and offset backing, the students were scheduled for road tests, thus resulting in seven students obtaining their CDL A.

Congratulations to our students, our instructors, and the program for being such a success. Applications are currently being accepted for the next series of classes which will begin after our season ends in November or December. Please contact Paige Howell if you have any questions or would like an application.

Welcome, Sam!

Sam Deeb

Sam Deeb joined Suit-Kote at the end of February as the VP of Finance. Tom Whipple, our current CFO, will be retiring at the end of 2023, upon which Sam will take over as CFO. Tom will continue as a consultant for Suit-Kote.

Sam comes to Suit-Kote from the Dairy Farmers of America where he held the position of Senior Director of Finance & Accounting. Throughout his career, Sam served in multiple roles covering a wide range of finance-related functional areas including treasury management, strategic planning, senior leadership and mentoring of employees, IPOs, ERP implementations, mergers and acquisitions, and international corporate management. He began his career in public accounting with PricewaterhouseCoopers. Sam is a CPA and earned his BS in Accounting from St. John Fisher University in Rochester and his MBA from Syracuse University. Outside of work, Sam volunteers his time and service as a board member, trustee, and volunteer for various local not-for-profit agencies in Syracuse, NY. Additionally, Sam and his wife, Kathleen, enjoy spending time and traveling with their daughters, Annemarie and Mary Kate.

In just the few short months that Sam has been with Suit-Kote, he has made a big impact. We are thankful to have you as part of the team, Sam!

Suit-Kote Scholarship

All employees should have received an email on May 9th, 2023, regarding the Suit-Kote Scholarship. The purpose of this scholarship is to assist the children of Suit-Kote employees with the cost of pursuing higher education and trade-specific schooling. Up to three recipients will be awarded $2,500 each to go towards educational tuition. The application deadline is July 7th, 2023, and recipients will be notified by July 21st if selected.

Retirements

Brad "Dewey" Eccleston

Brad retired in April of 2023 after thirty-five years with Suit-Kote. He started with us in 1988 after running his own dairy farm and began operating milling machines and other equipment. Brad continued to operate milling machines until he became a Recycle Foreman. His true passion was operating milling machines and loved to teach new operators. He was also a great recycle foreman and took much pride in doing quality work while making sure his employees enjoyed their jobs. We will all miss "Dewey" and wish him a great, well-deserved retirement. Thank you from all of us.

David "Gar" Gilbert

David began working at Suit-Kote in 1994 and spent just shy of thirty years with us. He drove for Polkville and eventually ended up operating equipment. David operated milling machines, loaders, rollers, cement spreaders, and oil distributors, thus making him very versatile and a great asset to Suit-Kote. Everyone would like to wish Gar a happy and healthy retirement.

Deaths

George Debella

George Debella passed away on December 2nd, 2022, after a short battle with pancreatic cancer. George worked out of our Hallstead, PA location for eighteen seasons. He was a true team player - always willing to help where he could, driving the calcium distributor, oil distributor, and transport trucks as each of those needs arose. George was a friend to everyone that he met throughout the company and is dearly missed.

Road Resource Bootcamp & Environmental Product Declarations

RoadResource.org Tools and Resources

In February, Suit-Kote had over forty employees from Sales and Operations participate in a Road Resource Roadvocate Network Bootcamp. The three-day online training consisted of learning all the tools and functions of the website.

RoadResource.org is a free industry website built to equip road managers, engineers, and local municipal and state agencies with tools and resources to become better stewards of road networks and taxpayer dollars. The website is provided by PPRA (Pavement Preservation and Recycling Alliance) which was formed from three industry-leading organizations: AEMA (Asphalt Emulsion Manufacturers Association), ISSA (International Slurry Seal Association), and ARRA (Asphalt Recycling and Reclamation Association).

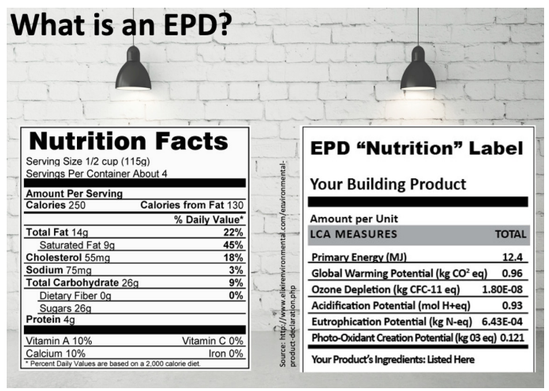
The Roadvocate course focused on the three primary pieces of the website: technical information on several asphalt applications, decision-making pavement assessment tools, and network optimization calculators. Our group found the "treatment toolbox" section very beneficial with its ability to search photos or enter criteria to find the best cost-effective solutions for roads. Our group also provided strong feedback on the calculator tools, specifically the life-cycle cost and sustainability "green" calculators. We are excited that so many members of our organization became "Roadvocates" and gained the knowledge to share this powerful resource with our customers.

Emergence of Environmental Product Declarations

Over the past few years, there have been many environmental studies and initiatives undertaken by different government entities and other organizations such as Governor Hochul and the NYS Department of Environmental Conservation. Many of these studies have resulted in setting various targets by governments and companies on reductions in carbon emissions and/or pollution for specific industries and processes. Mandates on recycled content in asphalt pavements and emissions controls on asphalt plants are examples of such initiatives.

A recent evolution in environmental regulations is the emergence of EPDs (Environmental Product Declarations). EPDs can be likened to a nutrition label for the perceived environmental impact of producing certain products and services. EPDs for our industry will calculate the estimated carbon emissions produced from the refining of liquid asphalt to the manufacture of cold, warm, and hot mix asphalt pavements as well as a full range of other pavement preservation products we provide.

EPD scores may eventually be used to promote and even mandate products that are lower in carbon emissions versus alternatives. For this reason, associations such as NAPA (National Asphalt Pavement Association) and the Asphalt Institute are investing significant resources to calculate EPDs for use by various companies in our industry who can then use these values to calculate plant-specific emission estimates. The collective data will be used to implement regional standards for allowable carbon emissions. As a member of the Asphalt Institute, Suit-Kote is engaged on this topic and will work to ensure the 100% recyclability of asphalt pavements and many other benefits of our products are well-represented and properly positioned in the industry.



IT Update - Nick Pizzola

Cybersecurity

Cybersecurity is always at the forefront of our mind. There are companies both larger and smaller than Suit-Kote which have been attacked and had their data stolen or locked up. We are continuing to monitor and update our systems to protect against this happening, but we cannot do it alone. Much of the work that is needed to secure our network relies upon the users of the systems. Please be sure to always ask yourself the following simple questions:

- **Is what I am doing on my computer helping the company?**
- **Do I think that this person would ask me for this information?**
- **Am I expecting a file from this person?**
- **Would this person send me a link?**

If you are ever in doubt, call the alleged sender on a verified phone number. Do not ever call the number on the email as that can be the hacker's contact information. With your help, we can continue to keep our systems safe and secure.

Wi-Fi

Please note that all networking resources, including SKC-Open, are monitored and can be tracked if there are issues. Any connections to SK-Corp are to be used for Suit-Kote business only, and only Suit-Kote owned devices should be connected to it.

Printers

During the off-season, new printer policies were implemented to allow us to be more efficient in our printer utilization along with offering safer and more secure printing connections. Thus, most of Suit-Kote's printers were consolidated and replaced along with a few new copiers allowing for more cost-effective printing.

New Time Entry Updates

Time Entry through the custom Suit-Kote Enterprise application was first used in 2014. Since then, over 2.5-million time entry records have been entered using this application. Suit-Kote has a unique and complex set of requirements for time entry which is why the need existed for custom implementation.

After nine seasons of use, the Time Entry application was upgraded to utilize the newest technology advancements available, especially for mobile use. There is now a mobile version which changes automatically to fit the size and orientation of all mobile devices. Speed and ease-of-use improvements were also implemented.

Passwords

Passwords are just one way of securing our network, but the strength of the password will make it more difficult for the hacker to get into our systems. By looking at the matrix provided by Hive Systems, you can see that a simple password of seven characters with upper and lowercase letters and numbers will take seven seconds to crack. However, by using a complex password with twelve characters of uppercase, lowercase, numbers, and symbols (e.g., M@k3,a$faUlt), it will take 3,000 years. Passwords should not be shared with anyone. Once someone has your password, they can proceed to cause issues on our networks in your name.

TIME IT TAKES A HACKER TO BRUTE FORCE YOUR PASSWORD IN 2022

Number of Characters	Numbers Only	Lowercase Letters	Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters, Symbols
4	Instantly	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	Instantly	Instantly	Instantly
6	Instantly	Instantly	Instantly	Instantly	Instantly
7	Instantly	Instantly	2 secs	7 secs	31 secs
8	Instantly	Instantly	2 mins	7 mins	39 mins
9	Instantly	10 secs	1 hour	7 hours	2 days
10	Instantly	4 mins	3 days	3 weeks	5 months
11	Instantly	2 hours	5 months	3 years	34 years
12	2 secs	2 days	24 years	200 years	3k years
13	19 secs	2 months	1k years	12k years	202k years
14	3 mins	4 years	64k years	750k years	16m years
15	32 mins	100 years	3m years	46m years	1bn years
16	5 hours	3k years	173m years	3bn years	92bn years
17	2 days	69k years	9bn years	179bn years	7tn years
18	3 weeks	2m years	467bn years	11tn years	438tn years

HIVE SYSTEMS

› Learn about our methodology at hivesystems.io/password

Safety Spotlight: Spill Control & Response

Prevent Spills from Becoming Disasters

The presence of chemicals, emulsions, and asphalt may present hazards should an unplanned release occur at a facility or on the roadway. An effective spill response plan (SRP, SPCC) can prevent spills from becoming disasters. Stocking the appropriate spill response equipment and providing the proper training for all employees is important before a spill response plan can be implemented. Combining the correct spill equipment and training with a clear spill response guide ensures total preparedness.

Chemicals, emulsion, and asphalt can be stored in many different types of containers. Depending on the product, this can include storage tanks, transport trailers, railcars, distributors, totes, barrels, cylinders, etc. If a spill were to occur, do you know the designated areas where spill response equipment is kept? Also, who is on the spill response team? The following steps along with the correct equipment and training will ensure that spill response is fast, effective, and performed safely.

1. Assess the risk

Responders should determine the risks that may affect human health, the environment, and property. The spilled material can be identified from the container label or the Safety Data Sheet (SDS). Next, identify the volume spilled and the primary dangers posed to the spill responders as well as the environment. Once the extent of the spill and the risks are understood, appropriate measures may need to be taken to isolate the spill area. Environmental agencies may need to be notified about the nature of the spill.

2. Select personal protective equipment (PPE)

The spill responder may already be wearing the necessary PPE because they were working with the spilled liquid. If not, it is crucial that the appropriate PPE is worn. Consulting the SDS can aid in selecting the right option. Commonly worn PPE during a spill can include Tyvek suits, safety glasses, goggles, hard hats, gloves, long sleeves, and face shields.

3. Confine the spill

The spill volume can vary widely. Once the correct absorbents or kits have been chosen, responders should limit the spill area by blocking, diverting, diking, or confining the area. The flow of the liquid should also be stopped before it has a chance to contaminate a water source. Minimizing the spill area and protecting drains are the priorities.

4. Stop the source

This step may happen before the spill is already confined depending on extent or size. This could involve simply turning a container upright, closing a valve, or plugging a leak from a damaged drum, container, or tote. Once the leak has been stopped, the liquids should be transferred from the damaged container to a new one.

5. Evaluate and implement cleanup

Once the spill is confined and the leak has been stopped, it is time to reassess the incident and develop a plan of action for implementing the spill cleanup. Responders should make sure they have enough spill response supplies to deal with the incident. Once the absorbents are saturated, they may be considered waste and should be disposed of properly.

6. Decontaminate

This involves removing and disposing of contaminated media such as soil that was impacted during the spill incident. PPE may be able to be reused.

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