

PERRECA

ELECTRIC CO., INC.

SAFETY TEAMWORK EDUCATION PRODUCTIVITY

STEP **Q** NEWS
QUALITY

Spring 2010

A MESSAGE FROM OUR PRESIDENT

CORE VALUES

While jumping from news show to news show during a bout of early morning TV watching a few days ago, I suppose subconsciously looking for good news, I stumbled across a commercial that caught my attention.

Let's set the scene. A barber is nervously looking across the street from the window of his small shop to a (fictitious) national hair-cutting chain. What appears to be its grand opening is occurring, and massive banners offering \$6 haircuts are hanging from every window and wall. A man dressed as a pair of scissors is bouncing about and customers are flocking to its doors. You can see that the little guy is plainly worried.

I quickly learned what the advertisement was about though, as the little guy soon ran to Office Depot and bought his own banner. "We fix \$6.00 haircuts." You don't need me to tell you the rest of the story.

Whenever there is a tough economic time similar to the one we are currently experiencing, a certain portion of the trade contractors who are under-financed, poorly managed or who have become economically unstable due to poor bidding choices start selling \$6 haircuts. We all know these apparent bargains are the most tempting of all. And when times are tough, people wish to save money and are often all too willing to receive that \$6 haircut.

Interestingly, since the recession started in 2007, our sales volume has dropped but a new phenomenon has taken place. We have picked up more clients. These new clients are for the better and are the kind who will increase our sales as the recovery gains steam. We have attracted these clients by sticking to our core values of providing a quality product on time and in a safe working environment. And by fixing \$6 haircuts.

HAPPY RETIREMENT TO
PAT MUNDAY!

AFTER 26 YEARS OF
DEDICATED SERVICE,
PAT RETIRED ON
SEPTEMBER 30.

WE WISH HIM ALL THE
BEST!

—Carl

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Perreca Electric Co., Inc.

MAJOR ACCOUNTS DIVISION

Robert Kaehler, Executive Vice President

FULL STEAM AHEAD

We have seen, of late, many signals indicating that our financial interests are on the upswing. Over the last several months, our bidding activities have steadily increased, with many long-time customers returning.

This year's activities promise to greatly surpass those of last year, and we are prepared for the forthcoming challenges of an active market. Our Major Accounts team is still intact and sailing at full steam, something that many other businesses, unfortunately, cannot claim to be the case.

One reason for our continued success has been our willingness to evolve and expand into new markets. We have expanded our interests into the field of renewable energy, and have found it to be rife with opportunity. As this important market continues to grow over the coming months and years, we expect to be at the forefront of this new wave, working hard so that we may make the best use of the latest and greatest technologies in the field.

Another important factor that has helped us maintain our momentum through this economic downturn is the expansion of the geographic area in which we work. By covering a broader range of customers and tackling a greater variety of challenges, we have proven to our clients that we are willing to travel to great lengths, both literally and figuratively, to go above and beyond in helping to complete their projects.

As was mentioned in our previous newsletter, we here in the Major Accounts Division were delighted to announce our partnership with the design build team behind photovoltaic manufacturer Spectrawatt's new

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corporate headquarters and factory. Now, one year later, we are glad to be able to congratulate Spectrawatt on the completion of the new photovoltaic manufacturing plant. We are proud to have been a partner on this project, and are pleased to announce that the build was completed on time and under budget. With care and commitment

to our core values, we were able to deliver the sort of high quality work which we consider to be a mark of our company, and thus ensured complete customer satisfaction.

We wish Spectrawatt the best of luck and will continue to support them and work to fully satisfy all of their future requirements.

GENERAL ACCOUNTS DIVISION

Philip Huggins, Senior Vice President

The General Accounts division is pleased to announce that the \$10 million addition to the Student Union Building at SUNY New Paltz is on schedule for a June 2010 completion. With its cutting-edge green technology, the high-tech building is being hailed as the most environmentally-friendly project on the SUNY campus. Aesthetically, the addition is unlike anything in the area and has been described by many as a “giant translucent Rubik’s Cube”.

In addition, we are happy to announce the near completion of the renovation and addition of Building 35, a residence hall at Mount St. Mary College here in Newburgh. This building will house 80 students in a townhouse setting.

We will also be starting the renovation of the cafeteria in Aquinas Hall on the Mount St. Mary campus. Scheduling and performance are critical on this job as the cafeteria will only close the day after graduation in May and will reopen before the next school year.

Switching gears, we in General Accounts wish to address issues and ideas that we have progressively seen in the past few months. With the ever increasing awareness of sustainability, and the General Services Administration requirement that all new government buildings and renovations meet LEED certification standard, we must think about how we in the Hudson Valley can adapt to green. It is not easy to transition, but is something that makes sense, both economically and ecologically. To ease this transition, we are hopeful that some of the \$131 billion in the stimulus construction fund will be spent in the Hudson Valley, greening and cleaning our industry.

Another pressing issue is the fact that with the challenges of surviving today’s troubled economy and clients who are just not ready for projects and commitments, we cannot afford to continue doing things the way we always have. We must improve efficiency, and change our spending and building habits to do so. Cutting overhead costs is important, and we have seen this in ways we never would have expected. With the retirement of two of our project managers, Pat Munday and John Gabel, we experienced a profound loss. These men will be missed but interestingly, with their exit, we have also seen small gains. Duties that were once completed by these men have now been snared by remaining project managers, which in turn lowers these overhead costs.

Obviously this is new economic territory to almost everyone, but we in General Accounts feel that by working diligently with our staff and with our clients, we will adjust.

We have brainstormed with our staff to discuss and implement new procedures to improve our efficiency in the field, office, and warehouse. And we need now, more than ever, to instill increased communication, positive attitudes and motivation with our staff to meet new, attainable goals.

Important Issues Discussed With Our Staff

- **Include Everyone.** Staff should take part in helping shape how the business operates.
- **Share visions.** Success depends on having a cohesive idea that is accepted and liked by all members of our staff.
- **Bring innovative ideas.** Our staff is full of creative, inventive thinkers and we want to hear their ideas and incorporate them into our overall mission and vision.
- **Discuss ways to improve.** We must develop action plans to identify and improve suitable goals.
- **Work directly with managers and staff.** We must provide the guidance and tools that our staff needs to increase productivity and ensure continued success.
- **Educate.** We must include our staff during initial design and always remember to educate each member of our team on our overall objectives.

NEWS FOR THE NEW YEAR

With an economy that is slowly recovering, and a country working with fervor toward change and progress in every sector, it is no surprise that we at Perreca are growing and changing as well.

With this in mind, we are pleased to announce an exciting endeavor for Perreca that began in October 2009. James Bodrato, formerly a general foreman with Perreca on the Gap/Old Navy project in 1999 and a business agent for Local 363 between 2001 and 2007, was appointed vice president of our Business Development division.

Bodrato's experience as executive director of Construction Contractor's Association, wherein he promoted and enabled responsible contracting in the Hudson Valley is also a great asset to Perreca. We are thrilled to welcome him to our team.

Through the business development sector, and with the hiring of Bodrato, Perreca has made a huge investment and a commitment to providing value to our customers. Working with patient safety monitoring systems, electrical preventative maintenance programs (EPMP) and numerous other technologies, we have and will always be better able to watch out for our client's investments.

When asked how he hopes to work with our company in his new position, Bodrato put it simply. "I'm here to prove to all of our customers, existing and future, that we can provide a return on their investments if they partner with us," he says. "We have the expertise from the executive level to our operational and installation level, second to none. My position is to find the most value that we can offer our clients."

We at Perreca look forward to this exciting new time in the company. We would like to welcome James Bodrato and thank our customers for their continued support.

We at Perreca are pleased to announce that our chief financial officer, Julie Forman, has been accredited as a Certified Construction Industry Financial Professional (CCIFP).

With this new accreditation, Forman has enhanced her credibility as a professional construction financial manager and has increased her overall understanding of construction finance.

We congratulate Julie Forman on obtaining this goal, verifying and increasing her knowledge and helping to better Perreca and the construction industry in general.

BUSINESS DEVELOPMENT DIVISION

James Bodrato, Vice President

WORKING TOWARD A BRIGHT FUTURE, HOLDING STRONG TO BONDS OF THE PAST

Though the saying goes “out with the old and in with the new”, we at Perreca believe that to survive and thrive in the current economy, we must embrace our future while holding tight to that which has proven successful in the past. With preservation of good business strategy, we welcome 2010 and invite opportunity, growth and change in markets that are eager to press forward. Alternative energies, changing age demographics, expanding geographic opportunities and consumers needing greater safety and security have opened a door to a somewhat different, but no less bright future for Perreca.

Being committed to proper safety, training, quality workmanship, customer satisfaction, proactive attitudes and good old-fashioned hard work and honesty is what has made this company successful and is what will continue to define us in the coming years. We must put these core values into practice in these burgeoning markets to expand our vision and meet the vision of those we serve.

First, as a member of the Green Building Council, we are committed to developing and executing alternative technologies and working toward a diverse, greener future. The reality is that a hurting economy will rebound with the help of alternative energies. Manufacturers of these technologies have already seen record installations and operations. In 2009, according to the U.S. Energy Information Administration as mentioned by MarketWatch, nearly 10.5 percent of the U.S. power supply came from renewable and alternative energy sources. We can expect to watch continued growth in these sectors in 2010. By already serving photovoltaic and biomass customers, we have begun a process within our company that many have yet to even acknowledge.

We must hold steady to honoring and utilizing industry through traditional oil and gas companies as well. These industries will not disappear and we look forward to enhancing business with them. We will also expand upon our already wide line of alternative energy technology that includes everything from LED and compact fluorescent lighting to solar-powered ventilation systems.

While it is important for Perreca to look at the green market, we must look at the “graying” one as well. According to the U.S. Census, by 2030 approximately one out of every five people will be 65 or older. This swelling demographic will come to represent a link between our traditional commitment to certain markets, including service work, retail and residential and the growing needs of changing populations and new technologies.

Hand-in-hand with the graying of America, Perreca is also looking to expand in the healthcare industry. In addition to senior housing, we will look at patient safety in nursing homes and across the entire medical spectrum. Alert systems and informational transportation systems are just a few technologies included in this cutting-edge, potentially high-earning market, and we are excited to be on the ground-floor of their creation.

Most importantly in joining the new with the old is creating new geographic markets and broadening existing ones. We will now cover all of New York’s Capital Region, Eastern Pennsylvania, Northern New Jersey, and the whole of New England. With this expansion, many clients will have greater Perreca coverage and can count on us for projects that may have previously landed outside of our jurisdiction.

Though we are in what can be debated as the largest economic recession since the Great Depression, we at Perreca feel we have made a great investment in the future of the company. Thanks to our core values, integrity and experience, we look forward to having a tremendous year and starting on a new path. And as always, we thank you, our loyal customers, for believing in us and pushing us to strive for continued excellence and innovation.

HAVE A SAFE AND HEALTHY SPRING!

Patrick Galietta, Safety Director

As spring arrives, most of us begin the annual task of spring cleaning, clearing winter debris, tackling home repairs and preparing to spend more time outside. It is also the perfect time to remember basic safety and ask ourselves why safety is important and remember some tips on how we can exercise caution.

S

SAFETY

Spring is a great time for a safety inspection of your power equipment, tools and inventory chemicals. How long have you been holding onto the paints, gas, weed/bug spray and pool chemicals? Are they labeled and stored away from children's reach? Dispose of any that are leaking, expired, or look just plain bad.

What about our skill levels and limits? We certainly remember the days when we were capable of doing a lot more physical activity, without pain or injury, but are those days still with us? To help guard against injury, spend five to 10 minutes warming up with a brisk walk. This will loosen muscles and get your blood flowing. After warming up, stretch the muscle groups you will be using the most, and remember, it is important to stretch the muscles in the motions you will be using them. For instance, if you will be doing overhead work, stretch your shoulders by reaching up, not just across your chest.

T

TEAMWORK

To protect your lower back, avoid stooping and bending. Try kneeling with kneepads, cushions or sitting on a small stool so you are closer to your work. Avoid activities where you are bending forward or twisting sideways and at the same time tossing something. Pace yourself and take breaks. Save the heavier work for midway through your project so muscles and joints are properly warmed up.

E

EDUCATION

Interestingly, the majority of spring cleaning injuries involve falls from ladders or other heights. Be sure to watch your step, no matter what height you're working with. In addition, nearly 80,000 Americans are treated annually in emergency rooms for injuries related to lawn mowing. Most injuries are related to flying debris and machine maintenance. Clear mowing areas of sticks and rocks to prevent injuries.

Gloves protect your hands from cuts, scratches, and skin irritation from yard chemicals and sprays. Avoiding further skin irritation is as easy as knowing how to identify poison ivy or oak before doing any "hands on" weed removal.

P

PRODUCTIVITY

Always wear eye protection when mowing or using power tools, never forget your SPF 15 or higher sunscreen, drink plenty of water *before* getting started, and have water on hand to stay hydrated.

Easily overlooked is checking the barbecue at the beginning of the season and throughout it, as well. Remove the grates and check out the burner. If it looks good, then fire it up and make sure that you have an even flame throughout.

Clean out ash and grease at the bottom of the barbecue too. Keep the grill at least five feet from the house, deck railing or any other material that could catch fire. When operating the barbecue, only open your tank one-quarter to one half turn. That is all the gas it needs to operate and if anything goes wrong, it is much easier to shut off when turned that low. Remember to open the lid before you light it. If it doesn't fire up the first time, shut it down, and try it again in five minutes, after the propane dissipates.

While some seem common sense, and some easily overlooked, following these steps will ensure a safe and healthier spring for all.

Questions, Comments,
Suggestions?
Contact Pat:

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