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It's Been A Great Adventure



In September of 1971, I took a job with Kelso-Burnett Co. as an assistant in the Purchasing Department. There, my job description was to do anything that others in the department didn't want to do, and

I started at \$7,800 per year. Gas at that time was 36 cents per gallon, a stamp was 8 cents, and a federally mandated wage and price freeze was in effect.

Our accounting was done by a bookkeeping machine, and job cost records were kept on cards that the machine posted on. Financial statements were copied on mimeograph paper, and "Wite-Out" was the newest productivity tool.

Richard Nixon was President at that time, and since then, I have worked through seven additional Presidents. I am now seeing my sixth recession since starting at Kelso-Burnett. Boy, I am sure sounding old, but in my 39-plus years at K-B, I have seen a lot. Hard times, good times, problems and bigger problems: they all seem to blend

together over the years. I've met and worked with many great people and all in all, I wouldn't trade it for anything. It's been a great adventure.

I remember when Jim Chorley and I were new employees. We would comment, "There's nothing but a lot of old guys working here." Now I'm one of them. It's been a long, interesting, enlightening and fun career. We have a great group of Managers and Managers-to-be at Kelso-Burnett, and it is now time to get out of the way and give them the opportunity to develop in this company. I have no qualms at all about leaving K-B in their capable hands.

I won't be totally gone, so don't be surprised to see me around the office. I will continue as a Director of Kelso-Burnett Co. and a Trustee of Kelso's Employee Stock Ownership Plan (ESOP). After almost 40 years, I will never be far from K-B, whether in my heart or in the office. So to our great employees I say, take advantage of your youth and potential. Success is opportunity meeting preparation, so be prepared (and keep your head down through your golf swing).

– Jim Kostek, Board Chairman and CEO

Takeda Pharmaceuticals Awarded LEED Gold

When privately owned Japanese pharmaceutical company Takeda Pharmaceuticals acquired TAP Pharmaceuticals from Abbott Laboratories, they were looking to hire a local electrical contractor with international experience for their office building's build-out. Chicagoland's Kelso-Burnett Co., a member of the Federated Electrical Contractors (www.fec.org) regularly shares best practices with over 30 of its member companies, including Japan's Seibu Company. Due to having an international presence with the FEC, along with a great reputation for its excellent services, Kelso-Burnett Co. was hired to complete the electrical construction of Takeda's Phase 2, Building III project located in Deerfield, Illinois.

This past fall, after countless months of strategic coordination and hard work, Kelso-Burnett completed the Takeda Phase 2, Building III project. Contracted by Hines and Power Construction, Kelso-Burnett completed nearly \$10 million in electrical work in 10 months' time. This large-scale project consisted of various electrical, fire alarm, voice/data, sound masking, CATV, wireless, and audio/visual installations to a new six-story, 400,000-square-foot office building that achieved LEED Gold Certification. Lighting was installed to a new three-story, 240,000-square-foot parking structure, along with 150 landscape lights in two parking lots, and renovated an existing server. K-B provided a complete Turnkey system for Normal and Emergency Power, Fire Alarm, Area of Rescue, UPS, Lightning Protection, Lighting Control, Network Sound Masking, Telecommunications, Audio, Television, Video, Heat Tracing, Grounding, and Wireless Distribution.

At the project site, Kelso-Burnett's electrical team installed two 3000 Amp services, and installed over 120 feet of bus duct to distribute power throughout the building. A 450KW emergency generating backup system was installed to support all Life Safety as well as Critical Power. An uninterruptible power supply system (UPS) was installed to back up all of Takeda's IT distribution throughout the complex. Additionally, a complete Fire Alarm and Area of Rescue System was installed that integrated into their existing infrastructure, and consisted of over 10,000 feet of cable tray, 120 site lights, and 600 zone boxes for power distribution.

KB Advanced Technologies (KBAT) was called upon to install more than \$1.4 million in Structured Cabling for the Takeda building and parking garage project. The KBAT team installed over 100 miles of Category 6 Enhanced plenum cable in a raised floor, 4,650 4-pair Category 6e cable runs, 12 Telecommunications Rooms, 1 MDF, a

Fiber Optic Backbone, 2,160 fiber strand terminations, Distributed Antenna System (DAS) for 2-way radio, Cellular, WiFi, 3G coverage consisting of 60 Antennae, a Sound Masking system consisting of 322 Speakers, an Area Of Rescue System, SATV, Digital Sign, and a Broadband Distribution COAX system.

Overall, the project took over 51,000 man-hours to complete between Kelso-Burnett Co. and KB Advanced Technologies combined. The short project delivery schedule produced extreme challenges and commitments from all of the trades involved. At the project's conclusion, Kelso-Burnett's Tony Arnone, Division Manager out of the Gurnee Branch, stated, "It was a very interesting project, and we were able to work with some very hardworking and dedicated people within our team who all worked together for one common goal – to deliver this Takeda project on time and under budget. We at Kelso-Burnett and KB Advanced Technologies look forward to future projects with Power and Hines where we can team up once again to perform and achieve success."

The demands of the schedule required not only well-monitored field management, but supervision from all levels of the Kelso Team. Kelso-Burnett President Brad Weir, Vice President of KB Advanced Technologies Ron Roeder, and Vice President of Lake County Operations Carl Ehr frequently attended meetings and played major roles in accomplishing this project. Superintendents Tim Callanan from Kelso-Burnett and Ryan Teumer from KBAT kept production on track, and Kelso-Burnett's Project BIM Engineer Sean McBride insured that drawings were properly coordinated to reduce and quickly resolve any on-site project conflicts.

Special thanks to Power Construction's project team, headed by Senior Project Manager Chris Goray, Project Manager John Elliott, Senior Project Superintendent Jim Simpson, and Project Superintendents Jerome Murphy, Dan Porzel, Pete Gorman, and Pamela Smith. Together, they worked impeccably with Kelso-Burnett's project team, led by Gurnee Division Manager Tony Arnone, Project General Foreman Marty Keller, and Project Foremen Dennis Elfring, Steve Gourley, Jeff Mruk, and Taylor Penkava, along with KB Advanced Technologies Division Manager Doug Dickerson and KBAT Foremen Jared White, Jason Money, Fernando Ramirez, and Tom and Mike LeClair. We'd also like to thank the Hines project team, led by Vice President of MEP Construction Marty Olhava, and Construction Managers Greg Van Ochten and Cori Linell for their contributions to the success of this project.



Kelso-Burnett Co. purchases new Trimble MEP Layout Solution



K-B Foreman Tracy Olkiewicz uses Trimble MEP Layout Solution at the Des Plaines Casino jobsite

Technology in the field of Electrical Contracting sure has come a long way since Kelso-Burnett Co.'s inception in 1908. It's no secret that in order to be an industry leader in any field, one must keep up with the evolving technology trends and must find ways to implement them into their business practices. Therefore, we're very proud to announce that K-B has recently purchased a piece of equipment that will greatly improve our construction efficiency for all of our customers.

This past summer, Kelso-Burnett Co. purchased the **Trimble MEP Layout Solution**, which is used to simplify the layout of sleeves and hangers and can increase accuracy and productivity for mechanical, electrical, and plumbing contractors alike. Currently being used at our Des Plaines Casino jobsite, this piece of equipment takes digital 3D positional data which is used to identify the locations for conduit stub-ups, fixture locations, anchors, sleeves, and more, which need to be installed during the early stages of construction. This tool uses CAD input to be spot-on from drawing dimensions, and allows one person to accurately lay out hundreds of points on a complex design – all within a single day. Wireless capability in the controller enables transfer of design data and daily progress updates between the office and field, reducing delay associated with traveling to and from the job. It is a sophisticated piece of equipment which has great potential to provide K-B with superior accuracy and enhanced productivity on our customer's construction projects.

K-B Sparks



Don Hennessy

Congratulations to Don Hennessy, who was recently hired by KB Advanced Technologies (KBAT) out of Chicago on November 1, 2010, to take on the role of Division Manager. Don comes to KBAT with roughly 11 years of experience in the Electrical Contracting Industry, working on both high and low voltage projects over the course of his career.



Jeff & John Weir

Congratulations to Jeff and John Weir, both Division Managers out of the Rolling Meadows office, who recently competed in the Ironman Wisconsin, held on September 12th in Madison, Wisconsin. What's even more incredible is that both Jeff and John finished the Ironman competition in the allotted timeframe of 17 hours! Finishing an Ironman race is a remarkable accomplishment that not many people are able to do in a lifetime.



An Ironman competition consists of a 2.4-mile swim, and a 112-mile bike-ride, topped off with a full marathon (26.2 miles) to end the day. Jeff Weir finished in a time of 12 hours, 18 minutes, and 41 seconds, while John Weir finished in 14 hours, 11 minutes, and 19 seconds. Congratulations to them both for their outstanding achievements.



Stefan Lopata

Congratulations to Stefan Lopata, who as of January 1, 2011, will be promoted from Vice President / Branch Manager of Rolling Meadows to Executive Vice President & Chief Operating Officer of Kelso-Burnett Co. Stefan will be responsible for the overall operation of all of Kelso-Burnett's branches, as well as continuing to directly oversee the Rolling Meadows Branch operations.



John Ryder

Congratulations to John Ryder, who as of January 1, 2011, will be promoted from Division Manager out of the Rolling Meadows office to Assistant Branch Manager of Rolling Meadows. John will work closely with Stefan Lopata to assist with the Rolling Meadows Branch operations.

K-B Milestones



In July of 1993, Kelso-Burnett moved its Chicago operations from 223 W. Jackson Blvd. over to the 7th floor at 212 W. Van Buren. Years later, K-B expanded its Chicago operations by leasing the entire 6th floor of 212 W. Van Buren to house its Communications Branch (currently known as KB Advanced Technologies since forming its individual brand identity at the start of 2010).

Nearly 18 years later, K-B will soon be moving from its longtime location at Van Buren Street over to 311 S. Wacker Drive. The deal, brokered by Newmark Knight Frank, consists of a 7.5-year, 8,967-square-foot sublease of the 39th floor of the 311 S. Wacker building. Here, Kelso-Burnett's "Loop" branch and KB Advanced Technologies will both be running their operations from the 39th floor of this spectacular building.

A special thanks to Ron Roeder, Vice President and Branch Manager of KB Advanced Technologies, for his integral role with our sublease transaction. He worked closely with

Newmark Knight Frank throughout the entire process to ensure that everything was satisfactory for all of the parties involved.

Although our lease begins on January 1, 2011, we won't officially move in until our lease at 212 W. Van Buren expires at the end of January. Please stay tuned for an official announcement of our move in 2011, and we hope that many of our readers can stop by and visit our new location.



311 S. Wacker featured in front, to the right of Willis Tower

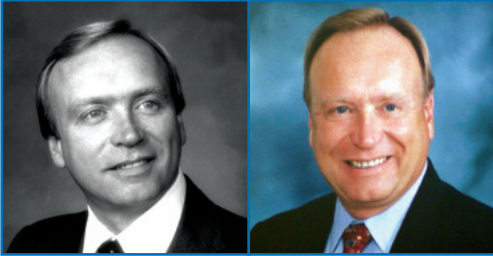
Kelso-Burnett Co. "Employee Appreciation Day" at Six Flags Great America

Even though times couldn't be tougher throughout the electrical industry, Kelso-Burnett Co. held an "Employee Appreciation Day" at Six Flags Great America in Gurnee, Illinois on Saturday, August 28, 2010. Like last year, Kelso-Burnett wanted to show its appreciation for the entire K-B family during this time of hardship by inviting all K-B employees to bring their spouses, families, and/or guests to the park for a day of fun. Over 320 employees, family, and guests were in attendance as they enjoyed all that Six Flags has to offer.

Kelso-Burnett Co. would like to thank all the K-B employees, family, and guests who attended the event at Six Flags Great America. Special thanks to Chris Vladovic, Cathy Kay, Kathy Eaves, and Matt Nemshick of Kelso-Burnett Co. for their time and effort in coordinating this successful event.



Farewell to Jim Kostek – CEO of Kelso-Burnett Co.



Jim Kostek, Board Chairman and CEO, will be retiring from Kelso-Burnett Co. at the end of the 2010 year. Jim has been a member of the

Kelso-Burnett family for nearly forty years, where he has worked his way up to CEO after starting from an entry-level position within the company. His career at Kelso-Burnett has been quite impressive and here is a quick review of his tenure.

Jim Kostek received a BS in Marketing from Northern Illinois University in 1970, and finished his MBA in 1984 at Roosevelt University. In September of 1971, Jim began his career at Kelso-Burnett, where he started as a Purchasing Department Assistant. The job paid \$7,800 per year, and his duties were, as Jim puts it, “to do anything that others in the department didn’t want to do.” Work was tough and the pay was sparse, but Jim worked hard to climb up the Kelso-Burnett Ladder.

After nearly a decade of service, Jim became Secretary-Treasurer of Kelso-Burnett in 1981. Possibly the defining achievement of Jim’s career was when he implemented Kelso-Burnett’s Employee Stock Ownership Plan (ESOP) in 1981, which is still

in effect today. He is very proud to have watched Kelso’s ESOP grow from zero, all the way to eighty-two percent ownership – this all happening without any financial contributions by Kelso-Burnett employees over the course of nearly thirty years!

In 1993, Jim Kostek was named Executive Vice President. Shortly after, he served as President of Kelso-Burnett Co. from 1997 through 2004. Jim Kostek became the first President in Kelso-Burnett’s history to have never had an operations-type role within the company. His accounting background produced great results for the company, and in 2001, Kelso-Burnett Co.’s revenues reached over \$112 million, making it the most profitable year over the course of K-B’s 102-year history! Under Jim’s seven years of leadership, Kelso-Burnett Co. experienced quite a bit of growth and expanded its business model to what it is today.

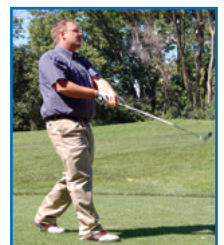
Last but not least, in 2005, Jim Kostek was elected as Chairman of the Board & Chief Executive Officer (CEO) of Kelso-Burnett Co. Although his working career will officially be coming to an end, he will continue as Director of Kelso-Burnett Co. and a Trustee of K-B’s ESOP to ensure its continued success. Over Jim’s 40-year career, he has made a lot of friends, has shared a lot of laughs, and has accomplished many great things in both his professional and personal life. All of us at Kelso-Burnett wish him success in his retirement and continued success with all of his endeavors.

Kelso-Burnett Co. 2010 Field Appreciation Golf Outing

On September 24, 2010, Kelso-Burnett recognized its field employees with an appreciation golf outing and dinner at the Indian Lakes Resort Golf Course in Bloomingdale, Illinois. Although heavy winds, rain, and gloomy skies threatened early on, the gray skies eventually parted and the rain subsided, creating a beautiful fall day for our golfers. Over 130 eager participants swung the clubs at this event and enjoyed the camaraderie of their fellow K-B employees.

We’d like to congratulate John Callanan, Field Electrician out of Lake County, for getting a hole-in-one on a par 3, closest-to-pin hole during the outing. We believe this was the first or second hole-in-one to occur during a K-B field appreciation outing, and it is a major accomplishment that should not go unnoticed. Congratulations to John Callanan once again.

Kelso-Burnett Co. would like to send out their appreciation for the participation of our electricians, vendors and staff in making this a memorable event for 2010. We’d like to send out special thanks to Heidi Pappa, Isabel DeRam, John Ryder, and Kathy Eaves of Kelso-Burnett Co. for coordinating the golf outing and making the entire event a success.





KELSO-BURNETT CO.

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Electrical Construction • Voice & Data Communication • Life Safety

We are an employee-owned company that combines advanced technologies with superior workmanship to provide the highest-quality design, construction and project management available in the electrical contracting industry.

Since 1908



The safety department at Kelso-Burnett offers OSHA 10-

and 30-hour classes. For more information or to schedule a class, contact Scott Johnson at (847) 483-3826 or Cathy Kay at (847) 483-3827.



NFPA 70E Training

Kelso-Burnett continues to train employees and clients on the NFPA 70E requirements. Only an employee who is certified as an “Electrically Qualified Worker” may approach and work on live systems. He or she must also utilize an Energized Work Permit. Contact Cathy Kay at (847) 483-3827 if you would like to schedule a training session.