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Business

MATTERS

IN CAMBRIA COUNTY
P E N N S Y L V A N I A

RNDT

In industries from defense to transportation to energy, manufacturers need to ensure the components they have fabricated are free of hidden defects. RNDT is a Johnstown-based commercial testing and research laboratory that provides nondestructive testing of critical parts used in everything from jet engines to drilling rigs.

“When we say ‘critical’, we mean that if the component would fail while it was in service, it could have catastrophic consequences,” explained Fred E. Raco, Jr., RNDT President.

Taking a look inside an industrial weld or examining the inner workings of a large mechanical component is no small task. RNDT’s certified technicians use a variety of testing methods, including radiography, ultrasonic imaging, liquid penetrant and magnetic particle testing, to analyze a part for quality and to detect flaws. Each precision testing method requires specialized equipment ranging from table-top analytical devices to an X-ray imaging room with 18” solid concrete walls. The variety of testing allows RNDT engineers to employ the most accurate and efficient means of analysis for the specific task at hand.

What sets RNDT apart from similar testing facilities is the technical expertise of its workforce. RNDT employs multiple Level III Examiners in a wide range of testing methods. “Level III is the highest level of certification that

Level II Technicians Tyler Stevanus, Fred Raco, III and Dave Huey prepare to perform industrial radiography.



In this issue: The EADS Group, Aerofab, CAMCO, Para-Coat Technologies and more...

you can get for nondestructive testing,” said Jimma Raco, RNDT’s Managing Director. “If a customer calls and says it needs a Level III on-site to examine equipment, we have the resources to make that happen quickly.”

RNDT, which serves clients throughout the United States and Canada, operates out of a 10,000-square-foot facility located along Maple Avenue in Johnstown’s Woodvale neighborhood. The company can provide testing there or on-site at a customer’s place of business or work site. In many instances it is simply impractical for a manufacturer to disassemble and ship a large machine or device for analysis. As a result, about half of RNDT’s work is performed in the field. Equipped with one ton pickup trucks that have been modified into mobile darkrooms, RNDT’s field service teams are able to conduct the same testing procedures on the road that they perform in a controlled lab setting.

Typically, testing of crucial parts is a federally- or internationally-mandated step in the manufacturing process. However, it’s not uncommon for manufacturers to seek RNDT’s help in improving the overall performance of their equipment. When a customer in the Marcellus Shale natural gas industry had trouble with a component

on a hydraulic fracturing pump, RNDT’s testing identified service induced flaws. Once corrected, the equipment’s failure rate dropped dramatically and efficiency soared.

RNDT will mark its 10th anniversary in August 2012. What started as a three-person company has grown to nearly ten times that size, becoming a leader in the commercial nondestructive testing industry. Fred Raco credits RNDT’s employees for the company’s success. “We try to run our company like a family. I tell my guys I love them all the time, because I really do,” he said.

RNDT acknowledged an ongoing relationship with JARI as another positive factor in its growth. From early assistance with financing and finding a location to help with workforce development and securing a grant for technology, JARI has helped RNDT to stay on top of developments within the industry. Through her participation in the JARI-led Manufacturing Consortia and Marcellus Shale Consortia, Jimma Raco said she is readily able to identify opportunities that can benefit RNDT now and in years to come.

To learn more about RNDT, call 814-535-5448, or check out the company’s website at www.rndt.net.



Dennis Stidinger, President of The EADS Group, and Project Engineer Steve Sewalk review a sewer lateral replacement project in Johnstown’s Roxbury neighborhood.

Level II Technicians Kevin McMonagle, Fred Raco, III, Dave Huey, Tyler Stevanus & Chad Kulik in front of one of RNDT’s mobile darkrooms.



The EADS Group

The EADS Group, Inc. is a leading engineering, architectural and design firm based in Altoona. When the company set up a Johnstown office in 2007, its sole purpose was to make doing business with Johnstown area customers more convenient and client-friendly. Five years later, EADS’s downtown Johnstown location has gone from a tiny office with no dedicated staff to 40 employees in an expanded space in the Franklin Center. One of seven EADS locations, the Johnstown office provides a full range of engineering services.

“We are truly a multi-disciplined firm—a one stop shop,” said Dennis Stidinger, President of The EADS Group. “We offer a wide variety of services in-house that allow us to not have to go out and hire sub-consultants.”

EADS specializes in architecture, site development, highways, bridges, water and wastewater, surveying,

mapping, planning, construction inspection and environmental services. ISO certified since 2008, The EADS Group has a process-based quality management system that emphasizes customer satisfaction.

A key area of concentration for EADS’s Johnstown office is municipal sanitary services. For example, many area municipalities are facing challenges regarding water infiltration into their sanitary sewer systems. On an annual basis, EADS delivers more than \$10 million in municipal work ranging from planning and design to inspection of wastewater treatment systems to communities in and around Johnstown.

“The City of Johnstown, being a larger community, has more diverse needs than a typical smaller borough or township,” said Steve Sewalk, an engineer for The EADS Group. “That’s why it fits into our organization well—we

can supply them with services for a lot of the different needs that they have.”

In addition to its Altoona and Johnstown sites, EADS has offices in Somerset, Clarion, Lewistown, North Huntingdon and Cumberland, Maryland. In all, the company employs more than 200 professionals.

“We’re blessed to have a quality engineering program here locally.”

DENNIS STIDINGER
PRESIDENT, THE EADS GROUP

Although Stidinger said the company often has difficulty finding engineering candidates with the appropriate training in other markets, the Johnstown area has a steady stream of qualified graduates from Pitt-Johnstown. “We’re blessed to have a quality engineering program here locally,” he said. “We hire a lot of our engineers as interns during their college years and a high percentage of those go on to be permanent employees.”

The EADS Group has served Altoona and surrounding communities for over 50 years. EADS has ranked in the Top 500 Design Firms in the nation as recognized by McGraw Hill’s Engineering News-Record since 1987. The company was also included in Pennsylvania Business Central’s Top 100 Businesses list and Johnstown Magazine’s Top 10 Places to Work in Johnstown.

You can learn more about The EADS Group by visiting www.eadsgroup.com or calling 1-800-626-0904.

McAneny Brothers

When walking down the aisles of the supermarket, we don’t often think about the effort it took to get each product there. Nor do we think about the many locations from which our produce or dairy products originate. Fortunately, companies like Ebensburg-based McAneny Brothers handle the logistics for us.

McAneny Brothers is a wholesale distributor for supermarkets and convenience stores. The company, which was started by three brothers in Johnstown 34 years ago, now boasts 275 workers and distributes to stores in Pennsylvania, Maryland, West Virginia, Ohio and New York.

As a wholesale distributor, McAneny Brothers operates on a daily cycle of receiving products from producers, fulfilling customer orders, loading trucks and sending trucks out to stores. That tried and true process, however, is about to change. This July, McAneny Brothers will implement a new, state-of-the-art warehouse management system. “We’re doing it to stay competitive,” states Steve McAneny, President. “Technology is constantly changing and we want to be on the forefront of that.”

The electronic system replaces clipboards with headsets, on which workers in the warehouse will be told which products go where. The system works with alphanumeric codes, rather than product names, which studies suggest help to reduce product fulfillment errors and improve efficiency. The new method also includes a system of checks and balances where the worker reads back a verification code in order to make sure the product is correct.

McAneny Brothers can supply a convenience store from start to finish and is a great secondary supplier to the grocery store trade. Ensuring that the products on store shelves are fresh and replenished is a priority. Banana ripening rooms were built to make sure that the business stayed competitive in the produce sector in the grocery stores.

Headquartered in the Cambria County Industrial Park Ebensburg, PA the business relocated in 1996 from a two floor 33,200 square foot facility in Johnstown to a new modern distribution center with 123,000 square feet of dry and refrigerated storage.

The Cambria County Industrial Park is located at the intersection of the two main arteries of Cambria County, Route 22 and 219. These roads provide excellent north/south and east/west travel. Being able to expand the facility easily is one of many benefits of the industrial park.

In fact, the company has turned to CCIDC for assistance in buying additional ground for its operation. McAneny Brothers is also exploring the possibility of developing a natural gas fueling station for its fleet of trucks.

When it comes to starting and growing a business, McAneny said Cambria County is a great location. “We’ve thrived and continued to grow because of our employees and because we have reinvested in our business,” he explained. “Anyone locating here will find a ready and able labor force. And it’s a great place to raise a family. You’re not going to find a better quality of life than here in Western Pennsylvania.”

“Technology is constantly changing and we want to be on the forefront of that.”

STEPHEN MCANENY
PRESIDENT, MCANENY BROTHERS

McAneny Brothers also operates retail grocery store locations in Hollidaysburg and Bellwood in Blair County and Philipsburg in Centre County. For more information about McAneny Brothers, visit www.mcaneny.biz or call 1-800-562-4979.

McAneny Brothers employee Brian Brown scans a barcode for one of over 11,000 items in the company’s inventory.



Para-Coat Technologies

A common characteristic of entrepreneurs is the ability to recognize an opportunity and formulate a plan to make the most of it. When Krista Rager and her husband Mike saw that businesses were outsourcing certain applications of protective coating for electronic devices and silicone products, they decided to reclaim those jobs for the Johnstown area. Relying on Krista's leadership skills as a businesswoman and Mike's technical expertise that he developed working in the protective coating industry, the Ragers founded Para-Coat Technologies (PCT) in 2009.

"The work mentality here is outstanding. Everybody gives it their all," said Krista Rager, President and Owner of PCT.

PCT specializes in Parylene conformal coating, a lightweight polymer coating that is applied in a vacuum deposition chamber. Using nanotechnology, items are coated with Parylene at a molecular level. The defect-free coating, once solidified, is invisible to the eye and is up to 100 times thinner than a human hair.

"The coated item retains 100% functionality while being protected from moisture, chemicals, fungus, dust and other conditions that could otherwise harm it," explained Mike Rager, Vice President of Operations. The applications for this innovative coating are far-reaching and include military devices, automotive parts, circuit boards and medical implants. (Parylene is biocompatible and FDA approved.) In recent years, the demand for Parylene coating has risen with the increased popularity of LEDs used in video billboards. Parylene can be up to 10 times lighter than liquid coating, making it perfect for LED signage, which requires a lightweight coating that will protect electrical components from the elements.

Recently, PCT has been researching consumer-level applications for Parylene and will launch its new Vapor Armor service within the next year. People across the country will be able to have their cell phones coated with Vapor Armor, which promises to protect the device from accidental drops into liquid without affecting its operation. Para-Coat Technologies hopes to eventually work with cell phone manufacturers to offer this service before new devices are released to market.

Mike and Krista Rager, Para-Coat Technologies founders, with an inventory of coated products.



PCT is currently in the process of relocating from a 1,000-square-foot space to a 5,000-square-foot facility on Franklin Street in Johnstown to accommodate increased demand for its services and anticipated growth of its workforce. As is, PCT has five employees but expects to double that number once Vapor Armor is introduced to the market.

The couple credited PCT's dedicated staff and the Johnstown business community with helping the start-up company to evolve and grow. "The City of Johnstown, JARI and Northwest Bank have all been on board with us from the very beginning and they're still working with us on our expansion plans," Mike Rager said, adding that "JARI connected us with prospective customers and continues to give us the support we need."

"The work mentality here is outstanding. Everybody gives it their all."

KRISTA RAGER
PRESIDENT, PARA-COAT TECHNOLOGIES

"We're a young and growing company," said Mike Rager. "We do what we can to get the job done and not compromise on quality. We aim to please and keep the customer happy." Due to the strong commitment of the PCT team, they received their ISO9001:2008 in record time. "With this certificate in hand," he continued, "it demonstrates to our customers that we will continue to improve our quality system."

And that commitment to meeting the needs of its customers continues to translate into new products and services. Due to demand in its target industries, PCT adapted its product line to include liquid coatings, such as acrylics, urethanes and epoxies. Acrylics provide general protection from moisture, while urethanes and epoxies provide chemical resistance. Liquid coatings offer a more cost effective alternative to Parylene. The company is looking to expand into aluminum anodizing services as well. To learn more about Para-Coat Technologies, call 814-254-4376 or visit www.pctconformalcoating.com.



CAMCO Technicians Chris Keilman and Jeff Giffin checking power center wiring to the schematic.

CAMCO

Where do major utilities and heavy industry turn for repairs when low and medium voltage electrical equipment fails, particularly when all or some of that equipment dates back to the 1940s? While many original equipment manufacturers have stopped supporting electrical components of this era, CAMCO specializes in rebuilding and maintaining vintage equipment.

In the same manner that a residential electrical panel contains breakers to stop the flow of electricity when experiencing an error, similar but much larger safety devices are required for generating stations, chemical plants and heavy industries such as mining and steel. This protection typically comes in the form of heavy-duty circuit breakers or switchgear—the



Jeff Shevock, Technician, and Kevin Radebach, Shop Supervisor, in the climate-controlled room, reviewing breaker evaluations.

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performance and reliability of which are critical to the operation of the facilities that use them and to the health and well-being of those who work there.

“We’ll bring a piece of switchgear into our facility and completely tear it down—every nut, bolt and piece,” said Warren Myers, CAMCO President. “We can install solid state trip units and send back a breaker working as good as new.”

Due to the crucial nature of these parts, many of CAMCO’s customers opt for ongoing maintenance programs where breakers are tested, repaired or rebuilt as necessary every few years. The cost to remanufacture and retrofit a faulty low- or medium-voltage electrical breaker averages between \$4,000 and \$6,000, which is far more economical when compared to the price tag if a company had to remove the old gear and install new.

Older equipment is generally built to be extremely durable and can also be modified to include the latest protective relaying technology, Myers explained, effectively taking a 50- to 60-year-old breaker and extending the life expectancy another 20 years. “We tell the maintenance people, ‘we can remanufacture that piece of switchgear and, with proper maintenance, it could last until you retire,’” he added.

CAMCO, which serves customers across the nation and beyond the borders of the United States, was founded in 1980. Initially housed in the then vacant Lorain Borough School building in Johnstown, the business grew with customer demand. Working with the Cambria County Commissioners and CCIDC, CAMCO moved into a larger space in the Cambria County Industrial Park. The facility includes a 10,000-square-foot shop and an additional 10,000 square feet of office space. In 2009, the company expanded the shop by 6,400 square feet including a climate-controlled room. The addition of the climate-controlled area increases the speed and accuracy of testing for specialized parts and equipment by eliminating humidity and other environmental factors that can produce suspect test results.

Maintenance of existing switchgear is only part of the work undertaken by CAMCO’s personnel. Field service technicians help meet the growing need for customers who require acceptance testing for new construction or routine maintenance at their facilities. CAMCO currently has 52 employees consisting of electrical engineers, electrical and electronics technicians, trained shop technicians and a dedicated team of warehouse, sales and administrative support staff. For more information about CAMCO, visit www.camcoeng.com, or call (814) 472-7980.

Wessel & Company

The certified public accountants (CPAs) and business consultants at Wessel & Company provide a distinctive service to local businesses. In addition to tax preparation, auditing, fraud investigation and financial planning, the Johnstown-based firm plays an important role in the region’s defense contracting industry—particularly as concerns over federal spending and budget belt-tightening escalate.

“Every dollar is going to be more scrutinized,” explains Robert J. Eyer, CPA and Managing Shareholder. “We help ensure that these dollars are well spent.”

Having worked within the government contracting industry in our region for more than 20 years, Wessel & Company has expanded its reach to clients across the eastern United States. Located along Main Street in downtown Johnstown, Wessel has a staff of 45 employees, seven of whom make up a growing specialized government contracting team.

“It’s somewhat unique to have a firm of our size located in Johnstown with this type of niche expertise,” explained Eyer. “Typically, you’d only find that in the Virginia-Washington D.C. area.” Eyer said the low cost of doing business in Johnstown and the area’s highly-skilled workforce add to Wessel’s ability to compete with similar firms in the D.C. area. In fact, Wessel has become a “go to” company for contractors, not only because its team has the knowledge necessary to meet government compliance regulations, but also because it can support businesses through every step of the process—from development of proposals to incurred cost reporting and taxes to capitalizing on Research and Development Tax Credits and other compensation opportunities. Clients have ranged from tech consultants to manufacturers to hundred-year-old steelmakers.

“Over the years, we’ve helped numerous commercial companies bridge into government contracting,” said Pat Bearjar, CPA, a key member of the government contracting team. “With our help they’ve been able to gain contracts, comply with government regulations and be successful.” Because Wessel recognizes how intimidating government contracts can appear to new or aspiring contractors, the firm’s team works hard to help companies gain confidence in both the process and potential benefits of government contracting.

Working in tandem with JARI, Wessel & Company formed a local chapter of the National Contract Management Association (NCMA), which brings the regional industry together to share best practices and share expertise. “Within government contracting, you have prime contractors and subcontractors and you may have startups that haven’t done any government work yet,” said Jean Solarczyk, Marketing Director. “We’re bringing all these organizations together in a networking environment to learn, to grow and to be successful.”

Wessel & Company also takes prides in providing seminars and presentations to the public, including a workshop at the 2012 Showcase for Commerce, entitled “Federal Government Contracting – The Changing Landscape: What’s Next?” The workshop covers topics such as cost accounting and incurred cost submissions.

“Between JARI and Wessel, we have the resources available to make a defense contractor successful in Johnstown,” Eyer said.

For more information about Wessel & Company, visit www.wesselcpa.com or call 814-536-7864.

Patrick Bearjar, CPA, Robert Eyer, CPA and Managing Shareholder, and Chris Weir, CPA, on site for a defense client.



Aerofab

The defense industry is dominated by powerhouse companies such as Boeing, Northrop Grumman and Lockheed Martin. In 2010, these major contractors earned a combined \$146 billion in revenue, according to CNN Money. But they didn't do it alone. Much like a river that is fed by smaller tributaries, these aerospace giants rely on the contributions of smaller, more specialized companies to get the job done.

Aerofab, Inc. has been manufacturing quality parts for the aerospace and defense industries since 1994. Operating from a 17,000-square-foot facility in Nicktown, Cambria County, Aerofab began making parts for wings, fuselages and other structural parts for Northrop Grumman and Boeing. In the nearly two decades that followed, the company has earned noteworthy honors from both.

"We are rated as a Center of Excellence for Northrop Grumman," said Joe Phillips, Aerofab President. "And, for the fourth year in a row, we are a Boeing Supplier of Excellence." The designations mark Aerofab as a proven resource for aerospace products and significantly increase the likelihood of more work being sent its way. Aerofab's capabilities are impressive. The company of 38 people can make aerospace parts from a supplied design, resulting in a tangible component ready for assembly.

"We manufacture the parts; we process them; we have a Chem-Film line; we have a Heat Treat line; and we have painting facilities," explained Ray Caretti, General Manager. "Because the parts never leave our facility we have much better control over quality and delivery." Keeping the work on-site also helps to lower overall costs and improve timelines. It's a formula that gives Aerofab a competitive edge at a time when defense dollars are dwindling.

"We've been fairly successful at winning a larger piece of a shrinking pie," Caretti explained. "We're very competitive from the standpoints of price, quality and delivery."

Ongoing certification and training has been another key factor in Aerofab's success. The company first turned to JARI for help with requirements and training dollars to achieve ISO 9000 certification in 2000. Since 2003, Aerofab has been AS9100 certified by KEMA-Registered Quality and accredited by NADCAP (National Aerospace and Defense Contractors Accreditation Program) for chemical processing, painting and heat treating. More recently, JARI has worked with the company to provide business education for Aerofab's management.

"The more professional training we get, the more capable our management team is," said Phillips. "This allows us to accomplish more and to be more competitive."

While contracts from Boeing and Northrop Grumman constitute a sizeable portion of Aerofab's workload, the company also does work for other major defense contractors, as well as manufacturing airplane and helicopter parts for commercial customers.

For more information about Aerofab, Inc., visit www.aerofabpa.com or call 814-948-6015.

First National Bank

Access to affordable financing is the lifeblood of the business world. Low-interest financing is crucial to companies of all sizes—whether for start-up capital, to carry a business through tough economic times or for investment centered on long-term growth. In the Cambria-Somerset region, First National Bank (FNB) employs a unique and very localized approach to commercial banking.

"We deliver our services using a 'team' concept," explained Greg Winger, First National Bank's Commercial Banking Regional Manager. "This involves having banking professionals on a local level who specialize in commercial banking, wealth management, treasury management, insurance and leasing."

But Winger emphasized that staff members are more than knowledgeable consultants. FNB's commercial banking team is comprised of actual decision-makers with the authority to approve the majority of loans right at the local level. The result is a streamlined lending process that gives executives of local companies the necessary tools to move forward.

"FNB is committed to helping local businesses grow and to providing the financing and total package of banking services to maximize their potential," said Winger. The results of this commitment have been positive, with FNB experiencing 12 consecutive quarters of commercial loan growth in Pennsylvania.

While FNB employs more than 3,000 people and has more than 260 branches across Pennsylvania, Ohio and West Virginia, its local presence is strong, with 21 offices employing over 200 individuals right here in Cambria County. As a whole, the institution has a stalwart reputation for fostering positive relationships with customers and earning high-levels of recognition from peers. In 2011, FNB was the recipient of six Greenwich Excellence in Banking Awards in Small and Middle Market Banking, designations that are specifically based on customer satisfaction.

FNB's commitment to its customers is tied directly to the bank's values of trust and integrity. So is its concern for the well-being of communities that it serves. "Our operating



Greg Winger, Sr. Vice President, Madonna Miller, Sr. Vice President, Joyce Hohman, Vice President and Sam Piccioni, Sr. Vice President in front of First National Bank's Johnstown Branch.

principals support and strengthen the communities where we do business," noted Winger. "We reiterate that philosophy in nearly every communication to our employees."

It's a message that clearly resonates with FNB staff. In the past nine months alone, local FNB employees have logged nearly 1,000 hours of community service by volunteering for area non-profit organizations and serving on boards that support the vitality of the Greater Johnstown region.

JARI and JIDC have a long history of working with area banks to help local businesses acquire financial services. Winger pointed to FNB's long-standing relationship with these organizations as another means of staying in touch with the needs of the community and providing support where it's needed most.

For more information about First National Bank, call 800-555-5455 or visit www.fnb-online.com.

Eric Sowers operates a CNC router in Aerofab's machine shop.



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