

A TMB Publication

Phc News

plumbing & hydronic contractor news

What's ahead for 2009?

*Industry experts
discuss where
the industry stands
now and what
they foresee during
the coming year*

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Here's to a better 2009!

JOHN HAZEN WHITE, JR.
President & CEO, Taco Inc.



Like just about everything else right now times are tough in the HVAC business. Home construction has just about stopped and the credit squeeze has frozen most commercial lending. The slowdown is affecting the entire to-market chain stretching from manufacturers to wholesalers, wholesalers to contractors, and contractors to property owners.

By the time you read this column we'll be on the cusp of having a new President in office. As one of his first actions President Obama will prime the pump with an unprecedented economic stimulus package that hopefully will start to raise all boats in the economy. Ideological opponents of government intervention in the economy have little useful argument in drastic times like these because only the government has the influence and means to turn the ship of state around. Not that it will be easy or necessarily quick.

Obama is already talking about jobs creation on the massive model of the Works Progress Administration (WPA) of the 1930s and, significantly for our industry, he's calling for federal buildings and the nation's schools to be modernized, particularly with regard to energy efficiency.

The last thing the nation's 23 million strong small business community needs is more taxes.

Let's hope he modifies his campaign stance on business taxes in light of the current circumstances. The last thing that the nation's 23 million strong small business community – which includes the vast majority of players in the HVAC industry – needs is additional taxation, like increasing the marginal income tax rate on small business owners who pay their taxes under the individual tax rate system, which Obama called for.

Remember the famous Joe the Plumber debate? That conversation between Obama and Joe was at confused cross-purposes for most of it because Joe wasn't entirely straightforward in his representations about himself, as the world soon learned. The \$250k business purchase figure that Joe was talking about is not the same thing as Obama's call for rolling back the Bush tax cuts for those earning over \$250k a year.

Actually, as an individual taxpayer Joe should get a tax cut under Obama. It's his boss's plumbing business that might see higher taxes under Obama. Plus, Obama's "pay or play" healthcare proposal might add costs for Joe's boss – let's also hope that proposed plan gets modified to protect the small businessman who wants to provide healthcare coverage but is already squeezed by the ever-rising costs of doing so.

The HVAC industry is a core industry that has survived other downturns before this one. Our contractor-focused trade pubs are dispensing a lot of good advice right now about ways to get through this bad period and be better positioned to ride the burst of growth that's sure to follow in turn. Remember that historically many of the enduring names in our industry got their start in the midst of the Great Depression.

Here's to a better 2009!

At Geisel Heating & Air Conditioning, success a way of life

Some contracting firms acquire a unique persona; it may come from the community they're in or the work they gravitate toward. There are those, too, that feel small, act small and remain small despite a wealth of opportunity.

And there are those that become successful through deliberate leadership, the building of long-term customer relationships and dedication to craft. Elyria, Ohio-based Geisel Heating & Air Conditioning falls quite naturally into this category.

The success its employees know and are comfortable with is easy to see. Even the firm's customers affirm it in varied ways: numerous letters are posted at the shop and on "GoGeisel.com," and when their technicians are greeted warmly at a customer's door, there's genuineness to it that any business owner would enjoy.

At the helm of this steadily successful, 40-person firm is Andrew Culberson, president of the company since 1995. In the past 10 years of its 73-year history, the company has opened branches in Lorain, Oberlin and Westlake. Culberson has steadily cut a path to the top of their market, hiring and rewarding highly talented, motivated specialists. If success has lineage and DNA, you'd find it here, tied to the company's early roots.

It was in 1935 that Claude Geisel and Floyd Schlitt opened business as Geisel Manufacturing. From Geisel's basement workshop, they built, sold and installed "Glo-Cone" coal-to-gas conversion burners. By 1944, the full cost to install a new Geisel Glo-Cone gas conversion burner was \$165.00. Out of that the salesman received \$20.00; the installer received \$17.50 to \$22.50.

By 1954, Geisel Manufacturing had installed 800 conversion burners. In the late 1950s Geisel moved to its present location in Elyria and, a decade or so later, they took on a major line of central air conditioning systems, availing year-round sales, and heating systems offered by larger manufacturers. They eventually folded-out the Glo-Cone, but not before 10,000 of the systems were sold.

Chuck Culberson assumed operations in 1975. He'd worked at Carrier's Cleveland distributor prior to buying Geisel and he began selling the Carrier



Andrew Culberson, president, Geisel Heating & Air Conditioning, Elyria, Ohio.

equipment immediately, still their leading product line today. Culberson's background was in commercial engineering, so that became the genesis of Geisel's strengths in the commercial market today.

In '83, Chuck's son Andrew Culberson began working full time at Geisel after receiving a Masters degree from Baldwin Wallace College. In '94, Geisel added a full service plumbing division – now contributing a healthy 25% to business revenue. Chuck retired in '95 and Andrew Culberson became CEO of the company.

The company now has branches in Lorain, Oberlin and Westlake. "We've wanted to grow, but not to meet anyone's notion of what success is," commented Culberson. "Growth at Geisel has been very natural, organic... based on real need and our desire to enhance our offering to a broader base of customers."

"Our plumbing and hydronic work continues to grow. We enjoy challenging installations and service work," he added. "We believe that our reputation for handling tough work and an aptitude for problem-solving has helped immensely."

"As a management group, we seem so 'in the groove' sometimes that we don't contemplate success the way we do when others step in from outside, observing what we do, and how we do it," continued Culberson. (Turn to page 50.)



Jason Radesic, Geisel's plumbing service manager, installs a hot water recirculation system with a compact water heater at a Norfolk Southern Railroad facility.

Going strong at 73, Ohio contracting firm takes positive approach at all levels

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berson. “The people that run the company, and those at supervisory levels, and even the technicians — perhaps I should say especially the technicians — are very deliberate in what they do. I think it’s a rarity in business to have so many people who see the company’s future tied so closely to the work they do each and every day.”

The company’s senior managers include Walt Seidl, president and controller; Tracy Ellan, plumbing manager; Jason Radesic, plumbing service manager; and Jerry Meehan, installations manager.

Today, Geisel offers full range of installation and service, HVAC/R, and plumbing and mechanical work. The revenue “pie” is pretty cleanly cut into four equal pieces: residential (25%), commercial (25% — including some industrial work such as a recent steam line conversion), service (25%) and

plumbing (25%). They have approximately 25,000 residential customers within a sales territory that includes all of Northern Ohio with Elyria and Cleveland as its epicenter.

“We have to be proactive in what we do, and how we stay tuned with the newest technology and installation or service techniques,” said Radesic. One of the indications of this is Geisel’s involvement with the North American Technician Excellence (NATE) certification, one of the most respected methods for benchmarking technician skill and development.

Geisel began to offer NATE certification to its technicians about six years ago. Since that time, all of the firm’s technicians have become NATE-certified. “We also look for expected, and not-so-expected ways to exceed customer needs,” added Radesic.

Illustrative of the company’s commercial plumbing and hydronic work

were recent jobs in progress at the Elyria Country Club, at First Church in nearby Lorain, Ohio, and at a large facility for Norfolk Southern Railroad.

Radesic recently installed several Grundfos Comfort System hot water recirculation systems atop compact Bradford White gas or electric water heaters at the Norfolk Southern Railroad facility. “Mostly, these are needed at the employee stations and restroom facilities,” explained Radesic. “They need hot water without the lengthy wait, and waste of water. Bradford White is the water heater line we prefer, and we never regret installing these because of their efficiency and reliability.”

Geisel has maintained a steady presence at the railroad for more than 10 years, attending to plumbing and HVAC needs there with consistency. “Once they experienced the convenience of

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A Geisel employee checks part of the company’s extensive inventory.

Geisel Heating & Air Conditioning does it right

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the recirc systems, we were told to add them to every plumbing job.”

At the country club, Geisel technicians were involved with a more challenging domestic water system overhaul.

“We had just two days to complete the work because of the club’s steady operation and the need to maintain

door reset controls on most of the jobs that we do.”

Ten miles away, Radesic stopped in to check on a water heater replacement job at First Church where two 250-gallon water heaters were being installed by technicians Richard Drozdowski and Jeffrey Figueroa.

The pair of 400 MBH, natural gas-fired, high-efficiency eF water heaters made



Tracy Ellan (r), plumbing manager for Geisel, oversees a solderless ProPress connection while installing a gas Pennant boiler for a country club client.

kitchen function six days a week,” explained Ellan as he performed final diagnostic testing of two 500 MBH Laars Pennant boilers and two 119-gallon Laars indirect storage tanks.

“It was a nasty task to trace all of the original piping and for us to figure-out how to tie-in all of the new equipment,” added Ellan. “Some pipes were live while others were dead, standing in place for who knows how many years. There were hidden Ts and other little gremlins in the works... but we got ’er done, and with some time to spare.

“We’re very fond of the Pennant boiler line,” continued Ellan. “We’ve run into problems before with fan-assisted systems. Usually, it’s an air switch or hot surface igniter problems, especially with frequent on-off cycling, and this leads to a lot of call-backs; but not with these boilers.

“We also use, as a standard, Grundfos pumps on new installations,” he added. “On this job, we have two, single-phase, one horsepower, multi-speed circulators.

“We install a lot of these gas boilers,” said Ellan as he completed a solderless ProPress connection of the two-inch near-boiler copper piping. “Their compact size and efficiency are a big advantage. The Pennants are also a four-stage system. Their proportional firing work perfectly as different stages respond to outdoor reset conditions. We use out-

by Bradford White were selected because of owner’s interest in high efficiency operation. “The owners wanted to shed as much of the energy load as they could,” explained Radesic. “These new eF’s are rated at 98% efficiency; about as good as it gets.”

“The eF requires only a simple, 4” PVC stack and would cost them a whole lot less to operate than the 12-year-old water heaters we replaced,” he added. “The key advantage was the new unit’s super-high recovery rate. Because we could heat so much more water with the eF, we were able to size them at 100,000 fewer BTUs than the old systems, too — a move that added nicely to the energy savings.”

“Another attribute is that there are no stack losses because the eF is equipped with sealed combustion and uses both PVC exhaust and combustion air lines,” continued Radesic. “We also liked that fact that it offered several venting options, electronic controls, four protective magnesium anode rods, a sediment reduction system and factory-installed dielectric fittings.”

Back at the shop, Culberson — a fine-arts photographer of considerable skill — was making preparations for a new advertising campaign. “We don’t advertise often but when we do, we do it as intelligently as we can.”

That’s an understatement. Intelligence is a way of life at Geisel. ■