

Brattleboro Development Credit Corporation Newsletter

Number Eleven

Summer 2002

SCA Plant Produces Specialty Paper Products

The next time you down a Dunkin Donuts cruller, eat a Big Mac or Burger King hamburger and wipe your hands on a napkin think Brattleboro.

Many of the paper products that these restaurant chains consume are produced here at the SCA paper mill on Route 142 south of town. Roll upon roll of paper is turned into branded napkins, paper towels, toilet tissue and other personal paper products at this scenic, 18-acre plant alongside the Connecticut River.

Production numbers here are big. The plant produces three to five million cases of napkins annually. There are 6,000 napkins to a case. Each of the 24 machines converting the paper rolls can make 70 cases per hour of toilet tissue and there are 96 rolls in each case.

SCA is owned by the Stockholm-based SCA Corp. According to plant manager Terry Lake, SCA is the number one tissue producer in Europe. The company produces bath tissue, adult diapers and feminine paper products.

The Brattleboro plant, along with eight other US plants, was purchased by SCA from Georgia Pacific in March 2001. The sprawling 180,000 square foot plant has a long history of operation. Lake, a 25-year employee at the plant, said a number of companies have owned the plant prior to SCA. They



Safety is very important at SCA

included Albany Paperworks, Irving Paper Mills and Georgia Pacific.

SCA bought the plant as a converting mill, said Lake. "We bring in jumbo rolls of paper and convert them to products," he explained.

Noting the poor reputation of paper making mills such as those in Maine, Lake was emphatic: "We don't smell and we don't pollute water. There is no water used in our production."

All the paper products made here are for commercial use not retail sales, said

Lake. The company sells its products to distributors and they wind up in hotels, as well as the restaurant chains.

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SCA

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According to plant human resource manager Lisa Egan, work here is long term and steady. The plant employs 140 people in four shifts. It operates seven days a week, 24 hours per day. "There are no layoffs," she said.

Soon, the plant will hire a small number of new workers, said Egan.

SCA is a union shop part of PACE. Workers start at \$11 per hour and the hourly average wage is \$12.50.

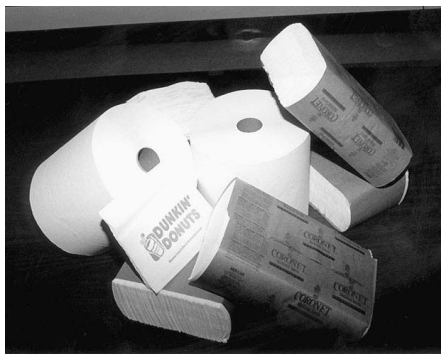
According to Egan, the company "provides excellent benefits." These include medical, dental, life insurance, disability insurance, a pension and a 401K plan with a matching bonus.

Staff turnover here is small. Egan figures half the staff has been here over 10 years.

In order to operate the four shifts efficiently and keep employees happy, they were included in the construction of the shift schedules. "It costs us a bit more in labor costs but we were able to attract more people," she said of the final plan.

While employees here are happy, the company faces some problems due to Vermont's regulations. "There are a lot of Vermont regulations to deal with," said Lake. For example, he points to Vermont's rule on 55-foot trailers. Most out-of-state trucks are longer and must get special permits to enter the state and

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The SCA paper plant in Brattleboro makes a variety of product for restaurant and hotel chains.

Green Mountain Optics Sets Up Shop

Richard Perilli and Mike Foley are excited about their new company and its prospects in the highly technical optical coatings industry. The two entrepreneurs are currently refurbishing the plant on Mercury Drive they leased last summer. The building, with 10,000 square feet of space, has been unoccupied for several years and is in need of painting and renovations. Previously it was a welding shop.

The two partners have been hard at work since last November getting the building ready for production.

GMO will make glass coatings with non-conductive materials and optical interference filters. They hope to sell their products to microscope manufacturers and biotech researchers. As they explain it, the filters they are developing will alter the vision of the scope to detect specific colors in the spectrum.

Perilli and Foley have each worked in the semi conductor industry prior to starting GMO. Perilli was most recently employed in Cambridge, Mass. Foley commuted from Vermont to a job in the Bay State.

The two are self-financing their new business. "I've helped start up many companies," said Perilli. "I've got many contacts in the semi conductor and biotech areas. They are helping us obtain resources."

"We know how to streamline manufacturing in this area," said Foley.

The company has purchased a variety of electronic equipment that it is cur-

"I've got many contacts in the semi conductor and biotech areas. They are helping us obtain resources.."

— Richard Perilli

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Richard Perilli (left) and Mike Foley are partners in Green Mountain Optics, on Mercury Drive.

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Company News

Do you have news of interest to the Brattleboro area business community? Has your company expanded, introduced a new product, won an award?

Send your information to:

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FROM THE EXECUTIVE DIRECTOR

News From BDCC

By *Bill McGrath*

I am pleased to report that all indications are that the general business climate in southeastern Vermont is still very healthy. While

unemployment rose .4 percent in May, we are still at just 3.2 percent unemployment. In my opinion, this is not significant to the economic outlook of our region.

True, business owners are becoming more cautious, the result of a recession that continues to have lingering effects. In addition, I don't see the recession as over. This is the result of local companies reporting holds on previous orders. However, we have entered the busy summer tourism season and I am optimistic.

While our tourism sector professionals are guarded in their predictions, tourism is up. If you read the tourism industry reports and listen to the news, you know that there remains the public's unwillingness to travel by air. This can only help our region. Our proximity to Boston New York and Montreal is good in this era of air travel jitters. Our tourism section should benefit from the public's hesitancy to travel by air and the ensuing rise in car trips. If people in the Northeast travel less far from home than normal, Vermont will benefit.

We will also pick up some construction jobs and keep more dollars in our local communities as a result of the legislative session that ended in June.

The changes to Act 60 pertaining to what Gold Towns contribute to the Shark Pool will help both Brattleboro



and Wilmington in their quest for new schools. These towns will retain more of their tax dollars and this should translate into construction jobs when new schools are built. Plans for a new school in Brattleboro are completed while Wilmington remains in the planning stage.

At BDCC, we are working with three new companies who will make the decision to expand by mid July. These companies, each a manufacturer, will bring 35 new jobs to the area. As we all know, manufacturing jobs pay good salaries. Stay tuned for the announcement.

Companies that have recently relocated to Brattleboro include, Small World Artwork. It recently relocated from Massachusetts to the Cotton Mill. The company makes lampshades. Also, leases were recently signed by a Long Island-based cabinet manufacturing company and an artwork producer from Kingston, N.Y. with five employees. These two companies will take over 7,800 square feet of space in the otherwise full mill.

BDCC SPOTLIGHT

Green Mountain Optics

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rently rebuilding and refurbishing.

The first product GMO will manufacture is called the "Moon Watch." This watch displays the phases of the moon and will cost \$1200 to \$3000. "We're making a display that changes color," Foley explained.

The two partners say they are taking a conservative approach to building their business. Plans are to hire up to 14 people by 2005.

"We're trying to be conservative," said Foley. GMO has a ten-year rent to own plan.

The partners said they are grateful to Bill McGrath at BDCC for his part in helping them start their business. McGrath introduced them to SCORE and that organization helped write the business plan. "Bill is a facilitator and a reality-based straight shooter," said Perilli. "He knows how to get things done."

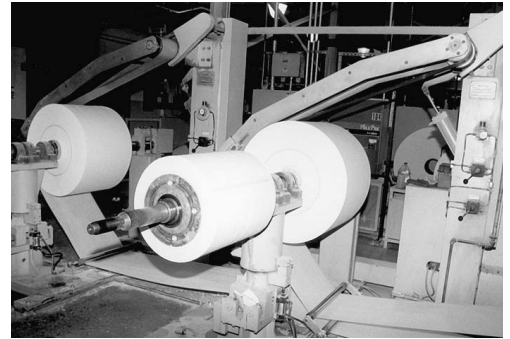
SCA

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travel the eight miles of I-91 to the plant. "It makes it hard for us to be competitive," he explained.

The company also faces hiring problems due to the labor crunch in the area. "Our wage rates are competitive but its tough getting people who want to work weekends and nights," Egan admitted.

Egan said the company is proud of its safety record. "We focus on training and have a strict policy on safety rules."



Paper machines operate around the clock at SCA

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