



CURTIS PACKAGING

est. 1845

Testimony for Public Hearing
Committee on Energy and Technology
March 1, 2018
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2018SB-00009

Hello, my name is Kerry Brown. I am the Vice President of Operations at Curtis Packaging Corporation in Sandy Hook, Connecticut. We manufacture high end folding cartons for the Cosmetics, Liquor, Health and Beauty, Confectionaries, Bio Medical, and Sporting Goods industry. We supply many famous companies/brands such as Estee Lauder, Chanel, Diageo, Brown Forman, Dr. Perricones, Crabtree & Evelyn, Lindt-, Godiva, Medtronics, Titleist, and many more. We have been manufacturing in Sandy Hook since 1845 on the same location. We are a privately held company of approximately \$30,000,000 in sales who employs approximately 150 employees in our 150,000 square foot state of the art facility. Our average turn for our employees is 22.5 years, so we are fortunate to have some of the most skilled employees in the folding carton industry.

Curtis Packaging has a great reputation within its industry for being very innovative, quality driven, and very committed to sustainable business practices. We were the first company in the packaging space to be powered completely by renewable energy. We are 100% carbon neutral, 100% landfill free, and we recycle 96% of all of the post production assets. We started our commitment to sustainable and socially responsible business practices in 2003 when we were the first company to produce packaging using FSC and SFI certified paperboard products. These are materials that have been sustainably harvested. When Curtis started this process we were way ahead of other companies who were not even thinking about sustainability. We still follow all of these processes today.

I am testifying today on Bill 9 to communicate how the State's existing clean energy policies have helped strengthen a part of Connecticut's manufacturing base

Since 2008 Curtis Packaging has partnered with the Yale School of Forestry and the Yale School of Management to continue our evolution of being a more sustainable and more socially responsible company. Every semester I get the opportunity to lecture Yale to discuss how small businesses can be operated in a sustainable manner. Every semester, we get students from Yale to work with us to help improve our sustainability efforts. During this time we have become ISO 14001 (International Environmental Management Standard) compliant, ISO 50001 (International Energy Management Standard) compliant, and ISO 26000 (International Social Responsibility Standard) compliant. Through



these efforts we have reduced our energy consumption by 40% between the years of 2012 to 2016. We also went from recovering approximately \$3500 of recycled material per month to recovering approximately \$35,000 to \$40,000 a month. These efforts clearly have had an impact on our bottom line and make us stronger.

As the process of energy conservation evolved, we realized that we needed to make capital investments within the building infrastructure; as well we needed to recapitalize the company for its printing, cutting, and finishing equipment. We needed a new heating system to replace the steam system that was installed in 1963, and we needed to buy a new printing press to replace one that was 20 years old and at the end of its lifecycle. Just the printing press alone was estimated to cost 5.6 million dollars. As both of these efforts are a requirement to secure our future, we were faced with a serious problem of how we make this happen financially.

Just as we were contemplating what to do, we heard about the CPACE program which was presented at a Newtown Chamber of Commerce meeting. After the meeting an engineer, Dave Stout from JK Engineering approached me and asked for a meeting. I gave him the one cold call I take per week. We met the following week and he explained about the program. He explained that there was to be no money out of our pocket for the research of viability, and that there would be no money out of our pocket to get the project done. We just needed to insure that the project was cash positive with the energy savings, which would be estimated and engineered by JK Engineering. All the financing would be committed against the property and not the business. We then discovered that the improvements in property would increase our property value by \$1.9 million dollars on a 2.4 million dollar project. This was great, because we did not need to touch any of our capital required to buy the new printing press and it would give us more equity in the business.

The project became the largest multiple energy project in the State of Connecticut at the time for the Connecticut Green Bank. We installed a natural gas line a ½ mile up the road to Curtis and we installed all new natural gas heating and cooling system. The system is a smart system and instead of using the compressors to cool during the cooler seasons, it draws the hot air out from inside the building and then draws the cool air in from the outside. This requires significantly less energy. The system communicates to the different units so that we can clearly manage the assets for the most efficient use. We changed all of our Fluorescent tube lighting to LED lighting. We replaced a 25 year old compressor with a new compressor. We then installed solar panels on the roof of the building that now generates roughly 210,000 KWH per year, which is approximately 25% of our annual consumption.

All of the previously mentioned improvements were made while not touching the capital required to purchase the new printing equipment. We were able to place the order for the new printing press at



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the end of September 2017 for a May 2018 delivery, which cost \$5.6 million dollars. This press is estimated to consume 40% less energy than the press that it is replacing. The C-Pace energy conservation project, financed by the Connecticut Green Bank has allowed us to put our money into the required energy conservation projects while still investing in the production equipment required to keep us competitive. Both investments will make Curtis Packaging a stronger company and will help secure our future so we can continue producing high end folding cartons and employing people within Connecticut.