



Back from the Brink

Pleasant River Lumber gives Sanford sawmill a new start

After 60 good years and a half dozen bad ones, it looked as if the only sawmill in Sanford might not survive. But the owners of Pleasant River Lumber Co. saw potential, not just problems.

Pleasant River Lumber bought the former Lavalley sawmill in December 2012, and what a difference that's made – the difference between bankruptcy and a bright future.

“When it got taken over, everybody kind of breathed a sigh of relief,” said Danny Shaw, a logger and trucker in North Berwick. “Because the family that took it over has the means and the ability to do what they’re doing.”

The mill spends \$100,000 a week on logs alone, all of which goes right back into the local economy. It employs 45 full-time and three part-time workers, and up to eight more employees may be hired over the coming year as the mill is modernized.

Most of its wood comes from within a 50-mile radius. The mill buys from about three dozen loggers who contract with private landowners to cut from 10 acres to a few hundred acres.

“The mill’s impact is huge. It affects a lot of people,” said Jason Brochu, co-president of Pleasant River.

Albert Lavalley, who had a “stellar reputation in the community,” built the mill in 1944. It remained a fam-



Chris and Jason Brochu, co-presidents of Pleasant River Lumber, at their Dover-Foxcroft office, which was decorated by their children.

ily business until 1999, when it was sold along with three retail stores to a private holding company, United Ventures, which rapidly expanded the retail side of the business. When the economic downturn began and the building boom ended, the retail stores dragged the company down.

“They were bankers, not lumber people,” said Ray-



At age 14, **Raymond Lavallee** started working in the mill after his father was killed in a Portland shipyard accident. He's done just about every job at the mill and, at 81, he's still "pulling lumber" about 15 hours a week. "Handling lumber gives me the physical exercise I need," he said. "When I retired I walked around town for exercise, you know, and I got halfway across town and I said to myself, what am I doing here? It's not just about making money. If they didn't pay me, I'd stay anyway if they wanted me to."



Ken Lavallee, Raymond's son, started working at the mill full time in 1980, when he was 19. He filed saws for 16 1/2 years, then tried another company for three years, and came back. "My primary responsibility is the sawmill. There are a lot of moving parts," he said. "It's hard physical labor. Every job in here is hard work. I was in here Saturday, along with Dan Ferry and another guy, changing bearings on the bottom wheel of a band saw. It was an eight-hour job. The wheel itself must weigh close to three tons."

mond Lavallee, the founder's nephew, who at 81 still works 15 hours a week at the mill. "The Brochus are lumber people and they know what lumber is."

(Note: Raymond Lavallee says his uncle changed the spelling of his name to avoid losing mail to another Albert Lavallee in town.)

By the time the company filed for bankruptcy in February 2012, only the mill was left – and just barely. Very little had been invested to update machinery in a decade or more. By January 2012, the mill stopped buying logs – but not before checks bounced – and payroll was postponed. Most of the administrative staff, including Terry Walters, the mill's general manager, had left by then. The mill's crew was still working, but without benefits or much hope.

"Morale was terrible," said Walters, who is back managing the mill. "No one knew what was going to happen to the company. Most people thought it would close eventually. They didn't think it had any future."

The repercussions were felt throughout Sanford and beyond. Dan Ferry, who lives in Lebanon and has worked at the mill for 37 years, has no doubt how much the mill's survival means to the community.

"A lot," Ferry said emphatically. "I mean all the loggers, all the guys who work here, insurance people, everybody. It's big money. You take the corner store right at the end of the road. When we were going bankrupt, they didn't have half the business. And that's what the mill means to everybody."

Until 2004, the Brochus were part owners of Stratton Lumber in Eustis. Then brothers Luke, Guy and Adrien Brochu, along with Adrien's sons, Jason and Chris, and Rodney Irish, a CPA from Freeport, and J. Maurice Bisson, A CPA from Brunswick, purchased Pleasant River Lumber Co., a spruce mill in Dover-Foxcroft, from Gerard Crete & Sons of Quebec.

Jason and Chris have served as co-presidents of Pleasant River Lumber since Luke Brochu's retirement at the end of 2013. Prior to the 2010 acquisition, the ownership group spent its time completing \$20 million in upgrades to the Dover-Foxcroft mill, including adding an Enfield planing facility in 2008.

The Dover-Foxcroft mill was doing nicely by September 2011, so, in what Jason calls "a pretty spur-of-the-moment decision," they acquired the Crobb Box Mill in Hancock, which was in foreclosure. They've spent the last few years modernizing that white pine mill,

which is about nine miles from Ellsworth.

“That was our first jump into Eastern White Pine,” Jason said. “After owning that for about a year, the Sanford bankruptcy started happening. And with what we had learned about pine up to that point, it kind of piqued our interest in having another facility, both for institutional knowledge and additional capacity and the location. We liked the location a lot.”

The Sanford mill is just 10 miles from the Maine Turnpike, providing easy access to Pleasant River’s major markets – Boston, New York, Pennsylvania and the East Coast from Baltimore north. It’s the southernmost mill in Maine and there aren’t any other substantial mills to the south in New Hampshire or Massachusetts.

“Most of the lumber we sell has to drive by the Sanford mill,” Jason said. “So we’ve been able to use that logistically to fit into our structure. We move a lot of wood down there and then re-transport it. There’s also extra drying and planing capacity down there so we’re moving rough lumber down from the Hancock mill.”

Thanks to the improvements they’ve made, the Hancock sawmill is now more modern than the Sanford mill, but Sanford has a better planer, buildings, and drying facility. In Hancock, there is still one project to finish – putting in an edger optimizer – but then the focus will be on modernizing the Sanford mill.

The Sanford Regional Economic Growth Council recognizes the importance of the mill to the local economy and is working closely with Jason and Chris to put together “the proper mix of private and public money.” It was clear that the sawmill would not be able to compete in the future without those investments,” said Jim Nimmon, executive director of the Growth Council.

“I was very impressed with their knowledge of the industry and their can-do attitudes,” Nimmon said. “They certainly care deeply about their workforce and suppliers. They want to upgrade the Sanford facility. They have a very impressive track record for modernizing.”

There already have been changes for the better at the mill. The crew had done inventories by hand and could only guess how much lumber they had by counting the piles and estimating how much was in each pile.

“We would spend hours and hours trying to locate lumber and track lumber. Now it’s all computerized. That’s huge,” Walters said. “The Brochus have put a substantial amount of money in the mill and we have a couple of big projects on the books.”



Dan Ferry, who’s been working at the Sanford mill for 37 years, learned all his skills on the job. “I started at minimum wage – \$2.40 an hour – and 15 years later I was head of maintenance. I’ve learned everything there is to learn about a sawmill. Welding, electrical, hydraulic, schematics. You name it. Fabrication. Learned it all. I want to learn something new every day. And I didn’t care if I worked overtime to do it. That’s the kind of guy you need.”



Tim Eisenhour has a degree from Maine Maritime in power plant and marine engineering, and has been working at the mill since 1989. “My parents’ neighbor worked here, but I never knew the mill was here. I was kind of getting ready to get done shipping and he talked about coming to take a look at it. And so I’m here. I live right in Sanford. It’s close by. It has its positives. I enjoy it. We use the steam to dry the lumber and heat the buildings. It runs pretty well. It’s not very often that the plant pulls something that I don’t know, but it still happens occasionally.”

They plan to put in optimization, add a molder line and additional planning capacity. They've also updated some of the rolling stock and changed the flow of the mill a bit.

"In all the projects that we have planned, there's no reduction of people," Chris Brochu said. "We're just making it more efficient. It's getting more out of the log – the most we can get. The flow of the wood is very good. It all flows in one direction and that helps production. The mill is very well laid out, so it's congested but it flows well, which is half the battle in trying to get something to produce well."

They estimate they've already invested close to \$1 million in the Sanford operation and more than half of their capital dollars will be spent in the next five years in Sanford. They are in the planning stages "for a several million dollar project that will further modernize the mill and help secure jobs long term for the area."

"It's just going to take some investment over time. It's something that we're very familiar with – modernizing a mill," Jason Brochu said, and he and Chris laughed. "It will be our third run at it."

Pleasant River Lumber facts

- Pleasant River Companies is a member of North American Wholesale Lumber Association, North-eastern Lumber Manufacturers Association, Maine Forest Products Council and Small Woodlot Owners Association of Maine and is certified by the Forest Stewardship Council.
- The company employs a total of 180 people at its four locations.
- June 2004 - Pleasant River bought the spruce mill in Dover-Foxcroft. Production has been at or near capacity since modernizations began in 2005.
- May 2008 - Pleasant River purchased a 130-acre site in West Enfield with a full planer facility and dry kilns.
- September 2011 - Pleasant River purchased its first Eastern White Pine sawmill in Hancock. The mill has been modernized and has been fully operational since January 2012.
- December 2012 - Purchase of Sanford sawmill and planning facility, including about 40 acres of land.
- The Hancock and Sanford mills combined produce 35 million board feet of Eastern White Pine annually.
- The Dover-Foxcroft and West Enfield facilities produce 100 million board feet of spruce annually.



Jeff Smith, procurement forester, started on the woods crew in 1981. "Mike Rivard was one of the Lavalley family members and we knew each other. The Lavalleys were really family oriented back then. Albert Lavalley built the business from a portable mill right on through. They were mill people – a lot like the Brochus are now."



Jamie Fall, 34, is manager Terry Walters' assistant. To him, "hard work is normal." He started working at the mill as a teenager and often has had another part-time job elsewhere. At the mill, "the hours are good. The shifts are good. The pay is good. The benefits are good," he said. "We are production oriented. You have to work safe and get along with the crew."



Danny Shaw of Oakwoods Lumber in North Berwick says it wasn't easy for local loggers when the mill stopped buying logs. "Everybody went somewhere and found something to do, but it costs more to go further," he said. "When you're buying tires and fuel and time, if you're close to a big mill it's definitely a big plus."