

**Testimony Provided January 05, 2024, by:**

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Dear Vermont Senate Agriculture Committee and the House Agriculture, Food Resiliency, and Forestry Committee:

My name is Melanie Gilman. My husband, James Kenny, and I co-own and operate Stephen Montgomery Logging Inc. My husband, James, has 25 years of experience in the logging trade. I am an accountant and have 27 years' experience in my profession. We have owned and operated Stephen Montgomery Logging Inc for 8 years and previously James worked for 17 years under our company's name's sake and his mentor Stephen Montgomery. Stephen Montgomery Logging has been continuously in operation since 1979. We currently employ 5 Vermonters and usually 6 total as we currently have a vacant position.

The weather generally impacts our business negatively from two factors: Lack of prolonged freezing temperatures in the winter season and above average precipitation both causing "muddy" conditions. We have experienced both during 2023 and into 2024 thus far. From 01/01/2023 – 04/01/2023 I estimate we completely lost 20 full days due to early "thawing". The above average precipitation has been more impact for the period 06/26/2023 – 12/31/2023. During this past 6-month period we lost an additional 68 full days of production due to muddy conditions; meaning we could not work at all. In addition, I estimate another 60 days reduced production due to additional intermittent skid road work and clean up that had to be done in parallel to be able to produce at all. All of this has resulted in our 2023 logging revenue being down by 30% and our trucking revenue down by 55%. This is compounded by higher fuel consumption and crippling increased costs for parts, services, fuel, employee costs and employment taxes.

Due to this situation, we lost one employee in September of 2023 and have not been able to fill that vacancy. Our other employees have stuck with us thus far and we have been paying them partial hours to do some "odd" jobs as fill in because we were worried about losing them as well. Even with us paying for some "odd" jobs our employee hours are down 25-30% over trend. At this point I am concerned about two employees being flight risks.

To keep our business going we have exhausted our reserves, had to hold off on some equipment maintenance, reduced equipment refreshes for 2023, we have used most of our personal savings and we are relying on some new short-term lines of credit. Our biggest concern is that with all this we do not have the cash reserves that we rely on to get through the normal “mud season” shut down from April-May 2024.

This is a dire situation for our company and many like ours. This situation also has impacted many, many other businesses/individuals that we provide goods and services too or that they provide good or services to our business. Examples: Employees & families, fuel companies, part suppliers, landowners, firewood consumers, sawdust consumers, mechanics, equipment sales, financial institutions etc.

Thank you for hearing my testimony,  
Melanie Gilman  
Stephen Montgomery Logging Inc.