



H&N photos by Andrew Mariman

COMING SUNDAY

Paid to not work: Klamath County is paying thousands of dollars to staff on leave.

Basin birds, close-up Winter Wings

Festival, activities continue today.
CITY/REGION, A2

SATURDAY
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Snow.
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Herald and News

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Klamath Falls, Oregon

50 cents

ECONOMIC RESET / First in an ongoing series

Housing fallout



H&N photo by Andrew Mariman

Rich Schmerbach, owner of Linkville Roofing and Siding, and his son, Eric, look over plans for an upcoming project Thursday at the Vine Street business. Rich has operated the business for more than 25 years.

Local businesses that rely on the housing market focus on strategies to stay afloat during recession

By ELON GLUCKLICH
H&N Staff Reporter

Fallout from the housing market crash in Klamath County reaches far beyond the real estate business.

It's affecting everyone from roofers to carpenters to cabinet-makers — anyone whose living depends on financially healthy homeowners.

Sales at William Stovall Cabinets in Klamath Falls were down 70 percent in 2010 compared to 2007. Owner Bill Stovall said he gets most of his business today through referrals.

But sales just can't keep pace with his old numbers.

Fewer people own homes today than they did several years ago.

See HOUSING, page A3

INSIDE:

Foreclosures continue to drive local home sales, values, A3

The housing market has changed the way real estate companies do business, A3

2,057: Number of Klamath County homes for sale during 2010

Number for sale in 2009: 1,771 30: Percent foreclosed

Newell man charged in murder of 3-year-old

Cold case from 2000 reopened last year

By TY BEAVER
H&N Staff Reporter

ALTURAS — A Newell man was arrested Sunday and charged with murder in connection to the death of a 3-year-old boy in March 2000.

The Modoc County Sheriff's Office on Jan. 19 reopened the investigation into the death of Dylan Birch Brown, according to a press release.

Jimmy Dewayne Cantrell was booked in the Modoc County Jail. He was released on his own recognizance after appearing before a judge late this week. Authorities have not revealed how he allegedly caused Brown's death.

The boy's death was listed as "suspicious" and there was evidence of "possible

See MURDER, page A5

Lake County schools face budget cuts

District surveying voters about levy, other options

By LEE JUILLERAT
H&N Regional Editor

LAKEVIEW — Lake County school officials, facing up to \$500,000 in budget cuts next year, are considering a four-day school week, a tax levy and staffing and program cuts.

What the district does depends, in part, on responses to a survey and comments from voters, said Sean Gallagher, superintendent of Lake County School District No. 7.

The survey asks voters if they would consider supporting a school district tax levy instead of cutting programs and staff positions.

See SCHOOLS, page A5

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Connections
Wedding, anniversary and birth announcements, and club news.
See pages C1-4

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See pages C1-4

SPORTS



Oregon Tech clinches title

Beating Concordia 81-62 means the Hustlin' Owls take honors in the Cascade Collegiate Conference. See page B1.

OBITUARIES

Gertrude Glodoski, 97
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Market report

Friday

Dow Jones industrials +73.11
12,391.25

See page A7 for stocks.

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Daily Briefing

STATE

Economists warn recovery will be slow

EUGENE (AP) — State Economist Tom Potiowsky said he's gained confidence in the Oregon economy but cautioned that the economic recovery that's under way isn't going to be fast and easy. Oregon has finally begun to show some job growth, he

said, ticking up 0.7 percent in the fourth quarter of last year. See page A6.

Rep. David Wu urged to seek psychiatric aid

PORTLAND (AP) — A newspaper report says aides to U.S. Rep. David Wu were so alarmed over the Democrat's erratic behavior just before the November elections that they urged him

to enter a hospital to get psychiatric treatment.

The Oregonian, citing interviews with a number of anonymous staff members, reports on its website Friday evening that Wu was increasingly unpredictable on the campaign trail and in private last fall.

The report says several aides and a psychiatrist confronted Wu about his behavior three days

before the Nov. 2 election.

The newspaper says the 55-year-old Wu declined to be interviewed for the story. But his office provided a statement late Friday with the congressman saying he hasn't always been at his best with staff and constituents and that he's sought professional medical care.

For more Oregon news see page A6.