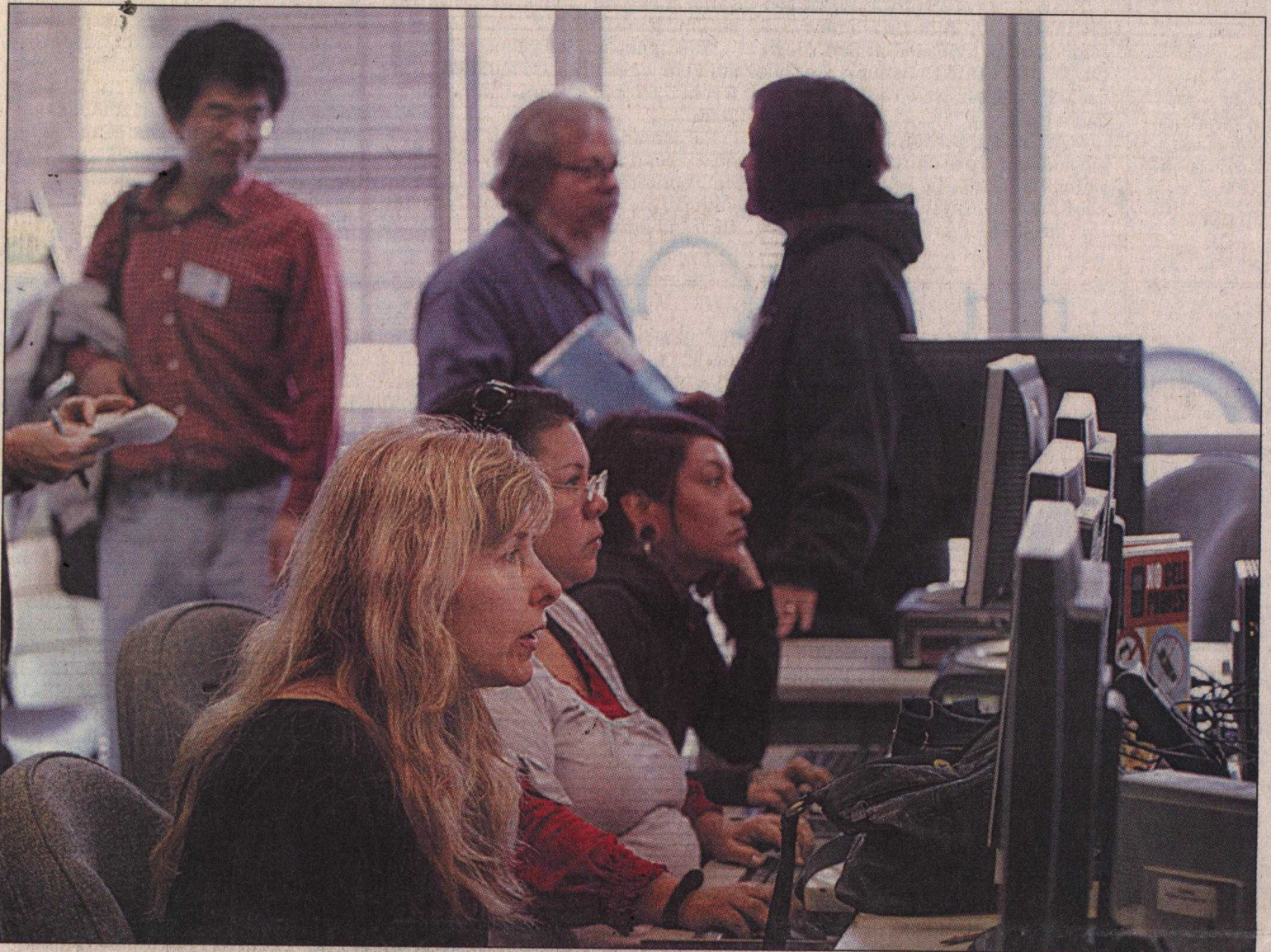


# UNEMPLOYED RANKS GROW

County's 15,000 jobless find tough going



DAN COYRO/SENTINEL

Job-seekers crowd the state Employment Development Department office in Capitola on Monday to look for work on the state-provided computers. Staff at the office have seen an uptick in the demand for services since the stock market crashed in October.

Unemployment offices inundated as jobless rate in county passes 10%

By JONDI GUMZ

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CAPITOLA — Trying to find a job in a recession is tough.

Just ask Rachel Cuellar of Santa Cruz. Formerly a manager at a local bookstore, she is looking for anything that's available.

"It's very, very hard," she said. "It's scary being 30 and unemployed."

Bob Cole has worked as a long-haul trucker for a company in San Jose for 15 years. Usually he hauls landscape materials, but with business down, he's driven to the Sierra hauling salt for road crews. The father of seven grown children, Cole is old enough to remember the 1970s recession when he lived in southern Oregon.

"I've never seen it this slow," he said.

Two weeks ago, Marlene Fergu-

## JOB OFFICE BUSY

The number of people contacting the state Employment Development Department offices in Capitola and Watsonville has grown since October.

### CONTACTS AT EACH OFFICE

Month	Capitola	Watsonville
January*	1,200	861
December	1,282	1,213
November	1,282	1,499
October	1,176	1,458
September	953	1,046
August	789	1,141
July	689	1,493

\*Partial figure

SOURCE: California Employment Development Department

son, 47, left the San Francisco Bay Area, which has been rocked by layoffs, for Santa Cruz.

"This is where I always wanted to be," she said. "I'm trying to find work, and I can't."

Her degree in library science

## County begins budget cuts by slashing road fund, engaging union

By KURTIS ALEXANDER

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SANTA CRUZ — The county initiated a first wave of cost-cutting measures Tuesday that will almost certainly extend to mass layoffs and steep cuts to public services by summer.

Last week, county administrators reported a \$25 million budget gap that needed to be closed over the next year and a half.

To address the deficit, the Board of Supervisors agreed this week to eliminate a \$1.4 million reserve fund for road improvements, shut down a planning permit office in Aptos and maintain a freeze on hiring and overtime.

In addition to pursuing immediate

'We'll continue to have enough money to do basic maintenance like filling potholes, I hope.'

TOM BOLICH,  
Public Works  
director

SEE JOBS ON A2

SEE CUTS ON A2



# **JOBS**

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isn't much help.

Staff at the state Employment Development office have seen an uptick in the demand for services at its career centers in Capitola and Watsonville after the stock market plummeted in October.

More than 15,000 county residents reported being out of work in December. The county's unemployment rate hit 10 percent, surpassing the state rate of 9 percent and the national rate of 7 percent.

A total of 776 layoffs in Santa Cruz County have been announced since August under the state's Worker Adjustment and

Retraining Notification requirement. The 60-day notice applies to companies with 75 or more full- or part-time employees; layoff numbers are posted online.

The layoffs spawned a blog at <http://layoffblog.com/category/layoff-tracker/> and a column in The Wall Street Journal.

Local layoffs include: Sandpiper Farms, Watsonville, 149 employees, Dec. 19; West Marine, Watsonville, holiday furlough, 390, Dec. 25; Mervyns, Capitola, which closed after bankruptcy, 104, Dec. 23.

The recession has touched everything from retail and high-tech and transportation to finance, real estate and construction.

Seagate, headquartered in Scotts Valley, laid off 800 U.S. employees this month.

Circuit City, the electronics chain with a store in the county, plans to close in March. Plantronics in Santa Cruz said 18 percent of its work force would be laid off, including 59 people at its Harvey West headquarters.

DHL, the delivery company, cut jobs for 25 drivers in Watsonville. Wells Fargo closed two Safeway store branches. Cemex shut its Davenport plant for at least six months, putting 100 people out of work.

The Builders Exchange has posted only 45 jobs for January compared to 74 for January a year ago.

Membership in the Santa Cruz Association of Realtors is declining. Executive director Kathy Hartman said 1,035 real estate agents renewed as of Monday, compared to 1,209 at the end of

February 2008 and 1,300 at this time in 2007.

Even government is affected. The cities of Santa Cruz and Watsonville furloughed employees and Capitola plans to do the same.

An employer with plans to hire is rare. One such company: Locally owned New Leaf Community Markets.

Human resources director Debbie Melnikoff expects close to 25 jobs at the new Santa Cruz Westside location to open in March. Jobs will be offered to current employees first. If positions are filled internally, that will create openings at stores in Capitola and downtown Santa Cruz. Openings will be posted on the market's Web site.

"We probably will have a lot of movement," Melnikoff said.

# **CUTS**

Continued from **A1**

cash savings, the board called on county administrators to seek financial concessions from unions, whose members make up a bulk of the county's 2,400-person work force. The county is proposing 20 unpaid days of leave for employees, caps on salaries, reductions in health insur-

ance contributions and as many as 250 layoffs over the next year.

"I think there's only one other time I've done this in my three decades here," said County Administrative Officer Susan Mauriello, who rolled out the proposed employee cutbacks Tuesday.

Union leaders said it was too early to say whether the proposals were reasonable.

The county's \$382 million annual general fund is short because property and sales

tax revenues have slipped with the bad economy.

Mauriello, who said it would be at least two years before the budget picture improved, said cuts were imminent for all county-provided services, from parks to public assistance programs, and noted that the county had little discretion on what would be targeted.

"Whether you want to spend the money on Medi-Cal administration costs is not an option," she said,

noting state mandates to provide welfare programs and other services like the legal system and jail.

Public Works Director Tom Bolich said the road cuts would put an end to landscaping projects, litter pick-up programs and any proposed resurfacing on roads in the unincorporated communities.

"We'll continue to have enough money to do basic maintenance like filling potholes, I hope," he said.