

# Scranton, Pennsylvania mayor cuts public workers to minimum wage

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Declaring last week that the city of Scranton, Pennsylvania had run out of money, Mayor Chris Doherty announced that all city workers would be subjected to a pay cut down to \$7.25 an hour, the federal minimum wage. On June 27, Doherty unilaterally authorized the plan and presented letters to the heads of the city's unions outlining the decision.

Although Lackawanna County Judge Michael Barrassé ruled on July 5 that the city must recognize union contracts stipulating specific pay rates, the mayor's office has ignored the court order.

Doherty, a Democrat, said that the city had a mere \$5,000 left in its coffers after paying out minimum wages to its 398 employees. Workers were issued bi-monthly paychecks on Friday amounting to a mere \$340.

As of Monday, the city reported holding \$133,000, but owed \$3.4 million in vendor bills.

Doherty and the city council, also Democratic, have considered various austerity measures and attacks on public workers to offset a growing budget deficit, which currently stands at \$16.8 million.

The workers are already struggling with very modest wages. A report by National Public Radio quoted Roger Leonard, a heavy equipment operator for the city who had been earning \$450 per week before the pay cut. His situation is typical of public workers, a section of the workforce usually presented by politicians and media commentators as comfortably middle class.

The reality is quite different. "I have two children and

a wife and my wife is a stay-at-home mom," Leonard said. "If the savings gets drained, we won't be okay, but I'm hoping before that happens, that they come to a resolution." Similarly, a Scranton firefighter cited by the *Atlanta Journal Constitution* said his gross income was only \$1,500 every two weeks.

The council has proposed plans to sell off municipal parking garages and impose payments on non-profit institutions exempt from property taxes.

Doherty most recently put forward as a "recovery plan" an unpopular proposal to hike property taxes by 78 percent over the next two years, which the city council rejected.

The mayor brought a lawsuit June 21 in the county court against a four-member bloc of the city council who opposed the property tax increase, calling for them to be either forced to adopt it, or for the court to authorize its implementation over the city council.

Scranton is the center of a long-distressed metropolitan area situated in northeastern Pennsylvania's anthracite coal mining region. From the 19th century the area was a center for the coal and rail industries, although the mines largely closed down in the 1950s. In 1992, Scranton entered a program for financially distressed Pennsylvania cities. Today the metropolitan area has among the highest unemployment rates in the state, and one in five residents lives in poverty.

The Scranton firefighter, police, and machinist union locals said Monday that they plan to sue the mayor in federal court. According to a July 10 report in the

*Scranton Times Tribune*, the suit would include a charge of violation of the Fair Labor Standards Act against the city for failing to pay wages on time and a failure to pay overtime. A separate federal complaint is to be filed over the slashing of benefits to disabled firefighters and other retirees.

Scranton residents are angered by the cuts and the deep financial crisis plaguing the city. Comments by readers on the *Times Tribune* web site register outrage toward Doherty, the city council, and the state. Addressing the mayor, one writes, “Why are you costing the taxpayers more litigation money with lawsuits yet *again*? You are an embarrassment to the city. *Resign now!*”

“Chris Doherty is a sociopath who belongs behind bars for life,” writes another. One reader expresses disgust through biting sarcasm. “I’m shocked Chris Doherty would violate a law. Shocked! He deserves our support for a 5th term in office. He’ll need that additional time to finish destroying the sewer and housing authorities, like he did with the city and parking authority. Four more years! Four more years!”

Cities across Pennsylvania are responding to plummeting tax revenue and the cut-off of state funding by hacking their workforces and selling off services. Harrisburg, the state capital, faces one of the worst budget crises in the country.

On July 1, Republican Governor Tom Corbett signed into law a state budget containing, for the second year in a row, no tax increases. Billion-dollar corporations including Shell Oil Co. will receive up to \$100 million in “tax incentives,” further depleting the state coffers. Shell reported profits of \$31 billion in 2011, significantly larger than the entire Pennsylvania general fund budget. The tax incentive alone is more than six times the size of the Scranton budget gap.

In signing the bill, Corbett declared that the giveaway would hasten the expansion of hydro-fracking and ethane processing. “Simply put, we will usher in a new industrial revolution in Pennsylvania,” he said. Business groups and trade unions “both rallied behind the proposal,” the Pittsburgh *Post Gazette* noted.



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