

Bond Case Briefs

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Wells Fargo Bank, Nat. Ass'n As Indenture Trustee v. Parking Authority of City of Scranton

Commonwealth Court of Pennsylvania - June 26, 2014 - A.3d - 2014 WL 2884451

Union and the Parking Authority entered into a CBA. The CBA includes mandatory AAA arbitration to resolve grievances. While the CBA was in effect, the Bond Trustee exercised its right to seek a court-appointed Receiver due to the Parking Authority's payment default on the outstanding bonds used to finance certain Parking Authority facilities.

Following entry of a Consent Order, Parking Authority employees represented by the Union were displaced from their jobs and the Receiver contracted with a third-party to run the facilities. Thereafter, the Union initiated arbitration against the Parking Authority, alleging breaches of the CBA.

On May 30, 2013, the Court of Common Pleas preliminarily enjoined the Union from pursuing arbitration. The Union appealed, arguing that the trial court's order violated the Pennsylvania Labor Anti-Injunction Act and the Public Employee Relations Act.

In response, the Receiver and the Bond Trustee contended that the trial court acted appropriately under authority conferred by the Pennsylvania Parking Authority Law.

The Appeals Court reversed, holding that, although the Consent Order required court approval for any action against the Receiver, nothing in the Consent Order required the Union to seek permission from the trial court before grieving a labor dispute against the Parking Authority under the CBA.