

Bond Case Briefs

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UNIONS - CALIFORNIA

City of Los Angeles v. Superior Court

Supreme Court of California - June 20, 2013 - P.3d - 2013 WL 3064811

Union petitioned to compel arbitration of over 400 employee grievances arising out of city's plan to furlough its employees. The Superior Court, Los Angeles County, granted the petition. City petitioned for writ of mandate. The Court of Appeal granted petition. City petitioned for review. The Supreme Court granted review, superseding the opinion of the Court of Appeal.

The Supreme Court of California held that:

- Arbitration under memorandum of understanding (MOU) would not involve improper delegation of city's power to set salaries or fix budget;
- Employees' grievances were within arbitration clause of MOU;
- MOU provision authorizing grievances about "practical consequences" of exercises of management rights did not preclude arbitration of grievances about furlough; and
- Ordinance limiting grievance process to disputes "concerning the interpretation or application" of an MOU did not preclude arbitration of grievances about furlough.

Under Myers-Milias-Brown Act (MMBA), once a local government approves an MOU, it becomes a binding and enforceable contract that neither side may change unilaterally.

Arbitration of employee grievances arising out of charter city's plan to furlough its employees, pursuant to arbitration provision of MOU stating that employees "shall be compensated for 40 hours per week at the regular hourly rate for their class and pay grade" would not involve an improper surrender or delegation by the city of its discretionary powers under the charter to set salaries and fix the budget, since the arbitrator's role would be limited to interpreting the MOUs for the purpose of determining whether the furlough program violated the terms of those MOUs.

The existence of an annual budget process does not prohibit a governmental entity from entering into multiyear financial commitments, nor does it provide a justification for avoiding or repudiating such commitments.

Where a collective bargaining agreement provides for arbitration of all disputes pertaining to the meaning, interpretation, and application of the collective bargaining agreement and its provisions, any dispute as to the meaning, interpretation and application of any specific matter covered by the collective bargaining agreement is a matter for arbitration.