

Bond Case Briefs

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UNIONS - TENNESSEE

American Federation of State, County, Mun. Employees Local 1733 v. City of Memphis

United States District Court, W.D. Tennessee, Western Division - July 21, 2014 - Slip Copy - 2014 WL 3591813

City unilaterally implemented a 4.6% wage reduction in City employees' pay, resulting in wages less than those provided in labor agreements (the MOUs) between the City and the Unions representing the City employees.

Unions brought suit under 42 U.S.C. § 1983, alleging that the wage reduction violated municipal employees' rights under the Fourteenth Amendment and under § 5-4-13 of the City of Memphis Code of Ordinances (the "Impasse Ordinance"), which requires arbitration in the event of labor disputes.

The District Court held that:

- There was no need to decide whether plaintiffs had a protected property interest in the wage rates set in the MOUs because no reasonable jury could find that City employees were deprived of those wages without due process; and
- The MOUs did not preclude a wage reduction, as all negotiating parties knew or should have known that the terms of the MOUs were contingent on the City Council's passing a budget to fund them.