

OFFICE OF COLLECTIVE BARGAINING
BOARD OF COLLECTIVE BARGAINING

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In the Matter of the Arbitration	:
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-between-	:
	:
NEW YORK CITY OFFICE OF LABOR RELATIONS	:
and THE NEW YORK CITY POLICE	:
DEPARTMENT,	:
	:
Petitioner,	:
	:
-and-	:
	:
INTERNATIONAL BROTHERHOOD OF	:
TEAMSTERS, LOCAL 237,	:
	:
Respondent.	:
-----X	

Decision No. B-46-1999
Docket No. BCB-2050-99
(A-7661-99)

DECISION AND ORDER

On March 19, 1999, the New York City Office of Labor Relations and the New York City Police Department (hereinafter referred to as “City”), filed a petition challenging the arbitrability of a grievance that is the subject of a request for arbitration filed by the International Brotherhood of Teamsters, Local 237 (“Union”). The Union filed an answer on April 12, 1999. The City submitted a reply on April 26, 1999.

BACKGROUND

On December 20, 1998, employees in the title of School Safety Agent were functionally transferred from the Board of Education of the City School District of the City of New York (“Board of Education”) to the New York City Police Department. On January 29, 1999, the City and the

Union signed a Memorandum of Understanding (“MOU”) regarding the transfer. It reads, in part:

WHEREAS, the School Safety Officers are currently covered by a collective bargaining agreement between the Board and Local 237, which agreement shall cease to cover employees transferred on the date of the functional transfer;

WHEREAS, the City of New York (“City”), the Board of Education of the City School District of the City of New York (“Board”) and Local 237, International Brotherhood of Teamsters (“Local 237”) have met to discuss the impact of such transfer on School Safety Officers (“employees”); and

WHEREAS, the parties have come to an agreement on certain issues arising out of such transfer and wish to memorialize such agreement in writing;

NOW, THEREFORE, the City and Local 237 hereby agree as follows:

FIRST: Effective on the date of the functional transfer the transferred employees shall be covered by all applicable provisions of the 1990-92 Citywide Agreement with the exception of the provisions on annual leave. The current practice in the Board regarding the accumulation of annual leave shall continue, i.e. the additional four days.

SECOND: The transferred employees shall be included in the Special Officers collective bargaining agreement. The bargaining certificate filed with the Office of Collective Bargaining shall be amended to so reflect this change. The City shall take the necessary steps to notify the Office of Collective Bargaining of the voluntary recognition of Local 237 as the bargaining agent for the School Safety Officers and their inclusion in the bargaining unit.

THIRD: For purposes of section 12-120 of the Administrative Code of the City of New York, the transferred employees who reside outside of the City of New York prior to the transfer shall continue to be allowed to so reside; however anyone who is a resident of the City of New York on the date of the transfer may not thereafter reside outside of the City without violating this section and anyone who resides outside of the City of New York who thereafter becomes a resident of the City may not later become a resident outside of the City. Also, upon promotion, candidates will be required to be a resident of the City without exception.

FOURTH: The current Welfare Fund and Annuity Fund Agreements between the City and Local 237 shall be amended to include the School Safety Officers.

FIFTH: Local 237 shall be notified in advance if the Police Department proposes changes in employee uniform requirements or a change in title of the School Safety Officer.

SIXTH: School Guards who continue to be employed by the Board and who were not functionally transferred shall continue to be covered by the collective bargaining agreement between Local 237 and the Board.

On the same date, the parties agreed to include as a side letter to the MOU, the following agreement:

This is to acknowledge that there remains an outstanding disagreement between the parties on the number of holidays and the payment of the uniform allowance. The union may seek to resolve these issues through the grievance/arbitration procedure contained in

the collective bargaining agreement.

By signing this Memorandum of Understanding, neither side waives any rights that it may have regarding these issues.

On March 2, 1999, the Union filed a request for Arbitration, alleging a violation of Article XV, § 2, Step IV of the Citywide agreement¹ and Article XI of the collective bargaining agreement between the Board of Education and Local 237, IBT, AFL-CIO. The grievance to be arbitrated was stated to be:

Failure of the NYC Police Department to provide for School Safety Agents . . . 1) the same number of days off, consisting of holidays and other regular school days on which the schools/workplaces are closed for special observance or emergencies pursuant to action of the Chancellor as were provided prior to the functional transfer of this title from the NYC Board of Education . . . ; and 2) payment of a uniform allowance in a timely manner so that said employees do not have to lay out their own money in order to comply with the uniform dress code of the NYC Police Department.

The demand for arbitration was made under Article XV, § 2, Step IV of the Citywide agreement. The remedy sought is “[d]eclaration and enforcement of the holiday policy as enumerated in Collective Bargaining Agreement between the Board of Education and Local 237” and “payment of uniform allowance in a timely manner to School Safety Agents.”

POSITIONS OF THE PARTIES

City’s Position

¹ Article XV, § 2, Step IV of the Citywide agreement reads:

An appeal from an unsatisfactory determination at Step III may be brought solely by the Union to the Office of Collective Bargaining for impartial arbitration within fifteen (15) working days of receipt of the Step III determination. In addition, the Employer shall have the right to bring directly to arbitration any dispute between the parties concerning any matter defined herein as a “grievance.” The Employer shall commence such arbitration by submitting a written request therefor to the Office of Collective Bargaining. A copy of the notice requesting impartial arbitration shall be forwarded to the opposing party. The arbitration shall be conducted in accordance with Title 61 of the Rules of the City of New York . . . The costs and fees of such arbitration shall be borne equally by the Union and the Employer.

The City argues that a grievance, such as this one, must be dismissed when the Union fails to establish a *prima facie* relationship between the subject of the grievance and the source of the right being invoked by the grievance proponent. It states that the Union seeks to arbitrate a claim of entitlement to holidays and other non-annual leave days as well as a uniform allowance. One of the provisions the Union claims the City violated in its Request for arbitration is the agreement between the Board and the Union. However, the City states that the Union signed an MOU wherein the Union acknowledged that the Board contract ceased to cover the School Safety Agents the day they were functionally transferred to the NYPD.

The City also argues that the claim seeks to arbitrate an issue that arises from a contract between the Union and a third party, i.e. the Board of Education.² It states that the Board has found that the mutual rights and obligations created by a contract run only between the parties to that contract.³ In the instant matter, it argues, the substantive contract provision is part of a contract between the Board and the Union as to the Board's employees and it has no application to the City or the NYPD in its relationship to its own employees.

The City also contends that Local 237 has no authority to seek arbitration pursuant to the other provision cited in the Request for Arbitration - the Citywide agreement - since it is not a signatory to the agreement. It states that District Council 37 ("DC 37") and the City were the only

² The City cites Decision B-25-87, which stated:

It is well established that where a contract has been superseded by a subsequently executed and currently effective agreement, which was also in effect at all times relevant to the grievance at issue, the former contract can provide no basis for the assertion of an arbitrable grievance [citations deleted].

³ The City cites Decision No. B-28-83.

signatories to that agreement, thus, only DC 37 may bring a grievance utilizing the four step procedure outlined in that agreement. Assuming the Union could demonstrate that it was authorized by DC 37 to proceed with a claimed violation of the Citywide agreement, the City argues, there is still no arbitrable issue on which to proceed to arbitration since the Union failed to allege a violation in the application or interpretation of the Citywide agreement, as required by the definition of a grievance in that document.

The City argues that the Union chose to allege only a violation of a Citywide procedural step, an insufficient basis on which to compel arbitration. It contends that the insufficiency of the claim is similar to others where the Board found a grievance was insufficient when its claimed violation was limited to contractual procedures. It argues that in prior decisions, the Board reasoned that such a limited claim does not provide an independent basis for an arbitrable grievance since a procedure does not define or create substantive rights.⁴ It also argues that the Union has not cited a right to a uniform allowance and that the Union is attempting to achieve through arbitration what it was unable to achieve through bargaining.

The City argues that the remedy sought at arbitration is not available and as such, the instant grievance must be dismissed as moot. It states that the NYPD is now the employer of the grievants and not the Board of Education since the MOU specifically and clearly states that the Board of Education contract “shall cease to cover employees [in the title of School Safety Agent] on the date of the functional transfer [to the NYPD].” It contends that since the Board of Education agreement has no application to the employees of the NYPD, the Union is precluded from seeking a remedy

⁴ The City cites Decision Nos. B-28-82 and B-37-90.

pursuant to that contract and the arbitrator would have no authority to grant a remedy based upon the contract.

The City contends that the Union improperly suggests that the parties' side letter to their agreement does not permit a procedural challenge to arbitration when it elects to assert an improper claim pursuant to an agreement to which the City was not a party and pursuant to a grievance procedure contained in a contract to which the Union was not a signatory. It states that the Union relies heavily on the word "issues" as it appears in the side letter agreement but fails to assert any claim pursuant to this provision in their grievances of the Request for Arbitration. It also claims that the Union's paraphrasing of Elkouri⁵ was inaccurate since it discusses the rule applied in a court of law when a satisfactory result cannot be reached by any other rule of construction. It also states that Elkouri stated that the rule will not be applied if it is unambiguous, among other reasons.

The City states that the immediate question is not one of contract interpretation. The City contends that it challenges the Union's blatant failure to frame any part of its grievance in the context of the rights it possessed through the agreements it entered with the City. It argues that the fatal flaw in the Union's position is that the Union ignores its burden to assert a claim relative to a right it has through some agreement with the party it alleges violated that right. The Union did not choose to allege a violation of the side letter agreement anywhere in its grievance or its Request for Arbitration, nor did it rely on the side letter as a source of a right. The City also notes that the MOU contains a provision that places the transferred employees into the Special Officers collective bargaining agreement. It asserts that this agreement is more properly a source of the right for the Union. The

⁵ The Union cites Elkouri, F., How Arbitration Works, 4th Ed. (BNA Books 1985) p. 362.

City argues that without citing any legitimate source for its assertions, the Union incorrectly argues that the arbitrator may fashion a remedy in this case based on past practice, bargaining history and other things.

Union's Position

The Union argues that the language of the parties' agreements unmistakably reflects the parties' intent to arbitrate regarding holidays and uniform allowance. It also states that the Board, in deciding whether the parties are in any way obligated to arbitrate the controversy, does not inquire into the merits of the dispute.

The Union argues that the side letter agreement does not permit a procedural challenge to arbitrability. It contends that the word "issues" only pertains to substantive issues and by agreeing to arbitrate holidays and uniform allowance, the parties waived procedural challenges. Also, the Union asserts that the City drafted the side letter and its effect must be read against the drafter of the agreement.

The Union also contends that the City's position is disingenuous in light of the clarity of the side letter. It argues that a procedural challenge to arbitrability would prevent the parties from resolving the disputes by arbitration as contemplated by the side letter and render it meaningless. Further, the Union contends that the School Safety Officers are subject in part to the Citywide agreement, the MOA and, by reference, the collective bargaining agreement of the Board of Education.⁶ In addition, it asserts that arbitrators recognize past practice in areas where contract law does not establish unequivocal rights, liabilities and responsibilities. In such circumstances, the

⁶ Additionally, DC 37, as the Citywide agreement's bargaining representative, granted a waiver to Local 237 to proceed with arbitration in this matter on September 2, 1999.

Union argues, arbitrators routinely fashion remedies.

In the instant case, it contends that the City has recognized that the issue of holidays and payment of the uniform allowance was not resolved under the MOA. Accordingly, it contends that the agreement in the MOA to apply the Citywide agreement does not apply to holidays and uniform allowance. The Union asserts that in light of the lack of unequivocal contractual guidance in this area, an arbitrator may fashion a remedy based on past practice and the parties' bargaining history among other things.

DISCUSSION

When the arbitrability of a grievance is challenged, this Board must first determine whether the parties have obligated themselves to arbitrate their disputes and, if they have, whether that obligation encompasses the act complained of by the Union.⁷ If a nexus is established, we look no further; it is then for an arbitrator to decide the merits of the case.⁸

Given the unusual circumstances of this case, we need not scrutinize the collective bargaining agreements relied upon by the Union to determine whether there is a nexus to the Union's claim. Here, we find that the parties have obligated themselves to arbitrate the precise issues raised by the Union: the issues of holidays and uniform allowance. We base this finding on the language of the side letter to the parties' MOU, which expressly states:

This is to acknowledge that there remains an outstanding disagreement between the parties on the number of holidays and the payment of the uniform allowance. The union may seek to resolve these issues through the grievance/arbitration procedure contained in the collective bargaining agreement.

⁷ *Office of Labor Relations v. Social Service Employees Union*, Decision No. B-2-69.

⁸ *Id.*

Whether any applicable collective bargaining agreement provides a substantive basis for the Union's claim involves the merits of this dispute, a matter which, on the facts of this case, we believe the parties have agreed should be determined by an arbitrator. In this regard, the side letter goes on to provide that:

By signing this Memorandum of Understanding, neither side waives any rights that it may have regarding these issues.

Exactly what rights the parties intended to preserve to themselves, however, is not clear and, thus, is for an arbitrator to decide. Accordingly, the City's petition challenging arbitrability is denied, without prejudice to any arguments or defenses it may choose to assert before the arbitrator.

ORDER

Pursuant to the powers vested in the Board of Collective Bargaining by the New York City Collective Bargaining Law, it is hereby,

ORDERED, that the petition challenging arbitrability filed by the City of New York, be and the same hereby is, denied; and it is further

ORDERED, that the request for arbitration filed by the International Brotherhood of Teamsters, Local 237 be, and the same hereby is granted.

Dated: October 26, 1999
New York, New York

STEVEN C. DeCOSTA
CHAIRMAN

DANIEL G. COLLINS
MEMBER

GEORGE NICOLAU
MEMBER

JEROME E. JOSEPH
MEMBER

ROBERT H. BOGUCKI
MEMBER

DISSENT

For the reasons set forth below, Board Member Richard Wilsker respectfully dissents.

In this case, the majority denied a Challenge to Arbitrability on the grounds that a side letter agreement was read to obligate these parties to arbitrate issues of holidays and uniform allowance. The majority's decision, however, disregards the City's objections without explanation and then improperly substitutes the side letter agreement as a source from which the arbitration obligations may have grown.

The Union never alleged a violation of that side letter agreement in its grievance or its Request for Arbitration. Instead, the side letter agreement becomes a new issue at this late stage of the grievance process because the majority has determined that it must be a source of right that should be at issue here. This action by the majority is yet another example of improper administrative intervention in grievance matters between equal parties.

The Board's first obligation here was to determine whether these parties are bound by a contract that permits arbitration of the issue presented by this union during the grievance process and in its Request for Arbitration. A review of the agreements between the Union and the City of New York reveals no contract that binds these parties to the contract the Union asserts was violated, i.e. the contract between the Union and the New York City Board of Education ["Board of Ed"]. Additionally, holidays for this title are addressed only through the Citywide agreement. The Union did not allege a violation of those provisions. Even more troubling, this group did not have a uniform allowance either at the Board of Ed or through any agreement with the City. Now, the Union is permitted to proceed to arbitration on this issue without yet identifying the source for this right.

School Safety agents were employees of the Board of Ed until they were functionally

transferred to the New York City Police Department ["NYPD"], an agency of the City of New York. The Board of Ed and the City are separate and distinct employers. The obligations of one as an employer are not and can not be binding upon the other. With this in mind, the City and the Board of Ed entered an agreement regarding the transfer of school safety functions to the NYPD. The City of New York then engaged in collective bargaining with this Union related to the functional transfer of School Safety Agents. The Union and the City entered a Memorandum of Agreement ["the MOA"] that resolved the collective bargaining issues arising from the functional transfer. The Board of Ed is not a party to that MOA because, effective the date of the MOA, the Board of Ed no longer had an employment relationship with the School Safety Agents.

The MOA provides that the School Safety Agents "shall be included in the Special Officers Agreement." This agreement contains the only grievance procedure applicable to this title once they were transferred to the NYPD. The MOA also notes that the School Safety Agents "shall be covered by all applicable provisions of the Citywide agreement "except the provisions on annual leave." The MOA further provides that annual leave for the School Safety Agents at the NYPD would accumulate in a manner consistent with the "current practice at the Board [of Ed]", so that the School Safety Agents would continue to receive four annual leave days over the amounts provided by the Citywide agreement.

This language demonstrates that although the members derive benefits from the Citywide, and this Union is not a signatory to the Citywide, these parties were able to negotiate an increased benefit for this title through their bargaining efforts. With all of this said, the most significant point in the MOA, however, is its acknowledgment that on the date of the functional transfer, the agreement

between the Board of Ed and the Union "shall cease to cover the School Safety Agents functionally transferred to the NYPD. In other words, the parties agreed in the MOA that all ties between the Board of Ed and the Union would be severed effective the date of the functional transfer.

All of the agreements signed by the City and the Union cover these employees as specified and, except for the Citywide, the Union did not allege even one grievance or violation pursuant to any of those agreements. They made no claims under their Special Officers contract, they made no claims under the MOA, and most significantly, they made no claims under the document relied upon by the majority, specifically the side letter signed with the MOA.

The Union did not even assert a substantive claim under the Citywide, despite their reference to it in their papers. Instead, as to the Citywide, the Union merely alleged a violation of a procedural step in the grievance procedure of the Citywide. This Board has consistently held that a grievance is insufficient when its claimed violation was limited to contractual procedures. The Board reasoned in previous cases that such a limited claim does not furnish an independent basis for an arbitrable grievance since a procedure does not define or create substantive rights. See Board Decision B-28-82 and B-37-90.

In the present case, the majority failed to address the fact that the Union alleged a violation of the Citywide grievance procedure only, without alleging a violation of any substantive provision covered by the Citywide grievance procedure. This Board must recognize the insufficiency of a Citywide claim when, as here, it alleges a violation of only a procedural step, without reference to a substantive right. The Citywide claim presented in this case must be dismissed, consistent with the Board's precedent. The majority, by its silence, suggests the provision cited in the Citywide may

create or define a substantive right for this group. Such a conclusion is contrary to the Board's well-established precedent. See Board Decision B-28-82 and B-37-90.

As a separate point, the Citywide provision must be dismissed because this Union is not a signatory to the Citywide contract and is therefore precluded from bringing a grievance under this contract. The Citywide is an agreement entered into by the City and DC 37 pursuant to the NYCCBL to address "those matters which must be uniform for all employees subject to the career and salary plan, such as overtime and time and leave rules." See NYCCBL Section 12307(a)(2). The terms of the Citywide do not apply to Board of Ed employees but they did become applicable to School Safety Agents once they became NYPD/New York City employees. Therefore, although this title is covered by the Citywide, its bargaining agent has no authority to assert claims pursuant to the Citywide because it is not a party to that document.

The Union responded to the City's objections on this point by claiming in its Answer that it would receive permission from DC-37 to bring a claim under the Citywide. Notice of that grant has not been made to the City to this day. However, even if DC37 did grant this Union authority to proceed under the Citywide, the claim asserted remains insufficient in that the union only presented a claimed violation of a grievance procedure. As discussed above, this is insufficient and therefore the Citywide claim must be dismissed in its entirety, in accordance with this Board's precedent. See Board Decision B-28-82 and B-37-90.

As mentioned above, the only grievance procedure applicable to this title is the one contained in the Special Officers contract. The Union elected to disregard its own grievance procedure here. Had it asserted a claim under that provision, however, the Union would have been required to identify its

grievance and the alleged violation early in the grievance process. See Board Decision B-20-74. This includes identifying the contract provision the Union believes was violated. Furthermore, in stating a claim, the Union had the obligation to allege a violation of a contract that ran between it and the City since rights and obligations can not be imposed upon a party who did not agree to them. See Board Decision B-28-83. The Union failed to satisfy these essential elements when it filed its Request for Arbitration. For these reasons, even if this Union relied upon the Special Officers contract for a grievance procedure, the Board's precedent would still require that this Request for Arbitration be dismissed.

The majority is sending this case to arbitration on the strength of the side letter agreement between these parties. The majority disregards the Union's failure to present any allegations based upon this document during the grievance process. The first and only time the Union asserted a claim based upon the side letter agreement was in its Answer to the Challenge to Arbitrability. The Board's well-established precedent requires that such claims must be dismissed because of the Union's failure to assert them earlier in the grievance process. See Board Decision B-20-74. The Board's rationale was that allowing such newly minted claims to proceed to arbitration frustrated the multi-level grievance process agreed to by the parties. See *Id.* By permitting this present case to now proceed to arbitration, the Board is allowing this Union to frustrate the grievance process this Board formerly held in regard.

This is not to suggest that School Safety Agents have no mechanism for pursuing a grievance related to rights arising from contracts between their Union and the City of New York. They have grievance rights under the Special Officers contract. The extent of those rights, however, is limited

by the terms of that grievance procedure. The claims presented here have no relationship to the grievances contemplated by that grievance procedure. For reason unknown to this record, this Union elected to only allege a violation of the Board of Ed contract. That contract is not binding upon the City. The Union chose to not exercise a single right available to it pursuant to the Special Officers contract. They also chose to not allege violations of their MOA.

Even more significantly, however, the Union elected to not allege violations of or reliance upon the side letter that the majority now finds so persuasive. Instead, the only substantive right the Union alleged had been violated was a right that ceased to exist for School Safety Agents the day they became employees of the City and the NYPD. The right they claim, if it existed at all, existed only between the Union and the Board of Ed. It does not attach to NYPD employees.

By not dismissing the Request for Arbitration, the majority is permitting the Union to arbitrate a claimed violation of a right its members no longer possess, pursuant to an agreement to which the City of New York and the NYPD were never a party. The majority attempts to achieve this result by blatantly substituting a side letter agreement between these parties for the contract relied upon by the Union in its Request for Arbitration. The Board takes this protective action on behalf of the Union without statutory authority to do so. The Board is not authorized to determine that a party ought to have made a different claim and then substitute its judgement for the party that initiated the action in the first place.

The parties' MOA is clear and unambiguous when it states unequivocally that the agreement between Local 237 and the Board of Ed "shall cease to cover employees transferred [to the NYPD] on the date of the functional transfer." Yet, despite the clarity of the MOA, the majority sends this

case to arbitration with no comment on the Union's assertion of violations of the Board of Ed contract, even though the record clearly demonstrates that the Board of Ed contract no longer covers its members. Although the side letter acknowledges that the Union may seek to resolve an "outstanding disagreement" "on the number of holidays and the payment of the uniform allowance," it also explicitly states that the Union must utilize the grievance procedure in the collective bargaining agreement between these parties. It never allows for the Union to rely upon the Board of Ed contract in asserting its rights.

Even if it is assumed that the majority is correct in finding the side letter obligated these parties to arbitrate "holidays and uniform allowances," they can not get around the facts of this case.. This Union failed to allege a violation of that side letter prior to its Answer to the Challenge, therefore, it was too late in the grievance process to permit it to go forward. See Board Decision B-20-74. The Union also failed to establish that the present employer, the City of New York and the NYPD have any obligations pursuant to the contract between the Union and the Board of Ed. The record before this Board now shows that the Union did not allege even one single violation of any rights available to them through a contract with the current employer, i.e. the NYPD and the City of New York.

In short, what the parties intended when they agreed to the side letter is not an issue before this Board right now. It is certainly not an issue to be presented to an arbitrator with authority that is limited by the terms of a contract between the parties who select him or her. Simply put, this Union never alleged a violation of the side letter in its grievances and this Board can not now direct these parties to arbitrate anything related to that document.

The Union made its intentions and its interests very clear in its Request for Arbitration. The Union wants only to achieve through arbitration what it was unable to achieve through bargaining with the City of New York. It wants an arbitrator to compel the City to provide the School Safety Agents with a greater "holiday" benefit equal to what they had under an agreement with a different employer, namely, the Board of Ed. It also seeks a benefit it did not have under the contract with the Board of Ed, specifically, a uniform allowance. The Union remains unhappy about what was lost and what was gained through collective bargaining with its present employer, the City of New York.

The majority now attempts to placate the Union by permitting it an opportunity to reconfigure the agreement through the arbitration process. To do this, the majority had to conveniently ignore the fact that the Union agreed with the City that the agreement between the Board of Ed and the Union "shall cease to cover" the School Safety Agents functionally transferred to the NYPD upon the date of that transfer. It also had to ignore the Union's blatant assertion of rights pursuant to the very contract that no longer applies to those members employed by the NYPD.

Based upon that clear acknowledgment in the very agreement that established the relationship between the City, the NYPD and the Union, the Union must be precluded from asserting rights enjoyed under the contract it had with the Board of Ed.

For all of the above reasons, this Challenge to Arbitrability must be granted and this Request for Arbitration must be dismissed in its entirety.

Dated: October 26, 1999
_____ New York, New York

RICHARD A. WILSKER
MEMBER