Robblee Detwiler & Black, by Kristina Detwiler, Attorney at Law, and Andrew G. Lukes, Attorney at Law, for the union.

Seattle City Attorney Peter S. Holmes, by Amy B. Lowen, Assistant City Attorney, for the employer.

The International Brotherhood of Electrical Workers, Local 77 (union) filed an unfair labor practice complaint alleging the City of Seattle (employer) unilaterally changed disciplinary procedures without providing an opportunity to bargain. Examiner Jessica J. Bradley conducted a hearing and concluded that the employer unilaterally changed disciplinary procedures when, after the employer disciplined an employee, the Seattle Ethics and Election Committee (SEEC) filed charges, with a potential penalty of monetary fines, against the employee for the same misconduct.\(^1\) The employer appealed.

The issue in this case is whether the employer unilaterally changed disciplinary procedures when the SEEC investigated a bargaining unit employee and, after the employer disciplined an employee for certain misconduct, initiated charges that the employee violated the Code of Ethics. We affirm the Examiner.

\(^1\) *City of Seattle, Decision 12060 (PECB, 2014).*
ANALYSIS

Legal Standards

Duty to Bargain

A public employer has a duty to bargain with the exclusive bargaining representative of its employees over mandatory subjects of bargaining. RCW 41.56.030(4). Whether a particular item is a mandatory subject of bargaining is a mixed question of law and fact for the Commission to decide. WAC 391-45-550. To decide, the Commission applies a balancing test on a case-by-case basis. The Commission balances “the relationship the subject bears to the wages, hours, and working conditions” of employees, and “the extent to which the subject lies ‘at the core of entrepreneurial control’ or is a management prerogative.” International Association of Fire Fighters, Local 1052 v. PERC (City of Richland), 113 Wn.2d 197, 203 (1989). The decision focuses on which characteristic predominates. Id.

While the balancing test calls upon the Commission and its examiners to balance these two principal considerations, the test is more nuanced and is not a strict black and white application. Subjects of bargaining fall along a continuum. At one end of the spectrum are grievance procedures and “personnel matters, including wages, hours and working conditions, also known as mandatory subjects of bargaining.” RCW 41.56.030(3). At the other end of the spectrum are matters “at the core of entrepreneurial control” or management prerogatives. International Association of Fire Fighters, Local 1052 v. PERC (City of Richland), 113 Wn.2d at 203. In between are other matters, which must be weighed on the specific facts of the case. One case may result in a finding that a subject is a mandatory subject of bargaining, while the same subject, under different facts, may be considered permissive.

Unilateral Change

To prove a unilateral change, the complainant must prove that the dispute involves a mandatory subject of bargaining and that there was a decision giving rise to the duty to bargain. Kitsap County, Decision 8292-B (PECB, 2007); METRO (Amalgamated Transit Union, Local 587), Decision 2746-B (PECB, 1990). A complainant alleging a unilateral change must establish the existence of a relevant status quo or past practice and a meaningful change to a mandatory
subject of bargaining. *Whatcom County*, Decision 7288-A (PECB, 2002); *City of Kalama*, Decision 6773-A (PECB, 2000). For a unilateral change to be unlawful, the change must have a material and substantial impact on the terms and conditions of employment. *Kitsap County*, Decision 8893-A (PECB, 2007), citing *King County*, Decision 4893-A (PECB, 1995).

**Discipline**

Discipline has been found to be a mandatory subject of bargaining. *City of Seattle*, Decision 9938-A (PECB, 2009), citing *City of Yakima*, Decision 3503-A (PECB, 1990), aff’d on other grounds, 117 Wn.2d 655 (1991); *Yakima County*, Decision 9062-B (PECB, 2008); *Asotin County*, Decision 9549-A (PECB, 2007); *Washington State Patrol*, Decision 4757-A (PECB, 1995). Individual disciplinary determinations are not mandatory subjects of bargaining. *City of Seattle*, Decision 9938-A, citing *City of Auburn*, Decision 4896 (PECB, 1994). Changes in disciplinary procedures are mandatory subjects of bargaining. *Community Transit*, Decision 6375 (PECB, 1998), citing *City of Spokane*, Decision 5054 (PECB, 1995).

**Application of Legal Standards**

In its unfair labor practice complaint, the union alleged the employer changed disciplinary procedures when the employer began a SEEC investigation and filed charges against an employee. The preliminary ruling stated a cause of action for employer unilateral change to disciplinary procedures.

**The Collective Bargaining Agreement**

The employer and the union had a collective bargaining agreement covering employees in the City Light Department (employing department). The collective bargaining agreement included Article 8, which addressed discipline. Article 8 authorized the employer to suspend, demote, or discharge an employee for just cause.\(^2\) Under Article 8.2, “[t]he primary objective of discipline shall be to correct and rehabilitate, not to punish or penalize.”\(^3\) Article 8 authorized disciplinary actions “in order of increasing severity”: verbal warning, written reprimand, suspension,
demotion, and termination.\textsuperscript{4} Article 8 granted an employee the right to appeal disciplinary actions through either the grievance procedure or the Civil Service Commission.

The union or employees who disagreed with employer imposed discipline can grieve the discipline through Article 7 Grievance Procedure.\textsuperscript{5} The grievance procedure has four steps. At step one, a union steward presents the grievance to the employee’s supervisor. If no agreement is reached at step one, the union may move the grievance to step two. At step two, the grievance must be submitted in writing to the employing department’s human resources officer with a copy to the employer’s Director of Labor Relations. The employer and union must schedule a meeting to discuss the grievance unless they agree to forego a meeting. If no agreement is reached at step two, at step three the grievance shall be submitted to a joint labor management committee. If no agreement is reached at step three, step four allows the grievance to be advanced to arbitration. At arbitration, the grievance is heard by a mutually selected neutral arbitrator and the arbitrator’s decision is binding on the parties. At any point, the parties may agree to engage in mediation to attempt to settle the grievance.

\textit{The Seattle Ethics and Elections Commission}

In 1980, the employer enacted a code of ethics for its employees. Seattle Municipal Code (SMC) Chapter 4.16. The code of ethics is administered, interpreted, and enforced by the Seattle Ethics and Elections Commission (SEEC).\textsuperscript{6} The SEEC receives complaints from employees, from the employing department, the public, and based on media reports. The majority of complaints are filed by employees.

The SEEC Executive Director reviews complaints to determine whether the alleged facts, if true, would violate the Code of Ethics. SMC 4.16.090.D. Complaints are then investigated. If, after an investigation, the SEEC Executive Director determines that the complaint can be proven, he may initiate an enforcement proceeding by filing charges with the SEEC or enter into settlement with the employee. SMC 4.16.090.F.

\textsuperscript{4} Exhibit 1A.
\textsuperscript{5} Exhibit 1A.
\textsuperscript{6} Exhibit 14.
If charges are filed with the SEEC, a hearing is scheduled. SMC 4.16.090.F. Hearings are public unless closed at the request of the employee. However, if the employee is represented by a union that had not negotiated an agreement with the employer concerning SEEC proceedings, the hearing will not be closed. SMC 4.16.090.H.

After a hearing, the SEEC issues a written decision. SMC 4.16.090G. If the SEEC determines that an employee violated the Code of Ethics, the SEEC “may recommend” to the employing department that the employee be subject to disciplinary action including suspension, discharge, or removal from office, or such other disciplinary action provided it is consistent with personnel ordinances and rules. SMC 4.16.090.I. The SEEC cannot discipline or terminate employees and cannot ensure that recommendations of discipline are followed. The disciplinary recommendation cannot be appealed.

In addition to recommending discipline, the SEEC can impose penalties. SMC 4.16.100. Among other things, penalties can include monetary fines up to $5,000, reimbursement for damages to the employer, and reimbursement of the costs of the investigation. SMC 4.16.100. Fines are deducted from the employee’s wages.

An employee subject to a monetary fine may appeal the fine to Seattle Municipal Court. SMC 4.16.105.A. Employees represented by a labor union that does not have a written agreement with the employer regarding employees’ appeal rights may appeal the fine to the King County Superior Court, but not to Seattle Municipal Court. SMC 4.16.105.F. The union does not have a written agreement with the employer regarding employees’ appeal rights.

**Disciplinary Actions**

In August 2011, the employer learned of alleged misconduct by a bargaining unit employee. The employer investigated the misconduct.
On September 26, 2011, the SEEC received a confidential Whistleblower complaint based upon the same alleged employee misconduct the employer had begun investigating in August 2011. In October 2011, the SEEC began investigating the possible violation of the Code of Ethics.\(^7\)

On February 13, 2012, the employer recommended the employee be suspended. The employer held a *Loudermill*, or pre-disciplinary, hearing with the employee. At the *Loudermill* hearing, the union raised concerns with the investigation and made requests of the employer. As a result of the union’s concerns, an outside investigator reviewed the allegations and conducted a broader investigation.

On May 2, 2012, the employer imposed final discipline on the employee. The employer suspended the employee for twenty days, based, in part, upon violations of the Code of Ethics. The employee was ineligible for promotion or discretionary out-of-class pay for one year. The employee did not grieve the discipline under the collective bargaining agreement’s grievance and arbitration procedures set forth in Article 7 of the collective bargaining agreement, and served the suspension.

From July 19, 2012 until September 5, 2012, the SEEC Executive Director corresponded with the employee’s union Business Representative. The SEEC proposed settlement. The union objected to the proposed settlement agreement because, under the collective bargaining agreement, the objective of discipline is to correct and rehabilitate and discipline must be for just cause. The union also asserted that the SEEC’s actions were double jeopardy.

On November 1, 2012, SEEC Executive Director notified the employee that he would file charges on November 7, 2012. On November 6, 2012, the union filed the unfair labor practice complaint. On November 7, 2012, at the SEEC meeting, the employee was charged with violations of the Code of Ethics. On November 8, 2012, the union filed an amended complaint.

\(^7\) Exhibit 1.
The SEEC is Part of the Employer.

The Public Employees Collective Bargaining Act, Chapter 41.56 RCW, applies to "any county municipal corporation, or political subdivision of the state of Washington." RCW 41.56.020. Under RCW 41.56.030(12), a "public employer" is "any officer, board, commission, council, or other person or body acting on behalf of any public body governed by this chapter, or any subdivision of such public body." A public employer is treated in its entirety, and the subdivisions of a public employer are not treated as separate distinct entities under Chapter 41.56 RCW. See Lewis County, Decision 644 (PECB, 197X), remedy affirmed, Decision 644-A (PECB, 1979), affirmed, 31 Wn. App. 853 (1982).

The employer argued that the SEEC is not the employer; however, we disagree because SEEC is not an entity separate from the employer. The City of Seattle is the employer for purposes of Chapter 41.56 RCW. The employer enacted the Code of Ethics and created the SEEC. Thus, the SEEC is a division within the employer, not a separate entity.

Are SEEC proceedings mandatory subjects of bargaining?

On appeal, the employer argued the Examiner did not properly conduct the balancing test. In response, the union argued the Examiner properly applied the balancing test and the Commission's precedent supports the Examiner's decision. In determining whether an obligation to bargain exists, the balancing test must be conducted on a case-by-case basis and the facts of each particular case must be evaluated on its merits. International Association of Fire Fighters, Local 1052 v. PERC (City of Richland), 113 Wn.2d 197, 203 (1989). In this case, the employer's reason for using the SEEC's procedures to determine whether the employee violated the Code of Ethics must be balanced against the employees' interest in wages, hours and working conditions, including the employees' interest in having discipline adjudicated under the negotiated collective bargaining agreement.

The employer presented evidence of its managerial interest in maintaining public confidence in the employer's workforce. The employer's purpose in prosecuting violations of the code of ethics is to ensure uniform application of the employer's ordinance. Discipline is determined by
the department. That autonomy may lead to disparate discipline for similar violations, including violations of the Code of Ethics, depending on the department’s focus.

The SEEC’s mission is twofold. First, the mission is to promote public confidence in government. To preserve that confidence, the employer must be able to ensure that employees who violate the Code of Ethics are held accountable. Second, the SEEC seeks to promote an image of a fair process. The employer asserted its mission would be undercut if it could not uniformly hold employees accountable because it was unable to prosecute employees due to the protections provided by their union.

The employer has presented legitimate reasons why allowing the SEEC to investigate possible violations of the Code of Ethics is a managerial prerogative. Under the mandate provided to us in *City of Richland*, our analysis must next examine the employees’ interests in wages, hours, and working conditions. In this case, we must also consider the impact on employees’ union-negotiated right to use the existing collective bargaining agreement disciplinary and grievance procedures.

The union asserted the employer changed disciplinary procedures. Discipline involves employee working conditions and tenure of employment, so as to come within the “wages, hours working conditions” scope of mandatory collective bargaining under RCW 41.56.030(4). A grievance procedure is a mandatory subject of bargaining and is part of disciplinary procedures. RCW 41.56.030(4).

The employer asserted that the SEEC proceedings are not discipline. While the SEEC has no authority to discipline an employee by demotion, suspension, or termination, the SEEC proceedings are disciplinary in nature because the SEEC investigates employee misconduct, the SEEC can recommend discipline, and the SEEC can penalize employees. While the current SEEC Executive Director does not recommend discipline and the employing department asserts it would not consider such a recommendation in making a disciplinary decision, the Code of Ethics nonetheless authorizes such action.
The employer and union negotiated a collective bargaining agreement that included a grievance procedure and a discipline provision, both of which are mandatory subjects of bargaining. Once a collective bargaining agreement has been negotiated, the collective bargaining agreement must be followed until the parties negotiate a change. The collective bargaining agreement provides all parties, not only the employees, with consistency and guidance during the duration of the agreement. Employees have a strong interest in the uniform application of the collective bargaining agreement. The employer’s interest in enforcing its Code of Ethics through a separate unilaterally adopted procedure does not outweigh the prohibition against changing mandatory subjects of bargaining without bargaining and the employees’ interest in seeing the contract applied as negotiated.

Employers have many legitimate interests, which are subject to bargaining. Employers have interests in the uniform application of rules of conduct, the uniform application of discipline, and preventing workplace discrimination. When these interests impinge upon employee wages, hours, and working conditions, an employer is required to bargain those wages, hours, and working conditions.

For example, there is no question employers have a legitimate managerial interest in preventing workplace discrimination or harassment. When an employer investigates and disciplines an employee for engaging in discriminatory or harassing behavior, the employer must follow the discipline and grievance procedures outlined in an applicable collective bargaining agreement. An employer may not, absent bargaining with a union, implement a separate procedure that impinges upon wages, hours, and working conditions, no matter how lofty the goal.

In this case, the employees’ interest in having discipline administered under the negotiated collective bargaining agreement outweighs the employer’s interest in maintaining the public’s confidence and uniformity in enforcing the Code of Ethics through a procedure separate and apart from the negotiated procedures in the collective bargaining agreement. In this case, the SEEC procedures are disciplinary procedures and are a mandatory subject of bargaining.\textsuperscript{8}

\textsuperscript{8} The Commission decides unfair labor practice complaints based upon the facts presented in each case. \textit{State – Office of Financial Management}, Decision 10353 (PSRA, 2009). This case should not be read to apply more broadly than to the facts in the instant complaint.
Did the Employer Unilaterally Change Disciplinary Procedures?

To prove a unilateral change, the union must establish that the dispute involves a mandatory subject of bargaining, that there was a decision giving rise to the duty to bargain, and there was a material and substantial impact on the terms and conditions of employment.

The union established that the SEEC procedures were disciplinary procedures and a mandatory subject of bargaining. The evidence demonstrates that the employer did not have a past practice of conducting a SEEC investigation after a bargaining unit employee had been disciplined under the collective bargaining agreement. The employer’s decision to conduct a separate SEEC proceeding outside of the collective bargaining agreement disciplinary procedure had a material and substantial impact on terms and conditions of employment.

The employer initially disciplined the employee for violations of the employer’s personnel rules, the employer’s workplace expectations, and, significantly, SMC 4.16.070 Prohibited Conduct (Code of Ethics). The charges filed by the SEEC against the employee arose from the same incident and charged a violation of SMC 4.16.070.3.a. The SEEC charges sought to punish the employee for a violation of SMC 4.16.070, for which the employer had previously disciplined the employee. By bringing a secondary SEEC charge against the employee for the same conduct and Code of Ethics violation the employer subjected the employee to discipline twice for the same incident.

Unlike discipline imposed under the contract which can be appealed through the grievance procedure or the civil service commission, SEEC disciplinary recommendations cannot be appealed. The employee’s inability to appeal the SEEC’s disciplinary recommendation severely impacts terms and conditions of employment. While the employer testified that it would not follow the recommendation, such action cannot be guaranteed. No policy or procedure could be offered, as this is the first known instance of the SEEC investigating and charging a bargaining unit employee.

Chapter 41.56 RCW does not prohibit a public employer from adopting a code of ethics. Under Chapter 41.56 RCW, an employer is obligated to bargain mandatory subjects of bargaining,
including grievance procedures, wages, hours, and working conditions. Thus, if a code of ethics touches upon mandatory subjects of bargaining, a public employer is required to bargain. This is not to say that the SEEC could never investigate complaints of violations of the Code of Ethics. However, if action were to be taken that could result in discipline or a recommendation of discipline or adversely affect employees’ wages, hours and working conditions, it would need to be in conformity with the collective bargaining agreement.

CONCLUSION

The SEEC procedures are a mandatory subject of bargaining. The employer unilaterally changed working conditions by charging an employee with a violation of the Code of Ethics and initiating charges at the SEEC after the employer previously disciplined the employee for the same misconduct.

NOW, THEREFORE, it is

ORDERED

Findings of Fact 1 through 11 issued by Examiner Jessica J. Bradley are AFFIRMED. Findings of Fact 12 through 19 are vacated. The following Findings of Fact are substituted.

12. Article 8 of the collective bargaining agreement established the procedure for discipline for bargaining unit employees. Article 8 authorized the employer to suspend, demote, or discharge an employee for just cause. Under Article 8.2, “[t]he primary objective of discipline shall be to correct and rehabilitate, not to punish or penalize.” Exhibit 1A. Article 8 authorized disciplinary actions “in order of increasing severity”: verbal warning, written reprimand, suspension, demotion, and termination. Exhibit 1A. Article 8 granted an employee the right to appeal disciplinary actions through either the grievance procedure or the Civil Service Commission.

9 Exhibit 1A.
10 Exhibit 1A.
13. The Seattle Ethics and Elections Commission (SEEC) administers, interprets, and enforces the code of ethics. The SEEC receives complaints from employees, from the employing department, the public, and based on media reports. The SEEC Executive Director reviews complaints to determine whether the alleged facts, if true, would violate the Code of Ethics. Complaints are then investigated. After an investigation, the SEEC Executive Director has discretion to seek administrative dismissal of a complaint. SMC 4.16.090.E.2. If, after an investigation, the SEEC Executive Director determines that the complaint can be proven, he may initiate an enforcement proceeding by filing charges with the SEEC or enter into settlement with the employee.

14. If charges are filed with the SEEC, a hearing is scheduled. Hearings are public unless closed at the request of the employee. However, if the employee is represented by a union that had not negotiated an agreement with the employer concerning SEEC proceedings, the hearing will not be closed. SMC 4.16.090.H.

15. If the SEEC determines that an employee violated the Code of Ethics, the SEEC “may recommend” the employee be subject to disciplinary action including suspension, discharge, or removal from office, or such other disciplinary action provided it is consistent with personnel ordinances and rules. SMC 4.16.090.I. The SEEC cannot discipline or terminate employees and cannot ensure that recommendations of discipline are followed.

16. In addition to recommending discipline, the SEEC can impose penalties, including fines. Fines are deducted from the employee’s wages.

17. An employee subject to a monetary fine may appeal the fine to Seattle Municipal Court. SMC 4.16.105.A. The disciplinary recommendation cannot be appealed. Employees represented by a labor union that does not have a written agreement with the employer regarding the appeal rights may appeal the fine to the King County Superior Court, but not to Seattle Municipal Court. SMC 4.16.105.F. The union does not have a written agreement with the employer regarding employees’ appeal rights.
18. The SEEC proceedings are disciplinary in nature because the SEEC investigates employee misconduct, the SEEC can recommend discipline, and the SEEC can penalize employees. Discipline involves wages and tenure of employment and is a mandatory subject of bargaining. SEEC proceedings are mandatory subjects of bargaining.

19. The union has established that the SEEC proceeding was a mandatory subject of bargaining. The evidence demonstrates that the employer did not have a past practice of conducting a secondary SEEC investigation after a bargaining unit employee had been disciplined under the collective bargaining agreement. The employer decided to conduct a separate SEEC proceeding outside of the collective bargaining agreement disciplinary procedure had a material and substantial impact on terms and conditions of employment.

20. By bringing a secondary SEEC charge against the employee for the same conduct and Code of Ethics violation, the employer subjected the employee to discipline twice for the same incident.

CONCLUSIONS OF LAW

1. The Public Employment Relations Commission has jurisdiction in this matter under Chapter 41.56 RCW and Chapter 391-45 WAC.

2. By its actions as described in Findings of Fact 3 through 23, the employer refused to bargain in violation of RCW 41.56.140(4) and committed a derivative interference violation of RCW 41.56.140(1).

ORDER

The CITY OF SEATTLE, its officers and agents, shall immediately take the following actions to remedy its unfair labor practices:

1. CEASE AND DESIST from:

b. Continuing the SEEC investigation and charges over Allen’s August 2010 misconduct regarding soliciting and accepting gifts from apprentices, for which the employer previously and substantially disciplined Allen.

c. In any other manner interfering with, restraining or coercing its employees in the exercise of their collective bargaining rights under the laws of the State of Washington.

2. TAKE THE FOLLOWING AFFIRMATIVE ACTION to effectuate the purposes and policies of Chapter 41.56 RCW:

a. Close the SEEC investigation into Allen’s October 2010 conduct. Notify the union and Allen in writing of the date that SEEC Case No. 11-1-0929 was closed.

b. Continue to follow the disciplinary procedures in the collective bargaining agreement that was in place prior to the unilateral change in disciplinary procedure found unlawful in this order.

c. Give notice to and, upon request, negotiate in good faith with IBEW Local 77, before changing disciplinary procedure.

d. Post copies of the notice provided by the Compliance Officer of the Public Employment Relations Commission in conspicuous places on the employer’s premises where notices to all bargaining unit members are usually posted. These notices shall be duly signed by an authorized representative of the respondent, and shall remain posted for 60 consecutive days from the date of initial posting. The respondent shall take reasonable steps to ensure that such notices are not removed, altered, defaced, or covered by other material.
e. Read the notice provided by the Compliance Officer into the record at a regular public meeting of the City Council of the City of Seattle, and permanently append a copy of the notice to the official minutes of the meeting where the notice is read as required by this paragraph.

h. Notify the complainant, in writing, within 20 days following the date of this order, as to what steps have been taken to comply with this order, and at the same time provide the complainant with a signed copy of the notice provided by the Compliance Officer.

i. Notify the Compliance Officer, in writing, within 20 days following the date of this order, as to what steps have been taken to comply with this order, and at the same time provide him with a signed copy of the notice he provides.

ISSUED at Olympia, Washington, this 16th day of December, 2014.

PUBLIC EMPLOYMENT RELATIONS COMMISSION

MARILYN GLENN SAYAN, Chairperson

THOMAS W. McLANE, Commissioner

MARK E. BRENNAN, Commissioner
The attached document identified as: DECISION 12060-A - PECB has been served by the Public Employment Relations Commission by deposit in the United States mail, on the date issued indicated above, postage prepaid, addressed to the parties and their representatives listed in the docket records of the Commission as indicated below:

CASE NUMBER: 25274-U-12-06471
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