

**LETTER OF UNDERSTANDING  
REGARDING AGENCY SHOP AND CHECK-OFF**

WHEREAS, the ANN ARBOR TRANSPORTATION AUTHORITY (“Employer”) is the employer of a bargaining unit of employees represented by TRANSPORT WORKERS UNION, LOCAL 171 (“Union”) as their exclusive bargaining representative;

WHEREAS, the Union has requested that the Employer enter into an agreement with the Union requiring the members of the bargaining unit to pay union dues or their fair share of the Union’s costs of negotiating and administering any collective bargaining agreements covering said bargaining unit entered into by the Employer and the Union during the term of this Letter of Understanding, and the Employer has agreed to this request;

NOW, THEREFORE, the Employer and the Union enter into the following Letter of Understanding regarding Agency Shop and Check-Off:

A. It is understood and agreed that all present employees covered by any collective bargaining agreement between the Employer and the Union who are members of the Union shall remain members in good standing for the duration of said agreement, or cause to be paid to the Union a representation fee equivalent to their fair share of the Union's cost of negotiating and administering said agreement as determined by an independent audit of all expenditures of the Union attributed to the costs of collective bargaining, contract administration and grievance adjustment during the prior calendar year filed by the Union with the Michigan Employment Relations Commission (“MERC”) by March 1 of each year pursuant to Section 10(9) of the Public Employment Relations Act (“PERA”), MCLA 423.210(9), as amended, to the extent permitted by law. All present employees covered by any collective bargaining agreement between the Employer and the Union who, on the effective date thereof, were not members of the Union, shall upon completing their training period, and for the duration of said agreement, become and remain members in good standing of the Union, or cause to be paid to the Union a representation fee equivalent to their fair share of the Union's costs of negotiating and administering said agreement as determined by the above-referenced independent audit, to the extent permitted by law. All new employees covered by any collective bargaining agreement between the Employer and the Union who become employees after the execution of said agreement shall upon completing their training period, and for the duration of said agreement, become and remain members in good standing of the Union, or cause to be paid to the Union a representation fee equivalent to their fair share of the Union's cost of negotiating and administering said agreement as determined by the above-referenced independent audit, to the extent permitted by law.

B. The representation fee referred to in Section A above shall not exceed the regular monthly dues of the Union, nor shall it include any assessments and initiation fees. In the event any employee shall fail to either join the Union or pay a lawful representation fee as provided above, and in the event regular monthly Union dues or lawful representation fees remain unpaid for a period of sixty (60) days following the date the same are due, the Union shall notify the Employer’s Manager of Human Resources and the employee in writing of said delinquency; and unless the amount is paid within fourteen (14) days from the date of receipt of notification, the Employer shall terminate said employee.

C. For the convenience of the Union and its members, the Employer shall deduct the regular monthly dues of the Union from the pay of those employees covered by any collective bargaining agreement between the Employer and the Union who elect to join the Union and authorize such deduction in writing. The Employer shall deduct the representation fee referred to in Sections A and B above from the pay of those employees covered by this any such collective bargaining agreement who elect not to join the Union and authorize such deduction in writing. The forms of making written authorization for the deduction of monthly dues, or representation fees, shall be provided by the Union. The written authorization shall remain in full force and effect during the period of any collective bargaining agreement between the Employer and the Union, unless revoked by written notice given to both the Union and the Employer.

D. The Union shall notify the Employer, in writing, of any changes in monthly Union dues and representation fees, certified by the Union as the uniform monthly dues required of the Union members or, in the case of representation fees, a legally-permitted fee. The Employer will act in accordance with such written certification.

E. Remittance to Union. All sums deducted as Union dues or representation fees shall be remitted to such address designated by the Union with an alphabetical list of names and addresses of all employees from whom deductions have been made not later than ten (10) working days following the date on which they were deducted. The Employer shall additionally indicate the amount deducted and notify the Union of the names and addresses of employees who, through a change in their employment status, are no longer subject to deductions and further advise the Union by submission of an alphabetical list of all new hires since the date of submission of the previous month's remittance of dues or representation fees.

The Employer shall not be liable to the Union for the remittance or payment of any sum other than constituting actual employee authorized deductions from those employees covered by any collective bargaining agreement between the Employer and the Union. Deductions shall be made only in accordance with the provisions of the written authorization(s) referred to in Section C above, together with the provisions of this Letter of Understanding. The Employer shall have no responsibility for the collection of initiation fees, assessments, or for monthly Union dues, representation fees or for any other deductions not in accordance with this Letter of Understanding.

F. An employee shall cease to be subject to check-off deductions beginning with the month immediately following the month in which he is no longer a member of a bargaining unit covered by any collective bargaining agreement between the Employer and the Union. The Union will be notified by the Employer of the names of such employees following the end of each month in which the termination took place.

G. The Union shall indemnify, defend, and hold the Employer harmless against any and all claims, demands, suits, or other forms of liability including court and administrative hearing costs, court reporter fees and transcript, and unemployment compensation costs, if any, that may arise out of or by reason of action taken or not taken by the Employer under this Letter of Understanding.

H. If any provision of this Letter of Understanding is deemed invalid under Federal or State law, said provision shall be modified by the agreement of the Union and the Employer to comply with the requirements of said Federal or State Law.

I. The Union agrees that it will make membership in the Union available to all employees covered by any collective bargaining agreement between the Employer and the Union on the same terms and conditions as are generally applicable to all other members of the Union.

J. This Letter of Understanding shall remain in full force and effect for a period of ten (10) years from the date of execution of same.

ENDORSEMENTS

In witness whereof, the parties hereto have caused this Letter of Understanding to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

ANN ARBOR TRANSPORTATION  
AUTHORITY

TRANSPORT WORKERS UNION,  
LOCAL 171

By \_\_\_\_\_  
Charles Griffith, Chair of the Board

By \_\_\_\_\_  
Delisa Brown, President

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_