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STATE OF MICHIGAN

DEPARTMENT OF LABOR

EMPLOYMENT RELATIONS COMMISSION

STATE OF MICHIGAN  
INDUSTRIAL  
RELATIONS LIBRARY

In the Matter of the Fact Finding between

CITY OF DETROIT

-and-

Case No. D70 E2410

DETROIT LICENSE INVESTIGATORS ASSOCIATION

REPORT OF FACT FINDER

Pursuant to application for fact finding filed by the Detroit License Investigators Association, hereinafter called the Association, dated June 9, 1970, and the answer of the City of Detroit, hereinafter called the City, dated June 15, 1970, the undersigned was appointed Fact Findings Hearings Officer by letter of the Employment Relations Commission dated June 23, 1970.

Pursuant to notice duly given, a hearing was held pursuant to Section 25, Act 176 of Public Acts, 1939, as amended, and the regulations of the Commission.

ISSUES

In the application filed by the Association, the following statements are contained:

*Detroit, City of*

The remaining issues are:

Salary and Cost of Living increases.

The City is offering, in salary: a minimum of \$8,992 to a maximum of \$9,246 per annum.

And there has been a refusal to talk about a cost-of-living increase by the City's negotiators.

The Detroit License Investigators Association is asking...a minimum of \$9,646 to a maximum of \$9,900 per annum. This salary is far below that of public employees who are doing similar assignments in this City, State and County.

POSITION OF THE PARTIES

THE ASSOCIATION'S POSITION

On December 8, 1969, the Association submitted its initial demand for the fiscal year commencing July 1, 1970. It then sought annual salaries ranging from \$9,350 to \$10,800. However, on December 15, that offer was supplanted by a higher demand of \$10,760 minimum to \$11,689 maximum. After counter-proposals by the City submitted between January and April, 1970, the Association submitted its final demand of \$9,646 minimum to \$9,900 maximum on April 28, 1970. In addition, the Association seeks a cost-of-living increment reflecting increases in the Detroit Area Consumer Price Index throughout the term of the proposed contract.

The duties of Commercial & Residential License Investigators, hereinafter called License Investigators, involves the obtaining of

license applications from those residential and commercial businesses which are required to be licensed by the City. These businesses include hotels, multiple dwellings, rooming houses, theaters, bars, poolrooms, dance halls, etc. In regard to liquor license applications, License Investigators must make all necessary investigations to determine whether or not the applicant has complied with all City licensing requirements before a license will issue.

A second category of licensing handled by the License Investigators involves refrigeration equipment, boilers, air tanks, gasoline stations (although gas pumps are licensed by the fire department), and certain plumbing and building licenses. This second category has always been a function of the Department of Buildings and Safety Engineering. However, until 1969, the first category of licensing was handled by the Police Department with 26 uniformed officers involved, 2 per precinct. When the functions previously performed by the Police Department were taken over by the Department of Buildings and Safety Engineering, 13 new positions classified as Commercial & Residential Investigators were established. With the department previously having 1 investigator for the purpose of handling the second category of licensing above enumerated, this made a total of 14 investigatory positions in the department.

The duties of the License Investigators go beyond the mere obtaining of license applications. They keep their own records and must be aware of the expiration date of the various licenses in each business in the geographic area covered by each of them. When any such

license expires (in practice, the investigators usually go into the field prior to the expiration date of the license), the License Investigator is required to travel to the particular business to insure that the owner thereof submits a new application and pays the appropriate fees to the City. In the event the business has relocated or the owner cannot be found, the License Investigator must follow through to obtain the license application; this may entail a search of the assumed name records or of appropriate directories.

The duties of the job contemplate that the License Investigator will actually fill out the application for the applicant and, although accepting only checks in payment of the license fee, he is authorized to receive cash whenever a check has been returned for non-sufficient funds. He is expected to make observation and report and make a record of any newly added equipment on the premises which may require licensing. Additionally, if he observes any newly located business requiring licensing in his geographic area, it is also contemplated that he will report this, make a record, and follow through by submitting an application for a license to such business.

Where there is a failure in compliance with the City's requirements, the License Investigator must write a report on the matter and submit it to the Corporations Counsel's office for action. He then assists counsel on the case and appears in court and gives testimony on any alleged violation of law. License Investigators also are required to collect delinquent inspection fees -- some of which date back to the

early 1960's. This type of collection may involve some danger since convincing a property holder that he owes fees for inspections prior to his obtaining the property "requires tact, skill and some aggressiveness." The License Investigator's job contemplates that he will have these skills, one of the job requirements being that he have a good facility at meeting and dealing with the public.

When police officers were responsible for the duties now performed by the License Investigators, any additional investigation necessary -- such as character, morals, criminal record, etc. -- were referred to other departments of the police department having primary responsibility for this information and were not handled by the police officer in the licensing bureau. The investigators presently perform identical functions to those previously performed by police in the licensing bureau except that they do not actually check the names on petitions filed by a particular business nor do they fingerprint applicants. Police officers assigned to the licensing bureau received \$10,800 each per annum or a combined yearly salary for this staff of \$208,800 for the 26 police officers involved. At the rate of pay received by License Investigators prior to July 1, 1970, a combined salary of \$121,548 per annum was involved here for the same functions as performed by the police plus the additional licensing requirements already in the department. Obviously, licensing has been downgraded in salary but upgraded in responsibility even though police officers commanded more on the spot respect and were in less physical danger from

license violators than are the License Investigators.

It is noted that all 14 License Investigators are at the maximum salary which, effective July 1, 1970, by the City's unilateral action, is \$9,246. While it is acknowledged that this represents a 6.5% increase over last year's salary, there has been a cost-of-living increase in the Detroit area of 6.8% during the same period. Furthermore, the City's argument that it has set one salary range for a number of jobs involving similar requirements and comparable duties is not valid. In one example offered, the City refers to Environmental Inspectors as having the same salary range as License Investigators. But in 1968, License Investigators were paid more than Environmental Inspectors while in 1969, the latter received much greater salary increases than the License Investigators. It is also noted that the percentage increase of 10.9 in the minimum salary is meaningless since all 14 License Investigators are already at maximum salary. In addition, no promotional advantages are available for License Investigators; there is no position such as senior or principal investigator in the department.

It is submitted that the salaries paid to Field Investigators of the State of Michigan -- with a maximum of \$10,565.28 per year, over 4 years -- is an appropriate salary for License Investigators. A review of the job description and educational requirements of Field Investigator indicates almost identical functions with those of License Investigator. The City should not be permitted to avoid paying a proper salary to

License Investigators in the current year based upon its argument that its budget has already become effective and additional increases, even if warranted, cannot be granted. The City knew of the License Investigator's demands in December of 1969 and thereafter unilaterally fixed the present salary range. The law under which these negotiations have been conducted "mentions nothing about closed budgets".

#### POSITION OF THE CITY

In setting salaries for the great number of classifications involved in the City's civil service, careful analysis and study has been made of job entrance requirements and the duties required in each classification. Where these factors are close or quite similar, the City has attempted to establish the same pay range for such jobs. Admittedly, this is a most difficult task; it is however, the only fair and equitable method of establishing salaries. In approaching the salary range to be established for License Investigators effective July 1, 1970, the City was aware that the minimum pay for this job had fallen far behind comparable classifications and, for this reason, granted a substantial (10.9%) increment. Furthermore, it was also cognizent that the maximum salary had dropped below certain similar jobs and for this reason, a 6.5% increase at maximum was granted while most similar jobs received a straight 6% increment.

It is the City's contention that the job under consideration contains similar entrance and, in most aspects, job requirements to the

classifications of Environmental Inspector and Street Sanitary Inspector. These jobs were set at the same salary for the present fiscal year as was the License Investigator -- \$8,992 minimum to \$9,296 maximum. As previously noted, this represents a 6% increment from all jobs other than the License Investigators who received a 6.5% increase at maximum.

Furthermore, Truck Weight Inspectors who are required to function in the field and are deputized to write violations where found, were increased to \$8,356 minimum (6.4%) and \$8,984 maximum (5.9%), even though this classification has many similar requirements and duties as the job under consideration. When the instant job was established, it was recognized that it should be placed above the classification of Senior Clerk and, since the collection of money was involved, had many of the characteristics of the Teller classification. For the present fiscal year, Senior Clerks receive \$8,228 minimum to \$8,744 maximum, for an increase of 6%, while Tellers receive a minimum of \$8,562 to \$9,190 maximum which is also a 6% increment over the 1969-70 rate.

It is recognized that the classification of License Investigator entails certain additional duties over those of Senior Clerk or Teller. The License Investigator has many of the Senior Clerk's functions in regard to records kept and maintained and also functions similar to the Teller in that he receives monies, although now accepting only checks. However, the License Investigator is required to



operate in the field, to have an understanding of the applicable licensing ordinances and to exhibit the necessary tact and skill in dealing with the public in obtaining licensing applications and compliance with licensing requirements. For this reason a greater salary has been established than that for Senior Clerk or Teller; the same is also true in regard to the job of Truck Weight Inspector. However, Environmental Inspectors and Street Sanitary Inspectors do have to meet the public and for this reason similar salaries were established.

It should also be noted that, effective January 1, 1971, all classifications will receive an increment of \$104 which will, at that time, raise the percentage increase from the 6.5% effective July 1, 1970.

The City must reject the Investigator's contention that their job requirements are similar to those of Income Tax Investigator, which classification presently receives \$9,375 minimum to \$9,866 maximum. While the Income Tax Investigator must have a high school education, that classification also contemplates the completion of accounting and business courses at the college level and knowledge of the City's income tax ordinances as well as the application of federal income tax deductions. These greater skills and training, of necessity, merit a pay scale higher than the License Investigator receives.

The Association is incorrect in its assertion that promotional opportunities are unavailable to the License Investigator. Since this

job is considered in the clerical series, License Investigators may apply for promotion to the supervisory classification of Principal Clerk.

An equally compelling argument for denying the present demands of the Association is that the City is presently operating under its established budget for the year 1970-71 and additional monies are just not available. It must be observed that this budget became fully effective on July 1, 1970, and that all monies available thereunder are allocated. There are no additional monies available to pay the higher salary demands of the Association. Furthermore, the budget as adopted anticipated the receipt of \$20,000,000 from the State of Michigan with 5 mills as a direct grant and additional monies to be raised from the imposition of an excise tax on public utilities. As of this time, such revenues have not materialized and even if the excise tax is authorized in a special session of the legislature, it will not be retroactive to the beginning of the fiscal year (July 1), and the City stands to lose approximately 1.5 million dollars for each month it is not in effect. The law requires that the City operate under a balanced budget as drawn and there is no possible way retroactive salary increases can be made effective. The Association must look to the 1971-72 year for any additional increases in salary or the adoption of a cost-of-living provision.

#### FINDINGS

The Association was certified as the bargaining agent of the

License Investigators in 1969 and negotiations on the first collective bargaining agreement between the parties commenced in December of that year. No labor-management agreement has yet been reached between the parties although there is apparent agreement in all areas of the proposed contract except the most crucial one -- salaries.

The duties and requirements of License Investigators are found in the job description and classification established by the Civil Service Commission. In its entirety, this document reads as follows:

Class Title: COMMERCIAL AND RESIDENTIAL  
LICENSE INVESTIGATOR

DUTIES STATEMENT: Under supervision, to investigate and enforce cases of non-conformance with City licensing requirements; to collect, handle and account for the fees arising from the commercial and safety licenses, permits and certificates required of business establishments and individuals; and to perform related work as required.

TYPICAL EXAMPLES OF WORK PERFORMED: In accordance with City ordinances and departmental policies and procedures, subject to general and specific assignments and general review of completed work, with responsibility for the accurate handling of and accounting for the funds involved:

Investigating complaints or known cases of City licensing ordinance violations; issuing departmental notices of violation; collecting the fees accruing from commercial and safety licenses, permits and certificates; checking public buildings and places of business to determine whether City licensing ordinances are being adhered

to; advising the public on City licensing procedures and requirements; serving court summons; appearing in court as a witness in cases of purported licensing violations; checking license and permit applications for conformance with City ordinances; maintaining records on licenses and permits issued and fees collected preparing required reports.

MINIMUM ENTRANCE QUALIFICATIONS: Education equivalent to graduation from an accredited four year high school; reasonable recent experience in performing semi-specialized and routine clerical and office work, preferably with reference to cash handling and accounting activities; familiarity with basic interviewing techniques; courtesy and tact in dealing with the public and others; good powers of observation; familiarity with City licensing ordinances; neat personal appearance; some report writing ability; honesty and integrity; initiative and resourcefulness; physically and mentally capable of performing all the duties of the classification.

AGE LIMITS: Minimum - 21

NOTE: Employees in this class will be required to provide their own automobile for transportation on a reimbursed mileage basis.

This classification was first established August 20, 1968, with a minimum salary of \$7,275 and a maximum of \$7,850. On July 1, 1969, a 8.5% increase in the minimum salary to \$7,899 and a 7.9% increase in the maximum salary to \$8,474 was granted. On January 1, 1970, salaries were again increased with the minimum salary being established at \$8,107 and the maximum at \$8,682, representing a 2.6% at minimum, and 2.4%, at maximum, increment. Finally, on July 1, 1970,

the salaries for this classification were established at \$8,992 minimum and \$9,246 maximum. There is an increment of \$104 programed into the present salary structure, to be granted January 1, 1971. On and after that date and until the end of the fiscal year, the salary for License Investigators will be \$9,096 minimum and \$9,350 maximum.

Following its certification as bargaining agent for the License Investigators, the Association submitted its initial salary demand on December 8, 1969 in the amount of \$9,350 minimum and \$10,800 maximum. On December 15, 1969, this demand was increased to \$10,760 minimum and \$11,689 maximum. Thereafter, on January 28, 1970, the City offered an across-the-board increase of \$167, and on February 23, a 3% across-the-board increment. Then, on March 30, the present salary range was offered with an additional \$104 effective January 1, 1971 being offered on April 22. The present salary range of \$8,992 minimum to \$9,246 maximum was then included in the City's budget and became the salary paid to the License Investigators as of July 1, 1970.

Both parties have submitted job descriptions of other classifications which each contends is comparable to that of License Investigator. The Association has submitted the job description of the Field Investigator (Senior) for the State of Michigan with a salary range of \$8,352 minimum to \$10,565.28 maximum (over 4 years). It also contends that the Income Tax Investigator for the city, with a salary

range of \$9,375 minimum to \$9,866 maximum, is comparable. The Association submitted the job description of Motor Carrier Officer for the State of Michigan as containing similar entrance requirements and job duties; however, it is noted that the salary range for this job is \$7,238.40 minimum to \$9,048 maximum. At both ends of the range, the Motor Carrier Officer pays less than the classification under consideration. Furthermore, Field Investigator for the State of Michigan has a lower classification under that of Senior, paying \$7,266.24 minimum to \$9,082.80 maximum over 4 years.

The City indicates that the classifications of Environmental Inspector and Street Sanitary Inspector are, in many aspects, similar to that of License Investigator and both jobs carry the same salary range for the present fiscal year as that of License Investigator. It also offers, for comparison purposes, the job description of Truck Weight Inspector which carries a lower salary range -- \$8,356 minimum to \$8,984 maximum -- because of the Association's contention that its job duties require the enforcement of city ordinances and the appearance in court when necessary. While acknowledging that the License Investigator's job duties require additional work, the City points to this job classification as well as the Motor Carrier Officer job classification submitted by the Association to show that neither are comparable in job requirements and both carry a lower salary range.

I have carefully reviewed and analyzed the various job classifications submitted and have considered the arguments of the parties

as outlined above. I cannot accept the License Investigator's contention that their jobs should carry the same salary range as Detroit Police Officers because they are required to do the same work as 26 patrolmen previously did. Police officers at all times have the responsibility of general police work and, although detailed to a particular division such as licensing, may be reassigned to general police functions or even required to perform them while assigned to another specialized bureau. Furthermore, one of the reasons for establishing the classification under consideration and relieving police officers of this function was a recognition that the skills and specialized training of police should not be utilized in licensing work.

Nor can I accept the City's argument that it is "locked-in" to its present budget and, for that reason, cannot pay any additional monies -- other than the programed increment of \$104, effective January 1, 1971. Detroit's budgetary crisis is real; the present fiscal situation is well known to all in this area through daily newspaper accounts. Notwithstanding the deficit present at the end of the 1969-70 fiscal year, the fact that the city unilaterally set a salary while these negotiations were under way does not, I believe, legally or morally proscribe salary adjustments where and if necessary. In its presentation, the City acknowledged that its budget was based on the expectation of revenues from the state. If that sort of fiscal planning is valid, surely salary adjustments, where required, are also proper.

The issue, then, relates solely to the present salary paid License Investigators and their present demand for salary and cost-of-living increases. In reviewing the classification of Environmental Inspector and Street Sanitary Inspector, I find that I cannot agree with the conclusion arrived at by the City that each contains similar requirements and duties to that of the classification under consideration. The License Investigators are a small group of City employees -- 14 in number -- and while their duties all relate to licensing, the variety of their job duties gives the classification a scope and depth not found in that of the Environmental or Street Sanitary Inspectors classifications.

License Investigators are required to keep and maintain their own records of licensees in their respective geographic areas, to observe new or relocated businesses subject to licensing in those areas, and to report and follow through where additional equipment or machinery is installed on the premises of an existing licensee. In all three instances, License Investigators are required -- utilizing a high degree of skill and tact -- to make known to the business operator the requirement for a renewed or new license. They are expected to make out the license application for the licensee and to collect the required fees at that time. Where applications are not timely filed or businesses cannot be located under their prior address, License Investigators often find it necessary to check with the assumed name office of the County Clerk to obtain current addresses. It is recognized



that collection of delinquent fees does involve tact and aggressiveness and may, in some instance, present a peril to the License Investigator.

Where there is a failure of compliance by a business subject to licensing, the License Investigator must prepare a report, submit it to the Corporation Counsel's office, serve legal process, assist the City's attorney in the preparation of the case and appear in court as the complaining witness against the alleged violator.

The License Investigator is involved with licensing in many different commercial and residential businesses and must have knowledge of the City's code and ordinance requirements in all of these areas. While I do not believe they are required to possess the same amount of knowledge or training as the Income Tax Investigator, their job requirements are clearly higher than the other classifications submitted by the City for comparison -- Environmental and Street Sanitary Inspectors. There does exist a basis for salary increments over the present range of \$8,992 minimum and \$9,246 maximum.

It is recognized that the existing maximum of \$9,246 represents a 6.5% increase, or a greater increase than many other City employees received. It must be noted, however, that other classifications have also received greater increments than the 6% standard to which the City would like to adhere. Based upon my findings that the License Investigator's duties and responsibilities exceed those of Environmental and Street Sanitary Inspectors but that the requirements

of the job fall somewhat below that of the Income Tax Investigator, it is my recommendation that the maximum salary only of the License Investigators be increased, effective July 1, 1970, by \$310, for an annual salary maximum of \$9,556.

While cost-of-living increases affect all employees including License Investigators, the City has not as yet adopted this contractual concept although indicating a cost-of-living clause is under consideration for the fiscal year 1971-72 in the collective bargaining agreement of another union. Since this is a "new" concept as it relates to Detroit and since the City and its various unions are presently involved in annual contracts only, the adoption of such clause should be left to the collective bargaining process. However, it is also noted that the City has extended to the License Investigators certain benefits which are meaningful to other City employees but apparently have no economic advantage to them. Specifically, the Association calls attention to the provision providing triple time for holidays and an increase in shift premiums, contending that License Investigators do not work holidays and are not involved in second or third shift work. If this contention is true -- and these "benefits" are non-existent to the License Investigators, then I would urge the parties to consider a cost-of-living clause operating on a quarterly basis. It seems to me there need be no apprehension on behalf of the City that other employees who do receive such benefits might feel that the License Investigators have obtained a contractual benefit from

which they have been excluded. There is no reason why a cost-of-living provision could not be adopted in lieu of those "benefits", such as holiday and shift premiums, which do not inure to License Investigators.

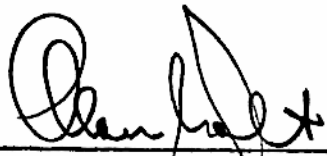
#### RECOMMENDATIONS

Based on the foregoing findings and conclusions it is recommended that the Commercial & Residential License Investigators receive a maximum salary of \$9,556, retroactive to July 1, 1970, together with such across-the-board increments which may accrue to other City employees on January 1, 1971.

It is further recommended that the adoption of a cost-of-living clause based upon the Detroit Area Consumer Price Index be deferred for the further consideration of the parties in the collective bargaining process. However, based upon the Association's contention that it has been granted certain benefits in the nature of premium time for holidays worked and shift premiums which, while meaningful to certain other City employees, confer no economic benefit upon the License Investigators since they do not work holidays and are not involved in second or third shift operations, it may well behoove the parties to incorporate the economic benefits received by those other City employees into a cost-of-living clause which would

inure to the benefit of License Investigators.

DATED: August 7, 1970.

  
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Alan Walt  
Fact Finding Hearings Officer