

THE COUNTY OF OTTAWA
HUMAN RESOURCES ANNUAL REPORT
FOR YEAR 2007



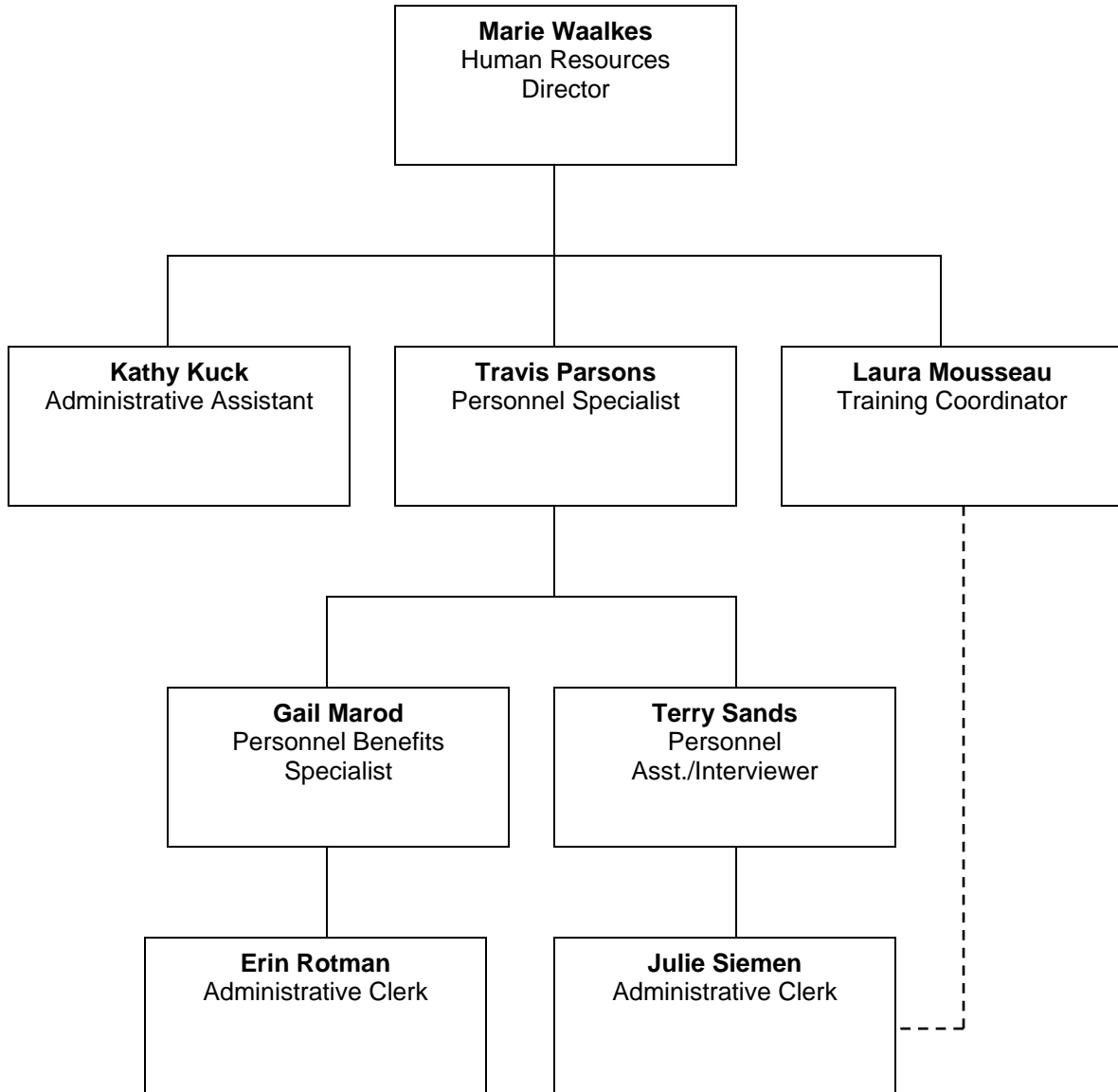
Human Resources Department
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*The activities and programs of this department are brought to you by the members of
the Ottawa County Board of Commissioners*

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Human Resource Department Staff 2007



**2007 HUMAN RESOURCES DEPARTMENT'S
ANNUAL REPORT
TO THE OTTAWA COUNTY BOARD OF COMMISSIONERS**

Mission Statement: Provide employment related programs and services to County departments, employees and citizens that help enable the provision of quality services to the public through a diverse and qualified Ottawa County workforce.

Introduction

The current Human Resources staff is responsible for providing the delivery of a full service Human Resources program to and for the County's existing departments and staff. This is no small undertaking considering that the County's work force has 1,239 full-time, part-time and temporary employees comprised of eight different collective bargaining units, non-represented employee groups and unclassified staff.

The following is a list of functions currently being provided by the Human Resources Department: (The list is not in any order of importance.)

- (1) Employee Selection**
- (2) Contract Administration**
- (3) Labor Relations, including contract negotiations**
- (4) Benefits Administration**
 - a. Health Insurance**
 - b. Dental Insurance**
 - c. Vision Insurance**
 - d. Tuition Reimbursement**
 - e. 457 Deferred Compensation Plan**
 - f. Workers Compensation**
 - g. MERS**
- (5) Employee Training and Development**
- (6) Equal Employment Opportunity**
- (7) Compliance with the Americans with Disabilities Act.**
- (8) Exit Interviews**
- (9) Employee Assistance Program (EAP)**
- (10) Employee Recognition**
- (11) Family Medical Leave Act**

Many of the functions of the department are difficult to quantify. For instance, within the function of Benefits Administration the department's Benefits Specialist answers numerous employee questions during the course of a year amounting to a significant expenditure of time. However, it is not feasible to keep detailed statistics regarding the numbers, duration or subject matter of such calls. Several functions are more easily quantifiable and are given in the remainder of

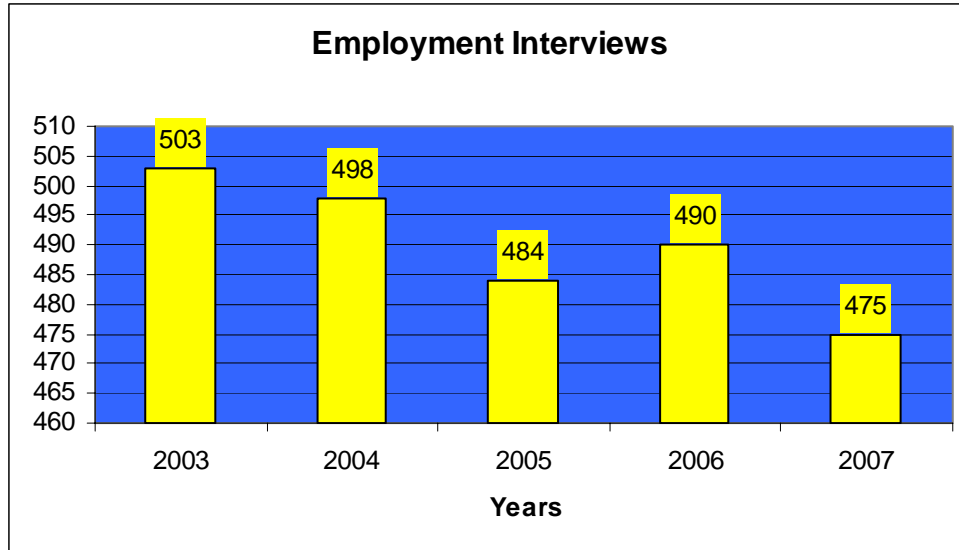
this report. Following are highlights of the activities in many of the major Human Resources Department's functions for 2007.

Employee Selection

Since 1991, the advertising of positions and the receipt of all employment applications has been the responsibility of the Human Resources Department. A very detailed procedure for the various departments to follow in the hiring process was developed by the Human Resources Department and is outlined in Personnel Policy 22.000. Human Resources monitors and assures that selection policies and procedures are being followed by the individual departments. This was done in response to courts across the country awarding large settlements for plaintiffs in the evolving areas of "negligent hiring" and "negligent retention" to name only a few. The Board placed the selection process directly in the realm of responsibility of the Human Resources Department. Currently, the Personnel Assistant/Interviewer arranges and coordinates the employee selection process with the help of an Administrative Clerk. The department provides computerized typing and data entry tests with automated scoring. Human Resources maintains the "Job Hotline" (2,805 hits in 2007), an automated phone answering system through which callers can learn details about vacant County positions and since 1999 County employment opportunities have appeared on the County's home page.

Employee Selection Activities for 2007

In response to 171 positions posted by the County in 2007, 3379 applications were received and screened. These numbers represent a decrease of forty five positions posted and four more applications received. In 2007, the department conducted 475 employment interviews resulting in the hiring of 184 employees. Of those 184 hires, 41 were promotions or transfers of existing employees and 143 were new (external) hires. The graph depicts the interview activity over the last five years.

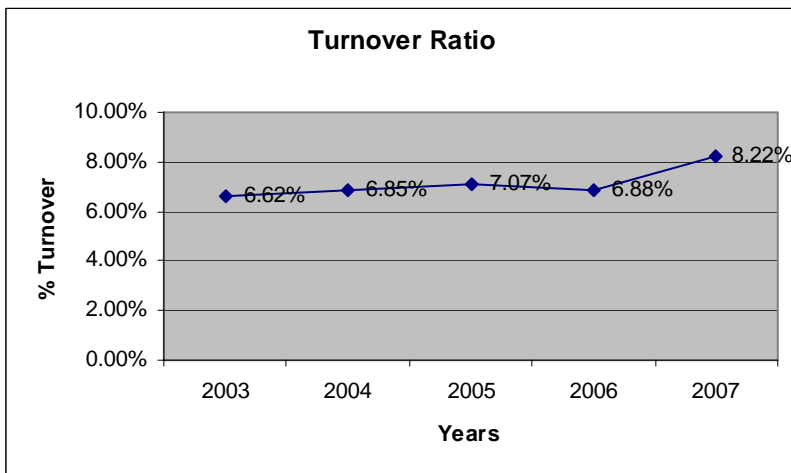


Exit Interviews

In addition to conducting employment interviews the Personnel Interviewer also conducts an extensive exit interview process. Exit interviews are conducted in an effort to gain information that will result in better selection and training practices, improve working conditions, enhance supervision, and in general, further public relations by having the employee leave with a positive view of the employer. The exit interview can also be used to identify possible salary and benefit deficiencies, EEO violations, and other areas of potential legal liability such as sexual harassment.

Exit Interview Activities for 2007

In 2007, 78 full and part-time employees, inclusive of 21 retirees, separated from County employment. As a result, the department conducted 48 exit interviews for an interview rate of 61.5%. The turnover rate for full and part-time employees was 8.22% in 2007. This is an increase in turnover from 6.88% in 2006. Ottawa County continues to represent stability as an employer to our labor force. Below are two charts representing the exit interview activity and turnover ratios for the past five years.



Employee Training Activities for 2007

In 2007, general Human Resource Trainings were put on hold during the search for a new Human Resources Director and a Training Coordinator. A Training Coordinator was hired in late September. A complete needs and assessment process began with all departments and divisions of Ottawa County involved. This process was conducted throughout the months of October through December in preparation for a full presentation of plans and recommendations to take place in early 2008. While conducting the training needs assessment and reviewing existing practices and opportunities, the Training Coordinator also met with a variety of training providers and other organizational training department leaders to gather input and evaluate available resources. A Training Task Force was formed with representation from all areas of the county structure to assist in designing, evaluating and marketing the new training program.

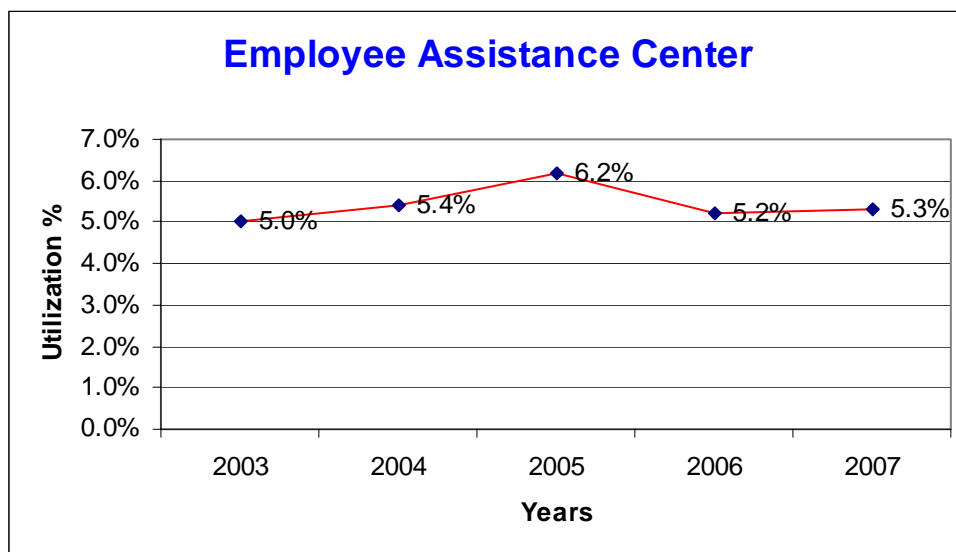
In 2007, Human Resources conducted 15 training sessions, involving 239 employees, on Personnel Policy 20.000, Sexual Harassment. In addition, all new employees receive sexual harassment training as part of the orientation program. Also held in various locations, were four (4) Benefit Questions and Answers sessions with 25 participants attending.

Employee Assistance

Employee Assistance Programs (EAP's) are designed to help employees and often their families recognize and overcome personal problems that are interfering with the employee's work performance. EAP's are designed to reach performance problems that cannot be remedied by training, education, or other employer-controlled factors. Examples of the many personal problems that an EAP may deal with are alcohol/drug abuse, emotional problems and marital issues. An effective EAP may help control employee turnover, absenteeism, and other costs associated with personal problems such as health care. Even though the employer pays for the service and may make referrals to the program, all information is held in strict confidence between the employee and the EAP. Ottawa County's EAP provider is the Employee Assistance Center (EAC).

EAC also offered six on-site training classes; Working with Difficult People, EAC Orientation, Stress Management, Work Life Balance, Conflict Resolution.

The chart below reflects the utilization percentage over the last 5 years. The last 5 years the utilization percentage has been at or above the national average of 5.0%.



Labor Relations:

In 2007, the department processed one (1) employee grievance. The Human Resources Department also negotiated and entered into twenty (20) Letters of Understanding (eight (8) letters of understanding pertaining to Deferred Compensation, four (4) letters of understanding regarding overtime language, and eight (8) letters of understanding regarding Allergy Serum).

Equal Employment Opportunity Claims

No claims were filed under EEOC.

Americans with Disabilities Act (ADA) Compliance Activities

No requests for accommodation under ADA were made during 2007.

Benefits Administration

In 2007, the average number of employees enrolled in the County Health Plan was 878.

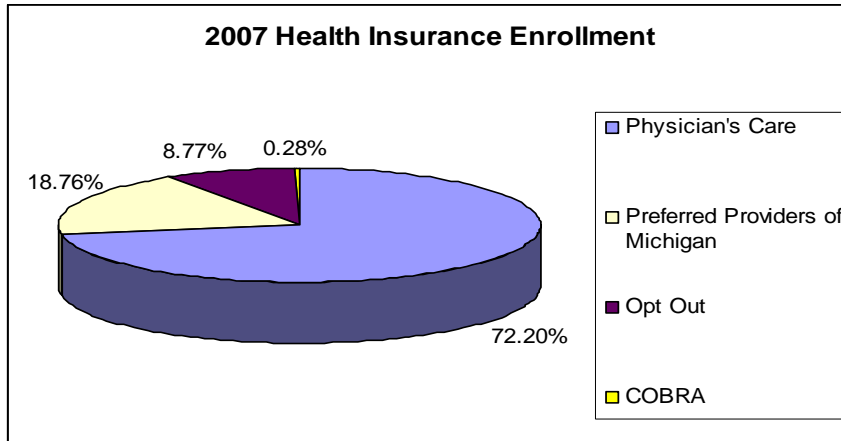
The County's cafeteria/flexible benefits style health plan went into effect in 1997. The Ottawa County Health Plan consists of two managed care "network" plans. The plan is designed to offer greater flexibility of benefits to employees while taking advantage of discounts on the cost of medical services provided to employees.

One facet of the plan flexibility is the availability of employee-paid upgrades to the dental program. Currently 573 employees participate in the enhanced dental program.

Through the use of Section 125 Flexible Spending Accounts, 298 participants, an increase of 10 participants, are enrolled in the medical flex spending and contributed \$283,960 and 33 participants contributed \$92,770 for dependent care in 2007, which reflected an increase of 1 participant.

Automatic withdrawal for premium payment of retiree health was introduced in 2000 and currently 78% percent of the retirees utilize this service.

Below is a summary of current health plan enrollment.



In response to Federal regulations and Governmental Accounting Standards Board No. 45, regarding how units of government are to account for their unfunded Other-Post-Employment-Benefits (OPEB), the decision was made to charge retirees age 65 and older the full actuarial cost of their health care. This step was undertaken in order to coordinate retiree health benefits with Medicare eligibility and reduce the unfunded liability. In an effort to educate the county retirees of the change in the insurance rates and provide alternatives to the higher health insurance costs, Human Resources researched information on other health plans and companies available. In addition, Human Resources staff conducted meetings around the county for retirees and their spouses to receive more information regarding other health care options and how Medicare impacted the issue. At the end of 2007, 40 post 65 retirees cancelled health coverage under Ottawa County and utilized alternative plans coupled with Medicare.

Other employee benefits and their associated costs for 2007 are as follows:

Life Insurance-----	\$ 106,983
Vision Plan-----	\$ 107,052
Unemployment-----	\$ 28,319
Long Term Disability-----	\$ 179,912

Tuition Reimbursement - In 2007, 31 employees participated in the tuition reimbursement program, completing 108 classes at a cost of \$90,811. The cost decreased by \$32,145 over 2006, in which Ottawa County reimbursed \$122,956.

457 Deferred Compensation Plan - In 2007, Great West Retirement Services reported 15 new participants enrolled and a total enrollment of 681 accounts in the plan. The PERT program reported 116 active accounts in 2007 and enlisted 7 new enrollments. There are 523 employees actively contributing, which represent 54% participation. This falls within the high end of the participation percentage industry wide of 50% - 60%.

Employee Wellness Program - The County's commitment to employee wellness has evolved along with the changes in employee health plans. The County continues to demonstrate that commitment by operating two (2) state of the art fitness facilities for benefited employees, spouses and retirees. In 2007, the labor management committee continued the process of analyzing the current employee health plan and reviewing cost management strategies for the future, including disease management and employee wellness.

Workers' Compensation – Thirty-three total claims were reportable according to OSHA in 2007, which included 3 lost time claims and 4 claims with work restrictions. The average number of days away from work per lost time claim was 82.6. Claimants with work restriction averaged 11 days on restriction.

Employee Recognition

Since 1988 the County has conducted an employee recognition program that consists of an annual Service Awards Banquet held each year in January. The banquet recognizes employees who have reached employment milestones of five (5), ten (10), fifteen (15), twenty (20), etc. years with the County. Each such employee and a guest are treated to a delicious meal at the banquet and the employee receives a pre-selected gift in recognition for their service to the County. The Human Resources Department takes great pleasure in organizing this event on behalf of the Board of Commissioners.

On January 17, 2008, 273 people attended the Service Awards Banquet honoring 149 awards recipients and 21 retirees from 2007. The total cost for the banquet was \$20,678.66. Also throughout the year 93 lapel pins were distributed recognizing the employment milestones of 10 years and more.

FAMILY MEDICAL LEAVE ACT

Employees submitted 108 applications eligible for Family Medical Leave Act, including intermittent leave in 2007.