

THE COUNTY OF OTTAWA
HUMAN RESOURCES ANNUAL REPORT
FOR YEAR 2006



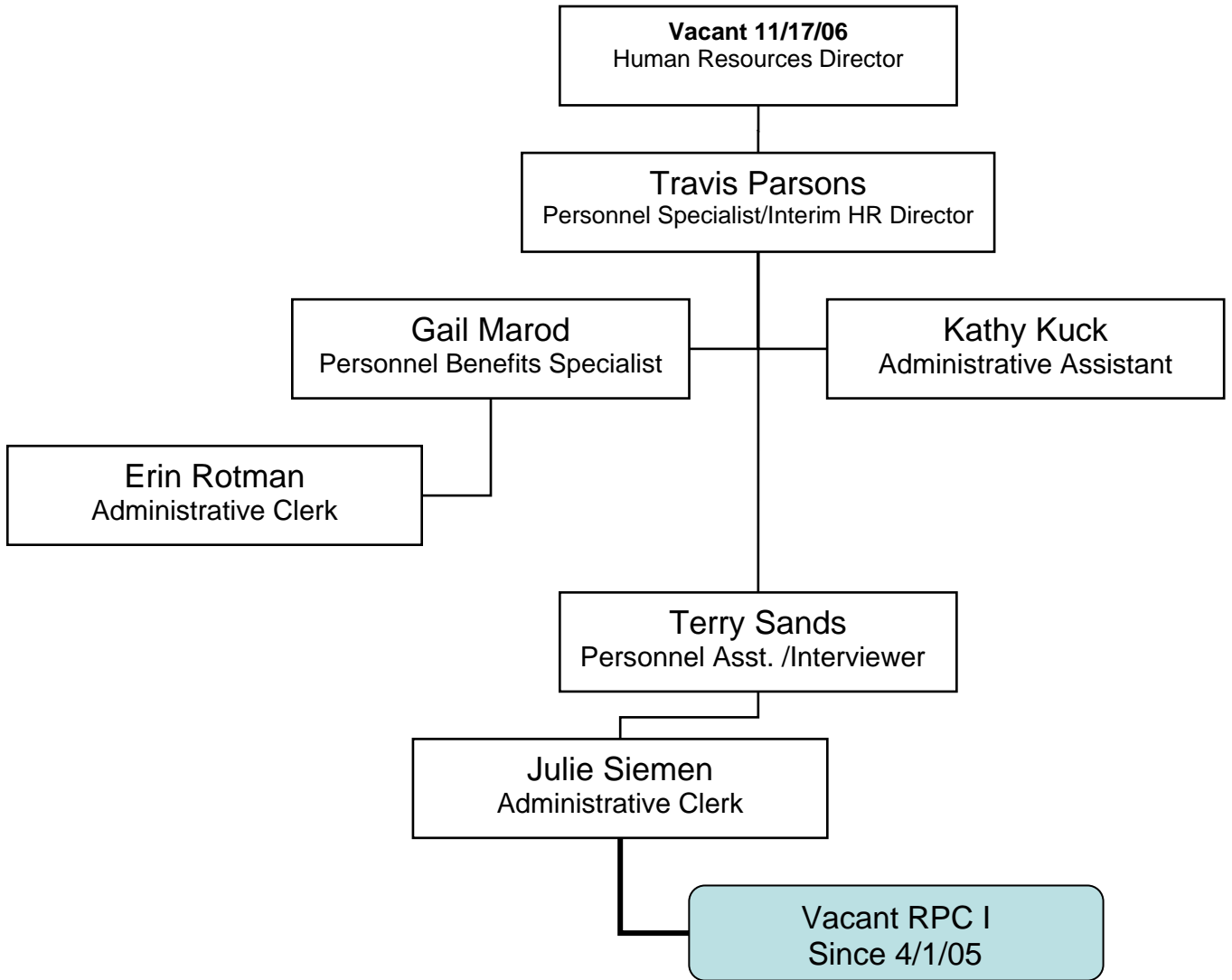
Human Resources Department
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*The activities and programs of this department are brought to you by the members of
the Ottawa County Board of Commissioners*

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Human Resources Department Staff 2006



**2006 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 grown to 1,188 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**
- (5) Employee Development (Training)**
- (6) Equal Employment Opportunity**
- (7) Compliance with the Americans with Disabilities Act.**
- (8) Exit Interviews**
- (9) Employee Assistance Program (EAP)**
- (10) Employee Recognition**

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 worthwhile 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 2006.

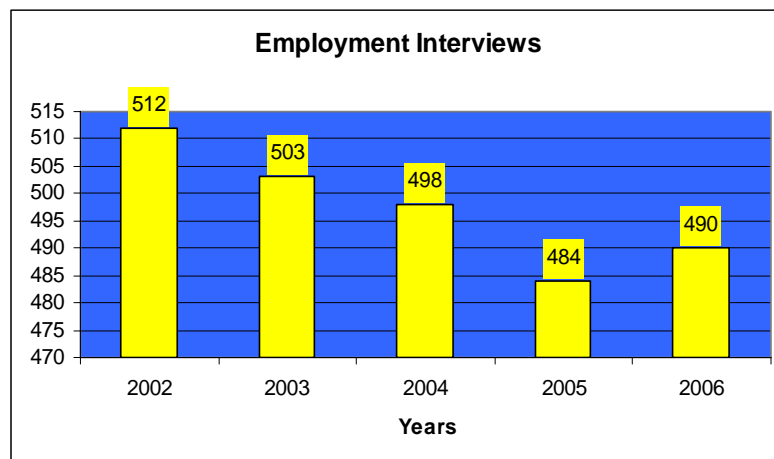
Employee Selection

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 coming down with huge 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 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", 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 2006

In response to 216 positions posted by the County in 2006, 3375 applications were received and screened. These numbers represent an increase of three positions posted and nine hundred and fifteen fewer applications received. In 2006, the department conducted 490 employment interviews resulting in the hiring of 192 employees. Of those 192 hires, 51 were promotions or transfers of existing employees and 141 were new (external) hires. The graph depicts the interview activity over the last five years.



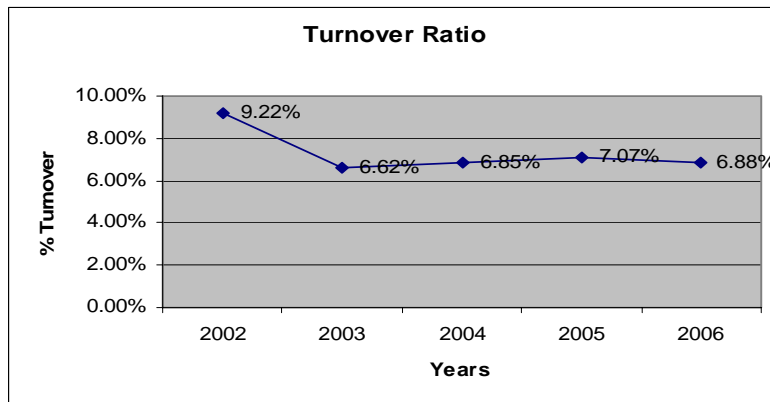
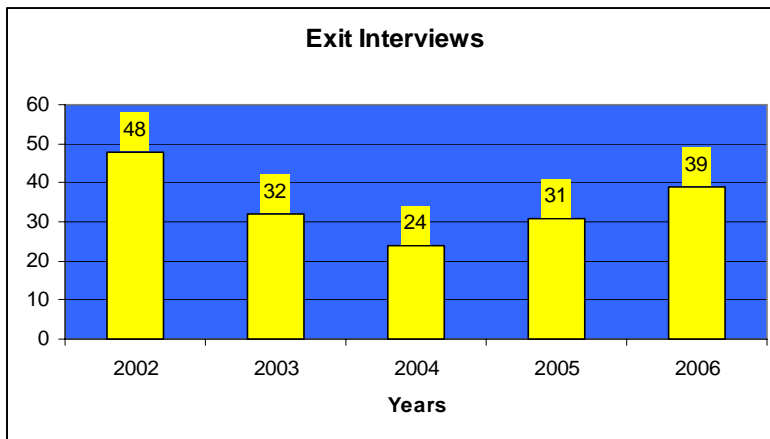
Exit Interviews

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 2006

In 2006, 66 full and part-time employees separated from County employment. As a result, the department conducted 39 exit interviews for an interview rate of 59.1%. The turnover rate for full and part-time employees was 6.88% in 2006. This is a slight decrease in turnover from 7.07% in 2005. 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 2006

In 2006, the department arranged six employee training opportunities provided through the Corporate Services Division of Davenport University and the Employee Assistance Center. Five of the six sessions had adequate enrollment to run and were attended by a total of 62 employees. There was a significant increase of 24 over one year ago. The topics of the scheduled training were: Facilitating Effective Meetings (cancelled), Handling Conflict, Addressing

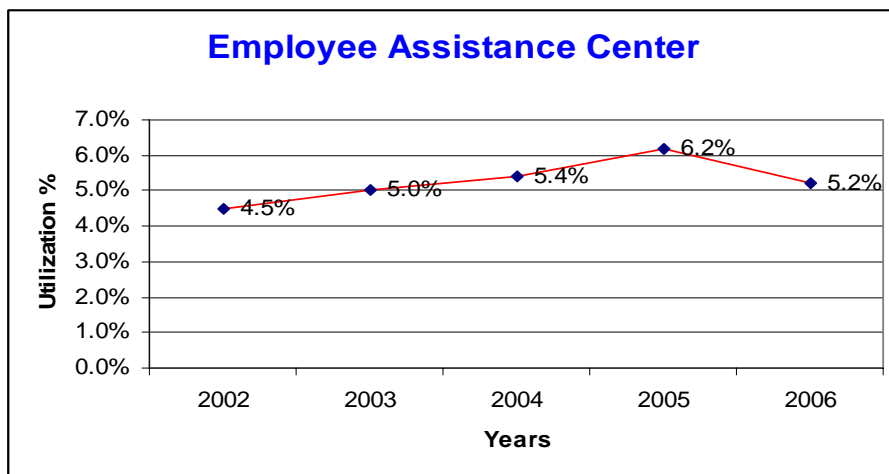
Performance Issues, Dealing with Difficult People, Effective Communication and Conflict Management.

Human Resources conducted 17 training sessions, involving 264 employees, on Personnel Policy 20.000, Sexual Harassment. In addition, all new employees receive sexual harassment training as part of the orientation program.

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).

The chart below reflects the utilization percentage over the last 5 years. The last 4 years the utilization percentage has been at or above the national average of 5.0%.



Labor Relations:

In 2006, the department processed four employee grievances, two of which are pending grievance arbitration decisions. Six of the County's eight collective bargaining agreements expired at the end of 2005 and successor agreements were reached in 2006. The remaining two agreements expired at the end of 2006 and new collective bargaining agreements have been negotiated.

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 2006.

Benefits Administration

In 2006 the net average cost of the health plan (per employee) increased approximately .0082% and the total cumulative number of employees also decreased slightly to 12,550 in 2006. The net plan cost for 2006 reflected a \$60,988 increase over 2005.

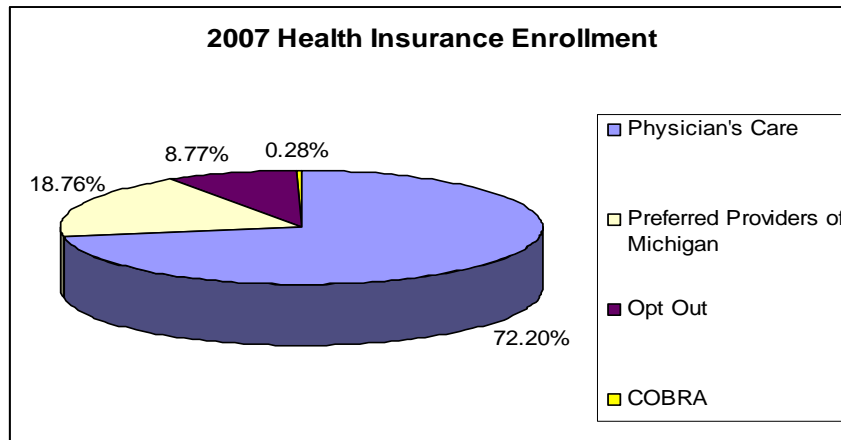
The County's cafeteria/flexible benefits style health plan went into effect in 1997. The Ottawa County Health Plan consists of two managed care "network" plans. The plan is designed to offer greater flexibility of benefits to employees while taking advantage of discounts on the cost of medical services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

One facet of the plan flexibility is the availability of employee-paid upgrades to the dental program. Currently 555 employees participate in the enhanced dental program.

Through the use of Section 125 Flexible Spending Accounts, 288 participants, an increase of 33 participants, are enrolled in the medical flex spending and contributed \$260,482 and 32 participants contributed \$93,368 for dependent care in 2006, which reflected an increase of 3 participants.

Automatic withdrawal for premium payment of retiree health was introduced in 2000 and currently 72% percent of the retirees utilize this service.

Below is a summary of current health plan enrollment.



As a result of the enactment of Medicare Part D, Human Resources spent a great deal of time researching alternatives. For the immediate short term the decision was made to continue to offer the existing prescription drug plan to retirees 65 and older. At the end of 2006, 26 post 65 retirees cancelled health coverage under Ottawa County and utilized alternative plans coupled with Medicare.

Other employee benefits and their associated costs for 2006 are as follows:

Life Insurance-----	\$ 96,754
Vision Plan-----	\$ 111,247
Unemployment-----	\$ 80,387
Long Term Disability-----	\$ 140,482

Tuition Reimbursement - In 2006, 45 employees participated in the tuition reimbursement program, completing 154 classes at a cost of \$122,956. The cost increased by \$27,760 over 2005, in which Ottawa County reimbursed \$95,196.

457 Deferred Compensation Plan - In 2006, Great West Retirement Services reported 41 new participants enrolled and a total enrollment of 666 accounts in the plan. The PERT program reported 61 active accounts in 2006 and enlisted 7 new enrollments. There are 552 employees actively contributing, which represent 57.5% participation. This represents 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 2006, a labor management committee of the County embarked on a process of analyzing the current employee health plan and reviewing cost management strategies for the future, including disease management and employee wellness.

Workers' Compensation – Forty-one total claims were reported in 2006, which included 3 lost time claims and 19 claims with work restrictions. The average number of days away from work per lost time claim was 24. Claimants with work restriction averaged 13.5 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 18, 2007, 296 people attended the Service Awards Banquet honoring 140 awards recipients and 18 retirees from 2006. The total cost for the banquet was \$18,969.24. Also throughout the year 74 lapel pins were distributed recognizing the employment milestones of 10 years and more.