



MONTGOMERY VILLAGE FOUNDATION, INC.

10120 APPLE RIDGE ROAD
MONTGOMERY VILLAGE, MARYLAND 20886-1000

(301) 948-0110 FAX (301) 990-7071 www.montgomeryvillage.com

November 16, 2018

MEMORANDUM

TO: MVF Personnel Committee

FROM: Dave Humpton, Executive Vice President

SUBJECT: MVF PERSONNEL COMMITTEE MEETING

The next regular meeting of the Personnel Committee will be held on Monday, November 19, 2018 at 7:00 p.m., located at the MVF administrative office.

If you are unable to attend the Personnel Committee meeting, please e-mail Juana Hernandez at jhernandez@mvf.org.

DH/jh

MVF PERSONNEL COMMITTEE

Monday, November 19, 2018

7:00 p.m.

Montgomery Village Foundation Administrative Office

10120 Apple Ridge Road

AGENDA

1. Residents' Time
2. Call to Order
3. Approval of May 14, 2018 Minutes (enclosure)
4. 2019 Employee Healthcare Proposal (enclosure)
5. Information Items:
 - a. 2019 Employee Benefits Snapshot (enclosure)
 - b. MVF 401(k) Summary (enclosure)

6. **Move to Closed Session:**

Pursuant to section 11B-111(4) Real Property, Annotated code of Maryland (Maryland Homeowners Association Act) to – discussion of matters pertaining to employees and personnel

7. Adjournment

MINUTES OF MEETING
MONTGOMERY VILLAGE FOUNDATION
PERSONNEL COMMITTEE

May 14, 2018

A regular meeting of the Montgomery Village Foundation Personnel Committee was held at 7:00 p.m. on Monday, May 14, 2018 at the MVF Administrative Office.

Members Present

Glenn Gargan, President
Pete Webb, Vice President
Laura Franke, Director

Others Present

Dave Humpton, Executive Vice President
Mike Conroy, Asst. EVP & Dir. of Comm.
Michelle Bentzel, Director of HR

1. Residents' Time

There were no residents present.

2. Call to Order

Glenn Gargan called the meeting to order at 7:01 p.m.

3. Review and Approve minutes from November 13, 2017 meeting

Approval of the previous meeting minutes was postponed until the next meeting due to lack of a members who could approve past minutes. Members Young, Gargan and Webb were needed to consider past minutes.

4. Consider Personnel Assumptions for 2019 Budget

Mr. Humpton gave a brief summary of the employee benefits proposed for 2019 budget, highlighting the few changes.

- Proposed 2019 merit increase for MVF staff is 3% with a 0.5% pool for additional possible adjustments. A Compensation Study is being considered this year and will be discussed later in the agenda.
- After consulting with our broker regarding our best estimate of healthcare increases for 2019 (7-11% for Carefirst), MVF is proposing an increase of \$25.00 to the Benefit Flex Dollars. The current amount is \$410.00 per pay period and the increase would provide \$435.00 per pay period to each eligible employee.

- No changes are proposed for the Health Reimbursement Account, for those employees on the HMO plan, or the 401K Retirement Plan.

Ms. Franke moved to approve management's inclusion of the noted benefits in the 2019 budget as presented. The motion was seconded and approved unanimously.

5. Compensation Study

Michelle Bentzel explained that MVF feels a Compensation Study is warranted this year or next to ensure staff are being paid appropriately and salary ranges are accurate. The last study was completed in 2009. Payscale, a company out of Seattle, WA, was used to obtain salary information for the new CFO position and both Michelle and Dave were impressed with the presentation. Michelle has been in contact with company and the price is affordable for up to 50 positions. Other options will be researched in addition to further discussions with Payscale to find the most comprehensive, pertinent information at the best price.

No action was needed from the committee, this was informational only.

6. Social Media Policy

HR Director Bentzel presented a draft of a Social Media Policy that was a result of discussions from the last Personnel Committee meeting when Pete Young broached the topic and requested some research. After looking at the MVF Personnel Handbook and Computer Usage Agreement, staff thought it would be a good addition to the established guidelines.

Mr. Webb moved to forward the draft to the full board for review. The motion was seconded and approved unanimously.

7. Communications department new position: Digital Content Specialist

Mr. Conroy clarified the need for the new position is his department to enable MVF to increase digital content and reduce print media. He expanded on the responsibilities of the new position and explained that it is a replacement of a position vacated last November, not a newly created position. The new position (Digital Content Specialist) would replace an existing vacant position (Sales and Marketing Assistant), so that there would be no change in total fulltime personnel overall.

Mr. Gargan moved to approve the new Digital Content Specialist position. The motion was seconded and approved unanimously.

8. Closed Session

Mr. Gargan moved to adjourn the Open Session and go to Closed Session pursuant to Section 11B-111(4)(i), Real Property Annotated Code of Maryland at 7:15 p.m. to discuss matters pertaining to Personnel. The motion was seconded and passed unanimously.

There being no further business, the meeting was adjourned at 7:15 p.m.

Michelle Bentzel



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November 12, 2018

MEMORANDUM

TO: Personnel Committee

FROM: Tracy Skalitzky, Human Resources Director

CC: David Humpton, EVP
Daniel Salazar, CFO

SUBJECT: Proposal for 2019 Employee Health Benefits

In 2019, MVF will continue to offer group health insurance to all eligible employees. After consultation with our insurance broker, we decided to keep two plans, Silver and Gold, and remove the platinum plan as the plan was not utilized by staff. We will add a Silver Plan with a lower deductible from Carefirst. Carefirst will be increasing premiums by 4.77% for the Healthy Blue Plus and 8.32% for the Blue Choice HMO HRA from 2018. The 2019 plan summary is as follows:

	Silver	Silver	Gold
Details *	Blue Choice HMO \$1,000	Blue Choice HMO HRA \$3000	Healthy Blue Plus \$1500
Individual Deductible	\$1,000	\$3,000	\$1,500
Family Deductible	\$2,000	\$6,000	\$3,000
Health Reimbursement Acct	N/A	\$500 individual \$1,000 family	N/A
Preventive Copay (PCP/Specialist)	\$0	\$0	\$0
Inpatient charge per admission	Deductible then \$500 per day	Deductible then \$500 per day	Deductible then \$500 per admission
Copayment - Primary Care	\$40 per visit	Deductible then \$25	\$0
Emergency Room	Deductible, then \$400 per visit (waived if admitted)	Deductible, then \$250 per visit (waived if admitted)	\$200 per visit (waived if admitted)

Copayment - Specialist	Deductible met then \$100 per visit	Deductible met then \$50 per visit	\$30 per visit
Primary Care Required	Yes	Yes	Yes
Referral Required	No	No	No
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Out of Pocket Individual	\$7,700	\$4,750	\$7,150
Out of Pocket Family	\$15,400	\$9,500	\$14,300
Prescription Deductible	\$100	Combined with medical	\$0
Generic RX	\$10/45/65	\$10 (after deductible)	\$0/45/65

Silver – Blue Choice HMO HRA \$3,000: The 2019 Silver plan is the same that was offered in 2018 and is a Health Reimbursement Account (HRA) eligible plan. The 2019 HRA plan has a \$3,000 individual and a \$6,000 family deductible.

Gold – Healthy Blue Plus \$1,500: This is the same gold plan that was offered in 2018.

Silver – Blue Choice HMO Silver \$1,000: This is a new plan and has a lower deductible.

Updates for 2019:

- MVF has decided to continue our relationship our broker, Bogart & Brownell of Maryland.
- We will continue to use our online portal, Benefit Mall, for benefit enrollment.
- Due to the size of MVF staff we will be looking at moving from the small market to the large market for benefits in 2020. This may affect our rate increase for 2020.

Action Required: Approve a motion authorizing the EVP to negotiate and execute a contract for health care benefits as outlined above.

Montgomery Village Foundation, Inc. 2019 Employee Benefit Snapshot

Cash Benefit

MVF provides a cash benefit to all full-time regular employees in the amount of \$435 per bi-weekly payroll. The cash benefit can be used to purchase employee benefits. If the employee does purchase benefits, it becomes taxable income.

Health Insurance (3 options: Silver or Gold):

	Silver	Silver	Gold
Details *	BC HMO HRA \$3000	Blue Choice HMO \$1,000	HB Plus \$1500
Individual Deductible	\$3,000	\$1,000	\$1,500
Family Deductible	\$6,000	\$2,000	\$3,000
Health Reimbursement Acct	\$500 individual/ \$1,000 family	N/A	N/A
Preventive Copay (PCP/Specialist)	\$0	\$0	\$0
Inpatient charge per visit	Deductible then \$500 per day	Deductible then \$500 per day	Deductible then \$500 per admission
Emergency Room	Deductible then \$250 per visit (waived if admitted)	Deductible then \$400 per visit (waived if admitted)	\$200 per visit (waived if admitted)
Copayment - Primary Care	Deductible then \$25	\$40 per visit	\$0
Copayment - Specialist	Deductible then \$50	Deductible then \$100 per visit	\$30
Primary Care Required	Yes	Yes	Yes
Referral Required	No	No	No
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Out of Pocket Individual	\$4,750	\$7,700	\$7,150
Out of Pocket Family	\$9,500	\$15,400	\$14,300
Pediatric Dental	Included	Included	Included
Pediatric Vision	Included	Included	Included
Prescription Deductible	Combined with medical	\$100	\$0
Copay RX (Retail)	\$10/45/65 (after deductible)	\$10/45/65	\$0
Copay (Mail)	\$10/\$90/\$130	\$20/\$90/\$130	\$0/\$90/\$130
Preferred Specialty	50% coinsurance up to \$100 max	50% coinsurance up to \$100 max	50% coinsurance up to \$100 max

*Data in table based on In-Network charges

Health Insurance Bi-Weekly Premiums:

As a result of the Affordable Care Act, all health insurance premiums are age banded for plans with under 50 employees. The following are examples of bi-weekly premium cost for specific ages.

	Silver	Silver	Gold
Age	BC HMO HRA \$3000	Blue Choice HMO \$1,000	HB Plus \$1500
Child 0 -14 yrs.	\$93.21	\$104.90	\$130.66
25	\$122.34	\$137.67	\$171.49
35	\$148.90	\$167.57	\$208.73
45	\$175.95	\$198.00	\$246.65
55	\$271.72	\$305.78	\$380.90

Dental Insurance (2 options: ePPO & Choice)

- **Dominion ePPO**
 - Fee based structure; employee cost for services based on prearranged pricing with contracted providers. Diagnostic & preventative services covered 100%.
 - Individual annual deductible: \$25, Family annual deductible: \$75
 - Annual maximum: \$2000 (rollover up to \$1500 additional from prior year) Limited provider network.
 - NO out of network reimbursement.
- **Dominion Choice**
 - In network/out of network percentage based cost structure; ranges from 50%-100% coverage based on services provided. Diagnostic & preventative services covered 100%.
 - In Network/out of network - Individual annual deductible: \$50, Family annual deductible: \$150
 - Annual maximum: \$1500 (rollover up to \$1250 additional from prior year)

	Bi-weekly Premiums	
Plan Level	DentaQuest ePPO	DentaQuest Choice
Employee	\$10.52	\$22.44
Employee + one	\$20.73	\$46.95
Family	\$27.42	\$69.16

- **Vision Plan – Carefirst BlueVision Plus Rider Option D**
 - Copays: \$10 preferred provider/ \$45 non-preferred
 - Eye exams, Lens and Frames may be replaced every 12 months. Your benefit allowance is \$130 for frames.
 - The network has over 47,000 providers. You may use your benefits at Target, Vision works, Walmart, Sam’s Club and many more listed on their website.

Coverage Level with Bi-Weekly Rates	Employee Only	Employee + 1	Employee + Children	Family
Basic	\$ 4.15	\$ 9.69	\$7.85	\$ 11.54

Life Insurance – Reliance Standard

Employer paid

- \$20,000 policy
- Optional, employee paid
 - Up to \$100,000 additional self-coverage without medical exam,
 - Age banded based on employee's age
 - Spouse coverage up to \$20,000 without medical exam,
 - Child coverage up to \$10,000 for each child

Accidental Death & Dismemberment – Reliance Standard

- Employer paid
 - \$20,000 policy
- Optional, employee paid
 - Employee may purchase optional benefit amount equal to Optional Term Life elected
 - Spouse may purchase optional benefit amount equal to Spouse Optional Life elected
 - Child may purchase optional benefit amount equal to Child Optional Life elected

Long Term Disability – Reliance Standard

- Employer paid
 - Benefits in the amount of 60% of your monthly pre-disability earnings to a maximum of \$5,000
 - 90-day elimination period; up to normal SSA retirement age
- No optional coverage

Employee Assistance Program

- Employer paid

The benefit provides 24/7 telephonic member support, Face-to-Face counseling and member website. You will receive up to 3 telephone or face-to-face sessions without any cost; if additional assistance is needed they will work with CareFirst to coordinate your care.

HRA & FSA - Prime Pay

- Health Reimbursement Account
 - Must elect health insurance coverage through MVF's HRA group plan to be eligible
 - Up to \$500 reimbursement for employee only health insurance plan
 - Up to \$1000 reimbursement for employee + child(ren), Employee + spouse, or Family plan
- Medical FSA
 - Elect up to \$2,700 in pre-tax medical contributions.
 - Contribution amount divided by 26 annual pay periods. (maximum contribution each payroll: \$103.84)
 - Use it or lose it
- Dependent Care FSA
 - Elect up to \$5,000 in pre-tax childcare or adult care contributions.
 - Contribution amount divided by 26 annual pay periods. (maximum contribution each payroll: \$192.31)
 - Use it or lose it

Fidelity Investments – 401(k)

- Traditional (Pre-Tax)
 - Up to 6% employer match
 - 100% vested immediately of employee funds
 - Contribute pre-tax dollars to retirement account
- Roth
 - Up to 6% employer match
 - 100% vested immediately of employee funds
 - Contribute after-tax dollars to retirement account
- Employer Match Vesting

Years of Service	Vesting Percentage
less than 1	0
1	33.00
2	66.00
3	100.00

Miscellaneous

- **Legal Plan – Legal Resources**
 - \$19 per month (\$8.77 per bi-weekly payroll), \$20 initial enrollment fee
 - 100% coverage on contracted services to include will preparation, purchase/sale of primary residence, legal advice, landlord dispute, uncontested divorce, etc.
 - Discounted price on services that are not 100% covered
- **AFLAC (cost varies depending on age)**
 - Critical Care Illness Insurance
 - Accident Coverage
 - Whole and Term Life Insurance
 - Short Term Disability
 - Hospital Confinement
 - Cancer Care

2018 Audit Committee Report and Summary
Summary and Governance

Montgomery Village Foundation (“MVF”) sponsors the Retirement Savings Plan & Trust (“the Plan”) a section 401(k) qualified retirement plan, for the sole benefit of MVF employees (“Plan participants”) and their beneficiaries. MVF, as the Plan Sponsor, has specific responsibilities and duties as directed under ERISA law, governed by the Department of Labor (DOL) and the Internal Revenue Service (IRS). To fulfill these responsibilities, MVF implements certain policies and procedures, and engages service providers specializing in this field, as follows:

Retirement Committee and Service Providers

1. **Plan Fiduciaries:** David Humpton and Daniel Salazar
 - a. Plan fiduciaries are responsible for complying with all rules and regulations of ERISA and any prevailing state and securities law or regulations. Fiduciaries are jointly and severally liable to fulfill such duties.
2. **Plan Administrator:** Tracy Skalitzky
 - a. Plan Administrators are responsible for managing and fulfilling plan administrative and operational items, including contribution processing, employee communications, coordination of required compliance testing, and other plan operations.
3. **Independent Fiduciary Advisor:** [AFS 401\(k\) Retirement Services](#) (“AFS”) / Alex Assaley and Jim Keenehan
 - a. MVF engages AFS as the Plan’s independent advisor, serving as a fiduciary at both the plan- and employee-level, providing independent and objective advice to MVF and its employees across the following services:
 - i. **Fiduciary governance and plan oversight**
 - ii. **Plan strategy and design**
 - iii. **Investment due diligence, monitoring, and selection**
 - iv. **Vendor management, pricing negotiation, and oversight**
 - v. **Employee education, advice, and 1:1 financial coaching**
4. **Recordkeeper / administrator:** [Fidelity Investments](#)
 - a. MVF engages Fidelity to serve as the Plan’s recordkeeper or administrator (“the Vendor”). Fidelity provides the platform of investment options for AFS to build our investment menu, website and reconciliation of all employee accounts, as well as the process for changing savings rates, investment elections, and managing beneficiaries. Additionally, Fidelity provides administrative services including year-end compliance testing and Form 5500 creation to help MVF file annual tax filings.

2018 Audit Committee Report and Summary (continued)
Summary and Governance

Fiduciary Governance

Through the services provided by AFS and Fidelity, MVF performs the following Plan oversight, governance, and review process each year:

Meeting	Frequency	What We Cover
Strategic Review	Annually – typically held in Q1 or Q2	<ul style="list-style-type: none"> - Create and discuss our client service plan for the upcoming year <ul style="list-style-type: none"> • Work to identify and map out specific, concrete goals for your plan • Benchmark important plan statistics to measure how we are meeting these goals - Perform a plan design analysis and provide recommendations, advice, and consultation on the plan’s design, marketplace trends, and other strategies to align with the plan’s stated strategic goals - Deliver our PlanSuccess report, detailing the average retirement readiness for employees at your organization - Work closely with your vendor(s) and Committee to develop and monitor a specific Strategic Plan for your retirement plan
Fiduciary Review	Annually – typically held in Q3 or Q4	<ul style="list-style-type: none"> - Lead your Committee through a fiduciary checklist and work to ensure we have collectively completed our fiduciary obligations. <ul style="list-style-type: none"> • This includes a detailed review of your plan vendor(s) and a detailed benchmarking of the plan costs. - Review plan policy and procedural documents (such as the IPS, Committee Charter, and plan documents) to ensure they are up-to-date with your plan processes and all regulatory requirements. - Provide our fiduciary fitness program which includes a compliance assessment to identify any potential weaknesses or areas for improvement, which we address on your behalf.
Investment Review	Quarterly & held simultaneously with the Strategic and Fiduciary Review meetings	<ul style="list-style-type: none"> - Provide a thorough review of your plan’s investment line-up, performance, and any applicable recommendations. - Update the Committee on the current state of the markets, areas our team are closely monitoring, as well as possibilities for growth.
Vendor Review	Every three to five years	<ul style="list-style-type: none"> - Deliver a comprehensive comparison of your current plan vendor(s) against similar service providers. - Benchmark quantitative and qualitative metrics, such as costs, employee services, technology, and recordkeeping and administration. - Work with Committee to establish a vendor partnership(s) the meets the unique needs of your organization, its plan, and employees.
Financial Wellness	Semi-annual	<ul style="list-style-type: none"> - Provide an overview of our combined accomplishments regarding employee engagement and education. - Deliver the results from our annual Financial Wellness Assessment, detailing the top priorities, goals, and concerns outlined by your employees. - Shape a concrete Financial Wellness action plan to carry us through the year and beyond.

**2018 Audit Committee Report and Summary
Summary and Governance**

Plan Summary & Milestones

Here is a summary of Plan Statistics, as of 9/30/2018, as well as milestones for the last several years (on the subsequent page):

- **Plan Assets:** \$6,292,668
- **Participation rate:** 90.38%
- **Savings rate:**
 - 12.26% for Highly Compensated Employees
 - 5.35% for Non-highly Compensated Employees

For questions, clarifications, or further discussion, please feel free to contact our team: Alex Assaley at (301) 961-8401 or aassaley@afs401k.com; and Jim Keenehan at (301) 961-8418 or jkeenehan@afs401k.com.

Summary of plan accomplishments from January 2010 through May 2018

Fiduciary Oversight & Plan Reviews

- March 2010 – Drafted, reviewed, and finalized fiduciary policies, including the Investment Policy Statement.
- September 2011 – Drafted, reviewed, and finalized fiduciary policies, including the Committee Charter.
- December 2012 – Amended plan to remove participating employers.
- March 2013 – Amended plan to add automatic enrollment and automatic increase provisions for new employees.
- April 2013 – Updated, reviewed, and finalized fiduciary policies, including the Investment Policy Statement and Committee Charter.
- October 2017 – Updated, reviewed, and finalized fiduciary policies, including the Investment Policy.
- May 2018 – Drafted updated fiduciary policies, including the Investment Policy Statement and Committee Charter

Fiduciary Investment Review

- Performed quarterly investment reviews from January 2010 through December 2016.
- August 2011 – Added an international fund to increase investment menu offering.
- July 2012 – Added a number of funds to increase the investment menu. Also removed a couple of underperforming funds.
- December 2013 – Replaced an underperforming small cap fund.
- December 2014 – Replaced an underperforming mid cap fund.
- March 2016 – Made transition to zero-revenue sharing lineup.
- October 2016 – Removed a global equity fund to simplify the investment menu.

Vendor Benchmarking & Management

- Performed plan cost analysis and benchmarking as an annual service.
- October 2011 – Performed comprehensive Vendor Benchmarking Review and Analysis. In result of the review, MVF decided to maintain Fidelity as their recordkeeper.
- October 2015 – Performed comprehensive Vendor Benchmarking Review and Analysis.
- Analyzed 5 retirement plan vendors across six core components that create a “successful plan”. Plan chose to retain Fidelity as recordkeeper.
- Since 2010, total plan costs have been reduced from 1.15% to 0.91%, an average annual savings of about \$17,200.

Employee Education & Financial Wellness

- Developed and implemented targeted education campaign including in-person workshops, recorded webinars, one-on-one sessions, and holistic financial wellness program.
- Savings rate – as of 12/31/2017, the average savings rate was 5.64%.
- Retirement readiness – The average MVF employee is on track to replace 70% of needed income (80% of income) with 401(k) and Social Security as of 12/31/2017. This is up from 61%, which was calculated in December, 2012.