



District School Board of Pasco County

20430 Gator Lane • Land O' Lakes, Florida 34638 • 813/ 794-2221

Heather Fiorentino, Superintendent

www.pasco.k12.fl.us

Department of Purchasing
Kendra Goodman, CPPB, Purchasing Agent
813/ 794-2221 Fax: 813/ 794-2111
727/ 774-2221 TDD: 813/ 794-2484
352/ 524-2221 e-mail: kgoodman@pasco.k12.fl.us
August 16, 2005

MEMORANDUM

TO: Honorable Board Members

FROM: Kendra Goodman, CPPB, Purchasing Agent

SUBJECT: Flexible Benefit Plan Administration, Fringe Benefits Management Company
Third Year of Three-Year Agreement

On August 10, 2004, official action (attached) was taken to award the above-referenced contract to Fringe Benefits Management Company (FBMC). This is a three-year negotiated contract, renewable annually based upon the mutual consent of both parties. The second year of the agreement will expire on December 31, 2005.

The Insurance Committee has voted unanimously to enter into the third year of the contract, electing Proposal #1 in the attached correspondence. This keeps the Account A Board-paid options the same as in 2005. Due to an increase in the ARAG legal plan premium, this will result in an estimated deficit of \$6,602.76. FBMC will draw the deficit from surplus funds.

Additionally, the Insurance Committee voted to allow FBMC to continue to market the Trustmark voluntary products for 2006. Although Trustmark's financial rating was downgraded to a "B" category, FBMC expects their rating to improve to an "A" within the year.

At this time, it is my recommendation to enter into the third year of the agreement with Fringe Benefits Management Company. The term will be January 1, 2006 – December 31, 2006. Should you have any questions or wish to discuss this matter further, please feel free to contact Michael Hudson, Employee Benefits & Risk Manager, or me at your earliest convenience.

KDG/az
Attachments