

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 2, 2018
TO: Carlotta Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Curtis J. Williams, Office of Industry Development & Market Analysis *CW JA*
RE: Docket No. 20180099-TP - Document Filing

Please file the attached documents from James Forstall in Docket No. 20180099-TP. The documents include the following:

- FTRI Health Insurance Comparison
- FTRI Retirement Comparison
- FTRI FY 2018/2019 Budget

Please let me know if you have any questions.

Attachments

RECEIVED FPSC
MAY 2 2018 3:00
OFFICE OF
COMMISSION CLERK



April 2, 2018

Cayce Hinton, Director
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: FTRI Health Insurance Comparison

Mr. Hinton:

Pursuant to the Commission's PAA Order dated July 26, 2017, in Docket Number 20140029-TP, attached are different plans for health insurance as provided to FTRI from two responding companies, Strategic Benefits Group (SBG) and Prudential.

Pursuant to Order, FTRI requested information from providers, however these companies stated that they were unable to provide like-for-like comparison to FTRI's existing plan. The plans FTRI provides pursuant to the Order represent what it considered, according to the proposals submitted, to be the most comparable plans.

Based on the information collected, the FTRI Board reviewed the information and proposals, and approved for FTRI staff to proceed with making changes to the health insurance program. Specifically, the FTRI Board approved for FTRI staff to switch from its current provider (UHC NCTA) to the plan offered by SBG-UHC Choice Plus Platinum AUXV.

Should you have any questions or need additional information, please contact me at 850.270.2641 or jforstall@ftri.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Forstall", is written over the typed name and title.

James Forstall
Executive Director

Attachments

GHP Rates Comparison

(All figures Reflect In-Network Cost)

Benefits Key Features	UHC Choice Plus Platinum AUXV	UHC Choice Edge Platinum AUZV	Florida Blue All Copay 14003	Florida Blue All Copay 14006	NTCA / UHC Single A (Current Plan)
Doctor CoPay (PCP)	\$15	\$15	\$10	\$25	Deductible + 20%
Doctor CoPay (Specialist)	\$30	\$15 / \$30	\$25	\$45	Deductible + 20%
Deductible (Ind/Fam)	\$250 / \$500	\$250 / \$500	\$500 / \$1,500	\$1,000 / \$3,000	\$750 / \$1,500: \$1,000/\$2,000
Coinsurance	90% / 10%	80% / 20%	80% / 20%	80% / 20%	80% / 20%
Out of Pocket Max (Ind/Fam)	\$1,500 / \$3,000	\$1,500 / \$3,500	\$2,000 / \$6,000	\$4,000 / \$8,000	\$4,000 / \$8,000
Diagnostics (X-rays/Ultrasound/Blood Work)	Deductible + 10%	\$0	\$0 / \$35	\$25 / \$60	Deductible + 20%
Advanced Imaging (CT/PET Scan, MRI, etc.)	Deductible + 10%	Deductible + 20%	\$75	\$250	Deductible + 20%
Hospital (In-Patient)	Deductible + 10%	\$500 per occurrence + Ded + 20%	\$200 per day, \$600 Max	\$300 per day, \$1,500 Max	Deductible + 20%
Outpatient Surgery/Procedures	Deductible + 10%	\$250 per occurrence + Ded + 20%	\$100 / \$150	\$200 / \$350	Deductible + 0%
Emergency Room	\$150	\$150	\$100	\$300	Deductible + 20%
Urgent Care	\$50	\$50	\$30	\$50	Deductible +20%
Preventive Lab	\$0 (Lab Corp)	\$0 (Lab Corp)	\$0 (Quest)	\$0 (Quest)	\$0
Mammograms	\$0	\$0	\$0	\$0	\$0
Preventive Colonoscopy (Routine for 50+)	\$0	\$0	\$0	\$0	\$0
Benefit Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Pharmacy Benefit					Platinum / Gold
Tier 1	\$10 / \$10	\$10 / \$10	\$0/\$4/\$10 (Gen/Specialty)	\$0/\$4/\$15 (Gen/Specialty)	\$12 / 20%
Tier 2	\$35 / \$100	\$35 / \$100	\$15/\$30 (Brand 1 / Brand 2)	\$30/\$60 (Brand 1 / Brand 2)	\$35 / 30%
Tier 3	\$60 / \$200	\$60 / \$200	\$50 (Non-Preferred)	\$100 (Non-Preferred)	\$60 / 30%
Tier 4	N/A	N/A	\$150 (Specialty)	\$200 (Specialty)	
Monthly Rates					
Medical/Vision/Rx Total	\$13,042.87	\$11,443.32	\$12,401.01	\$11,303.40	\$15,434.00
Dental	\$568.01	\$568.01	\$568.01	\$568.01	\$786.00
Basic Life	\$235.32	\$235.32	\$235.32	\$235.32	\$213.18
LTD	\$317.93	\$317.93	\$317.93	\$317.93	\$991.95
STD	\$226.43	\$226.43	\$226.43	\$226.43	\$453.56
Employees + Dependents Monthly Total	\$14,390.56	\$12,791.01	\$13,748.70	\$12,651.09	\$17,878.69
Annual Total	\$172,686.72	\$153,492.12	\$164,984.40	\$151,813.08	\$214,544.28
Annual Current Plan Total	\$214,544.28	\$214,544.28	\$214,554.28	\$214,554.28	\$214,544.28
Annual Difference	-\$41,857.56	-\$61,052.16	-\$49,569.88	-\$62,741.20	\$0

GHP Rates Comparison (All figures Reflect In-Network Cost) (3.26.18)

Benefits Key Features			UHC Choice Plus Silver AUZH - INS In / Out of Network	UHC Choice Edge Gold AUZX – HMO In / Out of Network	UHC Choice Balanced Gold AUYO – HMO In / Out of Network	Florida Blue Essential 16203 Silver – PPO HAS In / Out of Network	Florida Blue All Copay 14002 Platinum – PPO In / Out of Network	NTCA / UHC Single A (Current Plan)
Doctor CoPay (PCP)			\$0 / \$0	\$30 / N/A	\$45 / N/A	Deductible + 30%	\$15	Deductible + 20%
Doctor CoPay (Specialist)			\$0 / \$0	\$60 / N/A	\$100 / N/A	Deductible + 30%	\$30	Deductible + 20%
Deductible (Individual)			\$4,500 / \$9,000	\$1,000 / N/A	\$0	\$1,800	\$0	\$750
Deductible (Family)			\$9,000 / \$18,000	\$2,000 / N/A	\$0	\$3,000	\$500	\$1,500
Coinsurance			100% / 80%	100% / N/A	100% / N/A	30% / 50%	0% / 50%	80% / 20%
Out of Pocket Max (Individual)			\$4,500 / \$18,000	\$5,250 / N/A	\$5,000	\$2,000	\$3,500	\$4,000
Out of Pocket Max (Family)			\$9,000 / \$36,000	\$10,500 / N/A	\$10,000	\$6,000	\$7,000	\$8,000
Diagnostics (X-rays/Ultrasound/Blood Work)			\$0 / 20%	\$0 / N/A	\$0 / N/A	Deductible + 30%/Deductible + 50%	\$0-\$75/ Deductible + 50%	Deductible + 20%
Advanced Imaging (CT/PET Scan, MRI, etc.)			\$0 / 20%	20% N/A	\$500	Deductible + 30%/Deductible + 50%	\$150 / Deductible + 50%	Deductible + 20%
Hospital (In-Patient)			100% / 80%	80% / N/A	80% / N/A	Deductible + 30%	\$300/day up \$900	Deductible + 20%
Outpatient Surgery/Procedures			\$0 / 20%	\$250 + Deductible + 20%/NA	\$2,250	Deductible + 30%/Deductible + 50%	\$200-\$250 PV/Deductible + 50%	Deductible + 0%
Emergency Room			\$0 / 0%	\$250	\$750	Deductible + 30%/Deductible + 30%	\$150 PV/\$150 PV	Deductible + 20%
Urgent Care			\$0 / 20%	\$50	\$50	Deductible + 30%/Deductible + 50%	\$35 PV/ Deductible + \$35 PV	Deductible +20%
Preventive Lab			\$0 / 20%	\$0 / N/A	\$0	\$0 / 50%	\$0	\$0
Mammograms			\$0 / 20%	\$0 / N/A	\$0	Deductible + 30%/Deductible + 50%	\$0	\$0
Preventive Colonoscopy (Routine for 50+)			\$0 / 20%	\$0 / N/A	\$0	Deductible + 30%/Deductible + 50%	\$0 / 50%	\$0
Benefit Maximum			Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Pharmacy Benefit								Platinum / Gold
Tier 1			\$0 / \$0	\$10	\$15	\$15 (Generic)	\$10 (Generic)	\$12 / 20%
Tier 2			\$0 / \$0	\$35	\$50	\$75 (Pref Brand)	\$30 (Pref Brand)	\$35 / 30%
Tier 3			\$0 / \$0	\$60	\$75	\$150 (Non-Pref Brand)	\$50 (Non-Pref Brand)	\$60 / 30%
Tier 4			N/A	N/A	N/A	\$300 (Specialty)	\$150 (Specialty)	
Monthly Rates	Age	Election						
Arias, Juan	41	EE	\$391.39	\$461.28	\$458.26	\$429.01	\$584.75	\$1,040.00
Bascom, Brett	56	EE	\$701.32	\$826.54	\$821.12	\$768.72	\$1,047.80	\$1,040.00
Bean, Angelina	52	EE	\$586.79	\$691.56	\$687.03	\$643.18	\$876.68	\$1,040.00
Forstall, James	64	EE	\$901.83	\$1,062.84	\$1,055.88	\$988.50	\$1,347.36	\$1,040.00
Galloway, Danielle	32	FAM	\$941.21	\$1,109.25	\$1,101.97	\$1,031.67	\$1,406.20	\$2,434.00
Lurry-Smith, Monica	41	FAM	\$1,259.85	\$1,484.79	\$1,475.06	\$1,380.94	\$1,882.26	\$2,860.00
Mauldin, Amelia	60	ES	\$1,660.57	\$1,957.05	\$1,944.23	\$1,820.16	\$2,480.94	\$2,080.00
Moran, Elissa	58	EE	\$765.95	\$902.71	\$896.80	\$839.57	\$1,144.36	\$1,040.00
Tucker, Clare	38	FAM	\$988.71	\$1,658.23	\$1,157.59	\$1,083.73	\$1,477.16	\$2,860.00
Medical/Vision/Rx Total			\$8,197.62	\$9,661.25	\$9,597.94	\$8,967.48	\$12,247.51	\$15,434.00
Dental			\$786.00	\$786.00	\$786.00	\$786.00	\$786.00	\$786.00
Basic Life			\$213.18	\$213.18	\$213.18	\$213.18	\$213.18	\$213.18
LTD			\$991.95	\$991.95	\$991.95	\$991.95	\$991.95	\$991.95
STD			\$453.56	\$453.56	\$453.56	\$453.56	\$453.56	\$453.56
Employees + Dependents Monthly Total			\$10,642.31	\$12,105.94	\$12,042.63	\$11,412.17	\$14,692.20	\$17,878.69
Annual Total			\$127,707.72	\$145,271.28	\$144,511.56	\$136,946.04	\$176,306.40	\$214,544.28
Annual Current Plan Total			\$214,544.28	\$214,544.28	\$214,544.28	\$214,544.28	\$214,544.28	\$214,544.28
Annual Difference			-\$86,836.56	-\$69,273.00	-\$70,032.72	-\$77,598.24	-\$38,237.88	\$0



April 4, 2018

Cayce Hinton, Director
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: FTRI Retirement Comparison

Mr. Hinton:

Pursuant to the Commission's PAA Order dated July 26, 2017, in Docket Number 20140029-TP, attached is a proposal defined benefit plan (DBP) as submitted to FTRI by Regions Bank.

Pursuant to Order, FTRI requested information from several providers, however the majority of providers stated they were unable to provide a comparable DBP compared to FTRI's existing plan.

Should you have any questions or need additional information, please contact me at 850.270.2641 or jforstall@ftri.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Forstall", is written over the typed name and title.

James Forstall
Executive Director

CC: FTRI Board of Directors

Attachment

Presented by:



Request for Information for Retirement Services

For

Florida Telecommunications Relay, Inc.

December 14, 2017

Travis Yelverton
Vice President
2000 Capital Circle NE
Tallahassee, FL 32308
850.322.5792
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Background & Organization

Regions Institutional Services is a business unit within Regions Wealth Management that specializes in services for institutions such as Nonprofits, Unions, Corporations, and Public Funds. The six key business specialties we offer are: Investment Management and Consulting Services, Endowment and Foundation Services, Custody and Trustee Services, Retirement Plan Services, Funeral and Cemetery Trust Services, and Corporate Trust and Escrow Services.

Regions Institutional Services provides investment, administrative and trustee solutions to corporations, businesses, nonprofits, governmental and union clients. We deliver investment management and consulting, retirement, custodial, nonprofit, corporate trust and escrow services through locally and regionally-based professionals. We strive to demonstrate value-added expertise through objective advice with a goal of exceeding client expectations.

Regions Institutional Services has over 470 qualified retirement plans with over \$3.9 billion in assets. Of those, Regions has some form of investment authority for approximately 300 plans, representing over \$2.5 billion in assets.

FTRI Retirement Plan Review

Regions Institutional Services has reviewed the plan design, investment returns and administrative structure of the current FTRI Pension plan. The plan is a multiple-employer co-op that is designed to provide some flexibility in design while providing traditional formula driven benefits to participants in retirement. The current plan boasts roughly \$2Billion in assets with over 17,000 participants. The co-op nature of the plan allows the assets to be pooled for purposes of investing and the large asset base gives access to outside managers not generally available to smaller defined benefit plans. Regions would surmise that the fees charged for actuarial services would be lower than stand-alone plans, but we did not have data to compare this theory.

Of interest, the plan funding percentage has been falling in the last few years. This has caused additional contributions to be made to increase funding levels. There are a host of factors that we believe have caused this situation. First, the investment experience of most pension plans was lower than expected from 2014-2016. (See our review of the investments below for additional details.) Second, the average benefit formula for the plan increased roughly 1% over the same period. In other words, some of the plan adopters were providing a higher benefit to employees. This would cause additional capital requirements to the asset pool.

Our conclusion after reviewing the material provided by FTRI is that there are no glaring issues with the current plan design or operation.

Multiple-Employer Plan vs Stand-Alone Plans (Single Employer)

Regions reached out to several actuarial firms to perform a plan design review and fee request if FTRI would decide to move to a stand-alone retirement plan. While we did not have information on the current administrative fees, we have provided the costs for implementing and administering a single employer plan below:

Average Plan Implementation: (one-time) \$1,250

Average Ongoing Administration: (annual) \$3,500 base + \$25/participant

The main benefit to moving to a single employer plan is flexibility in plan design and plan consulting. For example, FTRI could potentially change the plan design to a cash-balance

arrangement that would essentially fix costs year over year. FTRI would also be able to leverage the actuarial firm should a defined contribution plan be needed to augment benefits. In addition, FTRI would receive detailed advice on ongoing plan issues as they are dealing directly with the actuarial firm.

Regions would recommend a more thorough review by an actuarial firm prior to moving from the current plan. There is a possibility that the current plan provider might charge fees for separation of plan assets, etc...

Investment Performance

Regions reviewed the investment experience of the current investment pool for the trailing three year period. As suggested earlier, we found the performance to be in-line with our internal rates of return for similar asset pools. We would like to note that the current plan does have a portion of assets in illiquid investments. We do not believe that this necessarily adds additional risk since the asset pool is very large. Regions would not use this approach in a single employer plan.

There are many factors to consider when moving the investment pool from the current plan. Regions has extensive with investments in defined benefit pools. In a single employer plan, we would be able to tailor the investment allocation to FTRIs demographics. In other words, we don't have to consider the other 17,000 participants. We can adjust risk characteristics and potentially be nimble in bull or bear markets. This could provide some relief to the current underfunding of the portfolio.

Another factor would be fees associated with the investment pool. While our gross returns generally match the stated returns from the current provider, our fees may be higher than what FTRI currently pays in the large asset pool. There was no specific reference to investment management and consulting fees in the plan investment review. However, we have provided our fee schedule below for your review.

Institutional Trust Advisory Fee Schedule:

<i>From</i>	<i>To</i>	<i>Tier*</i>
<i>\$0.00</i>	<i>\$1,000,000.00</i>	<i>1.00%</i>
<i>\$1,000,001.00</i>	<i>\$2,500,000.00</i>	<i>0.75%</i>
<i>\$2,500,001.00</i>	<i>\$5,000,000.00</i>	<i>0.55%</i>
<i>\$5,000,001.00</i>	<i>\$10,000,000.00</i>	<i>0.45%</i>
<i>\$10,000,001.00</i>	<i>\$15,000,000.00</i>	<i>0.35%</i>
<i>\$15,000,001.00</i>	<i>\$20,000,000.00</i>	<i>0.25%</i>
<i>\$20,000,001.00</i>	<i>\$50,000,000.00</i>	<i>0.15%</i>
<i>\$50,000,001.00</i>	<i>\$100,000,000.00</i>	<i>0.10%</i>

**Regions Institutional Services provides a 10% discount for not-for-profit organizations for Investment Management Services.*

Conclusion

Regions Institutional Services strongly believes that we would provide outstanding plan design, consulting and investment management services to FTRI for the defined benefit plan. We would be delighted to discuss the information provided in this RFI in more detail at the appropriate time.

However, we feel that FTRI would benefit from delaying any decision until the 2017 actuarial valuation has been completed. This will provide fresh information on the current state of the plan. Specifically, 2017 has been a very positive year for most of the investment markets. We would expect the current funding level to increase. This information would be vital to making an informed decision about the current retirement plan.



April 16, 2018

Mr. Curtis Williams, Regulatory Analyst IV
Office of Telecommunications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

RE: **FTRI FY 2018/2019 Budget**

Dear Mr. Williams:

I am pleased to forward a copy of the FY 2018/2019 budget for the Florida Telecommunications Relay, Inc. (FTRI). The budget was reviewed and adopted by the Board of Directors at a special meeting.

The budget adopted by the board for FY 2018/2019 maintains the surcharge at 10 cents per access line and at this level is projected to produce revenues of \$5,793,651. As reflected on the attached copy of the approved budget total expenses are projected to be \$6,114,412. A shortfall of \$320,761 will be realized. A primary cause of the shortfall may be contributed to the increased rate of TRS and CapTel services which was implemented March 2018.

Access lines have decreased at the rate of 4.8% during the past three years (2015, 2016 & 2017) and that trend is expected to continue as more consumers move from landline to other technologies. For the current budget period, it is projected that access lines will decrease by 4.8%.

Category V increases are primarily due to a proposed compensation analysis and the Accounts Payable position and associated benefits.

FTRI and its regional partners continue to reach out to meet the telecommunications access needs of residents who are deaf, hard of hearing, deaf/blind, or speech disabled. Outreach continues to be an integral part of our efforts to attract new clients and educate the general population about the Florida Relay System and the benefits this brings to our citizens as required by TASA.

Should you have questions or desire additional information, please do not hesitate to email me at jforstall@ftri.org.

Sincerely,

A handwritten signature in black ink, appearing to read "James Forstall", is written over a printed name and title.

James Forstall
Executive Director

Enclosure

cc: FTRI Board of Directors

Florida Telecommunications Relay, Inc.
Fiscal Year 2018/2019 Budget @ .10 cents surcharge

	2017/2018	2017/2018	2018/2019	Estimated to Budget	Budget to Budget
	APPROVED BUDGET	ESTIMATED REV & EXPEND	PROPOSED BUDGET	VARIANCE 2017/2018 2018/2019	VARIANCE 2017/2018 2018/2019
OPERATING REVENUE					
1 Surcharges	6,273,379	6,131,016	5,695,749	(435,267)	(577,630)
2 Interest Income	53,849	83,056	97,902	14,846	44,053
3 NDBEDP					
TOTAL OPERATING REV	6,327,228	6,214,072	5,793,651	(420,421)	(533,577)
OTHER REVENUE/FUNDS					
4 Surplus Account	17,337,883	17,301,477	17,398,350	96,873	60,467
TOTAL REVENUE	23,665,111	23,515,549	23,192,001	(323,548)	(473,110)
OPERATING EXPENSES					
CATEGORY I - RELAY SERVICES					
5 DPR Provider	2,219,366	2,622,535	2,826,281	203,746	606,915
SUBTOTAL-CATEGORY I	2,219,366	2,622,535	2,826,281	203,746	606,915
CATEGORY II - EQUIPMENT & REPAIRS					
6 TDD Equipment	0	0	0	0	0
7 Large Print TDD's	0	0	0	0	0
8 VCO/HCO - TDD	4,600	4,600	4,600	0	0
9 VCO Telephone	0	0	0	0	0
10 Dual Sensory Equipment	0	0	0	0	0
11 CapTel Phone Equipment	0	0	0	0	0
12 VCP Hearing Impaired	1,249,948	1,189,572	936,572	(253,000)	(313,376)
13 VCP Speech Impaired	832	231	0	(231)	(832)
14 TeliTalk Speech Aid	9,000	15,600	13,200	(2,400)	4,200
15 Jupiter Speaker phone	0	0	0	0	0
16 In-Line Amplifier	300	30	0	(30)	(300)
17 ARS Signaling Equip	2,400	475	250	(225)	(2,150)
18 VRS Signaling Equip	2,921	6,185	7,733	1,548	4,812
19 Accessories & Supplies	1,580	1,243	1,230	(13)	(350)
20 Telecomm Equip Repair	64,339	77,372	76,775	(597)	12,436
SUBTOTAL-CATEGORY II	1,335,920	1,295,308	1,040,360	(254,948)	(295,560)
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING					
21 Freight-Telecomm Equip	40,442	37,908	38,034	126	(2,408)
22 Regional Distr Centers	732,996	662,089	667,484	5,395	(65,512)
23 Workshop Expense	0	0	0	0	0
24 Training Expense	500	468	468	0	(32)
SUBTOTAL-CATEGORY III	773,938	700,465	705,986	5,521	(67,952)

Florida Telecommunications Relay, Inc.
Fiscal Year 2018/2019 Budget @ .10 cents surcharge

	2017/2018	2017/2018	2018/2019	Estimated to Budget	Budget to Budget
	APPROVED BUDGET	ESTIMATED REV & EXPEND	PROPOSED BUDGET	VARIANCE 2017/2018 2018/2019	VARIANCE 2017/2018 2018/2019
CATEGORY IV - OUTREACH					
25 Outreach Expense	558,976	558,976	546,250	(12,726)	(12,726)
SUBTOTAL-CATEGORY IV	558,976	558,976	546,250	(12,726)	(12,726)
CATEGORY V - GENERAL & ADMINISTRATIVE					
26 Advertising	658	15	15	0	(643)
27 Accounting/Auditing	20,533	20,749	26,582	5,833	6,049
28 Legal	36,000	55,823	55,823	0	19,823
29 Computer Consultation	5,580	5,747	5,580	(167)	0
30 Dues & Subscriptions	1,655	2,311	2,287	(24)	632
31 Office Furniture Purchase	0	0	0	0	0
32 Office Equipment Purchase	6,667	6,471	6,263	(208)	(404)
33 Office Equipment Lease	1,827	1,532	1,552	20	(275)
34 Insurance-Hlth/Life/Dsblty	175,345	183,112	192,496	9,384	17,151
35 Insurance-Other	10,075	10,172	10,729	557	654
36 Office Expense	13,719	13,029	13,029	0	(690)
37 Postage	7,541	7,490	7,490	0	(51)
38 Printing	1,514	1,114	1,114	0	(400)
39 Rent	92,062	91,205	91,205	0	(857)
40 Utilities	5,297	5,294	5,294	0	(3)
41 Retirement	73,734	70,780	78,773	7,993	5,039
42 Employee Compensation	445,106	411,936	441,149	29,213	(3,957)
43 Temporary Employment	0	0	0	0	0
44 Taxes - Payroll	30,091	29,418	31,604	2,186	1,513
45 Taxes - Unemplmt Comp	1,725	324	63	(261)	(1,662)
46 Taxes - Licenses	61	61	61	0	0
47 Telephone	17,240	16,587	16,089	(498)	(1,151)
48 Travel & Business	13,585	3,620	5,198	1,578	(8,387)
49 Equipment Maint.	746	1,292	1,306	14	560
50 Employee Training/Dev	975	950	950	0	(25)
51 Meeting Expense	1,370	883	883	0	(487)
52 Miscellaneous Expense	0	0	0	0	0
SUBTOTAL-CATEGORY V	963,106	939,915	995,535	55,620	32,429
CATEGORY VI - NDBEDP					
53 NDBEDP - Expense	0	0			
SUBTOTAL-CATEGORY VI	0	0	0	0	0
TOTAL EXPENSES	5,851,306	6,117,199	6,114,412	(2,787)	263,106
REVENUE LESS EXPENSES	17,813,805	17,398,350	17,077,589	(320,761)	(736,216)

-320,761

Line Item Information
FTRI FY 2018/2019 Board Approved Budget
Submitted to the FPSC Staff on Monday, April 16, 2018

Definitions:

YE Estimate:

FTRI projects the YE (Year End) Estimate based on Year to Date December of the current fiscal year plus calculated projections based on historical data available.

Budget to Actual:

FTRI understands, based on previous communications with the PSC staff, identifying this as the budgeted amount for a line item that should be no more than the YE estimated amount for the current fiscal year.

1. GL# 3050 Surcharge Revenue

FTRI is showing a decrease of \$435,267 in surcharges from FY 2017/2018 Estimated Revenue.

As we do each year, actual access lines reported to us by the telephone companies are logged into a spreadsheet (Attachment A). For the months remaining in the current fiscal year-end, an estimate is made on expected access lines to be reported to us using the average for the last 4 years. FTRI has conservatively selected the average decrease of the last 4 years (2014, 2015, 2016, 2017) a 4.8 percent decrease for this estimate. Additionally, FTRI applies the same 4.8 percent estimated decrease on the actual to date and year end estimated access lines to calculate the budget year estimated access lines. FTRI applies the current surcharge rate to those estimated access lines for the budget year and the corresponding administrative allowance of 1 percent. FTRI is recommending that we maintain the surcharge at 10 cents per access line.

2. GL#3450 Interest Income.

Interest Income increased \$14,846 from FY 2017/2018 Estimated Revenue.

FTRI earns interest from Regions Bank Non-Profit Public Funds Money Market account. Our Regions Bank Public Funds checking is not an interest-bearing account and is required to maintain a \$500,000 minimum balance. Our current interest rate of .65% has been used for budget.

3. The National Deaf-Blind Equipment Distribution Program (NDBEDP) revenue account shows zero.

FTRI has decertified from the NDBEDP as of June 30, 2016.

4. GL# 5110 Dual Party Relay Provider

The DPR Provider account shows a \$203,746 increase from FY 2017/2018 Estimated Expenditures. March 1, 2018 began a new contract with SPRINT and the FPSC with new higher rates. Traditional TRS increased from \$1.09 per minute to \$1.35 per minute. CapTel increased from \$1.63 per minute to \$1.69 per minute.

FTRI receives each year, a budget estimate from the DPR provider. Attachment B is the spreadsheet provided by Sprint. No year end estimate was provided by Sprint, therefore FTRI estimated the year end based on minutes of use and percentage difference from pervious periods. Spreadsheet is attached and totals \$2,622,535 combined. Traditional Relay estimate is \$1,349,150 + CapTel estimate \$1,273,385.

5. GL# 5210 TDD Equipment

TDD Equipment is budgeted at \$0.

FTRI has ample supply of units available under our repair program to cover future needs.

6. GL# 5220 Large Print TDD

The Large Print TDD's account is budgeted at \$0.

FTRI does not anticipate any client requests, no units have been requested in the past trailing twelve months.

7. GL# 5222 VCO/HCO-TDD

VCO/HCO-TDD equipment is budgeted at \$9,200.

The VCO/HCO-TDD FY 2018/2019 budget is based on actual and estimated costs and distributed units for FY 2017/2018. Using averages from the prior year and adjusting for VCO/HCO-TDD units that will be available at warranty repair costs; FTRI anticipates meeting consumer demands for the budget year 2018/2019 with 20 new units along with refurbished units of VCO/HCO-TDD equipment on hand in FY 2018/2019. Twenty (20) units x \$230.00 = \$4,600.

8. GL# 5224 VCO Telephone

VCO Telephone is budgeted at \$0.

FTRI has ample supply of units available under our repair program to cover future needs. There has been very limited demand for this phone during the past year.

9. GL# 5230 Dual Sensory Equipment.

The Dual Sensory Equipment account is budgeted at \$0.

As of time of budget preparation FTRI has not distributed a Deaf-Blind Communicator (DBC). The DBC has been discontinued. Deaf-Blind consumers, who qualify, prefer NDBEDP equipment such as iPads, iPhones and braille machines. The Deaf community has been using newer selections as more choices are available using current technologies.

10. GL# 5226 CapTel Equipment.

The CapTel Equipment, 840 Plus, is budgeted at \$0.

Under the 2015 agreement, Sprint provided FTRI with CapTel 840 Plus units at \$0. FTRI has inventory sufficient for 12 to 18 months. No new CapTel 840 Plus equipment is budgeted.

11. GL# 5240 (corded) and 5241 (cordless) VCP Hearing Impaired

The VCP Hearing Impaired line item shows a \$253,000 decrease from FY 2017/2018 Estimated Expenditures.

The trailing 12-month data at the time of budget preparation, January 2017 to December 2017, units purchased have been used to estimate FYE 2018 purchases. A detailed analysis was used, taking into account the year over year decrease of 7.7% and the difference in business cycle between the first half of the fiscal year and the second half of the fiscal year. Using a complete 12-month cycle captures the low and high-volume months that occur due to timing of Outreach activities and the Florida business cycle, including the winter holiday season.

12. GL# 5250 VCP Speech Impaired.

The VCP Speech Impaired line item shows a \$231 decrease from FY 2017/2018 Estimated Expenditures.

Based on recent historical consumer demand FTRI is not budgeting for the purchase of additional new units. Units on hand should be sufficient. Additionally, although the manufacturer still has units in stock for purchase, the manufacturer has discontinued the HD-40S.

13. GL# 5253 TeliTalk Speech Aid

The TeliTalk Speech Aid line item shows a \$2,400 decrease from FY 2017/2018 estimated expenditures.

Using the TTM (trailing twelve month) historical consumer demand from the prior year FTRI has projected to order (22) twenty-two units for the budget year 2018/2019.

14. GL# 5254 The Jupiter Speaker Phone (GEWA Phone) - \$0.

The Jupiter GEWA phone is distributed as needed from FTRI's office and a small supply of units are kept on hand. No additional units are needed to purchase.

15. GL# 5255 In-Line Amplifier

The In-Line Amplifier YE estimate is based on recent demand.

There's very limited demand for this equipment during the past year. FTRI anticipates distributing from current inventory for budget year 2018/2019.

16. GL#5261 ARS Signaling Equipment

The ARS Signaling Equip line item shows a \$225 decrease from FY 2017/2018 Estimated Expenditures.

The trailing 12-month data at the time of budget preparation, January 2017 to December 2017, units purchased show a quarterly declining average. The last quarter available shows an average of 5 units per month distributed. Using this average in addition to stock on hand at FTRI and the RDCs, a small order of 10 units should be sufficient to meet demand in the budget year 2018/2019.

17. GL# 5262 VRS Signaling Equipment

The VRS Signaling Equip line item shows a \$1,548 increase from FY 2017/2018 Estimated Expenditures.

The trailing 12-month data at the time of budget preparation, January 2017 to December 2017, purchased units and issued units, have been used to estimate FYE 2018 purchases. In addition, current inventory amount on hand at the RDCs and the TTM data for purchased and issued is used to determine the projected budget for 2018/2019. TR-75 units TTM average is 11 per month and the CR-200 is 8 units per month.

18. GL# 5265 Accessories & Supplies

The Accessories & Supplies line item shows a \$13.00 decrease from FY 2017/2018 Estimated Expenditures.

Actual and estimated costs for FY 2017/2018 to include specific purchases for line filters, line simulators. The 12-month average of incidental supplies is \$5.50 per month. One purchase of in-line filters \$365.75 and a purchase of 6 phone line simulators \$798.00 used to assist staff and RDCs in the field allowing testing of phones by clients.

19. GL#5270-5274 Telecom Equipment Repair

The Telecom Equip Repair line item shows an \$597.16 decrease from FY 2017/2018 Estimated Expenditures.

The trailing 12-month average at the time of budget preparation, January 2017 to December 2017, is used to calculate the budget estimate.

20. GL# 5310 Freight-Telecom Equipment

The Freight-Telecomm Equip line item shows a \$126 increase from FY 2017/2018 Estimated Expenditures.

As XLC 3.4 and Alto units warranty expire these units are shipped back for repair. In addition, VCO/HCO-TDD, TR75 and other units are refurbished. New units are shipped to RDCs and various clients as ordered. The trailing 12-month average is used in projecting the budget resulting in a slightly higher projection than year-end estimate for 2017/2018. The year-end estimate used year-to-date actual plus the trailing 12-month average.

21. GL# 5320-5327 Regional Distribution Centers

The Regional Distribution Centers line item shows a \$5,395 increase from FY 2017/2018 Estimated Expenditures. The majority of the increase is for costs associated with auditing the regional distribution centers. FTRI did not budget for audits in FY 2017/2018 choosing to audit every other year.

The trailing 12-month data at the time of budget preparation, January 2017 to December 2017, of RDC activity is used to calculate the budget estimate. Using a complete 12-month cycle captures the low and high-volume months. It is estimated that over the past several years the decrease in RDC services is approximately 5.6% per year. Additionally, the below breakdown shows the additional costs included in this line item. These include air card connectivity and laptops for access to the AIMS computer database. The maintenance and changes to the AIMS database. All costs specifically related to RDC fulfillment of the agreement to provide FTRI services.

	FY 2017-2018 (estimated)	FY 2018-2019 (proposed)
RDC contracts	\$ 598,320	\$ 596,522
AIMS air card \$675 per month	\$ 8,100	\$ 8,100
RDC AIMS Hardware	\$ 298	\$ 900
AIMS Project for RDC	\$ 55,290	\$ 55,290
Auditing	\$ 21	\$ 6,572
Interpreters	\$ 0	\$ 0
Support Services	\$ 60	\$ 100
	\$ 662,089	\$ 667,484

22. GL# 5330 Workshop Expense

The Workshop Expense is budgeted at \$0.

FTRI believes face-to-face meetings with RDC staff in a conference or workshop environment is vital to enhance training on equipment and FTRI procedures and best practices in working with clients as well as enhancing working relationships with RDCs.

23. GL# 5340 Training Expense

The Training Expense line item shows a \$0 increase from FY 2017/2018 Estimated Expenditures.

FTRI plans to hold smaller regional trainings via webinars and, when possible face-to-face meetings if already in area for auditing or other purposes, to enhance the FTRI program and its relationship with RDCs. Cost budgeted is for Go-To-Meeting web access.

24. GL# 5410-5417 Outreach Expense

The Outreach Expense account shows a \$12,726 decrease from FY 2017/2018 Estimated Expenditures.

FTRI plans to continue advertising the program using insert ad (flyer) and Social Media. FTRI collaborates with IMS to strategically place insert ads in newspapers by identifying specific areas, i.e. zoning by zip codes which allows FTRI to advertise in a cost-efficient manner. A comprehensive social media campaign proposed by BH Marketing is planned for the budget year 2018/2019.

25. GL# 5501 Advertising

Line item shows a \$0 increase from FY 2017/2018 Estimated Expenditures.

In FYE 2017/2018, FTRI ran an ad in Craigslist for the Accounts Payable position at a cost of \$15. Only one resume was received and was not a viable candidate for the position.

FTRI budgeted to actual for advertising of possible open positions. Positions that may turnover and/or filling vacant positions (Accounts Payable is still an open position at time of budget development). FTRI advertises using low cost employment ads, usually Craigslist at \$15 per placement, however if necessary, advertises in The Tallahassee Democrat using Career Builder for some positions. One (1) single ad in the Tallahassee Democrat is as of the last quote for a single day ad \$1,081.00.

26. GL# 5504 Accounting

The Accounting/Auditing line item shows a \$5,833 increase from FY 2017/2018 Estimated Expenditures.

A compensation analysis has been proposed by an independent third party at the request of the Board of Director's and as discussed in last year's FPSC Agenda meeting to approve FTRI's budget for FY 2017/2018. Proposal quote of \$5,995 is included in this budget for FY 2018/2019.

FTRI's CPA firm provided a quote for our annual audit of the 2018/2019 fiscal year at \$17,000 in line with last year. This line item also includes expenses for payroll processing and payroll tax reporting. FTRI is budgeting 9 employees for payroll expenses.

27. GL# 5507 Legal

The Legal account shows no increase from FY 2017/2018 Estimated Expenditures.

FTRI secured legal services for a monthly flat rate of \$3,000 per month for 12 hours of service per month. Billed hours over 12 is billed at a rate of \$225 per hour.

Last year the FPSC reduced this line item to \$36,000 per year. July – Dec 2017 FTRI has paid out \$27,911.30 in legal expense. FTRI conservatively expects January – June 2018 to be similar in expense and is reflected in the Year End estimate of \$55,823 basically doubling the expense from the first half of the year. FTRI has used the FYE estimate as its budget for 2018/2019.

28. GL# 5510 Computer Consultation

The Computer Consultation line item shows a decrease of \$167 for the budget year end 2019. YE estimate for FY ending 2018 is the average of the first six months and extrapolated for the full 12 months.

FTRI works with its IT vendor to reduce costs for workstation troubleshooting and network administration. FTRI was quoted 60 hours of technical support, network administration, and desktop troubleshooting \$5,580.

29. The Dues & Subscriptions expense account shows a \$24 decrease from FY 2018/2019 Estimated Expenditures.

FTRI has budgeted as close to the estimated YE 2017/2018 amount as possible. Dues and subscriptions to organizations that we partner with and are directly involved in the communities we serve allowing staff and management to be informed concerning those communities.

30. The Office Furniture Purchase account shows \$0.

No office furniture purchases are anticipated.

31. GL# 5530-5531 Office Equipment and Computer Software

The Office Equipment Purchase line item shows a \$208 decrease from FY 2017/2018 Estimated Expenditures.

FTRI expects replacement of 2 workstations and adding a desktop scanner in the Equipment Dept to facilitate attaching documents to the database files during this budget year. Switching all workstations to Office 365 software, from older versions and renewing Firewall, antivirus, virtual server, and backup software.

32. GL# 5541 Office Equipment Lease

Office Equipment Lease shows an increase of \$20 from FY 2017/2018 Estimated Expenditures. A new copier at a lower rate was contracted for saving approximately 20% on the copier lease. The Pitney Bowes postage equipment had a slight increase.

FTRI budgeted close to the estimated YE 2017/2018 amount.

33. GL# 5544 Insurance-Hlth/Life/Dsblty

The Insurance-Hlth/Life/Dsblty account shows a \$9,384 increase from FY 2017/2018 Estimated Expenditures.

FTRI estimated a 6.85% increase in premium based on research of available data. Employees contribute 5% of the premium for single coverage and 25% of the difference between single and dependent coverage. Employee turnover impacted 2017/2018 Health Care cost for the period. During the budget year 2018/2019 FTRI anticipates another staff reduction to 9 employees.

34. GL# 5547 Insurance-Other

The Insurance-Other line item shows a \$557 increase from FY 2017/2018 Estimated Expenditures.

FTRI's insurance agent estimated a 5% increase in premium costs during the next renewal period. In addition, FTRI received a refund during FY 2017/2018. FTRI is budgeting a similar refund in 2018/2019 using the same amount as the previous year.

35. GL# 5551 Office Expense

The Office Expense line item shows no change from FY 2017/2018 Estimated Expenditures. This line item includes office supplies, paper, office cleaning, pest control, security system service, shredding services.

36. GL# 5554 Postage Expense

The Postage line item shows no change from FY 2017/2018 Estimated Expenditures. FTRI estimates that due to follow up with Application Requests, there will be 5 postage deposits into our meter at \$1,021 each ($\$1,021 \times 5 = \$5,105$). In addition to business reply mail permit fees and postage deposits \$500 each and supplies for the meter.

37. GL# 5557 Printing expense

The Printing line item shows \$0 increase from FY 2017/2018 Estimated Expenditures.

This line item includes printing of FTRI's annual report, business cards, letterhead, envelopes.

38. GL# 5560 Rent expense

The Rent line item shows no change from FY 2017/2018 Estimated Expenditures.

FTRI renewed its lease in 2017 at the same rate. This rate has remained steady for the past 5 years and is not expected to increase.

39. GL# 5561 Utility expense

The Utilities line item shows \$0 increase from FY 2017/2018 Estimated Expenditures.

40. GL# 5563 Retirement

The Retirement line item shows a \$7,993 increase from FY 2017/2018 Estimated Expenditures. FY 2017/2018 estimate is lower than anticipated due to employee turnover.

Retirement is based on salary, budgeted salary increases, and related pension costs for administration of the program through FTRI's plan administrator NTCA. FY 2017/2018 YE estimate was impacted by staff changes during the year. FTRI started out 2017/2018 with 10 employees. The AP person terminated employment and has not been replaced yet, although recruitment efforts are currently underway. Additionally, one employee terminated in February 2018. FY 2018/2019 budget includes 9 employees' projected salary.

41. GL# 5566 Employee Compensation

Employee Compensation line item shows a \$29,213 increase from FY 2017/2018 Estimated Expenditures. FY 2017/2018 estimate is lower than anticipated due to employee turnover. Adding back the two positions that turned over the increase would be nearly eliminated.

FTRI started July 2017 with 10 employees out of 15 authorized positions. The Accounts Payable employee terminated employment on August 31, 2017. As of April 2018, this is still a vacant position actively being recruited for. From September 1, 2017 to January 31, 2018 FTRI is operating with 9 employees. One employee in the equipment department terminated employment in February 2018 reducing FTRI staff temporarily to 8 employees.

FTRI plans on hiring for the Accounts Payable position and has included this position in the budget. Nine (9) employees are budgeted for FY 2018/2019 with an estimated 3% increase in compensation for consideration by the board.

42. GL# 5569 Temporary Staff

The Temporary Employment line item shows \$0.

As advised FTRI no longer is using this line item.

43. GL # 5572 Taxes-Payroll

The Taxes-Payroll line item shows a \$2,186 increase from FY 2017/2018 Estimated Expenditures.

Taxes are budgeted at 7.65% of payroll expense. FTRI has pre-tax section 125 benefits that lower taxable income for employees paying Health Premiums as well as our 403b fully employee funded retirement program that is pre-tax. Nine (9) employees are budgeted for 2018/2019 budget year.

44. GL# 5575 Taxes-Unemployment Compensation

The Taxes-Unemployment Compensation line item shows a \$261 decrease from FY 2017/2018 Estimated Expenditures.

Taxes Unemployment Compensation is budgeted close to the year-end estimate. The tax is on the first \$7,000 of income for each employee, therefore the more turnover the higher the cost both in annual rate and number of employee accounts charged.

Currently FTRI has been assigned the lowest rate of .0010.

45. GL# 5578 Taxes-Licenses

The Taxes-Licenses line item shows \$0 increase from FY 2017/2018 YE estimated.

Taxes-Licenses fee is for FTRI's annual report to the department of state corporate filing.

46. GL# 5581 Telephone Expense

The Telephone line item shows a \$498 decrease from FY 2017/2018 Estimated Expenditures. YTD Dec 2017 is shown less the \$78 Journal Entry to reclassify Capelouto pest control invoice to Office Expense 5551.

FTRI budgeted close to the estimated YE 2017/2018 amount.

47. GL# 5584 Travel & Business Expense

The Travel & Business line item shows a \$1,578 increase from FY 2017/2018 Estimated Expenditures. However, there was a 62% decrease FYE 2018 budget to 2019 budget. This was due mostly to the decrease in staff to 9 employees leaving limited time to travel to conduct business face-to-face.

Travel decreased from 11 trips to 4 trips for staff or managers to meet with RDC and assist them with RDC set up or training. Several RDCs downsized and did not replace staff. FTRI is currently exploring opportunities to expand its presence throughout the state by working with agencies or organizations that focuses on people with disabilities. Additionally, as new equipment is developed and introduced to the market, it may be advantageous for FTRI to visit with vendors. FTRI reduced the budget for staff to attend

industry related conferences or seminars that benefits staff and/or FTRI, due to time constraints on the reduced staff level.

48. GL# 5591 Equipment Maintenance

Equipment Maintenance line item shows a \$14 increase from FY 2017/2018 Estimated Expenditures.

FTRI budgeted close to the estimated YE 2017/2018 amount. FTRI used the TTM (trailing twelve-month average) to project the budget.

49. GL# 5592 Employee Training

The Employee Training/Dev line item shows no increase (\$0) from FY 2017/2018 Estimated Expenditures.

FTRI budgeted for two staff retreats that may be held off-site. FTRI included for 2 staff to attend training sessions as they become available as needed. This maintains the budget at the same level as FY 2017/2018 Estimated Expenditures.

50. GL# 5594 Meeting Expense

The Meeting Expense line item shows a \$0 decrease from FY 2017/2018 Estimated Expenditures.

Due to the lack of available qualified sign language interpreters in Tallahassee, FTRI anticipates the need of securing interpreters outside of Tallahassee for board meetings, etc. This maintains the budget at the same as the FY 2017/2018 Estimated Expenditures.