

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 28, 2019
TO: Adam Teitzman, Commission Clerk, Office of Commission Clerk
FROM: Curtis J. Williams, Office of Industry Development and Market Analysis *CJW*
RE: Docket No. 20190057-TP - Document Filing

Please file the attached documents from James Forstall and Brett Bascom regarding FTRI's 2019/2020 Proposed Budget in Docket No. 20190057-TP.

Please let me know if you have any questions.

Attachments

RECEIVED-FPSC
2019 MAY 28 PM 3:41
COMMISSION
CLERK

Curtis Williams

From: Cayce Hinton
Sent: Monday, December 03, 2018 3:17 PM
To: Greg Fogleman; Curtis Williams
Subject: FW: FTRI Retirement Analysis Report
Attachments: FTRI Letter to Hinton RE Retirement Analysis.pdf; FTRI Retirement Analysis Report 11.15.18.pdf; image001.jpg

From: James Forstall [<mailto:jforstall@ftri.org>]
Sent: Monday, December 03, 2018 2:56 PM
To: Cayce Hinton
Cc: McCabe, Thomas M.; Brett Bascom
Subject: FTRI Retirement Analysis Report

Cayce,

Attached please find a cover letter and Regions Bank analysis report.

Thanks

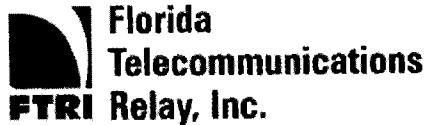
James

James Forstall, Executive Director
Florida Telecommunications Relay Inc. (FTRI)
1820 E Park Avenue, Suite 101
Tallahassee, FL 32301
jforstall@ftri.org
850-270-2641 (VP)



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December 3, 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 Analysis Report

Mr. Hinton:

Pursuant to the Commission's PAA Order dated July 10, 2018, in Docket Number 20180099-TP, attached is the updated defined benefit plan (DBP) report as requested.

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 black ink, appearing to read "James Forstall", written in a cursive style.

James Forstall
Executive Director

CC: FTRI Board of Directors

Attachment

Presented by:



Retirement Plan Review of the NTCA Retirement & Security Program

For

Florida Telecommunications Relay, Inc.

November 6, 2018

Travis Yelverton
Vice President
2000 Capital Circle NE
Tallahassee, FL 32308
850.322.5792
travis.yelverton@regions.com

Christopher Monte
Vice President, Institutional Strategist
525 Okeechobee Blvd, 7th Floor
West Palm Beach, FL 33401
954.551.7905
christopher.monte@regions.com

Marcus Hopkins, CIMA®
Senior Vice President, Portfolio Manager
111 North Orange Avenue
Orlando, FL 32801
407.246.8940
marcus.hopkins@regions.com

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, Corporate Trust and Escrow Services.

Regions Institutional Services works with over 700 retirement plans with over \$5 billion in assets. Of those, Regions has some form of investment authority for approximately 400 plans, representing over \$3.5 billion in assets.

NTCA Retirement and Security Plan Review

Regions Institutional Services has reviewed the plan design, investment returns and administrative structure of the current NTCA R&S Pension plan. The plan is a Defined Benefit multiple employer co-op that is designed to provide flexibility in design while providing traditional formula driven benefits to participants in retirement. The current plan boasts roughly \$2Billion in assets with over 16,000 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.

Investment Performance

The basic allocation used by the NTCA plan is 60% equity, 30% bonds and 10% real estate. The NTCA plan achieved a 16.11% return on assets in 2017 vs 7.25% in 2016 and 0.98% in 2015. Regions will not opine on the performance of the funds, as we were not privy to the applicable benchmarks the advisor was targeting. However, the returns have generally followed the prevailing market environment for those periods.

Funding

The under-funded liability continues to be the biggest issue for the NTCA plan. There are several ways to calculate plan liabilities. The simplest method is to match the current assets to the current liabilities. In other words, compare the assets in the plan to what the participants have earned. As of 12/31/2017, the plan was over 100% funded.

However, ERISA laws now require that Defined Benefit plans use another test called the Funding Target Attainment Percentage (FTAP) test. This takes into account both current liabilities and future benefits to participants. The NTCA plan is funded at roughly 76% using FTAP. Since the funding falls below 80%, the NTCA plan must provide a plan to reduce the shortfall. NTCA is currently using a surcharge to the normal contributions that FTRI and other employers pay each year. The surcharge will continue until 2029. Of note, many large pension plans have similar underfunded liability issues that are addressed in the same fashion as the NTCA plan.

FTRI Plan Funding

The FTRI portion has 16 participants (active, retired and pensioners) in the NTCA plan. The current liability is \$1,200,000 with assets of \$688,000. The underfunded liability is \$533,000. Regions explored several methods to reduce this liability through plan design changes. This included plan termination, plan freeze, moving the assets out of NTCA to a single employer model and a soft freeze for new participants. However, these options would provide no relief to the

current underfunded liability. Furthermore, most options listed above would require FTRI to fully fund the current liability *immediately*.

Conclusion

Regions Institutional Services strongly believes that FTRI is best positioned to remain with the NTCA plan at present. There are currently no substantive financial advantages to moving, terminating or freezing the plan. The current corrective course should remove the underfunded liability over time. It is our recommendation that a periodic review of the investment returns, fees and plan design be conducted to ensure that NTCA is making progress toward the underfunded liability.

Curtis Williams

From: James Forstall <jforstall@ftri.org>
Sent: Friday, March 01, 2019 3:02 PM
To: Curtis Williams; Cayce Hinton; Greg Fogleman
Cc: McCabe, Thomas M.; Pontis, Christie A; Anthony, Kerry (Port St Joe, FL); Carole Lazorisak; Lenhart, Laura; Brett Bascom; James Forstall; Denay Brown
Subject: FTRI FY 2019/2020 Budget
Attachments: FTRI FY 2019-2020 Budget FINAL 3.1.19.pdf; image001.jpg

Good Afternoon Curtis,

Attached please find FTRI's FY 2019/2020 Budget. Please let me know if you have any questions, or need additional clarification.

Thanks

James

James Forstall, Executive Director
Florida Telecommunications Relay Inc. (FTRI)
1820 E Park Avenue, Suite 101
Tallahassee, FL 32301
jforstall@ftri.org
850-270-2641 (VP)



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March 1, 2019

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

RE: **FTRI FY 2019/2020 Budget**

Dear Mr. Williams:

I am pleased to forward a copy of the FY 2019/2020 budget for the Florida Telecommunications Relay, Inc. (FTRI).

The budget maintains the surcharge at 10 cents per access line and at this level is projected to produce revenues of \$5,409,709. As reflected on the attached copy of the approved budget total expenses are projected to be \$5,705,082. A shortfall of \$295,373 will be realized.

Access lines have decreased at the rate of 5.7% during the past four years (2015, 2016, 2017 & 2018) 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 4.0%.

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 2019/2020 Budget @ .10 cents surcharge

	2018/2019 APPROVED BUDGET	2018/2019 ESTIMATED REV & EXPEND	2019/2020 PROPOSED BUDGET	Estimated to Budget VARIANCE 2018/2019 2019/2020	Budget to Budget VARIANCE 2018/2019 2019/2020
OPERATING REVENUE					
1	5,695,749	5,537,279	5,315,788	(221,491)	(379,961)
2	97,902	88,652	93,921	5,269	(3,981)
	TOTAL OPERATING REV	5,625,931	5,409,709	(216,222)	(383,942)
OTHER REVENUE/FUNDS					
3	17,398,350	17,301,477	16,957,128	(344,349)	(441,222)
	TOTAL REVENUE	22,927,408	22,366,837	(560,571)	(825,164)
OPERATING EXPENSES					
CATEGORY I - RELAY SERVICES					
4	2,826,281	2,726,660	2,556,170	(170,490)	(270,111)
	SUBTOTAL-CATEGORY I	2,726,660	2,556,170	(170,490)	(270,111)
CATEGORY II - EQUIPMENT & REPAIRS					
5	0	0	0	0	0
6	0	0	0	0	0
7	4,600	2,300	2,300	0	(2,300)
8	0	0	0	0	0
9	0	620	0	(620)	0
10	0	0	16,875	16,875	16,875
11	936,572	936,748	813,659	(123,089)	(122,913)
12	0	0	0	0	0
13	13,200	37,095	15,480	(21,615)	2,280
14	0	0	0	0	0
15	0	0	0	0	0
16	250	1,296	2,592	1,296	2,342
17	7,733	4,775	12,500	7,725	4,767
18	1,230	981	1,499	518	269
19	76,775	84,408	83,148	(1,260)	6,373
	SUBTOTAL-CATEGORY II	1,068,223	948,053	(120,170)	(92,307)
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING					
20	38,034	40,021	42,793	2,772	4,759
21	667,484	686,630	664,128	(22,502)	(3,356)
22	0	0	0	0	0
23	468	468	468	0	0
	SUBTOTAL-CATEGORY III	727,119	707,389	(19,730)	1,403

Florida Telecommunications Relay, Inc.
Fiscal Year 2019/2020 Budget @ .10 cents surcharge

	2018/2019	2018/2019	2019/2020	Estimated to Budget	Budget to Budget
	APPROVED BUDGET	ESTIMATED REV & EXPEND	PROPOSED BUDGET	VARIANCE 2018/2019 2019/2020	VARIANCE 2018/2019 2019/2020
CATEGORY IV - OUTREACH					
24 Outreach Expense	546,250	546,250	535,650	(10,600)	(10,600)
SUBTOTAL-CATEGORY IV	546,250	546,250	535,650	(10,600)	(10,600)
CATEGORY V - GENERAL & ADMINISTRATIVE					
25 Advertising	15	1,247	1,247	(0)	1,232
26 Accounting/Auditing	26,582	27,027	21,221	(5,806)	(5,361)
27 Legal	36,000	33,360	33,500	140	(2,500)
28 Computer Consultation	5,580	4,577	6,710	2,133	1,130
29 Dues & Subscriptions	2,287	2,307	2,307	0	20
30 Office Furniture Purchase	0	0	0	0	0
31 Office Equipment Purchase	6,263	4,047	9,131	5,084	2,868
32 Office Equipment Lease	1,552	1,751	1,751	0	199
33 Insurance-Hlth/Life/Dsblty	153,027	151,873	165,266	13,393	12,239
34 Insurance-Other	10,729	9,609	9,609	0	(1,120)
35 Office Expense	13,029	11,913	11,914	1	(1,115)
36 Postage	7,490	4,527	4,527	0	(2,963)
37 Printing	1,114	1,216	1,216	0	102
38 Rent	91,205	91,130	91,317	187	112
39 Utilities	5,294	5,250	5,250	0	(44)
40 Retirement	78,773	76,756	80,909	4,153	2,136
41 Employee Compensation	441,149	422,200	456,961	34,761	15,812
42 Temporary Employment	0	0	0	0	0
43 Taxes - Payroll	31,604	30,909	33,478	2,569	1,874
44 Taxes - Unemplmt Comp	63	67	63	(4)	0
45 Taxes - Licenses	61	61	61	0	0
46 Telephone	16,089	15,134	15,615	481	(474)
47 Travel & Business	5,198	4,105	4,055	(50)	(1,143)
48 Equipment Maint.	1,306	762	762	0	(544)
49 Employee Training/Dev	950	2,200	950	(1,250)	0
50 Meeting Expense	883	0	0	0	(883)
51 Miscellaneous Expense	0	0	0	0	0
SUBTOTAL-CATEGORY V	936,243	902,028	957,820	55,792	21,577
TOTAL EXPENSES	6,055,120	5,970,280	5,705,082	(265,198)	(350,038)
REVENUE LESS EXPENSES	17,136,881	16,957,128	16,661,755	(295,373)	(475,126)

-295,373

Line Item Information
FTRI FY 2019/2020 Board Approved Budget
Submitted to the FPSC Staff on Friday, March 1, 2019

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 \$221,491 in surcharges from FY 2018/2019 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 using a conservative estimate based on previous years. FTRI has conservatively selected a decrease of 4 percent for this estimate, although historically over the past 5 years the decrease has been more than 4 percent. Additionally, FTRI applies the conservative estimated decrease of 4 percent to 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 \$5,269 from FY 2018/2019 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 .62% has been used for budget.

4. GL# 5110 Dual Party Relay Provider

The DPR Provider account shows a \$170,490 decrease from FY 2018/2019 Estimated Expenditures. March 1, 2018 began a new contract with SPRINT and the FPSC with higher rates. Traditional TRS increased from \$1.09 per minute to \$1.35 per minute

while CapTel increased from \$1.63 per minute to \$1.69 per minute. Each year FTRI receives a budget estimate from the DPR provider. Attachment B is the spreadsheet provided by Sprint. Sprint requested FTRI fill in the amounts provided in the row noted as forecasted, into the row labeled actual to arrive at the calculated amounts. FTRI has done as requested and Attachment B-1 is the resulting spreadsheet as completed by FTRI per Sprint's request. No year-end estimate was provided by Sprint, therefore FTRI used the budgeted amounts from the prior year.

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 \$2,300. The VCO/HCO-TDD FY 2019/2020 budget is based on actual and estimated costs and distributed units for FY 2018/2019. 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 2019/2020 with 10 new units along with refurbished units of VCO/HCO-TDD equipment on hand in FY 2019/2020. Ten (10) units x \$230 = \$2,300.

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.

9. GL# 5230 Dual Sensory Equipment.

The Dual Sensory Equipment account is budgeted at \$0. 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. In the fiscal year-end June 2019 one client did need a specialized unit for dual sensory and it was provided for \$620. FTRI does not anticipate any demand in the budget year and has budgeted \$0 dollars.

10. GL# 5226 CapTel Equipment.

The CapTel Equipment, 840 Plus is budgeted at \$16,875. Under the 2015 agreement, Sprint provided FTRI with CapTel 840 Plus units at \$0. That agreement has ended with Sprint's 2018 contract. FTRI has enough inventory on hand for six to nine months. FTRI has budgeted 225 units for FY 2019/2020 budget year. $225 \times \$75 = \$16,875$.

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

The VCP Hearing Impaired line item shows a \$123,089 decrease from FY 2018/2019 Estimated Expenditures. The trailing 12-month data at the time of budget preparation, January 2018 to December 2018 units purchased, have been used to estimate FYE 2019 purchases. A detailed analysis was used considering the year over year decrease of 35.3% and the difference in business cycle between the first half of the fiscal year and the second half of the fiscal year. Additionally, a new initiative with Chen Med and Dedicated Medical facilities allows some of our Regional Distribution Centers to distribute equipment to qualified Florida residents at those locations. This initiative created a temporary and unique increase during the July to December 2018 period. 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 is budgeted at \$0. Based on demand FTRI is not budgeting for the purchase of additional new units. Refurbished units on hand should suffice. Additionally, although the manufacturer still has units in stock for purchase, the manufacturer has discontinued model HD-40S.

13. GL# 5253 TeliTalk Speech Aid

The TeliTalk Speech Aid line item shows a \$21,615 decrease from FY 2018/2019 estimated expenditures. During the 2018/2019 fiscal year, ATOS Medical purchased and merged with Griffin Labs, the manufacturer of the TeliTalk. ATOS and FTRI plan to implement distribution of the Telitalk to qualified individuals who have not been served. The year-end estimate includes a temporary increase for qualified Floridians who may benefit from this equipment. Using the TTM (trailing twelve month) historical consumer demand from the prior year FTRI has projected to order (24) twenty-four units for the budget year 2019/2020.

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 projected to be purchased.

15. GL# 5255 In-Line Amplifier

The In-Line Amplifier YE estimate is based on recent demand. There was a limited demand for this equipment during the past year. FTRI anticipates distributing from existing inventory for budget year 2019/2020.

16. GL#5261 ARS Signaling Equipment

The ARS Signaling Equip line item shows a \$1,296 increase from FY 2018/2019 Estimated Expenditures. Specifically, the CR200 signaling equipment that is both audible and visual (flashing light), originally added to the program as a Visual Ring Signaling device,

has been distributed more frequently as an Audible Ring Signaling device. Therefore, the budgeted amount is being moved from VRS to ARS Signaling for this budget year 2019/2020. The traditional SR-200 is still occasionally requested. The trailing twelve months of 2018 shows an average of 8 units per month purchased. Using this average in addition to stock on hand at FTRI and the RDCs, 8 units per month should be enough to meet demand in the budget year 2019/2020.

17. GL# 5262 VRS Signaling Equipment

The VRS Signaling Equip line item shows a \$7,725 increase from FY 2018/2019 Estimated Expenditures. A new flashing (Visual) signaling device is being considered for the program. The Bellman-Symfon unit is multifunctional and uses newer technology. One function allowing the user to control the unit plugged directly into the phone or by transmitter alerting a user of a ringing phone in another room. FTRI is budgeting 100 units based on trailing 12-month data of previous Visual Signaling device distribution.

18. GL# 5265 Accessories & Supplies

The Accessories & Supplies line item shows a \$518.00 increase from FY 2018/2019 Estimated Expenditures. Actual and estimated costs for FY 2018/2020 to include specific purchases for line filters and line simulators. The 12-month average of supplies is \$124.91 per month. This average includes a purchase of in-line filters and a purchase of six phone line simulators to assist staff and RDCs field testing phones by clients.

19. GL#5270-5274 Telecom Equipment Repair

The Telecom Equip Repair line item shows an \$1,260 decrease from FY 2018/2019 Estimated Expenditures. The trailing 12-month average at the time of budget preparation, January 2018 to December 2018, is used to calculate the budget estimate.

20. GL# 5310 Freight-Telecom Equipment

The Freight-Telecomm Equip line item shows a \$2,772 increase from FY 2018/2019 Estimated Expenditures. As XLC7-BT, XLC-3.4, Alto, Alto-Plus 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 2018/2019. 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 \$22,502 decrease from FY 2018/2019 Estimated Expenditures. Most of the decrease is for costs associated with the regional distribution centers RDC contracts for distribution services. The trailing 12-month data at the time of budget preparation, January 2018 to December 2018, 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 FTRI's client database and maintenance and modifications to AIMS. All costs are specifically related to RDC fulfillment of the agreement to provide FTRI services.

	FY 2018-2019 (estimated)	FY 2019-2020 (proposed)
RDC contracts	\$ 612,757	\$ 596,319
AIMS air card \$675 per month	\$ 8,212	\$ 8,249
RDC AIMS Hardware	\$ 817	\$ 900
AIMS Project for RDC	\$ 52,806	\$ 52,620
Auditing	\$ 6,038	\$ 6,040
Interpreters	\$ 6,000	\$ 0
Support Services	\$ 0	\$ 0
	\$ 686,630	\$ 664,128

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 2018/2019 Estimated Expenditures. FTRI plans to hold smaller regional trainings via webinars and, when possible face-to-face meetings when in area for audits 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 \$10,600 decrease from FY 2018/2019 Estimated Expenditures. FTRI plans to continue advertising the program using newspaper insert ad (FSI) 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 2019/2020.

25. GL# 5501 Advertising

Line item shows a \$0 increase from FY 2018/2019 Estimated Expenditures. In FYE 2018/2019, FTRI ran an ad in Craigslist and Career Builder for the Data Entry position at a cost of \$1,247. FTRI budgeted to actual for advertising of possible open positions due to staff turnover. 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. FTRI advertised the position using Career Builder and was filled.

26. GL# 5504 Accounting

The Accounting/Auditing line item shows a \$5,806 decrease from FY 2018/2019 Estimated Expenditures. A compensation analysis 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 2018/2019 was completed. FTRI's CPA firm provided a quote for our annual audit of the 2019/2020 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 a \$140 increase from FY 2018/2019 Estimated Expenditures. FTRI is billed for legal services monthly at \$250 per hour for the first 12 hours of service per month with hours over 12 billed at \$225 per hour. From July–Dec 2018 FTRI paid out \$13,761.57 in legal expense. FTRI conservatively expects January – June 2018 to be similar in expense to the trailing twelve-month average of \$3,266.38 per month and is reflected in the Year End estimate of \$33,360. FTRI has used the FYE estimate as its budget for 2019/2020 with a slight increase.

28. GL# 5510 Computer Consultation

The Computer Consultation line item shows an increase of \$2,133 for the budget year end 2020. YE estimate for FY ending 2019 is the average of the first six months and extrapolated for the full 12 months. FTRI was quoted 58 hours of technical support, network administration, and desktop troubleshooting \$6,710 that includes a new server install and server operating system upgrade.

29. The Dues & Subscriptions expense account shows a \$0 increase from FY 2018/2019 Estimated Expenditures.

FTRI has budgeted as close to the estimated YE 2018/2019 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 about 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 \$5,084 increase from FY 2018/2019 Estimated Expenditures. FTRI expects replacement of two (2) workstations. New server installation and Operating System upgrade is recommended for the 2019/2020 budget

year. Purchase of Office 365 software, renewing Firewall support, antivirus software are also budgeted.

32. GL# 5541 Office Equipment Lease

Office Equipment Lease shows an increase of \$0 from FY 2018/2019 estimated expenditures. FTRI leases a copier and the Pitney Bowes postage equipment. The Pitney Bowes equipment lease had a slight increase during the year. FTRI budgeted close to the estimated YE 2018/2019 amount.

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

The amount budgeted for 2019/2020 Insurance-Hlth/Life/Dsblty account shows a \$13,393 increase from FY 2018/2019 estimated expenditures. FTRI estimated a 7% increase in premium based on response from insurance agency estimated increase. Employees contribute 5% of the premium for single coverage and 25% of the difference between single and dependent coverage. Employee turnover impacted 2018/2019 Health Care cost for the period. During the budget year 2019/2020 FTRI anticipates staff of 9 employees. FTRI has an insurance renewal date of June 1.

34. GL# 5547 Insurance-Other

The Insurance-Other line item shows a \$0 increase from FY 2018/2019 Estimated Expenditures. FTRI estimates that insurance will remain close to the actual 2018/2019 estimated amount for the budget year 2019/2020.

35. GL# 5551 Office Expense

The Office Expense line item shows a \$1 increase from FY 2018/2019 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 2018/2019 estimated expenditures. FTRI estimates that due to follow up with Application Requests, there will be 2 postage deposits into our meter at \$1,021 each ($\$1,021 \times 2 = \$2,042$). 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 2018/2019 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 a \$187 increase from FY 2018/2019 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. The slight increase is due to FTRI's offsite storage facility, Secure Records Solutions.

39. GL# 5561 Utility expense

The Utilities line item shows \$0 increase from FY 2018/2019 estimated expenditures.

40. GL# 5563 Retirement

The Retirement line item shows a \$4,153 increase from FY 2018/2019 estimated expenditures. FY 2018/2019 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. The Data Entry person terminated employment in November 2018 and was replaced in December 2018. The replacement was not eligible for retirement benefits. FY 2019/2020 budget includes 9 employees' projected salary.

41. GL# 5566 Employee Compensation

Employee Compensation line item shows a \$34,761 increase from FY 2018/2019 estimated expenditures. FY 2018/2019 estimate is lower than anticipated due to employee turnover. FTRI started July 2017 with 10 employees out of 15 authorized positions and cut back to 9 positions during 2018. The Data Entry position experienced a turnover in November 2018. Nine (9) employees are budgeted for FY 2019/2020 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 uses this line item.

43. GL # 5572 Taxes-Payroll

The Taxes-Payroll line item shows a \$2,569 increase from FY 2018/2019 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 2019/2020 budget year.

44. GL# 5575 Taxes-Unemployment Compensation

The Taxes-Unemployment Compensation line item shows a \$4 decrease from FY 2018/2019 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 2018/2019 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 \$481 increase from FY 2018/2019 estimated expenditures.

47. GL# 5584 Travel & Business Expense

The Travel & Business line item shows a \$50 decrease from FY 2018/2019 estimated expenditures. Limited staff of 9 employees leaves limited time to travel to conduct business face-to-face. Travel is based on four trips for staff or managers to meet with RDCs and/or vendors and one trip to TEDPA (For the Telecommunications Equipment Distribution Program Association) annual conference. 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 \$0 increase from FY 2018/2019 estimated expenditures. FTRI budgeted close to the estimated YE 2018/2019 amount.

49. GL# 5592 Employee Training

The Employee Training/Dev line item shows a \$1,250 decrease from FY 2018/2019 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 2018/2019 approved budget amount.

50. GL# 5594 Meeting Expense

The Meeting Expense line item shows a \$0 increase from FY 2018/2019 estimated expenditures. Due to the difficulty of securing qualified sign language interpreters in the surrounding Tallahassee area, FTRI has been either unable to obtain interpreters or has held meetings using other means of communication.

Curtis Williams

From: Brett Bascom <bbascom@ftri.org>
Sent: Wednesday, March 13, 2019 3:33 PM
To: Curtis Williams; James Forstall; Cayce Hinton; Greg Fogleman
Cc: McCabe, Thomas M.; Pontis, Christie A; Anthony, Kerry (Port St Joe, FL); Carole Lazorisak; Lenhart, Laura; Denay Brown
Subject: RE: FTRI FY 2019/2020 Budget- Access Line /Revenue Projection Spreadsheet
Attachments: Access Line projection 2019-2020.pdf

Curtis,

Please find attached the spreadsheet for Access Line/Revenue projections for 2019/2020 Budget.

Regards,

Brett

Brett A. Bascom
Business Manager
Florida Telecommunications Relay, Inc.

From: Curtis Williams <CJWillia@PSC.STATE.FL.US>
Sent: Wednesday, March 13, 2019 1:45 PM
To: 'James Forstall' <jforstall@ftri.org>; Cayce Hinton <CHINTON@PSC.STATE.FL.US>; Greg Fogleman <GFoglema@PSC.STATE.FL.US>
Cc: McCabe, Thomas M. <thomas.mccabe@tdstelecom.com>; Pontis, Christie A <Christie.A.Pontis@centurylink.com>; Anthony, Kerry (Port St Joe, FL) <Kerry.Anthony@consolidated.com>; Carole Lazorisak <clazk@aol.com>; Lenhart, Laura <laura.lenhart@ftr.com>; Brett Bascom <bbascom@ftri.org>; Denay Brown <dbrown@lawfla.com>
Subject: RE: FTRI FY 2019/2020 Budget

Good Afternoon James,

Please forward the Access Line Report Spreadsheet (Attachment A) referenced in Line Item 1 of your budget filing.

Thank you

Curtis J. Williams
Public Utility Analyst
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Office: (850) 413-6924
Fax: (850) 413-6925
Email: cjwillia@psc.state.fl.us

From: James Forstall [<mailto:jforstall@ftri.org>]

Sent: Friday, March 01, 2019 3:02 PM

To: Curtis Williams; Cayce Hinton; Greg Fogleman

Cc: McCabe, Thomas M.; Pontis, Christie A; Anthony, Kerry (Port St Joe, FL); Carole Lazorisak; Lenhart, Laura; Brett Bascom; James Forstall; Denay Brown

Subject: FTRI FY 2019/2020 Budget

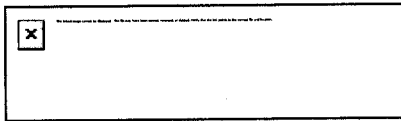
Good Afternoon Curtis,

Attached please find FTRI's FY 2019/2020 Budget. Please let me know if you have any questions, or need additional clarification.

Thanks

James

James Forstall, Executive Director
Florida Telecommunications Relay Inc. (FTRI)
1820 E Park Avenue, Suite 101
Tallahassee, FL 32301
jforstall@ftri.org
850-270-2641 (VP)

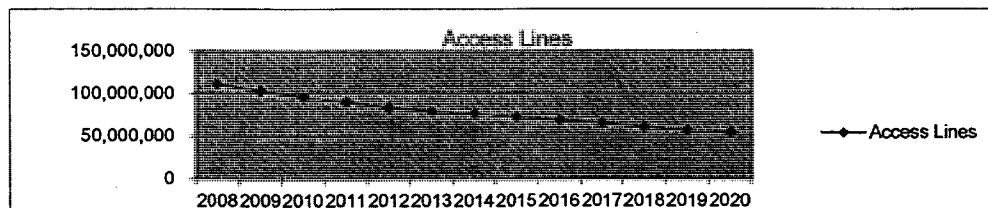


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Access Line History Analysis

Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
9,375,466	8,815,004	8,096,486	7,553,596	6,838,945	6,584,024	6,342,565	6,037,538	5,663,980	5,434,653	5,106,749
9,147,278	8,716,368	8,071,695	7,479,208	6,885,220	6,542,931	6,417,097	6,058,064	5,763,787	5,382,161	5,198,631
9,189,886	8,677,177	7,999,621	7,467,529	6,908,125	6,484,155	6,326,848	5,996,476	5,677,509	5,483,982	4,652,845
9,210,967	8,627,120	8,002,066	7,471,296	6,906,132	6,550,447	6,295,333	6,008,217	5,669,304	5,451,714	5,119,770
9,186,287	8,702,997	7,971,025	7,512,138	6,995,830	6,597,709	6,346,244	6,008,230	5,582,548	5,382,897	5,066,772
9,245,212	8,599,711	7,915,128	7,529,090	7,002,979	6,617,452	6,329,055	5,998,176	5,626,389	5,411,053	5,026,677
9,207,363	8,614,307	7,913,944	7,591,945	6,990,842	6,614,046	6,311,380	5,947,106	5,680,962	5,333,032	5,021,265
9,366,684	8,606,756	7,934,664	7,645,686	6,991,732	6,591,998	6,310,239	5,979,789	5,683,945	5,358,156	4,978,308
9,205,512	8,461,321	7,905,190	8,433,887	6,980,559	6,604,885	6,287,958	5,963,739	5,640,987	5,267,429	4,968,714
9,021,459	8,418,451	7,776,405	7,325,384	6,836,589	6,535,761	6,327,782	5,908,286	5,623,961	5,469,947	4,907,157
8,943,114	8,323,903	7,736,433	7,301,180	6,534,574	6,433,387	6,076,699	5,833,538	5,598,573	5,203,327	4,807,765
9,229,862	8,140,191	7,564,735	6,030,052	6,729,774	6,359,081	6,047,010	5,732,312	5,512,584	5,156,204	4,725,778
<u>110,329,090</u>	<u>102,703,306</u>	<u>94,887,392</u>	<u>89,340,991</u>	<u>82,601,301</u>	<u>78,515,876</u>	<u>75,418,210</u>	<u>71,471,471</u>	<u>67,724,529</u>	<u>64,334,555</u>	<u>59,580,431</u>
<u>9,194,091</u>	<u>8,558,609</u>	<u>7,907,283</u>	<u>7,445,083</u>	<u>6,883,442</u>	<u>6,542,990</u>	<u>6,284,851</u>	<u>5,955,956</u>	<u>5,643,711</u>	<u>5,361,213</u>	<u>4,965,036</u>
						75,418,210	71,471,471	67,724,529	64,334,555	59,580,431
<u>-4.21%</u>	<u>-6.91%</u>	<u>-7.61%</u>	<u>-5.85%</u>	<u>-7.54%</u>	<u>-4.95%</u>	<u>-3.95%</u>	<u>-5.23%</u>	<u>-5.24%</u>	<u>-5.01%</u>	<u>-7.39%</u>
							5.23%	5.24%	5.01%	7.39%
\$12,014,837.90	\$11,184,390.02	\$10,333,236.99	\$9,729,233.92	\$8,995,281.68	\$8,550,378.90	\$8,213,043.07	\$7,783,243.19	\$8,045,674.05	\$7,006,033.04	\$5,898,462.67
2008	2009	2010	2011	2012	2013	2014	11 cents 2015	12 cents 2016	11 cents 2017	10 cents 2018



Access Line History Analysis

Updated: 10/17/18

Actual/Estimates Actual/Estimates

FYE 2019 FYE 2020

4,689,102 4,501,538
 4,644,509 4,458,729
 4,622,997 4,438,077
 4,596,316 4,412,463
 4,551,576 4,369,513
 4,594,984 4,411,185
 4,820,414 4,627,598
 4,779,176 4,588,009
 4,769,965 4,579,167
 4,710,871 4,522,436
 4,615,454 4,430,836
 4,536,747 4,355,277

55,932,112 53,694,827

4,661,009 4,474,569

Access Lines	Revenue
Estimates FYE 2020 w/ 4% decrease	FYE 2020 estimate @ .10 w/ 4% decrease
4,501,538	\$445,652 July
4,458,729	\$441,414 August
4,438,077	\$439,370 September
4,412,463	\$436,834 October
4,369,513	\$432,582 November
4,411,185	\$436,707 December
4,627,598	\$458,132 January
4,588,009	\$454,213 February
4,579,167	\$453,338 March
4,522,436	\$447,721 April
4,430,836	\$438,653 May
4,355,277	\$431,172 June
53,694,827	\$5,315,788
FYE 2020 Lines	FYE 2020 Revenue

55,932,112 53,694,827
 -6.12% -4.00%

-6.12% -4.00%
 \$5,537,279.04 \$5,315,787.88
 10 cents 10 cents
 2019 2020

-4.00%

\$5,537,279.04 FYE 2019 Buc
 \$5,315,787.88 FYE 2020 est.
 \$221,491.16
 4.00% % Change

**\$531,578.79 Revenue loss from
 1 cent of surcharge**

Curtis Williams

From: James Forstall <jforstall@ftri.org>
Sent: Wednesday, March 27, 2019 12:05 PM
To: Curtis Williams; Cayce Hinton; Greg Fogleman
Cc: Brett Bascom; McCabe, Thomas M.
Subject: Evergreen Solutions Report
Attachments: FTRI - FINAL Evergreen Compensation Analysis Report 12.10.18.pdf; image001.jpg

Curtis, Cayce and Greg,

Attached is the electronic version of the Evergreen Report.

Thanks

James

James Forstall, Executive Director
Florida Telecommunications Relay Inc. (FTRI)
1820 E Park Avenue, Suite 101
Tallahassee, FL 32301
jforstall@ftri.org
850-270-2641 (VP)

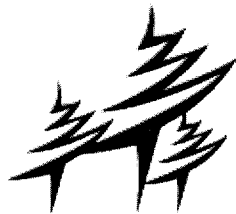
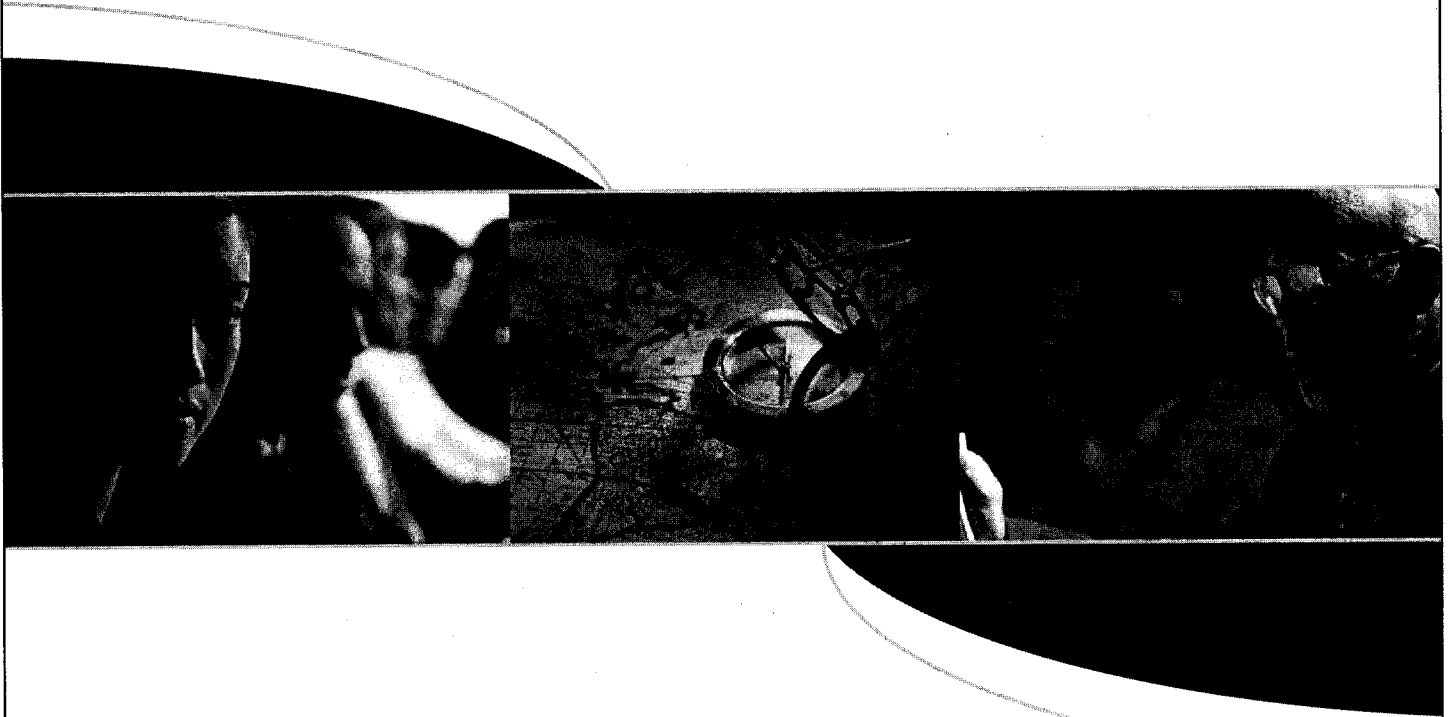


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Compensation Analysis
for the Florida Telecommunications Relay, Inc.

FINAL REPORT



Evergreen Solutions, LLC

December 10, 2018

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Chapter 1 - Introduction

Evergreen Solutions, LLC (Evergreen) began conducting a Compensation Analysis study for the Florida Telecommunications Relay, Inc. (FTRI) beginning in September 2018. The purpose was to analyze its compensation system and make recommendations to improve FTRI's competitive position in the labor market. The study activities involved analyzing the external equity of FTRI's system and making recommendations in response to those findings.

Study tasks involved:

- holding a study kick-off meeting;
- analyzing FTRI's current salary structure to determine its strengths and weaknesses;
- facilitating discussions with FTRI's project team to develop an understanding of its compensation philosophy;
- conducting a market salary survey to assess the external equity, or market competitiveness, of FTRI's current pay plan and compare and contrast those offered by peer organizations;
- developing a new competitive compensation structure and slotting classifications into that structure while ensuring both external and internal equity;
- developing appropriate methods for transitioning employees' salaries into the new structure and calculating cost estimates for implementation;
- providing FTRI with information and strategies regarding compensation administration; and
- preparing and submitting draft and final reports that summarize the study findings and recommendations.

1.1 STUDY METHODOLOGY

Evergreen used a combination of quantitative and qualitative methods to develop recommendations to improve FTRI's competitive position in the labor market. Study activities included:



Kick-off Meeting

The kick-off meeting allowed members of the study team from FTRI and Evergreen to discuss different aspects of the study. During the meeting, information about the FTRI's compensation structure was shared and the work plan for the study was finalized. The meeting also provided an opportunity for Evergreen to explain the types of data needed to begin the study.

Assessment of Current Conditions

This analysis provided an overall assessment of the FTRI's current pay structure (plan) and related employee data at the time of the study. The current pay plan and the progression of employees' salaries through the pay ranges were examined during this process. The findings of this analysis are summarized in Chapter 2 of this report.

Compensation Philosophy

Evergreen conducted meetings with the FTRI's project team to develop an understanding of its position with regard to employee compensation. Several key factors were examined and provided the framework for the recommended compensation system and related pay practices.

Market Analysis

For the salary survey, peers were identified that compete with FTRI for human resources and/or provide similar services. A survey tool was developed for the collection of salary range data for each classification in FTRI's pay plan. The salary data collected during the survey were analyzed; a summary of which can be found in Chapter 3 of this report.

Recommendations

During the review of the compensation philosophy, FTRI identified its desire to be competitive with the labor market for most positions while recognizing there may be need to be ahead of the market for key classifications. Understanding this, and utilizing the findings of the analysis of external equity, a new compensation structure was created. Next, implementation options were developed to transition employees' salaries into the new structure (pay plan), and the associated costs of adjusting employees' salaries were estimated. Information was also provided on how to maintain the compensation system going forward. A summary of all study findings and recommendations can be found in Chapter 4 of this report.

1.2 REPORT ORGANIZATION

This report includes the following additional chapters:

- Chapter 2 – Assessment of Current Conditions
- Chapter 3 – Market Summary
- Chapter 4 – Recommendations



Chapter 2 – Assessment of Current Conditions

The purpose of this evaluation was to provide an overall assessment of FTRI's compensation structure, employee salary progression, and employee counts in each department. Data included here reflect the conditions when the study began, and should be considered, as such, a snapshot in time. The insights gained from this evaluation provided the basis for further analysis through the course of this study and were not considered sufficient cause for recommendations independently. Instead, the results of this evaluation were considered during the analysis of peer market data. Subsequently, appropriate compensation related recommendations were developed for FTRI and are described later in this report.

2.1 PAY PLAN ANALYSIS

FTRI administered an open-range pay plan for all employees. Exhibit 2A illustrates the plan for full-time and part-time employees which had listed minimums, midpoints, and maximum salaries. The pay plan for its nine employees consisted of six ranges which were not identified with pay grades. Evergreen listed these as one through six for organizational purposes. Range spreads – the percentage difference between the minimum and maximum of the pay ranges – were a constant 67 percent for each range.

EXHIBIT 2A
EMPLOYEE PAY PLAN

Range	Minimum	Midpoint	Maximum	Range Spread	Employees
1	\$ 19,266	\$ 25,688	\$ 32,110	67%	1
2	\$ 23,634	\$ 31,512	\$ 39,390	67%	1
3	\$ 25,912	\$ 34,549	\$ 43,186	67%	3
4	\$ 43,992	\$ 58,656	\$ 73,320	67%	1
5	\$ 46,691	\$ 62,254	\$ 77,818	67%	2
6	\$ 65,177	\$ 86,902	\$108,628	67%	1

Source: Created by Evergreen Solutions from data provided by FTRI as of October 2018.



2.2 EMPLOYEE SALARY PLACEMENT BY RANGE

When assessing the effectiveness of FTRI's pay plan and practices, it is important to analyze where employees' salaries fell within each pay range. Identifying those areas where there may have been clusters of employees' salaries could illuminate potential pay progression concerns within the current pay plan. It should be noted that employees' salaries, and the progression of the same, is associated with an organization's compensation philosophy – specifically, the method of salary progression and the availability of resources. Therefore, the placement of employees' salaries should be viewed with this context in mind.

Exhibit 2B illustrates the placement of employees' salaries in the plan relative to pay range minimums and maximums. The exhibit contains the following:

- the pay ranges,
- the number of employees in classifications assigned to the pay ranges,
- the number and percentage of employees with salaries below the minimum,
- the number and percentage of employees with salaries at the minimum,
- the number and percentage of employees with salaries at the maximum, and
- the number and percentage of employees with salaries above the maximum.

EXHIBIT 2B SALARY PLACEMENT BELOW MINIMUM AND ABOVE MAXIMUM BY RANGE

Range	Employees	# < Min	% < Min	# at Min	% at Min	# at Max	% at Max	# > Max	% > Max
1	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	3	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	2	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	1	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	9	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Source: Created by Evergreen Solutions from data provided by FTRI as of October 2018.

Employees with salaries at the range minimum are typically new hires or are new to their classification following a recent promotion; on the other hand, employees with salaries at the range maximum are typically highly experienced and proficient in their classification. As Exhibit 2B illustrates, at the time of this study, none of the nine employees had a salary below their range minimum nor above their range maximum.

Exhibit 2C illustrates the placement of employees' salaries relative to pay range midpoints. The exhibit contains the following:

- the pay ranges,
- the number of employees in classifications assigned to the pay range,



- the number and percentage of employees with salaries below the midpoint,
- the number and percentage of employees with salaries at the midpoint, and
- the number and percentage of employees with salaries above the midpoint of each pay range.

EXHIBIT 2C
SALARY PLACEMENT RELATIVE TO MIDPOINT

Range	Employees	# < Mid	% < Mid	# at Mid	% at Mid	# > Mid	% > Mid
1	1	0	0.0%	0	0.0%	1	100.0%
2	1	1	100.0%	0	0.0%	0	0.0%
3	3	2	66.7%	0	0.0%	1	33.3%
4	1	1	100.0%	0	0.0%	0	0.0%
5	2	2	100.0%	0	0.0%	0	0.0%
6	1	0	0.0%	0	0.0%	1	100.0%
Total	9	6	66.7%	0	0.0%	3	33.3%

Source: Created by Evergreen Solutions from data provided by FTRI as of October 2018.

Employees with salaries close to or at the midpoint of a pay range should be fully proficient in their classification and require minimal supervision to satisfactorily complete their job duties. Within this framework, range midpoint is commonly considered to be the salary an individual could reasonably expect for similar work in the market. Therefore, it is important to examine the percentage and number of employees with salaries at, above and below the calculated midpoint. Of the nine employees with classifications in FTRI's pay plan, six employees had salaries below the midpoint of their respective range, no employees had salaries at the midpoint, while three employees had salaries above the midpoint.

2.3 SALARY QUARTILE ANALYSIS

This section provides an additional analysis of the distribution of employees' salaries across the pay ranges at the time of this study. Examining employee salary placement by range quartile provided insight into whether clustering of employees' salaries existed within each pay range. For this analysis, employees' salaries were slotted within one of four equal distributions. The first quartile (0-25) represents the lowest 25 percent of the pay range. The second quartile (26-50) represents the segment of the pay range above the first quartile up to the pay range's midpoint. The third quartile (51-75) represents the part of the pay range above the midpoint up to the 75th percentile of the pay range. The fourth quartile (76-100) is the highest 25 percent of the pay range. This analytical method provided an opportunity to assess how employees' salaries were disbursed throughout each pay range.

Exhibit 2D provides a breakdown of placement of employees' salaries relative to salary quartile. The exhibit provides the following:



- the pay ranges,
- the number of employees per pay range, and
- the location (by quartile) of the employees' salaries within each range.

**EXHIBIT 2D
SALARY QUARTILE ANALYSIS**

Range	Total Employees	1st Quartile # Employees	2nd Quartile # Employees	3rd Quartile # Employees	4th Quartile # Employees
1	1	0	0	0	1
2	1	1	0	0	0
3	3	1	1	0	1
4	1	1	0	0	0
5	2	0	2	0	0
6	1	0	0	0	1
Overall Total	9	3	3	0	3
Percentage		33.33%	33.33%	0.00%	33.33%

Source: Created by Evergreen Solutions from data provided by FTRI as of October 2018.

FTRI's employees' salaries were overall clustered below the midpoint of their pay range. In each of the first two quartiles, there were three employees. The fourth quartile had three employees as well, while there were no employees with salaries in the third quartile. There was no distinct correlation between the level of the pay range and the distribution of salaries among the quartiles.

2.4 EMPLOYEES BY DEPARTMENT

At the time the study commenced, FTRI employed nine individuals across four departments. Exhibit 2E depicts the number of employees and the number of classifications in each department and is intended only to provide basic information regarding employee distribution by departments. Equipment Distribution had the most employees with four.

**EXHIBIT 2E
EMPLOYEES BY DEPARTMENT**

Department	Employees	Classes
Accounting/Admin	3	3
Equipment Distribution	4	4
Executive	1	1
Outreach	1	1
Total	9	9

Source: Created by Evergreen Solutions from data provided by FTRI as of October 2018.



2.5 SUMMARY

Overall, FTRI's compensation structure showed possibilities for improvement. The key points from the analysis of the current structure were:

- FTRI administered an open-range pay plan for its nine employees with six pay ranges.
- More of FTRI employees' salaries fell below the midpoint, with six of nine employees' salaries falling within the first and second quartiles.

It appeared that a slight clustering of employees' salaries below midpoint had occurred over time. As a pay system is intended to encourage employee salary growth based on an organization's compensation philosophy, two-thirds of the employees' salaries in the first two quartiles indicates a possible need for further examination of FTRI's pay system and practices.

The information gained from this review of current conditions was used in conjunction with the market analysis data review to develop recommendations for a competitive compensation plan that would best align with FTRI's compensation philosophy moving forward. These recommendations can be found in Chapter 4 of this report.



Chapter 3 – Market Summary

This chapter provides a market analysis in which FTRI's salary ranges were compared to the salary ranges at peer organizations. The data from targeted market peers were used to evaluate the overall compensation at FTRI at the time of this study. It is important to note that the market comparisons contained herein do not translate well at the individual employee level and are instead used to provide an overall analysis. Therefore, this is not intended to evaluate salaries paid to individuals as this compensation is determined through a combination of factors which could typically include: the demand for a job, a candidate's prior experience, or an individual's negotiation skills during the hiring process.

Furthermore, it should be noted that market comparisons are best thought of as a snapshot of current market conditions. In other words, market conditions change and, in some cases, change quickly; so, while market surveys are useful for making updates to salary structures or benefits provided to employees, they must be done at regular intervals if FTRI wishes to remain current with its market peers and market salary trends.

3.1 PUBLIC SECTOR SALARY SURVEY RESULTS

Evergreen collected pay range information from target public sector organizations utilizing a salary survey tool. All job classifications were surveyed, including those that were not occupied by employees at FTRI during the time of this study. This ensured data were collected for all classifications in the event these are utilized in the future. The job title, a description of assigned duties, and the education and experience requirements for each classification were provided in the survey tool so that peers could determine if the position existed within their organization.

Evergreen received concurrence from FTRI regarding the target peers to which the survey was provided. Several factors were utilized when developing the peer list, including geographic proximity to FTRI, organization size, type of work performed, and the relative population being served by the organization. All collected data were adjusted for cost of living using a national cost of living index factor which allowed salary dollars from organizations outside of the immediate recruiting area to be adjusted for the cost of living relative to Tallahassee, FL. Exhibit 3A provides the list of 15 market peers from which data were collected.

**EXHIBIT 3A
SALARY PEER DATA COLLECTED**

Market Peers
City of Tallahassee, FL
Leon County, FL
Leon County School Board
Florida Assisted Living Association
Florida Association
Florida Association of School Administrators
Florida Bankers Association
Florida Health Care Association
Florida Medical Association
Florida Realtors Association
Florida Restaurant Association Inc
Florida Rural Water Association
Florida Sheriffs Association
Florida Homeowners Association
Small Businesses of America
State of Florida
Alabama Telecommunications Access Program
Georgia Telecommunications Equipment Distribution Program
Kentucky Telecommunications Access Program
Louisiana School for the Deaf Equipment Program
Mississippi Relay Equipment Distribution Program
South Carolina Equipment Distribution Program
Tennessee Telecommunication Device Access Program
Texas Specialized Telecommunications Assistance Program
Virginia Technical Assistance Program

*Bold indicates data collected from peer

To determine the position of FTRI's existing structure, Evergreen compared the salary ranges to the market average for the surveyed classifications. Exhibit 3B provides a summary of the comparison and contains the following:

- The market salary range information for each classification. This indicates the market minimum, midpoint, and maximum of the peer survey data for each benchmarked classification.
- The percent differentials (to FTRI's existing salary ranges). A positive differential indicates FTRI was above the market average for that classification at the minimum, midpoint, or maximum. A negative differential indicates FTRI was below the desired market position for that classification. The final row provides the average percent differentials for the minimum, midpoint, and maximum for all surveyed classifications.



- The survey average range width (spread). This provides the average range width for each classification surveyed determined by the average minimum and average maximum salaries of the respondents, relative to the minimum. The average range width for each classification is provided in the second to last column, and the average range width for all of the classifications collectively is provided in the final row. The number of responses collected for each classification is provided in the final column and the average number of responses for all the classifications is provided in the final row.

**EXHIBIT 3B
SALARY SURVEY SUMMARY**

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range	# Resp.
	Average	% Diff	Average	% Diff	Average	% Diff		
Accounts Payable Clerk	\$26,782.40	-39.0%	\$34,274.33	-33.4%	\$41,766.26	-30.1%	56.0%	13
Accounts Receivable/Administrative Specialist	\$28,207.97	-8.9%	\$36,467.36	-5.6%	\$44,726.76	-3.6%	58.6%	15
Business Manager	\$55,281.18	-18.4%	\$74,792.99	-20.1%	\$94,304.80	-21.2%	70.5%	14
Customer Care Representative	\$24,255.26	6.4%	\$31,668.71	8.3%	\$39,082.16	9.5%	61.2%	15
Data Verification Specialist/Customer Service	\$26,729.01	-13.1%	\$34,874.71	-10.7%	\$43,020.41	-9.2%	60.9%	15
Distribution Program Clerk	\$25,334.51	-7.2%	\$31,788.34	-0.9%	\$38,242.17	2.9%	51.0%	14
Distribution Program Coordinator I	\$30,144.61	-27.5%	\$37,255.37	-18.2%	\$44,366.13	-12.6%	47.3%	11
Equipment Distribution Program Manager	\$51,703.42	-17.5%	\$68,818.17	-17.3%	\$85,932.91	-17.2%	66.2%	14
Executive Director	\$70,388.42	-8.0%	\$94,415.12	-8.6%	\$118,441.82	-9.0%	68.3%	13
Outreach Manager	\$51,786.02	-10.9%	\$66,568.58	-6.9%	\$81,351.14	-4.5%	57.1%	12
Receptionist	\$22,062.57	-14.5%	\$28,404.10	-10.6%	\$34,745.64	-8.2%	57.6%	15
Overall Average		-14.4%		-11.3%		-9.4%	59.5%	13.7

Market Minimums

A starting point of the analysis was to compare the peer's market minimum for each classification to FTRI's range minimums. Market minimums are generally considered as an entry level salary for employees who meet the minimum qualifications of a classification. Those employees with salaries at or near the range minimums typically are unlikely to have mastered the job and probably have not acquired the skills and experience necessary to be fully proficient in their classification.

As Exhibit 3B illustrates, for the benchmarked classifications, FTRI was, on average, approximately 14.4 percent below market at the minimum of the respective salary ranges. The following observations can be made based on the collected data:

- The surveyed position differentials ranged from 39.0 percent below market minimum in the case of the Accounts Payable Clerk classification to 6.4 percent above market for the Customer Care Representative classification.
- Of the 11 classifications surveyed with differentials, 10 had differentials below market at the minimum.



Market Midpoint

Market midpoints are important to consider because they are commonly recognized as the salary point at which employees are fully proficient in satisfactorily performing their work. As such, midpoint is often considered as the salary point at which a fully proficient employee could expect his or her salary to be placed.

As Exhibit 3B illustrates, for the benchmarked classifications, the FTRI was, on average, 11.3 percent below market at the midpoint of the respective salary ranges. Based on the collected data, the following observations can be made:

- The surveyed position differentials ranged from 33.4 percent below market midpoint in the case of the Accounts Payable Clerk classification to 8.3 percent above market for the Customer Care Representative classification.
- Of the 11 classifications surveyed with differentials, 10 had differentials below market at the midpoint.

Market Maximums

In this section, the average of the peer salary range maximums is compared to the FTRI's range maximums for each benchmarked classification. The market maximum is significant as it represents the upper limit salary that an organization might provide to retain and/or reward experienced and high performing employees. Additionally, being competitive at the maximum allows organizations to attract highly qualified individuals for in-demand classifications.

As Exhibit 3B illustrates, FTRI's benchmarked positions were, on average, 9.4 percent below market at the maximum of the respective salary ranges. Based on the collected data, the following observations can be made:

- The surveyed position differentials ranged from 30.1 percent below market maximum in the case of the Accounts Payable Clerk classification to 9.5 percent above market for the Customer Care Representative classification.
- Of the 11 classifications surveyed with differentials, 9 were below market at the maximum.

3.2 PRIVATE SECTOR SALARY SURVEY RESULTS

Classifications similar to those at FTRI can also be found in the private sector. To supplement the public-sector data, private sector salary data for November 2018 from Economic Research Institute (ERI) were analyzed for these easily transferable positions. Exhibit 3C summarizes the ERI private sector salary data for the Leon County, FL area. While salary data from the private sector were useful in determining characteristics of the market, there are inherent differences between private and public-sector classifications which made



it difficult to draw conclusions about public sector salary ranges entirely from private sector data. However, the data were considered when making the pay grade recommendations discussed in Chapter 4 of this report.

**EXHIBIT 3C
PRIVATE SECTOR SALARY SURVEY SUMMARY**

Classification	Survey Minimum		Survey Midpoint		Survey Maximum		Survey Avg Range
	ERI	% Diff	ERI	% Diff	ERI	% Diff	
Accounts Payable Clerk	\$27,212.00	-41.2%	\$33,450.00	-30.2%	\$39,688.00	-23.6%	45.8%
Accounts Receivable/Administrative Specialist	\$27,212.00	-5.0%	\$33,450.00	3.2%	\$39,688.00	8.1%	45.8%
Business Manager	\$57,177.00	-22.5%	\$75,677.00	-21.6%	\$94,177.00	-21.0%	64.7%
Customer Care Representative	\$23,155.00	10.6%	\$29,208.00	15.5%	\$35,261.00	18.4%	52.3%
Data Verification Specialist/Customer Service	\$28,303.00	-19.8%	\$34,681.00	-10.1%	\$41,059.00	-4.2%	45.1%
Distribution Program Clerk	\$23,750.00	-0.5%	\$27,807.50	11.8%	\$31,865.00	19.1%	34.2%
Distribution Program Coordinator I	\$32,952.00	-39.4%	\$42,028.50	-33.4%	\$51,105.00	-29.7%	55.1%
Equipment Distribution Program Manager	\$56,032.00	-27.4%	\$72,765.50	-24.1%	\$89,499.00	-22.1%	59.7%
Executive Director	\$68,432.00	-5.0%	\$88,712.50	-2.1%	\$108,993.00	-0.3%	59.3%
Outreach Manager	\$63,345.00	-35.7%	\$80,492.00	-29.3%	\$97,639.00	-25.5%	54.1%
Receptionist	\$22,957.00	-19.2%		100.0%	\$31,212.00	2.8%	36.0%
Overall Average		-18.6%		-1.8%		-7.1%	50.2%

3.3 MARKET SUMMARY

From the analysis of the data gathered in the external market assessment discussed above, the benchmark classifications' salary ranges were primarily found to be below FTRI's desired market position. The review of the data indicated FTRI would benefit from implementing a new competitive pay plan structured more similarly to its peers. This recommendation, as well as others related to the study, can be found in the next chapter of this report.



Chapter 4 - Recommendations

The analysis of FTRI's compensation system revealed areas of opportunity for improvement. Evergreen worked to create a new comprehensive pay structure using data from the existing pay structure, placing focus on developing a more competitive compensation system. Study recommendations, as well as the findings that led to each, are discussed in this chapter.

4.1 COMPENSATION SYSTEM

The compensation system analysis consisted of two parts: an external market assessment and an internal equity review. During the external market assessment, FTRI's pay ranges were compared to the average of the identified market and provided in Chapter 3 of this report. During the internal equity review, consideration of the relationships between and the type of work being performed by the FTRI's employees were analyzed. The results of both the external and internal equity analyses were utilized when developing the recommendations below.

FINDING

FTRI's salary ranges were behind its desired market position for all of the benchmark classifications at the minimum, and were behind its desired market position for most of the benchmark classifications at the midpoint, and maximums. Implementing a new pay structure would provide FTRI with an improved ability to attract, hire and retain employees.

RECOMMENDATION 1: Create a new competitive open-range pay plan aligned with FTRI's compensation philosophy that reflects its desired market position and best practices; slot all classifications into the plan based on external and internal equity; and implement the new structure by transitioning employees' salaries into the plan.

Exhibit 4A shows the proposed new open-range pay plan for all employees with 13 pay grades, numbered 1 through 13. The range spreads are 60.0 percent in the first seven pay grades, and 65.0 percent in grades eight and above, as employees in these grades typically remain in their classifications for an extended period of time.



EXHIBIT 4A
PROPOSED PAY PLAN

Grade	Minimum	Midpoint	Maximum	Range Spread
1	\$ 22,849	\$ 29,704	\$ 36,559	60%
2	\$ 24,220	\$ 31,487	\$ 38,753	60%
3	\$ 25,674	\$ 33,376	\$ 41,078	60%
4	\$ 27,214	\$ 35,378	\$ 43,543	60%
5	\$ 28,847	\$ 37,501	\$ 46,155	60%
6	\$ 30,578	\$ 39,751	\$ 48,924	60%
7	\$ 32,412	\$ 42,136	\$ 51,860	60%
8	\$ 54,021	\$ 71,578	\$ 89,135	65%
9	\$ 57,263	\$ 75,873	\$ 94,483	65%
10	\$ 60,698	\$ 80,425	\$100,152	65%
11	\$ 64,340	\$ 85,251	\$106,161	65%
12	\$ 68,201	\$ 90,366	\$112,531	65%
13	\$ 72,293	\$ 95,788	\$119,283	65%

After developing the new pay plan, Evergreen slotted each proposed classification into the appropriate pay range in the recommended plan. Both internal and external equity were analyzed when slotting the classifications. Assigning pay grades to classifications requires a balance of internal equity, desired market position, and recruitment and retention concerns. Thus, market range data shown in Chapter 3 were not the sole criteria for the proposed pay ranges, though considered heavily. The resulting recommended pay grades for each of the FTRI's classifications are shown in Exhibit 4B.

EXHIBIT 4B
PROPOSED PAY GRADES

Recommended Class Title	Proposed Grade	Proposed Minimum	Proposed Midpoint	Proposed Maximum
Receptionist	1	\$ 22,849.48	\$ 29,704.32	\$ 36,559.16
Distribution Program Clerk	3	\$ 25,673.67	\$ 33,375.77	\$ 41,077.87
Accounts Payable	4	\$ 27,214.09	\$ 35,378.32	\$ 43,542.55
Accounts Receivable/Admin Specialist	5	\$ 28,846.94	\$ 37,501.02	\$ 46,155.10
Data Verification Specialist/Customer Service	6	\$ 30,577.75	\$ 39,751.08	\$ 48,924.41
Distribution Program Coordinator I	7	\$ 32,412.42	\$ 42,136.14	\$ 51,859.87
Customer Care Representative	8	\$ 54,021.35	\$ 71,578.28	\$ 89,135.22
Distribution Program Coordinator II	9	\$ 57,262.63	\$ 75,872.98	\$ 94,483.33
EDP Manager	13	\$ 72,292.75	\$ 95,787.89	\$ 119,283.03
Outreach Manager				
Business Manager				
Executive Director				



After assigning pay grades to classifications, the next step was to develop appropriate methods (options) for transitioning employees' salaries into the revised plan. This was done utilizing equitable methods (options) for calculating salaries in the new pay plan and determining whether adjustments were necessary to individual salaries to bring them to their calculated salary. Evergreen calculated and provided optional transition methods in implementing the new plan for FTRI's consideration.

Bring Employees' Salaries to New Minimums

Employees' salaries were compared to the minimums of their classification's proposed pay grades/ranges. If an employee's salary was below his or her classification's grade minimum, an adjustment was proposed to raise the individual's salary to the minimum of their respective pay range.

Utilizing this approach, adjustments were recommended for three employees with an approximate annualized cost of **\$11,897**. This was the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits. Evergreen recommended that this initial step be implemented in full before any phased adjustments occur.

Current Range Penetration

A calculation was performed to determine the percentage through the current range an employee's salary falls. The employees' recommended salaries were then placed at the same percentage through the proposed ranges.

Utilizing this approach, adjustments were recommended for all current (eight) employees with an approximate annualized cost of **\$70,805**. This was the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits. This option includes the Bring to New Minimums cost.

Current Range Penetration - Capped at Midpoint

Similar to the Current Range Penetration option, a calculation was performed to determine the percentage through the current range an employee's salary falls. The employees' recommended salaries were then placed at the same percentage through the proposed ranges. However, this method did not place any salary beyond new midpoints unless an individual employee's salary was already above that point.

Utilizing this approach, adjustments were recommended for six employees with an approximate annualized cost of **\$53,083**. This was the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits. This option includes the Bring to New Minimums cost.



Move Toward Market – 3-Tier Method

In this option, employees with at least one year and less than three years of tenure with FTRI were moved closer toward the market (midpoint) of the proposed pay ranges. Employees with between three and seven years of tenure were moved even closer toward the market point. Employees with more than seven years were moved yet even closer toward the market point of the pay ranges. Increase increments were designed to give larger adjustments, in terms of percentage, to those with salaries furthest from the market point and to provide greater adjustments to those employees with more tenure. Employees at or above the market point were unaffected.

Utilizing this approach, adjustments were recommended for five employees with an approximate annualized cost of \$25,960. This was the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits. This option includes the Bring to New Minimums cost.

Move Toward Market – 2-Tier Method

In this option, employees with at least one year and less than 10 years with the organization were moved closer toward the market (midpoint) of the proposed pay ranges. Employees with more than 10 years of tenure were moved yet even closer toward the market point of the pay ranges. Increments were designed to give larger adjustments, in terms of percentage, to those with salaries furthest from the market point and to provide greater adjustments to those employees with more tenure. Employees at or above the market point were unaffected.

Utilizing this approach, adjustments were recommended for five employees with an approximate annualized cost of \$22,211. This was the approximate cost for salary adjustments (only) and does not include the associated costs for employee benefits. This option includes the Bring to New Minimums cost.

4.2 SYSTEM ADMINISTRATION

FTRI's compensation system will continue to require periodic maintenance. The recommendations provided to improve the competitiveness of the plan were developed based on conditions at the time the data were collected. Without proper upkeep, the potential for recruitment and retention issues may increase as the compensation system becomes dated and less competitive.

RECOMMENDATION 2: Conduct small-scale salary surveys as needed to assess the market competitiveness of hard-to-fill classifications and/or classifications with retention issues and make changes to pay grade assignments if necessary.

While it is unlikely that the pay plan in total will need to be adjusted for several years, a small number of classifications' pay grades may need to be reassigned more frequently. If one or more classifications are exhibiting high turnover or are having difficulty with recruitment, FTRI should collect salary range data from peer organizations to determine whether an adjustment is needed for the pay grade of the classification(s). If increasing a classification's pay grade



based on market data does not help with the recruitment and/or retention issues, it may be necessary for FTRI to offer incentives to attract employees to the position and/or to encourage employees to remain in the position.

RECOMMENDATION 3: Conduct a comprehensive classification and compensation study every three to five years.

Small-scale salary surveys can improve the market position of specific classifications, but it is recommended that a full classification and compensation study be conducted every three to five years to preserve both internal and external equity. Changes to classification and compensation do occur, and while the increments of change may seem minor, they can compound over time. A failure to react to these changes quickly has the potential to place FTRI in less than desirable position for recruiting and retaining quality employees.

RECOMMENDATION 4: Review and revise, as appropriate, guidelines for progressing employee salaries through the pay plan, including those for determining salaries of newly hired employees and employees who have been promoted or transferred to a different classification or department.

The method of moving salaries through the pay plan and setting new salaries for new hires, promotions, and transfers depends largely on an organization's compensation philosophy. It is important for FTRI to have established guidelines for each of these situations, and to ensure that they are followed consistently for all employees. Common practices for progressing and establishing employee salaries are outlined below.

Salary Progression

There are several common methods for salary progression including cost of living adjustments (COLA) across the board, time based, and employee performance based. It is recommended that FTRI continuously evaluate, as it has with this study, its salary progression methods for employees' salaries and make changes to align with its compensation philosophy as appropriate.

New Hires

Typically, an employee holding the minimum education and experience requirements for a classification is hired at or near the classification's pay grade minimum. However, for recruiting purposes FTRI needs the ability to offer salaries to new employees that consider prior related experience. It is recommended that FTRI continue to allow flexibility when establishing new employee salaries. It is also important, however, when determining new hire salaries to, when possible, preserve the internal equity of employees' salaries within the classification.

Promotions

When an employee is promoted to a new classification, it is important to have guidelines for calculating the employee's new salary that rewards the employee for his or her new responsibilities, moving the salary into the new pay grade, and ensuring internal equity in the new classification. For example, a range of five to seven percent increase is common today, with consideration given to preserving the internal equity of employees' salaries within the



classification. It is recommended that FTRI periodically review its promotion guidelines which to remain current with best practice.

4.3 SUMMARY

The recommendations in this chapter provide an update to the compensation system for the FTRI's employees. If implemented, the recommendations will enhance FTRI's competitiveness in the labor market. By implementing the new pay plan, it will have a responsive compensation system for several years to come. While the upkeep of this will require work, FTRI will find that having a more competitive compensation system that enhances strong recruitment and employee retention is well worth this commitment.



Curtis Williams

From: James Forstall <jforstall@ftri.org>
Sent: Friday, April 12, 2019 4:42 PM
To: Curtis Williams
Cc: bbacom@ftri.org; Greg Fogleman; Cayce Hinton; thomas.mccabe@tdstelecom.com; Denay Brown
Subject: Re: FTRI FY 2019/2020 Proposed Budget Data Request - No. 1
Attachments: image001.jpg; Data Request FINAL 4.12.19 .pdf; Data Request Attachment 1 (B & B-1) 4.12.19.pdf; Data Request Attachment 5.A. 4.12.19.pdf

Good Afternoon Curtis,

Attached are FTRI's responses to the data request. Should you need additional information or have any questions, please let me know.

Thanks

James

On Fri, Apr 5, 2019 at 4:01 PM Curtis Williams <CJWillia@psc.state.fl.us> wrote:

Hello James,

FPSC staff has completed its initial review of FTRI's FY 2019/2020 Proposed Budget and the Evergreen Solutions, LLC FTRI Compensation Analysis. **Please provide responses to the items below by April 12, 2019.**

1. **Line Item 4-Dual Party Relay.** Please provide Attachment B and Attachment B-1 referenced in your initial support filing.

2. **Line Item 10-CapTel Equipment.** Please provide the number of CapTel 840 Plus units distributed during FYs 2015-2016, 2016-2017, 2017-2018, 2018-2019.
 - A. In addition, please provide the number of units in your inventory as of March 31, 2019.

 - B. Does FTRI distribute other devices that can also be used either with standard analog telephone lines or as an IP-based device? If so, please identify those devices.

3. **Line Item 17-VRS Signaling Equipment.** FTRI state's that the Bellman-Symfon device is being considered for the program.

A. Will the decision to upgrade be based on consumer demand or budgetary issues?

B. Please provide further explanation on the benefits of switching to the more technologically advanced Bellman-Symfon units.

4. **Line Item 28-Computer Consultation and Line Item 31-Office Equipment and Computer Software.** Please provide details on items included in a workstation and the specific cost. Provide the date and the total expense associated with the last server installation and Operating System upgrade.

5. **Line Item 33-Insurance-Hlth/Life/Dsblty.** Please provide a breakdown of the \$13,393 expense increase.

A. Please include the amount associated with the premium increase and the amount associated with employee turnover.

B. Currently, employees pay 5% of the premium for single coverage and 25% of the difference between single and dependent coverage. In light of increasing premiums, has FTRI conducted any analysis on increasing the amount FTRI employees contribute towards the premiums?

C. Please also explain the analysis performed to arrive at the current 5% and 25% employee contribution levels.

6. **Line Item 40-Retirement.** Please provide the employee count used for budgetary purposes to fund the Retirement Account for FY 2018/2019.

7. **Line Item 41-Employee Compensation.** Please provide additional details on the estimated \$34,761 employee compensation expenditure increase and the potential 3% increase in employee compensation.

A. How many employees received the 3% budgeted compensation increase in FY 2018/2019? Please identify the positions and the associated increase amount.

B. Is the 3% a cost of living increase or a merit based increase?

C. For FY 2019/2020, what amount of the \$34,761 increase is associated with adjustments to employee salaries based on recommendations in the Evergreen Solutions, LLC Compensation Analysis?

D. For FY 2019/2020, what amount of the \$34,761 increase is associated with the potential 3% increase in employee compensation?

8. As presented in the Compensation Analysis performed by Evergreen Solutions, LLC on behalf of FTRI, please address the following:

A. On Page 1-2 of the analysis, Evergreen Solutions, LLC states, "During the review of the compensation philosophy, FTRI identified its desire to be competitive with the labor market for most positions while recognizing there may be need to be ahead of the market for key classifications." Please explain what constitutes being "ahead of the market." Please list the specific classifications and positions where FTRI believes it needs to be ahead of the market.

B. Please identify the title and tenure for each FTRI position.

C. On Page 2-2 Evergreen Solutions, LLC states, "It should be noted that employees' salaries and the progression of the same, is associated with an organization's compensation philosophy – specifically, the method of salary progression and the availability of resources." Please provide your understanding of the statement a) "method of salary progression" and b) "availability of resources."

Please let me know if you have any questions.

Thank you

Curtis J. Williams

Public Utility Analyst

Office of Industry Development & Market Analysis

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399-0850

Office: (850) 413-6924

Fax: (850) 413-6925

Email: cjwillia@psc.state.fl.us

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Thanks

James

James Forstall, Executive Director
Florida Telecommunications Relay Inc. (FTRI)
1820 E Park Avenue, Suite 101
Tallahassee, FL 32301
jforstall@ftri.org
850-270-2641 (VP)



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DATA Request

Submitted April 12, 2019

FPSC staff has completed its initial review of FTRI's FY 2019/2020 Proposed Budget and the Evergreen Solutions, LLC FTRI Compensation Analysis. Please provide responses to the items below by April 12, 2019.

1. Line Item 4-Dual Party Relay. Please provide Attachment B and Attachment B-1 referenced in your initial support filing.

FTRI Response: Attached are both spreadsheets.

2. Line Item 10-CapTel Equipment. Please provide the number of CapTel 840 Plus units distributed during FYs 2015-2016, 2016-2017, 2017-2018, 2018-2019.

FTRI Response: FY 2015/2016 = 299 issued; FY 2016/2017 = 246 issued; FY 2017/2018 = 227 issued; FY 2018/2019 = 134 issued fiscal year to date. Additionally, FTRI used the Trailing Twelve Months available at the time of budget development to estimate the number of units to budget. January 1, 2018 to December 31, 2018 the total issued was 221 units. FTRI estimated 225 units would be needed in the 2019-2020 budget year.

A. In addition, please provide the number of units in your inventory as of March 31, 2019.

FTRI Response: Total new units available 145.

B. Does FTRI distribute other devices that can also be used either with standard analog telephone lines or as an IP-based device? If so, please identify those devices.

FTRI Response: No. However, amplified devices currently distributed work on both analog and various VoIP services.

3. Line Item 17-VRS Signaling Equipment. FTRI state's that the Bellman-Symfon device is being considered for the program.

A. Will the decision to upgrade be based on consumer demand or budgetary issues?

FTRI Response: Deaf consumers have expressed interest in a different visual ringer. During recent years, different visual ringers have become available to the market.

B. Please provide further explanation on the benefits of switching to the more technologically advanced Bellman-Symfon units.

FTRI Response: FTRI wishes to conduct a pilot program with this product to measure consumer interest prior to deciding whether to include in program or not.

4. Line Item 28-Computer Consultation and Line Item 31-Office Equipment and Computer Software. Please provide details on items included in a workstation and the specific cost. Provide the date and the total expense associated with the last server installation and Operating System upgrade.

FTRI Response: The cost of the most recent workstation purchased is \$733.82 for a Dell Optiplex 3060 computer. The items usually included are the tower, a keyboard and a mouse.

The current server was installed in April 2014

Line item #31 - \$4,505.33 Dell PowerEdge Server

Line item #28 - \$4,564.00 Server setup and configuration

5. Line Item 33-Insurance-Hlth/Life/Dsblty. Please provide a breakdown of the \$13,393 expense increase.

FTRI Response: See attached breakdown. FTRI estimates the impact of the employee turnover for the months of November to December 2018 is a decrease of \$885. The year-end estimate was based on full nine (9) positions. Credits as well as the impact of the position being vacant were not available for consideration at the time of budget development. That information became available late February. It was also not expected the position would remain vacant at the time of this data request.

A. Please include the amount associated with the premium increase and the amount associated with employee turnover.

FTRI Response: Same as above.

B. Currently, employees pay 5% of the premium for single coverage and 25% of the difference between single and dependent coverage. In light of increasing premiums, has FTRI conducted any analysis on increasing the amount FTRI employees contribute towards the premiums?

FTRI Response: No analysis has been conducted.

C. Please also explain the analysis performed to arrive at the current 5% and 25% employee contribution levels.

FTRI Response: Originally, FTRI provided employees insurance at 100% with 0% contributed by employees for single coverage and employees contributed 20% for dependent coverage. In the October 2015 insurance enrollment, it was increased to the current 5% for single and 25% for dependent in addition to annually implementing cost savings measures such as changing plans offered and changing insurance providers to minimize the impact of increasing premiums that occur with all employers.

6. Line Item 40-Retirement. Please provide the employee count used for budgetary purposes to fund the Retirement Account for FY 2018/2019.

FTRI Response: FTRI used nine (9) employees.

7. Line Item 41-Employee Compensation. Please provide additional details on the estimated \$34,761 employee compensation expenditure increase and the potential 3% increase in employee compensation.

A. How many employees received the 3% budgeted compensation increase in FY 2018/2019? Please identify the positions and the associated increase amount.

FTRI Response: No employees received an increase in FY 2018/2019.

B. Is the 3% a cost of living increase or a merit based increase?

FTRI Response: FTRI does not provide COL increases. Any increase approved by the board is merit-based.

C. For FY 2019/2020, what amount of the \$34,761 increase is associated with adjustments to employee salaries based on recommendations in the Evergreen Solutions, LLC Compensation Analysis?

FTRI Response: The Board of Directors has recommended employees whose current salary is outside of the recommended salary range be adjusted to the new salary range minimum. This adjustment would be a total increase of \$20,634.60 from the current salary level.

D. For FY 2019/2020, what amount of the \$34,761 increase is associated with the potential 3% increase in employee compensation?

FTRI Response: \$13,293 is included for a merit-based increase up to 3%.

8. As presented in the Compensation Analysis performed by Evergreen Solutions, LLC on behalf of FTRI, please address the following:

A. On Page 1-2 of the analysis, Evergreen Solutions, LLC states, "During the review of the compensation philosophy, FTRI identified its desire to be competitive with the labor market for most positions while recognizing there may be need to be ahead of the market for key classifications." Please explain what constitutes being "ahead of the market." Please list the specific classifications and positions where FTRI believes it needs to be ahead of the market.

FTRI Response: FTRI understands to remain competitive with recruiting new employees as well as retaining existing employees, it should provide salaries comparable with the market. This is especially true with key managerial positions - Executive Director, Business Manager, EDP Manager and Outreach Manager.

B. Please identify the title and tenure for each FTRI position.

FTRI Response: Executive Director – 24 years; Business Manager – 19 years; EDP Manager – 24 years; Outreach manager – 3 years; DPC II – 15 years; DPC II – 12 years; Account Receivables – 3 years; Accounts Payable – 1 year; DPC II – vacant.

C. On Page 2-2 Evergreen Solutions, LLC states, "It should be noted that employees' salaries and the progression of the same, is associated with an organization's compensation philosophy – specifically, the method of salary progression and the availability of resources." Please provide your understanding of the statement a) "method of salary progression" and b) "availability of resources."

FTRI Response: After FTRI management consulted with the Board, progression through the organization is based on experience and job openings.

CAT V

Expense Account # 5544

Line 33 - A & B

Category	Vendor or Service	Jul18-Dec18 FYE 2019 Actual Cost	Jan-Jun FYE 2019 Estimated Costs	FYE 2019 Estimated End	Estimated FYE 2020 Increases	Proposed FYE 2020 Budget
Health & Life Insurance	United Health & Guardian July - December 2018 YTD for our current 9 employees	74,198		\$74,198		
	2018/2019 January - June 2019 Jan- May = \$12,796.57 frm bills 5 x 12,796.57 for 9 employees employee contributions included June 2019 incr 7%		63,983	\$63,983 \$0 \$0 \$13,692		
2019/2020	Renewal is June 1, 2019 July 2019 -May 2020 \$13,692.33 for 9 employees x 11 months					\$150,616
	June 2020 = 13692.33 + 7%					\$14,651 \$0
		74,198.00				

Estimated FYE 2018/2019

\$151,873 *

Total Budgeted 2019/2020

\$165,266

Curtis Williams

From: Brett Bascom <bbascom@ftri.org>
Sent: Friday, May 17, 2019 1:25 PM
To: Curtis Williams; James Forstall
Subject: RE: FTRI Budget

Curtis,
One of our Regional Distribution Centers had water damage from a broken water pipe and they reimbursed us for the damaged item.

Thanks

Brett

Brett A. Bascom
Business Manager
Florida Telecommunications Relay, Inc.

From: Curtis Williams <CJWillia@PSC.STATE.FL.US>
Sent: Friday, May 17, 2019 11:25 AM
To: 'James Forstall' <jforstall@ftri.org>
Cc: bbascom@ftri.org
Subject: FTRI Budget

Hello,

Quick question.

Why is the ARS-Signaling Equipment (Line Item 16) expense in the Q3 Report a negative \$50? Does it reflect returned equipment?

Do you expect a negative for Q4?

Thanks

Curtis J. Williams
Public Utility Analyst
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Office: (850) 413-6924
Fax: (850) 413-6925
Email: cjwillia@psc.state.fl.us

Curtis Williams

From: Brett Bascom <bbascom@ftri.org>
Sent: Friday, May 17, 2019 4:04 PM
To: Curtis Williams; James Forstall
Subject: RE: FTRI Budget

Curtis,

At the time of budget development, January 2019-February 2019, FTRI used historical information. FTRI estimated 8 units per month for distribution for the second half of the year, as no purchases had yet been made July through December 2018.

8 x 6 months = 48 units

48 x \$27 each = \$1,296

No units were purchased July – December 2018.

As an update now that almost four months have passed since the budget development, no units have been purchased through May 15, 2017. FTRI no longer anticipates purchasing these units.

Best Regards

Brett

Brett A. Bascom
Business Manager
Florida Telecommunications Relay, Inc.

From: Curtis Williams <CJWillia@PSC.STATE.FL.US>
Sent: Friday, May 17, 2019 1:49 PM
To: 'Brett Bascom' <bbascom@ftri.org>; James Forstall <jforstall@ftri.org>
Subject: RE: FTRI Budget

FTRI estimates a \$1,296 expense for FY 2018/2019.

Can you provide some insight into why FTRI anticipates the full expenditure in Q4?

Thanks

From: Brett Bascom [<mailto:bbascom@ftri.org>]
Sent: Friday, May 17, 2019 1:25 PM

To: Curtis Williams; James Forstall
Subject: RE: FTRI Budget

Curtis,
One of our Regional Distribution Centers had water damage from a broken water pipe and they reimbursed us for the damaged item.

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Business Manager
Florida Telecommunications Relay, Inc.

From: Curtis Williams <CJWillia@PSC.STATE.FL.US>
Sent: Friday, May 17, 2019 11:25 AM
To: 'James Forstall' <jforstall@ftri.org>
Cc: bbascom@ftri.org
Subject: FTRI Budget

Hello,

Quick question.

Why is the ARS-Signaling Equipment (Line Item 16) expense in the Q3 Report a negative \$50? Does it reflect returned equipment?

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Curtis J. Williams
Public Utility Analyst
Office of Industry Development & Market Analysis
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Tallahassee, Florida 32399-0850
Office: (850) 413-6924
Fax: (850) 413-6925
Email: cjwillia@psc.state.fl.us

Curtis Williams

From: Brett Bascom <bbascom@ftri.org>
Sent: Tuesday, May 21, 2019 4:46 PM
To: Curtis Williams; James Forstall
Subject: RE: Budget Data Request

Curtis, Please see my responses in bold italics below:

1. FTRI estimates a \$2,300 expense for VCO/HCO-TDD equipment (Line 7) for FY 2018/2019. No expenditures occurred during Q 1-3.
Does FTRI anticipate expenditures during Q4?

No additional units are anticipated.

2. FTRI estimates a \$4,775 expense for VRS-Signaling equipment (Line 17) for FY 2018/2019. Through Q3, \$2,160 has been spent.
Does FTRI still anticipate spending \$4,775 for the FY? If not, what amount does FTRI expect to spend?

Although we do not know exact orders that may be forthcoming in the next 30-45 days, the following is FTRI's revised estimate.

April \$648 has been posted, May to date \$513 has been posted. .

\$648 + \$513 = \$1,161

\$1,161 ÷ 2 months = \$580.50 estimated for June

March 2019 YTD total \$2,160 + April and May \$1,161 + June estimate = \$3,901.50

3. In response to FPSC's Data Request submitted on April 12, 2019, FTRI states that the \$34,761 compensation increase is attributable to \$20,634.60 for salary range adjustment and \$13,293 for merit-based increase.
What is the additional \$834 attributable to? Please list the position title for the positions currently outside the salary range.

FTRI's year-end estimate was based on the posted employee compensation expense July 2018-December 2018 totaling \$210,412. Estimated salary January 2019 to June 2019 was based on the annual salary for each employee divided by 2, equaling \$211,230, the difference being \$818.00. The remaining \$15 is attributable to the difference in overtime budgeted between the Year End Estimate \$558 and the 2019-2020 Budget amount of \$573. The \$20,634.60 figure was based on per employee salary amounts and did not take into account the actual posted amount in the general ledger.

EDP Manager, Distribution Program Coordinator-II (three employees): total of four employees.

Best Regards

Brett

Brett A. Bascom
Business Manager
Florida Telecommunications Relay, Inc.

From: Curtis Williams <CJWillia@PSC.STATE.FL.US>

Sent: Monday, May 20, 2019 2:48 PM

To: James Forstall <jforstall@ftri.org>

Cc: bbascom@ftri.org

Subject: Budget Data Request

Hello,

Please provide responses to the requested items below.

1. FTRI estimates a \$2,300 expense for VCO/HCO-TDD equipment (Line 7) for FY 2018/2019. No expenditures occurred during Q 1-3.
Does FTRI anticipate expenditures during Q4?
2. FTRI estimates a \$4,775 expense for VRS-Signaling equipment (Line 17) for FY 2018/2019. Through Q3, \$2,160 has been spent.
Does FTRI still anticipate spending \$4,775 for the FY? If not, what amount does FTRI expect to spend?
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What is the additional \$834 attributable to? Please list the position title for the positions currently outside the salary range.

Thank you

Curtis J. Williams

Public Utility Analyst

Office of Industry Development & Market Analysis

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399-0850

Office: (850) 413-6924

Fax: (850) 413-6925

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