

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: April 7, 2021

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Curtis J. Williams, Public Utility Analyst IV, Office of Industry Development & Market Analysis ^{CH}

RE: Docket No. 20210050-TP - Document Filing

Please file the attached data request response from Florida Telecommunications Relay, Inc. in Docket No. 20210050-TP.

Please let me know if you have any questions.

Thank You.

Attachment



March 31, 2021

Mr. Curtis Williams, Regulatory Analyst IV
Office of Industry Development & Market Analysis
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Staff Data Request Email dated March 23, 2021

Mr. Williams:

FTRI has responded to the data request received March 23, 2021 and *FTRI responses are in bold italics.*

The following is the data request questions with FTRI responses.

FPSC staff has completed its initial review of FTRI's FY 2021-2022 proposed budget filing. Please provide responses to numbers 2-8 by **Wednesday, March 30, 2021.**

Please note that March 30, 2021 is a Tuesday, FTRI will assume PSC staff intended to indicate Wednesday with a date of March 31, 2021.

1. Please submit FTRI's Q3 Financial Report (Quarter Ending March 31, 2021) ASAP, but no later than **Friday, April 16, 2021.**
FTRI plans on providing the quarterly by April 16th as requested, however this is dependent on receiving data timely from SPRINT-Relay, vendors, RDCs and subsequent follow up to any questions on billing from those entities. Any delay, though not expected, will be communicated to PSC staff.
2. FTRI explains that "Due to COVID-19 and limited distribution by Regional Distribution Centers, estimated future distribution would most likely resemble a pre-COVID business environment. FTRI recommends using the FYE 2021 approved budgeted amounts for these items unless there is information that would indicate a more appropriate budget estimate."
 - A. Provide further explanation of FTRI's rationale for reaching this conclusion.

During the months of March 2020 to March 2021(the current month) Florida as well as the nation and the world is experiencing the impact of COVID-19. Specific to Florida, all businesses, including Government agencies were closed, or partially closed for part of this period. Slowly, businesses that could, transitioned to hybrid-work from home-schedules to serve customers and clients. FTRI was severely impacted by this transition. Some of our RDC's completely closed for a time, while some were able to make a partial transition to helping clients remotely. Over the 12 months March 2020 to March 2021, this has been a dynamic process as businesses were allowed to ease restrictions, then during spikes in COVID-19 cases, restrictions were tightened again. Businesses made individual decisions based on the best information available and determining what is best for their individual employees and customers.

FTRI experienced unusual changes in volume over the past 12 months. Budgeting in prior years has been an exercise in relying on steady and consistent data over historical time periods, typically though not always the trailing twelve-month data.

There is hope and expectation as the COVID-19 vaccine is administered and mask requirements are adhered to, a more normal level of business may be experienced in the near future. Especially for those industries that rely on face-to-face communication and interaction, which is the case for FTRI. FTRI has been able to provide service to some individuals remotely, however it has always been "best practice" to serve clients face to face when possible to achieve the highest level of training and information to clients.

- B. Please identify the applicable line items.
All of Category II and Category III
 - C. How many RDCs are currently under contract with FTRI?
23
 - D. Provide the number of RDCs that discontinued providing services to FTRI during FY 2020/2021.
2
 - E. Does this rationale apply to other areas of the budget in addition to equipment distribution?
No, only Category II and Category III.
3. At the Florida Public Service Commission's (Commission) February 16, 2021 Internal Affairs Meeting, improvements to FTRI's website we're discussed. Specifically, the Commission discussed FTRI conducting analysis on adding an online chat function, along with other enhancements. Please provide an update on FTRI's analysis. Include cost estimates and implementation timelines in your response.

Although FTRI did verbally agree that there may be some benefit to the chat function, it is not FTRI's understanding that we were asked to conduct an analysis nor provide a report or an analysis. No timeline was arrived at for providing any details back to the commission.

As discussed on the phone with Commissioner Fay's aide Eddie Phillips, FTRI currently does not have an Executive Director. It was agreed that further research into feasibility of changes to our website, including a chat function, would be best after an Executive Director is hired at FTRI.

4. Line Item-10 - FTRI estimated an increase in demand for FY 2020/2021 (\$103,170 total amount), even with the impact of COVID-19. However, consistent with the FY 2020/2021 Commission approved budget, FTRI budgeted \$34,950. Please explain your rationale for the lower budgeted amount.

Note that the overall Category is budgeted the same. This line item, specifically the equipment named the XLC-go, was included in projections in FY 2020/2021 along with the XLC-8 and XLC-7 for line item 7. During Executive Director Bankston's tenure with FTRI, it was decided that the XLC-Go is more closely related to an in-line amplifier although it pairs with the XLC-8 volume control phone. Although the amount is now shown in line item 10, posted separately from line item 7, the Category II total is consistent and budgeted the same for both budget years.

Once a more normal trailing twelve-month data set is able to be collected, we can budget those two line items more to actual.

5. Line Item-16 – Financial Break-Even Analysis of the RDC Fee Structure

- A. FTRI explained that only three RDCs responded to its request. Does FTRI have any language in its contract with RDCs requiring them to make relevant cost data available to FTRI? If not, has FTRI considered amending the contract to include this requirement?

No, I do not believe it is in the contract. As the business manager I think that may be a good idea to include it, however the RDC contract and negotiations with RDCs has always been done by the Executive Director. I would think legal counsel and possibly the board of director's would need to look over any contract changes and additions as well.

- B. How will FTRI's Funding Model be used in the development of its break-even analysis?

Please provide clarification on this question. My understanding from Executive Director Bankston is the cost analysis for RDCs was to arrive at a new funding model more equitable for the continued efforts of the RDCs.

- C. Provide a description of the associated FTE(s) presented in the model.

Executive Director Bankston supplied the Funding Model Draft that I included in my budget submission. Mr. Bankston did not supply any further details or description concerning FTE used in the RDC Funding Model Draft.

The FTE's presented in data by the three RDCs is not broken down into specifics.

- D. Explain what benefits are included with an FTE.

Executive Director Bankston supplied the Funding Model Draft that I included in my budget submission. Mr. Bankston did not supply any further details of what he included in an FTE.

- E. Provide detail on items included under Space used in the model.

Executive Director Bankston supplied the Funding Model Draft that I included in my budget submission. Mr. Bankston did not supply any further details of what he included in his calculation "Space".

- F. List detail on items included under Overhead.

Executive Director Bankston supplied the Funding Model Draft that I included in my budget submission. Mr. Bankston did not supply any further details of what he included in his calculation "Overhead".

6. Line Item-26 – Please provide cost specific to health, dental, life, and disability.
Cost details for line 26, are attached.

7. Line Item-27 – Identify cost applicable to this item.
Cost details for line 27, Insurance-Other, are attached.

8. Line Item-34 – Please explain the increased FY 2021/2022 expense increase from FY 2020/2021 Commission approved budget. Were cost of living adjustments made across the board, and/or merit-based raises provided?

The estimated year end compensation for 2021/2022 is consistent with the commission approved budget for 2020/2021. The commission approved budget in 2020/2021 was \$431,510 which included a 3% merit increase. The estimated year end compensation \$422,417 is less than the budget amount because the approved 3% merit increase was not implemented until December 1, 2020. Based on the current compensation for the 8 employees the annual total compensation is \$430,022. This amount was used for the 2021/2022 compensation budget base and the increase is based on a 3% merit increase for 2021/2022. Cost details for line 34, Employee Compensation are attached.

FTRI is looking forward to another year of working towards our mission together with the Florida Public Service Commission.

Respectfully,



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

CAT V

Expense Account # 5544

Line 26

| Category | Vendor or Service | Jul20-Dec20 FYE 2021 Actual Cost | Jan21-Jun21 FYE 2021 Estimated Costs | FYE 2021 Estimated End | Estimated FYE 2022 Increases | Proposed FYE 2022 Budget |
|----------------------------|--|--|---|-------------------------------|------------------------------------|--------------------------------|
| Health & Life Insurance | United Health & Guardian July - December 2020 YTD for our current 8 employees | 73,588 | | \$73,588 | | |
| | 2020/2021 January - June 2021 Jan-May = \$14,113.75 frm UHC & GRD bills 5 x for 8 employees plus employee contributions included plus June 2020 incr 10% also includes cr-Jan2021 S. Bankston | | 75,873 | \$75,873 \$0 \$0 \$0 | | |
| 2021/2022 | Renewal is June 1, 2021 July 2021 -May 2022 \$14,297.30 for 8 employees x 11 months | 73,588.00 | | | | \$157,270 |
| | June 2022 = 15,727.30 est=14297.30+10% | | | | | \$15,727 \$0 |

Estimated FYE 2020/2021

\$149,461 *

Total Budgeted 2021/2022

\$172,997

\$23,536

26. Projected increases are based on market projections and our increase from last year. An accurate projection of an increase is not possible due to ongoing uncertainty in Health Care legislation. FTRI has chosen to project a 10% increase in premium based on recommendation by insurance representative. Additionally, employees now contribute 5% of the premium for single coverage and 10% of the difference between single and dependent coverage.

Total estimated 2021/2022 budget is **\$172,997**.

2020/2021 Approved Budget

181,893.00

2021/2022 Budget % of change from prior FY

| | |
|-----------|-----------|
| Decreased | Increased |
| -5% | |

CAT V

Expense Account # 5547

Line 27

| Category | Vendor or Service | Jul20-Dec20 FYE 2021 Actual Cost | Jan21-Jun21 FYE 2021 Estimated Costs | FYE 2021 Estimated End | Estimated FYE 2022 Increases | Proposed FYE 2022 Budget |
|------------------|------------------------------------|--|---|------------------------------|------------------------------------|--------------------------------|
| Other-Insurance | | | | | | |
| 2020/2021 | Workers Compensation | | | 0.00 | | |
| | General Liability | | | 0.00 | | |
| | Commercial Property | | | | | |
| | Board Members Liability | | | 0.00 | | |
| | Crime-theft policy | | | 0.00 | | |
| | ---Combined -- | 5,735.00 | 5,339.64 | 11,074.64 | | |
| | policy refunds/dividends estimated | -822.00 | | -822.00 | | |
| | Includes Credit -premium audit | | | | | |
| 2021/2022 | Workers Compensation | | | | | \$2,277.00 |
| | General Liability | | | | | \$3,203.55 |
| | Commecia Property | | | | | \$2,119.22 |
| | Board Members Liability | | | | | \$1,713.00 |
| | Crime-theft policy | | | | | \$1,390.00 |
| | policy refunds/dividends estimated | | | | | -\$962.00 |
| | projecting based on actual | | | | | |
| | | 4,913.00 | | | | |

Estimated FYE 2020/2021

10,252.64

Total Budgeted 2021/2022

\$9,741

27. Worker's compensation, commercial fire, theft and liability insurance rates are based on the last billing received for our office space on Park Avenue.

Total estimated 2021/2022 budget is **\$9,741**

2020/2021 Approved Budget

9,741.00

2021/2022 Budget % of change from prior FY Decreased Increased
0%

These items are paid in full and booked as pre-paid, monthly or quarterly accruals done to expense.

| | |
|--|--|
| <i>Worker's Compensation insurance</i> | <i>covers employees hurt or injured on the job</i> |
| <i>General Liability Insurance</i> | <i>Bodily Injury/Property Damage-General Liability coverage</i> |
| <i>Board Members/Directors Liability</i> | <i>Covers Board Members for wrongful acts and employment claims</i> |
| <i>Commercial Property</i> | <i>Covers physical loss occurances for Computers Furniture equipment</i> |
| <i>Crime policy</i> | <i>Covers employee dishonesty and theft of FTRI property</i> |

CAT V

Expense Account # 5566

Line 34

| Category | Vendor or Service | Jul20-Dec20 FYE 2021 Actual Cost | Jan21-Jun21 FYE 2021 Estimated Costs | FYE 2021 Estimated End | Estimated FYE 2022 Increases | Proposed FYE 2022 Budget |
|--------------------------|--|--|---|------------------------------|------------------------------------|--------------------------------|
| Employee Compensation | 2020/2021 | \$206,739 | | | | |
| | 8 employees of 15 authorized positions | | | | | |
| | Jan-June 2021 , 8 employees | | | | | |
| | Overtime | | | | | |
| Overtime | 2021/2022 | | | | | |
| | 8 employees, 15 positions authorized | | \$215,011 | \$215,011 | | \$430,022 |
| | 24 hours | | \$667 | \$667 | | \$667 |
| | increase of 3% | | | | | \$12,901 |

Estimated FYE 2020/2021

422,417

206,739.00

Total Budgeted 2021/2022

\$443,590

| | | |
|-----|--|------------------|
| 34. | Compensation | \$430,022 |
| | Overtime | \$ 667 |
| | 3% increase | \$ 12,901 |
| | Total estimated 2021/2022 budget is | \$443,590 |

2020/2021 Approved Budget

\$431,510.00

2021/2022 Budget % of change from prior FY

| | |
|-----------|--------------|
| Decreased | Increased |
| _____ | _____ |
| | 2.80% |