

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 040763-TP

REQUEST FOR SUBMISSION OF  
PROPOSALS FOR RELAY SERVICE,  
BEGINNING IN JUNE 2005, FOR  
THE HEARING AND SPEECH IMPAIRED,  
AND OTHER IMPLEMENTATION MATTERS  
IN COMPLIANCE WITH THE FLORIDA  
TELECOMMUNICATIONS ACCESS SYSTEM  
ACT OF 1991.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 6

COMMISSIONERS  
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, May 8, 2012

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR  
Official FPSC Reporter  
(850) 413-6732

## P R O C E E D I N G S

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2           **CHAIRMAN BRISÉ:** Moving on to Item Number 6.

3           **MR. CASEY:** Good morning, Commissioners. Bob  
4 Casey on behalf of staff.

5                       Item Number 6 addresses the 2012/2013  
6 Florida Telecommunications Relay, Incorporated  
7 budget. FTRI administers the equipment distribution  
8 program for nearly 3 million Floridians who are  
9 deaf, hard of hearing, deaf/blind, or speech  
10 impaired. FTRI is also responsible for the  
11 education and promotion of the Florida Relay  
12 Service.

13                      Staff is recommending that FTRI's  
14 2012/2013 projected revenues and expenses, as  
15 modified by Staff, be approved, the relay surcharge  
16 be maintained at the current 11 cents per month, and  
17 a sixth expense category be established to address  
18 funds received from the National Deaf/Blind  
19 Equipment Distribution Program grant. Staff also  
20 recommends that the Commission order the incumbent  
21 local exchange companies, competitive local exchange  
22 companies, and shared tenant providers to continue  
23 to bill the 11-cent surcharge for the 2012/2013  
24 fiscal year beginning July 1st, 2012.

25                      Staff would like to note that the

1 transition between relay providers from Sprint Relay  
2 to AT&T Relay is going smoothly with the effective  
3 date of initiation of AT&T Relay Service being  
4 June 1. AT&T is also on schedule to open a Florida  
5 Relay Center in Miami by August 14th, 2012.

6 James Forstall, Executive Director of  
7 FTRI, and Mr. Doc Horton, legal counsel for FTRI,  
8 are here this morning to answer any questions on the  
9 budget and staff is also prepared to address any  
10 questions the Commissioners may have.

11 **CHAIRMAN BRISÉ:** Thank you.

12 Commissioner Brown.

13 **COMMISSIONER BROWN:** Thank you, Mr. Chairman.

14 And thank you, Staff, for that  
15 presentation. I recognize that the proposed budget  
16 is less than what we approved last year, but I do  
17 still have some concerns with continuing to pull  
18 from the surplus funds. This year they are pulling  
19 2.3 million. That being said, I would like to get  
20 some comfort in certain categories of the budget  
21 where the proposed expenses for this upcoming year  
22 exceed those actually incurred last year. So with  
23 the Commissioners' indulgence, and the Chairman's  
24 indulgence, I would like to ask Mr. Horton or Mr.  
25 Forstall to walk through some of these categories on

1 Page 12 of the recommendation.

2 I am also going to reference the responses  
3 to staff data requests regarding the budget, which  
4 was passed to the Commissioners yesterday. The  
5 first question is on Line Item 25, outreach  
6 expenses, and I would like an explanation for the  
7 need for the \$50,000 increase in outreach expenses  
8 from those actually incurred this past year.

9 MR. FORSTALL: Good morning.

10 COMMISSIONER BROWN: Good morning.

11 MR. FORSTALL: The reason for that is we are  
12 piloting a new project program to be implemented this  
13 coming fiscal year. It's called the Hearing Network,  
14 the Hearing News Network, which would allow us to go  
15 into offices of a service provider where they may have a  
16 waiting room for clients to have our information be  
17 portrayed on a screen, which is a pilot program which  
18 will cost \$30,000 for next year.

19 The other area of the increase has to do  
20 with travel. We have been traveling quite more to  
21 get out and promote the program throughout the  
22 state, and we do travel to the rural areas in the  
23 area that might not be covered by regional  
24 distribution centers, and so that's the other area  
25 where an increase had occurred.

1                   **COMMISSIONER BROWN:** Okay; thank you. And I  
2 know -- in the letter that you provided to Mr. Casey,  
3 you said that currently FTRI has over 465,000  
4 individuals in the database. Has that number gone up or  
5 down this past year?

6                   **MR. FORSTALL:** It has gone up.

7                   **COMMISSIONER BROWN:** Gone up. How much?

8                   **MR. FORSTALL:** As of today, we are  
9 anticipating an end-of-year increase by new clients of  
10 18 to 20,000. Now, this number represents all new  
11 client first time services. These clients will  
12 repeatedly get services over time to receive additional  
13 services such as replacement of equipment that may break  
14 or modification to get equipment, they may no longer  
15 benefit from the current equipment.

16                   **COMMISSIONER BROWN:** But usage has actually  
17 gone down? Has usage gone down?

18                   **MR. FORSTALL:** The new clients will be going  
19 up.

20                   **COMMISSIONER BROWN:** Okay. New clients.

21                   **MR. FORSTALL:** Yes.

22                   **COMMISSIONER BROWN:** The second question I  
23 have is with regard to the insurance -- for the health  
24 insurance and the life and disability. In your response  
25 to the staff data request at the time the figure was not

1 actually -- you were unsure of the figure, the quote.  
2 The actual quote seems to have increased even from what  
3 we approved last year. At this time, do you have an  
4 actual quote that would be more reflective of what you  
5 would incur?

6 **MR. FORSTALL:** For health insurance?

7 **COMMISSIONER BROWN:** Uh-huh.

8 **MR. FORSTALL:** Last year, or the actual for  
9 this year, because we had two vacancies and over time we  
10 did not have to pay for the benefits for those  
11 vacancies. And then when we do project for this current  
12 fiscal year, we always project positions with  
13 individuals with family benefits just in the event  
14 someone selects to have extended overage for family. So  
15 that is an average of what we do every year just to make  
16 sure that we have enough to cover for extra insurance.

17 **COMMISSIONER BROWN:** Did you get an actual  
18 quote, though, when you prepared this budget?

19 **MR. FORSTALL:** Yes, we do, from the MTCA.

20 **COMMISSIONER BROWN:** So this would be  
21 accurate?

22 **MR. FORSTALL:** Yes, it would be.

23 **COMMISSIONER BROWN:** Okay. The other category  
24 right beneath that is insurance other. That is  
25 increased. What is this category at Line Item 35?

1           **MR. FORSTALL:** That is workers compensation,  
2 commercial fire, theft liability insurance, a board of  
3 directors' liability policy and a fidelity bond.

4           **COMMISSIONER BROWN:** And it has gone up.

5           **MR. FORSTALL:** Yes, it has.

6           **COMMISSIONER BROWN:** And that is an actual  
7 quote?

8           **MR. FORSTALL:** Yes, we have.

9           **COMMISSIONER BROWN:** Okay. Two more questions  
10 with regard to the employee compensation. In the  
11 staff -- again, in your responses to the staff data  
12 request it's noted that there is a two percent merit  
13 increase in employee compensation. Can you please  
14 elaborate the rationale and reason for that two percent  
15 merit increase?

16           **MR. FORSTALL:** Okay. Every year we do a merit  
17 evaluation of staff employees. We do not have  
18 cost-of-living increases. It is usually a merit  
19 increase, and that is all depending upon the board of  
20 directors approval, and last year we did not award any  
21 increase --

22           **COMMISSIONER BROWN:** Per our budget what we  
23 approve, right?

24           **MR. FORSTALL:** Yes.

25           **COMMISSIONER BROWN:** Okay. And then the fifth

1 question is regarding the temporary employment. It  
2 jumped from about 8,200 to 21,600, and that's Line Item  
3 43. Can you just explain the need that FTRI has for  
4 temporary employment and why it has increased to that  
5 level?

6 **MR. FORSTALL:** First of all, the rate increase  
7 per hour has gone up. And we usually budget for two  
8 vacancies, should we need to have a temporary employee  
9 fill those vacancies, and we budget for two a year. And  
10 this past year we were fortunate to not use them as much  
11 as we have. But based on historical data, we always  
12 budget for two vacancies.

13 **COMMISSIONER BROWN:** Thank you. And I  
14 appreciate you walking through some of these categories.  
15 It does make me feel a little bit more comfortable with  
16 some of these. I just have concern when we continue to  
17 have a need for tapping into that surplus every year.  
18 When your expenses consistently exceed what your revenue  
19 brings in, it gives me pause and concern to look more  
20 closely at the budget, so I appreciate you walking us  
21 through that.

22 Staff, I have a question for y'all about  
23 what kind of oversight this Commission has with  
24 regard to monitoring the budget after it has been  
25 approved in case there is any discrepancies that



1 need to be addressed throughout the year.

2 **MR. CASEY:** If there are any discrepancies, of  
3 course we can bring back a recommendation to the  
4 Commission if we see something that is awry. We do  
5 receive quarterly reports from FTRI with all their  
6 financials with the number of equipment that has been  
7 distributed and returned, the number of companies that  
8 have paid the surcharge and those who haven't, so we  
9 stay on top of that. If we see anything out of line, of  
10 course we would come back to the Commission.

11 **COMMISSIONER BROWN:** Okay.

12 **MR. CASEY:** In addition to that, by law there  
13 is an outside auditor that comes in to do their books  
14 and audits their books, and, of course, we get a copy of  
15 that audit, too.

16 **COMMISSIONER BROWN:** Okay. Thank you.

17 If there are no other questions, I'm  
18 prepared to make a motion.

19 **CHAIRMAN BRISÉ:** We have to wait on that.

20 Commissioner Balbis.

21 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

22 I just have one question for staff on this  
23 item. Going back to that same Page 12 and comparing  
24 the expenses versus the cost to actually manage it,  
25 just by using my math it's a little more than

1 10 percent administrative costs, is that correct?

2 **MR. CASEY:** That's correct, sir.

3 **MR. REVELL:** How does that compare? Does  
4 staff feel that's a reasonable administrative cost?

5 **MR. CASEY:** Staff believes that is reasonable  
6 for the amount of work that has to be done. They are  
7 required by law to do certain things and to provide  
8 services and equipment, and we believe that that is a  
9 reasonable cost.

10 **COMMISSIONER BALBIS:** Okay. Thank you.

11 I have nothing further.

12 **CHAIRMAN BRISÉ:** Thank you.

13 Are there any further questions by  
14 Commissioners?

15 All right. Commissioner Brown, now would  
16 be appropriate.

17 **COMMISSIONER BROWN:** I would move staff  
18 recommendation on this item.

19 **CHAIRMAN BRISÉ:** Is there a second?

20 Moved and seconded. All in favor say aye.

21 (Vote taken.)

22 **CHAIRMAN BRISÉ:** All right. The item has been  
23 approved.

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1 STATE OF FLORIDA )

2 : CERTIFICATE OF REPORTER

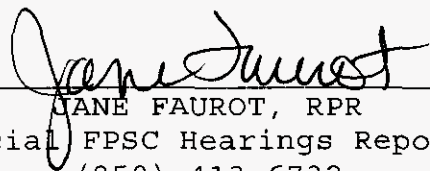
3 COUNTY OF LEON )

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5 I, JANE FAUROT, RPR, Chief, Hearing Reporter  
6 Services Section, FPSC Division of Commission Clerk, do  
7 hereby certify that the foregoing proceeding was heard  
8 at the time and place herein stated.

9 IT IS FURTHER CERTIFIED that I  
10 stenographically reported the said proceedings; that  
11 the same has been transcribed under my direct  
12 supervision; and that this transcript constitutes a  
13 true transcription of my notes of said proceedings.

14 I FURTHER CERTIFY that I am not a relative,  
15 employee, attorney or counsel of any of the parties,  
16 nor am I a relative or employee of any of the parties'  
17 attorney or counsel connected with the action, nor am I  
18 financially interested in the action.

19 DATED THIS 11th day of May, 2012.

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JANE FAUROT, RPR  
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