

**DIVISION OF AVIATION
REVISED FISCAL YEAR 2021 BUDGET TESTIMONY
MAY 18, 2020**

The revised FY21 Budget and FY21-25 Plan focuses on providing core services and targeting reductions to areas with the least impact on vulnerable populations and areas where others can fund or deliver services.

DEPARTMENT FUNDING LEVELS

Aviation Fund Financial Summary by Class - Division of Aviation Only					
	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Original Proposed Appropriations	FY21 Revised Proposed Appropriations	\$ Difference Original to Revised Proposed
Class 100 - Employee Compensation	\$55,920,000	\$55,900,000	\$56,500,000	\$53,934,800	(\$2,565,200)
Class 200 - Purchase of Services	\$105,978,000	\$94,500,000	\$105,000,000	\$85,000,000	(\$20,000,000)
Class 300/400 - Materials, Supplies & Equipment	\$10,990,000	\$8,800,000	\$10,700,000	\$7,000,000	(\$3,700,000)
Class 500 - Contributions	\$6,300,000	\$6,300,000	\$6,300,000	\$6,300,000	\$0
Class 800 - Payment to Other Funds	\$20,000,000	\$11,000,000	\$21,000,000	\$11,000,000	(\$10,000,000)
	\$199,188,000	\$176,500,000	\$199,500,000	\$163,234,800	(\$36,265,200)

Aviation Fund Financial Summary by Class (inclusive of funding allocated to other City department budgets)					
	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Original Proposed Appropriations	FY21 Revised Proposed Appropriations	\$ Difference Original to Revised Proposed
Class 100 - Employee Compensation	\$152,737,010	\$155,412,831	\$157,754,967	\$148,991,555	(\$8,763,412))
Class 200 - Purchase of Services	\$139,114,089	\$121,713,589	\$138,409,039	\$111,936,431	(\$26,472,608)
Class 300/400 - Materials, Supplies & Equipment	\$17,609,400	\$13,541,900	\$17,241,900	\$10,193,520	(\$7,048,380)
Class 500 - Contributions	\$8,812,000	\$8,812,000	\$8,812,000	\$8,812,000	\$0
Class 700 - Debt Service	\$134,825,501	\$134,825,501	\$138,778,094	\$138,778,094	\$0
Class 800 - Payment to Other Funds	\$20,023,000	\$11,023,000	\$21,023,000	\$11,018,400	(\$10,004,600)
	\$473,121,000	\$445,328,821	\$482,019,000	\$429,730,000	(\$52,289,000)

DIVISION OF AVIATION

AVIATION FUND FULL-TIME POSITIONS

General Fund Full-Time Positions					
	FY20 Adopted Budget	November 2019 Increment Run	FY21 Original Proposed Budget	FY21 Revised Proposed Budget	Difference Original to Revised Proposed
Full-Time Positions	900	815	900	830	(70)

**DIVISION OF AVIATION
ORIGINAL FISCAL YEAR 2021 BUDGET TESTIMONY**

This testimony was prepared by the Division of Aviation after the onset of COVID-19 and its impact on City government operations. It reflects the revised proposed FY21 budget or the department's new operational plan. Post COVID-19 responses from the Department are also listed in the next section.

INTRODUCTION

Greetings, Council President Clarke and Members of City Council. I am Chellie Cameron, Chief Executive Officer of the Philadelphia International Airport. Joining me today are Tracy Borda, Chief Financial Officer, Soledad Alfaro, Chief Administrative Officer, as well as many other members of the Division of Aviation staff. I am pleased to provide testimony on the Division of Aviation's Fiscal Year 2021 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: Proudly Connecting Philadelphia with the World. The Division of Aviation (the Division) is comprised of the Philadelphia International Airport (PHL) and the Northeast Philadelphia Airport (PNE) (PHL and PNE, collectively "the Airport"). The Airport is a self-sustaining entity operating without the use of local tax dollars. In its endeavor to be a world class global gateway of choice for the city and the region, the Airport partners with its stakeholders to provide guests a safe, secure, clean, modern, and convenient air travel experience. In addition to helping people get to where they need to go, travelers transiting through the Airport's gateway have opportunities to experience a wide variety of products and services that distinctly and uniquely reflect Philadelphia.

Plans for Fiscal Year 2021:

Air Service: PHL will continue its efforts to satisfy customers by working with existing and new airline partners to expand air service offerings. At the close of 2019, PHL had service to 146 non-stop domestic and international destinations. Scheduled departing seats to domestic destinations are projected to increase by 1.3% in FY20. New American Airline (AA) domestic destinations in FY20 include Bentonville, Arkansas; Vail/Eagle, Colorado; Hilton Head, South Carolina; Bozeman, Montana; Martha's Vineyard, Massachusetts, Nantucket, Massachusetts and Traverse City, Michigan. United Airlines (UA) resumes 4x daily services to Washington Dulles, Virginia and Alaska Airlines (AS) resumes seasonal service to San Francisco, California. Frontier Airlines (F9) commences daily service to Los Angeles, California and Boston, Massachusetts; 3x weekly service to Chicago, O'Hare, Illinois and resumes seasonal service to Charleston, South Carolina. Scheduled departing seats to international destinations are expected to decrease by 3.2% in FY20 due to flight activity changes by American Airlines. American Airlines plans to add non-stop international air service to Reykjavik, Iceland (June 2020) and Casablanca, Morocco (June 2020), PHL's first non-stop service to the African continent. AA also expanded their popular seasonal international service by two months to Lisbon, Portugal and Prague, Czech Republic in FY20. During the upcoming fiscal year, PHL will continue to work with its current and future airline partners with the hopes of extending our reach to the Asian and South/Central American markets, as well as other international and domestic destinations.

Guest Experience: PHL's newly launched Guest Experience initiative will transform the passenger experience airport wide. The Airport, its stakeholders and airport-related businesses will work in collaboration to make PHL an "airport of choice." A goal of this initiative is to improve PHL's Airport

DIVISION OF AVIATION

Service Quality (ASQ) scores for overall satisfaction achieved by creating and sustaining an efficient, seamless and welcoming experience so passengers feel more at ease and enjoy their time while at PHL. PHL has implemented an experiential partnership with the Philadelphia Zoo to bring live animals in monthly in addition to the newly established Wagging Tails Brigade that features team volunteers who visit with their certified therapy dogs. Both programs surprise and delight our guests while creating stress-free, memorable experiences. The award-winning exhibitions program continues to focus on showcasing artwork by artists from the Greater Philadelphia region. The program presents intriguing visual arts experiences that highlight the vibrant historical, cultural, and artistic life of the city.

Capital Updates: The Division of Aviation maintains an on-going Capital Development Program (CDP) that addresses airport development needs, as well as the repair and maintenance of existing facilities. The Airport continues to identify opportunities to improve the facilities while refining the current airport master plan to identify near- and mid-term projects that will ensure a logical development program and improve the Airport's competitive position, responding to new market and revenue opportunities. While planning efforts are necessary to support the Airport's long-term development, more immediate needs are constantly evaluated and implemented to ensure existing facilities meet customer expectations. Within the overall Capital Development Program, the Airport continues to identify projects that enhance the experience of the traveler.

In 2019, after previously opening the 1500' extension of Runway 9R-27L, increasing the runway length to 12,000 feet, the Airport completed multiple airfield projects including the Rehabilitation of the East Airfield which involved reconstructing pavement areas across the airfield including the north and south aprons along with multiple taxiways. The Airport received FAA funding of \$18.2 million for this project. The Airport also completed the first phase reconstruction of the 7,000-foot-long Runway 6-24 at Philadelphia Northeast Airport, with the second phase to start this spring. To date, we have received over \$10 million from the FAA with additional commitments from our FAA partners expected this year. The Airport continues to update its Pavement Management Plan which assesses runway and taxiway conditions and outlines programmatic rehabilitation projects moving forward, providing for the safe movement of aircrafts and improved efficiency to airfield operations.

The Airport also has committed to improvement projects in our terminals which enhance capacity, increase passenger flow, aid baggage handling and screening operations, and improve the customer experience.

DIVISION OF AVIATION

The tables in pages (5 through 12) below were prepared by the Division of Aviation prior to the onset of COVID-19 and its impact on City government operations. They are based on the original FY21 budget proposal. **However, Aviation Fund Financial Summary by Class – Division of Aviation Only table has been updated to reflect revised FY21 numbers.**

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of November 2019)				
	Total	Minority	White	Female
Number of Full-Time Staff	808	588	220	277
Number of Exempt Staff	26	11	15	16
Number of Executive Staff (deputy level and above)	14	6	8	8
Average Salary, Full-Time Staff	\$51,364	\$47,423	\$61,898	\$52,586
Average Salary, Civil Service-Exempt Staff	\$132,347	\$125,391	\$137,449	\$135,669
Average Salary, Executive Staff	\$157,502	\$138,550	\$171,716	\$157,629
Median Salary, Full-Time Staff	\$43,421	\$40,725	\$53,761	\$42,220
Median Salary, Civil Service-Exempt Staff	\$127,115	\$120,000	\$129,230	\$120,000
Median Salary, Executive Staff	\$155,000	\$129,650	\$159,900	\$146,000

Employment Levels (as of November 2019)		
	Budgeted	Filled
Number of Full-Time Positions	900	808
Number of Civil-Service Exempt Positions	29	26
Number of Executive Positions	15	14
Average Salary of All Full-Time Positions	\$50,378	\$51,364
Median Salary of All Full-Time Positions	\$44,389	\$43,421

Aviation Fund Financial Summary by Class – Division of Aviation Only						
	FY19 Original Appropriations	FY19 Actual Obligations	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Proposed Appropriations	Difference: FY21-FY20
Class 100 - Employee Compensation	\$51,000,000	\$51,919,318	\$55,920,000	\$55,900,000	\$53,934,800	(\$1,965,200)
Class 200 - Purchase of Services	\$107,000,000	\$96,034,185	\$105,978,000	\$94,500,000	\$85,000,000	(\$9,500,000)
Class 300/400 - Materials and Supplies	\$11,500,000	\$9,722,484	\$10,990,000	\$8,800,000	\$7,000,000	(\$1,800,000)
Class 500 - Contributions	\$6,300,000	\$5,773,037	\$6,300,000	\$6,300,000	\$6,300,000	\$0
Class 800 - Payment to Other Funds	\$24,000,000	\$18,597,640	\$20,000,000	\$11,000,000	\$11,000,000	\$0
	\$199,800,000	\$182,046,665	\$199,188,000	\$176,500,000	\$163,234,800	(\$13,265,200)

DIVISION OF AVIATION

Aviation Fund Financial Summary by Class (inclusive of funding allocated to other City department budgets)						
	FY19 Original Appropriations	FY19 Actual Obligations	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Proposed Appropriations	Difference: FY21-FY20
Class 100 - Employee Compensation	\$144,155,575	\$144,108,340	\$152,737,010	\$155,412,831	\$148,991,555	(\$6,421,276)
Class 200 - Purchase of Services	\$139,902,089	\$120,075,129	\$139,114,089	\$121,713,589	\$111,936,431	(\$9,777,158)
Class 300/400 - Materials and Supplies	\$18,119,400	\$15,249,401	\$17,609,400	\$13,541,900	\$10,193,520	(\$3,348,380)
Class 500 - Contributions	\$8,812,000	\$5,773,037	\$8,812,000	\$8,812,000	\$8,812,000	\$0
Class 700 - Debt Service	\$163,801,936	\$133,550,088	\$134,825,501	\$134,825,501	\$138,778,094	\$3,952,593
Class 800 - Payment to Other Funds	\$24,023,000	\$18,597,640	\$20,023,000	\$11,023,000	\$11,018,400	(\$4,600)
	\$498,814,000	\$437,353,635	\$473,121,000	\$445,328,821	\$429,730,000	(\$15,598,821)

Contracts Summary (Professional Services only)						
	FY15	FY16	FY17	FY18	FY19	"FY20 YTD (Q1 & Q2)"
Total amount of contracts	\$67,074,967	\$67,064,751	\$54,101,186	\$108,804,191	\$65,225,429	\$47,433,457
Total amount to M/W/DSBE	\$20,736,510	\$20,773,512	\$18,723,194	\$23,223,379	\$11,494,592	\$17,101,507
Participation Rate	31%	31%	35%	21% ¹	43%	36%

¹ During FY 2018, the shuttle bus contract was awarded, which was a third of our contract dollars (\$52.5 million) awarded under the OEO program. This contract has a four-year base contract with three one-year options to renew. The opportunity for subcontracting on this contract was limited to fueling and fluids, which resulted in an 8-10% goal being placed on this contract and the selected vendor met that goal.

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY19	FY20	FY21
M/W/DSBE Contract Participation Goal	32%	30%	30%

DIVISION OF AVIATION

The testimony below was prepared by Aviation after the onset of COVID-19 and its impact on City government operations. They are based on the revised FY21 budget proposal.

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The Aviation Fund is an enterprise fund of the City. The Aviation Fund is self-supporting, using aircraft landing fees, terminal building rentals, concession revenue and other facility charges to fund annual expenses. The FY21 proposed budget for the Division of Aviation (Aviation) is \$163,234,800 which decreases Aviation's budget by \$13,265,200 (7.5%) over the current projection for FY20. The Aviation Fund is projecting at least 50% less passengers through Philadelphia International Airport (PHL) in FY 2021 and has made reductions to the budget to accommodate this decrease in passenger and aircraft traffic, including reducing our active footprint by condensing activities across terminals and security checkpoints to reduce operational and maintenance costs, and temporarily suspending most construction projects not critical to airport operations.

The proposed budget includes:

- \$53,934,800 in Class 100, a \$1,965,200 decrease over FY20 current projected expenditures. This decrease is due to a reduction in overtime expenses and implementing a hiring freeze.
- \$85,000,000 in Class 200, a \$9,500,000 decrease over FY20 current projected expenditures. This decrease is due to the Aviation Fund projecting a substantial reduction in passengers through PHL Airport in FY 2021 and has made reductions to the budget to accommodate this decrease in passenger and aircraft traffic, including reducing our active footprint by condensing activities across terminals and security checkpoints to reduce operational and maintenance costs, and temporarily suspending most construction projects not critical to airport operations.
- \$7,000,000 in Class 300 and 400, \$1,800,000 decrease over FY20 current projected expenditures. This decrease is due to less demand of materials and supplies due to less passenger traffic.
- \$6,300,000 in Class 500, level with FY20 funding.
- \$11,000,000 in Class 800, level with FY20 funding.

Overall, the total FY21 Aviation Fund request is \$429.7 million, a (3.5%) decrease from the FY20 operating budget estimated obligations of \$445.3 million. The \$429.7 million request includes the \$163.2 million in appropriations for the Division of Aviation noted above as well as \$138.8 million for debt service and \$127.7 million for appropriations directly related to the Police, Fire, Fleet Management, Technology, Public Property, Sustainability, Law, Risk Management and Finance Departments. The \$15.6 million decrease in the Aviation Fund stems primarily from a substantial reduction in passenger traffic in FY21 requiring less overtime, contractual services, supplies and equipment.

DIVISION OF AVIATION

STAFFING LEVELS

The Division is requesting 830 positions in FY21, level with FY20 budgeted positions. As of November 2019, Aviation had 808 filled positions, less than a 1% increase in staffing levels from December 2018.

NEW HIRES

New Hires (from 7/1/2019 to 11/25/2019)				
	Total Number of New Hires	Spanish	Italian	-
Black or African American	11	-	-	-
Hispanic or Latino	4	2	-	-
White	6	-	1	-
Total	21	2	1	-

From July 1, 2019 through November 25, 2019, Aviation welcomed 21 new employees. These hires were 52% female and 48% male, and 52% Black, 29% White and 19% Hispanic. Of these 21 new hires, 3 are bilingual. In total, 81 permanent employees and 15 temporary employees of the Division of Aviation are bilingual or multilingual.

DIVISION OF AVIATION

PERFORMANCE, CHALLENGES, AND INITIATIVES

AVIATION

FY21 Strategic Goals				
<ul style="list-style-type: none"> Continue to decrease the staff vacancy rate. Develop and implement new and redundant data centers with resiliency for natural and cyber-related disasters. Implement an improved Video Surveillance System technology throughout the terminal complex. 				
FY21 Performance Measures				
Measure	FY19 Actual	FY120 YTD (Q1+Q2) ³	FY20 Target ⁴	FY21 Target
Enplaned passengers (million)	16.09	8.58	11.60	7.45
Operations (# arrivals and departures)	386,112	201,154	296,250	193,060
Freight and mail cargo (tons)	576,270	322,776	569,625	432,200
Non-airline revenue (\$ million)	\$149.01	\$76.30	\$110.00	\$75.00
Retail/beverage sales (\$ million)	\$227.63	\$120.18	\$168.00	\$114.00

³ The Division of Aviation has provided FY20 YTD Q1 and Q2 targets. Previously, only Q1 targets were included in the testimony.

⁴ The Division of Aviation has revised FY20 and FY21 performance measure targets.

DIVISION OF AVIATION

Other Budgetary Impacts Federal and State

The Airport continues to pursue different funding options to support our capital program.

Transportation Security Administration (TSA) Other Transaction Agreements (OTA) Funding for Operating Requirements

The TSA awards OTAs every four years to help offset the Airport's cost of providing explosive detection through canine teams, and law enforcement officer support at security checkpoints. The current TSA explosive detection canine contract allocates \$555,500 per year to PHL for a total of four years ending on 12/31/2020. The TSA Law Enforcement Officer (LEO) program partially reimburses expenses incurred by airport police officers for providing check point coverage around the clock at all the TSA checkpoints. The Airport was awarded \$1.12 million for LEO expenses in CY 2019 and expect to receive about the same amount for FY20.

Grant and OTA Funding for Capital Projects

In Federal FY19, the Airport received \$24.95 million from the Federal Aviation Administration (FAA), along with \$800,000 from the Pennsylvania Department of Transportation (PennDOT) Bureau of Aviation Development Program for the rehabilitation of Taxiway K phase 1. PNE Airport also received the following grants in FFY19: \$8.91 million from the federally-funded Airport Improvement Program and \$489,259 matching funds from PennDOT Bureau of Aviation for the Runway 6-24 Rehabilitation, Phase II project.

In FY19, TSA provided an OTA for \$233,641 to fund the design of the Terminal D-E Recapitalization project. It is expected that TSA will partially fund the related construction phase of this project estimated to be about \$12 million. We continue to engage the TSA on both operational and capital needs.

The Airport also received a \$500,000 grant from the Department of Community and Economic Development (DCED) for the renovations of the Southeastern Pennsylvania Transportation Authority's (SEPTA) platforms. For the same project, a \$424,900 State Capital Budget grant was offered during FY20. In FY20 DCED also offered a grant for \$1.4 million to fund the relocation of the Tinicum Island Road so the Airport can increase its airport cargo area.

PHL anticipates receiving Federal FY20 FAA funding of \$21.0 million and \$800,000 from PennDOT Bureau of Aviation for the Taxiway K, Phase II reconstruction project. For PNE, we expect to receive \$8 million in FAA funding and \$500,000 from the PennDOT Bureau of Aviation for the PNE - Runway 6-24 Rehabilitation, Phase III project.

DIVISION OF AVIATION

Contracting Experience

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY20											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits)	Waiver for Living Wage Compliance ?
First Transit	Provide shuttle bus services	\$52,500,000	5/18/2017	6/1/2018	MBE: 8-10 &/or	8%	\$3,990,000	8%	\$4,095,000	yes	no
					WBE: 8-10	0%	\$105,000				
					DSBE:	0%	\$0				
Elliott-Lewis Corporation	Computer Info Systems	\$9,212,638	6/5/2017	10/1/2017	MBE: 25-30% &/Or	31%	\$2,883,556	31%	\$2,883,556	yes	no
					WBE: 25-30%	0%	\$0				
					DSBE:	0%	\$0				
Parkway Garage, Inc.	Ground Transportation	\$6,853,041	9/1/2019	11/1/2019	MBE: 20-30% &/or	10%	\$685,304	32%	\$2,192,973	yes	no
					WBE: 20-30%	22%	\$1,507,669				
					DSBE:	0%	\$0				
Global Program Partners	CEP/CIP Program Management Office	\$6,200,000	5/20/2011	5/25/2012	MBE: 20-25% and	42%	\$2,604,000	50%	\$3,069,000	yes	no
					WBE: 15-20%	8%	\$465,000				
					DSBE:	0%	\$0				
Hill International, Inc.	Capital Program Admin.	\$4,600,000	10/26/2016	7/1/2017	MBE: 10-15% &	9%	\$427,800	35%	\$1,614,600	yes	no
					WBE: 5-20%	15%	\$597,855				
					DSBE:	0%	\$0				

DIVISION OF AVIATION

EMPLOYEE DATA

Staff Demographics (as of November 2019)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	308	205	<i>Total</i>	1	3
<i>% of Total</i>	38%	25%	<i>% of Total</i>	7%	21%
<i>Average Salary</i>	\$44,167	\$47,717	<i>Average Salary</i>	\$129,300	\$123,333
<i>Median Salary</i>	\$39,498	\$41,004	<i>Median Salary</i>	\$129,300	\$120,000
	White	White		White	White
<i>Total</i>	178	42	<i>Total</i>	5	3
<i>% of Total</i>	22%	5%	<i>% of Total</i>	36%	21%
<i>Average Salary</i>	\$60,100	\$69,519	<i>Average Salary</i>	\$171,716	\$186,343
<i>Median Salary</i>	\$53,801	\$51,556	<i>Median Salary</i>	\$155,000	\$164,800
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	21	13	<i>Total</i>	0	1
<i>% of Total</i>	3%	2%	<i>% of Total</i>	0%	7%
<i>Average Salary</i>	\$49,934	\$59,646	<i>Average Salary</i>	N/A	\$170,000
<i>Median Salary</i>	\$47,121	\$48,235	<i>Median Salary</i>	N/A	\$170,000
	Asian	Asian		Asian	Asian
<i>Total</i>	19	14	<i>Total</i>	0	1
<i>% of Total</i>	2%	2%	<i>% of Total</i>	0%	7%
<i>Average Salary</i>	\$70,402	\$66,998	<i>Average Salary</i>	N/A	\$162,000
<i>Median Salary</i>	\$65,126	\$60,033	<i>Median Salary</i>	N/A	\$162,000
	Other	Other		Other	Other
<i>Total</i>	5	3	<i>Total</i>	0	0
<i>% of Total</i>	1%	0%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$49,721	\$50,406	<i>Average Salary</i>	N/A	N/A
<i>Median Salary</i>	\$55,462	\$53,686	<i>Median Salary</i>	N/A	N/A
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	50	30	<i>Total</i>	0	1
<i>% of Total</i>	6%	4%	<i>% of Total</i>	0%	7%
<i>Average Salary</i>	\$58,232	\$52,622	<i>Average Salary</i>	N/A	\$170,000
<i>Median Salary</i>	\$56,661	\$48,235	<i>Median Salary</i>	N/A	\$170,000
	Male	Female		Male	Female
<i>Total</i>	531	277	<i>Total</i>	6	8
<i>% of Total</i>	66%	34%	<i>% of Total</i>	43%	57%
<i>Average Salary</i>	\$60,727	\$52,586	<i>Average Salary</i>	\$157,333	\$157,629
<i>Median Salary</i>	\$46,319	\$42,220	<i>Median Salary</i>	\$155,000	\$146,000

LANGUAGE ACCESS

- 1) **Has your leadership received language access training?** The Airport's leadership received language access during the spring of 2019.
- 2) **Do you currently have a language access coordinator?** The Airport's Deputy Director of Aviation for Diversity and Inclusion is the language access coordinator for PHL.
- 3) **Has your department written a language access plan and is it posted online?** Yes, and it is available here: <https://beta.phila.gov/documents/language-access-plans/>
- 4) **Explain what your department has done to improve language access services over the past year.** New hires at PHL's Communications Center go through a six to seven-week training period during which they learn how to access the Language Line to help non-English speaking customers. Bilingual employees are given our visual and audio paging scripts and standard greeting to translate into their respective languages when interacting with non-English speaking customers. Our Communications Center employs 10 bilingual staffers to assist customers. We are actively trying to fill four vacancies with additional bilingual or multilingual employees. Our bilingual Communications Center staff are involved in customer outreach via email, phone call, and letters, when needed. In 2019 we saw an increase in interpretation requests – up from 702 to 817.

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

The threat of climate change has led to increased planning and to the execution of efforts, such as the new CNG shuttle bus fleet, to mitigate greenhouse gas emissions at PHL. In addition, the Airport has undertaken climate adaptation efforts related to design and construction to protect and harden critical assets and infrastructure.

We have taken the following actions that will assist in mitigating and adapting to climate change issues:

- Hardening and protection for flood events, including storm water pump redundancy and hardening of systems, submersible pumps, redundant power feeds, redundant communication feeds, flood barriers.
- Extended Runway 9R/27L to 12,000 feet to enable heavier, larger aircraft to land and take off at PHL (aircraft need longer runways to take off in higher temperatures)
- Upgraded airfield clearing and cleaning machinery.
- Ventilation for unconditioned spaces inside baggage makeup areas/lower level areas of terminals.
- Development and implementation of an asset management system to track causes of equipment failure and inform resilient decision making.
- Prepared design guidelines for capital projects to address climate adaptation for certain assets/infrastructure.
- Prepared Airport-wide contingency plans for passenger and employee's protection and safety during severe weather events.
- Establish policies for employees to address climate induced physiological stressors, including proper clothing and hydration/breaks during heat advisories.
- Prepared several years of greenhouse gas emissions inventories and have implemented initiatives to reduce emissions.
- Prepared Hydrologic and Hydraulic drainage studies for future west cargo development area to determine appropriate stormwater/flood/SLR mitigation measures.
- Tide gate and outfall improvements being completed to improve tidal flow along Long Hook Creek in Tinicum Township.

2. How might worsening climate change increase costs and demands for your department?

Some of the potential cost increases associated with climate change that could impact the Airport include: Increased insurance and upfront capital/construction costs; Increased O&M costs; Additional staff and resources dedicated to climate change/resiliency planning relating to capital development. As impacts from climate change worsen, the ability for the airport to recover from extreme weather or other climate related events will decrease so additional planning and preparation will be needed. Any future aviation related national or international carbon taxes, trading schemes, required carbon reductions, etc. will significantly increase airport and airline operating costs.

3. How does your department intend to mitigate and adapt to climate change?

Airport leaders are proactively planning around climate change and sea level rise. Our team has prepared a climate vulnerability assessment to preliminarily determine sensitivity and adaptive capacity of certain assets and systems that are critical to airport operations. The assessment considered four climate-related impact areas – increased temperatures, changing precipitation, extreme storm events, and sea level rise. The next step is to conduct a climate adaptation and resiliency plan, which will also tie into a sustainability plan and master plan update. The Climate Plan will take a deeper dive into critical assets, risks and vulnerabilities with an overall goal to provide recommendations for existing and future development relating to adaptation strategies. Mitigation strategies to reduce greenhouse gas emissions will be addressed in the future sustainability plan. Both planning efforts are scheduled to be conducted in 2020-2021 timeframe.

REVISED PLANS FOR FISCAL YEAR 2021

1. With the revised budget for FY21, what will your department accomplish in FY21?

PHL remains open and operational during this time of reduced travel and supports the country's effort to limit the spread of COVID-19. PHL is not a designated airport to receive flights from restricted overseas locations during the ongoing COVID-19 crisis.

The safety of employees and passengers is PHL's priority. PHL and its partners are focused on using a common response plan that outlines preventing the transmission and spread of communicable diseases. Airport representatives are working closely with the CDC, the Philadelphia Department of Public Health, the Philadelphia Office of Emergency Management and state officials to monitor the status of COVID-19 in our region and support a coordinated response.

PHL has increased its cleaning and disinfecting procedures for critical disease transfer points, such as handrails for steps, escalators and moving sidewalks, as well as elevators, handles, buttons, floors and restrooms. PHL has in the past and continues to proactively installed motion sensor activated technology throughout public areas, including doors, faucets, soap dispensers, flush valves, paper towel dispensers and doors.

We continue to work closely with our airline partners to develop six-to-twelve-month passenger and flight projections in order to have the appropriate amount of personnel, contracted services and materials and supplies available when needed.

We are allocating funding to address emerging protocols and needs to reassure our employees and the traveling public that the Airport is safe and clean.

2. With the revised budget for FY21, what existing programs or services will be reduced or eliminated?

The Division projects at least 50% less passengers to travel through PHL in FY 2021 and has lowered the budget to accommodate this decrease in passenger and aircraft traffic, including reducing our operational footprint by consolidating activities across terminals and security checkpoints to lower overhead costs for maintenance and temporarily suspending most construction projects not critical to airport operations.

3. With the revised budget for FY21, what planned, new services or programs will not happen?

PHL has temporarily suspended most construction projects not critical to airport operations and is in the process of evaluating how best to advance the most needed repair and rehabilitation projects. We continue to review the scope, schedule, and budget of every project to determine if it advances or remains paused. We are prioritizing our airport's needs, like repairing airfield pavements and roofs, and replacing or rehabbing elevators, escalators and moving walkways throughout the terminals. All projects that have advanced have a COVID-19 Safety Plan in place

DIVISION OF AVIATION

that follows the recommendations of the Centers for Disease Control and Prevention as well as the Commonwealth of Pennsylvania. The safety of our employees and independent contractors is our top priority.

DIVISION OF AVIATION

REVISED PERFORMANCE MEASURES

The Division of Aviation updated their performance measures for FY21. Updates are listed in **BOLD**.

DIVISION OF AVIATION

FY21 Performance Measures				
Measure	FY19Actual	FY20YTD (Q1 + Q2) ³	FY20 Target	FY21 Target
Enplaned passengers (million)	16.09	8.58	11.60	7.45
Operations (# arrivals and departures)	386,112	201,154	296,250	193,060
Freight and mail cargo (tons)	576,270	322,776	569,625	432,200
Non-airline revenue (\$ million)	\$149.01	\$76.30	\$110.00	\$75.00
Retail/beverage sales (\$ million)	\$227.63	\$120.18	\$168.00	\$114.00

³ The Division of Aviation has provided FY20 YTD Q1 and Q2 data. Previously, only Q1 data was included in the testimony.

WATER

**WATER DEPARTMENT
REVISED FISCAL YEAR 2021 BUDGET TESTIMONY
MAY 18TH, 2020**

The revised FY21 Budget and FY21-25 Plan focuses on providing core services and targeting reductions to areas with the least impact on vulnerable populations and areas where others can fund or deliver services.

DEPARTMENT FUNDING LEVELS

General Fund Financial Summary by Class					
	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Original Proposed Appropriations	FY21 Revised Proposed Appropriations	\$ Difference Original to Revised Proposed
Class 100 - Employee Compensation	\$127,354,425	\$131,557,175	\$138,914,485	\$136,744,355	\$2,170,130
Class 200 - Purchase of Services	\$170,795,150	\$170,950,150	\$194,720,750	\$176,525,250	\$18,195,500
Class 300/400 - Materials, Supplies & Equipment	\$54,837,900	\$49,453,268	\$57,999,000	\$53,965,300	\$4,033,700
Class 500 - Contributions	\$615,000	\$615,000	\$610,000	\$510,000	\$100,000
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$69,000,000	\$70,000,000	\$71,100,000	\$70,000,000	\$1,100,000
	\$422,602,475	\$422,575,593	\$463,344,235	\$437,744,905	\$25,599,330

GENERAL FUND FULL-TIME POSITIONS

General Fund Full-Time Positions					
	FY20 Adopted Budget	November 2019 Increment Run	FY21 Original Proposed Budget	FY21 Revised Proposed Budget	Difference Original to Revised Proposed
Full-Time Positions	2,244	1,966	2,301	2,281	(20)

**WATER DEPARTMENT
ORIGINAL FISCAL YEAR 2021 BUDGET TESTIMONY**

This testimony was prepared by the Water Department prior to the onset of COVID-19 and its impact on City government operations. It does not reflect the revised proposed FY21 budget or the department's new operational plan. Post COVID-19 responses from the Department are listed in the next section.

INTRODUCTION

Good Morning, President Clarke and Members of City Council. I am Randy Hayman, Water Commissioner. Joining me today are Donna Schwartz, Deputy Water Commissioner (Operations) and Melissa La Buda, Deputy Water Commissioner (Finance). I am pleased to provide testimony on the Philadelphia Water Department's Fiscal Year 2021 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Philadelphia Water Department (PWD) supports public health by planning for, operating, and maintaining the infrastructure and organization necessary to reliably provide an uninterrupted supply of high-quality drinking water for its 1.6 million customers; meeting household, commercial and firefighting needs; and sustaining and enhancing the region's watersheds and quality of life by treating wastewater to high standards and effectively managing stormwater.

Plans for Fiscal Year 2021:

During FY21, PWD will work to support a safe city by continuing to operate the water and wastewater systems dependably, delivering the highest quality drinking water and wastewater systems, including stormwater, to the City of Philadelphia and its contract customers. PWD is committed to reinvesting in our systems by investing (\$611 million in capital investment in FY21) in upgrading existing infrastructure and new technologies, all while continuing to maintain the structural redundancy. This is necessary to ensure continuous operations and the availability of functioning fire hydrants to support public safety. PWD will also continue to maintain a rate structure that meets PWD's needs while remaining fair, equitable, and affordable through transparent ratemaking by involving all stakeholders in the rate setting process.

PWD will continue to respond expeditiously to repair main breaks and work with the Philadelphia Streets Department and other relevant agencies to repairs streets damaged by water main breaks to ensure cleaner and safer streets for all of Philadelphia. PWD will continue to support inclusive and resilient neighborhoods by providing responsive customer services, which includes reaching out to every area of the City. The Department plans to expand the Customer Contact Center operations in FY2021 to include omnichannel capabilities, allowing customers to request service through digital channels, such as live chat. This will ensure that customers have the information they need regarding infrastructure investments, customer assistance programs, water quality, regulatory obligations, and other important topics.

WATER

The Department will ensure that personnel recruitment, placement, training, career development, and safety programs are consistent with long-term needs of the Department and the City's goals for diversity and inclusion. PWD plans to continue to coordinate with OHR to fill critical vacancies in FY21 and support minority participation in all aspects of PWD's business operations. For major contracts, PWD's minority participation rate of 33% in FY19 exceeded its 30% goals thereby providing greater opportunities to minority businesses.

Being fully aware of the economic conditions faced by some residents of the city, the Revenue Department, Water Revenue Bureau, PWD and OIT, will continue to implement and enhance customer assistance programs that support the Mayor's poverty reduction initiative. These programs include Tiered Assistance Program (TAP), the Senior Citizen Discount Program (SCD) and Tiered HELP (or Homeowners Emergency Loan Program). To date, there are approximately 40,000 customers benefitting from our income-based water billing assistance programs. Also, over the next year PWD will continue to partner with peer utilities to host a series of utility fairs around the city.

In FY21, the Department will continue to operate as an efficient and effective government department by maintaining its financial strength. This includes timely administration of operating and capital budgets, PWD invoicing, and completion of all financial reports. PWD will maintain a balanced five-year financial plan to ensure financial resiliency and maintain existing credit ratings.

WATER

The tables in pages (4 through 14) below were prepared by Water prior to the onset of COVID-19 and its impact on City government operations. They are based on the original FY21 budget proposal.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2019)				
	Total	Minority	White	Female
Number of Full-Time Staff	1966	1250	716	429
Number of -Exempt Staff	17	7	10	7
Number of Executive Staff (deputy level and above)	9	2	7	5
Average Salary, Full-Time Staff	\$53,213	\$48,790	\$60,936	\$57,778
Average Salary, Exempt Staff	\$110,719	\$103,875	\$115,510	\$123,990
Average Salary, Executive Staff	\$139,862	\$161,800	\$133,593	\$137,512
Median Salary, Full-Time Staff	\$47,946	\$45,933	\$54,426	\$49,293
Median Salary, Exempt Staff	\$120,000	\$82,400	\$123,098	\$123,600
Median Salary, Executive Staff	\$125,000	\$161,800	\$125,000	\$139,050

Employment Levels (as of December 2019)		
	Budgeted	Filled
Number of Full-Time Positions	2244	1966
Number of Part-Time Positions	0	0
Number of Exempt Positions	20	17
Number of Executive Positions (deputy level and above)	11	9
Average Salary of All Full-Time Positions	\$53,318	\$53,213
Median Salary of All Full-Time Positions	\$47,313	\$47,946

Water Fund Financial Summary by Class						
	FY19 Original Appropriations	FY19 Actual Obligations	FY20 Original Appropriations	FY20 Estimated Obligations	FY21 Proposed Appropriations	Difference: FY21-FY20
Class 100 - Employee Compensation	\$119,823,412	\$115,170,139	\$127,354,425	\$127,354,425	\$138,914,485	\$11,560,060
Class 200 - Purchase of Services	\$173,643,500	\$159,936,641	\$170,795,150	\$177,795,150	\$194,720,750	\$16,925,600
Class 300/400 - Materials, Supplies & Equipment	\$54,083,000	\$46,651,496	\$54,837,900	\$54,837,900	\$57,999,000	\$3,161,100
Class 500 - Contributions	\$671,000	\$500,000	\$615,000	\$615,000	\$610,000	(\$5,000)
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$71,000,000	\$70,716,988	\$69,000,000	\$74,000,000	\$71,100,000	(\$2,900,000)
	\$419,220,912	\$392,975,264	\$422,602,475	\$434,602,475	\$463,344,235	\$28,741,760

Contracts Summary (Professional Services only)						
	FY17	FY18	FY19	FY20	FY21	FY20 YTD (Q1 & Q2)
Total amount of contracts	\$27,320,700	\$31,827,951	\$44,131,195	\$35,782,286	\$38,359,705	\$18,422,581
Total amount to M/W/DSBE	\$10,361,505	\$10,967,337	\$14,486,434	\$12,313,888	\$13,272,458	\$7,105,976
Participation Rate	38%	34%	33%	34%	35%	39%

WATER

Total M/W/DSBE Contract Participation (Public Works; Services, Supplies & Equipment; and Professional Services combined) - Operating and Capital						
	FY17	FY18	FY19	FY20	FY21	FY20 YTD (Q1 & Q2)
Total amount of contracts	\$301,721,990	\$292,723,838	\$214,854,971	\$271,341,251	\$299,583,153	\$158,345,231
Total amount to M/W/DSBE	\$83,455,506	\$96,640,179	\$71,540,646	\$92,652,799	\$102,510,083	\$59,143,874
Participation Rate	28%	33%	33%	34%	34%	37%

Total M/W/DSBE Contract Participation Goal (Public Works; Services, Supplies & Equipment; and Professional Services combined)			
	FY19	FY20	FY21
M/W/DSBE Contract Participation Goal	30%	33%	33%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request:

The proposed Fiscal Year 2021 Water Department budget totals \$463,344,235, an increase of \$28,741,761 over Fiscal Year 2020 estimated obligation levels. This increase is primarily due to Class 100 increase in labor to provide for, among others, transfer of capital positions to the operating budget; Class 200 major maintenance cost at the plants and Class 300 increase in chemical cost.

The proposed budget includes:

- \$138,914,485 in Class 100, a \$11,560,061 increase over FY20. This funding increase is to fund positions transferred from Capital Program, staff level changes and reclassification of fire hydrant maintenance cost.
- \$194,720,750 in Class 200, a \$16,925,600 increase over FY20. This funding increase is for major maintenance (dredging and digester cleaning) at the plants.
- \$57,999,000 in Class 300/400, a \$3,161,000 increase over FY20. This funding will provide for increase in chemical cost.
- \$610,000 in Class 500, a decrease of \$5,000 over FY20. This decrease is due to reduction in Meritorious awards under Public Affairs.
- \$71,100,000 in Class 800, a \$2,900,000 decrease over FY20. This funding decrease is due to reduced payments to the Capital Fund.

WATER

STAFFING LEVELS

The department is requesting 2,301 budgeted positions for FY21, an increase of 57 over FY20. The increase is attributed to 39 positions transferred from Capital and 18 new positions for stormwater maintenance, inlet cleaning, linear asset planning, security, and sewer maintenance.

NEW HIRES

New Hires (from 7/1/2019 to December 2019) *	
	Total Number of New Hires
Black or African American	33
Asian	4
Hispanic or Latino	6
White	27
Other	6
Total	76

*The Department created a voluntary, anonymous, language survey that did not capture employee gender or title.

Detail for new hires since December 2019, if applicable: Since December 2019, PWD has hired 22 employees: 7 employees who identify as Black or African American, 4 employees who identify as Asian, 2 employees who identifies as Hispanic or Latino, 3 employees who identify as White and 6 employees who identify as Other.

WATER

PERFORMANCE, CHALLENGES, AND INITIATIVES

FINANCE

FY21 Strategic Goals				
<ul style="list-style-type: none"> Ensure timely administration of operating and capital budgets, PWD invoicing, and the timely completion of all financial reports. Maintain balanced PWD five-year financial plan to ensure financial resiliency and maintain existing credit ratings. 				
FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Maintain current credit ratings (A+ / A1 / A+) ¹	A+, A1, A+	N/A	A+, A1, A+	A+, A1, A+
Achieve targeted debt and liquidity metrics as defined by the Department's Financial Plan ²	100%	N/A	100%	100%

¹ This is an annual measure. The Water Department aims to ensure that the current creditworthiness of the Department does not decline.

² This is an annual measure assessing whether PWD is achieving its targeted debt and liquidity metrics as defined by the Department's Financial Plan.

HUMAN RESOURCES AND ADMINISTRATION

FY21 Strategic Goals				
<ul style="list-style-type: none"> Ensure that personnel recruitment, placement, training, career development, and safety programs are consistent with long-term needs of the Department and the City's goals for diversity and inclusion. Coordinate labor management initiatives and employee relations programs with PWD's long-range operational plans. Coordinate personnel functions with initiatives in workforce and management planning. 				
FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Departmental vacancy rate (%) ¹	14%	12%	<15%	<15

¹ PWD's collaboration with the Office of Human Resources improved this measure.

OPERATIONS

FY21 Strategic Goals				
<ul style="list-style-type: none"> Comply with all federal and state regulations relating to water and wastewater management. Operate, maintain, repair, and improve the water system necessary to purvey potable water at adequate quantities and pressures to meet customer demand. Operate, maintain, repair, and improve the wastewater system necessary to efficiently collect and treat wastewater and stormwater from the City of Philadelphia and wholesale customers. 				
FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Millions of gallons of treated water ¹	82,811	17,180	meet customer demand	meet customer demand
Percent of time Philadelphia's drinking water met or surpassed state and federal standards	100.0%	100.0%	100.0%	100.0%
Miles of pipeline surveyed for leakage	746	267	1,110	1,110
Water main breaks repaired ²	790	116	meet customer demand	meet customer demand
Average time to repair a water main break upon crew arrival at site (hours) ³	5.5	6.6	8.0	8.0

WATER

Percent of hydrants available	99.5%	99.3%	99.7%	99.7%
Number of storm inlets cleaned/year ⁴	103,053	26,777	100,000	100,000
Wastewater Treatment met or surpasses state and federal standards/month ⁵	100%	100%	100%	100%

¹ PWD's target is to meet customers' demand. The measure is calculated by taking weekly average treatment flow summed for 3 plants x 7 days to get millions of gallons of treated water.

² The Department's target is to repair all water main breaks.

³ Eight hours is the Water Department's service-level agreement (SLA).

⁴ This is the number of inlets cleaned each quarter in PWD's system, which contains over 79,000 inlets.

⁵ This is calculated by taking the number of days out of compliance and dividing it by days of the month or quarter.

ENGINEERING AND CONSTRUCTION

FY21 Strategic Goals				
<ul style="list-style-type: none"> Manage and maintain PWD's renewal and replacement program of the conveyance and collector's system, which delivers drinking water and collects wastewater from customers. Optimize and/or maintain the resources required to renew the Department's treatment facilities to ensure reliability. 				
FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Miles of sewers renewed ¹	10.7	N/A	≥ 10	≥ 10
Miles of water mains renewed ²	17.4	N/A	≥ 34	≥ 36
Percent of capital budget encumbered ³	82%	N/A	≥ 95%	≥ 95%

¹ This is an annual measure. This measure identifies the number of miles of sewer replaced in PWD's collectors system.

² The cost per mile of water main renewal has increased. The Department has increased its budget in future years to meet this target.

³ This is an annual measure of the percent of capital budget dollars encumbered and is a percentage of the Department's overall capital budget, including Collectors, Conveyance, Treatment Plants, and Engineering and Material Support.

PLANNING AND ENVIRONMENTAL SERVICES

FY21 Strategic Goals				
<ul style="list-style-type: none"> Conduct planning and adaptive management analyses and strategies developed for compliance with regulatory obligations. Continue to comply with the required 10-, 15-, 20- and 25-year milestones for the Green City, Clean Water Program. Provide laboratory support to the Department for compliance and quality initiatives. 				
FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Constructed greened acres ¹	235	22	300	300
Number of Green Acres Design Completed/year ²	494	26	350	350
Analyses performed by PWD's Bureau of Laboratory Services/year ³	393,432	105,189	400,000	400,000
Site inspections completed/month ⁴	418	386	400	400

¹ PWD anticipates the construction completion of Greened Acres to significantly increase in FY20 Q3, FY20 Q4 and all of FY21 as the designed projects of FY19 complete construction. While compliance forecasts are focused on FY21 Q4 targets, data on hand at this time indicates PWD will be extremely close to achieving the annual FY20 targets with any potential shortfalls being recovered in FY21.

² PWD completed designs for 523 Greened Acres in FY19 to achieve and surpass the annual target of 350 by 50%. This high level of production was deliberate to provide ample time for projects to be constructed in advance of a major compliance reporting milestone in FY21 Q4.

³ This measure is calculated by taking the number of analyses performed at PWD's central laboratory.

⁴ This is a measure of the number of monthly site inspections performed at private properties installing stormwater management practices to confirm compliance with the approved design.

PUBLIC AFFAIRS

FY21 Strategic Goals				
<ul style="list-style-type: none"> • Establish a single communications channel through which to handle customer billing complaints, shut-offs, and support for customers, while leveraging best practices and technologies to enhance customer interactions at multiple touch points. • Implement a comprehensive communications plan that educates and engages with customers and the public-at-large in a manner that is timely, accurate, informative, and highly accessible. • Strive to transform residents and partners into water resource advocates through engagement and education. 				
FY21 Performance Measures				
Measure	FY19 Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Average speed to answer customers' emergency calls (minutes) ¹	3.38	2.3	< 5.0	< 3.0
Average speed to answer customers' billing and service calls (minutes) ²	50.1	70.8	< 60	< 60
Number of non-city employees in attendance at public meetings	7,175	3,433	> 4,800	> 4,800

¹ This measure is only reporting on the speed to answer for emergency calls. This includes call back times.

² Launch of MyPhillyWaterBill online billing and payment platform in Q1 required training of the staffs which resulted into increase call durations in F20 Q1.

WATER

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The Water Department is pursuing opportunities with the Commonwealth of Pennsylvania Infrastructure Investment Authority related to a large investment at one of our pumping stations.

WATER

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest Contracts, FY20											
Vendor Name	Service Provided	Dollar Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits) [yes / no]	Waiver for Living Wage Compliance? [yes / no]
Philadelphia Authority for Industrial Development (PAID)	Storm Water Management	\$25,598,000	N/A	5/23/2012	MBE:	17%	\$4,351,660	29%	\$7,423,420	yes	no
					WBE:	12%	\$3,071,760				
					DSBE:	0%	\$0				
PMA	Synagro - Biosolids Recycling Center	\$23,200,000	5/24/2004	10/24/2008	MBE:	30%	\$6,960,000	33%	\$7,656,000	yes	yes
					WBE:	3%	\$696,000				
					DSBE:	0%	\$0				
PMA	Cogen NE Biogas	\$2,120,000	3/1/2016	7/1/2016	MBE:	15%	\$318,000	25%	\$530,000	no	no
					WBE:	10%	\$212,000				
					DSBE:	0%	\$0				
PMA	Automated Meter Reading	\$2,000,000	9/17/2018	9/1/2019	MBE:	18%	\$360,000	29%	\$580,000	no	no
					WBE:	11%	\$220,000				
					DSBE:	0%	\$0				
Raftelis Financial Consultants, Inc	Financial & Rate Analysis	\$2,000,000	2/27/2017	7/1/2017	MBE:	50%	\$1,000,000	50%	\$1,000,000	no	no
					WBE:	0%	\$0				
					DSBE:	0%	\$0				

WATER

Non-Profit Vendor Demographics		
Fifteen Minutes Inc.	Minority %	Female %
Workforce	40.00%	100.00%
Executive	50.00%	100.00%
Board	50.00%	40.00%
Lehigh University	Minority %	Female %
Workforce	14.28%	53.10%
Executive	20.00%	20.00%
Board	18.20%	30.30%
Partnership For Delaware Estuary	Minority %	Female %
Workforce	5.00%	80.00%
Executive	0.00%	100.00%
Board	15.00%	53.00%
Pennsylvania Horticultural Society	Minority %	Female %
Workforce	23.00%	64.00%
Executive	0.00%	60.00%
Board	20.00%	65.00%
Tookany/Tacony-Frankford Watershed Partnership	Minority %	Female %
Workforce	20.00%	60.00%
Executive	50.00%	50.00%
Board	23.00%	77.00%

EMPLOYEE DATA

Staff Demographics (as of December 2019)					
Full-Time Staff			Executive Staff		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	811	227	<i>Total</i>	1	1
<i>% of Total</i>	41%	12%	<i>% of Total</i>	11%	11%
<i>Average Salary</i>	\$46,490	\$50,477	<i>Average Salary</i>	\$200,000	\$123,600
<i>Median Salary</i>	\$44,978	\$45,046	<i>Median Salary</i>	\$200,000	\$123,600
	White	White		White	White
<i>Total</i>	567	149	<i>Total</i>	3	4
<i>% of Total</i>	29%	8%	<i>% of Total</i>	33%	44%
<i>Average Salary</i>	\$59,279	\$67,240	<i>Average Salary</i>	\$123,732	\$140,990
<i>Median Salary</i>	\$53,533	\$61,055	<i>Median Salary</i>	\$123,600	\$142,025
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	58	12	<i>Total</i>	0	0
<i>% of Total</i>	3%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$47,569	\$52,259	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$46,894	\$46,595	<i>Median Salary</i>	\$0	\$0
	Asian	Asian		Asian	Asian
<i>Total</i>	77	28	<i>Total</i>	0	0
<i>% of Total</i>	4%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$54,231	\$67,307	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$48,146	\$67,274	<i>Median Salary</i>	\$0	\$0
	Other	Other		Other	Other
<i>Total</i>	24	13	<i>Total</i>	0	0
<i>% of Total</i>	1%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$65,878	\$61,398	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$61,545	\$56,819	<i>Median Salary</i>	\$0	\$0
	Bilingual*			Bilingual*	
<i>Total</i>	77		<i>Total</i>		
<i>% of Total</i>	4%		<i>% of Total</i>	0%	0%
<i>Average Salary</i>			<i>Average Salary</i>		
<i>Median Salary</i>			<i>Median Salary</i>		
	Male	Female		Male	Female
<i>Total</i>	1537	429	<i>Total</i>	4	5
<i>% of Total</i>	78%	22%	<i>% of Total</i>	44%	56%
<i>Average Salary</i>	\$51,939	\$57,778	<i>Average Salary</i>	\$142,799	\$137,512
<i>Median Salary</i>	\$47,946	\$49,293	<i>Median Salary</i>	\$124,300	\$139,050

* The Department created a voluntary, anonymous, language survey that did not capture employee gender or title.

LANGUAGE ACCESS

1. Has your leadership received language access training?

Approximately 200 employees from the Philadelphia Water Department (PWD) have completed Language Access training to date and the Language Access coordinator will continue to schedule the training with other units within the Department throughout calendar year 2020. PWD Executive Staff received Language Access training in 2018, however many have retired and there will be another training scheduled for the new leadership staff. The FY19 Language Access Annual Report has been reviewed and signed off on by PWD's current Commissioner.

2. Do you currently have a language access coordinator?

Laura Copeland, one of Public Affairs' Public Information Officers, serves as PWD's Language Access coordinator. Saterria Kersey, Public Affairs Public Relations Specialist II, serves as an alternate Language Access coordinator.

3. Has your department written a language access plan and is it posted online?

Yes: <https://beta.phila.gov/media/20170602143450/Philadelphia-Water-Department-LAP-2017-FINAL.pdf>

4. Explain what your department has done to improve language access services over the past year.

PWD incorporates a language access protocol into its operations through:

- Allocating funds in PWD's operating budget toward language access services.
- Identifying vital documents to be translated and subsequently translating these documents.
- Identifying bilingual employees willing to assist with in-person interpretation and document translation.
- Using Language Line Solutions as a telephonic interpretation.
- Coordinating language access training for all employees.
- Scheduling in-person interpreters for community meetings, when necessary.
- Preparing an annual report detailing the prior year's language access efforts.

CLIMATE CHANGE

1. How has climate change affected your department's provision of services?

Currently, there is no significant impact of on PWD's provision of service. However, PWD has dedicated programs to address both climate change mitigation and adaptation: our Energy Management Program and Climate Change Adaptation Program, respectively. We strive to not only increase our resilience to climate change through effective and feasible adaptation strategies, but to also mitigate the future severity of these impacts by drastically reducing our greenhouse gas emissions and energy footprint. It is our belief that taking action now will reduce risks and save costs in the long term.

2. How might worsening climate change increase costs and demands for your department?

- a. **Water quality impacts from sea level rise:** Higher sea levels could push the salt line, which separates the freshwater from the Delaware River with the saltwater from the Atlantic Ocean, far enough upstream to reach PWD's largest drinking water supply intake, threatening our water supply and treatment process.
- b. **Inundation from sea level rise and extreme storm events:** There is the potential for increased flooding, coastal erosion and damage to PWD infrastructure due to sea level rise and storm surge from extreme events.
- c. **Increased stormwater runoff from increased rain and storm intensity:** More rainfall will lead to more stormwater runoff which can negatively affect the quality of our source waters, stress our drainage system, degrade streambank stability, and could lead to more combined sewer overflows as the carrying capacity of our infrastructure is exceeded. Severe weather may also lead to increased flooding, which threatens aging infrastructure, critical facilities and private property.
- d. **Changes to our source water quality and quantity due to drought:** An increase in the duration and/or frequency of seasonal drought could affect source water quality and quantity, substantially reducing river flows and available water supply, accelerating the growth of algae and advancing the salt line up the Delaware River. Low water levels may also make source waters more sensitive to contaminants and water emergencies.

3. How does your department intend to mitigate and adapt to climate change?

While climate change presents new challenges to managing our water resources, we have many of the necessary systems and programs in place to monitor, understand and respond to climate impacts. For the past few years, PWD has stayed up to date on the latest science, regularly engaged with climate experts, studied the impacts, and ramped up our climate change adaptation and mitigation efforts. As leaders in the industry, we are preparing for a future climate that will look different than the past.

More specifically, our part in addressing the global issue of climate change has taken a three-fold approach:

- **Mitigate**, or lessen, PWD's contribution to climate change by saving energy and using renewable energy sources.

Water Department

- **Study** climate science and perform comprehensive risk assessments to understand what impacts climate change will have on our drinking water, wastewater and stormwater systems
- **Adapt** to the expected changes by implementing proactive, cost-effective strategies that include incorporating climate considerations into the planning and design of infrastructure projects.

REVISED PLANS FOR FISCAL YEAR 2021**1. With the revised budget for FY21, what will your department accomplish in FY21?**

The Philadelphia Water Department (PWD)'s budget cuts of \$25.6m for FY21 were determined to align (and minimize disruption to) the Department's core mission and services. Our intent is to ensure that all proposed funding is focused on maintaining essential services for our residents as well as mitigate the long-term costs of deferring capital or critical maintenance projects. Despite these cuts, PWD will continue to support public health by planning for, operating, and maintaining the infrastructure and organization necessary to reliably provide an uninterrupted supply of high-quality drinking water for its 1.6 million customers; meeting household, commercial and firefighting needs; and sustaining and enhancing the region's watersheds and quality of life by treating wastewater to high standards and effectively managing stormwater.

2. With the revised budget for FY21, what existing programs or services will be reduced or eliminated?

As mentioned above, budget cuts for FY21 ensure that PWD's core mission and services are uninterrupted. Our evaluation of support programs and activities resulted into reduced budget across all programs as presented in the below table.

Program	Original Budget	Post Budget Cut	Variance
<i>HR & Admin</i>	\$17,365,350.00	\$17,061,570.38	(\$303,779.62)
<i>Finance</i>	\$112,059,186.00	\$100,489,128.99	(\$11,570,057.01)
<i>Engineering</i>	\$8,490,176.00	\$7,042,333.00	(\$1,447,843.00)
<i>Operations</i>	\$268,276,001.00	\$264,247,081.00	(\$4,028,920.00)
<i>Public Affairs</i>	\$15,468,500.00	\$12,670,596.15	(\$2,797,903.85)
<i>Environmental Services</i>	\$41,685,022.00	\$36,234,196.00	(\$5,450,826.00)
Total	\$463,344,235.00	\$437,744,905.52	(\$25,599,329.48)

3. With the revised budget for FY21, what planned, new services or programs will not happen?

The Department did not plan on implementing any new services in FY21 and reduced certain programs and / or activities which do not support the core mission of providing water & wastewater service. These include reductions to non-critical vehicle replacements, discretionary employee travel, reductions to funding for new exhibits at the Fairmount Water Works, reductions to professional services which do not support critical upcoming regulatory deadlines and delay in transferring capital funded staff to the operating budget for one year.

REVISED PERFORMANCE MEASURES

The Water Department did not update their performance measures as part of the revised budget process. Original performance measures are listed below.

FINANCE

FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Maintain current credit ratings (A+ / A1 / A+) ¹	A+, A1, A+	N/A	A+, A1, A+	A+, A1, A+
Achieve targeted debt and liquidity metrics as defined by the Department's Financial Plan ²	100%	N/A	100%	100%

¹ This is an annual measure. The Water Department aims to ensure that the current creditworthiness of the Department does not decline.

² This is an annual measure assessing whether PWD is achieving its targeted debt and liquidity metrics as defined by the Department's Financial Plan.

HUMAN RESOURCES AND ADMINISTRATION

FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Departmental vacancy rate (%) ¹	14%	12%	<15%	<15%

¹ PWD's collaboration with the Office of Human Resources improved this measure.

OPERATIONS

FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Millions of gallons of treated water ¹	82,811	17,180	meet customer demand	meet customer demand
Percent of time Philadelphia's drinking water met or surpassed state and federal standards	100.0%	100.0%	100.0%	100.0%
Miles of pipeline surveyed for leakage	746	267	1,110	1,110
Water main breaks repaired ²	790	116	meet customer demand	meet customer demand
Average time to repair a water main break upon crew arrival at site (hours) ³	5.5	6.6	8.0	8.0
Percent of hydrants available	99.5%	99.3%	99.7%	99.7%
Number of storm inlets cleaned/year ⁴	103,053	26,777	100,000	100,000
Wastewater Treatment met or surpasses state and federal standards/month ⁵	100%	100%	100%	100%

¹ PWD's target is to meet customers' demand. The measure is calculated by taking weekly average treatment flow summed for 3 plants x 7 days to get millions of gallons of treated water.

² The Department's target is to repair all water main breaks.

³ Eight hours is the Water Department's service-level agreement (SLA).

⁴ This is the number of inlets cleaned each quarter in PWD's system, which contains over 79,000 inlets.

⁵ This is calculated by taking the number of days out of compliance and dividing it by days of the month or quarter.

ENGINEERING AND CONSTRUCTION

FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Miles of sewers renewed ¹	10.7	N/A	≥ 10	≥ 10
Miles of water mains renewed ²	17.4	N/A	≥ 34	≥ 36
Percent of capital budget encumbered ³	82%	N/A	≥ 95%	≥ 95%

¹ This is an annual measure. This measure identifies the number of miles of sewer replaced in PWD's collector's system.

Water Department

² The cost per mile of water main renewal has increased. The Department has increased its budget in future years to meet this target.

³ This is an annual measure of the percent of capital budget dollars encumbered and is a percentage of the Department's overall capital budget, including Collectors, Conveyance, Treatment Plants, and Engineering and Material Support.

PLANNING AND ENVIRONMENTAL SERVICES

FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Constructed greened acres ¹	235	22	300	300
Number of Green Acres Design Completed/year ²	494	26	350	350
Analyses performed by PWD's Bureau of Laboratory Services/year ³	393,432	105,189	400,000	400,000
Site inspections completed/month ⁴	418	386	400	400

¹ PWD anticipates the construction completion of Greened Acres to significantly increase in FY20 Q3, FY20 Q4 and all of FY21 as the designed projects of FY19 complete construction. While compliance forecasts are focused on FY21 Q4 targets, data on hand at this time indicates PWD will be extremely close to achieving the annual FY20 targets with any potential shortfalls being recovered in FY21.

² PWD completed designs for 523 Greened Acres in FY19 to achieve and surpass the annual target of 350 by 50%. This high level of production was deliberate to provide ample time for projects to be constructed in advance of a major compliance reporting milestone in FY21 Q4.

³ This measure is calculated by taking the number of analyses performed at PWD's central laboratory.

⁴ This is a measure of the number of monthly site inspections performed at private properties installing stormwater management practices to confirm compliance with the approved design.

PUBLIC AFFAIRS

FY21 Performance Measures				
Measure	FY19Actual	FY20 YTD (Q1 ONLY)	FY20 Target	FY21 Target
Average speed to answer customers' emergency calls (minutes) ¹	3.38	2.3	< 3.0	< 3.0
Average speed to answer customers' billing and service calls (minutes) ²	43.0	70.8	< 60	< 60
Number of non-City employees in attendance at public meetings	10,558	3,433	> 4,800	> 4,800

¹ This measure is only reporting on the speed to answer for emergency calls. This includes call back times.

² Launch of MyPhillyWaterBill online billing and payment platform in Q1 required training of the staffs which resulted into increase call durations in F20 Q1.