

April 27, 2022

The Honorable Darrell Clarke  
City Council President  
City Hall, Room 490  
Philadelphia, PA 19107

Dear Council President Clarke:

This letter is in response to questions raised by Councilmembers during the FY23 Council Budget Hearings scheduled for Department of Commerce – Division of Aviation. At the hearing, the following questions were asked:

- **Council President Clarke: Please lay out the benefits of the charter change to make Division a department and how it would be different from current structure.**

Please see attached document.

- **Councilmember Parker: Who are the firms at the Airport doing business?**

All firms selected for Airport contracts are listed on the City's websites. We have provided the links below with details as to how to locate the Airport's contracts specifically.

Airport SS&E and Public Works contract awards are posted on the City's [PHLContracts](#) website.

- Click "Contract & Bid Search"
- Select "Contracts/Blankets"
- Under the "Organization" drop-down menu, select "AGENCY - City of Philadelphia"
- Under the "Department" drop-down menu, select "42A - Aviation"
- Click "Find It"

Airport professional services contract awards are posted on the City's [eContract Philly](#) website. Aviation contracts are listed within the Commerce Department and can be found by the following:

- Click "Notice of Intent to Contract"
- Under the "Departments" drop-down menu, select "Commerce"
- You cannot see a standalone list of just Airport contracts since the Airport is not a City department; however, you can see all Airport awards mixed in with all Commerce department awards

The Airport posts anticipated Professional Services and Public Works opportunities [HERE](#). The City has posted the Transparency in Business Report for calendar year 2021 [HERE](#).

- **Councilmember Gilmore-Richardson: How is the airport integrating sustainability into their projects?**

The Airport incorporates sustainability into its capital projects, planning efforts, operations, maintenance, and engagement efforts.

Design standards at the Airport require LEED Silver certification for all new occupied facilities, in line with City regulations. However, Division of Aviation (DOA) requires that all major renovations also be LEED Silver – there is no minimum square footage threshold. Renovation projects that are not able to achieve LEED Silver must demonstrate that they fulfill at least 20 of the LEED credits and meet DOA’s own sustainable design standards in the areas of energy, water, noise, emissions, climate change and flooding mitigation. DOA has one LEED Silver project, Terminal F Baggage Claim, which was constructed in collaboration with American Airlines. DOA is targeting its Administrative Building renovations at PNE for LEED Gold, the design for which includes a geothermal heating and cooling system.

DOA requires that all “horizontal” projects, such as airfield, landside, or road projects over \$2 million are certified via Envision, a rating system for sustainable infrastructure, and is the first City agency to establish such a requirement. Six airfield projects (two runways and five taxiways) are currently targeted for Envision certification. DOA requires that any new parking garages or renovations to existing garages be certified via the Parksmart rating system.

In 2021, DOA achieved Level 1 Airport Carbon Accreditation for PHL, a rigorous certification that only 22 other airports in the country have earned. Level 1 certification required mapping and calculating DOA emissions at PHL. For 2022, DOA plans to achieve Level 1 certification for PNE and move up to Level 2 at PHL, which will require providing three years of carbon emissions data, and setting emissions reduction targets. PHL plans to continue up to Level 4 (the highest level) of Airport Carbon Accreditation, achieving absolute emission reductions of Scope 1 (DOA direct emissions); Scope 2 (emissions from power purchased by DOA); and Scope 3 (indirect emissions by airport tenants, airlines, and passengers) in accordance with the Paris Climate Agreement. DOA plans to achieve carbon neutrality by 2050, in line with the City of Philadelphia’s goals. The DOA is working to reduce emissions from vehicles as well as idling aircraft. From 2019 to 2021, DOA installed 13 electric charging stations that will allow airlines to utilize electric vehicles as ground support equipment, rather than gas-powered. To date, 22% of the ground support equipment at PHL is electric. DOA will install 19 pre-conditioned air units and 7 ground power

units for the airport, which provide power for air circulation and electrical needs for aircraft while they are parked at the terminals, to prevent aircraft from idling and burning jet fuel. These efforts will prevent 44 tons of carbon monoxide, 7.8 tons of volatile organic compounds, emissions containing 124.7 tons of nitrogen oxides, 8.4 tons of sulfur oxides and 19.5 tons of particulate matter from entering the atmosphere.

DOA is in the process of converting all terminal and runway lighting to LED fixtures and upgrading all its HVAC units to energy-efficiency models. DOA collaborates closely with the City of Philadelphia Office of Sustainability's on energy efficiency and has completed its Building Energy Performance Assessment. Next, DOA will undertake the energy-saving strategies recommended through that assessment.

DOA's shuttle service for the economy and employee parking lots, operated by First Transit, converted its bus fleet to compressed natural gas (CNG) in 2018, resulting in a 20% reduction in greenhouse gas emissions. DOA's diesel fleet utilizes a mix of B2 and B5 biodiesel, representing 2% and 5% sustainably sourced fuel respectively. DOA owns two electric vehicles and plans to make future fleet purchases electric whenever feasible and explore other fuel alternatives for heavyweight vehicles. DOA offers 14 electric vehicle charging stations in its public parking facilities at PHL.

DOA recently completed an electrification assessment to convert DOA vehicles to electric and greatly expand public charging stations in anticipation of the expansion of the electric vehicle industry. In the short term, PHL will begin replacing lightweight and mediumweight vehicles with electric models and will research the ability of electric-powered trucks to undertake maintenance activities such as snowplowing. PHL has identified several departments that present good opportunities for EV replacement. These opportunities include a significant number of vehicles coming to their end of life and current EVs available meet the department operational needs. Our short-term goal is to maximize EV replacement for those departments. The long-term goal is to be consistent with the City's Clean Fleet Plan by electrifying or procuring alternative fuel vehicles for a majority of DOA's fleet. DOA will expand the charging stations for fleet vehicles to keep pace with the growing electric fleet. Over the next 10 years, DOA plans to install charging stations at 1% of its public parking spaces for passengers, which would result in approximately 150 charging stations.

DOA is in conversations with a solar power provider to develop a nine-acre solar farm at PNE that would power the entire PNE airport. DOA is also undertaking a solar assessment of PHL to determine the maximum potential for solar power generation at the airport via both rooftop and ground solar arrays.

In December 2021, DOA initiated a new recycling hauling contract with a firm that is capable of processing airport recycling despite contamination from liquids and plastic bags (which are used by custodial staff to haul recyclables). DOA plans to launch a public information campaign to reduce liquid and other contamination of its recycling stream, and utilize liquid collection stations at TSA checkpoints, so that liquids can be disposed prior to recycling. DOA has installed water

bottle filling stations throughout the airport to reduce plastic bottle waste by allowing passengers to refill their reusable bottles. DOA recycles all carpet that is replaced in the PHL terminals, and from 2011-2021 recycled 125 tons of carpet. DOA plans to achieve Zero Waste by 2035, in line with City of Philadelphia goals.

A Climate Adaptation and Resiliency Plan is underway at DOA which will include a hydrological and hydraulic (H&H) model of the PHL property to predict the impact of stronger storms, sea level rise and extreme temperatures at PHL from today until 2080. The plan will provide strategies as to how to protect existing infrastructure and equipment from climate change impacts via structural as well as operational solutions, and how to safeguard future development. Simultaneously, DOA is undertaking a Stormwater Master Plan and drainage analysis, which will make recommendations as to how to optimize on-site drainage in the face of climate change and current infrastructure capacity. DOA is currently completing a Sustainability Management Plan that will serve as the roadmap for sustainability strategies to move towards departmental goals in energy efficiency, carbon neutrality and zero waste.

- **CM Gilmore-Richardson: What is the level of vacancies for city employees? How many positions are filled and how many vacant. Detail where the vacant positions are.**

Aviation currently has 730 budgeted positions for FY22, of which 604 are filled. Aviation is requesting 840 budgeted positions for FY23 and below is the list of positions we are currently attempting to hire into FY23:

Civil Service Title	Sum of Number of Positions
Account Clerk	2
Accountant/Revenue Examiner/Contract Auditor Trainee	4
Accounting Supervisor	1
Administrative Assistant	2
Administrative Technical Trainee	2
Airport Communications Center Operator 1	2
Airport Communications Services Supervisor	2
Airport Electrical Services Supervisor	1
Airport Operations Trainee	10
Airport Planner	1
Airport Properties Manager	1
Building Maintenance Superintendent 1Thermal Plant	1
Clerk III	1
Commercial Airline/Air Service Development Manager	1
Contract and Planning Administrator	2
Contract Clerk	1
Custodial Work Crew Chief	3
Custodial Work Supervisor 1	1
Custodial Worker 1	40
Departmental Payroll Clerk	1
Electronic Technician Group Leader	1
Equipment Operator 2 (Tandem Axle Dump)	2
Fiscal Analyst 2	2
Graduate Civil Engineer	1
Graduate Electrical Engineer	1
Graduate Mechanical Engineer	1
Heavy Equipment Operator 2 (Earthmoving Wheeled)	2
HVAC Mechanic 1	14
HVAC Mechanic Group Leader	2
Industrial Electrician 1	11
Machinery and Equipment Mechanic 1	8
Occupational Safety Administrator 1	1
Painter 1	3
Painting Group Leader (Sign Fabricator Specialty)	1
Security Officer 1	1
Semi-Skilled Laborer	16
Service Representative	6
Stationary Engineer	6
Training & Development Officer	1
<b>GRAND TOTAL</b>	<b>159</b>

- **CM Jones: Send list of subcontractors complying with living wage and prevailing wage.**

All subcontractors to airlines are, and since July 2015 have been, complying with the City’s living wage (21<sup>st</sup> Century Minimum Wage) ordinance requirements. Prevailing wage requirements for Covered Airport Service Employees enacted in 2021 will not apply to airlines’ subcontractors until the airlines make a new Use and Lease Agreement with the City. The airport and the airlines are negotiating terms of a new Use and Lease Agreement to be effective July 1, 2022.

All PHL concession operator sublessees to MarketPlace have confirmed that they are complying either (1) with both the 2021 prevailing wage and the living wage requirements (first column), or (2) with the living wage requirements only (second column):

	Prevailing Wage Operators	Living Wage Operators
1		
2		
3	1. Spa BRIAD PHL, LLC	1. CL Twists, LLC
4	2. DFASS (3SIXTY)	2. Minute Suites, LLC
5	3. Strother Enterprises, Inc.	Star Global Hospitality/Dan Food Services
6	4. Paradies (Vino Volo)	4. The Grove
7	5. CPC International, LLC	5. HMS Host
8	6. Paradies (Chick fil A)	6. Guava & Java, Inc.
9	7. Good 2 Go II, Inc.	7. T & M Brands Corp.
10	8. Marketplace PHL	8. Air Sun Joint Venture
11	9. New York Ice Cream, Inc.	Marshall Retail Group/Inmotion Entertainment Group
12	10. Seven Hills, Inc.	10. Jack Duggan's PHL, Inc.
13	11. Spin PCS	11. Midfield Concessions Enterprise
14	12. Aldo Lamberti	12. AREAS G2G PHL, LLC
15	13. Lids Holdings, Inc.	13. Paradies - Pleasant News, LLC
16	14. Philadelphia L'Occitane Ventur	14. HG PHL Retailers JV
17	15. OTG PHL Venture, LLC	15. Bombi Corp.
18	16. M2 Concepts	16. Ramy Enterprises
19	17. Stellar Partners, LLC	
20		

- **CM Jones: How many airlines are involved in the lease agreement?**

The current Airport-Airline Use & Lease Agreement has fifteen Signatory Airlines.

- **CM Parker: Is there any industry-wide data available about why cities aren't seeing as much leisure travel?**

Early in the pandemic, research and [coverage suggested](#) that leisure travelers were avoiding cities for a few reasons, including:

- Cities were hit hardest by the pandemic
- Travelers expected not to enjoy the same types of experiences in cities they had before the pandemic

More recently, travelers are expressing interest in visiting cities, but interest in beaches, rural areas and parks remains high. According to Destination Analyst, “Beaches, rural towns and national/state parks destinations will still be where a majority of American travelers head, with more than 70% reporting plans for these types of destinations. Meanwhile, 66.2% of travelers currently say they plan to visit cities, although 29.3% report that they will increase their urban travel in 2022. When asked to list the domestic destinations they most want to visit in 2022, Florida, New York, Las Vegas, California, Hawaii and Texas are top among American travelers as they look forward to 2022.”

For more information, please see the following resources:

<https://skift.com/megatrends-2022/#/read/the-rapid-ruralization-of-travel-sets-stage-for-new-overtourism>  
[https://docs.google.com/viewerng/viewer?url=https://go.destinationanalysts.com/l/868421/2022-04-05/6nsr9d/868421/16491724089iVz96Y9/The State of the American Traveler April 2022.pdf&hl=en](https://docs.google.com/viewerng/viewer?url=https://go.destinationanalysts.com/l/868421/2022-04-05/6nsr9d/868421/16491724089iVz96Y9/The%20State%20of%20the%20American%20Traveler%20April%202022.pdf&hl=en)

- **CM Thomas: Where are we with tourist travel? Where do we need to be to get back to pre-pandemic levels?**

Our internal surveying points to a fairly consistent share of passengers who had been traveling for leisure and were returning to their home airport from Philadelphia, over the last year. In February of 2022, 26% of these passengers were traveling for leisure, compared to 28% in February of 2021.

We also reached out to Visit Philly and their data reveals that leisure traffic still leads the recovery and is projected to be within 2019 numbers by the 2nd half of calendar year 2022, with group, business and international coming back in 2023 and 2024.

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Please let us know if you require any additional information.

Sincerely,

A handwritten signature in blue ink that reads "Rochelle L. Cameron". The signature is written in a cursive style with a large, looping initial "R".

Rochelle L. Cameron, CPA, C.M.  
Chief Executive Officer

## Overview of Benefits from Creating a Department of Aviation

**Background:** The Kenney Administration has proposed creating a Department of Aviation. This pandemic has taught us that we can't go back to business as usual. To succeed into the future, we need to ensure our airports are in the best position to adapt to changes within the industry. Our team has been thoughtfully working on this proposal for more than a year. We conducted considerable research through looking at the best practices of peer airports also owned by cities or municipalities such as the Chicago Department of Aviation, the Denver Department of Aviation and the Atlanta Department of Aviation.

The Division of Aviation is the 10th largest entity in terms of City government employees. Aviation staff support operations at the Philadelphia International Airport (PHL), where roughly 20,000 individuals were employed pre-pandemic, as well as at the Northeast Philadelphia Airport (PNE). Aviation also has the 3<sup>rd</sup> largest operating budget of any City department. As an enterprise fund, the Division functions in a manner similar to a business and must generate its own revenue to be self-sustaining, using no local taxpayer dollars or General Fund revenues to operate.

**Benefits:** Our team has broken out the benefits for this charter change into the following categories:

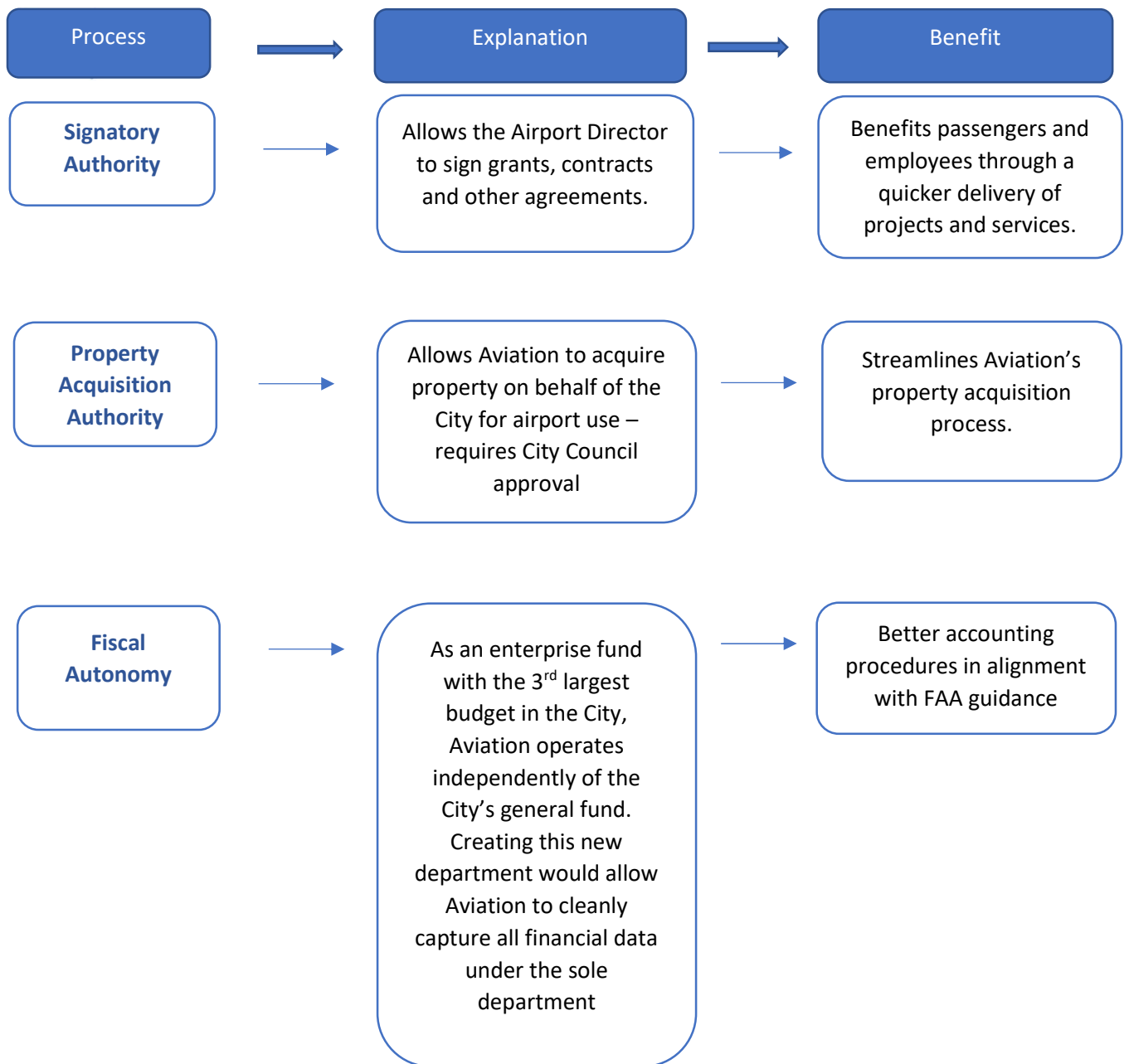
- **Institutionalize the streamlining of projects and processes that benefit the City and passengers.** Efficient processes for Division business actions have come as a result of MOUs among departments initiated by the current Mayor. Prior to the current administration, there were many hurdles that needed to be cleared for routine actions which created significant red tape and led to delays in executing important agreements such as grant agreements, routine contracts, and leases. As an example, the prior administration created a new structure, the Mayor's Office of Transportation & Utilities, which included Aviation and defined processes through an MOU concerning contract execution and other actions that were not efficient. The current MOUs which have established a more efficient process could be replaced at the end of any administration, reinstating some or all of these hurdles as barriers to business for the airports.
- **Ensure that policy priorities can be acted on quickly** – Prior to the pandemic, our airports had a \$16.8 B annual impact on the region. Through this proposal, which would make the new department head a member of the Mayor's cabinet, the Director of Aviation would be better positioned to advocate for important policy changes that would benefit employees and passengers, while at the same time continuing to partner with the Commerce Department on business development initiatives that benefit our City and residents. Additionally, this structural change wouldn't decrease City Council's oversight of the airports and could provide for additional opportunities for collaboration moving forward.
- **Allow the Aviation team to evolve to better serve passengers and stakeholders** – This change would allow Aviation to scale up or scale down personnel within specific Airport units or divisions (i.e. operations, finance, revenue) to better respond to changes within the industry. The ability to take this scalable approach is afforded to departments through the charter, but not to Divisions.
- **Ensure that the needs of Aviation's team members are adequately considered in policy decisions** - The Division of Aviation team includes more than 600 employees and is home to over

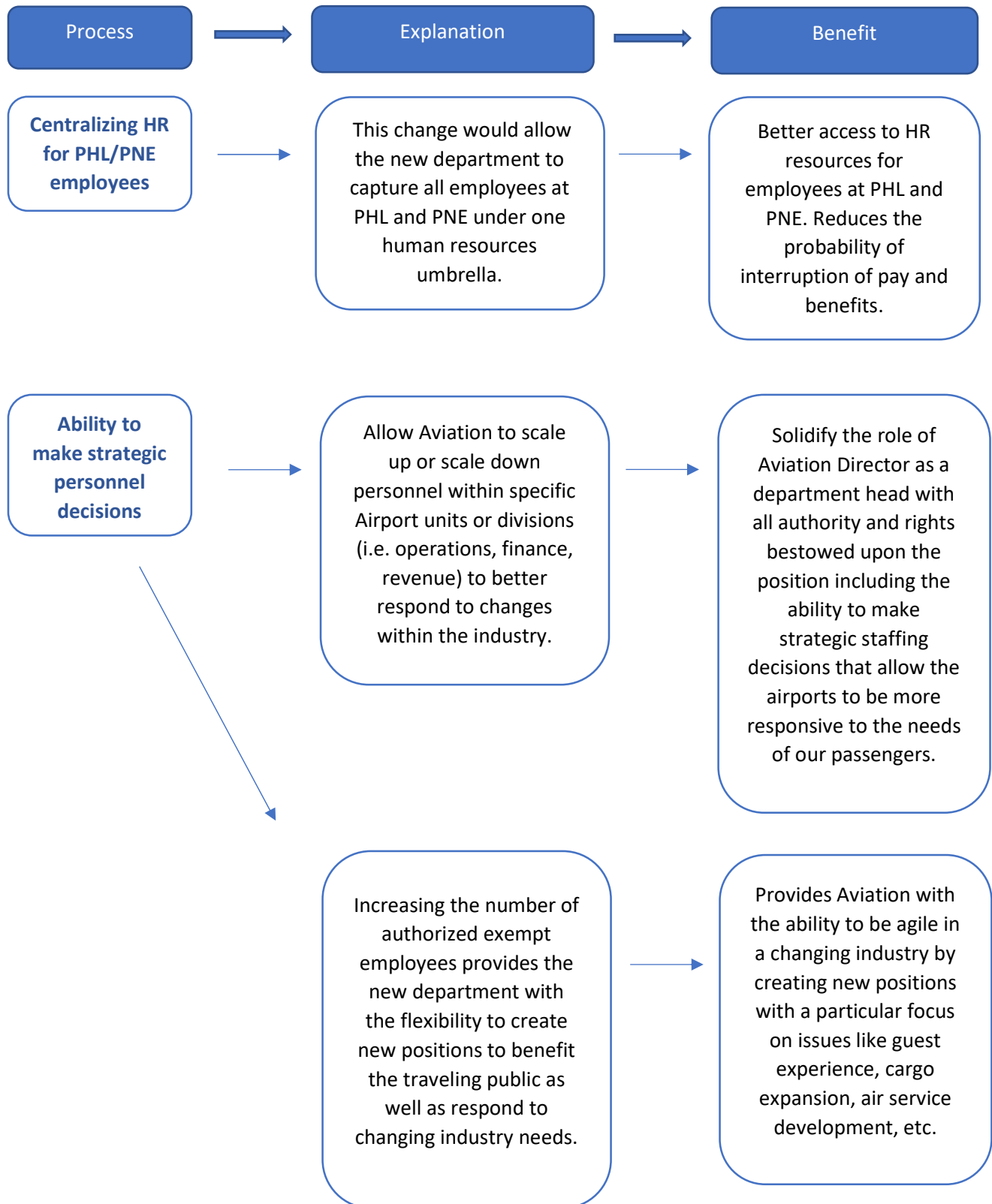


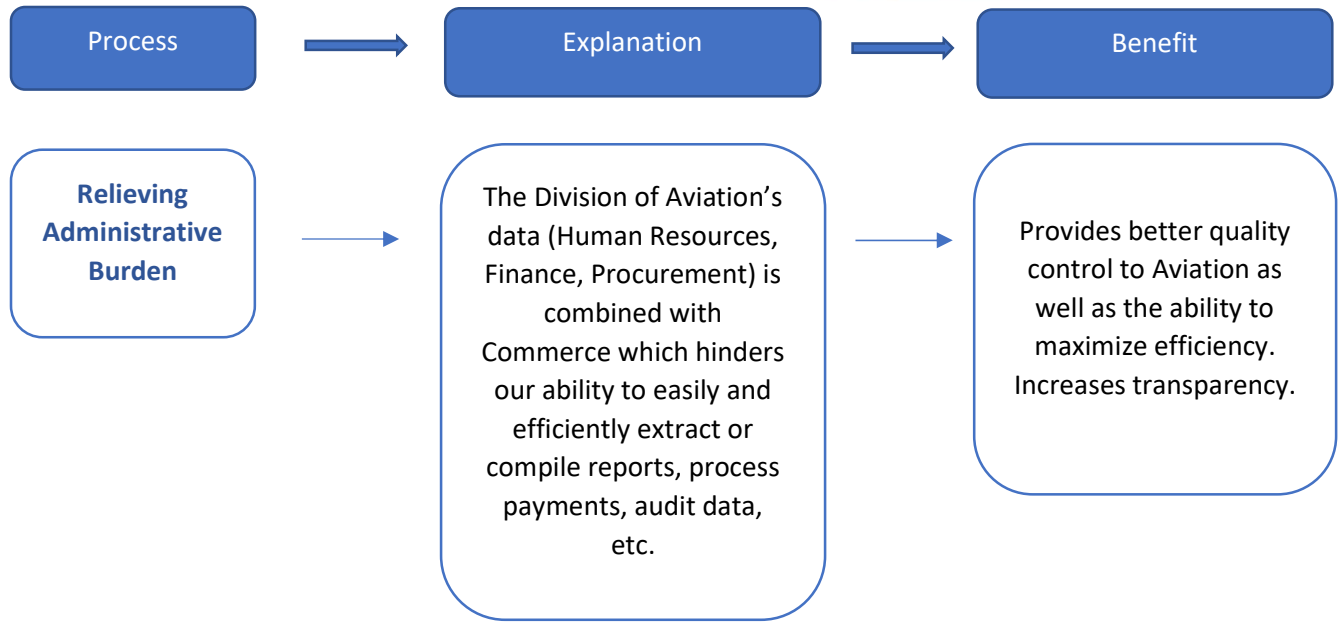
20,000 employees (pre-pandemic) from a variety of companies, the vast majority of whom are front-line team workers. During the pandemic, Aviation did not always have a seat at the table and relied on other departments to ensure that our concerns and needs were being addressed when critical decisions such as vaccine distribution were being made.

- **Respond better to passenger needs with the ability to introduce new roles** - PHL has consistently lagged-behind regional competitor airports and airports nation-wide in terms of establishing new teams like Guest Experience or Passenger Services. These functions and teams include positions that are not found in the civil service ranks. Increasing the number of Aviation’s exempt positions through this charter change provides the new department with the flexibility to create new positions to benefit the traveling public as well as respond to the dynamics of changing industry needs.

An even more detailed overview of the benefits can be found below.









# Budget Office

CITY OF PHILADELPHIA

April 29, 2022

The Honorable Darrell Clarke  
City Council President  
City Hall, Room 490  
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised by Councilmembers during the FY23 Council Budget Hearings scheduled for DBHIDS. At the hearing, the following questions were asked:

- **Councilmember Parker:** What have you done to address the issues that were outlined in the report issued by the Controller?

In July 2021, CBH acknowledged receipt of the recommendations that resulted from the extensive and lengthy probe undertaken by the Office of the City Controller into CBH activities from July 2016 through June 2017. Continuing CBH's strong record, as indicated in DBHIDS's official response to the report, many of the recommendations were already implemented over the course of the past five years since the scope of the audit began.

Throughout the course of these last five years, new leadership that overturned naturally at CBH and DBHIDS continued to improve all facets of the unique work we do for the people of Philadelphia, resulting in addressing many of the audit recommendations before they were made. As leaders, we will continue to evolve and improve our services as we address some of the most difficult behavioral health challenges in recent history, in 2022, and beyond.

Each recommendation made by the controller is summarized with a detailed response from DBHIDS and CBH regarding the solution for each issue. Please click here to see [DBHIDS Response to the Controller](#).

Please contact my office for more information.

Thank you,

Jill Bowen, Ph.D.  
Commissioner  
Department of Behavioral Health and Intellectual DisAbilities



# Budget Office

CITY OF PHILADELPHIA

April 29, 2022

The Honorable Darrell Clarke  
City Council President  
City Hall, Room 490  
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised by Councilmembers during the FY23 Council Budget Hearings scheduled for the Office of the Chief Administrative Officer. At the hearing, the following questions were asked:

- **Councilmember Parker: How does CAO impact DEI across the City?**

The CAO provides resources, primarily in the form of staffing, to support DEI efforts City-wide. In FY22, for example, our team continued to drive improvements in the vendor pay process, delays to which, we know, disproportionately impact minority-owned businesses. Further, our Service Design Studio continued its work leading the equitable community engagement project, the goal of which is to envision what equitable community engagement can look like for the City of Philadelphia, particularly engagement with historically disenfranchised communities. Ultimately, this vision will translate into an Equitable Community Engagement Toolkit with shared principles, tactics, tools, and training for engagement practitioners. This project is also being supported by \$550,000 through the Operations Transformation Fund (OTF). Further, through the OTF grants, we've made it a priority to support and provide funding to projects that will - through their processes and outcomes - advance racial, economic, or social equity or reduce disparities among Philadelphians - a few examples of those projects are provided in the table below. We've also provided funding for OTF Project Partners to participate in the Government Alliance on Race and Equity, through which they can access resources, information, and other professional development opportunities to build capacity and skills to effectively apply an equity lens to their work. Lastly, our Human Resources & Talent team is leading DEI recruitment info sessions and effective interview practices for hiring managers to equip them with resources to reach and hire more diverse employees.

In FY23, we are making new investments to support DEI efforts City-wide. Those include over \$600,000 to support the following: the salary for a Director of Professional Development, who will coordinate and deliver development programs focused on building competencies for City employees and leadership to drive a culture of diversity, equity, and inclusion; a new managers training series to support civil service and exempt managers in leading teams effectively, understanding leadership styles, conflict management, and communication methods to help cultivate positive working relationships to support employee productivity and morale; and, lastly, the re-launch of the Mayor's Internship Program, an entry-level pipeline for diverse college students interested in careers in City government.



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The table below summarizes the funding mentioned above to support DEI efforts City-wide in FY22 and FY23 (in addition to the ongoing work we conduct through a racial equity lens).

<b>Project/Initiative</b>	<b>Amount</b>
Equitable Engagement Toolkit (OTF Funding)	\$550,000
OHR Mobile Recruitment (OTF Funding)	\$600,000
Phila.gov Translations (OTF Funding)	\$450,000
IIJA/BIL Participation Project (OTF Funding)	\$318,000
OIT Apprenticeship Program (OTF Funding)	\$225,000
Director of Professional Development (DEI-focused)	\$95,000
DEI Training Program for Managers	\$275,000
Mayor’s Internship Program	\$280,000
<b>TOTAL</b>	<b>\$2,793,000</b>

- **Councilmember Domb: What is the ongoing operating cost beyond FY27 for OPAL? Please provide the budget for OPAL implementation and the savings that will be associated. What are the savings that we can realize as a return on investment?**

The OPAL project will replace the City’s legacy financial and supply chain systems – systems that are, in some instances, over 30 years old. The focus of the OPAL project is to improve these systems as well as the processes supporting these systems, thus creating more staff capacity to handle existing work within both central offices like, Finance and Procurement, but also across all City departments. A full listing of the OPAL project goals are provided below:

- Reduce transaction processing cycle time, including Invoices, POs, Contracts, etc.
- Optimize effort required to complete transactions and report results.
- Enhance compliance with statutory and regulatory requirements.
- Improve user satisfaction through new skill development and revised job responsibilities to focus on more value-added activities.
- Minimize disruption of transitioning to a new system.
- Improve ease of use for end users.
- Enhance internal controls and transaction transparency.
- Improve system up-time and availability.
- Reduce systems maintenance and support risks.

For fiscal years 2020 through 2027, the Implementation budget is \$130.5 million (Capital \$81M; Operating \$49.5M) and the Optimization and Support phase is another \$24 million (Capital \$12.6M;



# Budget Office

CITY OF PHILADELPHIA

Operating 11.3M). In total, the project is budgeted at \$93.6 million in Capital and \$60.8 million in Operating from FY20 through FY27. Please see the table below for a summary of these figures.

Area	Implementation			Optimization and Support		
	Operating	Capital	Total	Operating	Capital	Total
Budget Projection	\$49,523,694	\$81,031,362	<b>\$130,555,056</b>	\$11,363,092	\$12,619,018	<b>\$23,982,111</b>

The ongoing annual operating costs for the software after FY27 are projected to be in the range of \$4.1 - \$4.6 million.

Please contact my office for further information.

Thank you,

Stephanie Tipton  
Chief Administrative Officer