



MEMORANDUM

SUBJECT: Initial Projection of Costs Related to the July 2025 City Work Stoppage

DATE: October 10, 2025

I. Introduction

This document provides initial projections of the City's costs associated with this year's District Council (DC) 33 work stoppage, which spanned July 1 through July 8, 2025, along with its after-effects. In addition to identifying costs, this document provides high-level details regarding how these initial estimates were calculated.

Please note that the figures in this document are based on information collected as of early October 2025 and are subject to further refinement as additional information becomes available.

Projected impact on the General Fund: The City's initial analysis indicates that the **projected net new cost to the General Fund from the DC 33 work stoppage in FY26 is roughly \$5.4 million**. This projected net cost reflects several items: 1) avoided payroll costs for DC 33 employees participating in the work stoppage (an estimated \$4.7 million in avoided costs); 2) added employee payroll costs for non-DC 33 employees (an estimated \$3.9 million in new costs); and 3) added costs for contracts, materials, supplies, and equipment (an estimated \$6.2 million in new costs) related to the work stoppage.

Projected impact on other City funds: The City's initial analysis indicates that the **projected net new cost to the Aviation Fund due to the DC 33 work stoppage in FY26 is roughly \$1.4 million, while the Transportation and Water Funds saw net avoided costs of roughly \$1.3 million and \$923,000, respectively**.

II. General Fund

Initial Payroll Cost Estimates in the General Fund

The net impact on payroll costs in the General Fund is a combination of both avoided payroll costs for DC 33 employees who participated in the work stoppage and offsetting increased costs for non-DC 33 positions related to the work stoppage.

DC 33 payroll costs in the General Fund from July 1 through August 17, 2025 (in FY26) were \$4.7 million lower than during the same period in 2024 (in FY25), reflecting a net decrease in year-to-date DC 33 payroll during the work stoppage and its aftermath compared to the prior year. This mid-August cutoff is used to ensure that payroll adjustments (“retro” payments), some of which are issued on a lag, are fully captured for the work stoppage period, as well as to account for any increased payroll (such as for overtime) associated with the aftermath of the work stoppage that would otherwise offset payroll costs avoided during the work stoppage. While this \$4.7 million change from FY25 to FY26 may not be caused by the strike exclusively, this methodology enables a good approximation and no other major factors that would have contributed to this change have been identified as of the publication date of this document.

This \$4.7 million in “avoided costs” is offset by an estimated \$3.9 million in added General Fund costs in non-DC 33 positions, including Police, Fire, DC 47, Non-Represented, and Exempt positions. This \$3.9 million was calculated by comparing overtime and holiday pay for non-DC 33 positions during the same July 1 through August 17, 2025 period factoring in contracted wage increases (3.5% wage increase for FOP and a 2.5% wage increase for DC 47 and Non-Represented employees in FY26).¹ Any other applicable payroll costs that have been paid out to non-DC 33 employees associated with the work stoppage were then added to the total.

Non-DC33 Positions	New Payroll Costs Related to the Work Stoppage
Police - Uniform	\$2,443,799
Fire - Uniform	\$537,059
DC 47, Non-Represented, and Exempts	\$898,473
Total	\$3,879,331

Thus, due to both avoided costs (an estimated \$4.7 million) and new costs (an estimated \$3.9 million), the estimated net General Fund payroll impact due to the work stoppage is roughly \$859,000 in net avoided payroll costs.

¹ Retroactive payments for the 2.5% wage increase for DC47 and Non-Represented employees were paid out October 3, 2025. Retroactive payments for the 3.5% wage increase for FOP employees will be paid out October 17, 2025.

Initial Estimates of New Non-Payroll Costs in the General Fund

The work stoppage also necessitated an estimated \$6.2 million in new General Fund spending for contracts, materials, supplies, and equipment. The table below outlines projected costs by department for these new obligations.

Department	Contracted Costs (Class 200)	Materials, Supplies, and Equipment Costs (Classes 300 and 400)	Description
Sanitation	\$3,485,643	n/a	Manual waste removal and hauling, Benjamin Franklin Parkway setup and cleanup related to Welcome America, waste disposal
Commerce	\$2,100,000	n/a	Emergency trash removal for approximately 60 City dumpsters
Community Empowerment & Opportunity	\$258,965	n/a	Same Day Work and Pay support
Fleet Services*	\$42,614	\$77,832	Combined estimate for both damage from vandalism (\$78K) and emergency vendor repair (\$43K)
Managing Director – Office of Emergency Management	\$25,884	\$70,105	Daily meals and water bottles at the Emergency Operations Center (EOC) and for SDWP participants, PeopleShare (call center), bolt cutters, padlocks, two days of contracted support for the Medical Examiner’s Office, hydrobarriers
Human Services	\$53,590	\$22,990	Cleaning services (Team Clean) and meals at the Philadelphia Juvenile Justice Services Center, refrigerated truck rental (1)
Law	\$36,503	n/a	Outside counsel fees related to work stoppage
Public Safety*	\$32,000	n/a	Deployment of additional Community Crisis Intervention Program (CCIP) units
Human Resources	\$11,100	n/a	Leadership well-being support - 4 sessions
Public Property	\$3,105	n/a	City Hall trash removal
Parks and Recreation	\$1,675	n/a	Rental of pickup truck (1)
Total: General Fund	\$6,051,078	\$170,928	

**Costs reported for this Department are initial estimates and are subject to change.*

Note: The figures in the table above are based on information collected as of early October 2025 and are subject to further refinement as additional information becomes available.

Summary of Estimated Net Cost to the General Fund

For all obligations (both for payroll costs and non-payroll costs), these costs result in an estimated **net General Fund increased cost of roughly \$5.4 million** due to the work stoppage.

Item	General Fund Cost
<i>Avoided payroll costs</i>	<i>(\$4,738,079)</i>
<i>New payroll costs related to the work stoppage</i>	<i>\$3,879,331</i>
Estimated payroll subtotal	(\$858,749)
Estimated non-payroll subtotal	\$6,222,006
Estimated Net General Fund Cost	\$5,363,257

Other Funds

Initial Payroll Cost Estimates in the Aviation, Water, and Transportation Funds

The methodology used in this section to estimate payroll costs is the same as the methodology outlined in the General Fund payroll section above. Some figures may not sum due to rounding.

Aviation: In the Aviation Fund, there was an estimated \$11K in avoided DC 33 payroll costs and an estimated \$407K in increased payroll costs for non-DC 33 positions. As a result, the net payroll impact on the Aviation Fund is estimated to be increased costs of roughly \$396K.

Water: In the Water Fund, there was an estimated \$3.4 million in avoided DC 33 payroll costs and an estimated \$1.9 million in increased payroll costs for non-DC 33 positions. As a result, the net payroll impact on the Water Fund is estimated to be roughly \$1.5 million in avoided costs.

Transportation: In the Transportation Fund, there was an estimated \$1.3 million in avoided DC 33 payroll costs and an estimated \$4K in increased payroll costs for non-DC 33 positions. As a result, the net payroll impact on the Transportation Fund is estimated to be roughly \$1.3 million in avoided costs.

Initial Estimates of New Non-Payroll Costs in the Aviation, Water, and Transportation Funds

For all obligations (both for payroll costs and non-payroll costs), these costs result in an estimated **net Aviation Fund increase in cost of roughly \$1.4 million**; a **net Water Fund decrease in cost of roughly \$923K**; and a **net Transportation Fund decrease in cost of roughly \$1.3 million** due to the work stoppage.

Department	Fund	Contracted Costs (Class 200)	Materials, Supplies, and Equipment Costs (Classes 300 and 400)	Description
Aviation	Aviation	\$953,775	\$645	Janitorial services, food
Water	Water	\$592,113	\$28,682	Emergency repairs, contracted laboratory support,

Department	Fund	Contracted Costs (Class 200)	Materials, Supplies, and Equipment Costs (Classes 300 and 400)	Description
				excavations, food, tank cleaning
Streets*	Transportation	\$40,370	n/a	Installation of security cameras

**Costs reported for this Department are estimates and are subject to change.*

Note: The figures in the table above are based on information collected as of early October 2025 and are subject to further refinement as additional information becomes available.

Summary of Estimated Net Cost to the Aviation, Water, and Transportation Funds

For all obligations, these costs result in an estimated **net decreased cost of roughly \$1.3 million and \$923,000 for the Transportation and Water Funds, respectively, and a net increased cost of \$1.4 million for the Aviation Fund due to the work stoppage.**

Item	Aviation	Water	Transportation
<i>Avoided payroll costs</i>	<i>(\$10,623)</i>	<i>(\$3,395,646)</i>	<i>(\$1,331,878)</i>
<i>New payroll costs related to the work stoppage</i>	<i>\$406,931</i>	<i>\$1,851,584*</i>	<i>\$3,866</i>
Estimated payroll subtotal	\$396,308	(\$1,544,062)	(\$1,328,012)
Estimated non-payroll subtotal	\$954,420	\$620,795	\$40,370
Net Estimated Fund Cost	\$1,350,728	(\$923,267)	(\$1,287,642)

**Includes \$154,600 in payroll costs billed to the Water Capital Fund.*

III. Implementation of DC 33 Collective Bargaining Agreement Wage Increases

The DC 33 wage increases were paid as quickly as possible under the process that the City is required to use to implement changes from collective bargaining agreements. The contract was ratified by the members of DC 33 on July 21, 2025. The changes in that contract were approved at the next Civil Service Commission meeting, which was on August 20, and then were approved at the next Administrative Board meeting, which was held on September 12. The pay increases were then included in the next paycheck. That process is followed because all changes to compensation for employees in the Civil Service must be approved by the Civil Service Commission and the Administrative Board.

The recent 8-day work stoppage by **AFSCME District Council 33** cost the City's General Fund approximately **\$5.4 million**.

PAYROLL COSTS AVOIDED:

City realized **\$4.7 million in payroll costs avoided** due to unpaid District Council 33 employees participating in the work stoppage.



PAYROLL COSTS ADDED:



An additional **\$3.9 million was paid** out to support increased employee payroll costs for non- DC 33 positions.

NON-PAYROLL COSTS:

The City incurred **\$6.2 million in new non-payroll expenses**, including sanitation, emergency services, repairs, legal fees, and support programs related to the work stoppage.



Net Cost to the City's General Fund:
Approx. \$5.4 million.



Parker Administration's Progress on Municipal Union Contracts



[RATIFIED]

3-Year
Contract with
**AFSCME
District
Council 33.**



[RATIFIED]

3-Year
Contract with
**AFSCME
District
Council 47.**



[AWARDED]

2-Year
Arbitration
Award with
FOP Lodge 5.



[RATIFIED]

3-Year
Contract with
**DC 47 Local
2186.**



[RATIFIED]

3-Year
Contract with
**United
Steelworkers
Local 286.**

