

CHIEF ADMINISTRATIVE OFFICE  
CITY OF NEW ORLEANS

LATOYA CANTRELL  
MAYOR

JOSEPH W. THREAT, SR.  
CHIEF ADMINISTRATIVE OFFICER

December 8, 2025

Lora Johnson  
Clerk of Council  
1300 Perdido St., Room 1E09  
New Orleans, LA 70112

Ms. Johnson:

Pursuant to Ordinance Number 30,522 M.C.S., the Chief Administrative Office is transmitting the attached biweekly expenditure reduction report.

Sincerely,



Abby Vienne  
Director of Governmental Affairs



# Biweekly Expenditure Reduction Report

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**Submission Date: December 8, 2025**

In June 2025, the Administration began enacting spending reforms to respond to financial challenges resulting from declining revenues and unanticipated expenditures earlier in the year. City leadership continued to track revenues and expenditures over the summer and financial conditions worsened—most notably, the Revenue Estimating Conference reduced the 2025 REC forecast by \$30 million on August 27, 2025. Spending reforms were therefore enhanced and updated guidance was issued in September. In the months since, especially as concerns emerged that the City’s available cash could be insufficient to cover payroll and operating expenses, the Administration has worked to minimize all nonessential spending through the end of the year.

The following cost reduction initiatives detail the City’s efforts to minimize all personnel and “other operating” spending.

## Hiring Freeze

A Citywide hiring and promotional freeze was issued via Circular Memorandum No. 25-08 on June 30, 2025. On September 16, 2025, the policy was updated to remove exemptions for commissioned public safety positions. Certain exemption requests for new hires and promotions essential to core services or revenue generation have been approved by the Chief Administrative Officer (CAO). Otherwise, Executive Branch promotion and pay increase requests have been denied and deferred to the new administration, resulting in constrained personnel spending in 2025.

The savings associated with the hiring freeze are measured in two ways:

1. Net Savings from Termination and Hiring Activity: This reflects the net salary savings generated by employment changes during the freeze period. It compares the salary cost savings from employees who are no longer employed by the City against the salary costs incurred from any approved new hires, calculated from each employee’s effective employment-change date through year-end.
2. Savings from Unfilled Budgeted Positions: This represents the salary cost avoided due to positions that remained vacant for the remainder of the year from the date the hiring freeze was implemented. This is calculated using budgeted salary values for each vacant position prorated from the freeze date through year-end.

Metric	Amount
Total Cost Savings (Annualized 2025)	Hiring Activity: \$2,296,691.93 Vacancies: \$8,920,567 Total: \$11,217,258.93  <i>These numbers are slightly lower than</i>

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	<i>the projected savings reported in the last Expenditure Reduction Report, due to new hires approved by the CAO for essential services.</i>
Progress (Prior Two Weeks)	Since November 21, 2025, 20 hiring exemption requests have been approved, with one impacting the General Fund. The approved exemption is for a new Lead Building Inspector within the Department of Safety and Permits. All other requests have been denied or deferred.
Cost Savings Achieved (Prior Two Weeks)	Hiring Activity: \$300,912.81 Vacancies: \$678,738.79 Total: \$979,651.60
Progress (Year-to-Date)	The CAO has denied or deferred hiring and promotional exemption requests, except those essential to core services or revenue generation, since the hiring freeze was implemented in June.
Cost Savings (Year-to-Date)	Hiring Activity: \$1,782,016.36 Vacancies: \$7,805,496.13 Total: \$9,587,512.49

## Overtime Management

On June 23, 2025, departments that use overtime were provided defined overtime budgets through the end of the year by the CAO. In the following months, departments made efforts to reduce overtime spending, though most were unable to effect operational changes necessary to remain within the overtime budgets provided. In September, the CAO provided directives to Directors to use operational expertise to reduce their overtime spending as much as possible. Currently, departments who use overtime are required to submit 90-day overtime spending projections to the CAO on a monthly basis. Departments that do not require the use of overtime have been instructed that their use of overtime is now suspended.

Metric	Amount
Total Cost Savings (Annualized 2025)	\$3,021,705.76  <i>This is a projection based on current savings to-date and approved projection budgets for the remainder of the year.</i>
Progress (Prior Two Weeks)	The Chief Administrative Office is

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	regularly tracking actual overtime spending against projected and approved overtime spending. In recent weeks, departments have spent below their approved projections.
Cost Savings Achieved (Prior Two Weeks)	\$674,753.49
Progress (Year-to-Date)	Coordination between the Administration and departmental leadership has resulted in reduced overtime spending throughout 2025. Overtime projection methodology has been implemented, enhancing the City's ability to monitor, analyze, and approve overtime spending. An updated CAO policy on overtime spending is in progress.
Cost Savings (Year-to-Date)	\$2,804,052.57

## Spending Freeze

As part of the CAO's Citywide Cost Reduction Strategy, additional procurement and contracting oversight was added to all requisitions, Purchase Order change orders, and contract amendments, excluding capital projects, in June 2025. From that time onward, procurements were screened according to criteria such as alignment with core service delivery and operational priorities; availability of funding within existing departmental budgets; opportunity to defer, reduce, or consolidate the expenditure; potential to use alternative funding sources such as grants, bonds, or external fund balances; and capacity to achieve cost savings or efficiency improvements. Departments were also asked to review their budgets and proactively limit nonessential spending for the rest of the year.

On September 16, 2025, CAO Circular Memorandum No. 25-09 was issued, instituting a freeze on nonessential spending and establishing a September 30, 2025, deadline for submission of requisitions, contracts, change orders, and travel authorizations needed through the end of the year.

The Chief Administrative Office is currently working to adjust the 2025 budget by re-appropriating unspent General Fund (Fund 1000) and Multi-Year Project (Fund 1183) "other operating" appropriations to City agencies who will likely exceed their existing 2025 personnel appropriations. This will allow the City to spend no more than budgeted and will highlight the savings realized from reductions in "other operating" spending.

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As a result of these efforts, reductions in “other operating” expenditures are continuing to be realized in the following ways:

- 1) Departments delayed or canceled an expenditure authorized by a previous appropriation and funds will remain unspent,
- 2) The Chief Administrative Office denied a new or increased expenditure via approval authority in BRASS for requisitions, Purchase Order change orders, and contract amendments, or
- 3) Unspent, previously appropriated funds were de-appropriated from a department’s budget, preventing a future expenditure. (Note: only funding for non-essential expenditures will be de-appropriated.)

Metric	Amount
Total Cost Savings (Annualized 2025)	Total appropriations we believe will be unspent in 2025: ~\$70,257,957.28.  <i>We are continuing to meet with departments to build out precise calculations for appropriated funds that will remain unspent.</i>
Progress (Prior Two Weeks)	The Chief Administrative Office continues to reject procurements and contracts according to previously established criteria; all employee guidance will be circulated reminding departments to cease any non-essential contracting activity.
Cost Savings Achieved (Prior Two Weeks—November 7, 2025)	Total procurements and contracts rejected in the past two weeks by the Budget Office: \$14,290.26 (Fund 1000).
Progress (Year-to-Date)	Since initial implementation of the Administration’s cost reduction efforts, departments have reduced, delayed, or canceled expenditures. This ongoing effort is reflected in unspent “other operating” funds appropriated in the 2025 budget.
Cost Savings (Year-to-Date)	As of December 08, 2025, a total of \$83,502,368 in “other operating” 2025 budget appropriations remains unspent

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	(Funds 1000, 1183, and 5139). Of this amount, \$42,084,050.30 is unobligated, \$37,631,515.31 is encumbered, and \$3,786,802.79 is committed.
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*\*Please note that in compliance with Ordinance Number 30,522 M.C.S., several new reporting systems were developed. We expect reporting to grow more precise in coming weeks as systems are refined and as we approach the end of the year.*