



## Office of Council Member Kathie Tovo

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### **CM Tovo Budget Rider #9: “In-sourcing,” or transitioning from contract employees to permanent positions**

In 2019, the Austin City Council’s Contract Labor Working Group brought forward [Resolution No. 20190822-067](#) directing that the City Manager immediately shift from relying on contract employees to perform city work that is reflective of a permanent, ongoing need to hiring permanent staff. The Building Services Department has made good progress toward these goals, and last year, a Council budget amendment added 15 FTEs to accelerate this progress.

Austin Energy currently has 51 contract custodial positions that meet the criteria for insourcing identified in [Resolution No. 20190822-067](#). The proposed FY23 budget does not include FTEs for these positions, and Council is scheduled to deliberate on a contract extension related to these positions at its next meeting.

The Building Services Department intends to work closely with Austin Energy to craft a plan for a phased approach to in-source these positions at a minimum of 10 positions per year over the next 5 years.

### **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager shall provide the City Council with a memorandum outlining goals, expectations, and a draft timeline with regard to the Austin Energy custodial positions. The City Manager is further directed to accelerate these goals as much as possible as increased wages and potential changes to the hiring landscape may begin to help lower the city’s vacancy rates.

For the next year, the City Manager shall report back quarterly to the Audit and Finance Committee on the progress made with regard to these positions and the others identified by staff as eligible for in-sourcing in response to Resolution No. 20190822-067. During FY24 budget deliberations, the City Manager shall present an update and request feedback from City Council about whether to continue this reporting.

In light of the expanded role that the Building Services Department now has in terms of hiring, training, and managing more employees for multiple departments, the City Manager is further directed to determine whether this department needs additional resources to achieve these goals.