

2009 ISTS Workforce Reduction Plan

ISTS will reduce by 51 headcount through a combination of targeted voluntary and involuntary severance. The reductions break down as follows: 31 reductions will be accomplished by a targeted voluntary severance offering and the remaining 20 will result from a series of involuntary severance notifications.

- 1) **Targeted Voluntary Severance Offering** - targeted severance will be offered in two ISTS departments, Application Services and Infrastructure Services. Within these two departments, 3 functional areas will be given the option to offer voluntary severance. The planned offering date will be the week of October 5, 2009. Both departments will announce at the same time.

Application Services

- a) The targeted voluntary severance option will be offered in the Application Services department to all Application Services PL2s as well as the PL1 employees in the Specialized Applications Group (SAG) and the Specialized Applications Group Back Office (SAG Back Office) functions, organizationally known as SAG Utility Services and SAG Customer Systems. The department will cap voluntary severance acceptances at 15.
- b) PL1 employees working on OIS, Syclo, Assurix and Smart Meter domains are specifically excluded from this offering.
- c) The decision to reduce in this area is due to budget constraints and no forecasted increases in work or scope for the two SAG areas.
- d) Voluntary Severance will be offered to all PL1 classifications within these two functions with the exception of the exclusions above. This voluntary offering also includes all PL2 employees in the entire Applications Services department.
- e) If more than 15 employees volunteer, employees with the highest service will be selected.
- f) If Application Services, SAG function receives less than 15 volunteers, an involuntary severance process will be triggered. The involuntary severances will occur in the same groups. Criteria for involuntary severance will be based on performance with the lowest performers being selected for severance. A Decision Analysis will be completed for each employee severed as a result of the involuntary process.

Infrastructure Services

- a) The second targeted voluntary severance option will be offered in the Infrastructure Services User Support - Field function.
- b) The department will have a total cap of 16. Additionally, volunteers will be capped by area to ensure service levels are not significantly impacted. The caps per area are as follows: Area 1 & GO: 6; Area 3 & 4: 3; Areas 2 & 7: 3; Areas 4 & 6: 5; DCPD and Area 4 south: 3
- c) This group was targeted because external benchmarking studies have indicated that the Field Support function overheads are higher than other companies. In addition, a late 2010 staffing strategy to change the employee to contractor mix is being accelerated to capture cost savings earlier in 2010.

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- d) All PL1s in the User Support - Field function will be offered voluntary severance. No other employees will be offered severance with the exception of two Senior Computer Client Support employees in the Mobile Technology support function and one CCSA Supervisor in the ISTS Service Desk and Field Support group. These employees were included because the work they do is the similar to the work performed by employees in the targeted group.
 - e) If more than 16 employees volunteer, employees with the highest service will be selected.
 - f) If User Support - Field receives less than 16 volunteers, an involuntary severance process will be triggered. The involuntary severances will occur in the same groups. Criteria for involuntary severance will be based on performance with the lowest performers being selected for severance. A decision analysis will be completed for each employee severed as a result of the involuntary process.
- 2) **Involuntary Severance Offering** - A total of 20 involuntary severances will occur beginning in October 2009 through the end of the year. Most of these reductions will be accomplished through various reorganizations and subsequent reductions in positions and/or significantly changed roles. The rationale for the eliminations varies by department and reorganization scenario. Some reorganizations are still in development therefore, a specific execution plan is not available at this time. Below is a summary of the plans and a best assessment of how the reductions will be accomplished. Specifics are provided where available.
- a) Applications Services will eliminate 2 manager positions by position elimination. Both incumbent managers will receive involuntary severance notifications. Target date: mid to late October.
 - b) Application Services, CC&B-Development & Implementation (D&I) will target a reduction of 3 employees in Interfaces, Bill Print and EDI function due to a decrease in the amount of work in the Bill Print area. Criteria will be determined and each employee in the impacted work group(s) will be evaluated against it. The employees with the lowest assessments on required skills, knowledge and performance will receive involuntary severance. Target date: mid October to mid November
 - c) The Office of the CIO (OCIO) will eliminate 1 PL2 Manager position by consolidating two functions: the Supplier Relationship Management and Asset Management functions into one. A more to less model will be used to select the remaining manager. The unsuccessful candidate will receive involuntary severance notification. A decision analysis will be completed to document the decision.
 - d) Program Management Office (PMO) is currently undergoing an organization realignment. As a result of the restructuring, 3 employees will be involuntarily severed. The level and classification of impacted employees is not know at this time. A decision analysis will be completed for each reduction.

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- e) Infrastructure Services will reduce an additional 7 employees through an involuntary process. Areas to reduce will be identified, then criteria will be determined and each employee in the impacted work group(s) will be evaluated against it. The employees with the lowest assessments on required skills, knowledge and performance will receive involuntary severance notification.
- f) SP&A will eliminate 2 positions. through position elimination and organization realignment.
- g) The Director of Information Security & Compliance position will be eliminated. Timing of the involuntary notification is dependent on a successful offer and acceptance for the new Chief Information Security Officer (CSIO) Sr. Director position.
- h) Infrastructure Services will eliminate one Lead Manager position by consolidating two functions into one. The Service Desk and Field Support organization and Telecom, Maintenance and Construction organizations will be merged. The unsuccessful candidate will receive involuntary severance notification.