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Shaun Mulholland
Town Administrator
Allenstown, NH

February 26, 2015

Dear Shaun:

Municipal Resources, Inc proposes to complete a management review/risk assessment of some of your major operational departments (Police, Fire, DPW) with an emphasis on "best practices" and risk management. This would not be a full organizational study, but given MRI's experience in managing and conducting studies of municipal operations, we would focus on those areas that can create the most significant liability/risk issues for your community. In most situations we are also able to make recommendations that may result in efficiencies of service delivery by your departments. Our recommendations provide practical solutions to many of the challenges facing local governments and when applicable, represent recognized best practice. Our studies are generally considered "roadmaps" for delivery of effective and efficient public services.

We understand that you may wish to proceed with a plan to complete the assessments, individually and perhaps spread across budget years. Because the "Work Plan and Approach" would be the same for each operational department, this proposal is intended to cover each of the departments mentioned previously. The most cost effective approach for Allenstown would be for MRI to provide this service on a time and expense basis, at a not to exceed cost of \$8500 (eight thousand, five hundred dollars) per department, without the written authorization of the Board of Selectmen.

WORK PLAN AND APPROACH

Our work plan and approach are intended to result in a general review of management and administrative functions as they relate to the efficient and effective management of human and capital resources. The study will also seek to identify potential risks factors associated with current practices. Some of the key components of our approach to this engagement are:

1. Identify major issues and concerns of the community regarding the delivery of municipal services and/or the operations of the individual Town departments.
2. Gain an understanding of each operating unit – their operating budgets, organizational and management structure, staffing, facilities and equipment, and their overall strengths and weaknesses.
3. Review, evaluate, and comment upon policies, procedures, and practices, as well as management and supervisory systems, currently employed in the departments being reviewed.
4. Review, evaluate, and comment upon the current organizational and operating structure of the various operating departments, as well as upon staffing levels, labor and management deployment.
5. Review training programs in order to evaluate compliance with statutory requirements/best practices and that appropriate documentation of training programs is maintained.
6. Review, evaluate, and comment upon facilities and equipment maintenance plans, replacement programs, and capital improvement plans.
7. Review and identify risk and risk management practices within the subject departments.

Our work plan will incorporate on-site visits and operational observation, as well as off-site research/data analysis, and meetings between the consultant team to develop final conclusions and recommendations.

The study will provide an independent, objective evaluation of the subject Town services in which we will seek to identify opportunities to, maximize utilization of human and financial resources, facilities and equipment as well as manage risk. While our technical review and assessment is done by in-service experts who are aware of the requirements and responsibilities placed on local government, we assess each operating unit within the context of the overall municipal organization to ensure that final recommendations are balanced and rationally prioritized.

MRI will use a multi-disciplinary peer review approach to this project; we assign subject experts with hands-on experience to review and critique each department within the existing municipal structure. A consultant with extensive municipal management experience will lead and coordinate the review team to ensure that the views and opinions of the individual subject experts are balanced in the context of a broader view of the

municipal organization as a whole and any areas of duplication and redundancy throughout the collective organization are identified and clearly addressed.

We will assign a senior consultant with specific subject expertise and hands on experience in each major operating area to spend time with the key personnel in each of the departments in order to gain an understanding of and document the organizational, operational, management systems and approaches currently in place. We will carefully evaluate what is being done, who is doing it, how it is being done, and what it costs, and then compare and contrast the current structures against alternative approaches, and contemporary "best practice".

We will conduct a physical inspection of facilities and equipment to identify and isolate obvious problems or issues and to gain an understanding of current and future demands on available resources.

We will request that the Town appoint a contact person to help coordinate on-site activities and expedite communication; we will also need access to various documents and statistics related to each department such as:

- Details of any grievances filed by any employees over the past two (2) years and the disposition of each.
- Roster of names, job title, current assignments, and contact information for department employees.
- Maps of police patrol areas, highway plow routes, and any special service districts.
- A list of all accidents involving municipal vehicles during the past two (2) years.
- Records showing calls for service, work activity logs, and workload projection.
- Copies of departmental work schedules.
- Records of complaint investigation and disposition (to the extent that they may be legally made available to us).
- Vehicle and equipment maintenance records.

Among the questions that we will attempt to answer will be the following:

- To what extent would an added emphasis/more focus on different management practices or changed approaches assist the Town or individual departments in more efficiently or effectively delivering services to the community?

- Is proper organizational theory, including chain of command, span of control, and unity of command, in place within the municipal organization, and are these principles working in everyday operations?
- Are the current operating budgets and levels of staffing adequate?
- Once passed by the Town, is the budget being properly administered?
- Is Town owned property and equipment, cash receipts, and purchasing handled appropriately?
- Are personnel adequately trained, groomed and supervised? Are they utilized efficiently and effectively?
- Are the communications and data processing systems adequate, and is management information provided on a timely basis and properly utilized?
- Are department managers providing proper oversight and leadership?
- Is employee turnover reasonable, and if high, what are the causes?
- Are the hiring and promotional processes adequate to select the best-qualified candidates and screen out undesirables?
- Are citizen complaints and concerns responded to in a proper manner?
- Are the rules, regulations, policies and procedures adequate and up-to-date, and are they understood and observed by all?
- Are the physical facilities, rolling stock and equipment, including motor vehicles, computers, and communications equipment, up-to-date, capable of meeting the demands on it, and operated and maintained in the most cost-effective manner?
- Are there alternative approaches to organizing, managing or delivering core community services that would improve service quality, efficiency or reduce cost?

Once we are satisfied that research and review has been completed to an acceptable level, we will produce a final written report with findings and recommendations for action presented in clear and understandable text and graphics with supporting information and documentation included.

Please contact me any questions or for a more comprehensive review of our services. I'll also make myself available to meet with you or your Board for a further discussion.

Sincerely,

Alan S. Gould
 Vice President
 Municipal Resources, Inc