

*“Fragmented oversight of Bond Management has lead to multiple change orders and unnecessary expense.”*

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The Bond recommendations relate to three fundamental problem areas:

- 1) Fragmented oversight of Bond contracts and management,
- 2) Co-mingling of capital funds with general funds,
- 3) Inadequate accounting systems in place.

### **Fragmented Oversight**

**Recommendations 181 VIII-18.1, 182 VIII-18.2, 183 VIII-18.3, 184 VIII-19.1, 185 VIII-20.1, 186 VIII-21.1, 187 VIII-21.2, 188 VIII-21.3, 189 VIII-22.1, 190 VIII-22.2, 191 VIII-22.3, 192 VIII-23.1, 193 VIII-24.1, 194 VIII-24.2, 195 VIII-24.3, 196 VIII-25.1, 197 VIII-25.2, 198 VIII-26.1, 199 VIII-27.1, 201 VIII-28.1, 202 VIII-29.1, 206 VIII-31.1, 207 VIII-31.2, 208 VIII-31.3**

The majority of the recommendations focused on fragmented oversight of the bond management process.

The Bond Task Force reviewed the findings and recommendations very carefully. Additional information was gathered from past contractors, the project manager and District staff in an effort to understand how to best remedy the problems that were identified. The Task Force differed from KPMG on how and why some of these problems may have occurred but decided to focus their attention on working with the District to improve the bond management system. Since the Task Force concluded its agenda, many changes have occurred in the District, and improvements can already be seen.

The District has already hired a Project Manager. The Project

Manager should have clear lines of accountability and the ability to establish an organizational structure that will result in improved oversight and management of bond funds.

The Task Force and the AISC believe that the new Project Manager should be free to establish his own organizational structure as long as the sound management principles identified in the recommendations are achieved. However, in reviewing the recommendations, the Task Force did develop a management structure (see following page) aimed at eliminating duplicative or unnecessary efforts and solving some of the oversight issues. It is the understanding of the Task Force that the new Project Manager is implementing a system that is similar to this one.

### **Co-mingling of Capital and General Funds, and Inadequate Accounting Systems**

**Recommendations 200 VIII-27.2, 203 VIII-30.1, 204 VIII-30.2, 205 VIII-30.3**

The remaining recommendations address co-mingling of bond and general fund dollars and having inadequate systems in place to track bond projects. To assess the current status of this situation, all Phase 3 bond projects were put on hold. A new Bond Project Manager has been hired and the Physical Plant office has been reorganized as Facilities and Asset Management with a new Director. The new Director of Facilities and the new Bond Project Manager are working together to determine and segregate bond and

general fund projects. The District is including implementation of a new Facilities Management Information System in its system replacement project.

### **Further Direction To The District**

The Task Force commends the District on the actions that have already been taken in solving some of these problems and encourages the District to continue to monitor and work on these three problem areas.

*“Reorganization of the Physical Plant office recognizes the importance of facilities asset management as a key part of the District’s fiscal strategy.”*

Alan Beard  
Bond Management Task Force and Principal, GBD Architects

