

CRESCENT CITY CONNECTION DIVISION  
HOUSE RESOLUTION No. 13



PERFORMANCE AUDIT  
ISSUED MARCH 26, 2009

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

March 26, 2009

The Honorable Joel T. Chaisson, II,  
President of the Senate  
The Honorable Jim Tucker,  
Speaker of the House of Representatives

Dear Senator Chaisson and Representative Tucker:

This report provides the results of the Crescent City Connection Division audit that resulted from House Resolution No. 13 of the First Extraordinary Legislative Session of 2008.

The report contains our findings, conclusions, and recommendations. Appendix A contains the Department of Transportation and Development's response to this report. Appendix I contains copies of three other audit reports recently conducted on the Crescent City Connection Division, which the Department of Transportation and Development submitted to us with its response to this audit. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Louisiana Department of Transportation and Development and the Crescent City Connection Division for their assistance during this audit.

Sincerely,

Steve J. Theriot, CPA  
Legislative Auditor

SJT/dl

CCCD09



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# Office of Legislative Auditor

Steve J. Theriot, CPA, Legislative Auditor



## Crescent City Connection Division of Louisiana Department of Transportation and Development, Response to House Resolution No. 13 of the First Extraordinary Legislative Session of 2008

March 2009

Audit Control # 40080007

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### Executive Summary

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This report provides the results of our performance audit of the Crescent City Connection Division (CCCD) of the Louisiana Department of Transportation and Development (DOTD). We conducted this examination in response to House Resolution No. 13 of the First Extraordinary Legislative Session of 2008. The resolution requests the legislative auditor to conduct a performance audit on the operations of CCCD. Appendix B provides a copy of the resolution. We used the resolution and information DOTD and CCCD provided to develop the audit objectives. The audit objectives and results of our work are as follows:

**Objective 1:** What were CCCD's revenues, sources of revenues, expenses, and types of expenses for the past five fiscal years?

**Results:** CCCD's total revenues for the past five fiscal years were almost \$145 million. Of this amount, approximately \$103 million (71%) was derived from bridge and ferry operations. Expenditures for this time period totaled almost \$170 million. Expenditures for operations, debt service, and capital outlay exceeded total revenues in each of the past five years. As a result, CCCD's fund balance, which represents its reserves for operations, debt service, and capital outlay, has decreased over \$25 million during the five-year period.

**Objective 2:** Has the Crescent City Connection Oversight Authority met its statutory duties?

**Results:** The Crescent City Connection Oversight Authority (CCCOA) has met some but not all of its statutory duties. Louisiana Revised Statute (R.S.) 47:820.5.3 requires CCCOA to establish a priority list for CCCD projects. The CCCOA has established a priority list, but it has only nine of 13 members confirmed by the senate and has not met quarterly as required by law. In addition, it has not kept written minutes of its meetings. Thus, CCCOA may not always have had sufficient oversight over CCCD's prioritized projects.

**Objective 3:** Has DOTD exercised sufficient oversight over CCCD's contracting activities?

**Results:** DOTD has not exercised sufficient oversight over CCCD's contracting activities. Because of the way DOTD and CCCD maintain records, we could not be certain that we received all contracts CCCD entered into from July 1, 2003, through June 30, 2008. DOTD has not ensured that all CCCD contracts contain all basic

provisions, such as signatures, amounts, and deliverables, that are recommended by authoritative sources. DOTD has not required CCCD to formally document the monitoring of its contracts. CCCD incurred a total of over \$3.7 million in contract plan changes for the 79 contracts we examined. CCCD did not prepare plan changes for \$250,655 in additional charges incurred on eight of these 79 contracts.

**Objective 4:** Did CCCD engineers complete all required ferry maintenance tasks for the period examined?

**Results:** CCCD's ferry engineers did not document that they performed all required maintenance tasks on each ferry during the period we examined. Ferry maintenance schedules outline what maintenance tasks must be performed on a daily, monthly, and quarterly basis. Ferry engineers are to record the maintenance work they perform on daily engine logs. We found that the engine logs do not show that all required maintenance tasks had been performed. As a result, DOTD cannot be sure that all required maintenance for the period examined was performed on each ferry.

**Objective 5:** Did CCCD meet its targeted performance for completing scheduled ferry trips in fiscal year 2008?

**Results:** CCCD exceeded its targeted performance by completing 93.6% of scheduled trips as opposed to the 91% stated in its performance measures. Vessel mechanical problems, river traffic, and unfavorable weather conditions were the major reasons that scheduled ferry trips were not completed.

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## Introduction

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### Audit Initiation and Objectives

We conducted this audit in response to House Resolution (HR) No. 13 of the First Extraordinary Legislative Session of 2008 under the provision of Title 24 of the Louisiana Revised Statutes of 1950, as amended. Appendix B contains a copy of HR No. 13. The resolution lists specific areas for us to examine during the audit. After determining what information DOTD and CCCD had available, we formulated five audit objectives. The audit objectives were to answer the following questions:

1. What were CCCD's revenues, sources of revenues, expenses, and types of expenses for the past five fiscal years?
2. Has the Crescent City Connection Oversight Authority met its statutory duties?
3. Has DOTD exercised sufficient oversight over CCCD's contracting activities?



4. Did CCCD engineers complete all required ferry maintenance tasks for the period examined?
5. Did CCCD meet its targeted performance for completing scheduled ferry trips in Fiscal Year 2008?

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## Overview of the Crescent City Connection Division

CCCD, a division within DOTD, operates and maintains two bridges spanning the Mississippi River in New Orleans and its approaches on the east and west banks of the river. One bridge goes from the east bank to the west bank, and the other one goes from the west bank to the east bank. Collectively, the bridges are referred to as the “Crescent City Connection.”

CCCD also maintains and operates six ferries that service three locations in Jefferson, Orleans, Plaquemines, and St. Bernard parishes. CCCD operates the ferries at the following locations:

1. Lower Algiers/Chalmette
2. Algiers/Canal Street
3. Gretna/Jackson Avenue

In addition, CCCD employs a police force of 38 commissioned officers to cover approximately 20 miles of roadway. The number of officers includes management and lines of supervision. We did not include the police force in the scope of this audit.

CCCD employees are responsible for the operations of the bridges and ferries. CCCD performs much of its maintenance work and other projects such as bridge painting and ferry engine repairs by using private contractors. CCCD officials are responsible for approving and submitting all contractors’ invoices to DOTD headquarters for processing. DOTD processes the payments and mails payment checks to the appropriate contractors. CCCD then reimburses DOTD from its trust fund.

CCCD’s funding is largely from ferry and bridge toll revenues. R.S. 47:820.5 requires CCCD to collect ferry and bridge tolls through December 31, 2012, when CCCD’s outstanding bonds are scheduled to be fully paid. Toll rates are 20 cents per axle for toll tag users of the bridge and 50 cents per axle for cash users of the bridge and ferries. This money is deposited into CCCD’s trust fund. Toll rates have remained unchanged since June 24, 1998. Exhibit 1 shows the toll rates for the past 20 years. As can be seen from Exhibit 1, toll tag rates have decreased over the past 20 years while cash rates have remained constant.

<b>Exhibit 1</b> <b>CCCD Toll Rates</b> <b>January 1989 Through Present</b>		
<b>Effective Date</b>	<b>Cash Rates</b>	<b>Toll Tag Rates</b>
January 1, 1989	50 cents per axle	50 cents per axle
July 1, 1989	50 cents per axle	35 cents per axle
October 1, 1994	50 cents per axle	25 cents per axle
June 24, 1998	50 cents per axle	20 cents per axle
<b>Source:</b> Prepared by legislative auditor’s staff using information provided by CCCD.		

For the past five fiscal years, CCCD’s total revenues were \$144,580,309. Of this amount, \$103,061,582 was derived from bridge and ferry operations. CCCD uses the toll revenue to fund operations and maintenance in accordance with statutory provisions. If any revenue is left over after operating and maintenance expenses, state law [R.S. 47:820.5B(2)(b)] requires DOTD to dedicate the remaining toll proceeds to complete the following bridge projects, which are specified in this statute:

- Opening transit lanes for “HOV2” or “High Occupancy Vehicle 2” traffic on the Greater New Orleans Mississippi River Bridges
- Providing an additional toll tag lane for cars entering from the Algiers area
- Installing a video or photo monitoring system as defined in R.S. 820.5.1(C)(3)
- Repainting the upriver span of the Crescent City Connection bridge

The statute also says that DOTD shall prioritize such projects giving preference to projects which either directly relate to the main structure of the bridge or work to expedite the flow of traffic entering and exiting the bridge. However, the department shall complete all of the listed projects before funding and prioritizing any other bridge projects included in this part of the law. These other projects are listed in Appendix C.

R.S. 47:820.5.3 establishes the Crescent City Connection Oversight Authority (CCCOA) to establish priorities of projects from remaining funds after all operation and maintenance expenses of the bridges and ferries under the authority of CCCD have been paid. The statute says that the CCCOA shall consider the funding of projects approved by the legislature in accordance with R.S. 47:820.5 and that the authority shall have access to the accounting of all expenditures, revenues, project priorities, status of ongoing projects, and any other matters which relate to the Crescent City Connection, its operations, and related projects, in furtherance of this purpose.

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## Scope and Methodology

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We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

This audit covered the operations of CCCD excluding the police force. The primary period covered by the audit was the last five fiscal years (July 1, 2003, through June 30, 2008). We extended this period to November 19, 2008, for our examination of contract payments to present the most current payment information available. We also extended our analysis of CCCOA meetings through December 31, 2008. Overall, we relied on physical and electronic files from DOTD and CCCD to complete the audit. We could not verify the completeness of some of the information we examined; therefore, we limited our conclusions in these areas to the information we analyzed. To address the audit objectives, we performed the following procedures:

- Identified CCCD's revenues and expenditures for fiscal years 2004 through 2008 by examining CCCD's audited financial statements for the five-year period and reconciled operating and capital outlay expenditures to audited detail transaction data for those fiscal years
- Researched applicable state laws, rules, and regulations relating to CCCD and CCCOA
- Attended a quarterly meeting of CCCOA
- Listened to audio tape recordings of all CCCOA meetings since inception through December 31, 2008, and documented the primary focus of each meeting
- Toured sites of completed and future CCCD projects
- Interviewed DOTD staff regarding oversight policies and procedures pertaining to CCCD contracts
- Obtained, examined, and analyzed CCCD contracts, related contract changes, and payments on the contracts
- Interviewed CCCD staff regarding CCCD contract payments
- Researched minimum required contract provisions established by the Louisiana Office of Contractual Review (OCR) and the National State Auditors Association (NSAA) and compared them to CCCD's contracts
- Interviewed CCCD and DOTD staff regarding CCCD policies and procedures for monitoring contracts
- Reviewed DOTD's *Construction Contract Administration Manual* for monitoring policies and procedures

- Researched contract monitoring guidelines established by the NSAA and compared them to monitoring documentation available at CCCD and DOTD for CCCD’s engineering, professional service, and non-road construction projects
- Interviewed CCCD staff regarding maintenance of ferries
- Obtained and examined CCCD’s required maintenance schedules and compared required maintenance tasks to tasks performed according to CCCD’s ferry engine logs from June 8, 2008, through June 14, 2008
- Used information from CCCD Marine Operation Daily Count Database to determine the number of ferry outages and analyzed the reasons for these outages for fiscal year 2008

**What Were CCCD’s Revenues, Sources of Revenues, Expenses, and Types of Expenses for the Past Five Fiscal Years?**

For fiscal years 2004 through 2008, CCCD revenues totaled \$144,580,309. Exhibit 2 shows CCCD’s revenues by type for each of these five fiscal years. Revenues for bridge and ferry operations accounted for \$103,061,582 (71.3%) of total revenues. The items shaded gray in the exhibit represent revenues from bridge and ferry operations.

<b>Exhibit 2 CCCD Revenues Fiscal Years 2004 Through 2008</b>						
<b>Revenues</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
Interest on Investments	\$335,190	\$906,779	\$1,717,614	\$2,138,237	\$1,295,727	\$6,393,547
Bridge Toll Revenue	20,121,390	19,850,503	16,911,659	21,372,386	21,866,920	100,122,858
Bridge Tag Revenue				458,810	509,088	967,898
Bridge and Ferry Scrip Revenue	102,310	102,542	53,917	70,145	51,198	380,112
Ferry Revenue	470,497	434,152	185,801	238,617	261,647	1,590,714
Highway Fund No. 2	5,429,585	4,968,696	5,901,748	5,573,030	5,330,222	27,203,281
Rental Income and Other Income	82,711	417,129	339,425	144,761	474,396	1,458,422
FEMA Reimbursement				530,517		530,517
Federal Grants	500,000	1,000,000	500,000	840,000	860,000	3,700,000
Insurance Reimbursement					2,232,960	2,232,960
<b>Total Revenues</b>	<b>\$27,041,683</b>	<b>\$27,679,801</b>	<b>\$25,610,164</b>	<b>\$31,366,503</b>	<b>\$32,882,158</b>	<b>\$144,580,309</b>

**Source:** Prepared by legislative auditor’s staff using audited financial statements of CCCD.

For fiscal years 2004 through 2008, CCCD’s expenditures totaled \$169,840,604. Appendix D summarizes CCCD’s expenditures for the five-year period. Operating expenditures comprised \$112,023,633 (66.0%) of this total. Payroll and related benefits were the largest operating expenditures in each of the five fiscal years. Payroll and related benefits accounted for

\$55,632,577 or 49.7% of operating expenditures and 32.8% of total expenditures for the five-year period. Insurance expenditures were the second largest operating expenditure in each of the five fiscal years. Expenditures for insurance accounted for \$21,813,055 or 19.5% of operating expenditures and 12.8% of total expenditures for the five-year period. Thus, payroll/related benefits and insurance represent 69.1% of operating expenditures and 45.6% of total expenditures. These expenditures are shaded gray in Appendix D.

In addition, Appendix D shows that over the five-year period, CCCD paid \$12,107,688 for debt service (i.e., principal and interest on outstanding bonds). Debt service is a nonoperating expenditure. This amount is comprised of \$9,160,000 in bond principal and \$2,947,688 in bond interest. Appendix D includes principal and bond interest paid by fiscal year.

Capital outlay expenditures are also nonoperating expenditures. Appendix D also shows that capital outlay expenditures for the five-year period totaled \$44,730,813. Appendix E presents a detailed listing of all capital outlay expenditures. The items shaded gray in Appendix E represent ferry maintenance projects. Ferry maintenance projects totaled \$7,280,645, which is 16.3% of capital outlay expenditures and 4.3% of total CCCD expenditures for the five-year period.

CCCD's expenditures for operations, debt service, and capital outlay exceeded total revenues in each of the past five fiscal years. As can be seen from Exhibit 3, expenditures have resulted in a decrease of \$25,196,780 in CCCD's fund balance, which represents CCCD's reserves for operations, debt service, and capital outlay. As of June 30, 2008, CCCD's fund balance had decreased to \$35,996,049 from \$61,192,829 on July 1, 2003.

<b>Exhibit 3</b>				
<b>CCCD Revenues, Expenditures, and Fund Balance</b>				
<b>Fiscal Years 2004 Through 2008</b>				
<b>Fiscal Year</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Difference</b>	<b>Fund Balance*</b>
				<b>\$61,192,829</b>
2004	\$27,041,683	\$32,155,246	(\$5,113,563)	56,079,266
2005	27,679,801	35,654,911	(7,911,595)**	48,167,671
2006	25,610,164	30,577,315	(4,967,151)	43,200,520
2007	31,366,503	32,612,071	(1,245,568)	41,954,952
2008	32,882,158	38,841,061	(5,958,903)	35,996,049
<b>Total</b>	<b>\$144,580,309</b>	<b>169,840,604</b>	<b>(\$25,196,780)**</b>	<b>\$35,996,049**</b>
*Fund balance represents CCCD's reserves for operations, debt service, and capital outlay. It does not represent cash available to spend on operations. **Includes effect of \$63,515 restatement to beginning fund balance in fiscal year 2005. <b>Source:</b> Prepared by legislative auditor's staff using audited financial statements of CCCD.				

**Recommendation 1:** We recommend that DOTD work with CCCD to determine if changes should be made to CCCD's toll structure and/or expenditures, including insurance, to reduce or eliminate CCCD's continued annual deficits.

**Summary of Management’s Response:** DOTD agrees with this recommendation and is working diligently to eliminate the deficit. DOTD is already seeking to eliminate the second largest CCCD expenditure, bridge insurance. The bridge insurance is \$4 million a year for \$100 million. Upon receiving a statement that the insurance for the bridge is no longer reasonable, DOTD will cancel the bridge insurance, which will result in a \$4 million savings.

In addition, the ferries are financed by toll collections from the bridge. DOTD cannot use Transportation Trust Fund funds to finance the CCCD ferries. Therefore, ferry operations will cease if the CCCD tolls are removed.

**Has the Crescent City Connection Oversight Authority Met Its Statutory Duties?**

CCCOA has met some but not all of its statutory duties. As previously mentioned, R.S. 47:820.5.3 requires CCCOA to establish a priority list for CCCD projects considering the projects approved by the legislature in accordance with 47:820.5, which are listed in Appendix C. The statute also requires the authority to have 13 members appointed by the governor and confirmed by the senate and to hold quarterly meetings. While the CCCOA has established a priority list for CCCD projects, it does not have 13 members confirmed by the senate. In addition, the authority has not met quarterly or kept written minutes of its meetings as required by the state’s Public Meetings Law. Because of these issues, CCCOA may not have maintained sufficient oversight over CCCD’s projects.

**As stated, CCCOA has established a priority list for CCCD projects.** Exhibit 4 shows the projects CCCOA has prioritized and the status of each project as of October 2008. Only one of the 11 projects is complete. As can be seen in the exhibit, several of the projects have no available funding.

<b>Exhibit 4</b>			
<b>Status of CCCD Projects Prioritized by CCCOA</b>			
<b>As of October 2008</b>			
<b>Project Description</b>	<b>Priority Assigned by CCCOA</b>	<b>Status of Project</b>	<b>Project Complete?</b>
1. Bridge Painting	1	Closed	YES
2. Peters Road on/off Ramp	2	Still in design phase	NO
3. Widen Barataria Boulevard	2	*	*
4. Construct off-ramp for Barataria Boulevard from Westbound Expressway to Southbound Barataria Boulevard	2	Preliminary plans and traffic study complete; awaiting funding	NO
5. Extend 4 <sup>th</sup> Street in Gretna to Burnmaster Avenue	2	Plans 90% complete	NO
6. Improvements for General DeGaulle Boulevard	2	Design complete; awaiting funding	NO
7. Construct Mardi Gras Boulevard expressway Down Ramp	3	Awaiting funding	NO

<b>Exhibit 4</b> <b>Status of CCCD Projects Prioritized by CCCOA</b> <b>As of October 2008</b>			
Project Description	Priority Assigned by CCCOA	Status of Project	Project Complete?
8. Widen Peters Road	3	Awaiting funding	NO
9. Extend Peters Road	4	Awaiting funding	NO
10. Widen Lapalco Boulevard	4	Awaiting funding	NO
11. Construct Manhattan on/off Ramps	4	Awaiting funding	NO
*According to DOTD officials, CCCD has completed the widening of a part of Baratavia Boulevard. However, funding has not yet been secured for further widening of the boulevard. <b>Source:</b> Prepared by legislative auditor staff using R.S. 47:820.5.3 and project status information provided by CCCD.			

**CCCOA does not have the required number of members confirmed by the senate.** CCCOA had only nine confirmed members as of January 26, 2009, according to the State of Louisiana’s Web site that contains membership information for state boards and commissions. Two recent press releases from the Governor’s Office say that the governor appointed four additional members, two on January 9, 2009, and two on January 22, 2009. These four appointees are awaiting confirmation by the senate. According to a senate staff person, they will not be confirmed until the end of the 2009 Regular Legislative Session. Therefore, as of January 26, 2009, CCCOA was comprised of only nine confirmed members of the 13 required. As a result, CCCOA is not in compliance with the membership requirements stipulated in state law.

**CCCOA has not met quarterly as required by law.** According to R.S. 47:820.5.3, CCCOA must meet quarterly starting July 1, 1998. Based on this statute, from July 1, 1998, through December 31, 2008, CCCOA should have met a total of 42 times. We found that the authority has only met 24 of the 42 times (57.1%). Appendix F summarizes the 24 CCCOA meetings held. Exhibit 5 shows the required number of meetings and the number of meetings held each year since CCCOA’s inception through December 31, 2008.

<b>Exhibit 5</b> <b>Number of CCCOA Meetings Required and Held</b> <b>July 1, 1998 Through December 31, 2008</b>		
Fiscal Year	Number of Meetings Required	Number of Meetings Held
1999 (7/1/1998 - 6/30/1999)	4	0
2000 (7/1/1999 - 6/30/2000)	4	5
2001 (7/1/2000 - 6/30/2001)	4	3
2002 (7/1/2001 - 6/30/2002)	4	3

<b>Exhibit 5</b> <b>Number of CCCOA Meetings Required and Held</b> <b>July 1, 1998 Through December 31, 2008</b>		
<b>Fiscal Year</b>	<b>Number of Meetings Required</b>	<b>Number of Meetings Held</b>
2003 (7/1/2002 - 6/30/2003)	4	4
2004 (7/1/2003 - 6/30/2004)	4	3
2005 (7/1/2004 - 6/30/2005)	4	2
2006 (7/1/2005 - 6/30/2006)	4	1
2007 (7/1/2006 - 6/30/2007)	4	0
2008 (7/1/2007 - 6/30/2008)	4	1
2009 (as of 12/31/08)	2	2
<b>Total</b>	<b>42</b>	<b>24</b>
<b>Source:</b> Prepared by legislative auditor's staff using audio tapes of CCCOA meetings provided by CCCD.		

**CCCOA has not retained written minutes of all meetings.** While the CCCOA did keep audio recordings of the meetings, the Public Meetings Law (R.S. 42:7.1) requires that all public bodies keep written minutes of its public meetings. We listened to the audio tapes of all meetings since inception. However, without written minutes, we could not determine exactly which members were present at each meeting or whether a quorum was present when needed for official actions. After we finished listening to the tapes, we discussed the need for written minutes with CCCD's interim executive director. She said that her administrative assistant would take written meeting minutes and conduct roll calls at all future meetings. We subsequently requested the written minutes from the January 21, 2009, meeting and CCCD provided them to us. Thus, CCCD has taken steps to correct this problem.

**Recommendation 2:** We recommend that DOTD management work with the Governor's Office and senate staff to ensure that the CCCOA has 13 appointed and confirmed members.

**Summary of Management's Response:** DOTD agrees with this recommendation. DOTD has and will continue to work with all parties to insure that the CCCOA has a full compliment of members, despite R.S. 47:820.5.3 where there is no mention in the statute of DOTD or CCCD having any responsibilities in regard to the establishment or operation of the CCCOA.

**Recommendation 3:** We recommend that DOTD take the necessary steps to ensure that CCCOA meets quarterly and calls roll at each meeting, and that it continues to record written minutes at each meeting.



**Summary of Management's Response:** DOTD agrees with this recommendation. The CCCOA has started meeting quarterly, and beginning with the January 2009 meeting, has been taking roll call and recording written meeting minutes and will continue to do so.

**Recommendation 4:** We recommend that DOTD management work with legislative staff to determine if the legislation regarding CCCOA (R.S. 47:820.5.3) should be amended or repealed since CCCOA has prioritized the projects, but funding is not available to complete all of the projects.

**Summary of Management's Response:** DOTD agrees with this recommendation.

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### **Has DOTD Exercised Sufficient Oversight Over CCCD's Contracting Activities?**

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DOTD has not exercised sufficient oversight over CCCD's contracting activities. State law (R.S. 36:508.2) requires that DOTD administer all matters related to the operations of CCCD, which would include CCCD's contracting activities. However, because of the way DOTD and CCCD maintain records, we could not be sure that we received all contracts CCCD had entered into from July 1, 2003, through June 30, 2008. In addition, DOTD has not ensured that all CCCD contracts contain all basic provisions, such as signatures, amounts, and deliverables, recommended by authoritative sources. DOTD also has not required CCCD to formally document the monitoring of its contracts. In addition, CCCD incurred a total of over \$3.5 million in contract plan changes for the 79 contracts we examined. CCCD did not prepare plan changes for \$250,655 in additional charges incurred through November 19, 2008, on eight of the 79 contracts.

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### **We Could Not Be Certain That We Received All CCCD Contracts**

We requested from DOTD a list of all CCCD contracts that became effective between July 1, 2003, and June 30, 2008. DOTD officials provided us with copies of some contracts. They could not, however, provide us with a complete list of all contracts within this time period because their contract tracking system, Tracking of Projects System (TOPS), does not include unique identifiers for CCCD contracts.

We also requested a list of contracts from CCCD. CCCD officials provided us with copies of some contracts. However, they also could not provide us with a complete list of all contracts because they do not file their contracts according to date and do not maintain a database of all their contracts. It is important for DOTD and CCCD officials to know exactly what contracts CCCD has entered into so that they can ensure that CCCD appropriately monitors and manages each contract.

We informed DOTD's secretary that DOTD and CCCD could not provide us with a complete list of contracts. The secretary then sent a staff member to CCCD to develop a list of contracts so that we could complete our audit efforts. This individual was to pull every CCCD contract file and then extract and document all contracts within our requested time period. This process took from October 2008 through January 2009. When we reviewed the list, however, we discovered that it did not contain all contracts we had previously received from DOTD and CCCD. Thus, we concluded that the list was incomplete. As a result, we cannot be certain that the contracts we examined during the audit represent all CCCD contracts within the audit period.

The efforts to identify all CCCD contracts for the past five years resulted in a total 79 contracts that we examined to address the third audit objective. Appendix G lists each of these contracts, its description, the contract amount, and the amount paid on the contract through November 19, 2008. The appendix also shows whether each contract was closed or still active.

We met with CCCD officials to discuss the problems we encountered with obtaining contracts within our audit period. They said that they plan to implement the following procedures to correct the problems we cited:

1. **Maintain a contracts database at CCCD.** DOTD's staff member created a database when he reviewed all CCCD files. CCCD officials said that they will continue to update the database, scan all new contracts into an electronic format, and put the database on a shared drive so that DOTD administrators will have access to it at all times.
2. **File each new CCCD contract using an improved procedure.** CCCD officials said that they will file all contracts entered into since 2003 using a new procedure that will enable them to have immediate access to each contract.

We also met with DOTD officials to discuss the problems we experienced with obtaining the contracts. DOTD officials informed us that the state's new LaGOV computer system will have easier searching and sorting capabilities for contracts.<sup>1</sup> They said that the new system should allow for better management and tracking of projects.

**Recommendation 5:** We recommend that DOTD define its oversight role over CCCD's contracting activities to meet the requirements of R.S. 36:508.2.

**Summary of Management's Response:** DOTD agrees with this recommendation. CCCD will now be required to follow DOTD policies in regards to contracts and plan changes. With the implementation of LaGOV (ERP), tracking of projects for all DOTD projects and contracts, including CCCD projects and contracts, will dramatically improve and will be easily accessible to all interested parties.

**Recommendation 6:** We recommend that DOTD work with CCCD to develop and implement formal written policies and procedures that include a reporting mechanism for CCCD

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<sup>1</sup> LaGOV is Louisiana's Enterprise Resource Planning (ERP) project, which is being designed to bring one business system to the State of Louisiana.

to use to communicate to DOTD information on all contracts CCCD issued. We further recommend that the policies and procedures state how CCCD should record and maintain its contracts.

**Summary of Management's Response:** DOTD agrees with this recommendation. Current DOTD policies and procedures in regards to contracts will be extended to CCCD. Additional training of CCCD employees will be done to insure that these policies and procedures are followed.

**Recommendation 7:** We recommend that DOTD work with the LaGOV administrators to ensure that the new system has a way to distinguish CCCD contracts and projects from those of other DOTD contracts.

**Summary of Management's Response:** DOTD agrees with this recommendation. DOTD and CCCD staff will meet with LaGOV administrators to ensure that the new system can distinguish CCCD contracts and projects from other DOTD contracts.

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### **DOTD Has Not Ensured That CCCD Contracts Clearly Include All Basic Provisions Recommended by Authoritative Sources**

We found that 65 of the 79 contracts we examined (82.3%) do not clearly include all basic contract provisions recommended by the Louisiana Office of Contractual Review (OCR)<sup>2</sup> and the National State Auditors Association (NSAA). For example, four contracts (5.1%) do not include all appropriate signatures. Twelve contracts (15.2%) do not include contract amounts. Sixteen contracts (20.3%) do not include clear statements of due dates for deliverables. The lack of clearly stated critical provisions occurred because CCCD does not use a standard contract template. If CCCD does not include all critical provisions in its contracts, DOTD cannot ensure that CCCD effectively monitors the deliverables and payments for each contract.

According to OCR and NSAA, all contracts should include, at the very minimum, the information listed in Exhibit 6. As can be seen from the exhibit, only one of the recommended basic contract provisions was included in all 79 contracts we examined. This item is shaded in green in Exhibit 6.

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<sup>2</sup> Although DOTD is not required to submit its contracts to OCR, OCR represents what the state says is important to include in contracts.

<b>Exhibit 6</b> <b>Basic Provisions Included and Not Included in CCCD Contracts</b> <b>Fiscal Years 2004 Through 2008</b>					
Provision	Importance of Provision	Number and Percent of Contracts That Include Provision		Number and Percent of Contracts That Do Not Include Provision	
		Number	Percent	Number	Percent
1. Scope of Work	Stipulates work to be performed	79	100.0%	0	0.0%
2. Due dates for specific measurable deliverables	Necessary to enforce deadlines	63	79.7%	16	20.3 %
3. Reporting requirements for specific measurable deliverables	Necessary to enforce deadlines and monitor contract's progress	16	21.3%	63	79.7%
4. Description of payment methods and schedules including maximum contract amount	Necessary to ensure accurate and timely payments	67	84.8%	12	15.2 %
5. Performance standards and/or penalty stipulations	Necessary to ensure contract performance	60	75.9%	19	24.1 %
6. Audit and inspection guidelines	Necessary to monitor contract	18	22.8%	61	77.2 %
7. Contract termination guidelines	Necessary to ensure proper contract termination	19	24.1%	60	75.9 %
8. Price escalation or supplemental cost stipulations	Necessary to control cost of contract	61	77.2%	18	22.8 %
9. All appropriate signatures, approvals, acknowledgements, or witnesses	Necessary for binding legal document	75	94.9%	4	5.1 %
10. Requirement for maintaining adequate accounting records that comply with all federal and state laws	Necessary for audit and accounting purposes	18	22.8%	61	77.2 %
<p><b>Note:</b> Some contracts we examined reference DOTD's <i>2000 Standard Specifications</i>. This document is for construction contracts, and many of the contracts we examined are for professional services, engineering and consulting services, and maintenance. Also, the contracts in question do not clearly state the provisions in this exhibit or clearly refer to where those provisions might be documented in <i>2000 Standard Specifications</i>.</p> <p><b>Source:</b> Prepared by legislative auditor's staff using contracts provided by CCCD and DOTD and best practices recommended by OCR and NSAA.</p>					

**Recommendation 8:** We recommend that DOTD develop a checklist or contract template that includes all basic contract provisions listed in Exhibit 6 and require CCCD to use it for all contracts it issues.

**Summary of Management's Response:** DOTD agrees with this recommendation. CCCD has included in many of its contracts the DOTD Standard Specifications for Roads and Bridges, which addresses some of the basic provisions referenced in Exhibit 6. DOTD has other

standard contract language for letter bids. These standards and language will be incorporated into all future CCCD contracts.

**Recommendation 9:** We recommend that DOTD develop and implement formal written policies and procedures that require CCCD officials to make sure the checklist or contract template has been completed before CCCD and/or DOTD sign any contract.

**Summary of Management's Response:** DOTD agrees with this recommendation. Current DOTD policies and procedures in regards to contracts will be extended to CCCD. Additional training of CCCD employees will be done to insure that these policies and procedures are followed.

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### **DOTD Has Not Required CCCD to Formally Document Its Monitoring of Contracts or Report Monitoring Results**

We found that DOTD did not require CCCD to formally document its monitoring of the 79 contracts we examined. Also, according to CCCD personnel, they have not submitted any formal monitoring reports to DOTD for these contracts. As a result, DOTD has not regularly received complete and updated information regarding the status of the contracts or any related problems. Without monitoring data, DOTD cannot ensure that CCCD has received all contract deliverables and that all identified problems have been resolved.

**DOTD management has not required CCCD officials to document their monitoring of CCCD contracts.** We requested monitoring documentation from CCCD officials. They could not provide us with formal documentation showing that they had regularly monitored the contracts throughout the lives of the projects. CCCD officials said that they informally monitor contracts by sometimes filling out daily journals on certain projects. The daily journals record the contractors' force and equipment, location of work station, approximate work accomplished, comments on time charges, controlling work item, weather, and other information. The officials also said that CCCD engineers sometimes use the journals to compare the amount of work completed as noted during their site visits to the dollar amounts included in the contractors' invoices. In addition, the officials said that they maintain constant communication with their contractors, which could constitute a form of monitoring. CCCD has no formal policies and procedures, however, that specify how to conduct and document monitoring activities. Therefore, we could not determine whether sufficient and appropriate monitoring has taken place for the 79 contracts we examined. When we discussed this issue with CCCD officials, they said that they will start formally documenting all monitoring visits.

**DOTD management has not consistently monitored the status or outcome of CCCD's contracts.** We also requested monitoring documentation from DOTD officials. DOTD was not able to provide us with documentation showing how it ensured that CCCD had monitored the contracts. DOTD does have a document titled *Construction Contract Administration Manual* that contains guidelines for monitoring road construction projects. However, most of CCCD's contracts are not road construction contracts. According to CCCD personnel, it is unclear which policies and procedures CCCD should and should not follow for

contracts that are not for road construction projects. Also according to CCCD personnel, they did not submit any monitoring documentation to DOTD for road construction projects as required according to the manual.

DOTD uses an evaluation system for engineering contracts whereby DOTD staff prepare a contractor evaluation at the end of each project. Although an evaluation system can help the department decide whether to rehire a contractor, the system is not a monitoring tool that identifies problems that may occur throughout the projects so that they can be addressed before project completion. In addition, the evaluation system is not used for non-engineering types of contracts. In the past, DOTD has received from CCCD sporadic e-mail updates on the status of CCCD's contracts. We found no recurring pattern to these updates.

**DOTD does not have formal policies and procedures for DOTD or CCCD to monitor CCCD contracts.** According to NSAA, contract monitoring should include assigning an employee who possesses the adequate skills and has the necessary training to properly manage the contract. In addition, contract monitoring should include documentation methods to:

- Track budgets and compare invoices and charges to contract terms and conditions
- Ensure deliverables are received on time
- Accept or reject the deliverables, including a policy in place to withhold payments until deliverables are received
- Ensure the agency retains documentation supporting discrepancies against the contractor's work

**Recommendation 10:** We recommend that DOTD develop and implement formal written policies and procedures that require CCCD to maintain consistent communication with DOTD by regularly updating the information in TOPS for all contracts. We further recommend that the policies and procedures address how CCCD will ensure that deliverables are received on time, under what conditions CCCD will accept or reject deliverables, and how CCCD will handle billing or payment disputes.

**Summary of Management's Response:** DOTD agrees with this recommendation and will be developing formal written policies and procedures. TOPS does not contain accurate information for CCCD contracts. With the implementation of LaGOV (ERP), this issue will be resolved. In the meantime, information for CCCD contracts will be updated on TOPS.

**Recommendation 11:** We recommend that DOTD work with CCCD to develop and implement formal written policies and procedures for monitoring CCCD contracts that include documentation methods to:

- Track budgets and compare invoices and charges to contract terms and conditions
- Ensure deliverables are received on time

- Accept or reject the deliverables, including a policy to withhold payments until deliverables are received
- Ensure CCCD retains documentation supporting discrepancies against the contractor's work

**Summary of Management's Response:** DOTD agrees with this recommendation and will be developing formal written policies and procedures.

**Recommendation 12:** In addition to working with CCCD to create policies and procedures for conducting monitoring activities, we recommend that DOTD develop policies and procedures specifying how CCCD should document its monitoring activities.

**Summary of Management's Response:** DOTD agrees with this recommendation and will be developing formal written policies and procedures for monitoring activities.

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### **Contract Plan Changes Totaled Over \$3.7 Million**

We determined that CCCD approved a total of 176 contract plan changes for 28 of the 79 contracts we examined. Many of the 28 contracts had multiple plan changes.<sup>3</sup> The average number of plan changes per contract was six. The average dollar amount of the plan changes was \$21,435. The plan changes increased the amounts of the 28 contracts by \$3,772,637 or 15.0%.

The plan changes included change orders and supplemental agreements.<sup>4</sup> Change orders are signed for contract changes in material, quantity, contract amount, requirements, or time. Supplemental agreements are written agreements between contractors and CCCD covering work not otherwise provided for in, or revisions in or amendments to, the terms of the original contracts.

We discussed the plan changes with DOTD and CCCD. They said most of the changes were a result of environmental changes such as the price of oil and the increased cost of services after Hurricane Katrina. They also said that when CCCD and a contractor sign a contract for maintenance work on a ferry, it is very hard to determine the exact cost of the repairs until the maintenance work is underway.

Along with the original contract amounts, Appendix G lists the number of plan changes for each contract. The plan changes either increased or decreased the dollar amounts of the contracts, extended the time periods of the contracts, or made other changes to the contracts. Exhibit 7 is an excerpt from Appendix G showing the 15 most frequently used contractors and the number of plan changes for each contractor. As can be seen from Exhibit 7, four contractors had eight or more plan changes for their contracts (see gray highlights in exhibit).

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<sup>3</sup> According to DOTD policy, DOTD is only required to sign plan changes if the dollar amount of the change is more or less than 25% of the original project cost.

<sup>4</sup> We did not include contract renewals because contract renewals renew existing contracts for the same amounts.

<b>Exhibit 7</b>			
<b>Excerpt From Appendix G</b>			
<b>Fiscal Years 2004 Through 2008</b>			
<b>Contractor</b>	<b>Number of Contracts</b>	<b>Number of Plan Changes</b>	<b>Total Amount Paid as of 11/19/08</b>
1. Boh Bros. Construction, Co., L.L.C.	10	2	\$1,567,119
2. Complete Engineering & Construction, Inc.	5	35	3,789,621
3. Jack B. Harper Contractor, Inc.	5	0	3,611,016
4. Bollinger Shipyards, Inc.	4	33	1,398,140
5. Double Aught Construction, L.L.C.	4	0	2,601,345
6. Sonia G. Fernandez	3	0	87,480
7. Buck Kreihs Marine Repair, L.L.C.	2	2	609,365
8. Conrad Shipyard, L.L.C.	2	8	1,282,418
9. Hames Contracting, Inc.	2	1	4,863,383
10. HNTB Corporation	2	2	387,915
11. Jaroy Construction, Inc.	2	8	1,620,633
12. Marine Systems, Inc.	2	0	145,892
13. Modjeski & Masters, Inc.	2	0	1,481,198
14. Pavement Markings Company Division of Gulf Industries, Inc.	2	1	487,462
15. Sea-Trac Offshore Services, Inc.	2	0	110,778
<b>Total</b>	<b>49</b>	<b>92</b>	<b>\$24,043,765</b>
<b>Source:</b> Prepared by legislative auditor's staff using contracts provided by DOTD and CCCD.			

**Recommendation 13:** We recommend that DOTD officials work with CCCD officials to minimize the number and dollar amount of contract plan changes whenever possible and to use information on the number and types of plan changes in its evaluation of contractors' performance.

**Summary of Management's Response:** DOTD agrees with this recommendation. DOTD and CCCD officials will work together to minimize the number and amount of plan changes.



**CCCD Did Not Prepare Plan Changes for Additional Charges Incurred on Some Contracts**

CCCD paid \$250,655 over the stated contract amounts on eight contracts through November 19, 2008.<sup>5</sup> CCCD officials provided us with signed invoices for six of these contracts indicating that they had approved the expenditures. However, according to CCCD officials, CCCD is to follow DOTD’s uniform contract plan change procedures. These procedures require CCCD management to approve all plan changes to contracts.

Exhibit 8 shows that for six of the eight contracts, CCCD officials did not prepare any plan changes. The exhibit also shows that officials prepared change orders but did not sign them for the other two contracts. Therefore, CCCD did not follow the correct procedure for paying more than the stated contract amounts on any of these eight contracts.

<b>Exhibit 8</b>					
<b>Contract Payments Exceeding Total Contract Amounts</b>					
<b>Without Approved Plan Changes</b>					
<b>July 1, 2003 Through November 19, 2008</b>					
<b>Contractor</b>	<b>Description</b>	<b>Total Contract Amount*</b>	<b>Amount Paid</b>	<b>Difference</b>	<b>Contract Open or Closed</b>
<b>Contracts Without Plan Changes</b>					
1. Conrad Shipyard, L.L.C.	2004 United States Coast Guard (USCG) dry docking, repairs, and modification of M/V Alvin T. Stumpf	\$770,082	\$791,744	\$21,662	Closed
2. Bollinger Shipyards, Inc.	2005 USCG dry docking, repairs, and modifications of M/V Thomas Jefferson	413,860	515,212	101,352	Closed
3. Buck Kreihls Marine Repair, L.L.C.	Repairs and modifications to M/V Neville Levy	566,471	569,441	2,970	Closed
4. Houma Armature Works & Supply, Inc.	Recondition generators on M/V Neville Levy and M/V Alvin T. Stumpf	15,164	50,857	35,693	Closed
5. Marine Systems, Inc.	Top end overhaul of two D398 Caterpillar Engines on M/V Alvin T. Stumpf	52,000	70,184	18,184	Closed
6. Gulf Coast Diesel, L.L.C.	Overhaul Caterpillar Engines on M/V Neville Levy	115,406	121,885	6,479	Closed
<b>Contracts With Unsigned Plan Changes</b>					
7. Complete Engineering & Construction, Inc.	Access improvements to CCCD Bridge No. 1 and 2	\$1,299,472	\$1,362,563	\$63,091	Closed
8. Sea-Trac Offshore Services, Inc.	Install radars on all ferry vessels	73,994	75,218	1,224	Closed
<b>Total</b>		<b>\$3,306,449</b>	<b>\$3,557,104</b>	<b>\$250,655</b>	
<p>*Total contract amount is defined as the original contract amount plus or minus the dollar amount of any change orders, supplemental agreements, and contract renewals.</p> <p><b>Source:</b> Prepared by legislative auditor’s staff using contract and financial data provided by DOTD and CCCD.</p>					

During our examination, we noted that change orders, supplemental agreements, and contract renewals were not centrally located with the original contracts in CCCD’s file room. As a result, it was difficult to track all plan changes that have taken place.

<sup>5</sup> We identified four additional contracts that exceeded the original contract amounts, but these amounts were paid by the Federal Emergency Management Agency and the federal government. We did not include these four contracts in Exhibit 8 because CCCD funds did not pay for them.

Because DOTD has not required CCCD to sufficiently track contract payments and has not developed formal policies and procedures for tracking payments, DOTD has no way of knowing if total contract payments exceed stated contract amounts without supporting documentation. When we discussed this issue with CCCD officials, they said that they will start recording and scanning into electronic format all approved invoice amounts according to project number and amount paid and will also place this information on a shared drive on the computer system so that DOTD officials can easily view it. In addition, they agreed to start following DOTD's contract plan change procedures, which require that all contract change plans be signed and file all approved contract changes with the original contracts in CCCD's file room. DOTD officials said that they agree with CCCD's proposed procedures.

**Recommendation 14:** We recommend that DOTD officials work with CCCD officials to develop and implement formal written policies and procedures for tracking CCCD contract payments and that they include a requirement to record and scan into electronic format all invoices that have been approved for payment.

**Summary of Management's Response:** DOTD agrees with this recommendation and will be developing formal written policies and procedures.

**Recommendation 15:** We recommend that DOTD officials work with CCCD officials to develop and implement formal written policies and procedures requiring CCCD to follow DOTD's policies and procedures for contract plan changes.

**Summary of Management's Response:** DOTD agrees with this recommendation and will be developing formal written policies and procedures. Change orders when one is rehabilitating or repairing existing infrastructure or vessels are not unusual. Once a vessel is dried dock, other issues may surface that were unknown and must be corrected. It is not the change order but DOTD's process that will be revised.

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**Did CCCD Engineers Complete All Required  
Ferry Maintenance Tasks for the Period Examined?**

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Because of poor quality documentation, we could not determine whether CCCD's ferry engineers completed all required maintenance tasks for the period we examined. CCCD has established schedules of required maintenance tasks for each of its six ferries. The ferry maintenance schedules outline what maintenance tasks must be performed on a daily, monthly, and quarterly basis. The ferry engineers record maintenance work they perform on daily engine logs. The engine logs we examined do not show that the engineers performed all of the required maintenance tasks. As a result, DOTD cannot be sure that all required maintenance was performed on each ferry during this period.

We examined 24 daily engine logs (for a total of 42 shifts) for all ferry locations for the week of June 8, 2008, through June 14, 2008. We compared the logs to the schedules of daily maintenance tasks that should be completed on each ferry. The daily logs list some, but not all, of the required maintenance tasks. They also include space for the engineers to document that

they completed those tasks. In addition, the logs include a narrative section where the engineers can write comments and document their completion of the additional required maintenance tasks not listed in the other section of the logs. Our examination of the logs showed that the ferry engineers did not document their completion of all required daily maintenance tasks on the logs.

In addition, our examination of the logs also showed that the engineers did not record their activities consistently and did not use the same terminology as that used in the schedules of required maintenance tasks. In some cases, the engineers documented mechanical problems they discovered or major maintenance work they performed as opposed to documenting that they performed the required maintenance tasks that resulted in identifying maintenance problems. For example, in one case, the engineer documented that a ferry was having hydraulic trouble with vehicle ramps instead of documenting that he had completed the associated required maintenance task. He should have documented that he completed the required maintenance task and then noted the problems with the vehicle ramps. Because of the way the engineers recorded information in the engine logs, we were unable to determine if they performed all required ferry maintenance tasks.

CCCD recognized that this issue was a problem before this audit began. In February 2008, CCCD purchased a new ferry management software system for \$99,540. CCCD expects this new system to go live in the near future and that it will improve documentation of ferry maintenance work performed. According to CCCD officials, the software will be able to keep track of regulatory requirements; organize planned maintenance; document ferry maintenance completed; and record maintenance history, cost, and other activities. If the system works as expected, it should resolve many of the problems identified in this finding.

**Recommendation 16:** We recommend that DOTD determine whether the new ferry maintenance system will be able to record each required daily, monthly, and quarterly maintenance task and allow the engineers to record whether and when they completed each task. If the new system will not achieve the desired results, we recommend that CCCD update its daily engine logs to reflect each individual task listed on the schedules of required maintenance and provide space where the engineers can document that they completed each task.

**Summary of Management's Response:** DOTD agrees with this recommendation. DOTD has implemented the new ferry maintenance system and will update the daily engine logs accordingly.

**Did CCCD Meet Its Targeted Performance for Completing Scheduled Ferry Trips in Fiscal Year 2008?**

CCCD exceeded its targeted performance by completing 93.6% of the 64,803 scheduled ferry trips as opposed to the 91% stated in its performance measures. Vessel mechanical problems, river traffic, and unfavorable weather conditions were the major reasons that scheduled ferry trips were not completed. These problems accounted for 3,226 (77.4%) of the 4,170 total trips that were not completed. CCCD has no control over some of the reasons that these trips were not completed. For example, CCCD has no control over river traffic, weather conditions, or Coast Guard directives. However, it can work to minimize the impact on ferry service caused by things such as maintenance problems and crew shortages.

Exhibit 9 shows the reasons that the 4,170 scheduled trips were not completed. We derived this information from CCCD’s Marine Operation Daily Count Database. Appendix H summarizes the ferry trips that were not completed by location and reason.

<b>Exhibit 9 Reasons Scheduled Ferry Trips Not Completed Fiscal Year 2008</b>		
<b>Reason</b>	<b>Number of Scheduled Trips Not Completed</b>	<b>Percentage of Total Reasons Scheduled Trips Not Completed</b>
Vessel Mechanical Problems	1,279	30.7%
River Traffic	1,079	25.9%
Unfavorable Weather Conditions	884	21.2%
Other*	398	9.5%
U.S. Coast Guard Directives	354	8.5%
Crew Shortage	134	3.2%
River Closure	22	0.5%
Vehicle Breakdown	11	0.3%
Accident Onboard	5	0.1%
Vessel Accident	4	0.1%
<b>Total</b>	<b>4,170</b>	<b>100%</b>
*According to CCCD, “other” includes delays resulting from processing tolls too slowly and vehicle traffic. <b>Source:</b> Prepared by legislative auditor’s staff using unaudited trip logs prepared by CCCD.		

We also used the Marine Operation Daily Count Database to quantify the ferry outages. We analyzed the statistics recorded in the database for each ferry location. Exhibit 10 details the number of trips scheduled and the number and percentage of those trips that were not completed for each ferry location. As can be seen, the Lower Algiers/Chalmette ferry location had the highest incidence of scheduled trips not completed.

<b>Exhibit 10</b> <b>Scheduled Ferry Trips Not Completed</b> <b>Fiscal Year 2008</b>			
<b>Ferry Location</b>	<b>Number of Scheduled Trips</b>	<b>Number of Scheduled Trips Not Completed</b>	<b>Percentage of Scheduled Trips Not Completed</b>
Algiers/Canal Street	27,223	803	2.9%
Gretna/Jackson Avenue	15,520	1,319	8.5%
Lower Algiers/Chalmette	22,060	2,048	9.3%
<b>Total</b>	<b>64,803</b>	<b>4,170</b>	<b>6.4%</b>
<b>Source:</b> Prepared by legislative auditor's staff using unaudited trip logs prepared by CCCD.			

**Recommendation 17:** We recommend that DOTD and CCCD develop means to minimize ferry outages to the extent possible and that they reevaluate CCCD's ferry schedules and usage and determine how to best meet the public's needs in the most efficient and logistically effective manner.

**Summary of Management's Response:** DOTD agrees with this recommendation. This is DOTD's goal and mission. CCCD has an on-time performance goal of 95%. They meet and often exceed the goal. The audit makes no allowances for instances where the ferries cannot operate due to fog, severe weather, conflicting marine vessel traffic or river closure by the United States Coast Guard. When the factors beyond the CCCD's control are eliminated, their ferry performance is very good.

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**APPENDIX A: MANAGEMENT'S RESPONSE**

Management included with its response copies of three other audit reports that were recently conducted on CCCD. These reports can be found in Appendix I.



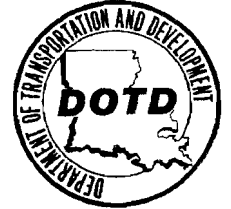




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WILLIAM D. ANKNER, Ph.D.  
SECRETARY

March 23, 2009

Louisiana Legislative Auditor  
1600 North Third Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Attention: Mr. Steve J. Theriot, CPA

**RE: Response to Legislative Audit of CCCD**

Dear Mr. Theriot:

Thank you for the opportunity to respond to your March 13, 2009, Draft Performance Audit of the Crescent City Connection Division (CCCD). The Department approaches all audits, including yours as a way to improve our performance and provide better value to the public. Your audit is in addition to three (3) separate audits of the CCCD I commissioned earlier: a Forensic Audit in August 2008; a CCCD Police Audit in September 2008; and a Performance Audit in September 2008. For your information, I have attached copies of the audits as part of the Department's response to the audit findings. The good news is that all the audits' conclusions, found no findings of fraud, theft, or misapplication of funds. All the audits provided me with information to make the CCCD more effective in delivering their mission and to better manage the CCCD. Many of the audit findings are already being implemented or have been completed. Besides the attached audits conducted by DOTD, as requested, is the attached completed check list for the recommendations from your audit.

Our response is specific to each recommendation and it presents our actions to meet the finding and recommendation or to add our perspective about the recommendation/finding. The past management and oversight by the DOTD of the CCCD did show a need for improvement. With the recent new management changes and increased communications, a marked improvement has been achieved. CCCD is a functional and critical part of DOTD activities. Executive management is and will continue to be engaged in CCCD's activities and will make CCCD's activities transparent. Many of the non-reporting and accounting activities noted in the audit began prior to the audit.

**Recommendation 1:** We recommend that DOTD work with CCCD to determine if changes should be made to CCCD's toll structure and/or expenditures, including insurance, to reduce or eliminate CCCD's continued annual deficits. (p. 10 of the report)

**Response to Legislative Audit of CCCD  
03-23-09**

**DOTD Response:** We concur and are working diligently to eliminate the deficit, if for no other reason than any CCCD deficit would need to be covered by decreasingly fewer Transportation Trust Fund (TTF) dollars. This is why DOTD is already seeking to eliminate the second largest CCCD expenditure (as noted on Pages 9 and 10 of the audit) bridge insurance- a bond indenture requirement if it is reasonable. The bridge insurance is \$4 million a year for \$100 million dollars. (Prior to Katrina, the bridge insurance was \$700 million dollars of coverage at a cost of \$1.5 million dollars.) The debt has three and a half more years and the debt service is approximately \$9.6 million dollars. The total remaining cost of the insurance would be \$12 million to protect \$9.6 million in debt service. Therefore, the cost of the bridge insurance is no longer reasonable. DOTD is currently working with our consulting engineering firm, TRC, Inc. to produce a statement that the insurance for the bridge is no longer reasonable. Upon receiving the statement, we will cancel the bridge insurance. This will result in a \$4 million savings. In addition, using the other audits, we are reviewing the operations of CCCD to determine additional cost savings or revenue measures.

One service and CCCD expenditure, the operations of the ferries, remains misunderstood. The ferries are financed by toll collections from the bridge. The DOTD cannot use TTF funds to finance the CCCD ferries. Therefore, ferry operations will cease if the CCCD tolls are removed.

**Recommendation 2:** We recommend that DOTD Management work with the Governor's Office and Senate staff to ensure that the CCCOA has 13 appointed and confirmed members. (p.13 of the report)

**DOTD Response:** We concur. DOTD has and will continue to work with all parties to insure that the CCCOA has a full compliment of members, despite R.S. 47:820.5.3 where there is no mention in the statute of DOTD or CCCD having any responsibilities in regard to the establishment or operation of the CCCOA.

At best, the CCCOA is broken. The CCCOA was established to prioritize the excess toll revenues generated by the CCCD to a list of legislatively mandated projects. Those projects were selected when the tolls were double the current tolls. Shortly after the establishment of the tolls, the creation of the CCCOA and the projects they were to prioritize the Legislature severely reduced the tolls. The result was that there were no excess revenues to the level needed to fund the mandated and prioritized projects. The CCCOA with a full compliment of appointees did their job and prioritized the projects and then had nothing else to do. Consequently, there was no interest in being a member of the CCCOA and there were no quarterly meetings. The law should have been altered long ago to reflect the changed conditions.

**Recommendation 3:** We recommend that DOTD take the necessary steps to ensure that CCCOA meets quarterly and calls roll at each meeting, and that it continues to record written minutes at each meeting. (p. 13 of the report)

**DOTD Response:** We concur. Quarterly meeting were reestablished last year, but without quorums, because of the lack of members, (see above recommendation and response). The CCCOA has started meeting quarterly, and beginning with the January, 2009 meeting have been taking roll call and recording written minutes and will continue to do so.

**Recommendation 4:** We recommend that DOTD management work with legislative staff to determine if the legislation regarding CCCOA (R.S. 47:820.5.3) should be amended or repealed since CCCOA has prioritized the projects, but funding is not available to complete all of the projects. (p. 13 of the report)

**DOTD Response:** We concur.

**Recommendation 5:** We recommend that DOTD define its oversight role over CCCD's contracting activities to meet the requirements of R.S. 36:508.2. (p. 15 of the report)

**DOTD Response:** We concur. Contracts were filed by project number at the CCCD and not by year. A staff member was sent to the CCCD to develop a data base to file contracts where contract data is readily available by year. DOTD data systems, in particular, TOPS, does not contain accurate information for CCCD contracts. CCCD will now be required to follow DOTD policies in regards to contracts and plan changes. With the implementation of LaGOV (ERP), tracking of projects for all DOTD projects and contracts, including CCCD projects and contracts, will dramatically improve and will be easily accessible to all interested parties.

**Recommendation 6:** We recommend that DOTD work with CCCD to develop and implement formal written policies and procedures that include a reporting mechanism for CCCD to use to communicate to DOTD information on all contracts CCCD issued. We further recommend that the policies and procedures state how CCCD should record and maintain its contracts. (p. 15 of the report)

**DOTD Response:** We concur. Current DOTD policies and procedures in regards to contracts will be extended to CCCD. Additional training of CCCD employees will be done to insure that these policies and procedures are followed.

**Recommendation 7:** We recommend that DOTD work with the LaGOV administrators to ensure that the new system has a way to distinguish CCCD contracts and projects from those of other DOTD contracts. (p. 15 of the report)

**DOTD Response:** We concur. DOTD and CCCD staff will meet with LaGov administrators to ensure the new system can distinguish CCCD contracts and projects from other DOTD contracts.

**Recommendation 8:** We recommend that DOTD develop a checklist or contract template that includes all basic contract provisions listed in Exhibit 6 and require CCCD to use it for all contracts it issues. (p. 17 of the report)

**DOTD Response: We concur. CCCD has included in many of their contracts the DOTD Standard Specifications for Roads and Bridges, which addresses some of the basic provisions referenced in Exhibit 6, such as payment methods and schedules, and contract termination guidelines. DOTD has other standard contract language for letter bids. These standards and language will be incorporated into all future CCCD contracts.**

**Recommendation 9:** We recommend that DOTD develop and implement formal written policies and procedures that require CCCD officials to make sure the checklist or contract template has been completed before CCCD and/or DOTD sign any contract. (p. 17 of the report)

**DOTD Response: We concur. Current DOTD policies and procedures in regards to contracts will be extended to CCCD. Additional training of CCCD employees will be done to insure that these policies and procedures are followed.**

**Recommendation 10:** We recommend that DOTD develop and implement formal written policies and procedures that require CCCD to maintain consistent communication with DOTD by regularly updating the information in TOPS for all contracts. We further recommend that the policies and procedures address how CCCD will ensure that deliverables are received on time, under what conditions CCCD will accept or reject deliverables and how CCCD will handle billing or payment disputes. (p. 18 of the report)

**DOTD Response: We concur and will be developing formal written policies and procedures. TOPS does not contain accurate information for CCCD contracts. With the implementation of LaGOV (ERP), this issue will be resolved. In the meantime, information for CCCD contracts will be updated on TOPS.**

**Recommendation 11:** We recommend that DOTD work with CCCD to develop and implement formal written policies and procedures for monitoring CCCD contracts that include documentation methods to:

- Track budgets and compare invoices and charges to contract terms and conditions
- Ensure that deliverables are received on time
- Accept or reject the deliverables, including a policy to withhold payments until deliverables are received
- Ensure CCCD retains documentation supporting discrepancies against the contractor's work. (p. 18 of the report)

**DOTD Response: We concur and will be developing formal written policies and procedures.**

**Recommendation 12:** In addition to working with CCCD to create policies and procedures for conducting monitoring activities, we recommend that DOTD develop

policies and procedures specifying how CCCD should document its monitoring activities. **(p. 19 of the report)**

**DOTD Response: We concur and will be developing formal written policies and procedures for monitoring activities.**

**Recommendation 13:** We recommend that DOTD officials work with CCCD officials to minimize the number and dollar amount of contract plan changes whenever possible and to use information on the number and types of plan changes in its evaluation of contractors' performance. **(p. 20 of the report)**

**DOTD Response: We concur. DOTD and CCCD officials will work together to minimize the number and amount of plan changes.**

**Recommendation 14:** We recommend that DOTD officials work with CCCD officials to develop and implement formal written policies and procedures for tracking CCCD contract payments and that they include a requirement to record and scan into electronic format all invoices that have been approved for payment. **(p. 22 of the report)**

**DOTD Response: We concur and will be developing formal written policies and procedures.**

**Recommendation 15:** We recommend that DOTD officials work with CCCD officials to develop and implement formal written policies and procedures requiring CCCD to follow DOTD's policies and procedures for contract plan changes. **(p. 22 of the report)**

**DOTD Response: We concur and will be developing formal written policies and procedures. In doing so we want to underscore that change orders when one is rehabilitating or repairing existing infrastructure or vessels are not unusual. Once a vessel is dried dock other issues may surface that were unknown and must be corrected. It is not the change order but our process that will be revised. With respect to managing change orders that is a constant effort, because a limited overall organizational budget is damaged by the need to shift funds from one thing to pay for increased costs to another thing.**

**Recommendation 16:** We recommend that DOTD determine whether the new ferry maintenance system will be able to record each required daily, monthly, and quarterly maintenance task and allow the engineers to record whether and when they completed each task. If the new system will not achieve the desired results, we recommend that CCCD update its daily engine logs to reflect each individual task listed on the schedules of required maintenance and provide space where the engineers can document that they completed each task. **(p. 24 of the report)**

**DOTD Response: We concur. We have implemented the new ferry maintenance system and will update daily engine logs accordingly.**

**Response to Legislative Audit of CCCD  
03-23-09**

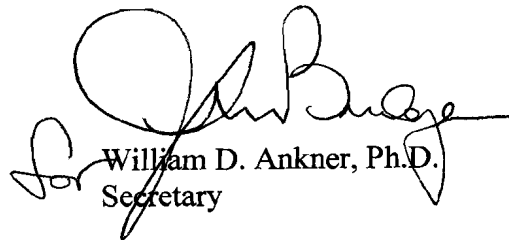
**Recommendation 17:** We recommend that DOTD and CCCD develop means to minimize ferry outages to the extent possible and that they reevaluate CCCD's ferry schedules and usage and determine how to best meet the public's needs in the most efficient and logistically effective manner.

**(p. 25 of the report)**

**DOTD Response:** That is our goal and mission. CCCD has an on-time performance goal of 95%. They meet and often exceed the goal. The audit makes no allowances for instances where the ferries cannot operate due to fog, severe weather, conflicting marine vessel traffic or river closure by the United States Coast Guard. How can CCCD be held accountable for not providing ferry service when the Coast Guard closed the river to operations because of an oil spill and its necessary cleanup? When the factors beyond the CCCD's control are eliminated, their ferry performance is very good.

In closing we appreciate the work of your staff in helping CCCD and the DOTD better meet our responsibilities to the Governor, the Legislature and the public. As indicated we are have embarked on redressing the enumerated issues. However, the full actualization of the reporting findings will not be addressed until the **LaGOV (ERP)** happens.

Sincerely,



William D. Ankner, Ph.D.  
Secretary



Louisiana Legislative Auditor  
Performance Audit Division

Crescent City Connection Division Audit  
Checklist for Audit Recommendations

**Instructions to Audited Agency:** Please check the appropriate box below for each recommendation. A summary of your response for each recommendation will be included in the body of the report. The entire text of your response will be included as an appendix to the audit report.

RECOMMENDATIONS	AGREE	PARTIALLY AGREE	DISAGREE
<b>Recommendation 1:</b> We recommend that DOTD work with CCCD to determine if changes should be made to CCCD's toll structure and/or expenditures, including insurance, to reduce or eliminate CCCD's continued annual deficits. (p. 10 of the report)	✓		
<b>Recommendation 2:</b> We recommend that DOTD management work with the Governor's Office and senate staff to ensure that the CCCOA has 13 appointed and confirmed members. (p.13 of the report)	✓		
<b>Recommendation 3:</b> We recommend that DOTD take the necessary steps to ensure that CCCOA meets quarterly and calls roll at each meeting, and that it continues to record written minutes at each meeting. (p. 13 of the report)	✓		
<b>Recommendation 4:</b> We recommend that DOTD management work with legislative staff to determine if the legislation regarding CCCOA (R.S. 47:820.5.3) should be amended or repealed since CCCOA has prioritized the projects, but funding is not available to complete all of the projects. (p. 13 of the report)	✓		

<p><b>Recommendation 5:</b> We recommend that DOTD define its oversight role over CCCD's contracting activities to meet the requirements of R.S. 36:508.2. (p. 15 of the report)</p>	<p>✓</p>		
<p><b>Recommendation 6:</b> We recommend that DOTD work with CCCD to develop and implement formal written policies and procedures that include a reporting mechanism for CCCD to use to communicate to DOTD information on all contracts CCCD issued. We further recommend that the policies and procedures state how CCCD should record and maintain its contracts. (p. 15 of the report)</p>	<p>✓</p>		
<p><b>Recommendation 7:</b> We recommend that DOTD work with the LaGOV administrators to ensure that the new system has a way to distinguish CCCD contracts and projects from those of other DOTD contracts. (p. 15 of the report)</p>	<p>✓</p>		
<p><b>Recommendation 8:</b> We recommend that DOTD develop a checklist or contract template that includes all basic contract provisions listed in Exhibit 6 and require CCCD to use it for all contracts it issues. (p. 17 of the report)</p>	<p>✓</p>		
<p><b>Recommendation 9:</b> We recommend that DOTD develop and implement formal written policies and procedures that require CCCD officials to make sure the checklist or contract template has been completed before CCCD and/or DOTD sign any contract. (p. 17 of the report)</p>	<p>✓</p>		
<p><b>Recommendation 10:</b> We recommend that DOTD develop and implement formal written policies and procedures that require CCCD to maintain consistent communication with DOTD by regularly updating the information in TOPS for all contracts. We further recommend that the policies and procedures address how CCCD will ensure that deliverables are received on time, under what conditions CCCD will accept or reject deliverables, and how CCCD will handle billing or payment disputes. (p. 18 of the report)</p>	<p>✓</p>		



<p><b>Recommendation 11:</b> We recommend that DOTD work with CCCD to develop and implement formal written policies and procedures for monitoring CCCD contracts that include documentation methods to:</p> <ul style="list-style-type: none"> <li>• Track budgets and compare invoices and charges to contract terms and conditions</li> <li>• Ensure that deliverables are received on time</li> <li>• Accept or reject the deliverables, including a policy to withhold payments until deliverables are received</li> <li>• Ensure CCCD retains documentation supporting discrepancies against the contractor's work</li> </ul> <p><b>(p. 18 of the report)</b></p>	✓		
<p><b>Recommendation 12:</b> In addition to working with CCCD to create policies and procedures for conducting monitoring activities, we recommend that DOTD develop policies and procedures specifying how CCCD should document its monitoring activities. <b>(p. 19 of the report)</b></p>	✓		
<p><b>Recommendation 13:</b> We recommend that DOTD officials work with CCCD officials to minimize the number and dollar amount of contract plan changes whenever possible and to use information on the number and types of plan changes in its evaluation of contractors' performance. <b>(p. 20 of the report)</b></p>	✓		
<p><b>Recommendation 14:</b> We recommend that DOTD officials work with CCCD officials to develop and implement formal written policies and procedures for tracking CCCD contract payments and that they include a requirement to record and scan into electronic format all invoices that have been approved for payment. <b>(p. 22 of the report)</b></p>	✓		

<p><b>Recommendation 15:</b> We recommend that DOTD officials work with CCCD officials to develop and implement formal written policies and procedures requiring CCCD to follow DOTD's policies and procedures for contract plan changes. (p. 22 of the report)</p>	<p>✓</p>		
<p><b>Recommendation 16:</b> We recommend that DOTD determine whether the new ferry maintenance system will be able to record each required daily, monthly, and quarterly maintenance task and allow the engineers to record whether and when they completed each task. If the new system will not achieve the desired results, we recommend that CCCD update its daily engine logs to reflect each individual task listed on the schedules of required maintenance and provide space where the engineers can document that they completed each task. (p. 24 of the report)</p>	<p>✓</p>		
<p><b>Recommendation 17:</b> We recommend that DOTD and CCCD develop means to minimize ferry outages to the extent possible and that they reevaluate CCCD's ferry schedules and usage and determine how to best meet the public's needs in the most efficient and logistically effective manner. (p. 25 of the report)</p>	<p>✓</p>		

**APPENDIX B: HOUSE RESOLUTION NO. 13 OF THE  
FIRST EXTRAORDINARY LEGISLATIVE SESSION OF 2008**



**ENROLLED**

First Extraordinary Session, 2008

HOUSE RESOLUTION NO. 13

BY REPRESENTATIVES CONNICK, HENRY, LIGI, MORRELL, PETERSON, AND  
TEMPLET

A RESOLUTION

To urge and request the legislative auditor to conduct a performance audit on the Crescent City Connection Division within the Louisiana Department of Transportation and Development.

WHEREAS, the Crescent City Connection provides a vital transportation link over the Mississippi River between the East and West Bank of the parishes of Jefferson and Orleans; and

WHEREAS, the Crescent City Connection maintains and operates the West Bank Expressway and several approaches to the West Bank Expressway and maintains and operates several ferries which service Jefferson, Orleans, Plaquemines, and St. Bernard parishes; and

WHEREAS, by statute, the Crescent City Connection is authorized to charge tolls to vehicles which cross the bridge and travel on the ferries; and

WHEREAS, tolls collected by the Crescent City Connection are considered self-generating revenue; and

WHEREAS, the Crescent City Connection raised, from July 2006 through January 2007, twenty-one million eight hundred fifty-five thousand seven hundred eight dollars from toll revenues; and

WHEREAS, the citizens that travel the Crescent City Connection have the right to know where and how their tax dollars and toll monies are being spent by the Crescent City Connection; and

WHEREAS, Louisiana Revised Statutes 47:820.5 et seq. mandates that the tolls, along with state appropriations and federal funds received by the Crescent City Connection, shall be spent only in the manner authorized by law; and

HR NO. 13

**ENROLLED**

WHEREAS, the House of Representatives of the Legislature of Louisiana wishes to request the legislative auditor to conduct a full and complete performance audit on the operations of the Crescent City Connection so that the citizens of Louisiana, in particular those citizens who actually pay tolls, can have confidence that the Crescent City Connection is being managed as efficiently as possible and that the provisions mandated by Louisiana Revised Statutes 47:820.5 et seq. are being complied with; and

WHEREAS, the House of Representatives of the Legislature of Louisiana requests that as part of this performance audit, the legislative auditor examine the economy, efficiency, usefulness, and effectiveness of all studies commissioned by the Crescent City Connection since January 1998, as well as examine the Crescent City Connection's fiscal operations for the past five years; and

WHEREAS, the House of Representatives of the Legislature of Louisiana specifically requests that as part of its audit examination, the legislative auditor issue a detailed report in an annual basis format, which lists all revenues, sources of revenues, expenses, and types of expenses incurred by the Crescent City Connection since January 1, 2003; and

WHEREAS, the House of Representatives of the Legislature of Louisiana also requests that the legislative auditor identify and analyze the economy, efficiency, and effectiveness of all contracts since January 1, 2003, which have been entered into by the Crescent City Connection with any individual or entity, including but not limited to all professional, general, noncompetitive bid, and competitive bid contracts; and

WHEREAS, because tolls on the Crescent City Connection are set to expire on December 31, 2012, the House of Representatives of the Legislature of Louisiana also requests that the legislative auditor examine, list, and report on the progress, status, and any need for future funding for completion of those projects set forth in Louisiana Revised Statutes 47:820.5(2), (3), and (5) as well as any new or proposed projects that in any way concern the improvement, operation, and maintenance of the Crescent City Connection Bridge, ferries operated by the Crescent City Connection, the West Bank Expressway, and those approaches to the West Bank Expressway which are under the current jurisdiction of the Crescent City Connection; and

HR NO. 13

**ENROLLED**

WHEREAS, this Resolution is supported by the following civic associations who join the House of Representatives of the Legislature of Louisiana in urging this performance audit: Stonebridge Property Association, Barkley Estates Community Association, Woodland Oaks Civic Association, Plantation Estates Community Association, Baywood Neighborhood Civic Association, Barataria Civic Association, Estelle Civic Association, Hillcrest Civic Association, Westminster Civic Association, and Bent Tree Civic Association.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the legislative auditor to conduct a performance audit on the Crescent City Connection Division within the Louisiana Department of Transportation and Development.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the state legislative auditor, the secretary of the Louisiana Department of Transportation and Development, and the executive director of the Crescent City Connection.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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**APPENDIX C: LIST OF CCD PROJECTS ACCORDING TO R.S. 47:820.5**



<b>Appendix C</b>	
<b>List of CCCD Projects According to R.S. 47:820.5</b>	
	<b>Project</b>
1.	Funding of the required land use plan of the bridge(s) rights-of-way
2.	Completion of the bridge(s) project and its approaches
3.	Lighting of the east bank and west bank approaches to the bridge(s) project including the westbank expressway approach through ground level and the planning and construction of turn lanes, turn-arounds, and intersections, lighting, maintenance, grass cutting, and landscaping of the westbank expressway and connecting arteries
4.	The legally and structurally required control devices regulating traffic on the exclusive transit lanes constructed in accordance with federal laws and guidelines
5.	The General DeGaulle Drive Parkway, Terry Parkway, and the Shirley Drive Parkway landscaping and beautification project
6.	Extension of Peters Road south to an intersection with Louisiana Highway 23
7.	Four-laning of Lapalco Boulevard from Victory Drive to Highway 90
8.	Improvements on Barataria Boulevard and Terry Parkway
9.	The upgrading of the General DeGaulle Drive/Burmester Avenue approach to the bridge(s) by extending LA Highway 18 from Huey P. Long Avenue in central Gretna along Fourth and/or Fifth Streets eastward to Burmaster Avenue
10.	The upgrading of Peters Road and its accompanying rail corridor; an additional toll tag lane for cars entering from the Algiers area
11.	A down ramp exit to Mardi Gras Boulevard to service the Algiers area
12.	Providing additional ingress and egress ramps along the elevated expressway to facilitate access to Destrehan Avenue
13.	The repainting of the Crescent City Connection
<b>Source:</b> Prepared by legislative auditor's staff using R.S. 47:820.5.	

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**APPENDIX D: CCCD EXPENDITURES  
FISCAL YEARS 2004 THROUGH 2008**



**Appendix D**  
**CCCD Expenditures**  
**Fiscal Years 2004 Through 2008**

<b>Expenditures</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
<b>Operating</b>						
Payroll and Related Benefits	\$10,815,109	\$11,422,308	\$11,374,645	\$10,509,980	\$11,510,535	\$55,632,577
Travel	7,533	5,551	4,378	2,320	3,673	23,455
Postage, Duplication, Printing, Office Supplies	76,154	87,452	38,389	43,927	50,782	296,704
Utilities						
Electricity	520,994	576,401	526,948	595,969	636,918	2,857,230
Other	140,858	116,457	75,203	90,676	103,611	526,805
Professional Services	1,069,121	620,625	625,031	898,425	1,439,969	4,653,171
Rent and Lease	25,135	34,812	60,809	30,528	31,069	182,353
Insurance						
Property, Bridge, Crime, Bonds, and Miscellaneous Tort Insurance	1,810,228	1,880,443	2,030,352	4,454,842	4,709,202	14,885,067
Workman's Compensation Insurance	357,051	437,733	589,277	504,700	476,884	2,365,645
Vehicle and Marine Equipment Insurance	755,706	834,573	1,263,331	768,161	940,572	4,562,343
Facility/Bridge Maintenance Materials and Supplies	953,986	1,254,047	1,128,095	1,212,843	1,169,625	5,718,596
IT Acquisition and Maintenance	631,580	396,503	357,236	341,283	478,752	2,205,354
Vehicle Maintenance and Parts/Supplies						
Fuel	701,629	1,034,192	735,714	845,198	1,231,567	4,548,300
Repair Services	336,561	344,146	238,524	348,035	519,542	1,786,808
Other	280,936	285,237	173,880	205,504	379,400	1,324,957
Equipment Acquisition	206,409	83,816	83,495	1,149	414,204	789,073
Training	518	790	308	282	790	2,688
Other Interest Charges		20,160				20,160
Other*	1,155,907	1,602,959	1,280,523	1,176,360	1,452,264	6,668,013
Adjustment for Accounts Payable Accrual	698,495	692,683	693,120	757,721	132,315	2,974,334
<b>Total Operating Expenditures</b>	<b>\$20,543,910</b>	<b>\$21,730,888</b>	<b>\$21,279,258</b>	<b>\$22,787,903</b>	<b>\$ 25,681,674</b>	<b>\$112,023,633</b>

<b>Appendix D</b> <b>CCCD Expenditures</b> <b>Fiscal Years 2004 Through 2008</b>						
Expenditures	2004	2005	2006	2007	2008	Total
<b>Nonoperating</b>						
Bond Principal	\$1,810,000	\$1,780,000	\$1,815,000	\$1,855,000	\$1,900,000	\$9,160,000
Bond Interest	668,969	633,069	594,850	551,244	499,556	2,947,688
Bank Charges	198,815	176,524	167,440	194,614	235,031	972,424
Miscellaneous			6,046			6,046
<b>Total Nonoperating Expenditures</b>	<b>\$2,677,784</b>	<b>\$2,589,593</b>	<b>\$2,583,336</b>	<b>\$2,600,858</b>	<b>\$2,634,587</b>	<b>\$13,086,158</b>
<b>Total Capital Outlay Expenditures (see Appendix E)</b>	<b>\$8,933,552</b>	<b>\$11,334,430</b>	<b>\$6,714,721</b>	<b>\$7,223,310</b>	<b>\$10,524,800</b>	<b>\$44,730,813</b>
<b>Total Expenditures</b>	<b>\$32,155,246</b>	<b>\$35,654,911</b>	<b>\$30,577,315</b>	<b>\$32,612,071</b>	<b>\$38,841,061</b>	<b>\$169,840,604</b>
* “Other” includes landscape contracts, customer service call center, impact attenuator repair, and striping. <b>Source:</b> Prepared by legislative auditor’s staff using audited financial statements of CCCD.						



**APPENDIX E: CCCD CAPITAL OUTLAY EXPENDITURES BY PROJECT  
FISCAL YEARS 2004 THROUGH 2008**



**Appendix E**  
**CCCD Capital Outlay Expenditures by Project**  
**Fiscal Years 2004 Through 2008**

<b>Project Description</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
4th Street Extension	\$17,234	\$220,532	\$117,980			\$355,746
Greater New Orleans Mississippi River Bridge/General Roadwork No. 1	100					100
Greater New Orleans Mississippi River Bridge and Approaches Beautification and Joint Land Use Development	(4,428)					(4,428)
Access Improvements to CCCD Bridge/General Roadworks 1 and 2		948,633	58,629	\$314,909		1,322,171
Repainting CCCD Bridge/General Roadwork No. 1	4,276,757	32,090				4,308,847
Roadway Repairs on CCCD Bridge/General Roadworks and Approaches	418,781	11,912	387,094			817,786
Structural and Drainage Repairs		1,089,195	420,034	601,158	\$29,171	2,139,557
Legal Services for Real Estate Voucher	14,951	1,000	2,250			18,201
Intersection Improvements Route US 90	2,250	1,505,703	2,485,403	763,531	56,008	4,812,895
Repainting CCCD Bridge/General Roadwork No. 1	34,707					34,707
Intersection Improvements - Magazine Street to South Peters Street		1,523,220	23,603	186,902		1,733,725
Protective Screen Replacement to CCCD Bridge/General Roadwork No. 1	61,334					61,334
Repainting CCCD Bridge/General Roadwork No. 1/Segment 3 Algiers Desk Truss		1,732,880	362,120			2,095,000
CCCD Approach Structures Repainting Segment 4 - Claiborne Interchange				147,500	3,724,630	3,872,130
Emergency Repair to Drain Line in Service Road		12,653				12,653
Replace Decorative Lighting System on CCCD Bridge/General Roadwork No. 1			207,908	20,879		228,787
Test Painting on CCCD Bridge/General Roadwork No. 2				187,900	46,975	234,875
CCCD Intelligent Transportation System (ITS)					19,922	19,922
Security System Upgrade for Intelligent Transportation System (ITS)					36,333	36,333
Intelligent Transportation System (ITS)					14,150	14,150
IETCS-II Site Survey					55,962	55,962
CCCD - IETCS-II					7,878	7,878

(Continued)

**Appendix E**  
**CCCD Capital Outlay Expenditures by Project**  
**Fiscal Years 2004 Through 2008**

<b>Project Description</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
Repair Sidewalk - Westbank X-way at Lafayette Street					\$4,300	\$4,300
Repainting CCCD Bridge/General Roadwork No. 1		\$476,104				476,104
CCCD Intersection Improvements			\$83,622	\$111,164	1,630	196,416
HVAC Improvements to the Police & Maintenance Buildings	\$14,219					14,219
Complete Fire Alarm Security Systems		12,299				12,299
Expansion of CCCD Administration Building					865,212	865,212
Radio Tower Relocation/Replacement			143,725	502,697		646,422
Replace Air Conditioner Chiller at CCCD Administration Building			43,848	9,110		52,958
Electrical Modifications at CCCD Administration Building				1,240		1,240
Electrical Modifications at CCCD Administration Building				23,519		23,519
Replace HAVAC at CCCD Marine Maintenance Facility		3,420				3,420
Miscellaneous Repairs to Marine Maintenance Facility				13,272		13,272
Steel Repairs on Marine Maintenance Vehicle Bridge			5,314	7,494		12,808
Replace Metal Roof on Storage Shed at CCCD Marine Maintenance Facility				1,150		1,150
Repairs to Ferry Terminal Building at Jackson Avenue	49,495					49,495
Roof Repairs at Canal Street Ferry Facility	216,955	24,292				241,247
Repair Sheetrock Ceiling at Canal Street Ferry Facility					4,050	4,050
Peters Road On and Off Ramps	312,257	397,663	222,225	82,827	326,080	1,341,052
Ramp to Barataria Boulevard	33,716					33,716
Widen Barataria Boulevard	14,600	1,707				16,307
Peters Road Widening and Extension	91,545	60,160				151,705
Peters Road On and Off Ramps		8,790				8,790
Repainting Claiborne Avenue Interchange					55,511	55,511
Construction Engineering Support Services for Close Out of Four Construction Contracts and All Engineering and Surveying Services for Intersection Improvement Identified by Traffic Studies Conducted Under States Project No. 700-11-0088	(2,192)					(2,192)
Intersection Design and Plan Preparation	73,932					73,932
Repainting Claiborne Avenue Interchange				14,500	537,821	552,321

(Continued)

**Appendix E**  
**CCCD Capital Outlay Expenditures by Project**  
**Fiscal Years 2004 Through 2008**

<b>Project Description</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
Repainting CCCD Bridge/General Roadwork No. 1	\$1,338,015	\$443,024				\$1,781,038
Intelligent Transportation Systems (ITS)	61,532	13,628	\$35,436	\$319	\$1,860	112,775
Repainting CCCD Bridge/General Roadwork No. 1	55,184	463,924	94,162			613,269
2006 Drydocking Repairs and Modifications to M/V St. John				356,070		356,070
Replace Screw Jacks at Ferry Facilities				31,200		31,200
St. Louis Canal Bridge Located at Mile 2.74				4,236		4,236
Bridge/General Roadwork DeGaulle Drive Project - Intersection and Related Improvements	172,860	104,973	15,435	22,538		315,806
Revisions to CCCD Structural and Drainage Repair Plans	21,511					21,511
Renovations of CCCD Administration Building		36,518	89,831	20,733	104,479	251,561
Structural and Drainage Repairs to CCCD Bridge/General Roadwork No. 1		216,957	128,555	43,719		389,231
Access Improvements to CCCD Bridge/General Roadworks 1 and 2		104,881	10,372	6,228		121,481
Design of Vehicle Maintenance Facility and Storage Yard		90,756	8,489			99,246
Modifications and Pontoon Repairs at Lower Algiers and Chalmette Ferry		23,394	24,851			48,245
Intersection Improvements		7,606	400			8,007
CCCD Bridge/General Roadwork 2 - Spot Painting		39,205	12,990	58,524	17,105	127,824
Painting Segment 5 - Claiborne Interchange		60,901		2,956		63,857
CCCD Radio Tower Replacement		41,250	2,151			43,401
Intersection Improvements		8,198	1,492	528		10,219
Replace Decorative Lighting System on CCCD Bridge/General Roadwork No. 1		2,641	15,689	962	14,001	33,294
Reset Truss Bearings on CCCD Bridge/General Roadwork No. 1		7,897	14,022			21,920
Radio Tower Replacement - Construction Support			3,019	4,999		8,018
IETCS II Solution Project Plan			295,408			295,408
Implement IVPS Solution			83,364	339,654		423,018
IVPS Operations				336,817	161,275	498,093
IETCS - II Implementation				1,199,629	2,639,939	3,839,569
Construction Monitoring of Timber Pile Repair Chalmette Ferry				10,890	710	11,600

(Continued)

**Appendix E**  
**CCCD Capital Outlay Expenditures by Project**  
**Fiscal Years 2004 Through 2008**

Project Description	2004	2005	2006	2007	2008	Total
Landing						
Replacing Toll Booth Power Supply				\$2,730	\$13	\$2,743
Expansion of Administration Building					239,307	239,307
Repairs to Pontoon Barge Apron Pads at All Ferry Facilities	\$9,950					9,950
Irrigation System Inspection and Maintenance	2,197					2,197
Supply and Fit Propeller for Ferry Boat Spare Thruster	11,600					11,600
Maintenance Barge Repairs	330,232					330,232
Replace Jacking System on Algiers Ferry Facility Pedestrian Bridge/General Roadwork	255,417					255,417
Repairs to Port Thrusters for M/V Thomas Jefferson	11,362					11,362
Repairs to Port Main Engine for M/V St. John	29,737					29,737
Remove Port Main Engine and Reinstall New Engine	35,000					35,000
Repair of Port Main Engine on M/V Louis B. Porterie	56,961					56,961
Repairs to M/V Louis B. Porterie	14,849					14,849
Repair to Bow Thruster on M/V Thomas Jefferson	7,605					7,605
M/V Col. Frank X. Armiger 2004 Drydocking	253,221					253,221
Rebuild Top Shaft of Starboard Main Engine on the M/V Capt. Neville Levy	52,958					52,958
Removal and Repair of Thrusters on M/V Thomas Jefferson	22,343					22,343
2004 U.S.C.G. Drydocking, Repairs and Modifications of M/V Capt. Neville Levy	313,551					313,551
2004 U.S.C.G. Drydocking, Repairs and Modifications of M/V Louis B. Porterie		\$316,156	\$1,467			317,623
Repairs to M/V Louis B. Porterie	9,457					9,457
Repair Steering on M/V St. John	25,367					25,367
Emergency Repairs to Port Main Thruster to M/V Thomas Jefferson	55,986	46,264				102,250
Short Overall, Port Engine of M/V Thomas Jefferson	7,472	48,086				55,558
2004 U.S.C.G. Drydocking, Repairs and Modifications of M/V Alvin T. Stumpf		770,072	21,672			791,744
Repair to Starboard Main Engine to M/V St. John		35,458				35,458

(Continued)

**Appendix E**  
**CCCD Capital Outlay Expenditures by Project**  
**Fiscal Years 2004 Through 2008**

Project Description	2004	2005	2006	2007	2008	Total
Repair to Starboard Main Engine to M/V Thomas Jefferson		\$20,370				\$20,370
Repairs to Stern Thruster on M/V Thomas Jefferson		8,840				8,840
Repairs to Starboard Stern Thruster in M/V Louis B. Porterie		22,250				22,250
Removal, Disposal and Replacement of Passenger Deck and Pilot House Heaters on M/V Capt. Neville Levy		34,154				34,154
Port Steering Rudder Replacement on M/V Capt. Neville Levy		22,400				22,400
Emergency Repairs to M/V Louis B. Porterie		9,178				9,178
Emergency Repairs to M/V St. John		843				843
Emergency Repairs to Thruster Steering Valve on M/V Capt. Neville Levy		1,767				1,767
Emergency Repairs to Starboard Main Engine on M/V Alvin T. Stumpf		10,613				10,613
Rebuild Starboard Main PTO on M/V Thomas Jefferson		12,167				12,167
Emergency Repair of Propeller on M/V Col. Frank X. Armiger		8,078				8,078
Rebuild Port Main PTO on M/V Thomas Jefferson		6,414				6,414
Replace Fire Suppression System on M/V Alvin T. Stumpf		40,600				40,600
Repairs to Starboard Main Engine Governor on M/V Louis B. Porterie		8,357				8,357
Emergency Repairs to Starboard and Main Engines on M/V Alvin T. Stumpf		110,287				110,287
Drydocking, Repairs and Modifications of M/V Thomas Jefferson				\$413,850	\$101,362	515,212
Replace Sprinklers and A/C Units on M/V Capt. Neville Levy				569,441		569,441
Replace Exhaust Blower and Ductwork on M/V St. John			\$8,362			8,362
Repair of Stern Thruster on Spare Unit			8,535			8,535
Repair of Stern Thruster Unit on M/V Louis B. Porterie			57,549			57,549
Dismantle Bow Thruster on M/V Alvin T. Stumpf			15,925			15,925
Emergency Engine Alignment on M/V Alvin T. Stumpf			26,223			26,223
Repair Damages to M/V Alvin T. Stumpf from Hurricane Katrina			2,167			2,167
Repair Hurricane Katrina Damages to M/V Capt. Neville Levy			51,105			51,105
Repair Hurricane Katrina Damages to Tugboat Blue Lenoir			546			546

(Continued)

**Appendix E**  
**CCCD Capital Outlay Expenditures by Project**  
**Fiscal Years 2004 Through 2008**

Project Description	2004	2005	2006	2007	2008	Total
Replace Engine and Install Soft Patch on M/V St. John			\$113,369			\$113,369
Engine and Shaft Alignment on M/V Alvin T. Stumpf			39,924			39,924
Drydocking, Repairs and Modifications of M/V St. John				\$134,604		134,604
Emergency Repairs to M/V Louis B. Porterie Bow Thruster				14,943		14,943
Replace Screw Jacks at Ferry Landings				104,907	\$295,748	400,655
Install Automatic Vessel ID Systems on Ferry Vessels				35,560		35,560
Emergency Repair to Port Main Engine on M/V Louis B. Porterie				14,817		14,817
Rebuild Spare D-353 Engine					62,100	62,100
Computers and Equipment for IETCS-II Base and IVPS			\$525,654	386,454	325,246	1,237,355
Emergency Engine Alignment on M/V Louis B. Porterie				6,500		6,500
Emergency Repair to Thruster on M/V Thomas Jefferson				9,083		9,083
Emergency Thruster Repair M/V Thomas Jefferson				13,786		13,786
Emergency Thruster Repair M/V Thomas Jefferson				9,737		9,737
Emergency Thruster Repair M/V Louis B. Porterie				10,625		10,625
Repair of Starboard Generator M/V Capt. Neville Levy					12,416	12,416
Emergency Thruster Repair M/V Louis B. Porterie				13,065	8,581	21,646
Rebuild 353 Engine					75,707	75,707
Refurbish Generators on M/V Alvin T. Stumpf and M/V Capt. Neville Levy					48,997	48,997
Repair Starboard Thruster on M/V Thomas Jefferson					53,418	53,418
Repair Port Thruster on M/V Thomas Jefferson					21,142	21,142
Overhaul of Starboard Generator Engine on M/V Alvin T. Stumpf					98,029	98,029
Overhaul of Port Generator Engine on M/V Alvin T. Stumpf					2,171	2,171
Top End Overhaul of 2 Main Engines on M/V Alvin T. Stumpf					61,603	61,603
Overhaul Generator and Main Engines on M/V Capt. Neville Levy					121,885	121,885
Emergency Rudder Repairs on M/V Alvin T. Stumpf					110,736	110,736
Recondition Generators on M/V Thomas Jefferson					20,955	20,955
Replace Bow Thruster Drive on M/V Capt. Neville Levy					13,815	13,815
Repair Stern Thruster on M/V Louis B. Porterie					37,933	37,933
Generator Engine Alignment on M/V Alvin T. Stumpf					2,780	2,780

(Continued)



**Appendix E**  
**CCCD Capital Outlay Expenditures by Project**  
**Fiscal Years 2004 Through 2008**

<b>Project Description</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
Thruster Repairs on M/V Thomas Jefferson					\$5,559	\$5,559
Emergency Bilge Cleaning on M/V Alvin T. Stumpf					27,000	27,000
Replace Port Gear Reduction on M/V St. John					30,985	30,985
Fuel Storage Tank Repairs on M/V Thomas Jefferson					22,307	22,307
Emergency Steel Repairs to Algiers Landing Pontoon		\$74,070				74,070
Replace Bridge Jacking System at Chalmette Ferry Facility			\$198,000			198,000
Repair Hurricane Katrina Damage to Chalmette Ferry Facility			34,501			34,501
Paint and Repair Hull to Chalmette Landing Barge			71,790			71,790
Temporary Timber Pile Repairs at Chalmette Ferry Facility				\$46,533		46,533
Paint and Repair Hull on Lower Algiers Landing Barge			138,511			138,511
Emergency Repair to Mooring Connection at Lower Algiers				3,817		3,817
Replace Bearings on Downstream Screw Jack				3,103		3,103
<b>Total</b>	<b>\$8,780,578</b>	<b>\$11,334,430</b>	<b>\$6,714,722</b>	<b>\$7,223,310</b>	<b>\$10,524,800</b>	<b>\$44,577,838</b>
Accrual Adjustment	152,974					
<b>Total Capital Outlay Expenditures</b>	<b>\$8,933,552</b>	<b>\$11,334,430</b>	<b>\$6,714,722</b>	<b>\$7,223,310</b>	<b>\$10,524,800</b>	<b>\$44,730,813</b>

**Note:** Totals may not add due to rounding.

**Source:** Prepared by legislative auditor's staff using audited financial statements of CCCD.

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**APPENDIX F: SUMMARY OF CCCOA MEETINGS  
JULY 1, 1998 THROUGH DECEMBER 31, 2008**



**Appendix F**  
**Summary of CCCOA Meetings**  
**July 1, 1998\* Through December 31, 2008**

Meeting Date**	Number of Members in Attendance	Written Minutes	Members Recorded as Present or Absent	Information Discussed at Meeting
01/2000	The tape states that enough members are present for a quorum, but there is no way to verify this statement.	No	No	<ul style="list-style-type: none"> <li>• Heard presentation by CCCD staff on CCCD background</li> <li>• Discussed construction projects the authority must prioritize according to state law</li> </ul>
2/29/2000	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed prioritization of CCCD projects</li> </ul>
3/30/2000	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Special meeting to present possible prioritization of projects to public and get public's opinion</li> </ul>
5/16/2000	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed prioritization of CCCD projects</li> <li>• Discussed concern about funding of projects</li> </ul>
6/2000	The tape states that enough members are present for a quorum, but there is no way to verify this statement.	No	No	<ul style="list-style-type: none"> <li>• Discussed prioritization of CCCD projects</li> <li>• Presented recommendations on projects that CCCOA should prioritize; decided to base priorities on projects with largest impact on traffic and feasibility</li> <li>• Designated these two priorities:               <ol style="list-style-type: none"> <li>1. Complete bridge repainting project</li> <li>2. Construct on/off ramps at Peters Road; widen Barataria Boulevard and construct ramp for expressway; construct extension for 4<sup>th</sup> Street and construct turnarounds and turn lanes; and widen General DeGaulle Boulevard</li> </ol> </li> </ul>
10/2000	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed funding for prioritized CCCD projects</li> <li>• Discussed status of bridge repainting project</li> </ul>
2/2001	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed budget shortfall for projects due to decreased bridge tolls</li> <li>• Discussed status of bridge repainting project</li> <li>• Discussed improvements for toll lanes and toll systems</li> <li>• Discussed systems to improve traffic on CCCD bridge and expressway</li> </ul>
6/27/2001	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Discussed status of cooperative endeavor agreements for Barataria Boulevard ramp project, Peters Road ramps project, and widening of Barataria Boulevard project</li> <li>• Discussed General De Gaulle Boulevard widening project; decided to divide this project into two projects because it involves state and parish roads</li> </ul>

(Continued)

**Appendix F**  
**Summary of CCOA Meetings**  
**July 1, 1998\* Through December 31, 2008**

Meeting Date**	Number of Members in Attendance	Written Minutes	Members Recorded as Present or Absent	Information Discussed at Meeting
11/13/2001	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Discussed status of cooperative endeavor agreements on projects with City of Gretna and Jefferson Parish</li> <li>• Discussed progress of 4<sup>th</sup> Street extension project</li> <li>• Discussed progress of bridge repainting project</li> <li>• Discussed decrease in revenue due to price reduction on toll tags</li> </ul>
1/29/2002	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Discussed status of bridge repainting project</li> <li>• Discussed CCCD applying for capital outlay funds to repaint bridges</li> </ul>
5/12/2002	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> </ul>
8/13/2002	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Discussed funding for enhancement projects as a manner to get extra funding for prioritized projects</li> </ul>
12/10/2002	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects, specifically the following three:                             <ol style="list-style-type: none"> <li>1. Widening of Barataria Boulevard project - 30% of plans completed; final plans done by August 2003</li> <li>2. Construction of Barataria Boulevard flyover ramp project - Work on plans still ongoing</li> <li>3. Peters Road ramps project - Work on plans still ongoing</li> </ol> </li> </ul>
3/25/2003	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Presented plans for prioritized Peters Road ramps project</li> </ul>
4/15/2003	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Special oversight meeting</li> <li>• Discussed engineering plans for prioritized Peters Road ramps project</li> <li>• Heard presentation by engineering firm on designs for Peters Road ramps project</li> </ul>
8/12/2003	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Discussed prioritized projects still in planning stages</li> <li>• Discussed Phase II of bridge repainting project nearing completion</li> </ul>
11/18/2003	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Discussed prioritized Peters Road ramps project; heard presentation by engineering firm on engineering designs</li> </ul>

(Continued)

<b>Appendix F</b> <b>Summary of CCCOA Meetings</b> <b>July 1, 1998* Through December 31, 2008</b>				
<b>Meeting Date**</b>	<b>Number of Members in Attendance</b>	<b>Written Minutes</b>	<b>Members Recorded as Present or Absent</b>	<b>Information Discussed at Meeting</b>
3/2/2004	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed Barataria Boulevard widening and ramp prioritized project</li> <li>• Heard presentation by Kyle &amp; Associates on Barataria Boulevard widening project</li> <li>• Discussed DOTD's approval of plans for project and next step of starting bid process</li> </ul>
11/9/2004	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Heard presentation by CCCD staff engineer on prioritized and non-prioritized projects</li> </ul>
4/19/2005	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Discussed General De Gaulle Boulevard improvements project - Final plans under review; bid process scheduled to begin in 8/2005</li> <li>• Discussed 4<sup>th</sup> Street Extension - Preliminary plans under review; final plans due in December 2005; bid process scheduled to begin in spring of 2006</li> <li>• Discussed Barataria Boulevard widening project - Combined this project with widening of Patriot Street; bid process scheduled to begin in September 2005</li> <li>• Discussed Barataria Boulevard off-ramp project - Plans under review</li> <li>• Discussed Peters Road off-ramps project - Contract design in negotiations</li> </ul>
1/16/2006	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> CCCOA meeting since Hurricane Katrina</li> <li>• Heard presentation by CCCD staff engineer on damage caused by Katrina</li> <li>• Discussed status of budget changes at CCCD</li> <li>• Discussed status of prioritized projects</li> <li>• Discussed resolving public relation issues involving CCCD</li> </ul>
4/15/2008	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> meeting held since 1/16/2006</li> <li>• Executive director stated that he did not call a meeting for 2007 because he did not believe there was any information to discuss</li> <li>• Discussed status of prioritized projects</li> <li>• Discussed bridge repainting project: Bridge #1 is complete; CCCD submitted capital outlay request to fund repainting of Bridge #2.</li> <li>• Discussed 4<sup>th</sup> Street extension project - Ready to begin construction</li> </ul>

(Continued)

**Appendix F**  
**Summary of CCCOA Meetings**  
**July 1, 1998\* Through December 31, 2008**

Meeting Date**	Number of Members in Attendance	Written Minutes	Members Recorded as Present or Absent	Information Discussed at Meeting
				<ul style="list-style-type: none"> <li>• Discussed Peters Road ramps project - In final design phase for one ramp.</li> <li>• Discussed completion of Barataria Boulevard widening project</li> <li>• Discussed General De Gaulle Boulevard improvements project being on hold pending funding</li> <li>• Discussed penalties for toll violations</li> <li>• Discussed raising toll tag fees to increase revenue</li> </ul>
7/29/2008	The tape does not include a roll call, thus there is no way to verify attendance.	No	No	<ul style="list-style-type: none"> <li>• Discussed status of prioritized projects</li> <li>• Said that Authority cannot change established priority of projects without quorum</li> <li>• Discussed amount of funds spent on repainting bridge #1 project</li> <li>• New member led discussion on why CCCD completed only one prioritized project after eight years</li> </ul>
10/28/2008 (Note: The audit team attended this meeting.)	The executive director called roll. Four CCCOA members were present for the entire meeting. Another member came but left soon after roll call.	No	Yes The assistant executive director called roll, but results were not documented.	<ul style="list-style-type: none"> <li>• DOTD Secretary attended meeting</li> <li>• Discussed status of prioritized projects</li> <li>• Reviewed CCCD handout on status of prioritized projects</li> <li>• Heard presentation by DOTD project manager and consulting engineer (Design Engineers, Inc.) on status of Peters Road ramps project</li> </ul>
<b>Total</b>	We were able to verify that roll was called in only one of the 24 (4.2%) meetings (meeting 24). For all of the other 23 (95.8%) meetings, we could not determine whether roll was called or not and could therefore not verify if enough members were present for a quorum.	<b>24 No</b>	<b>1 Yes, 23 No</b>	

\*According to R.S. 47:820.5.3 D, the first term of the CCCOA members begins on this date.

\*\*The audio tapes of some meetings were labeled with the month and year, while others were labeled with the month, day, and year.

**Source:** Prepared by legislative auditor's staff using audio tapes of CCCOA meetings provided by CCCD.



**APPENDIX G: CCCD CONTRACTS  
FISCAL YEARS 2004 THROUGH 2008**

**Key for Description of Change Orders:**

- A: Plan change to increase cost
- B: Plan change to increase cost and add contract days
- C: Plan change to decrease cost
- D: Plan change to add contract days
- E: Other (e.g., to suspend contract time charges, grant partial acceptance, cease contract time charges because of hurricane, change design)



**Appendix G**  
**CCCD Contracts**  
**Fiscal Years 2004 Through 2008**

Contractor	Description	Original Contract Amount	Number of Plan Changes*	Description of Plan Changes*	Change Amount*	Total Contract Amount	Amount Paid (As of 11/19/08)	Paid By	Contract Open or Closed
Arthur D. Darden, Inc.	Statewide naval architecture and marine engineering services for needed modifications and repairs to ferry vessels owned by or in domain of DOTD	\$120,000	0	N/A	N/A	\$120,000	\$66,538	CCCD	Open
Boh Bros. Construction, Co., L.L.C.	Repair concrete barrier rail at three locations	\$27,400	0	N/A	N/A	\$27,400	\$24,950	ORM	Closed
	CCCD approach roadway barrier modification	\$176,765	2	A, C	\$19,689	\$196,453	\$176,659	CCCD	Closed
	Repair damage to CCCD administration building from Hurricane Katrina	None Stated in Contract	0	N/A	N/A	N/A	\$11,800	ORM	Closed
	Repair damage to police/maintenance building from Hurricane Katrina	None Stated in Contract	0	N/A	N/A	N/A	\$80,972	ORM	Closed
	Repair damage to vehicle maintenance facility from Hurricane Katrina	None Stated in Contract	0	N/A	N/A	N/A	\$11,409	ORM	Closed
	Repair damage to marine maintenance facility from Hurricane Katrina (includes buildings, bridges and moorings)	None Stated in Contract	0	N/A	N/A	N/A	\$508,381	ORM	Closed
	Repair damage to marine maintenance facility landing barge from Hurricane Katrina	None Stated in Contract	0	N/A	N/A	N/A	\$95,906	ORM	Closed
	Miscellaneous repairs to marine maintenance facility building (nonstorm-related repairs)	None Stated in Contract	0	N/A	N/A	N/A	\$13,272	CCCD	Closed
	Steel repairs on marine maintenance vehicle bridge (nonstorm-related repair)	None Stated in Contract	0	N/A	N/A	N/A	\$12,808	CCCD	Closed
	Emergency repairs to Algiers ferry facility and landing pontoon	None Stated in Contract	0	N/A	N/A	N/A	\$630,963	ORM	Closed
Bollinger Shipyards, Inc.	M/V Frank X. Armiger 2004 U.S. Coast Guard dry docking, modifications, and repairs	\$140,060	14	A, B, C	\$113,815	\$253,875	\$253,221	CCCD	Closed
	M/V Capt. Neville Levy 2004 U.S. Coast Guard dry docking, modifications, and repairs	\$161,254	10	A, C	\$152,298	\$313,552	\$313,551	CCCD	Closed
	M/V Louis B. Porterie 2004 U.S. Coast Guard dry docking, modifications, and repairs	\$136,550	8	A, B	\$185,496	\$322,046	\$316,156	CCCD	Closed
	M/V Thomas Jefferson 2005 U.S. Coast Guard dry docking, modifications, and repairs	\$375,775	1	A	\$38,085	\$413,860	\$515,212	CCCD	Closed
Buck Kreihis Marine Repair, L.L.C.	Repairs and modifications to M/V Capt. Neville Levy	\$464,885	2	B	\$101,586	\$566,471	\$569,441	CCCD	Closed
	Engine and shaft alignment on M/V Alvin T. Stumpf	\$39,924	0	N/A	N/A	\$39,924	\$39,924	CCCD	Closed
Complete Engineering & Construction, Inc.	Protective screen replacement on CCCD bridge No. 1	\$58,740	1	A	\$2,594	\$61,334	\$61,334	ORM	Closed
	Access improvements to CCCD bridges Nos. 1 and 2	\$965,000	7	A, B, D, E	\$334,472	\$1,299,472	\$1,362,563	CCCD	Closed

(Continued)

**Appendix G  
CCCD Contracts  
Fiscal Years 2004 Through 2008**

Contractor	Description	Original Contract Amount	Number of Plan Changes*	Description of Plan Changes*	Change Amount*	Total Contract Amount	Amount Paid (As of 11/19/08)	Paid By	Contract Open or Closed
	CCCD structural and drainage repairs located in Jefferson and Orleans Parishes	\$1,259,490	26	A, B, C, D, E	\$1,208,812	\$2,468,302	\$2,121,191	CCCD	Closed
	Replace bridge jacking system at Chalmette ferry facility	\$198,000	0	N/A	N/A	\$198,000	\$198,000	CCCD	Closed
	Timber pile repairs at Chalmette ferry facility	\$42,800	1	A	\$3,733	\$46,533	\$46,533	CCCD	Closed
ChillCo, Inc.	Replace air cooled chiller at CCCD administration building	\$48,720	1	A	\$4,238	\$52,958	\$52,958	CCCD	Closed
Coco's Majestic Services, Inc.	Renovations at Canal St. ferry facility	\$158,155	6	A, B, E	\$86,264	\$244,419	\$241,247	CCCD	Closed
Command Construction, L.L.C.	CCCD Intersection Improvement (Magazine St. to South Peter St.)	\$1,395,552	28	A, B, C, D, E	\$170,737	\$1,566,289	\$1,561,992	CCCD/Federal Govt.	Closed
Conrad Shipyard, L.L.C.	M/V Alvin T. Stumpf 2004 U.S. Coast Guard dry docking, modifications, and repairs	\$584,005	7	A, B	\$186,077	\$770,082	\$791,744	CCCD	Closed
	M/V St. John 2006 U.S. Coast Guard dry docking, modifications, and repairs	\$417,070	1	A	\$73,604	\$490,674	\$490,674	CCCD	Closed
Corrpro Companies, Inc.	Technical advice during design, construction contract administration, and field construction monitoring services for quality assurance during lead paint removal and lead abatement process for CCCD Bridge No. 1	\$375,000	1	A	\$275,000	\$650,000	\$644,941	CCCD	Cannot Determine**
Double Aught Construction, L.L.C.	Repair damage to Jackson Ave. ferry facility from Hurricane Katrina	None Stated in Contract	0	N/A	N/A	N/A	\$688,011	ORM	Closed
	Repair damage to Canal St. ferry facility from Hurricane Katrina	None Stated in Contract	0	N/A	N/A	N/A	\$290,510	ORM	Closed
	Repair damage to Algiers ferry facility from Hurricane Katrina	None Stated in Contract	0	N/A	N/A	N/A	\$190,969	ORM	Closed
	Replace screw jacks at ferry facilities	\$1,346,800	0	N/A	N/A	\$1,346,800	\$1,431,855	Federal Govt.	Open
Electronic Transaction Consultants Corporation	Perform system management services for development and implementation of Integrated Electronic Toll Collection System II (IETCS-II) and Interim Violation Process Services (IVPS) for CCCD including toll processing operations at LA 1 facility	\$5,250,000	0	N/A	N/A	\$5,250,000	\$6,082,922	CCCD/Federal Govt.	Open
Frischhertz Electric Co., Inc.	Electrical modifications at CCCD administration building	\$24,759	0	N/A	N/A	\$24,759	\$24,759	CCCD	Closed
GCR & Associates, Inc.	Customize, interface, and implement Computer Aided Dispatch (CAD) and Automatic Records Management and Mapping System (ARMMS)	\$19,720	0	N/A	N/A	\$19,720	\$19,720	CCCD	Cannot Determine**

(Continued)

**Appendix G**  
**CCCD Contracts**  
**Fiscal Years 2004 Through 2008**

<b>Contractor</b>	<b>Description</b>	<b>Original Contract Amount</b>	<b>Number of Plan Changes*</b>	<b>Description of Plan Changes*</b>	<b>Change Amount*</b>	<b>Total Contract Amount</b>	<b>Amount Paid (As of 11/19/08)</b>	<b>Paid By</b>	<b>Contract Open or Closed</b>
G.E.C., Inc.	Prepare definition of IETCS replacement system with enhancement and assist CCCD through system implementation	\$359,154	2	A	\$227,776	\$586,930	\$495,476	CCCD	Open
Gulf Coast Diesel, L.L.C.	Overhaul Caterpillar engines on M/V Capt. Neville Levy	\$115,406	0	N/A	N/A	\$115,406	\$121,885	CCCD	Closed
Gulf South Piling & Construction, Inc.	Intersection improvements (Earhart Blvd. at Claiborne Ave. Interchange to Lakebound and Riverbound Frontage Rd. at Convention Center Blvd.)	\$4,335,643	28	A, B, D, E	\$204,355	\$4,539,998	\$4,804,547	CCCD/Federal Govt.	Closed
Hames Contracting, Inc.	Repaint segment 4 - Claiborne Ave. interchange	\$5,900,000	1	CCCD said this contract has change orders, but we did not receive change orders to verify	\$80,500	\$5,980,500	\$4,628,508	CCCD	Open
	Test Painting on CCCD bridge No. 2	\$234,875	0	N/A	N/A	\$234,875	\$234,875	CCCD	Closed
Hamp's Construction, L.L.C.	Replace ceiling in CCCD electrical maintenance department	\$22,400	0	N/A	N/A	\$22,400	\$22,400	CCCD	Closed
Hard Rock Construction, Inc.	Roadway barrier modifications (Ponchartrain Expressway Abutment Pier 72)	\$280,894	0	N/A	N/A	\$280,894	\$280,113	ORM	Closed
HNTB Corporation	Engineering services required to break single project up into two separate projects (283-08-0143 and 410-01-0033) and two sets of plans; provide for old-style signals at Camp and O'Keefe down ramps; address ACP comments and provide PS&E's	\$73,932	0	N/A	N/A	\$73,932	\$73,932	CCCD	Cannot Determine**
	Plan, design, implement, and perform construction inspection of field devices and associated communications and control systems specific to high occupancy vehicle (HOV) lanes of CCCD	\$222,306	2	A	\$91,677	\$313,983	\$313,983	CCCD	Cannot Determine**
Houma Armature Works & Supply, Inc.	Recondition generators on M/V Capt. Neville Levy and M/V Alvin T. Stumpf	\$15,164	0	N/A	N/A	\$15,164	\$50,857	CCCD	Closed
Jack B. Harper Contractor, Inc.	Impact attenuator maintenance	\$196,985	1	Renew Contract	\$196,985	\$393,970	\$305,735	CCCD	Cannot Determine**
	Statewide replacement or repair of impact attenuator	\$1,598,736	1	Renew Contract	\$1,598,736	\$3,197,472	\$2,130,908	CCCD	Open

(Continued)

**Appendix G  
CCCD Contracts  
Fiscal Years 2004 Through 2008**

Contractor	Description	Original Contract Amount	Number of Plan Changes*	Description of Plan Changes*	Change Amount*	Total Contract Amount	Amount Paid (As of 11/19/08)	Paid By	Contract Open or Closed
	Replace decorative lights on CCCD bridge No. 1	\$228,787	0	N/A	N/A	\$228,787	\$228,787	CCCD	Closed
	Replace decorative lights on CCCD bridge No. 2	\$242,075	0	N/A	N/A	\$242,075	\$242,075	ORM	Closed
	Impact attenuator maintenance for CCCD	\$347,302	2	Renew Contract	\$694,604	\$1,041,906	\$703,511	CCCD	Open
Jaroy Construction, Inc.	Repairs to ferry terminal building at Jackson Ave. ferry facility	\$38,375	2	A	\$11,120	\$49,495	\$49,495	CCCD	Closed
	CCCD administration building expansion	\$3,799,661	6	A, B	\$55,126	\$3,854,787 <sup>6</sup>	\$1,571,138	CCCD	Open
Kostmayer Construction, Inc.	Mooring Dolphin repairs for lay-up landing at Gretna ferry facility	\$109,500	2	A, C	-\$4,437	\$105,063	\$105,063	ORM	Closed
LeBlanc's Air Conditioning & Heating, Inc.	Replacement of air conditioner/heater at CCCD Marine Maintenance facility	\$3,420	0	N/A	N/A	\$3,420	\$3,420	CCCD	Closed
Marine Systems, Inc.	Top end overhaul of two D398 Caterpillar engines on M/V Alvin T. Stumpf	\$52,000	0	N/A	N/A	\$52,000	\$70,184	CCCD	Closed
	Overhaul of Caterpillar D-353 engine, May 2007	To be determined upon internal inspection	0	N/A	N/A	N/A	\$75,707	CCCD	Closed
Michael Baker Jr., Inc.	Engineering services required to perform physical condition inspection of certain facilities owned by or in domain of CCCD	\$520,000	0	N/A	N/A	\$520,000	\$360,191	CCCD	Open
Modjeski & Masters, Inc.	Construction inspection services and environmental monitoring for construction project No. 283-08-0150 (Repainting Claiborne Ave. interchange including construction contract administration, field construction monitoring for Quality Assurance, and environmental monitoring during performance of bridge lead paint removal and painting contract)	\$1,175,451	0	N/A	N/A	\$1,175,451	\$763,343	CCCD	Cannot Determine**
	Trust indenture and engineering services for specific projects	\$3,750,154	0	N/A	N/A	\$3,750,154	\$717,855	CCCD	Cannot Determine**
Occupational Medicine Center, L.L.C.	Medical services such as pre-employment or continued employment physical examinations	\$10,000	0	N/A	N/A	\$10,000	\$10,000	CCCD	Open
Ocean Technical Services, Inc.	Replace engine and install soft patch on M/V St. John	\$89,378	2	A, B	\$28,551	\$117,929	\$113,369	CCCD	Closed

<sup>6</sup> The CCCD administration building expansion is going to be 6,057 square feet.

(Continued)

**Appendix G**  
**CCCD Contracts**  
**Fiscal Years 2004 Through 2008**

Contractor	Description	Original Contract Amount	Number of Plan Changes*	Description of Plan Changes*	Change Amount*	Total Contract Amount	Amount Paid (As of 11/19/08)	Paid By	Contract Open or Closed
Omron Electronics, L.L.C.	Replace bow thruster drive on M/V Capt. Neville Levy	\$13,815	0	N/A	N/A	\$13,815	\$13,815	CCCD	Closed
Pavement Markings Company Division of Gulf Industries, Inc.	Pavement striping	\$671,253	0	N/A	N/A	\$671,253	Project has Not Started (as of December 10, 2008)	CCCD	Open
	Pavement striping	\$546,225	1	A	\$20,010	\$566,235	\$487,462	CCCD	Cannot Determine**
Pickering & Cotogno, A.P.L.L.C.	Professional legal services for CCCD's general legal requirements, including legal advice and counsel relative to administration, operation, and affairs of a legal nature relative to the bridges, ferries, facilities, and appurtenances under the jurisdiction of CCCD	\$560,000	0	N/A	N/A	\$560,000	\$525,745	CCCD	Open
Sea-Trac Offshore Services, Inc.	Install radars on all ferry vessels	\$73,994	0	N/A	N/A	\$73,994	\$75,218	CCCD	Closed
	Install vessel automatic ID systems on CCCD ferry vessels	\$35,560	0	N/A	N/A	\$35,560	\$35,560	CCCD	Closed
Site-Blauvelt Engineers, Inc.	Physical condition inspection of CCCD ferries owned by or in domain of DOTD	\$500,000	1	A	\$30,410	\$530,410	\$516,877	CCCD	Cannot Determine**
Solvation Services, Inc.	Radio tower replacement/relocation	\$481,444	12	A, B, D	\$71,050	\$552,494	\$552,493	CCCD	Closed
Sonia G. Fernandez	Public Education and Safety Coordinator (CCCD-contract renewal for FY 03-04)	\$35,000	0	N/A	N/A	\$35,000	\$34,992	CCCD	Cannot Determine**
	Public Education and Safety Coordinator (CCCD-contract renewal for FY 04-05)	\$35,000	0	N/A	N/A	\$35,000	\$34,992	CCCD	Cannot Determine**
	Public Education and Safety Coordinator (CCCD-contract renewal for FY 05-06)	\$35,000	0	N/A	N/A	\$35,000	\$17,496	CCCD	Cannot Determine**
Southern Sheet Metal, Inc.	Replace exhaust blower and ductwork on M/V St. John	\$8,632	0	N/A	N/A	\$8,632	\$8,362	CCCD	Closed
Specialty Applications, Inc.	Replace metal roof on storage shed at marine maintenance facility	\$1,150	0	N/A	N/A	\$1,150	\$1,150	CCCD	Closed
Texas Bridge, Inc.	Repaint segment 3 - Algiers Deck Truss Spans	\$2,095,000	1	D	\$0	\$2,095,000	\$2,095,000	CCCD	Closed
The Arbitrage Group, Inc.	Activities related to calculation of arbitrage earnings for the \$19,900,000	\$4,000	0	N/A	N/A	\$4,000	\$4,000	CCCD	Cannot Determine**
Toomer Electrical Company, Inc.	Repair damage to walking path lights located on CCCD walking path from Mardi Gras Blvd. to Whitney Ave. and located on CCCD walking path from Brooklyn St. to Ames Blvd.	\$77,230	0	N/A	N/A	\$77,230	\$79,085	FEMA	Closed

(Continued)

**Appendix G  
CCCD Contracts  
Fiscal Years 2004 Through 2008**

<b>Contractor</b>	<b>Description</b>	<b>Original Contract Amount</b>	<b>Number of Plan Changes*</b>	<b>Description of Plan Changes*</b>	<b>Change Amount*</b>	<b>Total Contract Amount</b>	<b>Amount Paid (As of 11/19/08)</b>	<b>Paid By</b>	<b>Contract Open or Closed</b>
TRC Engineers, Inc.	Trust indenture and engineering services for individual specific proposed projects covered by this retainer contract under separate task orders	\$3,750,000	0	N/A	N/A	\$3,750,000	\$370,353	CCCD	Cannot Determine**
Walter J. Barnes Electric Co., Inc.	Emergency repair to roadway lighting	None Stated in Contract	0	N/A	N/A	N/A	\$2,448	ORM	Closed

\*Contract changes include change orders, supplemental agreements, and contract renewals. All contract changes included in this exhibit were issued before 12/31/2008.  
 \*\*We could not determine the status of these contracts because DOTD's tracking system is not regularly updated and we could not obtain the information from CCCD, or the information we obtained from DOTD's tracking system is different from the information we obtained from CCCD.  
 N/A: Not Applicable.  
**Source:** Prepared by legislative auditor's staff using contract and payment data provided by DOTD and CCCD.



**APPENDIX H: SCHEDULED FERRY TRIPS NOT COMPLETED  
BY LOCATION AND REASON**



<b>Appendix H</b> <b>Scheduled Ferry Trips Not Completed</b> <b>by Location and Reason</b> <b>Fiscal Year 2008</b>			
<b>Location</b>	<b>Reason</b>	<b>Number of Scheduled Trips Not Completed</b>	<b>Percentage of Scheduled Trips Not Completed</b>
<b>Algiers/Canal Street</b>	Vessel Mechanical Problems	355	44.2%
	Unfavorable Weather Conditions	260	32.4%
	River Traffic	91	11.3%
	Other*	65	8.1%
	River Closure	16	2.0%
	Crew Shortage	8	1.0%
	U.S. Coast Guard Directives	5	0.6%
	Accident Onboard	3	0.4%
<b>Subtotal</b>		<b>803</b>	<b>100.0%</b>
<b>Gretna/Jackson Avenue</b>	Vessel Mechanical Problems	740	56.2%
	U.S. Coast Guard Directives	234	17.7%
	River Traffic	143	10.8%
	Crew Shortage	86	6.5%
	Other*	71	5.4%
	Unfavorable Weather Conditions	45	3.4%
<b>Subtotal</b>		<b>1,319</b>	<b>100.0%</b>
<b>Lower Algiers/Chalmette</b>	River Traffic	845	41.3%
	Weather	579	28.3%
	Other*	262	12.7%
	Vessel Mechanical Problems	184	9.0%
	U.S. Coast Guard	115	5.6%
	Crew Shortage	40	2.0%
	Vehicle Breakdown	11	0.5%
	River Closure	6	0.3%
	Vessel Accident	4	0.2%
	Accident Onboard	2	0.1%
<b>Subtotal</b>		<b>2,048</b>	<b>100.0%</b>
<b>Total</b>		<b>4,170</b>	
<p>*According to CCCD, "other" includes delays resulting from processing tolls too slowly and vehicle traffic.</p> <p><b>Source:</b> Prepared by legislative auditor's staff using unaudited trip logs provided by CCCD.</p>			

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**APPENDIX I: ADDITIONAL CCCD AUDIT REPORTS**



**DOTD RESPONSE TO FORENSIC AUDIT**  
November 25, 2008

In August, 2008, Forensic Accounting Solutions, LLC completed a Forensic Analysis of selected CCCD Operations at the request of the Secretary of the Louisiana Department of Transportation and Development. The forensic summary of recommendations and the response from DOTD are shown below. It should be noted that no evidence of fraud, theft or misapplication of funds was found during this audit.

**EXECUTIVE SUMMARY OF RECOMMENDATIONS**

**Professional Service Contracts**

- *DOTD should conduct an extensive review of all significant engineering service contracts containing supplemental amendments to insure compliance with all pertinent state laws, and Department policies and procedures. This review should not be limited to the CCCD Division, but to all DOTD active engineering service contracts.*

**DOTD Response:** DOTD concurs with this recommendation. We have reviewed current and past professional services contracts to insure that all contracts comply with all pertinent state laws and with DOTD policies and procedures. This practice will continue with all contracts.

**CCCD Capital Projects**

- *Assuming that the DOTD General Counsel's Office has concurred with our interpretation of the responsibility and authority of the Crescent City Connection Oversight Authority ("Authority") as stated in RS47:820, DOTD should establish clear policies and procedures for CCCD Management which incorporate the legal requirements for the Authority to establish project priorities for the expenditure of any excess operating funds of the Division.*
- *CCCD's current Capital Project's Fund should be prioritized by the Authority, and funds currently identified with completed projects reassigned to future needs.*

**DOTD Response:** Projects authorized under RS47:820 have all been reviewed and prioritized by the Crescent City Connection Oversight Authority.

**Projects funded by Capital Outlay have been prioritized and submitted for review and enactment by the state legislature.**

**Ferry Staffing**

- *Evaluate maximum capacity staffing levels, with emphasis on Master, Engineer, and Deckhand Toll Collector positions, to determine whether current capacity levels are cost effective. Consider the following:*
  - *Historical absences;*
  - *Overtime considerations; and*
  - *U.S. Coast Guard rules related to work hour restrictions*
- *Evaluate an on-call shift rotation policy, especially for higher paid ferry positions.*
- *Implement rules requiring all marine personnel to find a replacement to cover their shift if they will be absent.*

- *In addition to the weekly Maintenance shift, consider acquiring a maintenance position solely to perform ongoing ferry maintenance. The implementation of such a position could be used to reduce and/or eliminate the need for floaters to provide ferry cleaning and maintenance. Additionally, a dedicated maintenance position could provide maintenance and cleaning services at a lower cost than a Master or Engineer floater.*
- *Evaluate the costs/benefits associated with maintaining a second Night Shift employee at the Chalmette location four days per week.*

**DOTD Response:** CCCD has evaluated staffing levels in the past and will continue to evaluate the levels. The U.S. Coast Guard sets the number of personnel as well as the specific positions required to operate the ferries. DOTD adheres to the Coast Guard rules. The vacancy level for positions in the marine division of CCCD has historically been approximately 15%. Some of the higher level marine positions that require Coast Guard licensing have a higher vacancy, mainly due to the CCCD salaries being less competitive than those offered by private industry. Overtime will be reduced if we are able to fill vacant positions; however, until that time, we will continue to have to place employees on overtime so as to meet the Coast Guard requirements. It is the supervisor's duty to find a replacement for employees that will be absent. Requiring an employee to find their own replacement leads to many employees disclosing their personal issues to other employees and the unpopular employees not being able to take leave for an emergency.

#### **CCCD Personal Costs / Overtime**

- *DOTD should evaluate the total number of hours and dollars currently being expended on overtime costs, and determine whether cost efficiencies could be gained by filling additional positions in order to reduce the number of overtime hours being worked. Initially, you should focus on the positions that accumulate the most overtime hours specifically noted below in our analysis.*

**DOTD Response:** It has been historically difficult to recruit and hire employees at the CCCD due to the nature of the work and the low pay. DOTD has implemented premium pay for positions with high turnover rates. The Human Resource Section of DOTD has also recently conducted a job study and created a retention plan. This plan will be reviewed by management and recommendations implemented as necessary. Once the vacant positions have been filled, overtime will be reduced. CCCD will also consider Open Road Tolling (ORT) which could reduce operational expenditures by approximately \$3 million; however, the cost benefit of ORT, is only realized over a 10 year period

#### **Bridge Toll Collections**

- *DOTD should continue working with the system implementation team to evaluate the options available to invoice for toll bridge violations resulting from toll tag customers with insufficient funds to pay the toll. Currently such violations are not being invoiced. CCCD should ensure that this issue is addressed in upcoming phases of the system implementation project in order to ensure that system limitations do not prevent tolls and associated fees from being collected.*
- *Evaluate options available to further enforce the collection of outstanding violations. CCCD should continue working with the Office of Motor Vehicles to establish the requirements to place a flag on the violator's driver's license for unpaid violations in addition to the flag that is currently placed on a violator's license plate.*



**DOTD Response:** CCCD has installed a new Electronic Toll Collection System, ETC, at the toll booths. This system has been planned for several years and will be fully functional by February, 2009. The customer service portion of this system will be going on line in December, 2008. The new system will provide a mechanism to catch and invoice toll tag owners who have insufficient funds in their toll tag accounts. The new system will also allow customers to purchase toll tags, access their accounts, add funds, and pay violations on the website.

CCCD has been in close contact with the Office of Motor Vehicles to establish a system to flag the violator's driver's license. The OMV does not have the appropriate computer software capable of doing this now. The OMV has told CCCD that they will notify CCCD as soon as they have the software in place.

### **Marine Operations**

- *Evaluate whether cost efficiencies could be gained by developing vendor contract arrangements with key vendors or for key expenditures, such as vendors that provide regular parts or supplies necessary to operate and maintain the ferries, taking into special consideration those budget categories to which the largest annual expenses are being allocated.*
- *DOTD should evaluate all current policies and procedures memorandums to insure relevance to actual operating and regulatory requirements, and consolidate all deemed appropriate into a single Marine Operations Manual.*
- *Once the Marine Operations Manual has been created, employee training sessions should be conducted to ensure that all personnel are aware of the updated policies and procedures, and any other mandatory operating requirements.*

**DOTD Response:** DOTD concurs. CCCD will investigate the possibility of developing vendor contracts. CCCD will work with DOTD HQ procurement section to implement this in the new fiscal year.

CCCD currently has a Marine Operations Manual, a policy and procedures manual, and a training manual. These manuals comply with the U.S. Coast Guard rules and regulations and with DOTD policies and procedures. These manuals will all be consolidated into one manual by July 1, 2009.

CCCD has structured training for all marine personnel. The training records are maintained on the DOTD computer database.

### **CCCD Accounting Section**

- *CCCD Management should consolidate various current policies and procedures memorandums related to the CCCD Accounting Section in order to enhance the clarity of the intended operating requirements. CCCD should ensure that the consolidated manual reflects intended current policies and procedures, and consider projected changes resulting from the ongoing system implementation.*
- *Once the Accounting Section's policy and procedures manual has been created, employee training sessions should be conducted to ensure that all personnel are aware of the updated policies and procedures, and any other mandatory operating requirements.*

**DOTD Response:** DOTD concurs. CCCD will consolidate policies, procedures and training into one manual by July 1, 2009; however, training for the different sections of accounting (procurement, payables, etc.) will remain separate. These employees will have access to only the

**policies and procedures necessary for them to perform their duties. It should be noted that with the new Electronic Toll Collection (ETC) system, policy changes will be implemented. Employees have been trained on the new system and will continue to be evaluated to determine if further training is required.**

*Forensic Accounting Solutions, LLC*  
*Financial Analysts, Business Valuation and Management Consultants*

August 27, 2008

Dr. William D. Ankner  
Secretary, Department of Transportation  
and Development  
PO Box 94245  
Baton Rouge, Louisiana 70804

**RE: Forensic Analysis of selected CCCD Operations**

Dear Dr. Ankner:

We have completed the initial project to assist you in evaluating compliance with various operating policies and procedures of the Department of Transportation and Development's ("DOTD") Crescent City Connection Division (CCCD) related to its Professional Service Contract Management, Capital Project Funds, Division Compensation, Toll Bridge Collections, and Ferry Operations. The following report provides a summary of our procedures, our findings, and our recommendations to enhance CCCD's operating procedures.

The information presented is based on the information provided to us by either DOTD or CCCD personnel. Our procedures were not designed to constitute an audit, review, or compilation of the financial information provided. Accordingly, we do not express an opinion or conclusion nor provide any other form of assurance on the completeness and accuracy of the financial information. This engagement was conducted, however, in accordance with the *Statements on Standards for Consulting Services*, established by the American Institute of Certified Public Accountants.

We appreciate the cooperation and assistance of all DOTD personnel during this engagement. We sincerely appreciate this opportunity to be of service to you. Please do not hesitate to contact us if you have any questions related to this report, or require additional services.

Very truly yours,

Michael A. Daigle, C.P.A.

## **EXECUTIVE SUMMARY OF RECOMMENDATIONS**

### **Professional Service Contracts**

- DOTD should conduct an extensive review of all significant engineering service contracts containing supplemental amendments to insure compliance with all pertinent state laws, and Department policies and procedures. This review should not be limited to the CCCD Division, but to all DOTD active engineering service contracts.

### **CCCD Capital Projects**

- Assuming that the DOTD General Counsel's Office has concurred with our interpretation of the responsibility and authority of the Crescent City Connection Oversight Authority ("Authority") as stated in RS47:820, DOTD should establish clear policies and procedures for CCCD Management which incorporate the legal requirements for the Authority to establish project priorities for the expenditure of any excess operating funds of the Division.
- CCCD's current Capital Project's Fund should be prioritized by the Authority, and funds currently identified with completed projects reassigned to future needs.

### **Ferry Staffing**

- Evaluate maximum capacity staffing levels, with emphasis on Master, Engineer, and Deckhand Toll Collector positions, to determine whether current capacity levels are cost effective. Consider the following:
  - Historical absences;
  - Overtime considerations; and
  - U.S. Coast Guard rules related to work hour restrictions
- Evaluate an on-call shift rotation policy, especially for higher paid ferry positions.
- Implement rules requiring all marine personnel to find a replacement to cover their shift if they will be absent.
- In addition to the weekly Maintenance shift, consider acquiring a maintenance position solely to perform ongoing ferry maintenance. The implementation of such a position could be used to reduce and/or eliminate the need for floaters to provide ferry cleaning and maintenance. Additionally, a dedicated maintenance position could provide maintenance and cleaning services at a lower cost than a Master or Engineer floater.
- Evaluate the costs/benefits associated with maintaining a second Night Shift employee at the Chalmette location four days per week.

### **CCCD Personal Costs / Overtime**

- DOTD should evaluate the total number of hours and dollars currently being expended on overtime costs, and determine whether cost efficiencies could be gained by filling additional positions in order to reduce the number of overtime hours being worked. Initially, you should focus on the positions that accumulate the most overtime hours specifically noted below in our analysis.

### **Bridge Toll Collections**

- DOTD should continue working with the system implementation team to evaluate the options available to invoice for toll bridge violations resulting from toll tag customers with insufficient funds to pay the toll. Currently such violations are not being invoiced. CCCD should ensure that this issue is addressed in upcoming phases of the system implementation project in order to ensure that system limitations do not prevent tolls and associated fees from being collected.
- Evaluate options available to further enforce the collection of outstanding violations. CCCD should continue working with the Office of Motor Vehicles to establish the requirements to place a flag on the violator's driver's license for unpaid violations in addition to the flag that is currently placed on a violator's license plate.

### **Marine Operations**

- Evaluate whether cost efficiencies could be gained by developing vendor contract arrangements with key vendors or for key expenditures, such as vendors that provide regular parts or supplies necessary to operate and maintain the ferries, taking into special consideration those budget categories to which the largest annual expenses are being allocated.
- DOTD should evaluate all current policies and procedures memorandums to insure relevance to actual operating and regulatory requirements, and consolidate all deemed appropriate into a single Marine Operations Manual.
- Once the Marine Operations Manual has been created, employee training sessions should be conducted to ensure that all personnel are aware of the updated policies and procedures, and any other mandatory operating requirements.

### **CCCD Accounting Section**

- CCCD Management should consolidate various current policies and procedures memorandums related to the CCCD Accounting Section in order to enhance the clarity of the intended operating requirements. CCCD should ensure that the consolidated manual reflects intended current policies and procedures, and consider projected changes resulting from the ongoing system implementation.
- Once the Accounting Section's policy and procedures manual has been created, employee training sessions should be conducted to ensure that all personnel are aware of the updated policies and procedures, and any other mandatory operating requirements.

### **SCOPE OF FORENSIC ANALYSIS**

- Professional Service Contracts
- Capital Fund Projects
- Division Compensation
- Bridge Toll Collections
- Ferry Operations

### **SELECTED ANALYSIS PROCEDURES**

- Interviewed appropriate DOTD and CCCD Management and operating personnel, and reviewed documented policies and procedures to gain an understanding of the intended controls in place related to the aforementioned scope areas;
- Interviewed staff of the State of Louisiana Legislative Auditor's Office concerning their financial and compliance audits, and planned future reviews as requested the State Legislature;
- Analyzed CCCD related files within the DOTD Consultant Selection section;
- Obtained the payroll detail for all CCCD employees for 2006, 2007, and the period of January 1, 2008 through June 6, 2008, and analyzed the data to gain an understanding of the pay rates, overtime hours, and overtime costs being incurred by CCCD;
- Analyzed the Bridge toll violations Accounts Receivable Aging Reports for various months in 2007, and 2008, and prepared comparative schedule;
- Observed the toll bridge funds collections process;
- Interviewed the Marine Operations Superintendent and reviewed Marine Operations policies, procedures, and staff schedules to gain an understanding of current and maximum capacity ferry staffing levels and the ferry staff scheduling process;
- Developed a schedule depicting a ferry staffing schedule at maximum capacity and at current capacity in order to determine the number of "floaters" or personnel assigned to a shift who would not be working on an active ferry. Additionally, we evaluated the staffing levels, taking in to consideration the number of "floaters", working at maximum capacity compared to the number at current capacity;
- Obtained the ferry operations Budget Status Reports for FYE 2006 and 2007 and as of May 30, 2008 to develop a schedule analyzing the budgeted and actual amounts for all ferry operations budget categories during the period, and analyzed variances and year-to-year comparisons for reasonableness;
- We also read and analyzed various operating reports, contracts, and pertinent correspondence files related to inquiry areas of interest.

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**OBSERVATIONS AND FINDINGS**

**Professional Service Contracts and Capital Projects**

Specific comments on the analysis conducted relative to these areas of review are included in our previous report to you dated June 6, 2008.

**CCCD Compensation and Hours Worked**

We analyzed the payroll detail for all CCCD employees for 2006, 2007, and the period of January 1, 2008 through June 6, 2008 in order to gain an understanding of the pay rates, overtime hours, and overtime costs being incurred by CCCD.

The following schedule details the results of our analysis for 2006:

Job Title	Regular Hours	OT Hours - Straight	OT Hours - 1.5	Total OT Hours	Regular Dollars	OT Dollars - Straight	OT Dollars - 1.5	Total OT Dollars	% of Total OT Hours for All Positions	% of Total OT Dollars for All Positions
Bridge Toll Collector	63718	275.5	5833	6108.5	567,906.12	2,413.51	79,021.51	81,435.02	23.40%	14.33%
Police Officer 2-A	35820.5	82	3487.5	3569.5	584,003.02	1,223.28	84,890.26	86,113.54	13.67%	15.15%
Marine Deckhand	37937	70.5	2486	2556.5	406,118.20	737.90	40,108.92	40,846.82	9.79%	7.19%
Bridge Toll Collector Supervisor	12222.5	59	2113.5	2172.5	144,974.20	713.70	37,304.31	38,018.01	8.32%	6.69%
Marine Master	27299.5	2.5	1607	1609.5	775,594.79	71.08	69,032.02	69,103.08	6.17%	12.16%
Marine Deckhand Toll Collector	17382.5	47	1267.5	1314.5	190,964.72	540.08	21,082.50	21,622.58	5.04%	3.81%
Police Sergeant-A	8276	34	977	1011	161,173.58	660.83	27,902.83	28,563.66	3.87%	5.03%
Marine Engineer	15440	5.5	989.5	995	333,376.40	118.63	32,156.69	32,275.32	3.81%	5.68%
Police Lieutenant-A	12479.5	70.5	892	962.5	281,209.87	1,619.38	30,177.98	31,797.36	3.69%	5.60%
Maintenance Repairer 2	18519.5	75	764	839	261,270.57	1,154.51	17,830.49	18,985.00	3.21%	3.34%
<b>Total for All CCCD Positions:</b>	<b>401022.5</b>	<b>1324.5</b>	<b>24782.5</b>	<b>26107</b>	<b>6,305,068.02</b>	<b>19,194.87</b>	<b>549,072.66</b>	<b>568,267.53</b>		

Based on our analysis, it was noted that of the 53 job positions paid by CCCD during the 2006 calendar year, the ten positions accumulating the highest number of overtime hours noted above accounted for almost 81% of overtime hours incurred and almost 79% of overtime dollars incurred.

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The following schedule details the results of our analysis for 2007:

Job Title	Regular Hours	OT Hours - Straight	OT Hours - 1.5	Total OT Hours	Regular Dollars	OT Dollars - Straight	OT Dollars - 1.5	Total OT Dollars	% of Total OT Hours for All Positions	% of Total OT Dollars for All Positions
Bridge Toll Collector	68046.48	241.41	4764.4	5005.81	704,527.13	2,447.61	75,889.68	78,337.29	16.57%	10.74%
Police Officer 2-A	34801.5	205.5	4010	4215.5	620,182.47	3,689.87	108,920.81	112,610.68	13.96%	15.43%
Marine Deckhand	34085.49	207.38	3842.87	4050.25	404,020.26	2,382.71	68,786.51	71,169.22	13.41%	9.75%
Marine Deckhand Toll Collector	20743.45	92.2	1858.8	1951	233,815.47	980.11	31,892.17	32,882.28	6.46%	4.51%
Master	19215.5	68	1754.5	1822.5	575,067.96	2,057.59	79,582.19	81,639.78	6.03%	11.19%
Engineer	12727	70.38	1293	1363.38	292,962.70	1,655.51	45,872.54	47,528.05	4.51%	6.51%
Bridge Toll Collector Supervisor	8608	135.75	1188.5	1324.25	116,743.52	1,855.87	24,448.90	26,302.77	4.38%	3.61%
Maintenance Repairer Master	2701.5	90	1181	1271	50,859.15	1,709.37	33,319.34	35,028.71	4.21%	4.80%
Maintenance Repairer 2	16414	248.5	914	1162.5	251,338.09	4,019.40	22,036.35	26,055.75	3.85%	3.57%
Mobile Equipment Operator 1	7162.5	171	764.5	935.5	79,062.02	1,954.04	12,578.46	14,532.50	3.10%	1.99%
<b>Total for All CCCD Positions:</b>	<b>364838.74</b>	<b>2516.96</b>	<b>27684.87</b>	<b>30201.83</b>	<b>6,056,544.71</b>	<b>39,274.84</b>	<b>690,306.69</b>	<b>729,581.53</b>		

Based on our analysis, it was noted that of the 53 job positions paid by CCCD during the 2007 calendar year, the ten positions accumulating the highest number of overtime hours noted above accounted for over 76% of overtime hours incurred and over 72% of overtime dollars incurred.

The following schedule details the results of our analysis for the period of January 1, 2008 through June 6, 2008:

Job Title	Regular Hours	OT Hours - Straight	OT Hours - 1.5	Total OT Hours	Regular Dollars	OT Dollars - Straight	OT Dollars - 1.5	Total OT Dollars	% of Total OT Hours for All Positions	% of Total OT Dollars for All Positions
Police Officer 2-A	12797.5	105.05	3651.74	3756.79	247,124.50	2,058.36	105,877.61	107,935.97	18.28%	20.42%
Bridge Toll Collector	32801.5	27.5	2872.75	2900.25	348,356.04	268.91	45,930.32	46,199.23	14.12%	8.74%
Marine Deckhand	16982.25	100	2231.5	2331.5	209,278.43	1,250.31	40,880.97	42,131.28	11.35%	7.97%
Marine Deckhand Toll Collector	11840.25	114.5	1513.75	1628.25	129,164.74	1,221.23	25,054.24	26,275.47	7.92%	4.97%
Marine Master	10464	27.5	1199.25	1226.75	330,470.72	865.69	56,689.93	57,535.62	5.97%	10.88%
Maintenance Repairer Master	1920	66.5	861	927.5	37,728.00	1,305.63	25,460.55	26,766.18	4.51%	5.06%
Marine Engineer	6719.25	29.25	874.25	903.5	169,555.79	745.99	33,132.96	33,878.95	4.40%	6.41%
Police Sergeant-A	3840	16	830.49	846.49	91,904.80	365.84	29,834.44	30,200.28	4.12%	5.71%
Bridge Toll Collector Supervisor	3840	181.25	593	774.25	54,652.80	2,513.91	12,529.13	15,043.04	3.77%	2.85%
Mobile Equipment Operator 1	3834.25	81	572.5	653.5	45,083.98	970.03	10,071.08	11,041.11	3.18%	2.09%
<b>Total for All CCCD Positions:</b>	<b>161353.25</b>	<b>1728.33</b>	<b>18818.04</b>	<b>20546.37</b>	<b>3,183,857.07</b>	<b>36,077.29</b>	<b>492,520.43</b>	<b>528,597.72</b>		



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Based on our analysis, it was noted that of the 53 job positions paid by CCCD during the period of January 1, 2008 through June 6, 2008, the ten positions accumulating the highest number of overtime hours in the above table accounted for almost 78% of overtime hours incurred and over 75% of overtime dollars incurred.

**Recommendation:**

Management should evaluate the total number of hours and dollars currently being expended on overtime costs. Management should determine whether cost efficiencies could be gained by filling additional positions in order to reduce the number of overtime hours being worked, especially amongst the positions that accumulate the most overtime hours as noted in this review.

**Toll Bridge Violations**

Policies and procedures are established and documented to guide the toll violation process. A fee schedule is established which details the tolls and penalty fees that are incurred when a toll bridge violation occurs. A violator can incur up to a maximum fee of the toll amount plus \$65 in penalty fees for a single violation. When a violation occurs, notices are mailed to the address on file associated with the license plate of the violating vehicle informing the violator of the toll and penalty fees that are owed. If the toll and fees are not paid after the fourth notice has been issued, a flag will be placed on the license plate. This flag cannot be cleared until the toll and fees have been paid. If the violator does not agree with the alleged violation, the violator can request a hearing to contest or attempt to reduce the amount of penalty fees owed. Based on our analysis, it appears that there are adequate controls in place to prevent toll violations from being incorrectly (accidentally or intentionally) dismissed.

We analyzed the toll violations Accounts Receivable Aging Reports as of June 30, 2007, January 31, 2008, March 31, 2008, April 30, 2008, and May 30, 2008. The following schedule details the results of our analysis:

As of Date	0 - 180 Days				181 - 365 Days			
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
6/30/2007	10,587	\$1,934,858.35	38	\$7,636.50	7,051	\$1,886,793.65	4	\$110.00
1/31/2008	14,314	\$1,570,236.00	64	\$5,247.50	10,062	\$1,867,167.00	10	\$1,853.00
3/31/2008	18,056	\$1,538,517.50	122	\$9,815.50	9,047	\$1,641,992.50	40	\$9,546.50
4/30/2008	18,703	\$1,586,902.00	148	\$11,754.50	9,910	\$1,655,105.00	52	\$11,898.00
5/30/2008	19,664	\$1,524,840.80	183	\$13,315.50	11,489	\$1,788,076.00	50	\$10,565.50

As of Date	Over 365 Days				Total			
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
6/30/2007	0	\$0.00	0	\$0.00	17,638	\$3,821,652.00	42	\$7,746.50
1/31/2008	8,154	\$2,048,062.50	0	\$0.00	32,530	\$5,485,465.50	74	\$7,100.50
3/31/2008	11,427	\$2,652,782.00	18	\$5,544.50	38,530	\$5,833,292.00	180	\$24,906.50
4/30/2008	12,102	\$2,762,826.00	24	\$7,598.00	40,715	\$6,004,833.00	224	\$31,250.50
5/30/2008	12,669	\$2,835,249.00	28	\$9,185.50	43,822	\$6,148,165.80	261	\$33,066.50

*Note: 'Active' A/Rs are those amounts that CCCD is currently in the process of pursuing for collection, including those A/Rs for which a flag has been placed on the license plate. 'On Hold' A/R are those in which the violator has made contact with CCCD and is either in the process of appealing the violation, or a payment plan has been set up. 'On Hold' A/Rs do not incur additional penalty fees while in this state.*

Based on our analysis of the toll violations Accounts Receivable Aging Reports, we noted the following:

- The total amount of outstanding Accounts Receivable (A/R) for toll violations has almost doubled in the past year, mainly as a result of older A/R not being collected;
- The total amount of new A/R (less than 180 days) has decreased approximately \$400,000 in the past year.

The current toll violations system is unable to handle violations resulting from toll tag customers with insufficient funds to pay the toll. Currently these violations are not being invoiced and are not included in outstanding A/R. They are being maintained in a suspense account for future processing. The majority of violations are a result of individuals with valid toll tags whose toll tag did not read in error. If such a "violator" contacts CCCD, the penalty fee will be dismissed, and the individual will only be charged for the toll. Based on various factors, it appears that outstanding A/R is not accurate; however, there is no feasible way to determine what the correct amount should be. There are many unknown factors, including human factors, which could potentially affect the true A/R value.

**Recommendation:**

Management should consider the following to enhance the collection efforts related to toll bridge tolls and associated violation fees:

- Continue working with the system implementation team to evaluate the options available to invoice for toll bridge violations resulting from toll tag customers with insufficient funds to pay the toll. Currently such violations are not being invoiced. CCCD should ensure that this issue is addressed in upcoming phases of the system implementation project in order to ensure that system limitations do not prevent tolls and associated fees from being collected; and
- Evaluate options available to further enforce the collection of outstanding violations. CCCD should continue working with the Office of Motor Vehicles to establish the requirements to place a flag on the violator's driver's license for unpaid violations in addition to the flag that is currently placed on a violator's license plate.

### **Toll Bridge Collections and Reconciliations**

Policies and procedures are established and documented to guide the toll bridge collections and reconciliation process. All toll booths are constantly monitored by both audio and video monitoring. The video monitoring also captures the Toll Collector's transactions (i.e., number of axles, payment amount, form of payment, etc.) on a real-time basis. When a vehicle passes through a toll booth, the number of axles is captured by a sensor and is used for reconciling the toll funds received by the Toll Collector. All toll collectors are "rated" on a daily basis for accuracy. Any toll collectors not receiving an acceptable rating will be subject to counseling and possible termination. Based on our analysis, it appears that there are adequate controls in place surrounding the collection and reconciliation of Bridge toll funds.

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**Ferry Staffing**

The United States Coast Guard has established mandatory minimum ferry staffing levels, as follows:

- One – Master
- One – Engineer
- Two – Deckhands
  - Two if the ferry capacity is less than 800 passengers.
  - If capacity is greater than 800, three Deckhands are required.
  - It should be noted that only two of the six ferries operated by CCCD are certified to carry more than 800 passengers.

CCCD has established and documented policies outlining standard ferry shift staffing guidelines, as follows:

- One – Master
- One – Engineer
- Two – Deckhands
- One – Deckhand Toll Collector (DHTC)\*

*\* Deckhand Toll Collectors are trained to perform Deckhand duties and can substitute as such.*

As a best practice, CCCD strives to maintain three Deckhands (two Deckhands and one DHTC) on all ferries due to safety and security concerns. It was noted that CCCD is not currently at full staffing capacity levels for ferry operations. We developed the following schedules which depict a ferry staffing schedule at maximum capacity and at current capacity in order to determine the number of “floaters” or personnel assigned to a shift who would not be working on an active ferry.

Position	Max Capacity	Current Capacity	Variance
Master	11	11	0
Engineer	11	10	1
DH	16	13	3
DHTC	16	11	5
Night DH	5	5	0

Position	Allocation at Maximum Capacity						Allocation at Current Capacity					
	AM Shift (Gretna)	PM Shift (Gretna)	A Shift (Canal & Chal)	B Shift (Canal & Chal)	C Shift (Canal & Chal)	Floater	AM Shift	PM Shift	A Shift	B Shift	C Shift	Floater
Master	1	1	2	2	2	3	1	1	2	2	2	3
Engineer	1	1	2	2	2	3	1	1	2	2	2	2
DH	2	2	4	4	4	0	2	2	3	3	3	0
DHTC	Note 1	Note 1	3	3	3	7	Note 1	Note 1	3	3	3	2
Night DH												

*Note 1 – DHTC's utilize the 'A', 'B', and 'C' shift rotation for all locations in order to provide a watchman on the a.m. and p.m. shifts when the ferry is not in operation.*

Additional personnel are assigned to each shift as “floaters” to fill in for absences and perform cleaning and maintenance on ferries. At full capacity ferry staffing levels, assuming no absences, during any day or afternoon shift there would be a full ferry crew available as floaters, including one Master, one Engineer, and two to three Deckhand Toll Collectors. In addition to the ongoing maintenance performed by floaters, a weekly Maintenance shift is scheduled in order for cleaning and maintenance to be performed on the ferries.

Night shift personnel work a separate schedule from the day and afternoon crews. Night shift personnel are on a schedule that allows for one Night Deckhand to work as a watchman at each of the three locations, seven days a week, and two at the Chalmette location four days per week. There are no night shift “floaters”. CCCD maintains only enough employees in the Night Deckhand position to fill all night shifts. Night shift personnel are required to find a replacement to work their shift if they are absent.

**Recommendation:**

Management should consider the following:

- Evaluate ferry operations maximum capacity staffing levels, especially in regards to Master, Engineer, and Deckhand Toll Collector positions, to determine whether current maximum capacity levels are cost effective. Consider the following:
  - Historical absences;
  - Overtime considerations; and
  - U.S. Coast Guard rules related to work hour restrictions;
- Evaluate an on-call shift rotation policy, especially for higher paid ferry positions;
- Implement rules for all Marine Operations personnel requiring that they find a replacement to cover their shift if they will be absent;
- In addition to the weekly Maintenance shift, consider acquiring a maintenance position solely to perform ongoing ferry maintenance. The implementation of such a position could be used to reduce and/or eliminate the need for floaters to provide ferry cleaning and maintenance. Additionally, a dedicated maintenance position could provide maintenance and cleaning services at a lower cost than a Master or Engineer floater; and
- Evaluate the costs/benefits associated with maintaining a second Night Shift employee at the Chalmette location four days per week.

**Ferry Operations**

The Marine Operations division appears to have established and documented numerous directives, policies, and procedures which direct the collection and reconciliation of ferry tolls. However, it was noted that these various operating directives are not maintained in one central manual, thus increasing the likelihood of non compliance. Based on our overall analysis, it appears that there are adequate controls in place for the collection and reconciliation of ferry tolls.

We analyzed the ferry operations Budget Status Reports for Fiscal Year Ending (FYE) 2006 and 2007 and as of May 30, 2008 and computed variances and year-to-year comparisons for reasonableness. During our analysis, we noted the following:

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- The budget categories with the largest annual expenses incurred are:
  - 2770 – Maintenance of Property and Equipment
  - 3170 – Operating Supplies Auto
  - 3420 – Professional Services Engineering
  - 4980 – IAT Insurance
- CCCD uses multiple vendors on an as-needed basis for parts, supplies, and services related to ferry operations; and
- CCCD does not maintain contracts with any vendors, with the exception of janitorial services for the ferry terminals.

**Recommendation:**

Management should consider performing the following:

- Evaluate current policies and consider consolidating current policies and procedures related to Marine Operations into a single manual;
- Ensure that Marine Operations' policies continue to take into consideration regulatory requirements and the most current policies and procedures;
- Once the Marine Operations policies have been updated to reflect the items addressed in this review, Marine Operations should conduct employee training on updated policies to ensure that all personnel are aware of specific policies and procedures to be followed in certain situations; and
- Evaluate whether cost efficiencies could be gained by developing long term vendor contract arrangements for key expenditures, such as vendors that provide regular parts or supplies necessary to operate and maintain the ferries, taking into special consideration those budget categories to which the largest annual expenses are being allocated.

**Accounting Section Policies and Procedures**

Directives, policies, and procedures are established and documented to guide the collection and reconciliation of Bridge tolls. However, it was noted that these various documents are not maintained in one central location. All Bridge toll collections are counted and reconciled by the Accounting Section on a daily basis:

- Monday – Count/reconcile Friday and Saturday
- Tuesday – Count/reconcile Sunday and Monday
- Wednesday – Count/reconcile Tuesday
- Thursday – Count/reconcile Wednesday
- Friday – Count/reconcile Thursday

We also noted that CCCD administrative personnel (including Accounting Section staff) and the Toll Collectors are prohibited from fraternizing during business hours in order to minimize the risk of collusion between the two groups. Based on our analysis, it appears that there are adequate controls in place surrounding the Accounting Section's handling and reconciliation of Bridge tolls.

**Recommendation:**

Management should evaluate its current policies and consider consolidating current policies and procedures related to the Accounting Section in order to enhance policy flow and reduce overlapping of information. CCCD should ensure that policies reflect current policies and procedures and consider changes resulting

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from the ongoing system implementation. Once the Accounting Section's policies have been updated, you should conduct employee training on updated policies to ensure that all personnel are aware of specific policies and procedures to be followed in certain situations.

**DOTD RESPONSE TO BRIDGE POLICE AUDIT**  
November 25, 2008

In September, 2008, Counter Technology, Inc. (dba CTI Consulting) completed a comprehensive evaluation of the Crescent City Connection Division bridge police operations at the request of the Secretary of the Louisiana Department of Transportation and Development. The major recommendations and the response from DOTD are shown below.

**MAJOR RECOMMENDATIONS**

***A. Maintain the CCCD Police Department as a Part of the CCCD*** *The Louisiana Department of Transportation and Development should keep the CCCD Police as an integral part of the CCCD. The CCCD perform essential duties in support of safe and efficient operations that promote efficient travel on the bridge and associated roadways as well as the ferry operation. Their scope and quality of services currently enhance rapid response times and prevent extensive delays to traffic on the Crescent City Connection Bridge and prevent secondary accidents.*

**DOTD Response:** DOTD concurs. The CCCD police force has provided an increased service necessary on the CCC bridge to facilitate the movement of traffic.

***B. The Development of Formal Agreements*** *Even though the Police agencies interviewed expressed a voluntary desire to assist the CCCD Police in times of need, it is recommended that CCCD pursue formal MOU's with the surrounding agencies to ensure assistance is available in the future. While the cooperative spirit of the current senior management is commendable, it is critical to memorialize these practices into tangible documents for future administrations of all the participating agencies.*

**DOTD Response:** DOTD does not concur. CCCD has attempted to formalize agreements with local law enforcement in the past; however, turf wars have ensued. CCCD will continue to assist local law enforcement agencies as it has in the past.

***C. Homeland Security Training for the CCCD Police*** *Since the CCCD bridge is the fourth busiest toll bridge in America and presents a target and the ferry operation is subject to current and future maritime security requirements, training should be given to Division Police officers at all levels to enhance their knowledge and capabilities in supporting the Homeland Security program related to their own mission.*

**DOTD Response:** DOTD concurs. The CCCD police force has obtained some homeland security training and continued training will be pursued.

***D. Compensation Study*** *A compensation study should be conducted to determine what fair market compensation should be allocated for the CCCD Police. This should include consideration of granting this Police Department the State Supplemental pay for Peace Officers that most, if not all, other Police Departments receive. Currently, the CCCD is paying a high cost for turnover and training.*

**DOTD Response:** DOTD concurs. CCCD has attempted to get supplemental pay approval for the Police Department in the past but Civil Service has not agreed to the additional pay. In addition, the

**the police department is a part of a retention study being conducted by DOID headquarters Human Resources. CCCD will continue to pursue the additional pay.**

***E. Entry Level Standards***

*Recruiting standards should be reviewed, including age and education levels of police applicants. The current standard is eighteen years old and no education level is stated, required, or recommended. A requirement for a medical physical and a psychological examination should be considered along with a requirement for basic physical agility and literacy.*

**DOID Response: DOID concurs. The Department of Civil Service has a minimum age requirement of 18 for the position; however, federal law requires that a citizen be 21 years of age to possess a handgun. Since police officers are required to carry handguns, police officers must be 21 years of age to be hired by CCCD. CCCD does require physical and psychological testing on incoming officers. At the time of this audit, CCCD police force had been working on getting accreditation by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). While working on the accreditation, and its requirements, realized that psychological testing is required and began working on getting a contract for the testing. CCCD anticipates receipt of its accreditation in approximately 3 months from the time of this response.**



**FINAL REPORT**

*September 30, 2008*

**COMPREHENSIVE EVALUATION OF THE  
CRESCENT CITY CONNECTION DIVISION  
BRIDGE POLICE OPERATIONS  
NEW ORLEANS, LOUISIANA**



**Submitted By:**

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## **EXECUTIVE SUMMARY**

### **I. INTRODUCTION**

In June 2008 Counter Technology Inc (CTI) was contracted by the Louisiana Department of Transportation and Development to conduct an assessment of the Crescent City Connection Division Police (CCCD Police). Within the scope of work under this contract CTI was asked to assess and report on the following elements of the CCCD Police.

- Charge of the CCCD Police
- Legal Authority
- Agreements with area police authorities
- Justification for CCCD having its own police
- Operational efficiencies or deficiencies within the police force

#### **A. Assessment Methodology**

The assessment methodologies included study of documentation and records, site visits, ride-along with a patrol, personal observations, and interviews of CCCD stakeholders and the leadership of the local law enforcement entities impacted by the facilities and operations of the CCCD. The following is a list of some of the key personnel interviewed by the Evaluation Team.

- Mr. Alan LeVasseur, Director, CCCD
- Mr. Randall Paisant, Assistant Director, CCCD
- Ms. Peggy Olivier, Administrative Manager, CCCD
- Marlon Defillo, Assistant Superintendent, New Orleans Police Department
- Dwayne Munch, Chief of Police, Westwego Police Department
- Arthur Lawson, Chief of Police, Gretna Police Department
- Ken Curlee, Captain-Troop B, Louisiana State Police
- Kenneth Pickering, Attorney at Law
- Michael Helmstetter, Chief of Police, CCCD Police Department

#### **B. Areas Studied**

Areas studied included the current CCCD Police mission; their capabilities to carry out that mission; and the perceptions and opinions of the Police themselves and other stakeholders who interface with the police. The Evaluation Team looked at their organization, recruitment and hiring practices, training, compensation and other benefits, equipment, facilities, record keeping, work load statistical data, response times, organization structure, retention rates, written plans and policies and procedures.

## II. MAJOR FINDINGS

### A. Charge of the Police

Specifically, the CCCD Police are responsible for all properties operated by the CCCD and approximately 14 miles of highway comprising the approaches to the Crescent City Connection; and U.S Route 90/U.S. Route 90 Business (Westbank Expressway) interstate east to the Broad Street Overpass of Interstate 10 (Ponchartrain Expressway). They also patrol and have jurisdiction on General Degaulle Drive, Mardi Gras Boulevard, Calliope Street and all surface streets providing access to the bridge. A subsequent legislative act has given the CCCD additional authority and specific jurisdiction within Behrman Memorial Park.

Based on a review of the police procedures and police activity reports provided to the Evaluation Team and interviews with various employees, we determined that the CCCD police officers perform many duties which are not traditionally considered to be police related. The duties identified are:

- Removing stalled cars from the bridge by pushing them with patrol cars
- Escorting and carrying cash deposits to the bank
- Opening and closing the HOV lanes daily
- Riding on the Canal Street ferry from 9:30 pm until midnight
- Standing guard at toll tag violation hearings to maintain order
- Delivering deck hands/toll collectors to each of the three ferries twice daily
- Responding to panic and controlled access alarms

### B. Legal Basis of CCCD Police

In evaluating the legal authority of the CCCD Police to serve as Peace Officers, the Evaluation Team researched Louisiana State Statutes and determined that the CCCD Police Department was authorized by an act of the Louisiana Legislature. Specifically, Louisiana Revised Statutes 48:1101.1 gives CCCD Police Officers *"under the direction and control of the secretary, all other powers of sheriffs of Jefferson and St. Bernard parishes and police officers of the cities of New Orleans, Gretna and Westwego in all places and on all premises under the control and jurisdiction of the Crescent City Connection, the Huey P. Long Bridge, the Westbank Expressway, and the ferries and the public ways contiguous thereto."*

As peace officers in the State of Louisiana, Division Police officers are armed and vested with the same powers of other peace officers, as indicated in the paragraph above. The officers, however, are not authorized to work extra/off duty jobs in a law enforcement capacity as police officers from most other agencies do.

The CCCD currently sends all new hires not currently certified as peace officers to the Jefferson Parish Sheriffs Academy for basic police training. This training

consists of fourteen weeks of basic peace officers training, which meets or exceeds the State Peace Officer Standards and Training requirements.

**C. Mutual Aid and Other Formal Agreements**

At the present time, there are no formal agreements, in the form of Mutual Aid Agreements or Memoranda of Understanding, between the CCCD Police and other law enforcement agencies or between the CCCD and other entities such as the City of New Orleans. This statement is based on the fact that the topic of formal interagency agreements was researched carefully by the CCCD Police for their Accreditation Program.

While there are no formal agreements, it is very clear from the interviews with senior management at the New Orleans Police Department, State Police, Gretna Police Department, and the Westwego Police Department, that these agencies and the CCCD Police have a close and cooperative relationship. Contributing to this positive relationship is the fact that the CCCD is cooperative when called upon by these departments to assist in capturing fleeing suspects who may use the bridge. Indeed, these agencies felt that they gained more from the cooperative relationship than the Division Police.

Based on the premise that the best way to prevent a misunderstanding is to have an understanding, the Evaluation Team has indicated in this report that agreements with these agencies should be formalized where possible, through mutual aid agreements, memoranda of understanding, or other appropriate documents.

**D. Justification for CCCD Having Its Own Police**

In evaluating the feasibility of other police agencies performing the duties and responsibilities of the CCCD Police, the Team asked State Police and local police agencies if they could do the job as well and cost effectively. These agencies stated that they could not do the job any better and that, given the significant difference in salaries, they could not do it more economically. Additionally, agency personnel stated that if the CCCD Police were dissolved and each local law enforcement agency had to police the portions of the bridges and ferries located in their jurisdictions with their current manpower, they could not meet the response times currently provided by the CCCD Police.

They were adamant that they would need additional resources in manpower and equipment to provide the same level of service currently provided by the Division CCCD Police. Given that the bridges are a primary means of egress and entry into and out of New Orleans, the lack of a timely response to incidents on the bridges would result in a potential gridlock of traffic that would result in many other problems and pose severe safety issues to the public. The Assistant Superintendent of the New Orleans Police Department felt that since the motorists in New Orleans are very vocal, they would not hesitate to get on talk

radio and complain if they were not happy or satisfied with traffic conditions on the bridge.

Moreover, the CCCD Police has a special role in the Maritime Security arm of Homeland Security. The CCCD police leadership is well aware of this role and they participate in the local Joint Terrorism Task Force. The importance of this role is evidenced by a past detection and apprehension by the CCCD Police of individuals who were recording the foundation structure of the bridges. A subsequent investigation revealed that some or all of these individuals are on the terrorism watch list. Their action may have prevented a future threat against the safety and well being of these structures.

In sum, the specialization of the CCCD Police and their singular purpose of protection the public who use CCCD facilities and roadways and the CCCD employees make them uniquely qualified for their mission.

**E. Operational Efficiencies or Deficiencies of the CCCD Police**

The CCCD Police fulfill a vital and necessary role to the safety and well being of the traveling public who utilize the Crescent City Connection Division bridges and ferries as well as vital services to the Division and its employees and facilities. Based on our analysis and the opinions of Division personnel, Division stakeholders, and other municipal and State police agencies, the CCCD Police is currently performing these services in an outstanding and efficient manner.

The CCCD Police have applied for accreditation through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The purpose of CALEA's accreditation program is to improve the delivery of public safety services. This is a difficult and demanding process to go through and requires a strong commitment on the part of a police agency to submit itself to such a detailed analysis by the CALEA.

Without exception, the leadership of the other law enforcement agencies interviewed stated that they found the CCCD Police to be extremely competent and professional and recognized the value of the service provided by the CCCD Police to the traveling public. They all stated that they work closely with the CCCD Police and they have not had any jurisdictional or turf issues with them and that over the years the CCCD Police have provided assistance and aid to them whenever asked to do so. Similarly, CCCD management felt that the Police were very efficient in carrying out of their public safety duties and in safeguarding the safety of Division employees.

**III. MAJOR RECOMMENDATIONS**

**A. Maintain the CCCD Police Department as a Part of the CCCD**

The Louisiana Department of Transportation and Development should keep the CCCD Police as an integral part of the CCCD. The CCCD perform essential

duties in support of safe and efficient operations that promote efficient travel on the bridge and associated roadways as well as the ferry operation. Their scope and quality of services currently enhance rapid response times and prevent extensive delays to traffic on the Crescent City Connection Bridge and prevent secondary accidents.

**B. The Development of Formal Agreements**

Even though the Police agencies interviewed expressed a voluntary desire to assist the CCCD Police in times of need, it is recommended that CCCD pursue formal MOU's with the surrounding agencies to ensure assistance is available in the future. While the cooperative spirit of the current senior management is commendable, it is critical to memorialize these practices into tangible documents for future administrations of all the participating agencies.

**C. Homeland Security Training for the CCCD Police**

Since the CCCD bridge is the fourth busiest toll bridge in America and presents a target and the ferry operation is subject to current and future maritime security requirements, training should be given to Division Police officers at all levels to enhance their knowledge and capabilities in supporting the Homeland Security program related to their own mission.

**D. Compensation Study**

A compensation study should be conducted to determine what fair market compensation should be allocated for the CCCD Police. This should include consideration of granting this Police Department the State Supplemental pay for Peace Officers that most, if not all, other Police Departments receive. Currently, the CCCD is paying a high cost for turnover and training.

**E. Entry Level Standards**

Recruiting standards should be reviewed, including age and education levels of police applicants. The current standard is eighteen years old and no education level is stated, required, or recommended. A requirement for a medical physical and a psychological examination should be considered along with a requirement for basic physical agility and literacy.

**COMPREHENSIVE EVALUATION OF THE  
CRESCENT CITY CONNECTION DIVISION  
BRIDGE POLICE OPERATIONS  
NEW ORLEANS, LOUISIANA**

**I. INTRODUCTION**

In June 2008, Counter Technology Inc., (CTI) entered into a Contract for Special Services, State Project No. 720-99-0005 with the Louisiana Department of Transportation and Development. The agreement called for CTI to conduct a comprehensive evaluation of the Crescent City Connection Department Bridge Police Operations Statewide.

**A. Purpose of the Evaluation**

Five primary objectives that were set forth in the scope of services for the evaluation are the following:

- The charge of the CCCD Bridge Police
- The legal authority of the CCCD Bridge Police
- Agreements between the CCCD Bridge Police and area police authorities
- Justification for the CCCD having it's own police force
- An examination of the operational efficiencies or deficiencies within the police force

This evaluation is one of four separate audits or studies being conducted of the CCCD focusing on Legislation, Management and Performance, Financial, and Police Operations. A primary focus of this evaluation is a determination of the value of having a separate police department to serve the population utilizing CCCD facilities including the Crescent City Connection Bridge and the three ferry operations.

An evaluation of this type is timely and beneficial for a number of reasons. It is understood that in today's environment of reduced government budgets, responsible management is striving to promote greater productivity and cost savings in the provision of governmental services, including public safety services. In the immediate instance, this cost saving effort is made more difficult by the fact that as populations grow, competing interests for funds allocated to public safety services must be justified. Additionally, because of the increase in service demands, the public safety effort required to maintain safe and efficient operations generally becomes more expensive and burdensome.

**B. Evaluation Methodologies**

The methodologies used to conduct this study consisted of interviews, observation, and study of documentation.



Interviews were conducted with the following individuals:

- Mr. Alan LeVasseur, Director, CCCD
- Mr. Randall Paisant, Assistant Director, CCCD
- Ms. Peggy Olivier, Administrative Manager, CCCD
- Marlon Defillo, Assistant Superintendent, New Orleans Police Department
- Dwayne Munch, Chief of Police, Westwego Police Department
- Arthur Lawson, Chief of Police, Gretna Police Department
- Ken Curlee, Captain-Troop B, Louisiana State Police
- Kenneth Pickering, Attorney at Law
- Michael Helmstetter, Chief of Police, CCCD Police Department

During the various site visits, observations were made of CCCD facilities, police facilities, patrol vehicles, communications/dispatch center, deployment of personnel, and the patrol environment. Documentation such as complaint records, training records, personnel authorizations, standard operating procedures and personnel salaries were reviewed. Laws governing the creation and authority of the CCCD Police were studied. Statistical documents were reviewed for the last three years detailing the type and number of calls for service the CCCD Police are involved in on a monthly and annual basis. The Team also talked to police officers, supervisors, and mid level managers and other CCCD employees during the study.

**C. Areas of Evaluation**

To conduct an objective evaluation of the CCCD Police, the CTI Team assessed a variety of areas and issues related to service delivery to the general community served by the CCCD and to its employees as well as areas that directly affect potential cost savings.

These areas include the following:

1. Findings on the mission and responsibilities of the CCCD Police and their capability in carrying out their mission.
2. Perceptions and opinions of CCCD management staff and of senior management of local and state police officials regarding CCCD Police mission capability.
3. Differences between the mission of the local and state police agencies with joint or concurrent jurisdiction and the mission of the CCCD Police.
4. Compliance with State requirements, including training requirements.
5. The question of whether another agency could perform the CCCD Police mission more proficiently or cost-effectively.
6. Recommendations for mission capability enhancement and cost savings.

**D. Background and History of the CCCD Police**

During construction of the original bridge in 1954, security officers were hired to guard and protect the job site. When the bridge opened in 1958, officers were

retained to patrol and police the bridge and its associated properties under the control of the Mississippi River Authority. Since these officers had no true legal authority at the time, arrangements were made with local jurisdictions to provide the officers with police commissions giving them law enforcement authority in the various jurisdictions within which they patrolled. Over a period of time, as the officer's area of patrol changed as a result of property and operational acquisitions, the officers received special police officer commissions from the New Orleans Police Department, Jefferson Parish, St. Bernard Parish, the Gretna Police Department, and the Westwego Police Department; this practice continued until 1988.

For fifty years, the CCCD Police has continuously functioned as a separate law enforcement entity, providing service to the CCCD. During this time the mission and responsibilities have grown significantly. Because their mission is specific and parochial to areas of interest to the CCCD, their law enforcement function is considered and commonly referred to as non-traditional or niche policing. While the CCCD Police have always had a security mission to fulfill, along with normal law enforcement responsibilities, today's threat of terrorism against high profile assets and maritime operations makes the CCCD Police security mission and responsibilities considerably more demanding.

**E. Legal Authority and Mission of the CCCD Police**

In 1988, the Louisiana State Legislature officially authorized the Crescent City Connection Police Department under Louisiana Revised Statutes 48:1101.1, granting them the same legal authority and all powers of the sheriffs of Jefferson and St. Bernard Parishes, and police officers of the cities of New Orleans, Gretna and Westwego. A subsequent legislative act gave the CCCD Police jurisdiction in Behrman Memorial Park. This legislative act eliminated the need for officers to carry multiple police commissions from the various jurisdictions within which they have legal responsibilities.

As with most agencies, the CCCD Police have evolved over the years and serve the CCCD in many capacities. While there is no written or official mission statement, a primary charge is to maintain safe and efficient flow of traffic through the Crescent City Connection Bridge and ferry system. Officers patrol the bridge and the 14 miles of connecting roadways, primarily enforcing traffic and state laws that contribute to the safe and efficient flow of traffic such as speeding violations and Driving While Intoxicated laws. Additionally, they patrol the ferry terminals and ride the ferries at night ensuring the safety of patrons and employees. It was noted that the ferry terminals were free from gang style tagging and graffiti.

CCCD officers open and close the HOV lanes daily and post themselves so as to enforce occupancy requirements and issue enforcement citations as required. Two officers escort an accounting employee to the bank each week day and physically carry large sums of money into the secure area of the bank for deposit.

Officers stand guard during toll violation hearings and keep the peace during these proceedings. Officers respond to disturbance calls at the collection booths when disputes arise. And each day, officers deliver and return deck hand/toll collectors to each of the three ferry operations.

In addition to the above, as a result of the events of 9/11, a Homeland Security responsibility has emerged inasmuch as the Crescent City Connection Bridge could be a terrorist target and the fact that the ferry operation is now affected by the Maritime Security and Contingency requirements (MARSEC.) Due to this Homeland Security issue, the CCCD Police has assumed a role on the US Attorney's Joint Terrorism Task Force (JTTF).

## **II. MAJOR FINDINGS AND IMPRESSIONS**

As the information that follows indicates, the CCCD Police are in full compliance with all of the requirements of the State Civil Service Commission and Louisiana Peace Officer Standard and Training (POST) and it provides a professional level of service in carrying out its related security and law enforcement missions. As their environment has changed to some degree since Hurricane Katrina, the CCCD Police has adapted to greater levels of traffic traveling to and from the West Bank caused by a significant population shift and the need to provide a greater degree of public safety deterrence to unsafe driving and potential crime. Along these lines, it should be noted that there has never been an attempted robbery or theft reported at the toll plaza or within the facility. In regard to the response to Hurricane Katrina, the evaluation shows that the CCCD Police implemented all required emergency protocols during Katrina and effectively and successfully completing the recovery efforts to return to normal operations quickly.

Moreover, CCCD management has fully supported the mission of the CCCD Police and has supported them in responding quickly and professionally to the operational requirements of the bridge and ferry operation. Although the federal government's nationwide maritime security program has changed and evolved since September 11, 2001 as Homeland Security Administration's threat conditions constantly change, the CCCD Police has adapted in accepting additional responsibilities. CCCD management and CCCD Police management are also addressing the necessary compliance issues with Homeland Security requirements and the Maritime Security and Contingency program (MARSEC).

The CCCD Police has developed a cooperative working relationship with local and state law enforcement agencies. The CTI team observed New Orleans Police and State Police officers in the CCCD parking lot during our visits to the facilities. During our interviews with senior management personnel from these agencies, they confirmed to us that they consider the CCCD Police to be a valuable partner and that they call upon them routinely during the course of pursuing their police mission. These personnel gave specific examples of police pursuits that were able to be terminated because of the CCCD assistance in the successful and safe apprehension of fleeing suspects on the Crescent City Connection Bridge. Similarly,

while no formal agreements or Memorandum of Understanding (MOU) exists between the CCCD Police and the surrounding jurisdictions, the representatives interviewed stated their commitment and willingness to respond and assist in times of need.

The training program that all CCCD Police must successfully complete fulfills state and public safety requirements. CCCD Police officers attend an approved police academy to receive their basic training and additional intermediate and advanced training is made available to officers and is evidenced in various police certifications. Officers are also trained in the use of radar, breathalyzer, accident investigation and other related activities. Additionally, CCCD Police management is in the process of obtaining law enforcement accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc., (CALEA). This process involves an examination of a police department's internal policies and procedures and compares them to best practices at the national level. CCCD Police management is to be commended for this effort inasmuch as it involves an in depth analysis of each and every police action, policy and procedure. Indeed, an informal survey of area police departments indicated that the CCCD Police is the only agency in the area actively pursuing this accreditation.

In evaluating the legal authority of the CCCD Police to serve as Peace Officers, the Evaluation Team researched Louisiana State Statutes and determined that the CCCD Police Department was authorized by an act of the Louisiana Legislature. Specifically, Louisiana Revised Statutes 48:1101.1 gives CCCD Police Officers *"under the direction and control of the secretary, all other powers of sheriffs of Jefferson and St. Bernard parishes and police officers of the cities of New Orleans, Gretna and Westwego in all places and on all premises under the control and jurisdiction of the Crescent City Connection, the Huey P. Long Bridge, the Westbank Expressway, and the ferries and the public ways contiguous thereto."*

Specifically, the CCCD Police are responsible for all properties operated by the CCCD and approximately 14 miles of highway comprising the approaches to the Crescent City Connection; and U.S Route 90/U.S. Route 90 Business (Westbank Expressway) interstate east to the Broad Street Overpass of Interstate 10 (Ponchartrain Expressway). They also patrol and have jurisdiction on General Degaulle Drive, Mardi Gras Boulevard, Calliope Street and all surface streets providing access to the bridge. A subsequent legislative act has given the CCCD additional authority and specific jurisdiction within Behrman Memorial Park.

In attempting to determine whether or not the CCCD could justify having their own police department, the Evaluation Team closely examined the duties and responsibilities of the officers and found that many of their duties are specific to the safe operation of the Crescent City Connection Bridge and ferry operation and which are not traditional for law enforcement agencies. Moreover, if they did not perform them, the CCCD would have to contract separately for these services or assign responsibility to others within the Division.

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Bank escorts, delivering deck hands/toll collectors to ferries, opening and closing HOV lanes and monitoring panic and robbery alarms are among the daily responsibilities of the CCCD Police. Other duties include standing guard at toll and HOV violation hearings to keep order and responding to alarms from the DMV office located on the CCCD premises. Officers also respond to stalled vehicles and have them removed quickly and efficiently. The responsibilities for minimizing delays for the transient population using the bridge and the opening and closing the HOV lanes are critical to the safe operation of the bridge and serve to expedite traffic.

In addition to the non traditional responsibilities, the CCCD Police also perform regular police duties within, and on behalf of, the CCCD. The ability to respond to traffic accidents and clear the road within minutes of their occurrence greatly reduces delays on the bridge and approach roadways. Our conclusion is that the CCCD Police add considerably to the safe and efficient operation of the bridge and ferry system and without a dedicated police force to perform these duties, the CCCD operation would suffer significantly.

In order to identify efficiencies and deficiencies within the police operation, the Evaluation Team evaluated policies and procedures, interviewed personnel including officers and supervisors within the CCCD police and analyzed computer generated, statistical information. The Team monitored such daily activities as the police dispatch center, ferry operations and patrol duties. The statistical data that was reviewed and analyzed included CCCD Police activity reports for 2005, 2006 and 2007. Accounting for the statistical anomalies in 2005 resulting from Hurricane Katrina, the activities of the police are consistent in terms of year-over-year reports. Among the major activities that the CCCD Police respond to are traffic accidents and stalled cars on the bridge and associated roadways. Information gathered during our interviews revealed that the bridge and associated roadways handle approximately 180,000 vehicles per day and that when a lane of the bridge become blocked by an accident or stalled car, the resulting effect is a four minute delay for each minute the lane is blocked. Thus, an immediate response and disposition of the problem is essential to maintain safety and efficient traffic movement.

Annualized data indicates the CCCD responds to and investigates approximately 1500 traffic accidents and over 1100 stalled cars each year. This part of their mission is determined to be critical due to the consequences of stalled cars and traffic accidents such as secondary crashes, and delay factors due to lane closures and overall traffic slow-downs as a result of rubber-necking. The interview with the Assistant Superintendent of the New Orleans Police Department revealed that the target response time for the N.O.P.D. to a minor, no injury accident is approximately one hour. He further indicated that the response time could be longer due to the fact that the N.O.P.D. is still understaffed and continues to use the National Guard to supplement its staffing. In sum, the ability of the CCCD Police to respond to these events within a matter of minutes identifies a response efficiency which results in a quantifiable outcome with a tangible result.

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### III. SPECIFIC FINDINGS AND CONCLUSIONS

The following are the specific findings and conclusions of the Evaluation Team based on interviews, observations, and studies of documentation and records.

#### A. Interviews

The following are the summaries of the interviews held with Police officials, CCCD senior and mid management staff and the CCCD contract attorney.

Mr. Alan LeVasseur, Director, CCCD: In his opening remarks, Mr. LeVasseur stated that he had a high degree of confidence in the CCCD Police and that "they provide a service we can't quantify" and "without our police, we could not function efficiently". He stated that unlike another bridge in the area (Sunshine Bridge), the Crescent City Connection Bridge had never been robbed. He attributed this to the presence of the CCCD Police. He stated that while they have the same training and responsibility as other agencies, they are the lowest paid law enforcement agency in the area. It is his belief that the CCCD Police is essential to their operation and that the standards for new hires should be raised. He thinks the standards used should be the same as the State Police.

He also said that few people understood what they did or how they did it. The Team took this to mean that the operation of the CCCD had functioned for many years without much direct oversight from the LDOTD and that the operation was not well understood.

Regarding the police operation, he stated the CCCD police covered multiple jurisdictions and assisted Jefferson Parrish Sheriff's, New Orleans Police and Gretna Police Departments extensively by the work they performed.

He also pointed out that there was no real State Police presence in New Orleans to perform the duties that the CCCD Police performed and that there was only one trooper assigned to the west bank.

He corroborated the point that every one minute of lane closure creates a four minute delay for the bridge. Additionally, he said that the CCCD Police provide incident management and a level of response, averaging about two minutes per incident and that he knew of no other police department that could give them that level of service.

When asked about the management structure, the Director stated that he had a high level of confidence in Chief Helmstetter and that the Chief is very conscientious. He also mentioned that Captain Maggiore was very bright and forward thinking and that the combination of the Chief and Captain Maggiore made for a good management team, that they complemented each other well.

Randall Paisant, Assistant Director, CCCD: Mr. Paisant provided a comprehensive history of the CCCD Police since he has been employed by the

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system for many years. He stated that originally they had employed guards in 1954 while the bridge was under construction and that in 1958 they hired police officers because of the amount of money they had to handle. He further stated that at that time, there were only a few police officers on their side of the river. He stated that from 1970 to 1988 a team of seven police officers manually directed traffic across the bridge until they built a second bridge in 1988. Mr. Paisant mentioned that the police had proven to be very valuable to the CCCD and that without them, the CCCD would not be able to get the traffic across the bridge due to the fact that the Police respond to accidents and breakdowns very quickly and get them off of the bridge."

Regarding the practice of using the police for bank escorts, he mentioned that they had used armored car services in the past, but had experienced schedule problems with them. The last armored car service that the CCCD used was Wells Fargo, however due to the fact that they were unable to meet the pick up schedule, the money had to be kept overnight. Toll collections can amount to about \$50,000 each day and substantially more is accumulated for weekend collections. Having the police escort the money to the bank not only ensured the safety of the money, it eliminated the expense of an armored car service and guaranteed the money to be deposited in a timely manner, thus preventing the loss of interest.

When asked if any other police agency could do the same job as the CCCD Police, he felt that the people who pay the tolls deserve a higher level of service and that they received that service because of the police department dedicated to provide that service. He also believed that bridge users would not get the service they need without the CCCD Police and that no other agency except the state police has the jurisdiction although it does not have the manpower to provide such a service.

Peggy Olivier, Administrative Program Director 3, CCCD: In her interview, Ms. Olivier stated that the CCCD Police were routinely requested for crowd control and to maintain order in the toll tag lines. She also said that the officers were present at the violation hearings which were held every other week. She also believed that the CCCD Police are invaluable to the operation. When asked about whether or not the New Orleans Police Department or another area law enforcement agency could perform the same duties, she stated that they do not have enough officers. She said, "The police in this area can't handle what they have to do – they don't have time or staff to handle our issues." and that the New Orleans Police have a three to six hour response time to a traffic accident. Comparatively, according to her, the response time on the part of the CCCD Police is only a few minutes. She confirmed that there has not been a theft or attempted theft at the CCCD and attributed this fact to the presence of the CCCD Police.

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Ms. Olivier said that the CCCD needed police presence because of the amount of money they have to deal with. She inferred that without their presence, she believed they would be unprotected and susceptible to the criminal element. She told the Team that in addition to being unreliable, the last armored car service they contracted with was stealing money from the money bags and changing the deposit slips to cover the shortages, but since the officers had taken over the responsibility of escorting the money to the bank, there had been no shortages. When asked how important the police officers were to the operation, she stated that she would consider cutting employees in the administrative section before she would cut the police.

Marlon Defillo, Assistant Superintendent, New Orleans Police Department: The Assistant Superintendent explained that New Orleans was a city divided by a river and thousands of motorists had to use the bridge in their daily commute. He stated that the bridge fell into the City's fourth district and indicated that more residents were moving into the west bank area, thus causing even more traffic on the bridge. He also had high praise for the CCCD Police and the job they do, stating that motorists in New Orleans were very vocal and will not hesitate to get on talk radio and complain if they are not satisfied with conditions.

When asked if other Police Departments could do the job of the CCCD Police he stated that they could, but commented as to whether or not other agencies could do it as well, inferring that response times would suffer. When asked if the New Orleans Police could do the job, he stated that they would have to create a special division to be present at the bridge and would most likely be about the same size as the CCCD police.

Additionally, he said they would also bring in a tow truck to be available to deal with stalled cars. He stated that while he did not know all of their duties, the New Orleans Police officers probably would not be able to perform some of the non-police related functions performed by the CCCD police such as bank escorts and the delivery of personnel to the ferry positions. He mentioned that the New Orleans Police Department had responsibility for a high rise bridge in the City and they dedicated an officer and a tow truck to that bridge each day.

When asked if staffing was currently available to create such a special unit, Mr. Defillo pointed out that the City had just extended the use of the 200 National Guard troops until the end of the year because of the shortage of police officers in New Orleans.

He stated that the CCCD police respond to and work traffic accidents on the bridge and the access and egress roadways associated with the bridge, but they do not work the accident fatalities, the New Orleans Police Department does that. This is consistent with New Orleans Police policy on the interstate and extends to the State Police as well. He stated that the current response time to a minor



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accident could be about one hour (anecdotal information suggests that it is much longer than that).

In summary, the interview yielded significant information regarding the capabilities and limitations of the New Orleans Police. They would not be a good candidate to take over the responsibilities of the CCCD Police. Their inability to respond in a timely manner with existing personnel and the reluctance to perform non-police related duties is problematic. The requirement to develop a dedicated unit or detail with the same number of personnel would be costly and due to the fact that they would not perform non-police related duties, the burden to accomplish these tasks would fall to others. Based on experience, the Evaluation Team believes that even if officers were dedicated to the CCCD, they would be drawn away whenever a need arose elsewhere in the City.

Arthur Lawson, Chief of Police, Gretna Police Department: Chief Lawson of the Gretna Police Department was interviewed as his Department has a small part of the Crescent City Connection Bridge and one of the ferry landings within his jurisdiction. He stated that they had a great working relationship with the CCCD Police and his department and had never had a problem with any CCCD Police officer. When asked whether or not his department could take over police responsibilities for the CCCD within their jurisdiction, he commented that they could, but added that if an accident occurred on the bridge in their jurisdiction, they would have to fight traffic to get to the accident as it would back traffic up into and through Gretna. He further stated that since CCCD Police officers were already on the bridge, they could respond more readily to an emergency situation than could his officers.

Dwayne Munch, Chief of Police, Westwego Police Department: Chief Munch was interviewed since part of the Crescent City Bridge falls within the jurisdiction of the City of Westwego. Chief Munch was clear in his response that he does not want to take over police responsibilities for CCCD issues within Westwego. His comments were, "they need to respond in a hurry" and "they clear things up in half the time." The chief stated that he has a good relationship with the CCCD Police and feels comfortable with the current arrangement. He further stated that the only agency that could take over in his opinion was the State Police, but he volunteered that they would not want the job.

Ken Curlee, Captain-Troop B, Louisiana State Police: Captain Ken Curlee, Commander of Troop B, Louisiana State Police was interviewed during the course of this evaluation by the Evaluation Team. Troop B is the only urban State Police Troop in the state of Louisiana, occupying territory within the City of New Orleans. The State Police is the only agency that could overcome all jurisdictional issues associated with the policing of the CCCD operation. Captain Curlee said that as far as he was aware, the state had not indicated a desire to assume responsibility for the bridge. He further stated that as far as he was concerned, the CCCD Police presence was critical to the "bridge". When asked

why, he responded that secondary crashes are often more serious than the original accident and that response time to an accident was critical.

He told us that the State Police do not work accidents in the city limits and cited Louisiana Revised Statutes 32:398 which states in part that:

*"The driver of a vehicle involved in an accident resulting in injury or death of any person or property damage in excess of five hundred dollars shall: Immediately, by the quickest means of communications, give notice of the accident to the local police department if the accident occurs within an incorporated city or town..."*

When asked about the capabilities of the New Orleans Police Department, he stated that until recently the State Police had supplemented the New Orleans Police Department with 60 State Troopers and as far as he knew, they still had 360 National Guard troops in the City to supplement staffing. In short, he had high praise for the CCCD Police and told us that the State Police had a good working relationship with them.

Kenneth Pickering, Attorney at Law: Mr. Pickering, who is a practicing attorney who provides legal representation to the CCCD, told CTI that he has been involved with the CCCD and the CCCD Police for approximately 25 years. He has worked on various pieces of legislation on behalf of the CCCD and is well known at the state level, having held various appointments over the years. He has worked on various policies for the CCCD Police and has been present and offered his assistance, during numerous major incidents which have occurred over the years. Mr. Pickering informed the Evaluation Team that the bridge and ferries have been used in numerous movies over the years and he is responsible for negotiating the contracts with movie companies. He also had high praise for the CCCD Police and commented that due to the constant patrols within their jurisdiction, they are able to respond quickly to incidents that occur. He added that if local police agencies who took over the police function from the CCCD responded too slowly, it could be detrimental to the CCCD. When asked if in his opinion the CCCD could be held liable for slow response, he stated that he believed the CCCD could be sued if an adequate response time was not met.

When asked if another police agency could perform the duties of the CCCD Police, Mr. Pickering commented that only the State Police had concurrent jurisdiction and the Secretary would have to establish a contract for a special division to perform their duties. When similarly asked about the New Orleans Police Department, he stated that they could not do the work without the development of Memorandums of Understanding with surrounding agencies and/or changes in legislation to provide the authority.

Michael Helmstetter, Chief of Police, CCCD Police Department: Mr. Helmstetter is currently the Chief of Police for the CCCD Police Department and was identified as the Point of Contact for the evaluation in identifying and providing

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information to the Evaluation Team. Chief Helmstetter has been employed by the CCCD since 1974, starting out as a police officer and being promoted through the ranks with an ultimate appointment to Chief in 1990. As mentioned earlier regarding the CCCD Police organization and attrition rates, Chief Helmstetter pointed out that the CCCD Police staffing levels had changed significantly over the years and that in the 1980's the Police were authorized 80 positions to handle one bridge and three ferries. Currently, they are authorized 38 positions to cover about 20 miles of roadways, two bridges and three ferries. The CCCD Police currently have seven vacancies. Chief Helmstetter stated he had lost 29 police officers since Hurricane Katrina and the department had gone to twelve hour shifts to maintain sufficient staffing levels to respond to calls for service.

In summary, the persons interviewed were very satisfied with the level of service of the CCCD Police and their performance in carrying out their police and security mission and there were no indications that any other agency could perform or accomplish the police mission to the same proficiency and quality of service as the CCCD Police. .

#### **B. Understanding the Police Mission and the Threat**

In order to fully assess and understand the issues and difficulties in assuming the CCCD Police mission by an outside police agency, it is important to be fully cognizant of the complexity of securing and protecting the patrol environment of the Crescent City Connection Division.

According to the information provided to the Evaluation Team, approximately 180,000 vehicles use the bridge on a daily basis. Each lane of the bridge has a theoretical capacity of 2,000 cars per hour. However, during peak times, the lanes on the bridge support over 10,000 vehicles per hour. These are critical statistics that support the necessity for expeditious response to incidents which occur in traffic lanes and in the space between the edge of the lane and the bridge walls. A prime example of the CCCD Police's capabilities is its prompt response to stalled cars and vehicular accidents, the clearing of traffic lanes quickly, and the prevention of secondary accidents. Moreover, the CCCD Police stop over 350 pedestrians from crossing the bridge each year which is significant in preventing serious injury accidents with extensive delay potential. Anecdotally, the CCCD possesses video documentation of a CCCD police officer preventing a suicide attempt from the bridge.

In addition to the traditional police responsibilities, the extensive role of the CCCD Police in performing non police duties is considerable. CCCD police officers performed 246 bank escorts in 2007, which included daily receipts of approximately \$50,000. They delivered deck hand/toll collectors to ferry operations at total of 2,065 times: they ride the Canal Street ferry each night from 9:00 pm to midnight to ensure the safety and security of the patrons and employees; and they monitor and respond to panic and controlled access alarms

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on CCCD property. CCCD police officers open and close the HOV lanes of the bridge each day and they monitor and enforce occupancy regulations in the use of the HOV lanes. The Police also assign an officer to be present and maintain order at toll and HOV violation hearings.

The events of 9/11 and the development of Homeland Security programs have altered the CCCD environment and need to be considered in any evaluation of the need for specialized police service. The ferry operation includes a need for compliance with maritime security requirements and the need for contingency planning. Involvement with the US Coast Guard and Homeland Security officials is consistent with good security policy. The CCCD Police is a member of the US Attorney's Joint Terrorism Task Force (JTTF) and is involved in the Maritime Security Plan for the ferry operation. Consideration should be given to incidents of terrorism and suicide bombings such as those occurring in Israel over the past two years. The security concerns of the CCCD have broadened to include the possibility of incidents that may cause mass casualties.

The Crescent City Connection Bridge is a target for terrorism. The Evaluation Team was shown reports documenting an incident involving the CCCD police detaining individual's video taping the structural aspects of the bridge. These individuals had diagrams and instructions pertaining to the placement of explosive charges for typical bridge structures. The matter was appropriately referred to the FBI for documentation and follow up investigation. Attacks to include the use of Large Vehicle Improvised Explosive Devices (LVIED) are possible and bombings may be accomplished through car, truck or suitcase bombs, and may be intended to disrupt transportation through fear or operational breakdown. Up to now, armed attacks have occurred in Europe and the Middle East only. September 11 has shown, however, that no possibility can be precluded. Weapons, explosives, and chemical biological attacks are possible tools.

The CCCD Police is responsible for protecting the vectors, or pathways, which constitute areas of vulnerability which can be used by an attacker to gain access and smuggle weapons or explosives to an intended target within the CCCD operation. This mission requires a focus and specialization that many in the industry believe can best be accomplished by permanently assigned law enforcement officers.

**C. Difference in Missions of the CCCD Police and Traditional Law Enforcement**

A significant difference between the responses of these entities to security needs and concerns is the strictness with which the Department of Homeland Security holds regulated parties with maritime interests and operations. For example, the CCCD will be required to implement specific security requirements each time the Transportation Security Administration (TSA) discerns a threat or problem, often with very little latitude in the process for implementation. Second, the

implementation of the changes or upgrades typically must be done immediately with very little time for mobilization or preparation.

Third, failure of the CCCD in its implementation of TSA mandates, or failure to follow an approved security program requirement can result in significant fines. In many cases, federal agents will introduce themselves into an environment and engineer a threat condition to see if there is an appropriate response by the police. As an example, after the Oklahoma City bombing, federal agents placed Ryder Rental trucks at the curbsides of federal buildings and airport terminal buildings to see how quickly first responders would react to the threat.

Fourth, changes to the overall security posture of the CCCD operation must be documented in a written, approved maritime security program and formally approved by the US Coast Guard on behalf of the Department of Homeland Security and the TSA.

On the other hand, the security requirements of state and municipal public safety agencies are different in breadth and method of implementation. While municipal or state law enforcement agencies must take steps to protect the assets and the safety of their citizens, what they protect, how it is protected, and the timeliness of the implementation of their security measures is up to the respective jurisdictions. This is not the case with maritime and airport security issues. Instead, maritime and airport operations are typically required to raise their security levels in response to an increase in the Homeland Security Threat Advisory System, whether an incident or potential threat nationwide involves them or not. It would be difficult in today's tight budget situations for the State Police or the New Orleans Police Department to rapidly increase patrol coverage to the CCCD anytime there is a threat to maritime assets anywhere in the U.S. or even abroad, whereas the CCCD Police possesses that capability.

#### **D. Specialization**

Based on a review of the police procedures and police activity reports provided to the Evaluation Team and interviews with various employees, we determined that the CCCD police officers perform many duties which are not traditionally considered to be police related. The duties identified are:

- Removing stalled cars from the bridge by pushing them with patrol cars
- Escorting and carrying cash deposits to the bank
- Opening and closing the HOV lanes daily
- Riding on the Canal Street ferry from 9:30 pm until midnight
- Standing guard at toll tag violation hearings to maintain order
- Delivering deck hands/toll collectors to each of the three ferries twice daily
- Responding to panic and controlled access alarms

It is apparent to the Evaluation Team that the CCCD Police officers recognize and are committed to their security mission and that their job is not just law

enforcement or crime fighting in general, but primarily it is the security, safety, and well being of the traveling public that utilizes the bridge and ferry operations.

Moreover, because of their primary focus on the bridge traffic operation, the CCCD Police are best positioned to respond quickly to incidents and accidents which occur on the bridge.

**E. Entry Standards and Training of the CCCD Police**

The Evaluation Team's finding is that the CCCD Police meet the State requirements for hiring. The Team still recommends additional screening of applicants as outlined in the Final Recommendations section of this report.

The CCCD currently sends all new hires not currently certified as peace officers to the Jefferson Parish Sheriffs Academy for basic police training. This training consists of fourteen weeks of basic peace officer training, which meets or exceeds the State Peace Officer Standards and Training requirements. This training is then followed by sixteen weeks of Field Officer Training at the CCCD. This training is conducted on the job under the monitoring and supervision of a certified Field Training Officer within the CCCD Police ranks. All CCCD officers meet the State required annual firearms qualification and training requirements.

Additional training is based on a needs requirement where officers of various ranks are offered specialized training in various aspects of law enforcement that would normally be practiced within the CCCD Police area of responsibility. An example of this is Breathalyzer Training for the testing of suspected intoxicated individuals. While they have a number of officers who hold certifications in various specialties, records indicate that non mandatory training has been extremely limited since Hurricane Katrina. This can be attributed to their personnel shortages.

Current staffing shortages are making it difficult to arrange training for all personnel. If their manning continues at the current reduced level this issue will manifest itself in many ways, not the least of which could be a decline in professionalism and service. Our experience is that if you can hire quality people, give them quality training, equipment and facilities, and reward them adequately, they will in turn provide a quality service.

**F. Cost Effectiveness and Benefits**

One of the key questions regarding the issue of not having a dedicated police department for the CCCD is that of potential cost benefits. If the duties performed by the CCCD Police can be absorbed by the New Orleans Police Department or the Louisiana State Police, the CCCD could potentially benefit by the elimination of the police budget. In our discussions with the Assistant Superintendent of the New Orleans Police Department and the Captain of the State Police, each stated that the only way they could assume the police responsibilities would be to create a specialized division with approximately the

same number of personnel. Simply based on the fact that these agencies compensate their officers considerably more than those employed by the CCCD, the Evaluation Team concluded that in terms of personnel, equipment, training, and other factors, the cost would be greater to the CCCD. In addition to the foregoing, the Evaluation Team believes that even if a special detail is assigned to the CCCD, if a significant emergency occurs in the City, the officers assigned to the CCCD might be diverted to the incident. Moreover, in the event of a large scale emergency such as a Gulf Coast storm, many, if not all officers, may be reassigned elsewhere on an ad hoc basis. In consideration of the above and due to the added benefit of having CCCD police officers perform the traditional and non traditional duties, there appears to be a greater benefit in maintaining the CCCD Police organization as is.

#### **G. Staffing Issues**

The CCCD Police currently has an authorized strength of thirty eight full time commissioned officers with seven vacancies. This number includes management and line supervision. Over the years, the number of authorized positions has changed. As an example, in 1980 the CCCD Police had a complement of eighty full time positions with responsibility for one bridge and three ferries compared to their current responsibility for two bridges and fourteen miles of roadway, three ferries and one urban park.

The CCCD Police have been fulfilling their duties through more productive measures and practices such as utilizing twelve hour shifts. However, this should be considered a short term measure to minimize the effects of fatigue on effectiveness and safety. The Evaluation Team knows of no current plans to adjust staffing to a level more commensurate with the demands of their duties and responsibilities.

#### **H. Supervision and Management**

The Evaluation Team believes the management and supervisory staff of the CCCD Police to be very competent in their administrative and managerial responsibilities. As examples, they thoroughly investigate the background of all applicants who apply for police positions and send cadets to approved police academy training programs. The CCCD Police management is pursuing police department Accreditation through the Commission on Accreditation for Law Enforcement Agencies Inc., (CALEA). This process involves an exhaustive review of all policies and procedures to ensure the department is conforming to industry best practices. CCCD Police management has installed video cameras with audio recording in each of the patrol cars used by officers. Each traffic stop and all violator contact is recorded and archived for future use if necessary.

The ability of the CCCD Police management to implement best practices in the management and operation of the police department coupled with the relationships they have developed with area law enforcement is also significant.

**I. Relationship of the CCCD Police with Area Police Agencies**

It is very clear from the interviews with senior management at the New Orleans Police Department, State Police, Gretna Police Department, and the Westwego Police Department, that these agencies and the CCCD Police have a close and cooperative relationship. Contributing to this positive relationship is the fact that the CCCD is cooperative when called upon by these departments to assist in capturing fleeing suspects who may use the bridge. While no formal Memorandum of Understanding exists between the CCCD and these agencies, senior staff within these agencies has expressed strong confidence in the ability of the CCCD Police to perform their police mission effectively and professionally.

**J. Quality of Service**

One of the issues considered in this study is the quality of service rendered by the CCCD Police. As noted earlier, none of the persons interviewed in this project felt that the quality of service was sub-standard, inadequate, or cause for concern. The interviewees included CCCD management, the New Orleans Police Department, the State Police and others as detailed earlier in this report.

CTI's experience in conducting studies in other venues bears out the fact that rotation of municipal, or in some cases, county or state police officers assigned to a special environment (airports, for example) must be handled very carefully. Current rules and practices of some municipal and police departments may require that assignments be made on the basis of seniority and not the qualifications of the officer. In some cases, the police department may transfer officers for certain reasons such as disciplinary problems or medical considerations. As such, the CCCD may end up with police officers who are not qualified or who may not wish to work in the specialized environment of the CCCD.

**IV. SUMMARY OF FINDINGS AND CONCLUSIONS**

The following summarizes the findings of the study that forms the basis for the final recommendations:

While the CCCD Police do not have an officially stated Charge or Mission statement, it is understood via policy, procedure and practice that their primary responsibility is the safe and efficient movement of traffic across the Crescent City Connection Bridge and ferry system.

The CCCD Police are in full compliance with all of the requirements of Louisiana state law and the Louisiana Police Officer Standards and Training (POST) and have full legal authority to enforce the laws of the State of Louisiana as well as the jurisdictional authority to enforce municipal ordinance of the Cities of New Orleans, Gretna and Westwego in fulfilling their law enforcement missions.

The CCCD has no formal agreements or Memorandums of Understanding with any of the jurisdictions within which they operate. However, the CCCD Police has



managed considerable outreach and has garnered support in the form of mutual aid from each of the local jurisdictions as well as the State Police and as evidenced by the Evaluation Team's interviews with senior management, each is willing to assist when called upon in lieu of a formal document existing.

Much of this report has identified the specialized functions and unusually responsive nature of the CCCD Police to incidents and accidents. The CCCD handles large sums of cash and has concluded that the primary reason no robberies have occurred in their fifty year history is due to the presence of the CCCD Police. Given the specialized nature of their duties and responsibilities it is unlikely that any other traditional law enforcement agency could perform their duties. The Evaluation Team has concluded that there is sufficient justification for the CCCD to have its own police force. Additionally, interviews indicate a high regard for level of police services rendered and the need to keep the current program under the CCCD Police.

During the course of conducting this study, a number of efficiencies were noted in the CCCD Police operation.

- The highly efficient manner in which the CCCD Police respond to and clear pedestrians, accidents and stalled vehicles from the bridge and roadways.
- Utilizing the police to transport deck hand/toll collector personnel to and from the three ferry operations is efficient and secure inasmuch as the daily toll collections are securely returned to the CCCD offices for the next days' deposit.
- Having police officers bumper push stalled cars from the bridge is both effective and efficient. It saves valuable time and contributes to accident prevention.
- Having officers escort the daily deposits to the bank is dependable, secure and saves the CCCD the cost of an armored car service, which in the past has been plagued with schedule problems and alleged theft.
- Using CCCD police officers to open and close HOV lanes on the Crescent City Connection Bridge is an effective and efficient way to manage the traffic and enforce occupancy requirements.
- Monitoring and responding to panic and controlled access alarms contributes to the safety and well being of the employees of the CCCD.
- Standing guard at toll violation hearings to maintain order provides security to both the employees as well as other citizens attending the hearings.
- Assisting the maintenance personnel by providing patrol car protection at lane closures for maintenance and repair activities insures the safety of CCCD employees.
- Provide escort assistance for Mardi Gras festival activities as well as float escorts, thus preventing traffic problems.
- The Police demonstrate due diligence in running Criminal History Background Checks for all those applying for employment with the CCCD, including toll collectors, maintenance workers and others to ensure those personnel with a responsibility for hiring have accurate information to work with.

The few deficiencies noted during the course of this study centered on the staffing component of the police and their inability to keep regular shift hours for officers. This leads to officer fatigue and other related issues and, combined with the inability to take accrued leave, ultimately will have a detrimental effect on performance. As noted earlier in this report, the CCCD Police officers are working twelve hour shifts and the shortage of personnel also prevents officers from attending regular training classes to maintain proficiency.

The Team found indications that the high attrition rate in the ranks of the police (29 have resigned since Katrina) may primarily be due to compensation. The CCCD is among the lowest compensated police departments in the area. CCCD officers are not allowed to receive the monthly state supplemental pay all other officers generally receive. They do not have "take home" car privileges as do most of the area police officers. And they are not allowed to work police related, outside employment. These factors will ultimately lead to a lower quality of applicant and higher turnover. It will also result in higher administrative costs in the replacement and training of new recruits.

## **V. FINAL RECOMMENDATIONS**

The following are the recommendations of the Evaluation Team regarding the CCCD Police.

### **A. Maintain the CCCD Police Department as a Part of the CCCD**

Based on the findings, the Evaluation Team recommends that the Louisiana Department of Transportation and Development keep the CCCD Police as an integral part of the CCCD. The CCCD perform essential duties in support of safe and efficient operations. As a component of good customer service, the police provide both tangible and intangible results which promote efficient travel on the bridge and associated roadways as well as the ferry operation.

### **B. Do not use other Police Agencies to Perform CCCD Police Duties**

As referenced in the body of this report, the assimilation of CCCD Police duties into the duties and responsibilities of area law enforcement is not recommended. Response times will suffer and likely result in extensive delays to traffic on the Crescent City Connection Bridge. Our interviews revealed that neither the New Orleans Police Department nor the Louisiana State Police have the staffing to field a special unit or division to assume these responsibilities and neither agency indicated that they would perform any of the non police duties currently assigned to the CCCD Police.

### **C. The Development of Memorandums of Understanding**

Even though the Police agencies interviewed expressed a voluntary desire to assist the CCCD Police in times of need, it is recommended that the CCCD pursue formal MOU's with the surrounding agencies to ensure assistance is available in the future. While the cooperative spirit of the current senior

management is commendable, it is critical to memorialize these practices into tangible documents for future administrations of all the participating agencies.

**D. Homeland Security Training for the CCCD Police**

As the fourth busiest toll bridge in America, the Crescent City Connection Bridge could be a major terrorist target. Additionally, the ferry operation is subject to maritime security requirements associated with Homeland Security issues and US Coast Guard compliance to security regulations. As the maritime security component matures in the near future, additional duties will become apparent. Contingency planning and coordination with federal authorities will increase. While the senior management of the CCCD recognizes this responsibility as is evidenced by their involvement in the US Attorney's Joint Terrorism Task Force (JTTF), Homeland Security training should be given to all officers and supervisors to ensure all personnel are knowledgeable of their responsibilities and for a general awareness of the requirements.

**E. Compensation Study**

The Team recommends that a compensation study be undertaken to determine what fair market compensation should be allocated for the CCCD Police. This should include consideration of granting this Police Department the State Supplemental pay for Peace Officers that most, if not all, other Police Departments receive. Currently, the CCCD is paying a high cost for turnover and training.

**F. Entry Level Standards**

Recruiting standards for applicants should be reviewed by appropriate personnel and attention given to the age and education level of police applicants. The current standard is eighteen years old and no education level is stated, required or recommended. Additionally, a requirement for a medical physical and a psychological examination should be considered along with a requirement for basic physical agility and literacy.

**G. Police Accreditation Program**

The CCCD should continue its efforts for the Accreditation of the CCCD Police. The benefits of the accreditation program include:

- The inherent confidence of CCCD management that the Police program is sound,
- The structure and baseline of operations that the program provides the Police to build upon,
- The adoption of best practices and police standards,
- The impetus on the Police to upgrade their program and operation in its effort to meet and maintain accreditation standards and
- The confidence of other area police agencies in the CCCD police program.

DOTD RESPONSE TO IMG PERFORMANCE AUDIT  
November 25, 2008

In September, 2008, Infrastructure Management Group, Inc. completed a performance audit of the Crescent City Connection Division at the request of the Secretary of the Louisiana Department of Transportation and Development. The key recommendations and the response from DOTD are shown below.

**Key Recommendations** The findings and other detailed in the remainder of this report reveal numerous potential opportunities to enhance the management and operations of CCCD through a variety of functional and organizational improvements. The following are among the most significant recommendations born of this performance audit:

*I. Commission benefit-cost analyses to assess value of converting bridge to all electronic tolling and changes to ferry routes to determine the most efficient and cost-effective service.*

*To further explore the value of potential opportunities to reduce operating cost and improve service, CCCD and DOTD should commission benefit-cost analyses and feasibility study both to implement full electronic tolling for the bridge and to evaluate options for optimizing ferry service and routes. These studies would provide CCCD management and DOTD leadership essential information on whether such measures would be beneficial for CCCD's operations and the public.*

**DOTD Response:** DOTD concurs. DOTD concurs with this recommendation. Open Road Tolling would save approximately \$3 million/year; however, the cost/benefit is only realized over a 10 year period of time. In addition, a study of ferry services was conducted and the following options are recommended and under study:

- Canal St./Algiers Point Ferry - Reduce 9pm to midnight services to just weekends (Friday and Saturday)
- Gretna/Jackson St. Ferry – Reduce services during low peak hours
- Chalmette/Algiers Ferry – Increase ferry service during peak hours

*II. Formally assign authority, responsibility, and accountability for customer service and community relations to one senior position within CCCD. With this charge, the position will oversee all aspects of CCCD's service in relation to the public, and DOTD will ensure those responsibilities are fulfilled timely and effectively.*

*The formalization of authority and accountability for customer service and community relations is essential to ensuring associated goals and objectives are met. Otherwise, CCCD and DOTD risk a diffusion of responsibility, with these vital obligations going overlooked and unattended. By vesting one or even multiple positions with discrete, clear customer service and community outreach duties, CCCD and DOTD can readily task individuals with specific initiatives and follow up to ensure they were successful.*

**DOTD Response: DOTD agrees with this response. The responsibility for customer service and community relations ultimately lies with the Executive Director; however, DOTD is in the process of restructuring the CCCD organization and will incorporate these duties into one of the management positions. Current management will also work closely with DOTD HQ public relations section to enhance the current customer service.**

**DOTD will also create a stakeholder panel for the CCCD. This advisory group will be able to work closely with CCCD, provide real customer engagement, demonstrate the reality of what we face, and may offer solutions not yet considered. A basic principal will be that they make recommendations, not direction. We are considering have one dealing with finances and one dealing with customer service. The composition will consist of no more than 7 CCCD customers, and be representative.**

*III. Pursue greater cooperation, integration, and communication among the greater New Orleans area's transit organizations to develop and establish a regional transportation strategy.*

*Given the numerous transit authorities that operate in the greater New Orleans area, opportunities exist for enhanced coordination and cooperation to better serve the region's ever-evolving transportation needs. Were these organizations to plan and optimize their services as part of a larger system rather than as discrete, independent authorities, the entire transportation network of New Orleans would be greatly improved, better serving the public.*

**DOTD Response: DOTD and the CCCD communicate regularly with the New Orleans Regional Planning Commission who has the responsibility to ensure that the services of all entities are optimized. CCCD will work with the New Orleans RTA to integrate the RTA schedules with the ferry schedules. We will also investigate the possibility of integrating payment of ferry rides with RTA passes. In the event that our ferries will be unavailable, CCCD will contact RTA by phone to arrange alternate transportation for its ridership.**

*IV. Enhance information accessibility and transparency through improved community relations, allowing the public to easily access and find general information on the bridge and ferries as well as details on CCCD's operations and financials. In addition, formalize surveying of users to gauge overall satisfaction of both the ferries and the bridge.*

*CCCD should proactively address customer service and community relations by communicating directly with the public through better use of information dissemination vehicles such as a robust web portal. These can serve as a mechanism to update citizens concerning traffic and closure information, upcoming construction/maintenance, address changes, give responses to complaints, and support a feedback mechanism. In addition, CCCD should implement a more formal customer-surveying regime that aims to measure overall user satisfaction for both the bridge and ferry service.*

**DOTD Response: DOTD agrees with this recommendation and will be transparent. The new CCCD website will be in place by December, 2008 and will allow customers to access information about CCCD as well as conduct business, including purchasing of toll tags, adding funds to toll accounts, paying for violations. Information on capital project payments, expenditures, and**

revenues will also be included on the website. The website will be a basic website as it rolls out in December and will eventually evolve to contain additional information. The website is intended to make the interface with the public and CCCD easier. In the near future, the website will also contain a customer feedback section.

CCCD currently submits road/lane/ferry closure information to area legislators, media, DOTD public relations office, local law enforcement agencies, 511, 911, local fire departments, etc. in accordance with DOTD standard practice. Current management will develop a plan to work closely with DOTD HQ public relations section to enhance the current customer service.

*V. Reorganize, in the immediate-to-near term, the executive management structure of CCCD to consolidate and streamline job responsibilities, reduce duplication of effort, and empower positions to better execute their duties.*

*The current executive structure of CCCD, with an administrator and assistant administrator who oversee both the bridge and ferry operations as well as administration, has created inefficiencies that could be remedied through a reorganized management team.*

**DOTD Response:** DOTD is in the process of restructuring the CCCD organization into a flatter organization. Reorganization recommendations are expected to be complete by March, 2009. The first step of the restructuring has taken place with the retirement of the assistant administrator. This position is now vacant and will be eliminated. DOTD will also pursue the financial benefits of Open Road Tolling (ORT). It is anticipated that ORT would eliminate toll collector positions and several business office positions realizing an approximate savings of \$3 million/year. The cost/benefit of ORT however, is only realized over a 10 year period.

*VI. DOTD, in cooperation with CCCD management, should establish more formal communications between the two organizations and better-delineated roles and responsibilities to improve mutual accountability.*

*A clear need for improved communications between DOTD principals and CCCD management exists to ensure responsibilities are fulfilled and expectations met. Accordingly, DOTD should coordinate with CCCD's management to formally establish protocols for communication between the two organizations to ensure oversight is complete, consistent, and responsive. Such arrangements should include, among other, reaffirming reporting responsibilities and accountability, and establishing formal, periodic bi-directional status updates, and scheduling routine site visits. Through this effort, CCCD and DOTD can better ensure lapses in communications, and the management issues they present, do not occur in the future.*

**DOTD Response:** DOTD agrees with this recommendation and, with new management at CCCD, communications between DOTD HQ and CCCD have greatly improved. CCCD does view itself as part of DOTD. Goals and objectives of CCCD will be reviewed and revised in December, 2008 with DOTD executive staff. Routine meetings between the CCCD staff and DOTD HQ executive staff have begun and will continue. Progress reports and reports on contracts will be required to be submitted to DOTD HQ for review.

VII. *DOTD and CCCD should reevaluate CCCD's current mission and its alignment with that of DOTD to refocus on service. In addition, both should reestablish CCCD's performance metrics to ensure they are relevant, actionable, and aligned with the missions of both organizations. Currently, CCCD's mission is devoid of a service focus or even component, and its performance measures are not wholly consistent or complementary, hindering the pursuit of common operational goals and diminishing their ultimate utility.*

*CCCD's current mission statement is vague, lacks acknowledgement of the public that it is serving, and is inconsistent, but not contradictory, with DOTD's mission and objectives. Furthermore, CCCD's performance measures, while providing some insight into its overall operations, are narrow in focus, difficult to manage against, and do not include important considerations such as customer satisfaction. As such, opportunities exist for a reevaluation of the mission and the performance measures that, ideally and most effectively, proceed from it. CCCD and DOTD should collaborate on establishing a stronger mission statement that focuses on serving the public, not merely providing infrastructure assets, and is consistent with and complementary of DOTD's, facilitating an alignment of operational strategies and goals. With a more rounded, compelling, and better-aligned mission statement, CCCD and DOTD can establish a more relevant and effective slate of performance measures than that what exists currently. By employing a —balanced scorecard approach, CCCD and DOTD could develop and implement metrics that conform to proven performance measurement principles and are of greater insight into the state of CCCD's operations, supplying management with data to enhance efficiency and service.*

**DOTD Response:** DOTD concurs with this recommendation. CCCD currently has in place operational and functional performance measures. Together, CCCD and DOTD will work to improve current CCCD missions, policies, operational strategies and goals, and will align them with DOTD's strategies and goals. DOTD's Quality Continuous Improvement Program (QCIP) will assist in formulating new performance measures in the area of customer service. These measures will be implemented in FY 09-10. CCCD will also have the HQ public relations section look at ways to improve communications with the public.

VIII. *Develop a comprehensive strategic plan for the CCCD that will govern and guide its future operations, organization, and management, and will instill a "service" philosophy at the CCCD, transforming it from a mere "infrastructure" provider to an integrated component of a public-focused transportation system for the Greater New Orleans area and the State of Louisiana.*

*Given the forthcoming expiry of the CCCD toll collections statute, the recent scrutiny from external stakeholders, and the findings of this performance audit and the police audit, we believe that now is the opportune time to step back and revisit the mission and vision for CCCD and how it fits into the DOTD and develop a thorough strategy and plan for its future. This effort should include:*

- An evaluation of CCCD's purpose and focus and the potential options moving forward;*
- A new vision and mission for CCCD's bridge and ferries that focuses on service as a part of the Greater New Orleans area's and the DOTD's vital transportation system;*
- A specific plan for reorganization based on the agreed mission and vision;*
- A reengineering of core processes, creation of a structure and roles, definition of a new governance structure;*

- *An implementation strategy for technologies to support the processes and structure; and, finally,*
- *A development of specific measurable goals for the CCCD that reflects the strategic direction and provides management key performance indices against which it can better management operations.*

**DOTD Response:** CCCD, with DOTD, is currently evaluating CCCD's purpose and focus and the organization is undergoing restructuring. CCCD will utilize technology for better managing CCCD operations. The new CCCD website that is scheduled to be available in December, 2008 will provide a greater realm of customer service. DOTD will also work with its Intelligent Traffic Systems (ITS) section to determine the need of traffic cameras. These cameras will be able to provide real time traffic situations to advise CCCD customers of traffic conditions.

*IX. Evaluate alternatives for a reinvented role for CCCD as part of an organization with a broader mandate over all Louisiana's toll facilities.*

*Given the evolving role of toll facilities in the State, the DOTD should consider the future organization and management of tolling operations from a long-term strategic perspective and it should look to CCCD, with its legacy and leadership in this area, for opportunities to leverage existing experience and expertise. Among the alternatives for a reinvented role for CCCD as part of a broader strategy and mandate for the State's toll facilities, DOTD should consider:*

*a. Developing CCCD into a "Center for Excellence" for tolling in Louisiana under the DOTD.*

*b. Establishing a new Toll Road/Bridge Authority under the DOTD.*

*c. Reorganizing CCCD into an independent authority.*

**DOTD Response:** DOTD and other governing bodies need to make a decision with respect to the role of CCCD and any future revenue activities. If the tolls are renewed, then CCCD will develop into a "Center of Excellence" for tolling in Louisiana under the DOTD.





# Crescent City Connection Division Performance Audit

*prepared by*  
Infrastructure  
Management Group, Inc.

*prepared for*  
Office of the Secretary  
Louisiana Department of  
Transportation & Development

*issued*  
September 2008

 Infrastructure  
Management  
Group, Inc.

**PERFORMANCE AUDIT**

*of*

**CRESCENT CITY  
CONNECTION DIVISION**



September 2008

*prepared for*

Office of the Secretary  
Louisiana Department of  
Transportation & Development



*prepared by*

Infrastructure  
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Bethesda, Maryland

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## EXECUTIVE SUMMARY

This Performance Audit of the Crescent City Connection Division (CCCD) was commissioned at the direction of the Office of the Secretary for the Louisiana Department of Transportation and Development (DOTD). The audit comprises operational, organizational, and governance assessments of CCCD to evaluate its effectiveness and efficiency in the delivery of services to the greater New Orleans area with the ultimate objective of identifying and developing recommendations for the consideration of CCCD and DOTD principals to strengthen and enhance the organization in the near term and the future.

More specifically, the scope of this audit comprised three broad mandates:

- I. *Assess the CCCD organization's effectiveness in delivering road and bridge development and maintenance and in efficiently operating its ferries;*
- II. *Evaluate the governance structure of the CCCD in carrying out its mission; and*
- III. *Develop recommendations and plans to implement improvements to organization and staffing, capital planning procedures, business processes, management, and technology.*

These objectives were executed through interviews with CCCD officials and stakeholders, reviews and analyses of key documents and financials, site tours and inspections, and research of industry trends and best practices. The results of these efforts are detailed in this report, prepared for and presented to the Office of the Secretary.

### Key Findings

This performance audit evaluated CCCD across three fundamental dimensions—operations, organization, and governance—essential to the execution of its mission and the ultimate drivers of its efficiency and effectiveness. In particular, areas that influence the performance of CCCD, the economy of its operations, and the quality of its service to the public were lent keen scrutiny. Through these efforts, a large inventory of findings was assembled to supply CCCD's stakeholders with a rounded overview and analysis of the operations of CCCD and the issues its management and staff face. The following are among the more salient and exigent findings tendered for the Secretary's consideration:

- I. *Overall, CCCD is and will continue to be increasingly challenged to maintain its operations as it is faced with flat toll revenues, escalating costs, substantial subsidization requirements for ferry service, and underfunded yet statutorily prescribed capital project plans.*

CCCD relies almost exclusively on bridge toll revenues to fund the operations and maintenance of the bridge and ferries as well as the statutorily mandated capital projects. While it receives limited federal grants of less than \$1 million for ferry maintenance and its annual debt service obligations are covered with monies from Louisiana Highway Fund #2, CCCD receives no other annual contributions, save special legislative earmarks, such as approximately \$500,000 last year for ferry service, and other one-time grants. As such, CCCD's annual

bridge toll revenue of approximately \$22 million, supplemented by a scant \$250,000 in ferry tolls, must cover all expenditures. Thus, CCCD faces several operational hurdles that include flat toll revenues, escalating operating costs, and an underfunded capital improvement plan. As a result, CCCD managements and DOTD principals will be increasingly challenged to maintain services and fulfill CCCD's mandates.

- II. *CCCD has maintained an operationally progressive toll collection regime, effectively employing efficient and deliberate protocols, technologies, and back office functions to manage cash and toll tag receipts.*

CCCD has long maintained an efficient and effective toll collection operation on its bridge and was the first operator in the country to implement electronic tolling. As a result, CCCD has several notable features, including development and deployment of leading-edge technologies, rigorous and secure cash collections, and consistent transaction costs. Moreover, CCCD has been proactive in cultivating partnerships with toll authorities throughout the South, becoming a charter member of the *Alliance for Toll Interoperability*, a consortium of toll operators dedicated to promoting better customer service and lower operating costs through the implementation of standard tolling technologies.

- III. *Given its substantial ongoing capital requirements, CCCD's ferry service poses a pressing operational challenge that will become increasingly difficult to manage without changes to the routes or service cuts.*

CCCD's three ferry routes are highly costly to operate and maintain and require an annual subsidization from toll bridge revenues in excess of \$8 million per year. As these costs continue to rise, this subsidy will necessarily grow, which will further depress CCCD's operating income.

- IV. *CCCD and DOTD have undertaken measures to strengthen CCCD's processes and internal controls that govern its financial reporting, areas of deficiency noted in last year's financial statement audit conducted by the Legislative Auditor's Office. Currently, however, CCCD's back office accounting systems are aged, poorly integrated, and not conducive to ready, real-time analysis.*

The issues that existed in CCCD's financial reporting identified in FYE2007's Legislative Auditor's financial statement audit have largely been addressed, with the most appropriate and expeditious remedies implemented by CCCD and DOTD. However, CCCD's accounting system remains aged, rendering it difficult to procure a granularity of financial detail essential for CCCD's principals to effectively manage an organization with an ever-tighter budget.

- V. *Strong customer service policies and initiatives are found throughout CCCD's operations and user surveys have shown overall satisfaction. Given the service-oriented nature of CCCD, however, a stronger focus on customer service and satisfaction would be beneficial and in direct support of DOTD's mission.*

CCCD has in place several strong customer service policies and initiatives, including leading-edge tolling, ferry user surveying, customer service training, a thorough complaint handling process, and a highly accommodating violation

appeal process. Beyond these effective and commendable customer service areas, however, CCCD's operations could be enhanced with a strong, better-defined strategic focus on user satisfaction to ensure that it remains focused on delivering the utmost satisfaction to its users as efficiently as possible.

- VI. *Similar to most public agencies, CCCD's organizational structure is very hierarchical, with lower-level staff overseen by mid-managers who, in turn, report to executive management. While such a structure lends certain advantages, an existing lack of clearly defined roles and responsibilities across the organization has, in many ways, created inefficiencies, ill-defined accountability, and duplication of effort.*

The efficacy of the current organizational structure of CCCD relies on clearly defined roles and responsibilities to ensure existing positions are best leveraged. However, limited distinction among management roles has contributed to a duplication of efforts and ill-defined accountability. In addition, CCCD's engineer lacks direct authority over operations and gangs, which can impose unnecessary challenges in overseeing capital and maintenance projects. These and other areas pose some inefficiencies and potential issues from both an organizational and an operational perspective

- VII. *Although governed as DOTD's tenth district, CCCD operates largely autonomously, functioning with limited oversight from DOTD. As such, the roles and responsibilities must be clearly delineated and adhered to, with open, consistent communications between CCCD management and DOTD's principals. Historically, such a relationship has not been adequately maintained, contributing to the need for rather reactive oversight and intervention by the LADODT when issues occur.*

As a multi-jurisdiction, self-sufficient entity with a narrow realm of responsibility, CCCD is unique among the DOTD's ten districts. This presents distinct challenges for both CCCD management and DOTD, necessitating a well-established, mutual understanding of the responsibilities and obligations required of each to ensure jointly effectual and satisfactory governance and oversight. Through interviews with CCCD management and DOTD principals, a lack of consistent communication as well as incongruous expectations was evident, indicative of potential governance issues.

### **Key Recommendations**

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The above findings and other detailed in the remainder of this report reveal numerous potential opportunities to enhance the management and operations of CCCD through a variety of functional and organizational improvements. The following are among the most significant recommendations born of this performance audit:

- I. *Commission benefit-cost analyses to assess value of converting bridge to all electronic tolling and changes to ferry routes to determine the most efficient and cost-effective service.*

To further explore the value of potential opportunities to reduce operating cost and improve service, CCCD and DOTD should commission benefit-cost analyses and feasibility study both to implement full electronic tolling for the bridge and to evaluate options for optimizing ferry service and routes. These studies would provide CCCD management and DOTD leadership essential information on whether such measures would be beneficial for CCCD's operations and the public.

- II. *Formally assign authority, responsibility, and accountability for customer service and community relations to one senior position within CCCD. With this charge, the position will oversee all aspects of CCCD's service in relation to the public, and DOTD will ensure those responsibilities are fulfilled timely and effectively.*

The formalization of authority and accountability for customer service and community relations is essential to ensuring associated goals and objectives are met. Otherwise, CCCD and DOTD risk a diffusion of responsibility, with these vital obligations going overlooked and unattended. By vesting one or even multiple positions with discrete, clear customer service and community outreach duties, CCCD and DOTD can readily task individuals with specific initiatives and follow up to ensure they were successful.

- III. *Pursue greater cooperation, integration, and communication among the greater New Orleans area's transit organizations to develop and establish a regional transportation strategy.*

Given the numerous transit authorities that operate in the greater New Orleans area, opportunities exist for enhanced coordination and cooperation to better serve the region's ever-evolving transportation needs. Were these organizations to plan and optimize their services as part of a larger system rather than as discrete, independent authorities, the entire transportation network of New Orleans would be greatly improved, better serving the public.

- IV. *Enhance information accessibility and transparency through improved community relations, allowing the public to easily access and find general information on the bridge and ferries as well as details on CCCD's operations and financials. In addition, formalize surveying of users to gauge overall satisfaction of both the ferries and the bridge.*

CCCD should proactively address customer service and community relations by communicating directly with the public through better use of information dissemination vehicles such as a robust web portal. These can serve as a mechanism to update citizens concerning traffic and closure information, upcoming construction/maintenance, address changes, give responses to complaints, and support a feedback mechanism. In addition, CCCD should implement a more formal customer-surveying regime that aims to measure overall user satisfaction for both the bridge and ferry service.

- V. *Reorganize, in the immediate-to-near term, the executive management structure of CCCD to consolidate and streamline job responsibilities, reduce duplication of effort, and empower positions to better execute their duties.*

The current executive structure of CCCD, with an administrator and assistant administrator who oversee both the bridge and ferry operations as well as administration, has created inefficiencies that could be remedied through a reorganized management team.

- VI. *DOTD, in cooperation with CCCD management, should establish more formal communications between the two organizations and better-delineated roles and responsibilities to improve mutual accountability.*

A clear need for improved communications between DOTD principals and CCCD management exists to ensure responsibilities are fulfilled and expectations met. Accordingly, DOTD should coordinate with CCCD's management to formally establish protocols for communication between the two organizations to ensure oversight is complete, consistent, and responsive. Such arrangements should include, among other, reaffirming reporting responsibilities and accountability, and establishing formal, periodic bi-directional status updates, and scheduling routine site visits. Through this effort, CCCD and DOTD can better ensure lapses in communications, and the management issues they present, do not occur in the future.

- VII. *DOTD and CCCD should reevaluate CCCD's current mission and its alignment with that of DOTD to refocus on service. In addition, both should reestablish CCCD's performance metrics to ensure they are relevant, actionable, and aligned with the missions of both organizations. Currently, CCCD's mission is devoid of a service focus or even component, and its performance measures are not wholly consistent or complementary, hindering the pursuit of common operational goals and diminishing their ultimate utility.*

CCCD's current mission statement is vague, lacks acknowledgement of the public that it is serving, and is inconsistent, but not contradictory, with DOTD's mission and objectives. Furthermore, CCCD's performance measures, while providing some insight into its overall operations, are narrow in focus, difficult to manage against, and do not include important considerations such as customer satisfaction. As such, opportunities exist for a reevaluation of the mission and the performance measures that, ideally and most effectively, proceed from it. CCCD and DOTD should collaborate on establishing a stronger mission statement that focuses on serving the public, not merely providing infrastructure assets, and is consistent with and complementary of DOTD's, facilitating an alignment of operational strategies and goals. With a more rounded, compelling, and better-aligned mission statement, CCCD and DOTD can establish a more relevant and effective slate of performance measures than that what exists currently. By employing a "balanced scorecard" approach, CCCD and DOTD could develop and implement metrics that conform to proven performance measurement principles and are of greater insight into the state of CCCD's operations, supplying management with data to enhance efficiency and service.

- VIII. *Develop a comprehensive strategic plan for the CCCD that will govern and guide its future operations, organization, and management, and will instill a "service" philosophy at the CCCD, transforming it from a mere "infrastructure" provider to an integrated component of a public-focused transportation system for the Greater New Orleans area and the State of Louisiana.*

Given the forthcoming expiry of the CCCD toll collections statute, the recent scrutiny from external stakeholders, and the findings of this performance audit and the police audit, we believe that now is the opportune time to step back and revisit the mission and vision for CCCD and how it fits into the DOTD and develop a thorough strategy and plan for its future. This effort should include:

- An evaluation of CCCD's purpose and focus and the potential options moving forward;
- A new vision and mission for CCCD's bridge and ferries that focuses on service as a part of the Greater New Orleans area's and the DOTD's vital transportation system;
- A specific plan for reorganization based on the agreed mission and vision;
- A reengineering of core processes, creation of a structure and roles, definition of a new governance structure;
- An implementation strategy for technologies to support the processes and structure; and, finally,
- A development of specific measurable goals for the CCCD that reflects the strategic direction and provides management key performance indices against which it can better management operations.

IX. *Evaluate alternatives for a reinvented role for CCCD as part of an organization with a broader mandate over all Louisiana's toll facilities.*

Given the evolving role of toll facilities in the State, the DOTD should consider the future organization and management of tolling operations from a long-term strategic perspective and it should look to CCCD, with its legacy and leadership in this area, for opportunities to leverage existing experience and expertise. Among the alternatives for a reinvented role for CCCD as part of a broader strategy and mandate for the State's toll facilities, DOTD should consider:

- a. *Developing CCCD into a "Center for Excellence" for tolling in Louisiana under the DOTD.*
- b. *Establishing a new Toll Road/Bridge Authority under the DOTD.*
- c. *Reorganizing CCCD into an independent authority.*



**AUDIT SCOPE AND METHODOLOGY**

As directed by the Office of the Secretary for the Louisiana Department of Transportation and Development (DOTD), the scope of this performance audit comprises a high-level organization effectiveness and governance evaluation of the Crescent City Connection Division (CCCD). The intention of the audit was to engage DOTD principals, CCCD management, their staff at multiple levels, and other stakeholders to develop an appreciation and understanding of the current operation of the CCCD to ultimately identify opportunities for improvement throughout and across the organization. To this end, the primary goals of the engagement were to:

- 1) **Assess the CCCD organization's effectiveness in delivering road and bridge development and maintenance and in efficiently operating its ferries;**
- 2) **Evaluate the governance structure of the CCCD in carrying out its mission; and**
- 3) **Develop recommendations and plans to implement improvements to organization and staffing, capital planning procedures, business processes, management, and technology.**

The methods employed in the course of this audit consisted of multiple in-depth interviews and extensive walkthroughs of the CCCD facilities. Interviews were held at several levels of CCCD management, DOTD officials and staff members, toll authorities under similar operational structures, Louisiana legislators and other State officials, and user groups. The interviews focused on relationships with the CCCD, their perception of the strengths and challenges of the CCCD, and potential opportunities for improvement at the CCCD. As was conveyed to those who participated in the interviews, the information shared and collected was not for attribution in order to preserve objectivity, candor, and anonymity.

Beyond interviews, extensive documentation was assembled, most often with the assistance of CCCD officials and staff, and reviewed to lend further insights into the organization, its operations, and performance. This information consisted primarily of organizational, financial, and management documents and reports, including:

- Organization charts;
- Strategic and business plans;
- Financial statements;
- Budgets;
- Position descriptions;
- Process details, including capital planning, maintenance, and service delivery;
- Performance metrics and reports;
- Service contracts;
- Capital improvement plans;
- Bond Official Statements; and
- Relevant legislation.

Secondary data and general information was also gathered from organizations that serve as comparators to the CCCD (e.g., the Greater New Orleans Causeway Commission).

After this data gathering "discovery" phase of the audit, focus shifted to an evaluation, analysis, and ultimate synthesis of the information assembled. The evaluation process comprised four areas of consideration and evaluation:

- 1) **Organizational Structure:** Ensuing that the CCCD's organizational structure reflects its mission and that all work carried out supports that mission. How these factors affect the organizational structure was examined in concert with the mission and strategy to determine: effectiveness of the existing overall structure, the role of "in house" versus contracted work activities, the physical location of managers and staff, human capital management practices, etc.
- 2) **Governance Roles:** Assessing the existing governance structure and its suitability and sufficiency for the political environment, the strategic direction of the organization, and the historical performance of the organization, among other considerations.
- 3) **Processes:** Examining the formal and underlying business processes and supporting systems used to complete daily activities. Using a "process view" of the various activities CCCD performs, to cover the core business processes that are performed (e.g., delivery of toll and ferry services, identify-select-approve-implement capital projects, perform maintenance, contract with vendors, among others.) and the systems that are used in their execution (e.g., billing systems, work management systems).
- 4) **Performance Metrics:** Analyze existing performance metrics that monitor performance based on the organization's mission. Evaluate the responsiveness of the organization to linking specific and comprehensive measures to overall performance.

This scope and methodology was employed to ultimately develop a complete, holistic assessment of CCCD's performance and organizational effectiveness in order to deliver recommendations to both DOTD principals and CCCD management that are salutary, yet practical, functional, and circumspect in their political and financial feasibility.

The remainder of this report details an organizational overview of CCCD, the findings of the efforts outlined above, and, finally, a slate of recommendations, wholly informed by a reasoned, deliberate analysis of the organization, its people, and processes are presented for DOTD's consideration.

## HISTORY AND OVERVIEW OF THE CCCD

One of ten divisions of the Louisiana Department of Transportation and Development (DOTD), the Crescent City Connection Division (CCCD) oversees both the Crescent City Connection toll bridge as well as the operation of three ferry routes across the Mississippi River. Serving as the primary connection for the New Orleans's parishes, CCCD was established with a mission to "plan, construct, operate, maintain, and police river crossings over the Mississippi River in the parishes of Jefferson, Orleans, and St. Bernard." CCCD's genesis stretches back to 1954 when construction of the original bridge was initiated under the Mississippi River Bridge Authority, which oversaw its operations for over three decades. In 1989, the Louisiana Legislature established the CCCD, transferring stewardship of the bridge, renamed the Crescent City Connection.

As it exists today, the CCCD is a body politic and corporate of the State of Louisiana, incorporated under the authority of Act No. 7 of 1952, with power to acquire by purchase, lease, or otherwise, and to construct, improve, maintain, repair, and operate bridges and ferries across the Mississippi River in the City of New Orleans. The division, domiciled in New Orleans, employed 200 people as of June 30, 2007. Pursuant to the terms of the Reorganization Act of 1976, as amended, the DOTD, on July 1, 1977, assumed control of the operations of the then Mississippi River Bridge Authority. All of the functions of the authority's General Fund, including maintaining accounting records, issuing all checks for payroll, operations, routine maintenance expenses and contractual obligations, were transferred to the DOTD on that date. In July 1988, the payment of the operating expenses of the then Mississippi River Bridge Authority again became the responsibility of the authority. However, except for collecting and depositing toll revenues, the accounting records are maintained by the DOTD. In April 1992, the division issued \$30,860,000 of bonds under a Second Supplemental Agreement to the 1954 Indenture and Deed of Trust to construct additional Mississippi River crossings and to make additions or improvements to the bridge and its approaches. In November 2002, the division issued \$19,900,000 of bonds under an Amended and Restated Indenture and Deed of Trust to provide funds to refund all of the 1992 Bonds and to pay the costs of issuance.

The Crescent City Connection is among the top five most traveled toll bridges in the US with traffic volume in excess of 63 million travelers.<sup>1</sup> As the first toll facility in the country to use electronic toll collection, CCCD's toll tag usage represents approximately 48% of the tolls collected across the bridge.<sup>2</sup> Louisiana legislators, who control the toll rates by legislation, have set the current bridge toll rate at 0.50 cents per axle if paying in cash and 0.20 cents per axle if using a toll tag. The current ferry toll rate is \$1 per vehicle and free for pedestrians. The legislation governing CCCD also directed the creation of the Crescent City Police Department and mandated several projects related to the bridge system be constructed with surplus toll revenues. It further empowers an Oversight Authority, composed of representatives from the parishes served by CCCD, with the responsibility and authority to prioritize these projects.

As an organization, the CCCD has been using performance measures for several years as well as setting goals within the overarching five-year strategic plan as a part of the DOTD. CCCD operates under the civil service system for the State of Louisiana. The toll authorization for the CCCD expires at the end of 2012. For FYE09, CCCD has a \$26.4 million operating budget and anticipated toll and ferry revenues of approximately \$22 million. This toll revenue, combined with some state and federal funding, funds the operating and maintenance of the bridge and ferries as well as active capital projects.

<sup>1</sup> LADOTD website: <http://www.dotd.louisiana.gov/operations/cccd/bridges.asp>

<sup>2</sup> CCCD Goals and Objectives

**FINDINGS OF PERFORMANCE AUDIT**

As detailed in the preceding methodology section, this performance audit evaluated CCCD across three fundamental dimensions—operations, organization, and governance—essential to the execution of its mission and the ultimate drivers of its efficiency and effectiveness. Within these areas, thorough consideration and examination were directed at areas that influence the performance of CCCD, the economy of its operations, and the quality of its service to the public. Through these efforts, a slate of findings, each dutifully deliberated and ultimately validated, was compiled that guided the audit's analysis and informed its recommendations. The proceeding sections outline and explicate these findings and their significance to the performance of CCCD.

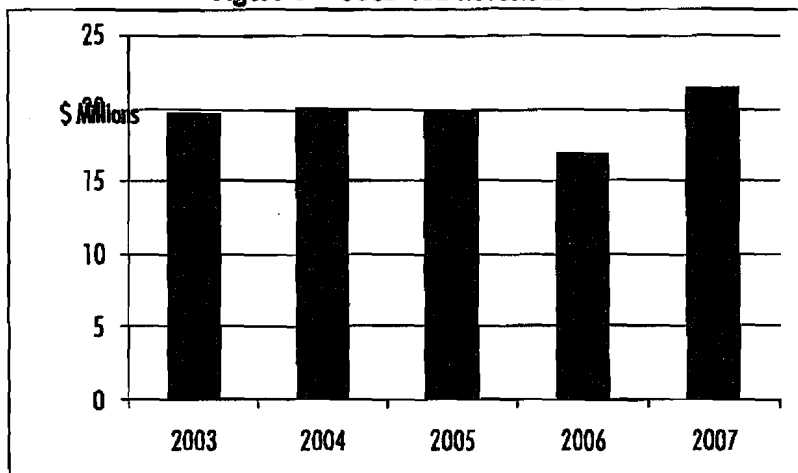
**Operations**

- 1) Overall, CCCD is and will continue to be increasingly challenged to maintain its operations as it is faced with flat toll revenues, escalating costs, substantial subsidization requirements for ferry service, and underfunded yet statutorily prescribed capital project plans.

CCCD relies almost exclusively on bridge toll revenues to fund the operations and maintenance of the bridge and ferries as well as the statutorily mandated capital projects. While it receives limited federal grants of less than \$1 million for ferry maintenance and its annual debt service obligations are covered with monies from Louisiana Highway Fund #2, CCCD receives no other annual contributions, save special legislative earmarks, such as approximately \$500,000 last year for ferry service, and other one-time grants. As such, CCCD's annual bridge toll revenue of approximately \$22 million (depicted in Figure 1), supplemented by a scant \$250,000 in ferry tolls, must cover all expenditures. Thus, CCCD faces several operational challenges, including:

- *Virtually assured flat toll revenues* – CCCD's toll rates are set by the Louisiana legislature and are, thus, exceedingly difficult to change. The bridge's current rates of \$0.50 and \$0.20 per axle for cash and toll tag, respectively, have not changed in nearly twenty years. In fact, the rates for toll tag transactions have been reduced through several legislative amendments from \$0.50 per axle in 1989 to the current \$0.20, a 60 percent discount over cash. Such a steep discount is, in itself, problematic in two key ways: first, anticipated toll revenues for capital projects mandated in the governing statute assumed this higher rate; and, second, CCCD is effectively unable to promote greater adoption of more efficient and less costly toll tags because of the significant revenue it would forfeit if fewer users paid the \$0.50 cash toll. Beyond the discount, however, CCCD's fixed toll rates have left no opportunity to increase revenues, even to adjust for nearly two decades of inflation, in spite of escalating costs and fairly constant traffic. Recent efforts in the Louisiana Legislature to adjust these toll rates have stalled.
- *Rising costs for both operations and maintenance and capital projects* – Despite flat revenues, CCCD's costs continue to rise as inflationary forces drive operating expenses higher. Over FYE07, CCCD's FYE08

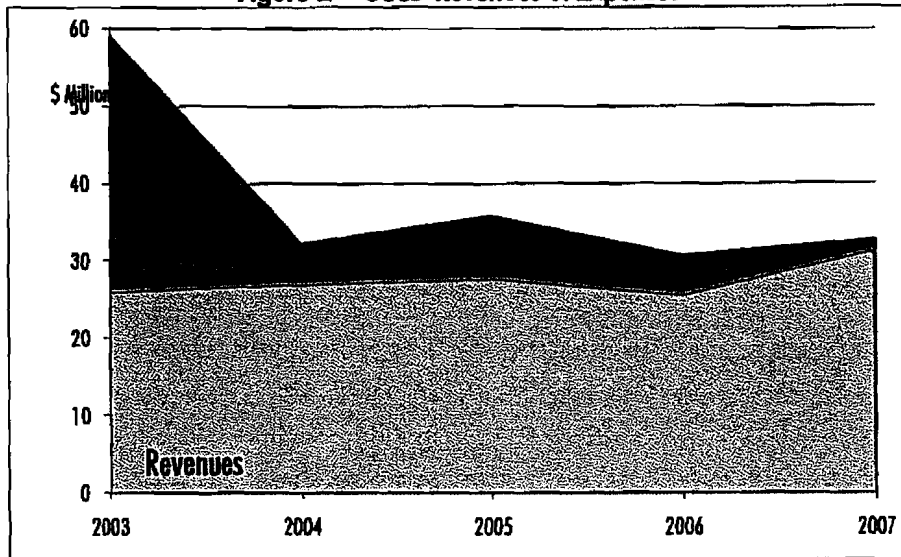
Figure 1 – CCD Toll Revenues



budget for bridge operations was up approximately 13 percent despite flat traffic growth. The three largest sources of cost increases were salaries and related benefits, professional services, and numbered and unnumbered equipment, with each contributing 22, 18, and 31 percent, respectively, of the total dollar increase. In examining each distinct cost component, overtime pay experienced the largest gain over last year, jumping over 50 percent, largely as a result of the mandated hiring freeze that required more overtime from existing staff and difficulties in filling entry-level positions, which will be detailed further in proceeding sections. Regular salaries and related benefits grew at five and four percent, respectively. Materials and supplies also jumped 18 percent over last year. For the marine operations, costs grew at an even higher rate, with total expenditures rising approximately 23 percent from FYE07 to FYE08. The biggest contributor to this increase was materials and supplies, constituting 25 percent of the total gain, which is perhaps unsurprising given the dramatic rise in the cost of essential materials; in particular, the price of diesel fuel, as reported by the Bureau of Labor and Statistics (BLS) in May 2008, rose 61 percent over last year. Consequently, materials and supplies for the marine operations were up nearly 40 percent. In addition, overtime expenses jumped 72 percent, while insurance costs rose nearly 30 percent.

Beyond these operating expenses, however, outstanding capital projects are growing costlier the longer they are deferred as construction costs, particularly in post-Katrina New Orleans, continue to escalate at a pace greater than inflation, CCD will remain hard pressed to fund the remaining \$100 million+ slate of projects still in Act 59 of 1998. According to the BLS, gains in materials costs were highest for street and highway construction, rising 12.8 percent over the past year. Consequently, the projects contemplated in 1998's Act 59 that remain uninitiated, which collectively were estimated in 2006 to cost over \$75 million, will only become more expensive and, thus, even less likely to ever be funded.

Figure 2 – CCCD Revenues &amp; Expenses



\* 2003 Included \$20 M Bond Redemption Expense

- *Flat revenues and rising operating costs have generated operating deficits in the most recent fiscal year and forecasts show the financial situation over the coming years will only worsen. As outlined above, the inability of toll revenues and anticipated grants to cover operating expenses in the near future will eventuate in sustained operating deficits that are almost assured to last the duration of bridge's toll authorization absent significant retrenchment measures. The lack of any operating surpluses will preclude the initiation of the yet unfunded capital projects without additional grants.*
- 2) ***CCCD has maintained an operationally progressive toll collection regime, effectively employing efficient and deliberate protocols, technologies, and back office functions to manage cash and toll tag receipts.***

CCCD's cash and electronic toll operations comprise several notable efficiencies and well-established procedures that have provided for effective management and oversight of collections. As the first toll facility in the country to use electronic toll collection ("ETC"), CCCD's bridge toll collections have a long history of progressive operations. However, with approximately 52 percent of its toll operations electronic, CCCD also relies on well-managed cash collections that ensure tight, secure handling and oversight of substantial daily cash receipts. Among the notable features of CCCD's toll operations identified in this audit are:

- *Effective current and historical use of ETC – CCCD has a well-established legacy of progressive implementation of innovative electronic tolling systems, the first of which was deployed in 1989. Since then, the technology has been refined and refreshed and a new system, the third since 1989, is in the early stages of deployment and is expected to be fully implemented by 2010. This new system, under development by the Electronic Transaction Consultants Corporation, is expected to significantly improve back office functions, enhance accuracy, and reduce leakage as well as facilitate and enable a more*

comprehensive customer service-focused approach. In addition, CCCD and the new ETC system will manage the toll collections for Louisiana Highway 1 ("LA 1"), the focus of a \$300 million reconstruction effort led by the DOTD. Slated to be open for traffic in late 2009, the rebuilt LA 1 will be the first toll facility in the state to utilize a fully electronic, cashless open road tolling ("ORT") system. Extending CCCD oversight and management of LA 1's toll collection is suggestive of DOTD's as well as the bondholders' confidence in CCCD's electronic toll expertise and experience and its capacity to manage additional toll facilities.

- *Rigorous protocols for cash collections* – CCCD has in place various policies and procedures to ensure proper handling, collection, and accounting of daily cash receipts. With such measures as a rigorous recruiting and training process, comprehensive and rigid cash collection and reconciliation protocols, and daily performance and accuracy ratings for each employee, CCCD has been able to maintain and achieve a respectable toll collector performance rating, a daily metric of the accuracy of an individual collector's cash accounting when reconciled against electronic transaction records and processed for deposit, that approaches 100 percent with a DOTD-sanctioned target of 98 percent. According to DOTD records, in fiscal year ending ("FYE") 2007, toll collector performance was 99.89 percent; the results for the first three quarters of FYE2008 were 99.91, 99.67, and 99.91 percent, respectively. While comparable benchmarks are limited, this performance is largely in line with similar targets of other peer toll facilities; Maryland DOTD, for instance, requires their starting toll collectors to achieve maximum cash error rates and maximum axle error rate of six-tenths of one percent (0.6%) for two consecutive months to be eligible for permanent status. These requirements become more stringent as the toll collectors advance to higher levels, becoming two-tenths of one percent (0.2%) for level threes.<sup>3</sup> A similar measure, the shortage/overage of collections, is employed by the office of the city manager of El Paso, Texas for its international bridges and targets five-tenths of one percent (0.5%).
- *Consistent cost per vehicle for bridge toll facility* – As mandated and monitored by DOTD, CCCD maintains quarterly targets for toll bridge costs per vehicle. The measure, calculated according the DOTD's five-year strategic plan as "...the total operating cost divided by the number of vehicles that use the facility during a certain period," is a common performance metric used by toll facilities to measure the efficiency of their operations. Though an imperfect and somewhat controversial measure given both the challenges in identifying which costs should be consider as part of "total operating cost" and the variability of traffic, cost per vehicle (or transaction if all vehicles are tolled) is recognize in the industry as a key performance indicator against which toll facilities can be evaluated and managed. For CCCD, as its tolls are collected for only eastbound traffic, the number of recorded toll transactions is doubled, serving as a reasonable proxy for the total number for vehicles that

<sup>3</sup> MdDOT Job Descriptions

cross the bridge. Using these figures, CCCD achieved a cost per vehicle of \$0.28 for FYE08 based on bridge-related expenditures of \$17,829,276 and a vehicle count of 62,796,034. This figure is in line with CCCD's target of \$0.27. For FYE07, CCCD's cost per vehicle was \$0.24, approximately 11 percent lower, but consistent with a commensurate rise in operating costs, the largest contributors of which were higher overtime and professional services expenditures as well as equipment purchases for its police forces, and virtually flat traffic growth. In the past, CCCD's target was \$0.30, but over five years starting in FYE07, this figure is targeted to be reduced annually until \$0.20 is achieved. Given the inflationary forces and historical flat growth in vehicles, CCCD will have to reduce costs in order to meet this objective over the coming years.

- *Charter member of the Alliance for Toll Interoperability* – As a pioneer in the use of electronic toll technologies in the US, CCCD helped establish the Alliance for Toll Interoperability (ATI), a consortium of nearly twenty toll agencies located throughout the southern US with an avowed mission of developing and establishing interoperable toll technology standards. By proactively partnering to ensure greater interoperability of systems, CCCD and its fellow ATI members can deliver better service to toll customers throughout the South who will be spared from multiple, single-system toll tags. In addition, consortium members can, ultimately, lower operating costs by pooling resources, expertise, and procurement leverage.
  - *Integration, though limited, with Causeway Electronic Tolling* – CCCD's electronic toll tags can be used on the Lake Pontchartrain Causeway, but the interoperability is not automatic. Users must still set up accounts with both CCCD and the Causeway and supply their toll tag number to both. No deposit, however, is required to use the CCCD's toll tag on the Causeway, and, when a CCCD tag is used on the Causeway, CCCD remits the toll that is incurred to the Causeway from the user's account. While this interoperability is progressive and improves customer service, an opportunity exists to strengthen the integration with a single, unified account, which would eliminate the need for joint accounts and dual registrations.
- 3) ***Given its substantial ongoing capital requirements, CCCD's ferry service poses a pressing operational challenge that will become increasingly difficult to manage without changes to the routes or service cuts.***

CCCD's three ferry routes require substantial cost subsidization, the vast majority of which is derived from bridge toll revenues. For FYE2008, CCCD targeted and largely met a cost per ferry passenger of \$4.50, which translated into operating expenditures in excess of \$8 million. As ferry tolls are \$1.00 per car, which constitute 58 percent of passengers, this subsidy is substantial. Thus, as ferry tolls annually generate no more than \$250,000 and with marine operations grants of less than \$1 million, most of the operating costs must be covered by bridge toll revenues. Moreover, the costs of operating the ferries have risen at a pace greater than those of the bridge, driven by significant



Increases in fuel costs and insurance over last year. As CCCD's toll revenues remain flat, as discussed above, the increasing costs of ferry service are placing further strain on its principal source of operating and capital project dollars.

**4) CCCD has been progressive in its use of performance measures, however current measures are somewhat narrow in scope and difficult to manage against.**

As one of the first DOTD divisions to employ performance metrics, CCCD has a well-established history of progressive performance measurement. Currently, CCCD reports quarterly to the DOTD the following indicators and targets:

- *Average toll collectors' performance scores – 98% or higher;*
- *Cost of bridge operations per vehicle – \$0.27 or less;*
- *Cost of ferry service per passenger – \$4.50 or less;*
- *Toll Tag usage rate – 51%; and*
- *Ferry downtime during scheduled operating hours – 9% or lower.*

For FYE08, CCCD met or improved upon all of these targets except cost of bridge operations per vehicle, the actual year-end figure of which was \$0.28.

While CCCD, its executive team, and the DOTD monitor and measure these areas, the current "scorecard" of measures is rather narrow and limited in scope. CCCD has a broad mission to "plan, construct, operate, maintain, and police river crossings over the Mississippi River in the parishes of Jefferson, Orleans, and St. Bernard." Sound performance measurement generally requires measures that reflect an organization's effectiveness in delivering on its mission, with each carefully developed to provide relevant, actionable insights into its operations. While CCCD's current measures do, in part, capture aspects of its mission, several elements are absent. Specifically, there are no measures that reflect CCCD's ability to deliver on planning, construction, maintaining, or policing. Beyond being reflective of CCCD's mission, the current measures also lack any consideration for customer service, excluding ferry downtime, and its employees, both of which are considered essential for a truly "balanced" scorecard. Finally, the most effective performance measures are generally regarded as ones that can be "managed against," namely, that an organization's management team can undertake and pursue actions to strengthen the underlying factors that drive each indicator, thereby improving the final measure. Only two of CCCD's current measures, toll collector performance and ferry downtime, can be considered fully actionable as management intervention can directly influence the ultimate result. Two others, cost per car and passenger, are partially actionable as management can enact measures to curb costs, but is highly limited in its ability to increase traffic. The final measure, toll tag use rate, is particularly problematic given, as outlined above, the perverse incentive to maintain suboptimal toll tag usage to preserve sufficient toll revenue under the steep discount over cash tolls. CCCD management is, therefore, effectively enjoined from influencing the usage rate as it is disincentivized to promote

greater adoption, unable to operationally afford to forfeit the additional toll revenue of higher cash collections despite the lower transaction cost and convenience to the user of a cashless toll.

In addition, in a broader sense, CCCD's performance measures should also be derivative of and aligned with DOTD's mission to "deliver transportation and public works systems that enhance quality of life and facilitate economic growth and recovery," with an emphasis on CCCD's role and efficacy in fulfilling this charge. Specifically, both CCCD's mission and performance measures should demonstrate its efficacy in delivering and supporting the key aspects of DOTD's mission. Though broad and rather vague, DOTD's stated "quality of life" and "economic growth and recovery" objectives should be represented and captured in CCCD's mission and performance measures. Currently, such integration and alignment is absent, which, though not wholly essential, does diminish the ultimate value of the measures in gauging CCCD's true performance.

- 5) ***Overall, maintenance of the bridge and ferries performed to ensure both are operational is satisfactory. However, limited funds, rising costs, staffing issues, and aged equipment will pose short and long-term challenges and, as a result of many of these issues, maintenance is largely reactive.***

Maintenance of the CCCD's bridges and ferries has ensured that interruptions of availability or service are few and short-lived. Indeed, CCCD's goal to "maintain ferries to ensure downtime during scheduled operating hours does not exceed 9%" was well exceeded in FYE08, with an actual downtime of 4.58 percent. However, CCCD acknowledges that, with lower ridership and, thus, fewer boats in operation than when the nine percent target was established, it is "easier to maintain a higher percentage of scheduled trips." Nevertheless, CCCD continues to perform satisfactory maintenance of the bridge and its toll facilities, through routine inspections and an annual, exhaustive engineering review and assessment of the ferries to ensure the boats are both operational and compliant with the US Coast Guard's rigorous maritime requirements, inspected and enforced for each ferry several times per year, for revenue-generating vessels. In all, bridge and ferry maintenance has 40 positions (21 for bridge, 19 for ferry), not all currently filled, and accounting for approximately 21 percent of the annual budget.

While service and availability targets are currently being met through its maintenance program, CCCD faces several challenges in sustaining its current regime. These include:

- *Costs of essential materials continue to rise* – As detailed above, the costs associated with maintaining the bridge and ferry operations continue to rise. As also discussed, this matter is compounded by flat revenues and limited, unguaranteed grants.
- *Ferry fleet is aged, requiring costly and complicated maintenance* – CCCD's ferries are exceptionally old, with some having been in operation since the 1960s. Given their age, the fleet is increasingly hard to keep in service as their equipment wears down. Vital parts for such

old vessels are no longer manufactured, requiring CCCD to special order custom replacement parts, which is both costly and time-consuming. CCCD is further challenged by having only one alternate ferry available for rotation while another is serviced. Hence, protracted, unplanned maintenance can render sustained service of routes challenging.

- *Finding, hiring, and retaining qualified crew members is challenging, with largely external forces frustrating these efforts* – At the time of this audit, several entry-level positions in the bridge and ferry maintenance groups (known colloquially as “gangs”) are vacant as CCCD, through both the Governor’s hiring freeze and a persistent difficulty in find qualified applicants, has been unable to fill them. CCCD is challenged by the largely uncompetitive rates mandated by the state’s civil service system for the labor categories it seeks to fill. In New Orleans’s post-Katrina recovery, workers with the skills sought by CCCD, including welding, machine repairs, and equipment operation, are in high demand and prevailing market wages can be one-and-a-half to two times those offered under civil service. While, as CCCD management notes, a position under civil service is more appealing and competitive in the long-term with perquisites such as accreting retirement benefits and generous leave policies offered, these positions are generally filled with younger workers who are not necessarily willing to forgo higher wages in the short-term for such benefits.
  - *With the above three challenges, maintenance effort and resources are principally focused on maintaining service and availability, thus areas not essential to operations are neglected* – While CCCD’s maintenance efforts have been effective in maintaining service and availability, the limited amount of resources has contributed to the neglect of the upkeep other, nonessential areas. Specifically, as the investigators of this audit witnessed firsthand, the ferry landings appear to be poorly kept. Furthermore, in interviews with users, the condition of the landings was of much concern, with consistent dissatisfaction expressed over the cleanliness, signage, safety, and overall appearance of the facilities. While the more exigent maintenance to ensure the bridge and ferries should take precedence, neglect of areas such as the landings, particularly as they are, in many ways, the “face” of the ferry service, is problematic and can diminish overall satisfaction and the public’s overall perception of the operations. Given the challenges of its budgetary and operating constraints, however, it is, perhaps, unsurprising that nonessential maintenance has been deferred.
- 6) *CCCD and DOTD have undertaken measures to strengthen CCCD’s processes and internal controls that govern its financial reporting, areas of deficiency noted in last year’s financial statement audit conducted by the Legislative Auditor’s Office. Currently, however, CCCD’s back office accounting systems are aged, poorly integrated, and not conducive to ready, real-time analysis.*

While the overall state of CCCD's finances and reporting compliance are beyond the scope of this audit, a review of the efforts undertaken to address and correct some of the underlying issues that contributed to the problems identified in the Legislative Auditor's financial statement audit for FYE07 has shown substantive progress. In the auditor's report, one of the key findings was, "Accounts receivable were understated by \$3,829,399 for toll violations and unpaid tolls on Schedule 14 of the [Annual Financial Report]." Given size of this understatement, it was subjected to particularly keen scrutiny by the Auditor, CCCD, DOTD, the Legislature, the public, and even the media. In responding to this and other findings in October 2007, DOTD noted that these funds were not "lost or misplaced," but rather "...simply [were] not properly reported in the AFR. The necessary paperwork from the Division was not received at the Department prior to the August 31 deadline and therefore was not available for inclusion in the AFR." To preclude such lapses and oversights in the future, DOTD pledged to improve communications between DOTD's and CCCD's accounting groups, review and reengineer financial reporting processes, and institute more rigorous internal controls. Ultimately, its "goal is to ensure the efficient and effective management of our resources along with the proper reporting of such."

Interviews with CCCD's management lent further explanation for the toll violations accounting oversight. According to CCCD management, DOTD's accounting department in Baton Rouge was expected to handle this per existing protocol, with CCCD remaining accountable for its timely completion. The failure to submit the paperwork on time, as noted above, was the direct result of this division of reasonability and accountability. To help ensure such an oversight would not occur again, CCCD requested that, if its management were to remain accountable for the reporting of these accounts, it should be granted the responsibility to complete them in its accounting department. DOTD agreed to this, and CCCD's deputy assistant executive director received the training at DOTD's headquarters in Baton Rouge to perform these additional functions. Hence, CCCD will directly oversee and manage the accounting of these funds, thus eliminating the opportunity for such a mistake in the future. This and other efforts by CCCD and DOTD to address the problems outlined by the Legislative Auditor's report should greatly reduce compliance issues in the future.

Finally, CCCD accounting system is aged and has limited integration with DOTD. The current budget and financial system and its reports are difficult for the uninitiated to use and interpret, lending unnecessary challenge to management and analysis. Specifically, the system lacks robust reporting that produces a level of granularity that managers and their staff can review to assess status of key operational considerations, such as the expenditures on labor for specific classes of employees. Without such functionality, managers have access only to limited or delayed financial data, which can contribute to difficulties in managing tight budgets.

- 7) ***CCCD's capital improvement program includes the projects established in Act 402 of 1976 and most have been completed or are in progress with funding in place. However, as detailed above, the current and projected operating deficits have necessitated the suspension of further development as the funds to initiate new project starts are neither available nor anticipated.***

As noted previously, CCCD has, through its statutory mandate, a slate of 14 major capital improvement projects<sup>4</sup> that was established by the Legislature and was to be principally funded with surplus toll revenue. These projects are prioritized by the CCCD Oversight Authority, the sole function of the 13-member group as recommended by district legislators and appointed by the Governor, to give precedence to those of exigent need or that would lend the most benefit. The prioritization established in Act 59 of 1998 proffered the following guidance (ad verbum) for the 10 of 13 projects pending at that time:

- Priority 1:       a) Complete bridge painting project
- Priority 2:       a) Peters Road on/off ramps
  - b) Widen Barataria Boulevard
  - c) Extend 4<sup>th</sup> Street in Gretna
  - d) Turnarounds, right/left turn lanes on General DeGaulle
    - i) Widen General DeGaulle
- Priority 3:       a) Mardi Gras down ramp
  - b) Widen Peters Road
- Priority 4:       a) Extend Peters Road
  - b) Widen Lapalco Boulevard
  - c) Manhattan on/off ramps

As of this audit, the following projects of this prioritization were completed: bridge painting; Barataria widening (partial); and General DeGaulle beautification. In addition, the following projects are either underway or have received funding to begin construction: 4<sup>th</sup> Street extension and partial funding of Peters Road on/off ramp. The other projects are "on hold" until additional funding can be identified.

As discussed previously, these outstanding capital projects are growing costlier the longer they are deferred and, as no toll surpluses are expected for the remainder of the toll authorization, these projects will likely go uninitiated. In fact, the Oversight Authority has not convened for some time as the static project inventory and lack of funding has rendered further reprioritization effectively unnecessary.

- 8) ***Strong customer service policies and initiatives are found throughout the CCCD's operations and user surveys have shown overall satisfaction. Given the service-oriented nature of CCCD, however, a stronger focus on customer service and satisfaction would be beneficial and in direct support of DOTD's mission.***

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<sup>4</sup> Full list available in La. R.S. 47:820.5 (2008), section 2.

As a custodian of vital state infrastructure, CCCD has a unique mission and obligation to serve the public and ensure its services are rendered timely, effectively, and efficiently. Moreover, as an operator of toll facilities, CCCD and its services are held to higher standards than those of free roads and bridges as users expect an appreciable measure of value from the tolls they are obliged to pay, especially, as some critics contend, it is a "double taxation." Thus, CCCD's customer service is paramount to its operations and must remain the principal focus of its mission. Much to its and its management's credit, CCCD has various policies and protocols in place to promote a strong sense of customer satisfaction. Among these are:

- *Vigorous pursuit and implementation of service-enhancing technologies* – As detailed above, CCCD was the first toll facility in the country to offer cashless tolling, an innovation in toll collection that offers a tremendous measure of convenience. Beyond the convenience, though, CCCD's cashless tolling offers a 60 percent discount over cash that has remained in place for nearly two decades, saving toll users millions of dollars. It is worth noting that while most other US toll facilities offered discounts to encourage early adoption of toll tags by users, though nowhere approaching 60 percent, these have been largely phased out or eliminated once target use levels are achieved. Other progressive, service-enhancing technologies in place include cheaper, less obtrusive toll tags; automatic toll tag balance replenishment; "low toll balance" notifications at the service booth; and license plate recognition that, if a toll tag is malfunctioning or not present, can check if a vehicle's plate is associated with an existing account and CCCD can bill accordingly without assessing a no-tag penalty.
- *Surveys of ferry users conducted annually by the Regional Planning Commission* – Ferries users are surveyed annually to gauge user perceptions, the use and quality of service, and the composition and demographics of the user base. This survey allows CCCD management to assess the overall state of the ferry service, providing invaluable insight into the operations and customer service. In the survey conducted in December 2007, users were polled on a variety of measures. According to RPC, the results of this year's survey are currently being compiled and will be available shortly. For the 2007 survey, the results were mixed, with high (in excess of 67%) reports of Chalmette-Lower Algiers Ferry passengers' being left because of overcrowding with over 23% of respondents reporting such instances occur more than five times per month. Unfortunately, the survey lacked a discrete measure or specific question on overall satisfaction. However, the survey did record and tally the passenger comments by type and nature, providing some insight into user needs and satisfaction.
- *Customer service training for "customer facing" workers* – As noted by CCCD management, toll operators and ferry hands are the "face" of CCCD, interacting with thousands of customers every day. With this mind, CCCD management mandates training for these entry-level positions that includes a deliberate focus on customer service. Employees are instructed to be courteous, including concluding every transaction with a "thank you," and accommodating, for instance, willing to offer directions if asked. They are also trained to manage rude or combative customers and handle incidents

such as a faulty toll tag or inability to pay, handing the individual issue without unduly affecting other users.

- *Thorough complaint handling process* – CCCD management executes a rigorous protocol in the event of a serious customer complaint. When such a complaint is received, management reviews the documentation or speaks with the customer; meets with any employees involved; reviews surveillance footage if available; and performs the appropriate remedy, seeing it through to resolution.
- *Highly accommodating violation appeal process* – Despite having some of the strongest toll violation inducement measures, such as registration and license holds, in the country at its disposal, CCCD offers a highly accommodating violations appeal process. Users who are issued violations, which can total hundreds of dollars in late and administrative fees for long-outstanding balances, can appeal to CCCD if they believe the violation was issued in error. If users are unable to resolve their objections through communication or correspondence with the toll collections office (a point at which they would otherwise have no recourse), they can appeal, in person, at bimonthly arbitration sessions with CCCD's chief counsel acting as arbitrator. He and other CCCD representatives meet the appellants individually, allow them to argue their case, and the chief counsel can vacate fees deemed unjustly applied so long as the user still pays the outstanding toll. This arbitration can save users hundreds of dollars and have holds removed while allowing them to fulfill their obligations to CCCD equitably. While CCCD is not legally required to offer such consideration, it lends a significant measure of customer service for the public.

Looking beyond these effective and commendable customer service areas, CCCD's operations could be enhanced with a strong, better-defined strategic focus on user satisfaction. As mentioned previously, CCCD's mission and performance goals lack any customer service element, which, in an organization chartered to serve the public, should be essential. In addition, especially for the bridge, there are only informal measurements of user satisfaction, such as the number of complaints and compliments, and no surveys are conducted beyond the RPC's ferry survey. Without defined indicators and formal, routine measurement of passenger satisfaction, it can be challenging to monitor it, ensure staff are focused on it, and identify opportunities for improvement. Overall, it is more difficult for the executive team to manage strategically to deliver superior customer service as an organization. Specifically, if areas of customer dissatisfaction are identified, either through complaints or user surveys, it can be difficult to implement actions to remedy it, particularly if no individuals in management are explicitly tasked with initiating and overseeing them. Effective, progressive organizations that oversee public services ingrain a strong, overarching customer service philosophy that informs its management and strategic planning. This ensures that their missions remain focused on delivering the utmost satisfaction to its users as efficiently as possible.

- 9) *In management and strategy, CCCD is limited in its planning as an essential part of the Greater New Orleans area's transportation system, limiting integration considerations and opportunities to serve the region*

**better across all transportation infrastructure and assets. In addition, consistent outreach to the communities served by CCCD is limited, which has engendered a perception of a lack of transparency among the public and politicians.**

In interviews with CCCD officials, the RPC, and others, it was difficult to identify and discern cohesive, integrated strategies across the Greater New Orleans area for the region's transportation systems. In particular, limited communications seems to exist among CCCD and the New Orleans Regional Transit Agency, which operates the City's bus and streetcar services, and Jefferson Transit, which serves suburban Jefferson Parish, including Metairie, Gretna, Terrytown, Harvey, and Marrero. For instance, during the course of this audit, an oil spill in the Mississippi River in July forced the complete suspension of CCCD's ferry operations for two days while the clean-up was underway. The Canal Street-Algiers ferry was out of service for nearly three weeks after the spill, resuming operations on Aug. 12, as the Coast Guard used ferry's landing as a staging area for the clean-up. Even though the ferry service was suspended, no additional public transit routes were made available until two weeks after the initial closure. In an article published in the *Insurance Journal* on Aug. 13, a spokesperson for RTA claimed to have been unaware that the Canal-Street Ferry was still out of service, stating, "We hadn't heard anything."<sup>6</sup>

In this instance, better communication and coordination among the City's transportation providers could have helped ensure that additional services are furnished in the event of protracted closures such as those caused by the oil spill. Beyond these temporary interruptions, however, joint planning and coordination among these groups, the RPC, and others would afford opportunities to enhance then area's collective transportation system, allowing providers to optimize their services to best complement and supplement those of others.

Beyond a lack of an active, beneficial cooperation with the area's other transportation providers, CCCD also has limited community outreach initiative. In interviews and reviews of media reports and user groups' web sites, a consistent concern expressed was a perceived lack of communication and transparency across CCCD's operations. Perhaps the most oft-related concern was the transparency of CCCD's finances, with various individuals and groups questioning the reliability of CCCD's financial statements as well as the uses and justifications of its spending. These concerns generally proceeded from a lack of information about CCCD's finances and various misinterpretations of particular items or explanations. Whatever the causes, however, these concerns have instilled a distrust of CCCD among many of its key stakeholders, and management's seeming lack of ready public disclosure only compounds the unfavorable perceptions.

Finally, though a key resource and vehicle for information dissemination, CCCD's web site is very limited, lacking information on the current status of service and

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<sup>6</sup> "Hearing Examines Wreck That Caused New Orleans Oil Spill." *Insurance Journal*, retrieved at <http://www.insurancejournal.com/news/southcentral/2008/08/13/92735.htm>



the organization's financials, which can serve to reinforce a perceived lack of communications and transparency.

### **Organization**

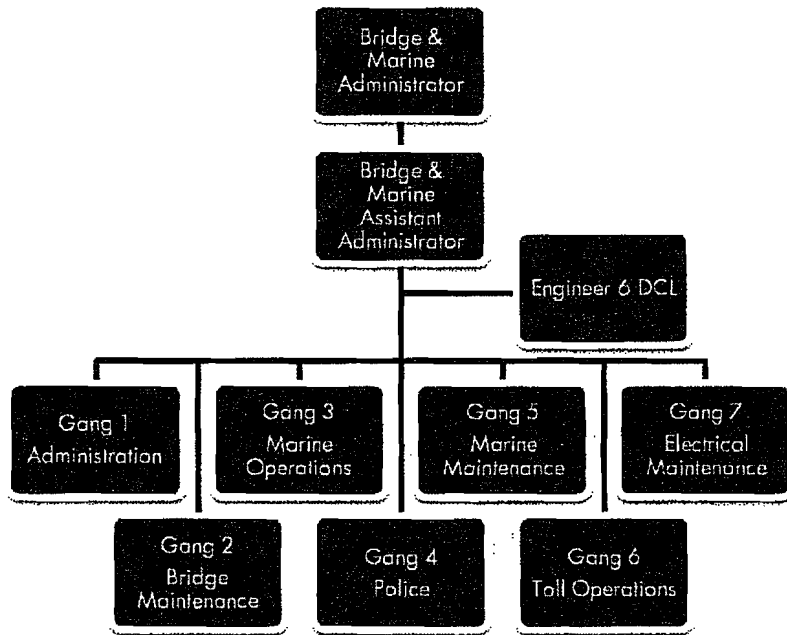
- 1) ***Similar to most public agencies, CCCD's organizational structure is very hierarchical, with lower-level staff overseen by mid-managers who, in turn, report to executive management. While such a structure lends certain advantages, an existing lack of clearly defined roles and responsibilities across the organization has, in many ways, created inefficiencies, ill-defined accountability, and duplication of effort.***

CCCD is organized into a multi-tiered, highly stratified structure, comprising seven "gangs" with a large number of entry-level positions, including toll collectors and ferry hands, managed by a stratum of supervisors or foremen, all overseen by a manager or superintendent. These managers report to the bridge and marine assistant administrator who then is supervised by the bridge and marine administrator, who oversee the entire organization. A staff engineer also reports to both the administrator and assistant administrator, but is not part of any gang, nor does the position oversee any others.

While CCCD's structure is similar in intent and function to most large public agencies that provide government services, there are areas that pose some inefficiencies and potential issues from both an organizational and an operational perspective. Among these are:

- *CCCD's organizational structure is different from the nine other districts under DOTD – Unlike CCCD, the nine other districts of the DOTD are organized under a district engineer administrator, who oversees the entire district. This is a key distinction because CCCD's engineer and administrator positions are discrete, with the engineer in a subordinate support role to the administrator and not the supervisor of any other departments. While the management within each division need not be identically structured, given the different nature and requirements of the bridge and marine administrator versus a district engineer administrator, positions of the same level and direct report but with different skills and duties can be more challenging to supervise and evaluate performance.*
- *Engineer lacks direct authority over operations and gangs – Relating to the prior point, CCCD's engineer is only in a support position to the administrator and is without direct oversight of the other areas of CCCD despite his role in overseeing the planning and execution of maintenance and construction of the organization. As such, he lacks the authority to directly compel the gangs and their managers to perform, and instead, must rely on the administrators.*
- *Responsibilities for bridge and marine administration consolidated but spread over two positions contributes to overlap in duties – The positions of bridge and marine administrator and bridge and marine assistant administrator oversee both the toll bridge and ferries and share*

Figure 3 – Current CCCD Organizational Structure



responsibilities for the entire organization. In fact, responsibilities for the positions are identical, save the addition of "assists with" to the responsibilities of the assistant administrator over the administrator. Such a superficial distinction between the two positions tends to lead to either a sharing or an overlap of responsibilities, which can contribute to uncertainty and inefficiencies. Without clearly delineated roles and responsibilities, management positions cannot be as effective in ensuring the efficient operation of the organization.

- *Succession planning and knowledge retention are lacking, subjecting CCCD to potential transition issues in the future when current staff retire; a dilemma face by many public agencies across the country – CCCD is facing a management succession challenge, especially after the departure of its long-time administrator, as its two most senior staff members are eligible for retirement and no clear successors have been identified. This further presents a knowledge retention dilemma as the current staff members on the verge of retirement will, in most cases, take with them decades of experience and an intimate understanding of the CCCD's operations, leaving a potentially large knowledge gap even if the positions are filled with current staff members.*
- 2) *As detailed in previous sections, CCCD's operation and oversight of both the toll bridge and the ferries presents operational and organizational challenges. Specifically, given the dissimilar nature of the two operations and the subsidization of the ferries with the bridge toll revenues, the*

***organizational structure of CCCD is necessarily complex and burdened with intrinsic inefficiencies.***

CCCD operates and manages two distinct, largely unrelated transportation infrastructure assets, each with its own operational and maintenance considerations and requirements. As such, it must operate two sets of operations and maintenance gangs for both the bridge and ferries, each with their own staff trained to perform the required functions to ensure service. While the folding of both these units under one organization affords several economies, such as all administration functions including accounting, toll collections, human resources, and others, managing both in CCCD's current structure presents two key challenges:

- *Both administrators jointly oversee and manage all operations, with no one position wholly responsible for the bridge or ferries as discrete units – While both administrators' sharing oversight of the bridge and ferry operations lends some advantages, such as possessing a complete overview of the organization, it also presents challenges. Specifically, there is no one position with the accountability and authority to manage each unit independent of the other. With CCCD's current organization structure, the bridge and ferry services are operated and maintained by two separate gangs each, with one position at the head of the individual gangs. These gang managers, one from the operations and maintenance gangs each, all report to the administrators. This can be challenging for the administrators as they, by virtue of the existing organizational structure, must manage, oversee, and coordinate the operations and maintenance functions for both the bridge and ferries.*
- *The ferry service's large operating deficit requires substantial subsidization from toll bridge revenues, diminishing the ability of management to operate each as efficiently as if they were wholly independent – The significant deficit, over \$9M, incurred by the ferry services each year can only be filled using revenues diverted from the bridge revenues. As this expense consumes in excess of 40% of bridge toll revenues, it will only become more difficult to sustain as tolls remain flat and costs continue to rise (as discussed previously). As such, managing the bridge and ferries under a single organization with such a yawning disparity in performance of each requires suboptimal operations compared with independent units. For instance, as detailed in the preceding section, with bridge tolls diverted for ferry operations, capital projects related to the bridge are increasingly difficult to fund, requiring CCCD to delay or forgo these improvements to maintain the mandated ferry service. Furthermore, as also previously mentioned, CCCD is disincentivized from pursuing some opportunities, such as increasing toll tag usage that could improve service on the bridge in light of the revenue it could lose and the larger deficit it could face. Thus, a tension between managing the two operations will persist so long as such an imbalance remains in the performance of each, requiring management to reconcile the requirements of one potentially at the detriment of the other.*

- 3) ***Ten ferry routes currently operate under the ultimate oversight of DOTD, seven directly and three under CCCD. The separation of CCCD's ferry routes from the seven others operated by DOTD presents some notable advantages, but also some inefficiencies.***

DOTD operates seven of its own ferry routes, though several are temporary closed in the aftermath of Hurricane Ike, which are managed, as is CCCD, under the Office of Operations. These ferries are located throughout the state, overseen by the office's fleet manager, and funded by DOTD. CCCD's ferries, while still with the ultimate purview of DOTD, are operated exclusively by its units and are funded with toll bridge revenues and federal grants. This arrangement does lend operating advantages, most notably the proximity of the toll bridge and CCCD office to the ferry routes, permitting ready oversight. Yet, there are also clear inefficiencies created by maintaining the separate operations. Specifically, the resources, staff, and expertise of each are unavailable to the other, necessitating that both maintain their own largely duplicative operations. As such, economies and efficiencies born of consolidated operations and resource sharing are necessarily forfeited, increasing the total costs for all ferry service. Moreover, all DOTD ferries were placed under the direction of CCCD's predecessor, the Mississippi River Bridge Authority, by then Secretary of Transportation Robert Graves from 1984 through 1988 with a separate state budget.

#### **Governance**

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- 1) ***Although governed as DOTD's tenth district, CCCD operates largely autonomously, functioning with limited oversight from DOTD. As such, the roles and responsibilities must be clearly delineated and adhered to, with open, consistent communications between CCCD management and DOTD's principals. Historically, such a relationship has not been adequately maintained, contributing to the need for rather reactive oversight and intervention by the LADODT when issues occur.***

CCCD has been referred to as the "bastard child of DOTD" given its unique status as a multi-jurisdictional district that, unlike the nine other Louisiana districts, operates largely independently of DOTD, overseeing a narrow realm of responsibility that is self-sufficient in its operations. This arrangement presents distinct challenges for both CCCD management and DOTD, necessitating a well-established, mutual understanding of the responsibilities and obligations required of each to ensure jointly effectual and satisfactory governance and oversight. Through interviews with CCCD management and DOTD principals, a lack of consistent communication as well as incongruous expectations was evident, indicative of potential governance issues. Specifically, the following areas suggested inadequate or misdirected oversight is currently present:

- ***Inconsistent perceptions of the extent of DOTD oversight*** – Interviews with CCCD and DOTD officials revealed that a disparity exists in the extent to which DOTD actively oversees CCCD's operations. DOTD representatives reported that consistent, periodic "check-ins" and site visits are performed by the DOTD to ensure CCCD operations are in order. On the contrary, however, CCCD officials indicated that such visits to CCCD's headquarters are rare, with one staff member unable to recall the last time such a visit occurred, and DOTD only

reaches out in the event of an issue or complaint. Whatever the case, however, definitive, formal protocols for such oversight are not in place, contributing to the lack of consistency in expectations between CCCD and DOTD management.

- *Current performance measures, though reported quarterly to DOTD, are narrow in focus and utility, supplying limited insight into CCCD operations* – As detailed in previous sections, the performance measures in place at CCCD and that are part of the Undersecretary's scorecard, while providing some relevant data on CCCD's operations at a very high level, are narrow in focus and are, in most cases, not amenable to direct management intervention. As such, they provide DOTD only limited insight into the efficiency and efficacy of CCCD. While the quarterly periodicity of the measures does allow DOTD to be kept relatively informed of past performance, there is little opportunity to intervene to address potential issues given their parochial scope. Measures absent truly actionable information serve little purpose, especially for those largely removed from an organization's day-to-day operations, and, particularly in this case, underscore the need for consistent communication between the principals of both groups to ensure that a full and proper apprehension of current and near-term performance exists. Otherwise, relying only on a narrow band of performance indicators can lead to an incomplete understanding of operations and lost opportunities to improve them.

**2) *Policy for CCCD is set by the DOTD. However, those currently in effect are ill defined and oversight and review of these policies are lacking.***

CCCD's policy-setting authority rests wholly with the DOTD, while the sole function of CCCD's Oversight Authority is, statutorily, the prioritization of capital projects. As such, DOTD is responsible for establishing, articulating, and enforcing the policies that govern CCCD's operations. With this authority, DOTD's principals must ensure that policies, objectives, performance measures, and all that informs and drives the ultimate mission of CCCD remain relevant and reasonable and are monitored to maintain compliance and fitness. DOTD has been proactive in identifying and mandating performance measures, however inadequate, and imputing accountability for meeting their targets. Beyond this, however, little effort appears to have been made to review and refresh the overarching policies in place for CCCD. As previously mentioned, CCCD's mission remains broad and vague and not in alignment with that of DOTD. In addition, beyond the capital projects inventory, no clear strategic plan exists for CCCD, which, given the current expiration of tolls in 2012, is essential to prepare for the future. Vested with such responsibilities, DOTD's principals must ensure comprehensive policies are in place so that CCCD's management is supplied the guidance essential to performing their duties to meet DOTD's expectations.

## RECOMMENDATIONS

IMG's analysis has revealed a wide spectrum of potential opportunities to enhance the management and operations of the Crescent City Connection Division through a variety of functional and organizational improvements. The following recommendations, divided among the areas considered in the analysis above and including long-term strategic considerations, serve to address the issues identified as well as best leverage the opportunities that exist.

### Operations

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#### *Bridge Operations*

- 1) ***Commission a benefit-cost analysis and feasibility study to implement open-road tolling for the bridge, eliminating costs associated with cash collections.***

The transaction costs associated with open-road tolling (ORT), fully electronic tolling, are substantially less than operating both cash and electronic tolling. Thus, several toll roads across the country, such as SH-121 in Texas and those under construction in Virginia and North Carolina, and around the world have migrated to ORT, eliminating cash collections and relying on proven technologies to capture tolls, including license plate recognition. By performing a benefit-cost analysis and feasibility study, CCCD could determine if such an approach would be effective and practicable for bridge tolls.

#### *Ferry Operations*

- 2) ***Commission a study, either independently or in conjunction with a similar effort currently being pursued by RPC, to evaluate the current ferry system, assessing routes, permitted passenger classes (pedestrian-only, for instance), operating hours, and all the fundamental aspects to determine the most efficient and cost-effective service.***

A study of both schedules and routes based on current customer demands and new opportunities to create demand with the input and commitment of several community stakeholders, such as parish leadership, would allow CCCD to evaluate and optimize ferry service. CCCD has not significantly changed the ferry schedule and routes since Hurricane Katrina, yet the community and ridership has changed significantly. For example, several sources throughout the discovery phase of the audit identified more ridership demand at certain locations, particularly the Chalmette-Lower Algiers route, while some terminals may not merit continued service. In addition, ferry transport of vehicles may not be needed at all the landings currently serviced, which, given the costs, in particular fuel, associated with transporting vehicle, substantial operating savings could be realized. The opportunity to realign the current ferry system may also allow additional boats to be held for maintenance, pricing changes for ferry ridership, and a more demand-oriented schedule to better serve local businesses and their workers. Finally, given the stringent Coast Guard regulations that govern revenue-generating vessels as well as the associated operating costs of toll collections, CCCD and DOTD should consider eliminating the tolls collected for the ferries.

- 3) ***Evaluate the potential of the current ferry system and routes to serve as an economic development opportunity for businesses and parishes as well as a tourist route of transportation in addition to its current operations as a local transit option.***

The ferry system has been described by several stakeholders interviewed during this audit as more than a preferred route of transportation by some citizens—the ferries are perceived as a part of the culture and identity of the area. In addition, the ferries and their respective landings are acknowledged assets that can be leveraged for the community. Currently the ferries are considered as only a transit mode. However, just as the streetcars in New Orleans are not simply transit options, the ferries could similarly serve the core hospitality industry of the area by providing a service with many purposes: transit, community development, and tourism. Utilizing the ferries as an economic development impetus to add transit service for both businesses and tourism efforts could grow the development of up and coming business corridors in several parishes while also increasing ridership revenues, serving a much wider segment of the New Orleans community.

#### ***Maintenance***

- 4) ***Develop both short and long-term maintenance project plans to better estimate and prepare for all maintenance activities and fit them as closely to the budget as possible. Conduct an assessment of the lifecycle of all assets, especially the ferries, to incorporate into a long-term capital plan.***

Due to the long asset life and extensive maintenance of both the bridge and ferry systems, the effective management of the CCCD requires both short and long term maintenance project plans of all the gangs to outline the time tables for maintenance, project the expected costs and type of work, and plan for the engagement of multiple efforts running at once. The dependence of these forecasts in tandem with the main budget is imperative to efficiently predict costs and manage the entire operation of the CCCD. By outlining and predicting the majority of the expenses to be incurred, a more accurate forecast is possible to present to the governing authorities such as the Advisory council, the DOTD, and elected officials.

#### ***Regional & Community Relations and Customer Service***

- 5) ***Formally assign authority, responsibility, and accountability for customer service and community relations to one senior position within CCCD. With this charge, the position will oversee all aspects of CCCD's service in relation to the public, and DOTD will ensure those responsibilities are fulfilled timely and effectively.***

The formalization of authority and accountability for customer service and community relations is essential to ensuring associated goals and objectives are met. Otherwise, CCCD and DOTD risk a diffusion of responsibility, with these vital obligations going overlooked and unattended. By vesting one or even multiple positions with discrete, clear customer service and community outreach duties, CCCD and DOTD can readily task individuals with specific initiatives and follow up to ensure they were successful.

- 6) ***Pursue increased cooperation, integration, and communication among the greater New Orleans area's transit organizations to develop and establish a regional transportation strategy.***

Given the numerous transit authorities that operate in the greater New Orleans area, opportunities exist for enhanced coordination and cooperation to better serve the region's ever-evolving transportation needs. Were such communications in place, CCCD would, for instance, be able to establish a ferry closure policy that identifies how the CCCD will work with local transportation entities to provide a secondary, backup system of transportation if a ferry route is disrupted for more than one shift. A key concern from community groups, like the Friends of the Ferry, is that a ferry closure policy must be in place with some transportation relief options for citizens. As an organization, the CCCD can address these concerns about the dependability of the ferries by creating a series of realistic contingency agreements with local transportation entities as well as the CCCD bridge police to take responsibility for the system as well as the service. The broader, more long-term benefits of such cooperation, though, could be significant, with the separate transit authorities coordinating schedules to optimize routes and operating hours, which could reduce the operating costs for each organization. With these groups' planning and optimizing their services as part of a larger system rather than as discrete, independent authorities, the entire transportation network of New Orleans would be greatly improved, better serving the public.

- 7) ***Enhance information accessibility and transparency through improved community relations, allowing the public to easily access and find general information on the bridge and ferries as well as details on CCCD's operations and financials. In addition, formalize surveying of users to gauge overall satisfaction of both the ferries and the bridge.***

CCCD should proactively address customer service and community relations by communicating directly with the public through better use of information dissemination vehicles such as a robust web portal. These can serve as a mechanism to update citizens concerning traffic and closure information, upcoming construction/maintenance, address changes, give responses to complaints, and support a feedback mechanism. A website could also serve a mechanism to increase transparency with ferry riders and bridge commuters, announce positive accomplishments such as projects completed, and share the results of specific projects (i.e. the ridership survey from the Regional Planning Commission) and ready access to financial information. In addition, the CCCD could communicate the capital projects underway and funded with toll revenues, which could address persistent concerns of the public that tolls are not creating value. CCCD's ability to communicate directly with those who use the bridge and ferry system as well as other key stakeholders is crucial to upholding their customer service obligations and the citizen's ability to identify communication routes for complaints and suggestions related to the CCCD is necessary to the everyday operation of an effective transportation system.

In addition, CCCD should implement a more formal customer-surveying regime that aims to measure overall user satisfaction for both the bridge and ferry service. While the RPC does currently conduct an annual, comprehensive survey of ferry users, which provides insightful data on passenger demographics and usage trends, it does



not provide clear information on the satisfaction and perceptions of users. Moreover, no surveying of toll bridge users is performed. Were CCCD to implement a more robust and rigorous surveying program, such as that conducted by the Texas Transportation Institute, the Dulles Toll Road in Virginia, and toll facilities throughout the country, it could assemble highly useful information on the public's view of its performance, assisting management in identifying opportunities to improve service across all its operations.

- 8) ***Improve the operational state and cleanliness of the ferry landings and structures by adding necessary signage and information as well as police patrolling.***

Proper maintenance and cleaning of all the equipment and structures related to the operations and function of the bridge and ferry systems should be of primary concern to the CCCD, but in particular, the status of the ferry landings and structures has been a particular complaint regarding the CCCD. Two areas of improvement are: general cleanliness and upkeep of posted information concerning schedules, directions, and emergency contact information. Ensuring that the ferry landings are accessible and in compliance with federal regulation concerning handicap access as well as identifiable as the appropriate entrance to the ferry is necessary. An additional concern and piece of anecdotal evidence given throughout the interview process concerned whether there is a lack of visible police presence at the landings. Improvement in the physical aspects of the ferry landings may improve the accessibility and user-friendliness as well as encourage more ridership.

***Employees***

- 9) ***Address the transition cost of continual employee turnover and the necessity of experienced and loyal employees staying within the ranks of the civil service hierarchy.***

Given the level of expertise or general experience requirements of many of the positions within the CCCD, the employees with the types of skill sets and backgrounds required for CCCD to operate are perhaps not as readily available in the post-Katrina economy, increasing the transition costs of fairly consistent turnover within the lower ranks of the CCCD. Several management practices could assist in increasing the retention and tenure of current employees: exploring the option of offering/encouraging extended training in the jobs identified as difficult to replace, creating development plans for employees within the organization, etc. Also, a review of the human resources hiring policies is needed to ensure that unnecessary and/or excessive hurdles and screening are not limiting the possible candidate pool to select eligible and appropriate candidates for jobs crucial to CCCD operations (i.e. welders and mechanics for the ferries and bridges). Working within the obligations of the Louisiana hiring freeze, the DOTD, as well as the civil service authority, the CCCD should be proactive as possible in keeping and filling positions essential to the organization's management and operation.

- 10) ***Improve the level of disclosure of all maintenance and operations budgetary information from the upper management to the supervisory middle management as well as improve the feedback mechanism for middle management to relay maintenance and supervisory information.***

Ensure the CCCD senior management not only gathers but also disperses necessary and practical maintenance and operations budgetary information to their middle managers along with clear actions and related goals to work in tandem. The spread of information throughout the entire organization allows for informed decision-making and consistency of operational decisions. Also, consider the mechanisms that allow better information feedback from the middle management to the upper management. Improvements are needed concerning the upper management's focus on strategic action and the utilization of their middle managers to employ operational goals would keep the organization from both the current duplication of efforts as well as increasing informed decision-making across the organization.

### **Organization**

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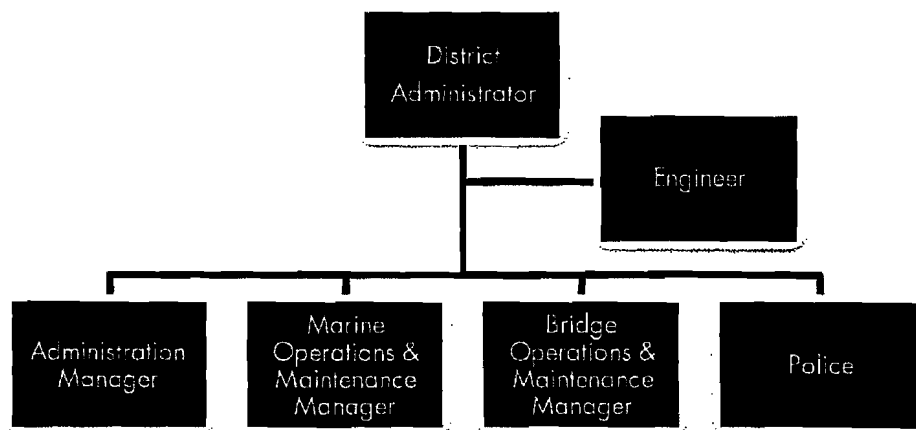
- 1) ***Reorganize, in the immediate-to-near term, the executive management structure of CCCD to consolidate and streamline job responsibilities, reduce duplication of effort, and empower positions to better execute their duties.***

As detailed in this audit's analysis, the current executive structure of CCCD, with an administrator and assistant administrator who oversee both the bridge and ferry operations as well as administration, has created inefficiencies that could be remedied through a reorganized management team. One such structure proposed in the course of this audit would realign the organization under one administrator, similar to that of DOTD's nine other districts. CCCD would then be divided into three divisions – bridge, marine, and administration – with each managed by a manager/assistant administrator who reports to the administrator. The engineer would also be empowered with authority over the marine and bridge divisions to ensure proper and necessary duties and functions are executed. The new administrator position would require not only a rigorous technical expertise, but also robust management and customer service skills that are tempered with a comprehensive transportation knowledge. Such a structure, depicted in Figure 4, would both reduce the overlap in responsibilities that currently exists, allowing the assistant administrators to focus on their areas of authority and responsibility, and empower the engineer to oversee and manage the staff responsible for executing essential capital and maintenance initiatives.

- 2) ***Commission a benefit-cost analysis to determine the potential cost savings from reorganizing CCCD's and the state's ferries under one operating group.***

As noted previously, the DOTD currently operates seven ferry routes, under normal conditions, which are overseen by the Office of Operation's fleet manager. The DOTD should explore the potential cost savings as well as the funding implications were the CCCD's three ferry routes transferred to the DOTD and managed as its other routes are at the present. By doing so, the DOTD could reap the efficiencies and savings of consolidated operations and a single budget, thereby reducing the total costs of the ferry services it oversees. While the current operating costs associated with CCCD ferries would likely have to be funded with other sources if subsidization with the bridge toll revenues is no longer guaranteed, the potential savings of the consolidation combined with the efficiency improvements identified in the proposed ferry study (see above) could prove compelling and warrant serious consideration. CCCD, relieved at least in part of its substantial ferry subsidization requirements,

Figure 4 – Proposed CCCD Organizational Structure



would have a potential surplus of toll bridge revenues that could be devoted to outstanding capital projects. DOTD would, however, have to secure the funds to operate the CCCD's ferries that, if no longer supported with CCCD's bridge tolls, would have to come from other DOTD funding sources.

**Governance**

- 1) ***DOTD, in cooperation with CCCD management, should establish more formal communications between the two organizations and better-delineated roles and responsibilities to improve mutual accountability.***

The findings of this audit indicate the need for improved communications between DOTD principals and CCCD management to ensure responsibilities are fulfilled and expectations met. Accordingly, DOTD should coordinate with CCCD's management to formally establish protocols for communication between the two organizations to ensure oversight is complete, consistent, and responsive. Such arrangements should include, among other, reaffirming reporting responsibilities and accountability, and establishing formal, periodic bi-directional status updates, and scheduling routine site visits. Through this effort, CCCD and DOTD can better ensure lapses in communications, and the management issues they present, do not occur in the future.

- 2) ***DOTD and CCCD should reevaluate CCCD's current mission and its alignment with that of DOTD to refocus on service. In addition, both should reestablish CCCD's performance metrics to ensure they are relevant, actionable, and aligned with the missions of both organizations. Currently, CCCD's mission is devoid of a service focus or even component, and its performance measures are not wholly consistent or complementary, hindering the pursuit of common operational goals and diminishing their ultimate utility.***

As detailed in the preceding section, CCCD's current mission statement is vague, lacks acknowledgement of the public that it is serving, and is inconsistent, but not contradictory, with DOTD's mission and objectives. Furthermore, CCCD's

performance measures, while providing some insight into its overall operations, are narrow in focus, difficult to manage against, and do not include important considerations such as customer satisfaction. As such, opportunities exist for a reevaluation of the mission and the performance measures that, ideally and most effectively, proceed from it. CCCD and DOTD should collaborate on establishing a stronger mission statement that focuses on serving the public, not merely providing infrastructure assets, and is consistent with and complementary of DOTD's, facilitating an alignment of operational strategies and goals. With a more rounded, compelling, and better-aligned mission statement, CCCD and DOTD can establish a more relevant and effective slate of performance measures than that what exists currently. By employing a "balanced scorecard" approach, CCCD and DOTD could develop and implement metrics that conform to proven performance measurement principles and are of greater insight into the state of CCCD's operations, supplying management with data to enhance efficiency and service.

As mentioned above, CCCD has made some good progress in developing and tracking a few key measures but these provide insight for a limited part of the organization. Effective performance measurement programs should provide managers, staff, and governing bodies with the information they need to ensure they are making progress toward the organization's strategy and objectives and consist of a few important characteristics. First performance measures should be balanced across key goals and objectives. For example, CCCD tracks a few key financial and control metrics such as toll collector accuracy but does not measure any elements of customer service, capital deployment, or operational readiness. Next, in order for users to effectively use performance measures as vehicles for improving performance, the measures should consist of a mix of results measures (i.e., results of a customer satisfaction survey) and predictive measures (i.e., installation of new signage). Finally, to be most effective performance measurement programs should be integrated with the organization's performance management program and link individual performance with unit and organization performance. However, the focus should be on performance improvement versus use as a tool for punitive action.

#### **Near-to-Long-Term Strategies**

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- 1) Appoint a new Administrator with both the technical and, just as important, management skills needed to transform CCCD into a more effective and efficient, customer service-focused enterprise.**

Given the challenges that face both CCCD and DOTD today and in the future, CCCD's new administrator must possess a unique and robust skills set that will be needed to drive the change essential to CCCD's efficient and effective operations. To this end, the following key competencies, in priority order, should be sought in the individual who will head CCCD:

- i. Proven leadership and management capabilities in a public sector setting;
- ii. Excellent ability to think strategically and lead the organization as it adapts to an evolving external environment;

- iii. Sound ability to build and manage relationships at multiple levels including governing bodies, the communities served by the CCCD, political entities, and CCCD managers and staff;
  - iv. Comprehensive knowledge of transportation entities; especially toll operations; and
  - v. Demonstrated performance management skills, especially financial management and operations improvement leadership.
- 2) **Develop a comprehensive strategic plan for the CCCD that will govern and guide its future operations, organization, and management, and will instill a “service” philosophy at the CCCD, transforming it from a mere “infrastructure” provider to an integrated component of a public-focused transportation system for the Greater New Orleans area and the State of Louisiana.**

Given the forthcoming expiry of the CCCD toll collections statute, the recent scrutiny from external stakeholders, and the findings of this performance audit and the police audit, we believe that now is the opportune time to step back and revisit the mission and vision for CCCD and how it fits into the DOTD and develop a thorough strategy and plan its future. This plan would include:

- An evaluation of CCCD's purpose and focus and the potential options moving forward;
  - A new vision and mission for CCCD's bridge and ferries that focuses on service as a part of the Greater New Orleans area's and the DOTD's vital transportation system;
  - A specific plan for reorganization based on the agreed mission and vision;
  - A reengineering of core processes, creation of a structure and roles, definition of a new governance structure;
  - An implementation strategy for technologies to support the processes and structure; and, finally,
  - A development of specific measurable goals for the CCCD that reflects the strategic direction and provides management key performance indices against which it can better management operations.
- 3) **Evaluate alternatives for a reinvented role for CCCD as part of an organization with a broader mandate over all Louisiana's toll facilities.**

Given the evolving role of toll facilities in the State, the DOTD should consider the future organization and management of tolling operations from a long-term strategic perspective and it should look to CCCD, with its legacy and leadership in this area, for opportunities to leverage existing experience and expertise. Among the alternatives for a reinvented role for CCCD as part of a broader strategy and mandate for the State's toll facilities, DOTD should consider:

- **Alternative 1: Develop CCCD into a "Center for Excellence" for tolling in Louisiana under the DOTD** – Given its long-standing expertise in tolling, CCCD could be developed into DOTD's tolling unit, assuming all back office functions for current and future DOTD toll facilities, as it is slated to do for LA 1.
- **Alternative 2: Establish a Toll Road/Bridge Authority under the DOTD** – Leveraging the existing assets and expertise of its tolling operations, CCCD and other current and future toll facilities in the State could be consolidated into one authority similar to those in Florida and Maryland. This authority would be empowered to set tolling rates for its facilities; a key responsibility currently held by the State's legislature. CCCD's costly and highly subsidized ferry operations would be transferred to DOTD, which currently manages seven other ferries.
- **Alternative 3: Reorganize CCCD into an independent authority** – Using the model established by the Greater New Orleans Causeway Commission, the Lafayette Expressway, and the Baton Rouge Loop, DOTD could allow CCCD to reincorporate as a parish authority, granting it independence over its operations. This authority would be empowered to set tolling rates for its facilities.

#### **Recommended Next Steps for the Secretary's Office**

Based on the preceding findings and recommendations, the following "next steps" with suggested timeframes are advisable for the Secretary's Office to undertake:

- 1) **Develop a new mission and vision for the CCCD that shifts focus to service and acknowledges role within a larger transportation system.**

Parties: DOTD Leadership & CCCD Management

Timeframe: Q4 '08

- 2) **Appoint a new CCCD administrator focused on the competencies listed above.**

Parties: DOTD Leadership

Timeframe: Q4 '08

- 3) **Develop a strategic plan for CCCD to instill and promote a "service" philosophy.**

Parties: CCCD Administrator and DOTD Leadership

Timeframe: Q1 '09



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