

The Crescent City Connection hasn't gotten much - Times-Picayune, The (New Orleans, LA) - March 27, 2008 - page 01

March 27, 2008 | Times-Picayune, The (New Orleans, LA) | Chris Kirkham West Bank bureau | Page 01

With every flash of a green light at the **Crescent City Connection's** 12-lane toll plaza, a state agency overseeing the fifth-busiest toll bridge in the nation chalks up its primary source of revenue.

Since the Legislature reauthorized tolls in 1998, drivers crossing the bridge have doled out more than \$170 million, with the promise that those tolls would pay for a slew of West Bank transportation projects after financing the upkeep of the bridge and three ferry routes across the Mississippi River.

Ten years later, however, many of those plans sit dormant, or have been paid for with other local or federal money. The oversight authority appointed to meet quarterly and oversee the transportation projects has not met in more than a year.

The vast majority of toll money has instead gone right back into the **Crescent City Connection's** operating budget, paying for basic bridge and ferry maintenance and supporting salaries for the 200-plus employees of the **Crescent City Connection** division, agency records show.

Bridge officials argue the projects were an unfunded mandate, meant to be paid for with surplus toll money that never materialized, as rising maintenance and insurance costs ate up much of the toll revenue. Costly projects such as installing new toll-tag and video equipment and a multimillion-dollar bridge repainting have been higher priorities. But tolls also have gone to projects such as a public basketball court along the expressway on the east bank and welcome signs for Westwego.

Meanwhile, the authority has more than \$40 million in reserves.

Now, several Jefferson Parish and New Orleans legislators believe transportation projects on the West Bank might be getting shorted and have called for a performance audit on the bridge's finances by Legislative Auditor Steve Theriot. Rep. **Patrick Connick**, R-Harvey, introduced a bill last week calling for the three ferry operations -- a sizable cost for the agency -- to be removed from the bridge authority and brought under the Department of Transportation and Development, like most other ferries across the state.

The bridge authority's top administrators will be in Baton Rouge today to answer questions from the House Appropriations Committee.

"The bottom line is, 'Are they performing like they should be performing?' And if not, let's do it better," said Connick, who sponsored both the ferry and audit measures in the House. "I don't want the tolls to continue if they're going to be wasted."

Road projects promised

A review of annual budgets for the **Crescent City Connection** division dating back to 1998, when the Legislature most recently renewed the tolls, shows that the sub-agency of the Department of Transportation and Development has been getting by on slim margins for years. Since 1989, when tolls were reinstated after a 25-year hiatus to prepare for opening the second span, the bridge and ferries have operated under a self-sufficient agency that relies primarily on toll revenue.

When tolls came up for reauthorization in 1998, legislators wanted drivers to know their payouts weren't simply vanishing. Toll-payers were promised that money would be funneled toward plans such as new expressway ramps in Harvey and improving Gretna's access to the bridge via Burmaster Drive.

The projects were intended to be paid for with surplus toll revenue that remained after paying to operate the bridge and ferries. At the time, legislators estimated tolls would generate a \$6 million surplus each year until they would expire in 2012. But during the same session that the projects were set, legislators cut toll-tag rates from 50 cents to 40 cents.

Since that time, there has been no separate accounting of the projects in the bridge authority's budgets. Projects are paid for year to year as money allows, out of the agency's capital projects budget.

Totals spent on the West Bank transportation priorities were not readily available from bridge officials, and had to be compiled after a public records request.

The 13-member committee that oversees the surplus toll projects, assigned to meet quarterly, has not met since 2006. Randall Paisant, assistant executive director of the bridge, said it has been difficult getting members together since Katrina. He also said there is no need for the group to meet because projects were prioritized several years ago.

"If you read the statute, that's their one and only duty. They did that back in 2000," he said. "There's nothing else for them to take action on."

The law says nothing about the group disbanding, however, and states that members "shall have access to the accounting of all expenditures, revenue, project priorities, status of ongoing projects, and any other matters which relate to the **Crescent City Connection**, its operations, and related projects."

"The amount of funds that the tolls throw off in surplus was minuscule compared to the funds we needed for things like a bridge or a flyover ramp," said Glenn Orgeron, an oversight authority member and Algiers Economic Development Foundation board member. "Maybe the fact we haven't met in a year is an indication that the bridge isn't throwing off any funds and is just trying to scrape by to stay even."

Getting little money

A review of the numbers shows that since the priorities were set, the **Crescent City Connection** has spent more than \$28 million on a top priority, repainting the older of the two bridge spans and parts of the expressway, but that many other transportation projects outlined in the bill have

gotten short shrift.

The authority spent \$1.3 million in engineering studies alone for new expressway ramps at Peters Road, but none on construction. For widening Barataria Boulevard, another project outlined in the 1998 legislation, the authority spent less than \$130,000.

Money has instead gone to many projects outside the scope of the 1998 legislation, including a \$176,000 installation of a basketball court and more than \$77,000 to put up welcome signs along the expressway for the city of Westwego.

Paisant said the court and signs are considered beautification projects, which were meant to be paid for before the priorities were set after 1998.

Technology costs associated with tracking down toll violators and billing them have eaten into revenue as well, with the bridge spending nearly \$5 million on operating and upgrading new toll technology since the 1999-2000 fiscal year. The authority has spent more than \$900,000 so far to set up a monitoring system to track down toll violators and mail out notices.

Some of that money will come back in the form of violation fees, but the agency was awaiting more than \$3.8 million in uncollected violations after the first year of operating the system.

A mandated project to widen Gen. de Gaulle Drive has not gotten off the ground, but the authority has spent nearly \$5 million to upgrade the intersection at Earhart and Claiborne avenues and more than \$1.5 million at Magazine and South Peter streets.

Doing away with tolls?

The lack of progress on projects mandated by state law has raised talk of discontinuing tolls when they are set to expire in 2012.

"If we're going to continue the tolls, we'd like to see the dollars going somewhere," said Rep. Jeff Arnold, D-Algiers. "We've got to get a return on the dollar."

Many of the projects on the list have been paid for instead through separate state appropriations, congressional earmarks or parish money.

With tolls reduced in 1998 and rising costs, bridge officials say the disappearing surplus should not be surprising.

"We consider ourselves to be a great steward of the public funds," Paisant said. "We don't throw money around, because we can't throw money around."

Spending exceeds revenue

Bridge authority projects have been sidelined by sizable operating costs that have outpaced toll collections over the years.

For the most recent fiscal year, which ended in June, toll revenue totaled \$21.4 million. Though the **Crescent City Connection** also generates revenue from interest on various bonds and certain state transfers, the money from tolls alone amounted to less than the \$22.8 million the agency spent on operating costs.

Including capital projects, which are authorized year to year by the Legislature, the bridge has spent more than it has received every year since 1998. To make up the difference, the agency has been drawing down its reserves on the order of \$1 million to 2 million a year. As of mid-2007, the agency had \$42 million in reserves.

Salaries and benefits for the 200-plus bridge and ferry employees are the single greatest operating cost, \$10.7 million out of the \$22.8 million total. Those salaries include those of the **Crescent City Connection** police force, which patrols the entire West Bank Expressway, the bridge and the Pontchartrain Expressway to Broad Street, a length of 14 miles.

The 30-member bridge police force is comparable in size to the Causeway Police, which has 32 officers, but that force patrols both the 24-mile span and the Huey P. Long Bridge.

Insurance costs on the bridge have skyrocketed as well, rising from \$1.1 million in 2002 to more than \$5 million last year.

Running the three Mississippi River ferry routes -- the Jackson Avenue-Gretna ferry, the Canal Street-Algiers ferry and the Chalmette ferry -- is a major drain on the agency's finances. Ferries alone amounted to nearly 30 percent of the \$22.8 million in operating costs, and the \$7.2 million spent last year on capital projects, while ferry revenue of \$238,617 made up less than 1 percent of all money generated by the bridge.

"When you look at the monies there, and the monies for the ferry operations, there isn't too much excess left," said former state Sen. Chris Ullo, D-Marrero, who was on the 13-member oversight authority. He said the bridge authority should have remained under DOTD all along.

"There was no reason why we should have divorced ourselves from the state budget," he said. "There's no reason in the world tolls should support a bridge that is a main artery for the whole New Orleans area."

Audit to begin soon

A bill Connick introduced last week would remove the ferries from the jurisdiction of the **Crescent City Connection** and put them under the larger umbrella of the state Transportation Department.

A performance audit of the agency should begin by next month, said David Greer, director of performance in the legislative auditor's office. He had no specifics on the scope of the audit, but he said it will analyze how effective the bridge has been with the money it has. It could take anywhere from three months to a year to complete, he said.

In last year's annual audit report, Theriot noted a "significant deficiency" in the agency's financial

reporting. The audit found that employees were not properly trained in basic accounting practices and that several other figures in the annual report were either overstated or understated.

The agency did not complete an audit report for fiscal year 2001 and ended up reporting only eight months of that year's finances on the 2002 report. The legislative auditor's office said it could not determine "that all revenue from toll collections or that all tag deposits were accounted for and recorded accurately."

Accounting mishaps such as these can be found across numerous state agencies, however, based on reviews of several audit reports. The bridge's parent agency, the state Transportation Department, was criticized by the auditor in 2004 for leaving 193 construction projects open for more than two years, tying up more than \$12 million in money that could go elsewhere.

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