

**NEW
JERSEY**

1988 Annual Reports

Department of Transportation



Transportation Trust Fund Authority

Thomas H. Kean
Governor

Hazel Frank Gluck
Commissioner

**The New Jersey
Department of Transportation
&
Transportation Trust Fund Authority
1988 Annual Report**





Governor Thomas H. Kean (seated, center) and Commissioner Hazel Frank Gluck (standing, center) strike an official pose with the Department of Transportation's senior managers, including (seated) Chief of Staff Judith Shaw Berry and Deputy Commissioner Robert A. Innocenzi, (standing) Assistant Commissioners Kenneth C. Afferton, James A. Crawford, Charles T. Edson, Linda M. Anselmini and Alvin R. Little.

Introduction

A bus pulls up to a stop, a train to its platform. Workers in hard hats and reflective safety vests maneuver large vehicles on highway projects. These may be the public's most familiar glimpses of the New Jersey Department of Transportation and NJ TRANSIT putting the state's Transportation Trust Fund to work.

This year's annual report, coming as it does after the first full year of the Department's reorganization, rounds out this picture. It begins with the NJDOT's behind the scenes policy, planning, design and right of way work which culminates, whenever it is prudent and possible, in highly visible highway construction and maintenance projects.

This report also introduces NJDOT's newest unit, Interagency Coordination. Through it, the Department will expand its participation in the region's major independent transportation agencies.

The efficiency of the Department's internal finance and administration unit is key to the effective delivery of transportation services. To accomplish these goals, finance and administration has reordered and upgraded its support services.

This report also records the improvements to the state's public transit system which were made possible by Transportation Trust Fund Authority funding.

The transportation issues of the next decades have begun to surface: funding, suburban mobility, population and development patterns, ongoing maintenance of existing public transit, bridges and highways, and new public-private partnerships.

Because of the funding available through the Transportation Trust Fund, the New Jersey Department of Transportation and NJ TRANSIT are ready to take on the known and the unknown challenges of the next decade.

December 31, 1988

Dear Governor Kean:

I am particularly pleased to transmit to you for the very first time a combined Annual Report for the Department of Transportation and the New Jersey Transportation Trust Fund Authority which reflects the continuing improvements to New Jersey's road and public transit systems made possible by the renewal twelve months ago of the Transportation Trust Fund.

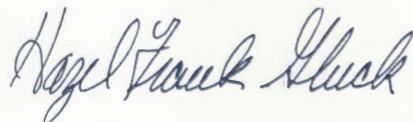
Our accomplishments this year run the gamut from the award of the largest construction contract in the Department's history for the \$106.5 million completion of I-295 in Gloucester County to the \$29.1 million overhaul of rail passenger cars and the purchase and overhaul of locomotives by NJ TRANSIT.

This year we completed Route 90 in Burlington and Camden Counties, started the dualization of Route 31 in Hunterdon County and recommended a new rail station to serve southern Mercer, northern Burlington and western Monmouth Counties.

We completed a major South Jersey Highway Improvement Study, began an I-80/280 automated guideway transit system study, received federal approval for the environmental document needed to advance the Route 206 dualization and selected a preferred alternative for the construction of Route 92. Not a section of the state remained untouched by the benefits of the Transportation Trust Fund.

I can promise you and the citizens of our state that we will continue to build upon the reorganization of the Department begun this year by increasing our work output, streamlining procedures and improving our delivery of critically needed transportation projects statewide in the year ahead.

Sincerely yours,



Hazel Frank Gluck
Commissioner of Transportation

CONTENTS

Policy and Planning	5
Design and Right of Way	9
Construction and Maintenance	13
Finance and Administration	19
Interagency Coordination	21
NJ TRANSIT	23
The Trust Fund Authority	24

Title page photo:
Night paving on Route I-95 in
Lawrenceville helped avoid
commuter traffic congestion
during daytime peak hours.



Interchange of Route 1 and I-295 in Mercer County shows a developing area.



Policy and Planning

The reorganization of the Department resulted in a regrouping of the divisions which report to the Assistant Commissioner for Policy and Planning. These divisions are responsible for the initial steps in accomplishing the mission and objectives of the Department: policy, project planning and development, transportation assistance and research and demonstration.

TRANSPLAN

TRANSPLAN is the name given to the three separate bills which were recommended by the Department in 1986 to promote efficient land development patterns based on existing transportation facilities. They are the State Highway Access Management Act, the Transportation Development District (TDD) Act and the County-Municipal Planning Partnership Amendments.

The State Highway Management Access Act was amended and passed by the Assembly and sent to the Senate for its concurrence in late 1988. The two other bills remained in committee.

The Department continued action to promote statewide growth planning this year. It played a vital role in developing the draft State Development and Redevelopment Plan which will encompass an investment strategy for guiding, not limiting, projected residential and economic growth through the year 2010.

In November, NJDOT presented the South Jersey Highway Improvement Study at public meetings in Cape May and Gloucester Counties. The study focuses on highway improvements needed to accommodate the region's current and future travel demands. It proposes low-cost intersection improvements and transit strategies for the short-term and proposals for major capacity increases and detailed environmental studies.

The evaluations of four other high-growth corridors are near completion. They include I-78 from the Garden State Parkway to the Delaware River, Routes 40/322 in Atlantic County,

Route 130 in Burlington, Mercer and Middlesex Counties and Routes 70/73/38 in Burlington and Camden Counties. These studies evaluate existing travel patterns and congestion points, project future economic and traffic growth and provide preliminary evaluations of transportation alternatives for current and future travel demands.

The Department prepared the Emergency Mobilization element for the state's Natural Disaster Operations Plan. This establishes the response procedures for extreme situations such as storms and hazardous materials spills.



An interested local resident reviews plans for the Carteret Industrial Road with an NJDOT engineer at the information center held by the Department.

Regional mobility

The congestion crunch in New Jersey and New York has seized the attention of transportation officials, major employers and local officials who fear that the recent economic boom could be threatened by gridlock.

In December, Commissioner Gluck joined transportation leaders from New York State, New York City and the Port Authority of New York and New Jersey in the region's first mobility conference. Access to central business districts, suburban travel, infrastructure renewal and implementing mobility improvements were among the topics discussed.

The Department's reorganization reflects its increased attention to mobility management in New Jersey. In September, NJDOT launched a ridesharing promotion for the "1-800-245-Pool" number through new signs, public and cable television spots and radio announcements.

NJDOT continued to actively encourage Transportation Management Associations (TMAs) in 1988. A TMA is usually a partnership formed between business and local government to help solve local transportation problems. They may operate, manage or broker programs for ridesharing, alternative work hours, parking management and shuttle buses.

The Department helped set up "Keep Middlesex Moving," a TMA, and sponsored the formation of a steering committee for another TMA to serve the Route 73 corridor in Burlington and Camden Counties. Meadowlink, Greater Princeton TMA and McRides in Morris County are active TMAs receiving state grants.

In the last few years, the Department has offered alternatives to drivers of single occupancy vehicles when major interstate repair projects were likely to disrupt normal traffic patterns. In 1988, an intensive media campaign kept motorists informed of roadwork progress on I-80 in Morris County so they could adjust their work hours or travel plans whenever possible.

Vanpools are one answer to easing the suburb to suburb commute.



Work on other highway projects within the corridor was coordinated to lessen its impact on peak commuter travel times. Unfortunately, in densely populated regions of the state, the use of alternate routes is difficult because those routes are usually already at capacity.

Safety is key

This year the Department approved plans for Loran-C approaches to Mercer County Airport near Trenton and the Steel Pier Heliport in Atlantic City. This is the first step in testing and evaluating airport approaches to increase significantly the safe operation of airplanes and helicopters during adverse weather conditions.

Revisions to the Air Safety and Hazardous Zoning Act of 1983, which, if adopted, will complement compatible land-use planning in the vicinity of airports were published.

The first two grants under the cost-sharing provisions of the Airport Safety Fund were awarded this year to the Solberg-Hunterdon and Flying W Airports in Hunterdon and Burlington Counties. The new provisions extend grants for critical projects which exceed the \$100,000 limitation previously in effect.

The Department received more than \$2 million in enforcement funding for the Motor Carrier Safety Assistance Program, a federally-funded program to increase safety enforcement and hazardous materials

regulation. These monies will fund various State Police and NJDOT safety inspections.

As lead agency for the Motor Carrier Safety Assistance Program, the Department applied for and received a \$131,000 grant for surveillance and enforcement of drug laws at truck stops and other areas of major motor carrier activity. New Jersey was the first state to receive grant approval and is a model for other states.

The Department has committed \$3 million to rehabilitate rail freight lines and has retained 214 miles of railroad operated by the seven short line rail carriers serving 120 industries statewide.



Automated weather observation stations were installed this year at airports statewide, including this one at Bader Field in Atlantic County.



Workers build a wingwall for the Route 18 bridge ramp in East Brunswick.



Design and Right of Way

Design and Right of Way's six divisions develop plans and specifications and provide right of way for the Department's transportation improvement projects.

There are three design divisions. Regional Design is responsible for the design of highway projects statewide while Bridge Design prepares contract drawings and specifications for state bridges and performs critically important bridge inspections on both state and local systems. Roadway Design provides design support services within the Department and to other state and local government and engineering agencies in New Jersey.

The other three divisions handle a variety of responsibilities.

Right of Way manages the sensitive process of acquiring land needed for construction of new highways and bridges and improvements to the existing system.

Traffic Engineering and Local Aid administers the \$65 million in state funds available annually to county and local governments for improvements to their transportation systems. In addition, this division is responsible for the investigation of traffic sign and signal requests and the assessment of roadway surface and intersections for safe and efficient traffic movement.

Engineering Support Systems provides computerized technology for drafting and design, preliminary engineering management (PEMS) and value engineering for precise project design and cost estimates.

Local aid

The renewal of the Transportation Trust Fund in January increased municipal aid from \$15 million in Fiscal Year 1988 to more than \$30 million in Fiscal Year 1989 of which \$5 million is set aside for qualified urban areas.

As a result, the Municipal Engineers Screening Committee reviewed more than 1,000 applications for assistance totalling more than \$126 million, before awarding the \$26 million for Fiscal Year 1989 to 243 local projects statewide.

The Screening Committee is comprised of municipal engineers representing urban, suburban and rural communities. This year's members, selected in cooperation with the Municipal Engineers' Association, included engineers from Camden, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Salem and Union Counties.

The annual \$35 million Federal Aid to Urban Systems (FAUS) swap program, which exchanges red-tape-laden federal dollars for a like amount in state funds, was specified once again in the seven-year Trust Fund renewal legislation.

In addition to providing the counties with badly needed funding for local road and bridge improvements, the Commissioner allocated \$500,000 of the discretionary FAUS funding to four transportation management associations in Bergen, Mercer, Middlesex and Morris Counties.

I-80 Bergen rehabilitation

Plans for the largest interstate highway rehabilitation in Department history, Interstate 80 in Bergen County, are under way. The proposed project would run seven and one-half miles from the Passaic River to



Crews work on improvements to County Route 541 in Burlington County.



The Route 35 bridge over the Mansquan River was one of several movable bridges which received a complete overhaul this year.

Interstate 95, including approximately one mile of I-95. Because of the size of the project in both distance and estimated cost, it will be separated into as many as 10 individual contracts.

The project will include bridge deck rehabilitation on 22 main line bridges and 12 ramps or overpasses, shoulder improvements, extensions of both acceleration and deceleration lanes and short sections of additional travel lanes where spot congestion and capacity problems exist.

Design work continued on hundreds of highway improvement and bridge rehabilitation projects statewide this year, including the dualization of Route 206 in Somerset County, improvements to Route 1 in Mercer and Middlesex Counties, the Trenton Complex (I-195/295 and Routes 29/129) in Mercer and Burlington Counties, I-287 in Morris and

Somerset Counties, Route 46 in Warren County and Route 23 in Passaic County.

'Orphan' bridges

At the end of the year, Governor Kean signed into law a bill which will ultimately provide the framework required to assign responsibility for the hundreds of "orphan" bridges in New Jersey. Because the bridges do not have clearly identified ownership, responsibility for maintenance can often be the subject of disputes.

The majority of the orphan bridges carry county or local roads over railroad rights of way, many of which have been abandoned for years, although others still carry freight or passenger rail service. The new legislation remains inoperative until a funding source is identified.

Because these bridges play an

important role in local transportation systems, the Department performed emergency repairs on eight of them this year without accepting ownership.

During 1988 the Department produced construction specifications, right of way and utility relocation plans and performed engineering work on 55 bridge projects totalling nearly \$145 million. Designs completed and advertised this year included bridges on Routes 23 in West Milford, 40/322 in Atlantic City, and 46 in Dover.

Bridge inspections, a critical component in maintaining the safety of New Jersey's transportation network, were accomplished on 946 state-owned bridges, 1,160 county-owned bridges and 195 other structures at a total cost of nearly \$4 million.

Computers help

A new Automated Field Survey System (AFSS) has been introduced in Region II to allow survey crews to spend less time in "live" traffic lanes while providing survey information which is accurate to one-eighth of an inch. The system has been used successfully on projects on Route 208 in Bergen County and on Route 7 in Nutley.

The new program transforms raw survey data into a point coding system which can be viewed on a video screen and connected to produce a base sheet. The computerized base sheet can be transmitted via telephone to the design squad's computer-aided drafting and design (CADD) work station for production of hard copy. This computerized system is compatible with those used by the Department's design consultants and is expected to be available to the three other design regions next year.

The CADD system has more than doubled productivity in the electrical engineering unit this year; all phases of electrical and related drafting work are being entered onto the system.

The Department is also putting computers to work to solve traffic problems. It is developing a prototype computerized traffic control system with East Brunswick to keep peak-hour traffic moving more smoothly on Route 18 without requiring costly reconstruction of the road itself.

During morning peak, the computer will be programmed to recognize approaching groups of vehicles several thousand feet in advance of the first signal at Hillsdale Avenue, near the Old Bridge-East Brunswick border. The computer will generate the appropriate amount of green time for the oncoming traffic and transfer that timing to lights at 15 successive intersections.

Gabion baskets provide effective retaining walls along I-287 in Riverdale.

The process will be reversed for the evening peak to favor traffic leaving New Brunswick. During off-peak hours and weekends, the system will continue to monitor traffic flow and modify signal timing. Construction of this prototype project is expected to start in early 1990 with a system phase-in over two years.

Erosion/disposal plans

New Soil Erosion and Sediment Control Standards were adopted this fall. Developed in cooperation with the state Departments of Environmental Protection and Agriculture, the new standards provide design and construction engineers with the latest information on erosion prevention and control measures to reduce or eliminate sedimentation of rivers, lakes, streams and other areas adjacent to NJDOT projects.

Disposal of excavated materials has always been part of the design plans prepared for bids. In recent years, the number of sites suitable for disposal and willing to accept the materials has decreased, causing this portion of a

contract's total cost to escalate dramatically.

The problem is exacerbated by increasingly frequent discoveries of contaminated soil in construction sites. Whether the contaminant is toxic or industrial, its discovery and removal always necessitate close coordination with the Department of Environmental Protection, the agency charged with preparation of special plans involving protective devices for cleanup crews or costly containment or removal.

In these situations, costs are measured not only in dollars but often in construction delays as well. Roadways affected by such waste sites include Route 24 in Morris County, I-287 in Bergen County and Route 169 in Hudson County.

In the case of Route 169, removal of 13,500 tons of unexpected hazardous material to an approved out-of-state disposal site was accomplished within a tight eight-week time frame, avoiding project delay while still meeting the requirements of the federal Environmental Protection Agency.





Portions of the Albany Avenue Bridge in Atlantic City were removed as part of an overall replacement project.



Construction and Maintenance

The Department's Construction and Maintenance projects are the most visible to New Jersey residents, and the ones by which it tends to be judged. In Fiscal Year 1988, 15.4 new lane miles were constructed, 64 highway projects costing \$370 million were completed and another 110 are under way. During the same period 278 bridges were under construction.

Highway highlights

The Department awarded in November its largest contract ever, totalling \$106.5 million, to bring a section of **Interstate 295** in Gloucester County, built as Route 130 forty years ago, up to interstate standards.

The project extends 5.1 miles on I-295 from south of Delsea Drive to south of Church Street in West Deptford, Deptford and Westville. The improvement will accommodate traffic expected through the year 2007, approximately 103,740 vehicles per day, nearly twice the present volume.

Work includes widening from two to three lanes in each direction to match adjacent six-lane sections of I-295, installation of center barriers, improved geometry, rebuilt interchanges and noise barriers. The project will have nine stages of construction and is to be completed by July 1993.

Construction and design work continued in 1988 for the completion

of **Interstate 287** from Montville, Morris County, to the New York State Line.

This spring work began on the one-mile, \$27.2 million project from north of the Ramapo River to the New York State Line in Mahwah. Bids were taken in October to build I-287 from south of Main Road to south of Route 23 in Montville, Pequannock, Kinnelon and Riverdale, Morris County and in December to build I-287 from Franklin Avenue, to south of the Ramapo River in Franklin Lakes and Mahwah, Bergen County.

Two projects totalling \$66.9 million for the missing New Jersey portion of **Interstate 78** from Still Valley to the Delaware River in Warren County were completed in December. The 4.5 mile section will hook up with a new bridge over the Delaware River,

being built by the Pennsylvania Department of Transportation.

The rehabilitation of the bridge decks on **Interstate 80** continued in 1988. A \$12.3 million project to rehabilitate 18 bridge decks along a 6.7 mile section of I-80 from Wayne to Parsippany-Troy Hills in Morris, Essex and Passaic Counties, began in February and a \$14.5 million project to rehabilitate 20 others from Byram, Sussex County, to Knowlton, Warren County, began in March.

Ribboncutting ceremonies in June marked the opening of a \$33.7 million, 2.57 mile project that includes grading, paving and structures on **Route 18** from Deal Road to Wyckoff Road in Ocean Township, Tinton Falls and Eatontown.

A \$74.6 million contract was awarded in September to complete the



Earth movers dominate the scene on the Route 24 Freeway project in Morris County.

Route 152 at Somers Point, which opened in September, was photographed during construction this summer.

gap in the **Route 18 Freeway** from Wayside Road to south of Overhill Road in Tinton Falls, Eatontown and Ocean Township, Monmouth County. The project includes work on **Route 36** from the Route 18 Freeway to west of Wyckoff Road. Noise walls and a wetlands replacement area are part of the contract.

The new **Route 18 bridge** over Lawrence Brook in East Brunswick, Middlesex County, opened to traffic in September. The rehabilitation of the existing bridge and its approaches will begin in 1989. When completed, northbound traffic will be placed on the original bridge and southbound traffic will use the new structure.

The Department is constructing 23 wetlands sites as part of construction projects in 1988; ten other wetlands replacement areas are in the design stage. Each wetlands re-creation site is unique and involves the close cooperation of the regional design, environmental analysis, landscape architecture and construction engineering staffs.

Groundbreaking ceremonies in July marked the beginning of a \$47.3 million, 5.8 mile project to build the **Route 24 Freeway** from east of Park Avenue in Hanover Township to the vicinity of River Road in Millburn and Summit, Morris, Essex and Union Counties. The first of two Route 24 Freeway contracts, which will eventually connect with I-287 in Morristown, will be completed in early summer of 1992.

Work began in March on the first of several contracts to improve capacity and safety on **Route 31** between the Flemington Circle and I-78 in Hunterdon County. The first project will add one lane each way between Payne Road and Allerton Road in Clinton.

A ceremony opened a portion of the **Route 33 Freeway** from Route 79 to Halls Mill Road in Freehold, Mon-



mouth County. The \$14.6 million project covers 1.5 miles and includes a four lane divided highway, eight ramps and two bridges.

A \$33.5 million contract, the last of four, was awarded in November to add a lane each way along 6.25 miles of **Route 37** from Route 70 to the Garden State Parkway in Lakehurst, Manchester and Dover, Ocean County.

Construction also began in November on a \$24.9 million dualization project on **Route 38** from the New Jersey Turnpike in Mount Laurel to east of Creek Road in Hainesport, Burlington County. This roadway will join a 3.6 mile, \$16.4 million reconstruction project currently in

progress east of Creek Road to complete an addition of a lane each way to Route 38 and provide improved regional traffic flow.

Bids were received and work began on the last two contracts to complete the **Route 55 Freeway** in Gloucester County. One project extends 4.2 miles from north of Aura-Glassboro Road in Elk Township to north of Route 322 in Mantua Township. The other spans 3.1 miles from Pleasant Valley Road in Franklin Township to Aura-Glassboro Road. The two jobs cost a total of \$49.5 million.

Ribboncutting ceremonies in October marked the official opening of the **Route 90 Freeway** from the

Betsy Ross Bridge/Route 130 interchange to Route 73 in Pennsauken, Cinnaminson and Maple Shade in Camden and Burlington Counties.

The 2.85 mile, \$23.8 million project will relieve congestion on highways in southwestern New Jersey and provide a link between the regional highway systems of New Jersey and Pennsylvania. The importance of this work became apparent when the Tacony-Palmyra Bridge closed unexpectedly in December because of structural problems.

A new 3.6 mile section of **Route 541**, the Burlington-Mount Holly Road, extending from Burlington Township to Westampton, Burlington County, opened to traffic in October. This \$15.5 million reconstruction project included widening, paving and structures.

A \$13.1 million contract to build the **Carteret Industrial Road** in

Middlesex County was awarded in September. This two-mile project extends from Roosevelt Avenue to the New Jersey Turnpike Interchange 12 and will provide a bypass for truck traffic exiting from the Turnpike. The project was delayed for a year due to a toxic chemical cleanup.

Rust-buster

NJDOT introduced a cathodic protection system to arrest corrosion on reinforced concrete decks on 18 bridges on I-80 in conjunction with a \$12.3 million deck rehabilitation project. The bridges are located between I-280 in Parsippany-Troy Hills and the Passaic River in Fairfield.

Normal de-icing compounds, such as sodium chloride and calcium chloride, combine with water and iron in the reinforcement steel in the deck

to form rust.

The new system uses a low voltage electrical current equivalent to a 100-watt bulb to halt corrosion of the steel which is used to reinforce concrete.

During the rehabilitation, a mat of special wires called anodes was placed on the top of the prepared deck surface. A latex-modified concrete overlay placed over the mat serves as both a riding surface and as anode protection.

The anode mat is wired under the deck to a transformer which supplies low voltage current which is linked by telephone to a remote terminal monitor at NJDOT Headquarters in Ewing. The cathodic protection system eliminates the need for costly removal of salt-contaminated concrete. The project was completed in November 1988.



The new Route 18 bridge over the Lawrence Brook in East Brunswick opened to traffic in September.



Commissioner Hazel Frank Gluck unveils sign naming I-195 in honor of the late U.S. Representative James J. Howard.

Boulder dash

Quick action by NJDOT Geotechnical Engineering and Regions I and II Maintenance crews prevented a disaster waiting to happen in March on Route 206 in Byram Township, Sussex County.

Alerted by police that a half-ton boulder had fallen on the highway, geotechnical engineers found an area of potentially unstable rock after surveying rock outcroppings in the area.

A removal operation was mounted, using a wrecking ball and crews with pry bars in Hi-Ranger trucks. The rocks were dislodged and rolled down an embankment, after a sand barrier was constructed to keep the rocks from rolling into traffic.

Storm troopers

Responding to emergencies, be it an oil spill, downed traffic signal or a natural disaster, is part of the daily

routine of NJDOT's maintenance and electrical crews. Dozens of calls each week come into the four regional headquarters from police and motorists.

When a July storm washed away more than 75 feet of track on NJ TRANSIT's North Jersey Coast Line, 300 tons of stone were needed by repair crews to act as ballast for the track. NJDOT maintenance trucks were mobilized in Region III to deliver the stone to the site. As a result, train service was restored before the morning rush hour.

Memorial lanes

Congressional and state officials unveiled a sign designating I-195 as the James J. Howard Interstate Highway during ceremonies in April.

An act of Congress authorized the naming of the highway in Howard's honor. The late Congressman, who died in March, represented New

Jersey's Third Congressional District in the House for 23 years and was Chairman of the House Public Works and Transportation Committee at the time of his death, the first New Jerseyan to hold this post.

Howard was responsible for getting this route added to the interstate system.

Howard's accomplishments in Congress included the introduction and passage of the 55-mile per hour speed limit. He was also the author of the "Howard Plan," which provides for a coordinated surface transportation policy and program, an increased federal-aid highway system, and a program to rebuild the nation's 100,000 unsafe bridges and improve highway safety nationwide.

The James J. Howard Interstate Highway, a major east-west road in New Jersey, extends 34 miles from Hamilton Township, Mercer County, to Wall Township, Monmouth County.

Trash on trial

Commissioner Gluck kicked off a "Don't trash New Jersey" test program in October at a news conference at the Mountainside Rest Area on Route 22 in Union County. The test program was designed to heighten public awareness of the negative aspects of litter and debris on state roads and rights of way and to collect data on the overall problem and test motorist use of roadside barrels.

The Department is expending increasing amounts of labor and money each year to keep its roads and rights of way clean. The effort is straining resources and detracting from the overall maintenance program. A total of \$5 million was budgeted for litter cleanup during the current fiscal year.

During October, the Department monitored and measured trash cleanups at three locations: Route 22 in Union and Newark, Route 35 in Perth Amboy and Sayreville and Route 130 in Pennsauken and Camden. Area media and officials were invited to preview the area, review subsequent cleanup efforts and determine how quickly a "clean" condition returned to an unacceptable one.

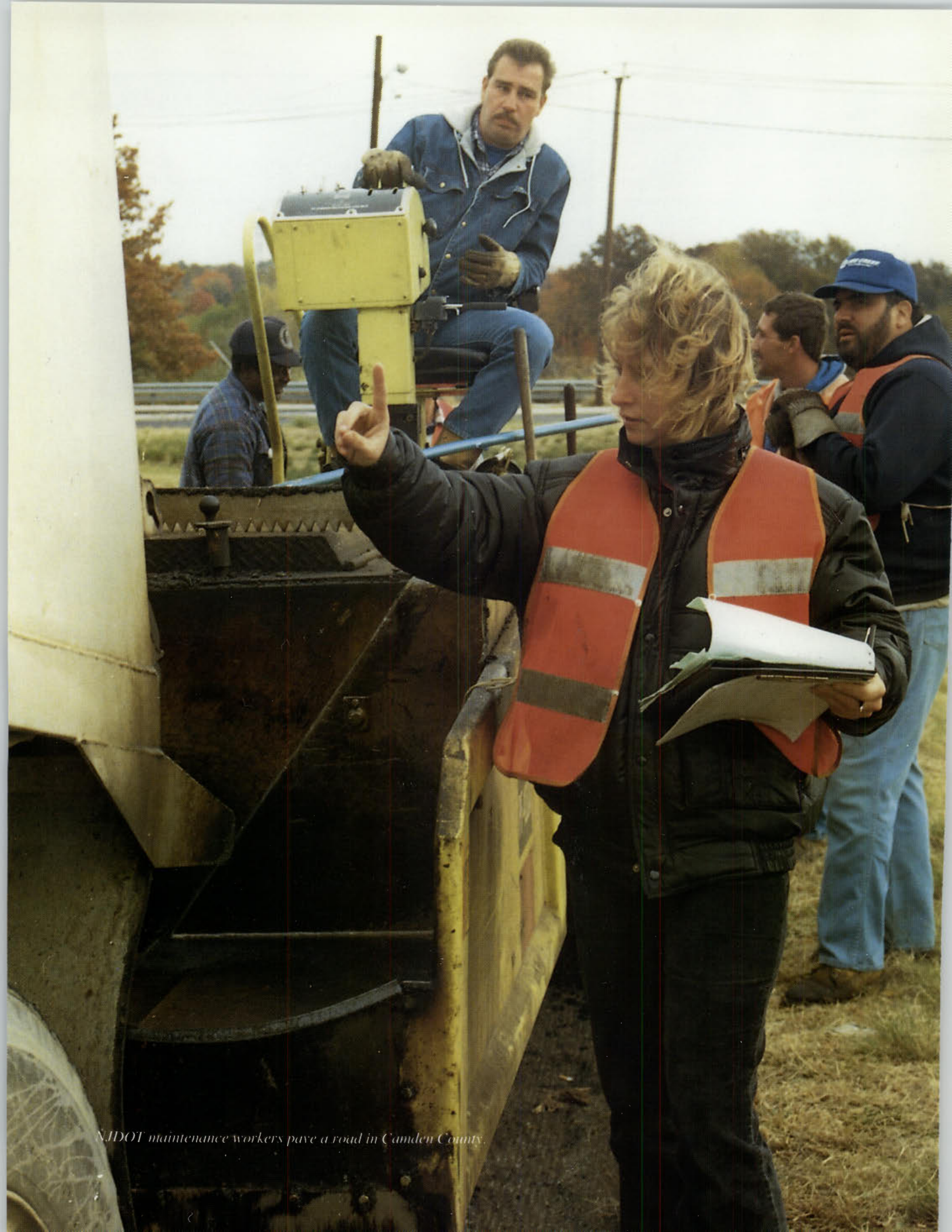
Red and blue barrels were placed at five test locations and "Don't trash New Jersey" bumper stickers and biodegradable litter bags were widely distributed as part of the program. The results are being evaluated to determine changes to the Department's current policies and procedures for trash removal and also to decide whether more extensive public education work should be undertaken.

"Don't trash New Jersey" was the theme of a fall test program to collect data on this critical public issue.

NJDOT MAINTENANCE DATA

• Guide rails painted	5,936
• Acres mowed	24,844
• Litter pickup	152,000 worker hours
• Permanent patching	21,240 tons
• Temporary patching	7,456 tons
• Winter de-icing materials	59,805 tons
• Machine sweeping	9,139 miles
• Drainage pipe, under drain	8,000 linear feet
• Guiderail repair	51,962 linear feet
• Signs replaced	14,319
• Signs erected	4,444
• Lines marked	6,046 miles
• Resurfacing	151,155 tons (asphalt)
• Traffic signals revised	350
• Lighting units upgraded	900
• Signals inspected	20,025
• Traffic signal intersections relamped	1,268
• Drawbridge inspections	233
• Electrical emergency calls	10,275
• Skid tests	2,300 lane miles
• Access permit applications issued	4,078
• Dam inspections	13





NJDOT maintenance workers pave a road in Camden County.



Finance and Administration

Finance and Administration provides the Department with its internal structure and services and the efficient, effective management of its resources, both people and goods.

This year it adjusted its own organization to respond to the strategic planning goals identified in the Department's reorganization. New safety, management information systems and procurement offices were established. Financial management, affirmative action and Senior Executive Service programs were among the other program highlights.

New job safety office

A new Safety Office will ensure that NJDOT employees work under safe, healthy conditions and that the Department keeps up with the continual changes in state and federal workplace regulations. Public employees were not covered by federal safety regulations under the Occupational Safety and Health Act until it was extended by the Public Employee Occupational Safety and Health Act in 1984.

The Safety Office performs an in-house regulatory and information function. Its Occupational Health Unit will respond to any potential on-the-job health problems. The Compliance and Inspection Unit will check NJDOT office and field facilities to make sure the Department is meeting all federal and state standards.

The Safety Office is also updating the Department's safety manuals and

developing ways to improve work zone safety, including the standardization of measures and devices used by state and contractor highway crews to alert motorists to in-lane or shoulder work.

NJDOT's Safety and Communications Offices will be launching an extensive public education campaign next March to make the public more aware of highway workers so they drive with care and heightened alertness through work sites.

Computerization

The Financial Management Information System (FMIS), installed in October, will assist Department managers in job planning, budgeting and monitoring, and administration of their work programs. It will support the new Preliminary Engineering Management System (PEMS).

FMIS is comprised of six major

applications: general accounting, capital accounting, accounts payable, consultant/utility/rail contract management, job accounting and federal tracking and control.

The year old Management Information Systems (MIS) Division is developing a strategic plan for automation which includes setting up personal computers and networking different systems.

MIS has set up a Personal Computer Lab in the Headquarters Complex, open to employees from 9 a.m. to 4:30 p.m. so they can both use the latest software and hardware and also receive technical assistance.

Facility upgrades

Bids have been accepted for the NJDOT facilities master plan. The Department is currently gathering data to see how its 600 buildings on 135 sites can be updated and made



Computers now enhance drafting, design, financial, personnel, preliminary engineering management and publications work in the Department.

more efficient.

Rehabilitation of the Headquarters Building in Ewing is projected to be completed by January 1990. The renovations to this building will ultimately enable the Department to cancel leases on five existing facilities and save an estimated \$911,000 a year in rental fees. The completion of the project will also result in increased productivity by the centralization of staffs.

Buying centralized

All Department purchasing will now be done in one centralized unit to reduce costs and improve vendor performance for equipment, materials, supplies and construction and professional services. The changes will eliminate duplication, develop specializations and expertise, improve communications with vendors and allow purchase orders to be processed more quickly and efficiently.

DBE hotline rings

The Department took more steps this year to increase the participation of Disadvantaged Business Enterprises (DBE) in the bidding process for construction jobs. DBE companies are those firms that are owned and controlled (51 percent or more) by minorities, women or small business operators.

A 24-hour DBE hotline was set up in October. The hotline — 1-800-232-ASST (2778) — provides DBE prime contractors and subcontractors with the most current information available on NJDOT construction contracts. The hotline will provide information about contracts to be advertised, those already advertised and contracts awarded. The names and telephone numbers of the apparent low bidders on specific contracts also will be available.

Under the Federal Surface Transportation and Uniform Relocation and Assistance Act of 1987, a ten percent goal was established for DBEs. However, the Department considers



Affirmative action continues to be a priority for the Department.

ten percent a minimum and not a maximum. The Department awarded 12.9 percent of its subcontracts to DBEs in Fiscal Year 1988.

New Jersey also has a program established under the Set Aside for Small Business, Female Business and Minority Businesses Act that was passed by the Legislature in December 1985. The Act ensures that a fair proportion of the state's total purchases, construction contracts and services is placed with DBEs. The Department awarded six contracts worth \$32.4 million under the Set Aside Act in 1988: three to small businesses, two to minority enterprises and one to a female-owned business.

Affirmative action

NJDOT's Affirmative Action Office expanded its effort in 1988 to

include advisory services. In addition, it revised its procedures to prevent sexual harassment and promote equal employment opportunities for all employees.

Staff members visited every field crew to learn what they believe needs to be done to make the workplace conditions more equitable. Special workshops on relevant topics such as sexual harassment have been held throughout the year to help employees deal with sensitive interpersonal problems that may occur on the job.

The Department's first Black History Month seminar, "The Black Contribution to Transportation," drew 200 employees. It was co-sponsored by the Conference of Minority Transportation Officials (COMTO).

A special video program was also produced by Construction and Maintenance to let all new employees know what their jobs will entail

before they report to their work site.

Career programs

This year NJDOT became the first state agency to initiate the Senior Executive Service (SES) within its personnel program.

The SES program was part of the reform of the Civil Service system which began two years ago when the Civil Service Reform Bill became law.

The Department's reorganization consultant recommended, and the Commissioner adopted, management of the Department through 21 division directors who report to five Assistant Commissioners. After a review of the SES guidelines, NJDOT decided that the new directors should be included in SES. Jobs and suggested staff were identified and sent to the Department of Personnel for presentation to the Merit Protection Board. All were approved in May.

NJDOT submitted a plan for additional positions for SES inclusion at the end of 1988.

The Department has begun to work on a comprehensive training program which will assist employees in developing to their full potential in the Department, to match people and positions for maximum effectiveness and satisfaction.

This fall the Department of Personnel's Support Specialist Program graduated its fourth class which included several NJDOT employees. This class distinguished itself by announcing it would form a chapter of the Certified Public Manager's Society to continue their professional development. The Support Specialist Program trains employees in practical ways to become more effective.

The NJDOT participated and placed second overall in the Third Annual Sports Challenge sponsored by the Department of Community Affairs and Governor's Council on Physical

Fitness and Sports. As a result of interest demonstrated for this event, plans are now under way for a year-round sports program for Department employees. The proposed program would consist of various sports activities and would be conducted in each of the regions throughout the state.

First birthday

This year, Commissioner Gluck presided at the first kindergarten graduation and the first anniversary of DOT TOT, the Department's on-site child care facility. The center serves 70 youngsters, including infants, toddlers and preschoolers.

DOT TOT is a public/private partnership. The Department provides the building and capital equipment; participating families pay tuition/fees; and Toddler's Village, Inc., of Ewing, provides child care.



Interagency Coordination

The newly-formed Interagency Coordination unit will substantially expand the Department's involvement with the region's major independent transportation agencies.

The Assistant Commissioner for Interagency Coordination will represent the Commissioner as an *ex officio*

member of the Board of Commissioners of each of the state's three toll roads.

In late December the Governor signed a bill which places the Transportation Commissioner on all New Jersey toll road boards. The legislation was designed to improve the ability of the NJDOT Commissioner to coordinate more effectively the statewide transportation network.

Initially, Interagency Coordination will concentrate on the three major toll roads — the Atlantic City Expressway, the N.J. Turnpike and

the Garden State Parkway. The office will also focus on further improving the relationship between the Department and NJ TRANSIT.

In addition, Interagency Coordination staff will work to improve coordination and communication between the Department, the New York and New Jersey and the Delaware River Port Authorities. The office will also continue the Department's practice of monitoring the activities of the various county and regional road authorities and bridge commissions.



An NJ TRANSIT articulated bus picks up passengers in Newark.



TRANSIT

The Transportation Trust Fund has served as a major force in NJ TRANSIT's capital improvement program which is aimed at providing safe, modern and reliable public transportation for the residents of New Jersey. The Trust Fund has been the impetus for many improvements to the state's public transportation network, such as new buses and trains, renovated rail stations, modern bus maintenance facilities, special transit vehicles for senior citizens and handicapped riders and expanded park and ride lots.

Since 1985, the Trust Fund has provided \$272.4 million for vital public transit projects throughout the state, and has generated an additional \$520.2 million from the federal government to upgrade the bus and rail system.

In Fiscal Year 1988, \$60 million was provided by the Trust Fund, which generated an additional \$90 million in federal grants.

These capital investments are not only renewing the extensive rail and bus infrastructure, but also are paving the way for projects to meet the needs of riders today and in the coming decade.

Between 1985 and 1988, the Trust Fund has provided:

- \$62.9 million for the purchase of new rail cars and locomotives to meet the needs of the 40 percent increase in riders on the system since 1983.
- \$36.6 million for the purchase of new buses for NJ TRANSIT and the state's private bus carriers.
- \$40.2 million for major rail capital projects, including the electrification

of the North Jersey Coast Line, which was completed in July 1988, and the continuation of work on the Atlantic City Rail Line, which is to begin service in 1989.

- \$16 million for the construction or rehabilitation of modern, state-of-the-art bus maintenance facilities, including the construction of the Washington Township Bus Facility in Gloucester County and the renovation of the Orange Bus Facility in Essex County, both of which opened in 1988.
- \$15.2 million for planning, design and engineering of the proposed Hudson River Waterfront transit project.
- \$12.6 million for rehabilitation of 394 miles of track on NJ TRANSIT's rail system.

NJ TRANSIT's Fiscal Year 1988 use of the Trust Fund monies included:

- \$29.1 million for the overhaul of rail passenger cars and the purchase and overhaul of locomotives.
- \$6.7 million for the design and engineering of bus maintenance facilities in Jersey City, Newark and Fairview.
- \$5.1 million for rail station improvements and renovations at the Elizabeth and Cranford facilities, which were completed in 1988.
- \$900,000 for bus support vehicles, including tow truck and other non-revenue vehicles necessary for the operation of the statewide bus system.
- \$1.2 million for track rehabilitation.
- \$10.8 million for several bus and rail projects, including funding for the South Jersey Transit Study, acquisition of land for park and rides, environmental assessment studies and matching funds for the purchase of special vehicles for senior citizens and disabled residents.



NJ TRANSIT's Cranford rail station was renovated this year.

New Jersey Transportation Trust Fund Authority

The New Jersey Transportation Trust Fund Authority, created in 1984, is the sole source of state funding for capital construction for the Department of Transportation and NJ TRANSIT, the statewide public transportation agency.

The five members of the New Jersey Transportation Trust Fund Authority authorize the sale of short-term revenue bonds to finance capital transportation projects. Three are public members and two, the State Treasurer and the Commissioner of Transportation, serve *ex officio*.

These bond sales, combined with federal monies, and funds from the Port Authority of New York and New Jersey, the three toll road authorities, heavy truck registration fees, and a portion of the state motor fuels tax, fund the Department's and NJ TRANSIT's annual construction programs.

This combined New Jersey Department of Transportation and New Jersey Transportation Trust Fund Authority 1988 Annual Report was designed and written, and printed in part, by employees of the New Jersey Department of Transportation. The photographs were taken by Department employees and members of the New Jersey State Photographic Unit.



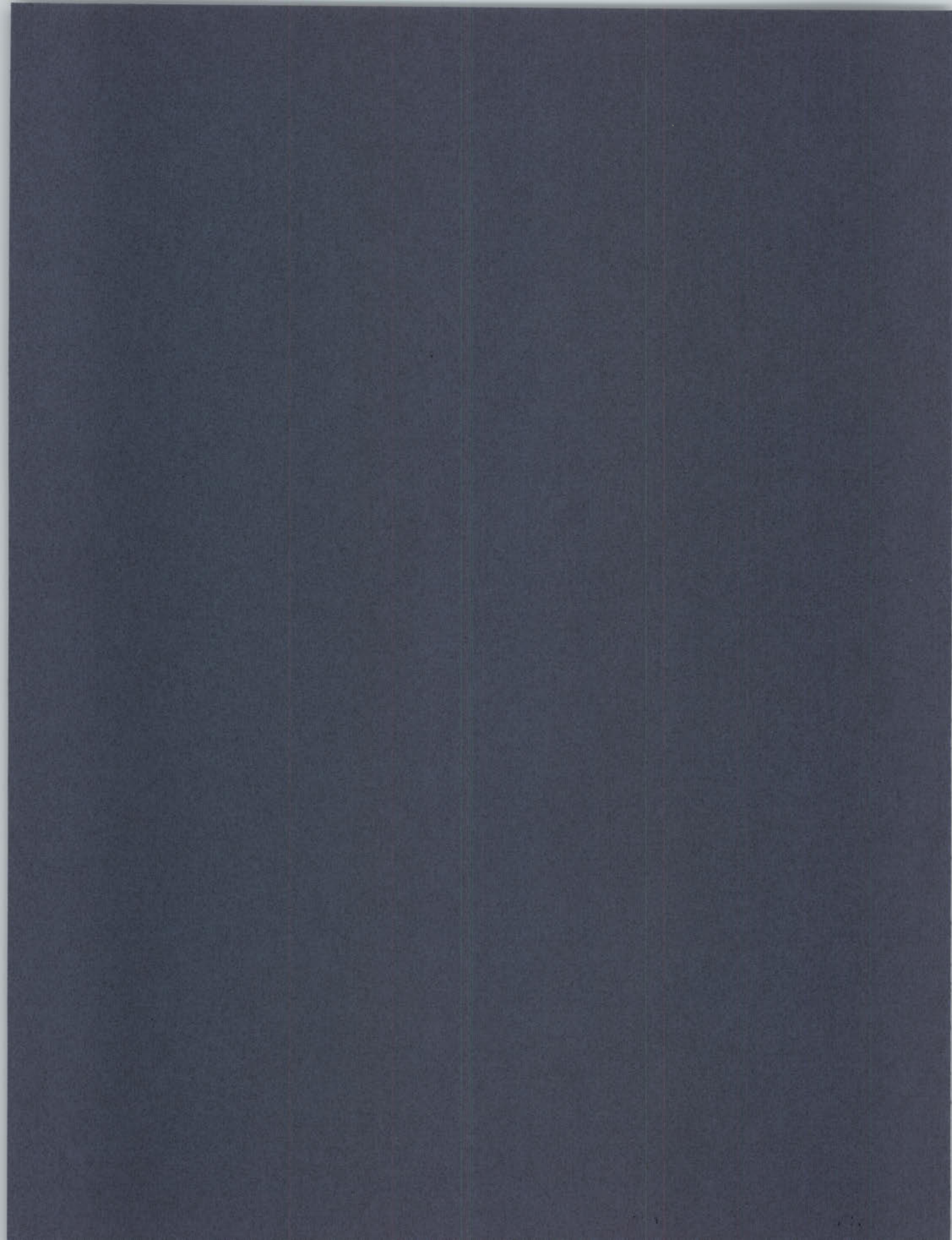
New
Jersey

1988 Annual Report

Transportation
Trust
Fund
Authority

Thomas H. Kean
Governor
Hazel Frank Gluck
Commissioner

New Jersey State Library





Thomas H. Kean
Governor



Hazel Frank Gluck
Authority Chairwoman



Feather O'Connor **James D. Cecchi**
State Treasurer *Vice Chairman*



Bruce G. Coe **Carmine R. Alampi**

December 31, 1988

Dear Governor Kean:

Because the Legislature renewed the Transportation Trust Fund in January, the New Jersey Transportation Trust Fund Authority's 1988 Annual Report reflects the award of \$500 million worth of highway construction contracts and \$150 million worth of public transit improvements.

Among the milestone projects begun this year were the final sections of Route 55, bridge improvements on Routes 40 and 322, four more contracts for I-287, and contracts to complete missing links on Route 18 and I-295.

Trust Fund Authority monies also made possible many projects critical to the state's public transportation system. Rail stations were improved in Elizabeth and Cranford, pre-construction work was completed for bus maintenance facilities in Jersey City, Newark and Fairview and rail passenger cars and locomotives were overhauled and purchased.

We are pleased to have played a part in these and the many other improvements made to the transportation infrastructure since 1984. We look forward to maintaining this momentum in the years to come.

Sincerely yours,

Hazel Frank Gluck
Chairwoman

New Jersey Transportation Trust Fund Authority



Robert F. Lurie, Treasurer; Sandra Allen, Secretary; and Alvin R. Little, Executive Director, prepare for a meeting of the Transportation Trust Fund Authority.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

June 30, 1988

Audited Combined Financial Statements
And Supplemental Information

Audited Combined Financial Statements

Report of Independent Auditors	1
Combined Balance Sheets	2
Combined Statements of Revenues, Expenditures and changes in Fund Balances	3
Notes to Combined Financial Statements	4

Supplementary Information

Schedule of Cash Receipts and Disbursements	9
Schedule of Investments	10

Report of Independent Auditors

The Honorable Members of the New Jersey
Transportation Trust Fund Authority

We have audited the accompanying component unit combined financial statements of the New Jersey Transportation Trust Fund Authority as of and for the year ended June 30, 1988, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the New Jersey Transportation Trust Fund Authority for the year ended June 30, 1987, were audited by other auditors whose report, dated October 13, 1987, expressed an unqualified opinion on those statements before the adjustment to restate the Debt Service Requirement described in Note F.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 1988 component unit combined financial statements referred to above present fairly, in all material respects, the financial position of the New Jersey Transportation Trust Fund Authority at June 30, 1988, and the results of its operations and the changes in fund balances for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the component unit combined financial statements taken as a whole. The supplementary information included in the schedule of cash receipts and disbursements and the schedule of investments is presented for purposes of additional analysis and are not required for a fair presentation of the combined financial statements of the New Jersey Transportation Trust Fund Authority. Such information has been subjected to the auditing procedures applied in our audits of the component unit combined financial statements and, in our opinion, is fairly stated in all material respects to the component unit combined financial statements taken as a whole.

We also reviewed the adjustments described in Note F that were applied to restate the 1987 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

November 10, 1988

Ernst & Whinney

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

COMBINED BALANCE SHEETS

June 30, 1988 (with comparative total memorandum figures for 1987)

	Funds Held By Authority			Fund Held By Trustee	Account Group	Total (Memorandum Only)	
	Revenue	Authority Reserve	Transportation Improvement	Debt Service	General Bonds	1988	1987*
ASSETS							
Cash							\$ 3,250
Accounts receivable—State of New Jersey	\$28,375,000					\$ 28,375,000	23,583,334
Investments—Note B		\$299,579	\$393,996,025	\$33,158,861		427,454,465	379,590,308
Accrued interest receivable—Note B			727,442	174,328		901,770	2,684,590
Interfund receivable (payable)	(28,375,000)	14,936	11,134,158	17,225,906		—	—
Amount to be provided for retirement of bonds—Note C					\$308,905,000	308,905,000	251,780,000
TOTAL ASSETS	\$ —	\$314,515	\$405,857,625	\$50,559,095	\$308,905,000	\$765,636,235	\$657,641,482
LIABILITIES							
Vouchers payable		\$ 14,936	\$ 284,389			\$ 299,325	\$ 124,836
Accrued interest payable—Note C							586,174
Transportation system bonds payable—Note C					308,905,000	308,905,000	251,780,000
TOTAL LIABILITIES		14,936	284,389		308,905,000	309,204,325	252,491,010
FUND BALANCES							
Reserved for debt service requirements—Note C				24,114,095		24,114,095	20,191,590
Reserved for debt service reserve requirements—Note C				26,445,000		26,445,000	35,282,000
Reserved for advances to State special transportation fund			405,573,236			405,573,236	349,404,369
Unreserved—designated for operating expenses		299,579				299,579	272,513
TOTAL FUND BALANCES		299,579	405,573,236	50,559,095		456,431,910	405,150,472
TOTAL LIABILITIES AND FUND BALANCES	\$ —	\$314,515	\$405,857,625	\$50,559,095	\$308,905,000	\$765,636,235	\$657,641,482

*Restated—Note F

See notes to combined financial statements.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended June 30, 1988 (with comparative total memorandum figures for 1987)

	Funds Held By Authority			Fund Held By Trustee	Total (Memorandum Only)	
	Revenue	Authority Reserve	Transportation Improvement	Debt Service	1988	1987
REVENUES—Notes C and D						
State appropriations	\$146,000,000				\$146,000,000	\$ 88,000,000
Commercial vehicle fees and taxes	30,000,000				30,000,000	30,000,000
Toll road authorities	25,000,000				25,000,000	25,000,000
Net interest income—Note B		\$ 19,936	\$ 23,409,609	\$ 4,297,330	27,726,875	19,787,118
Gain on sale of investments				547,409	547,409	
	<u>201,000,000</u>	<u>19,936</u>	<u>23,409,609</u>	<u>4,844,739</u>	<u>229,274,284</u>	<u>162,787,118</u>
OTHER FINANCING SOURCES						
Proceeds of 1988 Series A Bonds, less underwriters' discount of \$687,500—Notes C and D			89,405,000	34,907,500	124,312,500	198,540,000
Operating transfers in, net		131,259	163,655,260	37,213,481	201,000,000	143,000,000
TOTAL REVENUES AND OTHER SOURCES	<u>201,000,000</u>	<u>151,195</u>	<u>276,469,869</u>	<u>76,965,720</u>	<u>554,586,784</u>	<u>504,327,118</u>
EXPENDITURES						
Operating expenses		124,129			124,129	44,356
Financing costs—Note C			301,002		301,002	252,911
Bond interest expense—Note C				11,620,140	11,620,140	9,377,608
Payments for State transportation costs			220,000,000		220,000,000	215,000,000
Principal retirement of bonds payable—Note C				21,205,000	21,205,000	4,855,000
		<u>124,129</u>	<u>220,301,002</u>	<u>32,825,140</u>	<u>253,250,271</u>	<u>229,529,875</u>
OTHER FINANCING USES						
Payment for advance refunding 1985 Series A Bonds				49,055,075	49,055,075	
Operating transfers out	201,000,000				201,000,000	143,000,000
TOTAL EXPENDITURES AND OTHER USES	<u>201,000,000</u>	<u>124,129</u>	<u>220,301,002</u>	<u>81,880,215</u>	<u>503,305,346</u>	<u>372,529,875</u>
EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	—	27,066	56,168,867	(4,914,495)	51,281,438	131,797,243
Fund balance at beginning of year before restatement		272,513	357,451,868	47,426,091	405,150,472	
Adjustment to the Reserve for Debt Service Requirement—Note F			(8,047,499)	8,047,499	—	
Restated fund balance at beginning of year		<u>272,513</u>	<u>349,404,369</u>	<u>55,473,590</u>	<u>405,150,472</u>	<u>273,353,229</u>
FUND BALANCE AT END OF YEAR	<u>\$ —</u>	<u>\$299,579</u>	<u>\$405,573,236</u>	<u>\$50,559,095</u>	<u>\$456,431,910</u>	<u>\$405,150,472</u>

See notes to combined financial statements.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1988

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Jersey Transportation Trust Fund Authority (the Authority) is a public body constituted as an instrumentality of the State of New Jersey, organized and existing under and pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984 (the Act) to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation for planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the State's transportation system. Pursuant to the Act, the Authority may issue its bonds to provide the payment for and financing of all or a portion of the State's share of the costs of such programs to the extent that State appropriations to the Authority and other available Authority revenues in each fiscal year are insufficient to fund such costs. The Act currently provides that the aggregate principal amount of bonds, notes or other obligations, including subordinated indebtedness of the Authority, may not exceed \$1,700,000,000.

The Authority is considered a component unit of the State of New Jersey and is included in the general purpose financial statements of the State.

The accounting policies of the Authority conform with generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation—Fund Accounting: The accounts of the Authority are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account group are used by the Authority:

Fund types

- The Revenue Fund—to account for the proceeds of specific revenue sources (State appropriations, toll road authority contracts) that are legally restricted to expenditure for specific purposes.
- The Authority Reserve Fund—to account for the operating expenditures of the Authority.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS—Continued

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

- The Transportation Improvement Fund—to account for the accumulation of resources for payment of state transportation system costs.
- The Debt Service Fund—to account for the accumulation of resources for the next respective succeeding payment of principal and interest on bonds as defined by the Debt Service Requirement.

Account group

Account group is used to establish accounting control and accountability for the Authority's general long-term debt. The General Bonds Account Group accounts for all long-term debt of the Authority.

Basis of Accounting: The modified accrual basis of accounting is followed by the Authority. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, if measurable.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

Assessments to toll road authorities are recorded as revenues in the year the assessments are levied. State appropriations are recorded in accordance with contractual requirements. Installments for assessments and appropriations not yet paid by the State of New Jersey are recorded as accounts receivable—State of New Jersey.

Investments: Investments are stated at cost plus unamortized premium or less unamortized discount.

Total (Memorandum Only): Total (Memorandum Only) columns contain the totals of the similar accounts of the various funds and account group. Since the assets of the funds are restricted, the combination of the funds and account group, including assets therein, is for convenience only and does not indicate that the combined assets are available for expenditures in any manner other than that provided for in the bond resolution.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS—Continued

NOTE B—INVESTMENTS

The Authority's investments at June 30, 1988, are as follows:

U.S. Government and Agency obligations	\$ 70,574,992
State of New Jersey Cash Management Fund	<u>356,879,473</u>
	<u>\$427,454,465</u>

The market value of the Authority's investments at June 30, 1988, was \$426,395,810.

NOTE C—TRANSPORTATION SYSTEM BONDS PAYABLE

Transportation System Bonds payable at June 30, 1988, is composed of the December 1, 1986, issue of \$200,000,000 of Series A Bonds, maturing serially from June 15, 1988, through June 15, 1997, at interest rates ranging from 4.10% to 6.00% and the March 1, 1988, issue of \$125,000,000 of Series A Bonds, maturing serially from June 15, 1989, through June 15, 1998, at interest rates ranging from 4.90% to 6.90%. The remaining Bonds mature and bear interest as follows:

	<u>Amount</u>	<u>Interest Rate</u>
1986 Series		
A Bonds:		
June 15:		
1989	\$ 16,755,000	4.40%
1990	17,495,000	4.60
1991	18,300,000	4.80
1992	19,180,000	5.00
1993	20,135,000	5.20
1994	21,185,000	5.40
1995	22,330,000	5.60
1996	23,580,000	5.80
1997	24,945,000	6.00
	<u>\$183,905,000</u>	

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS—Continued

NOTE C—TRANSPORTATION SYSTEM BONDS PAYABLE—Continued

	<u>Amount</u>	<u>Interest Rate</u>
1988 Series		
A Bonds:		
June 15:		
1989	\$ 9,905,000	4.90%
1990	12,545,000	5.25
1991	13,175,000	5.60
1992	13,890,000	5.80
1993	14,675,000	6.00
1994	15,520,000	6.20
1995	16,455,000	6.40
1996	9,000,000	6.60
1997	9,595,000	6.75
1998	10,240,000	6.90
	<u>\$125,000,000</u>	

The 1986 Series A Bonds maturing on or after June 15, 1993, are subject to redemption prior to maturity, in whole or in part, at any time after June 15, 1992, at varying premium rates. The 1988 Series A Bonds are not subject to redemption prior to maturity.

One or more series of additional bonds may be issued at any time or from time to time for the purpose of financing the cost of transportation improvements. Pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, the Authority shall minimize debt incurrence by first relying on appropriations and other revenues before incurring debt to meet its statutory purposes.

The Bonds are primarily secured by payments received or to be received by the Authority from the State of New Jersey as described in Note E.

NOTE D—DEFEASANCE OF 1985 SERIES A BONDS

Pursuant to an Escrow Deposit Agreement dated March 1, 1988, the Authority deposited \$34,907,500 of the proceeds of the 1988 Series A bonds and an additional \$14,147,575 of debt service fund investments to advance refund \$46,670,000 of outstanding 1985 Series A bonds with an average interest rate of 7.77%. All fund so deposited were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1985 Series A bonds. As a result, the 1985 Series A bonds are considered defeased and the liability for those bonds has been removed from the General Bonds Account Group.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

NOTES TO COMBINED FINANCIAL STATEMENTS—Continued

NOTE D—DEFEASANCE OF 1985 SERIES A BONDS—Continued

This advance refunding will reduce the Authority's future debt service payments, which would have otherwise been payable under the old bond, by \$4,280 over the next six years. However, the primary objective of the advance refunding was to release the \$9,730,000 debt service reserve requirement for the 1985 Series A bonds thereby making those funds available for transportation projects. Accordingly, the Authority incurred an accounting loss of \$2,385,075, which is included in the combined statements of revenues, expenditures and changes in fund balances as "other financing uses—payment for advance refunding 1985 Series A Bond," and sustained an economic gain (difference between the present values of the old debt service payments and the new debt service payments) of \$729,486 as a result of the transaction.

NOTE E—REVENUE CONTRACTS

Pursuant to a contract signed with the State of New Jersey, the Authority will receive revenues during the fiscal year ending June 30, 1989, from State appropriations, which are funded from assessments to toll road authorities, commercial vehicle fees and motor fuel taxes, pursuant to Article VIII, Section 2 of the State Constitution. Revenues in the amount of \$331,000,000 have been appropriated by the State to the Authority for the fiscal year ending June 30, 1989.

NOTE F—PRIOR PERIOD ADJUSTMENT

The Authority restated its 1987 financial statements to include an additional \$8,047,499 in its reserve for Debt Service Requirements for correction of an error in the 1987 computation. Accordingly, the Debt Service Fund and the Transportation Improvement Fund were restated to \$55,473,590 and \$349,404,369 from the previously reported amounts of \$47,426,091 and \$357,451,868, respectively.

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 1988

	Revenue Fund	Authority Reserve Fund	Transportation Improvement Fund	Debt Service Fund	Total (Memorandum Only)
Cash balances at June 30, 1987		\$ 3,250			\$ 3,250
Receipts:					
State appropriations	\$143,833,334				143,833,334
Commercial vehicle fees and taxes	27,500,000				27,500,000
Toll road authorities	24,875,000				24,875,000
Net interest income		19,936	\$ 25,085,380	\$ 3,788,602	28,893,918
Bond proceeds			89,405,000	34,907,500	124,312,500
Sale of long-term investments			55,000,000	9,555,219	64,555,219
Operating transfers	(196,208,334)	216,323	159,530,506	36,461,505	143,833,334
	—	239,509	329,020,886	84,712,826	413,973,221
Disbursements:					
Operating expenses		119,573			119,573
Financing costs			101,586		101,586
Bond interest expense				12,206,648	12,206,648
Payments for State transportation costs			220,000,000		220,000,000
Principal retirement of bonds payable				21,205,000	21,205,000
Payment for advance refunding 1985 Series A Bonds				49,055,075	49,055,075
Purchase of Cash Management Fund investments—net		119,936	108,919,300	2,246,103	111,285,339
		239,509	329,020,886	84,712,826	413,973,221
Cash balances at June 30, 1988	\$ —	\$ —	\$ —	\$ —	\$ —

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

SCHEDULE OF INVESTMENTS

June 30, 1988

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Cost</u>	<u>Market Value</u>
Authority Reserve Fund:				
State of New Jersey Cash Management Fund	Various	Various	\$ 299,579	\$ 299,579
Transportation Improvement Fund:				
State of New Jersey Cash Management Fund	Various	Various	348,991,615	348,991,615
Federal Home Loan Bank Bonds, \$20,000,000 par value	6.35	August 25, 1988	20,002,274	19,937,500
Federal Home Loan Bank Bonds, \$25,000,000 par value	6.35	October 25, 1988	25,002,136	24,863,187
			<u>393,996,025</u>	<u>393,792,302</u>
Debt Service Fund:				
State of New Jersey Cash Management Fund	Various	Various	7,588,279	7,588,279
U.S. Treasury Notes, \$5,881,900 par value	5.41	June 15, 1991	5,881,900	5,881,900
U.S. Treasury Notes, \$19,825,000 par value	6.50	November 15, 1991	19,688,682	18,833,750
			<u>33,158,861</u>	<u>32,303,929</u>
Total (Memorandum Only)			<u>\$427,454,465</u>	<u>\$426,395,810</u>

