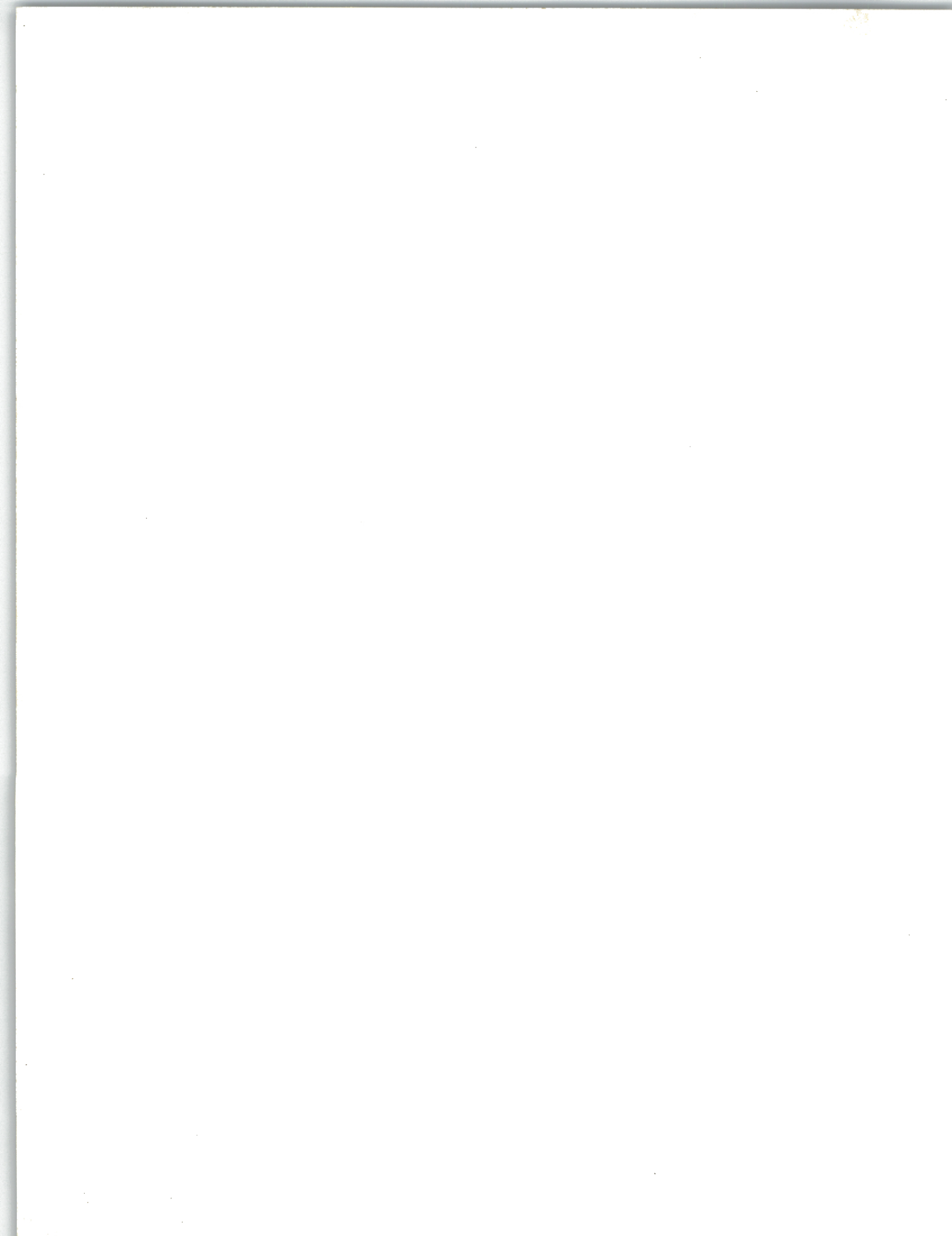


# New Jersey Turnpike Authority Annual Report 1973





# **New Jersey Turnpike Authority Annual Report 1973**

## **Reviewing the 22nd Year of Turnpike Progress**

*A spiraling pattern of roadways forms the heart of the link between the mainline, running from left to right, and the Hudson County Extension, the roadway coming from the Holland Tunnel diagonally down from top left to Newark Airport Interchange (bottom right).*



**COVER PHOTO:** Evening traffic forms a glowing pattern of light during a typical summer weekend in the Woodbridge area. (Photo by Oleck)



**BRENDAN T. BYRNE**  
*Governor of New Jersey*

## Letter of Transmittal



ALFRED E. DRISCOLL, CHAIRMAN  
ROBERT J. CITRINO, JR., VICE CHAIRMAN  
WILLIAM F. TAGGART, TREASURER  
RICHARD D. ILNICKI, COMMISSIONER  
WILLIAM R. KIELY, JR., COMMISSIONER  
WILLIAM J. FLANAGAN, EXECUTIVE DIRECTOR  
LILLIAN M. SCHWARTZ, SECRETARY

### NEW JERSEY TURNPIKE AUTHORITY

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NEW BRUNSWICK, N.J. 08903

March 12, 1974

To the Honorable Brendan T. Byrne, Governor  
and Members of the New Jersey Legislature:

This Annual Report for 1973, the 25th issued since the New Jersey Turnpike Authority was created in 1949, reviews the 22nd year of highway operations. It was a year dedicated to the continuing betterment of Turnpike facilities, marked by ongoing programs to provide the motoring public with safer and more efficient services.

As a result, it is gratifying to note that in 1973 the Turnpike maintained its leadership in highway safety. Despite the fact that traffic increased by more than 2.5 million vehicles, there were 210 fewer accidents than in 1972. This produced an accident rate of 83.5-- the lowest in 10 years and the lowest of all the nation's major toll roads.

Notable among the improvements was the completion of the "10-9" Widening - the continuation for another five miles of the 12-lane dual Turnpike from Interchange 10 (Edison) to Interchange 9 (New Brunswick).

Other major improvements were either completed or underway, while the Authority, at the same time, played a leading role in the fuel conservation program. It set maximum speed limits, cut down on the use of energy and approved a program for limited gasoline distribution among its patrons.

By the end of 1973 the Authority was able to report that more than 110.4 million vehicles paid tolls in 1973-- 2.5 million more than in 1972, but a figure below the normal rate of growth prior to the energy crisis.

The Authority will continue to cooperate with you and the Legislature as well, in its policy of serving the millions throughout the state and nation who travel this road in comfort and safety.

Respectfully submitted,

*Alfred E. Driscoll*  
ALFRED E. DRISCOLL  
Chairman

*Robert J. Citrino, Jr.*  
ROBERT J. CITRINO, JR.  
Vice Chairman

*William F. Taggart*  
WILLIAM F. TAGGART  
Treasurer

*William R. Kiely, Jr.*  
WILLIAM R. KIELY, JR.  
Commissioner

*Richard D. Ilnicki*  
RICHARD D. ILNICKI  
Commissioner

# Reviewing the 22nd Year of Progress

The New Jersey Turnpike Authority's 22nd year of operation in 1973 ended on a record of extensive planning and considerable accomplishment.

1973 was a year when a major project was completed—the widening to 12 lanes and extension of the dual/dual section five more miles from Edison (Interchange 10) to New Brunswick (Interchange 9). This assured the motoring public of a continuation of the safety-plus factor along the 25-mile heart of the state's principal artery of commerce.

The so-called 10-to-9 widening became a reality after the most careful attention was paid to meeting or even surpassing environmental standards—standards that were painstakingly applied in planning and designing the Toms River Expressway.

It was a year, too, when other projects in other areas were completed or were in progress, in fulfillment of the Authority's commitment to provide the public with the safest and most efficient highway system in the nation. That the public has benefited from this commitment is demonstrated by its continuing reliance on Turnpike travel.

More than 110.4 million toll-paying vehicles, from subcompact cars to the biggest tractor-trailers, used the New Jersey Turnpike in 1973. Only with the onset of the fuel shortage in late summer did the steady upward graph of traffic volumes—regarded as the heaviest in the country—begin to show a downward trend, a trend universally felt along the nation's highways, and yet at year-end the vehicular count on the New Jersey Turnpike was still more than 2.5 million greater than in 1972.

On November 16 the New Jersey Turnpike was the first toll highway to comply with President Nixon's request for a reduction in speed limits to 50 miles per hour. At the same time a broad program to conserve energy during the crisis was instituted, including the lowering of thermostats to 68° at all Authority installations.

Later, on November 27, a speed limit of 55 miles an hour was established for all vehicles on the Turnpike. The action, taken at the Annual Meeting of the International Bridge, Tunnel and Turnpike Association at Miami Beach, decided against a speed differential as between passenger cars and commercial vehicles, in the interest of the overall safety of the traffic stream. Two months later an act of Congress, signed by the President, recognized the unsafe conditions created by a speed differential and mandated a 55 mph speed limit be applied to all vehicles on all highways.

Out of the 1973 flow of traffic—in August, for example, it exceeded 10 million vehicles—there again emerged something that has marked Turnpike operations since its beginning 22 years ago: an outstanding safety record. That record in 1973 saw the accident rate, based on the number of accidents per 100 million vehicle miles,



ALFRED E. DRISCOLL  
*Chairman*  
*New Jersey Turnpike Authority*

drop eight points from 91.5 to 83.5. The reason: there were 210 fewer accidents in 1973. It was the best overall accident rate of the nine major toll roads in the nation logging more than a billion miles of driving in 1973.

By year end the Authority, pursuing its program for greater safety and travel convenience, saw a number of major improvements fulfilled or nearing fulfillment:

The Widening to New Brunswick—five more miles of the dual/dual were rolled down to the new Interchange No. 9 in East Brunswick. This Widening program, coming three years after the original widening in 1970, includes: the Rancocas Creek Bridge in the southern end, completed in 1972, and the expansion of the major bridges over the Hackensack and Passaic Rivers, projected for 1974. Standing completed over the Raritan River in 1973 was the widened Basilone Memorial Bridge and farther north, also completed, the New York Susquehanna and Western Railroad Viaduct. Widening of the bridges featured the addition of shoulders in both directions affording patrons extra safety when forced to stop in their disabled vehicles.

Another new facility rose in 1973—the Northern Division Maintenance Headquarters, located near the Authority's Newark Airport Interchange at the hub of a land, sea and air transportation network. The new building houses the Turnpike's maintenance trades in the northern section as well as the state police operating there.

*Workers welding reinforcing steel in place at an expansion joint of the new Route 18 bridge over the Turnpike, as part of the Widening program at East Brunswick. The Paul L. Troast Administration Building can be seen in the background.*





ROBERT J. CITRINO, JR.  
*Vice Chairman*  
*New Jersey Turnpike Authority*

Work progressed on other highway improvements.

At the junction of the mainline and the new westerly extension along the Hackensack meadowland in Ridgefield, the Authority's 14th and largest service area—actually a service complex—was completed. Named for the late Vince Lombardi, professional football's super-coach, the service area complex was scheduled to be dedicated on February 5, 1974, featuring a 340-seat restaurant of the Marriott Corporation, an Exxon service station, a large Information Center and a sales room. Displayed at the restaurant are many trophies and memorabilia of Vince Lombardi's 30-year career, and a "Wall of Fame" containing photographs depicting highlights of the famed coach's life.

Adjacent to the service area a park-ride facility for 1,000 cars is being completed for a Spring opening, and nearby, Marriott will build and operate a colonial-style hotel. Work on soil preparation at the site has been completed and construction is expected to start in 1974.

Rounding out the picture at this pioneering service venture will be the development of an 84-acre site donated by the Authority to be dedicated exclusively to the preservation of the environment. Along meadowland still in its pristine state, a wildlife preserve is being established in park form, with walks installed for use by the public and nature study groups.

Several miles away, in East Rutherford, work is progressing on the roads connecting with the Sports Complex being built by the New Jersey Sports And Exhibition Authority.

The 1973 construction program covered a wide area of activity. In Mercer County, Interchange 7A (I-195-Trenton-Allentown) designed to connect the Trenton area

with I-195, was completed and will open to traffic in the Spring.

In the Newark area the expansion of Interchange 15E from six to 12 lanes saw the end of the first stage with the construction of the first five lanes and the new utility building. By June 1974 the new interchange will get seven additional lanes and the tunnel connecting the toll booths along the plaza.

Looking ahead to future needs, the Authority was engaged in preliminary planning for the new Interchange 13A, designed to provide easier access to Port Newark and the burgeoning Newark International Airport.

Another project will be the expanded Interchange 14A, under design in 1973 and scheduled for completion in August, 1974. Eight toll lanes will become eleven, to form a facility providing easier and quicker access to and from the Turnpike at Bayonne. Also in the design stage is the upgrading of Interchange 4 (Camden-Philadelphia), Interchange 5 (Burlington-Mt. Holly) and 8 (Highstown-Trenton).

The roadway itself received the necessary attention. Eighty lane miles in the northern, central and southern sections were resurfaced with 93,717 tons of asphalt concrete. And the decks of 15 bridge structures were replaced or repaired. As an added safety measure the Authority completed construction of the grade separation U-turn at District 1 in Swedesboro. Now the men in all maintenance districts along the Turnpike can operate with extra safety by utilizing these U-turns.

New construction, particularly in the Widening from Interchange 10 to 9, involved Traffic Engineering Department in measures to promote safety and prevent traffic delays.

With the assistance of the State Police Construction Detail, it helped open the new 5-mile dual/dual roadway with a minimum of inconvenience to the traveling public.

*Keeping up with Turnpike growth. New 12-toll lane Interchange 15E (Newark) under construction to supplant old six-lane facility. Pulaski Skyway rises in background.*





WILLIAM F. TAGGART  
*Treasurer*  
*New Jersey Turnpike Authority*

The use of changeable message drum signs and the diversion of traffic around construction areas were factors in a successful operation.

To further expedite the traffic flow the Authority in 1973 contracted for an additional 45 changeable message signs in the area north of Interchange 14 (Newark International Airport). When the work is completed in 1975 the Authority will be able to divert traffic between the easterly and westerly roadways for both north and south-bound mainline traffic. The changeable message signs now

are capable of diverting traffic to the inner or outer roadways from the southern and northern areas of the dual/dual section as well as from interchanges along the dual/dual.

Advancing the cause of traffic safety still further will be the computerized automatic surveillance and control system, now one year in the implementation phase. During 1973 the computers were ordered and most of the engineering plans and specifications for field installation completed. It is anticipated that by the end of 1975 the system will be in full operation, with the ability to detect incidents and automatically change signs as needed, resulting in an optimum smooth traffic flow.

A program to provide the motorist with additional safety features was started in 1973. This involved the installation of impact barriers at points where ramps peel away from the mainline, so as to cushion the impact of an accident at those points, cutting down on vehicle damage and lessen injuries.

Safety would be an impossible objective without the cooperation of the State Police. Troop D continued to contribute its resources and law enforcement techniques to the program. Their activities intensified, troopers issued 62,052 summonses for violations in 1973. The year before they issued 61,869. Moreover, members of Troop D's patrol rendered aid to patrons involved in accidents, helped those in disabled vehicles, made sure that all speed limits conformed with conditions and apprehended criminal as well as motor vehicle violations.

State Police efforts played a vital role in the total safety picture, which saw the number of accidents reduced by 8.3 percent—from 2,516 to 2,306. That also represented a drop of eight points in the accident rate—from

*The beautification effort goes forward. Newly-planted trees in the Woodbridge area screen out unsightly tank farms that had distracted Turnpike motorists.*





**RICHARD D. ILNICKI**  
*Commissioner*  
*New Jersey Turnpike Authority*

91.5 to 83.5. The number of fatal accidents in 1973 remained the same as in 1972—47—but because of several multiples in 1973, there were 79 fatalities, compared to 53 in 1972.

**T**aking care of the operational functions of the roadway, the Maintenance Department handled everything from running the Communications Control Center to collecting debris off the Turnpike. In between the routine maintenance, the department was concerned with some 314 miles of three-lane pavement and 172 ramps, 14 service areas, 26 interchanges, the Administration Building, 60 smaller buildings and more than 400 bridges.

Maintenance personnel also operated five sewage plants and four water supply stations without any real major problems during 1973.

An open winter in the early part of 1973 consisted of eight salting situations and prevented any major storm tie-ups. However, the ice storm of December 15 through December 17, one of the worst in New Jersey history, was a real challenge. Maintenance personnel fought the storm for nearly three days, with many problems, but never had to close any of the roadways.

Although geared up for routine operations, many unusual assignments were carried out such as changing all speed limit signs as a result of the energy crisis and replacing complete toll treadle frames and treadles, with only minor interruption of traffic. Accident-damaged toll booths were also replaced overnight.

Complying with the new State health code, service area buildings were inspected with health officials. Other

maintenance work included: Assisting in the preparation of additional entry and exit lanes at the East Brunswick Park-Ride; installation of new overhead lighting at eight service area employee parking lots, and refinishing four heliports.

Major operations included a changeover program on old boiler systems in the service areas; the fabrication and erection of more than 600 signs of all types and sizes, and the replacement of nearly 40,000 lineal feet of guard rail. Maintenance was also involved in the changeover of gasoline station operations from Citgo to Exxon and that of the restaurants from Howard Johnson to Gladioux and Marriott. In road operations, Maintenance crews were responsible for the resurfacing of about one mile along the Pennsylvania Extension.

After long planning, the Department consolidated its Northern Division personnel into a new headquarters at Interchange 14 at Newark. This Complex is one of the most complete of its kind in the country. It contains Ad-

*Providing shoulders for greater safety on the Basilone Bridge explains the pier and steel construction. The bridge was widened to 12 lanes, including a new parallel span over the Raritan (See Pages 10 and 11).*





WILLIAM R. KIELY, JR.  
*Commissioner*  
*New Jersey Turnpike Authority*

ministrative offices as well as shops for communications personnel, building maintenance mechanics, toll and power electricians, carpenters and automotive equipment repair mechanics. The specialized groups of roadway maintenance such as structural painters, line strippers, welders, landscapers and heavy equipment personnel are also housed here. To keep these men supplied with materials, a large warehouse area and supply room is part of the building.

New and improved accommodations were instituted for Patron Services along the entire Turnpike in 1973—a changeover in policy involving the restaurant and fuel concessions.

On April 1 Exxon Company, U.S.A., began operating the gasoline stations in the 13 service areas, replacing Citgo who had the concession for 22 years. Exxon's proposal for operating the stations was the better of the two offers submitted by the oil companies.

Six months later, on October 1, the Marriott Corporation and the Gladioux Corporation (Holiday House) took over the food concessions, with Marriott operating seven restaurants and Holiday House six. These two companies were selected on the basis of a survey of restaurant chains by an Authority Committee earlier in the year. Marriott and Gladioux replaced Howard Johnson's which operated the Turnpike restaurants since 1952.

Turnpike commuters were also assured of a continuing desire by the Authority to expedite their travel. The Park-Ride facility in East Brunswick, off Interchange 9, proved a great boon to commuters in the Middlesex area who parked their cars and boarded buses for New York. The facility has become so popular that its enlargement

is being considered. Its overwhelming success presages equal success at the Park-Ridge to be opened in the Spring at the Vince Lombardi Service Area in Ridgefield. This new Park-Ride will accommodate 1,000 cars and studies are underway for similar installations in the northern end of the Turnpike.

All areas of the Personnel function were fulfilled by giving assistance to the various departments.

In addition to implementing benefits and wage increases that became effective July 1, 1973 for personnel covered by Union agreements, the Authority adopted a salary program for supervisory and management personnel. This embraced new salary ranges, provision for annual performance review and progression within salary ranges dependent upon performance. Attainment to the maximum of supervisory ranges may be accomplished in a two-year period.

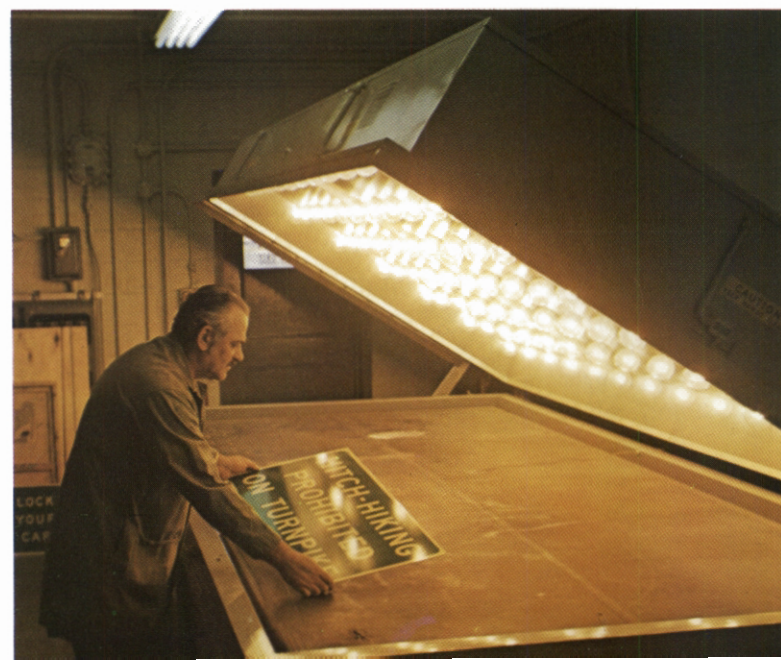
At the Annual Service Awards Dinner, 51 with 20 years service, 30 with 15, and 37 with 10 were honored by the Authority. At year end, a total of 545, or more than 35 percent of the entire permanent work force, completed at least a decade of service.

Our new medical facilities and staff were utilized to the maximum: 2536 medical visits were made, and 286 pre-employment and 512 employee physical examinations were performed.

The regular Blood Donor Day resulted in 225 additional credits to the Turnpike Blood Bank. On March 20, 1973, Glen Miller Day was observed by the New Jersey Turnpike Authority at which time a special Blood Donor Day realized a significant supply of blood for the deserving 11-year-old son of a Turnpike employee.

The annual Harry Laderman Scholarship, funded by the Authority in memory of the toll collector killed in the line of duty, was awarded in 1973 to Randall P. Stone,

*Checking one of the hundreds of reflectorized signs made by the vacuum applicator at the Authority's sign shop in Hightstown.*





**WILLIAM J. FLANAGAN**  
*Executive Director*  
*New Jersey Turnpike Authority*

*(Elected president in 1973 of the International Bridge, Tunnel & Turnpike Association)*

son of toll collector and Mrs. Felix Stone of Roebling. The youth received a four-year scholarship to the college of his choice. The Fund was set up in 1968, one year after the death of Collector Laderman.

In the apprentice program established for Maintenance, nine men were promoted to mechanics, with 16 still enrolled in the program. During the year, also, eight Turnpike employees received tuition reimbursement after attending job-related courses, on recommendation of their department heads. The purpose of the program is to further the education in their fields of qualified, deserving personnel.

All Turnpike personnel were saddened by the sudden death on April 30, 1973 of Dr. Charles Gandek, Turnpike Physician. Dr. Arthur B. Sherbin joined the Authority as Turnpike Physician, effective October 1.

Since 1972 had been dedicated to streamlining the basic "management information computer system," 1973 saw extensive diversification in service assignments accommodated by the system.

Diversification was achieved while maintaining punctuality in processing greatly increased quantities of toll tickets, without raising the personnel complement or hardware costs.

"One-time" projects that were completed as services for other departments totaled 46, and nine new repetitive

jobs were added to the computer schedule.

Many of the "one-time" tasks included studies that could be prepared by computer at less cost and/or faster completion than by conventional methods.

Most interesting of the "one-time" assignments was a statistical study of traffic volumes processed by hour at key interchanges. The data will be used in the Turnpike Master Plan.

One of the repetitive jobs added to the computer schedule was that of preparation of weekly, monthly, and yearly accident statistics reports. The activity represents a cooperative effort of the Traffic Department with Systems and Data Processing.

Computerization of the charge account trial balance (accounts receivable) was completed in April. The routine, as implemented by Systems and Data Processing, followed a general design described by the Comptroller. The result has been a highly efficient activity that is enthusiastically accepted and endorsed by accounting employees.

On suggestion of Executive Director Flanagan, the Comptroller's Department, Toll Collection, and Systems and Data Processing teamed up to design and implement a new non-revenue ticket system that provides improved control for the Authority and greater safety for users. The key to the new system is an embossed plastic pass.

*Spring gets an early start with forsythia planting in the Elizabeth area—one small portion of the beautification program.*





*Progress is shown here as the first letters of the Turnpike name are erected at expanded Interchange 9.*

Property acquisition control records have been computerized on request of the Real Estate Department. While the system is still new, evidence indicates that it offers significant advantages in cost and results over a conventional record keeping system with the same objectives. The Real Estate and Engineering Departments use Cathode Ray Tube Consoles to gain access to property information stored in the computer, and periodic "hard copy" reports supplement the CRT references. Information in the computer includes status of each of the numerous steps that must be completed to acquire a property parcel as well as significant dollar values, acreage quantities, ownership facts, and property identification.

Inventory control continued to be an active computer application with inquiries and updates (via the three Cathode Ray Tube Consoles) located at Maintenance Control Centers in Moorestown, Hightstown and Elizabeth averaging about 700 per day. Individual items enumerated in the Turnpike Inventory Catalogue now total 20,000.

There will be a further increase in and diversification of services to other departments and the contemporary electronic toll collection equipment at Interchanges 9 (New Brunswick), 7A (Allentown), and 15E (Newark) will be "de-bugged" and perfected. The contemporary system makes use of a single small scale computer to collect more data and generate more statistics than six conventional toll facility electro-mechanical recorders.

If progress with the new electronic toll equipment is good, a first attempt at teleprocessing of toll collection control data will be initiated.

**T**he Insurance Department, created by the Turnpike Authority in November, 1972, marked the first year of its existence with significant results.

The Department handles all Liability insurance, Workmen's Compensation, Bridge and Fire Insurance on all structures, besides Fidelity bonds and various property

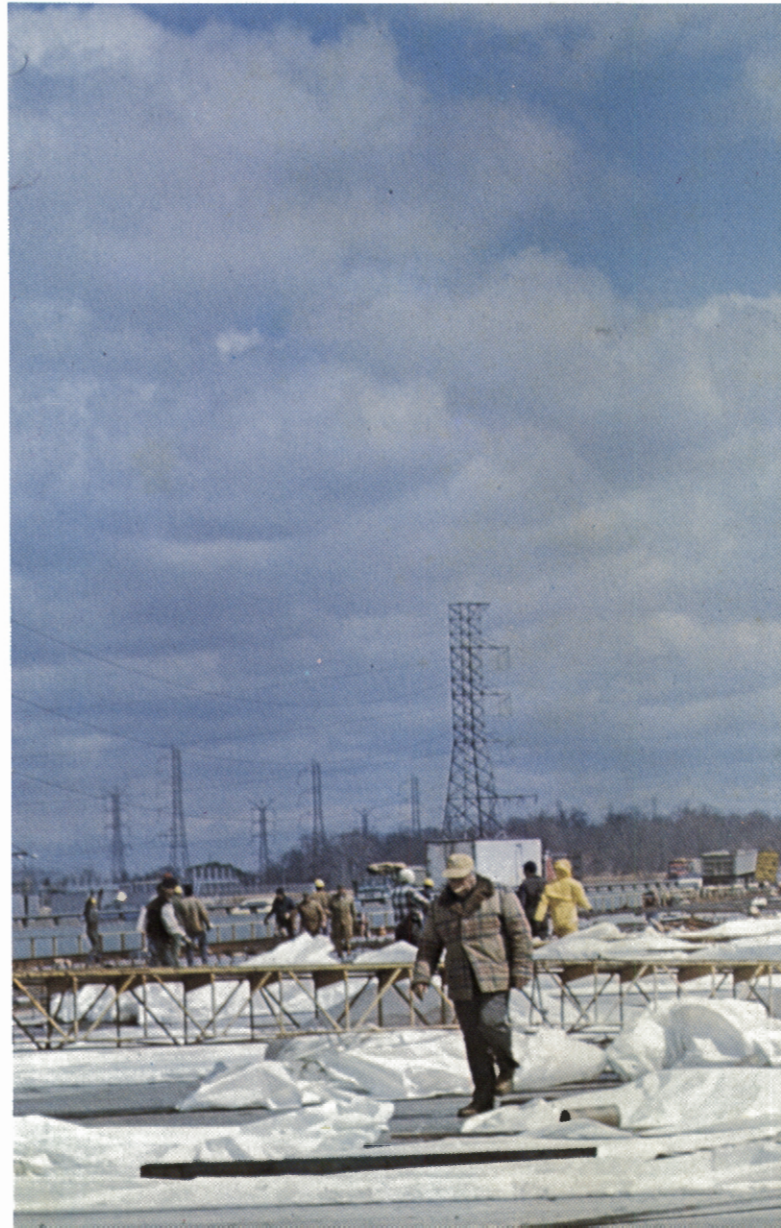
insurance coverage. By writing specifications and soliciting bids on these policies, the Department has succeeded in saving the Authority in excess of \$200,000 in premium costs during 1973, while broadening coverages on Liability and Fire insurance policies.

Through the operation of a Claims Section newly organized to process the many Property Damage claims against patrons, a total of \$164,089 was recovered on 694 claims in 1973. The Section also reviews claims made by patrons for any Property Damage they might suffer while traveling on the Turnpike. When the claims' validity is established, they are quickly paid as a matter of good public relations.

A total of 341 Workmen's Compensation claims were processed by the Department in 1973.

Renewals and all new insurance coverage are placed

*The new bridge over the Raritan takes shape under an airlift of steel reinforcing rods for quicker supply of materials. The new structure combined with the Basilone Bridge to form 12 lanes of safe, shouldered passage. What seems to be snow on the deck is light weight plastic polyethylene used for curing concrete.*



only after solicited bids are carefully reviewed.

The Department is charged with the responsibility of assimilating into one office all insurance relating to the Authority. It includes the Employee Benefits Program, which had been administered by Personnel; Life Insurance; Hospitalization; Major Medical; Dental and Long Term Disability Insurance for Turnpike employees.

**E**verything from weed killers to 65,000 pound salt spreaders comprised the gamut of the Purchasing Department's activities in 1973—a wide variety of purchases to make the tasks easier for the Authority's personnel and also provide more pleasant and safer travel for the public.

The daily commuter and travel-weary visitor did not know it but virtually all of the equipment and supplies were acquired with them in mind—these were the tools in the hands of an organization working to provide the kind of services found nowhere else on a highway.

The Purchasing effort was coordinated with the various branches in the Operating and Administrative branches:



LILLIAN M. SCHWARTZ  
*Secretary-Assistant Treasurer  
New Jersey Turnpike Authority*



Revised Traffic Regulation brochures and toll schedules were purchased to aid the motoring public.

Safety as a priority was emphasized with the State Police receiving the latest in automotive, radio and medical equipment for total performance in both emergency and routine operating conditions.

New timber barrier curbing, traffic cones and safety devices have been ordered and await testing in the traffic engineering programs designed to promote careful driving.

In conjunction with the Authority's Radio Control Network the newest in sophisticated equipment will soon be installed in the form of a complex Map Display for the Automatic Surveillance and Control System.

During a Summer heatwave, bids were obtained for thousands of tons of Rock Salt and Calcium Chloride for use during snow and icing conditions in the Winter. Also, fuel oil requirements were met with the award of purchase orders to two suppliers, assuring adequate heating of Turnpike buildings.

The expanding operation of Systems and Data Processing was assisted with contracts for supplementary computer programming services, while tab card toll ticket warehousing and delivery facilities were implemented.

Selected on the basis of competitive bidding, a trained custodial services company thoroughly cleans approximately 172 lanes at the Interchanges, booths and utility buildings. On detailed specifications, these services are provided daily, weekly and monthly. An experimental program recently initiated allows night Maintenance crews to clean 66 lanes from Interchange 15 through 18.

Purchase Orders were released for new pickup trucks, utility vans, dump trucks and salt spreaders ranging in weight from one half ton up to 65,000 pounds GVW. New lifts were installed for servicing these units and garage equipment and tools were purchased to complement this mechanized fleet.

**T**he Public Information functions in 1973 were expanded with the addition of a Community Relations program. Widening of the Turnpike between Interchanges 10 and 9 increased the interaction between the Authority and the public to unprecedented levels.

At the same time the Department continued to serve the public and the media in other ways, keeping them regularly informed of Turnpike developments, construction projects, traffic and travel data, and other programs dealing with present and future needs. Of special interest was the Authority's concern with the national energy crisis, creating an increase in media requests for information on the Authority's action on speed limits, fuel allocation on the Turnpike and related matters on this vital subject.

Some 70 formal press releases formed the background of the information picture, in addition to numerous phone and mail requests from the press and public.

*Aerial view of the Turnpike at Ridgefield where the easterly and westerly alignments meet in V formation. The Vince Lombardi Service Complex, newest and largest, completed in 1973, stands astride the two roads at top of photo. Access roads connect with the Vince Lombardi Complex from both sides. View is looking south.*





*This high speed teletype-writer system, linked to a computer, is capable of changing the speed limits and warning messages on some 84 Turnpike road signs in the northern section at a moment's notice.*

The Community Relations Manager, a specialist in his field, contributed to the flow of information. His involvement with community groups generated increasing interest in Turnpike objectives. Many requests for information were made and all requests were honored.

As a side accomplishment, the Department fulfilled requests for showing the Turnpike documentary "Incredible Journey" to 50 civic groups throughout the state. The Authority added a second documentary to its film library with the completion of the Asphalt Institute's "Turnpike," produced in cooperation with the Photographic Section.

The Department was involved in national news coverage with the Photographic Section assisting TV crews in the filming of new reduced speed limit signs posted on the Turnpike in connection with the energy crisis. Interest in the automatic surveillance and control system was heightened by the Section's filming of how the system will work in the field and at headquarters, using a control model, for the benefit of the media.

The Section worked with Real Estate in photographing land parcels for acquisition, and with the State Police detective bureau in producing instant copies of identification shots. As in the past it supplied the pictures for the Pike Interchange, the house organ completing its 14th year, and the Annual Report.

The Department also conducted 20 tours for many groups, including foreign dignitaries, Scouting and community groups and state officials.

**T**he traffic comes and goes, 24 hours a day, day after day, and the Authority's toll collection people keep it rolling. They are the Authority's front line representatives who in 1973 processed the flow of nearly 111 million vehicles.

In the toll plazas at 26 interchanges, 636 toll collectors and 115 field supervisors coped successfully with another year of mounting traffic and the added responsibilities arising from new toll facilities. These included the expanded Interchange 9 and the ongoing complete re-



*Traffic safety will be enhanced when the computerized surveillance and control system, demonstrated on model above, goes into effect in 1975. The teletype operation (at left) will be incorporated in the new system to detect incidents and change signs for smooth traffic flow.*

placement of 15E.

By the end of the year, it was 12 lanes five miles further south to No. 9, a widening improvement that made for smoother traffic at this important junction.

As in former years, the Authority's toll collection staff played an important role in the continuing commitment of service to its millions of patrons. The flow of letters of commendation received by the Authority attest to toll collectors' acts of courtesy, often beyond the call of duty, to render aid to autoists finding themselves in trouble of one kind or another.

There was the patron, realizing he had left his money at home, receiving a helping hand from Collector John Williams, who staked him out of his "crisis." Or the patron, her car disabled while on a trip with her ill mother, coming across Plaza Supervisor Rudolph Domyon, who rescued them from their predicament.

Of all the letters received, this patron probably stated it best when she wrote that if it had not been for this "good samaritan, I might not have my mother with me today."

**T**wo new commissioners became members of the Authority in 1973. Richard D. Ilnicki of South Brunswick, a research professor in the Rutgers University Soils and Crops Department, and William R. Kiely, Jr. of Fair Haven, a Monmouth County business leader, were appointed by Governor William T. Cahill and sworn in by Authority Chairman Alfred E. Driscoll on June 26.

Commissioner Kiely was appointed to fill the unexpired term of the late Commissioner Frederick M. Adams of Woodbridge, who died on May 8, 1973.

Commissioner Ilnicki succeeded Angus M. Harris of Saddle River, who had served on the Authority since 1957.

# The Toms River Expressway Project...

What has become known as the Toms River Expressway was a project authorized by the State Legislature in 1965. It was to have been built by the New Jersey Highway Authority, operator of the Garden State Parkway. But the Parkway abandoned the idea and the New Jersey Turnpike in 1970 decided to undertake the project as part of the then Governor William T. Cahill's Master Transportation Plan. The new road was originally planned to go from Toms River to Wayne, but later the corridor was shortened.

Feasibility studies which were started in 1970 by the Turnpike Authority's consultants, established a factual basis for the Expressway. On this basis a decision was made to build the Expressway from Toms River to South Brunswick, a distance of 38 miles. The Expressway is designed to alleviate traffic conditions on Route 9 and the Garden State Parkway, at which point the projected road would connect for quicker and safer access to the shore. Three counties, Middlesex, Monmouth and Ocean, would be traversed by the Expressway. Its estimated construction cost is \$315 million.

A \$210 million bond issue was sold by the Authority in May, 1973, the first portion of an estimated \$550 million bonds to cover the cost of that and several other needed Turnpike improvements.

Authorization for the Turnpike to build this Express-

way came on May 8, 1972 when the Senate adopted the measure 28-0, after the Assembly had approved it on May 4. The Governor signed it on May 25. The bill carried amendments requiring approval of the project by the New Jersey Department of Environmental Protection, besides an impact statement and public hearings in each of the three counties before Governor Cahill could give it his final approval.

Anticipating the need to protect the environment, and six months before the legislation was passed with the environmental provisions, the Authority in November 1971 planned to issue an impact statement, and began interviewing outstanding environmental consultants.

In March 1972 it retained three firms to prepare studies that would form the basis for plans to meet or even exceed state and federal standards: Coverdale & Colpitts, transportation planning consultants, who analyzed socioeconomic and land-use impacts; Bolt, Berenak & Newman, consultants in acoustics, who assessed traffic noise impacts; and Environmental Research & Technology, Inc., who studied impacts on air quality, natural, social and historic environments.

An Information Center was opened to establish better public understanding of the project prior to public hearings. Comments and suggestions received during the three public hearings resulted in substantial changes in the proposed alignment to conform to local conditions and development plans.

In early January the Authority announced a recommended alignment and submitted it to the Governor, along with 350 pages of environmental documents and 950 pages of hearings transcripts.

On April 4 Commissioner of Environmental Protection Richard Sullivan recommended to Governor Cahill that he approve the project. On April 19, 1973 the Governor approved, declaring "it minimizes adverse impact and is in the best interest of the people of the State."

To get on with the project the Authority hired 10 section engineers to design the Expressway and a week later it sold \$210 million in 5.7% Turnpike Improvement Revenue Bonds to launch the project.

To provide a closer rapport with the public on all aspects of its programs, the Authority in 1973 created the post of Community Relations Manager. There was a continuing dialogue between the Authority and the public, particularly those groups opposed to the project. During 1973 more than 60 meetings were held with local officials, civic organizations and individuals.



*State trooper using portable scale to see that truck load doesn't exceed legal weight.*

*Flyover ramp above the mainline carries vehicles to and from new Interchange 9 (New Brunswick) with completion of another five miles of 12-lane widening.*



## 22 Years of Operation

	REVENUE VEHICLES	REVENUE MILEAGE	TOLL REVENUE	CONCESSION REVENUES	OTHER REVENUES	TOTAL REVENUES
1951*	787,195	38,246,174	\$ 587,326	\$ 32,861	\$ 87	\$ 620,274
1952	17,948,325	765,807,780	16,241,267	1,523,038	65,330	17,829,635
1953	22,005,078	868,606,100	19,192,647	1,853,880	464,102	21,510,629
1954	24,555,441	927,393,967	20,756,344	1,826,777	634,641	23,217,762
1955	25,888,319	939,672,825	21,122,503	1,859,952	923,169	23,905,624
1956+	31,588,224	1,064,377,974	24,513,371	2,056,530	1,197,682	27,767,583
1957	39,269,643	1,200,254,680	29,022,910	2,370,516	1,447,014	32,840,440
1958	41,615,115	1,232,527,909	30,159,491	2,400,793	1,554,434	34,114,718
1959	46,199,339	1,343,847,970	33,317,927	2,602,998	1,396,407	37,317,332
1960	49,083,017	1,414,759,197	35,583,987	2,650,147	1,274,321	39,508,455
1961	51,737,682	1,471,802,723	37,192,652	2,649,106	1,156,969	40,998,727
1962	54,900,745	1,560,490,809	39,240,487	2,660,029	1,180,789	43,081,305
1963	56,677,379	1,610,706,177	40,778,566	2,749,777	1,270,264	44,798,607
1964	60,707,631	1,753,074,755	44,148,839	3,436,989	1,446,046	49,031,874
1965	64,957,715	1,856,395,130	46,122,200	3,624,311	1,549,790	51,296,301
1966	69,850,328	1,944,951,873	48,609,809	3,752,280	1,628,281	53,990,370
1967	73,528,656	2,030,844,201	51,229,549	3,976,450	1,642,227	56,848,226
1968	78,205,075	2,138,002,435	55,339,724	4,323,562	1,653,381	61,316,667
1969	80,618,191	2,202,999,403	57,636,727	4,624,406	1,979,854	64,240,987
1970	89,655,299	2,382,332,241	63,934,463	4,959,536	1,949,358	70,843,357
1971	98,553,612	2,574,226,834	70,124,311	5,322,464	1,004,360	76,451,135
1972	107,933,291	2,740,521,973	75,939,682	5,612,148	997,242	82,549,072
1973	110,422,434	2,753,067,671	78,996,947	5,226,934	1,261,793	85,485,674

\* Section of Turnpike opened November 5, 1951.

+ Pennsylvania and Newark Bay-Hudson County Extensions opened in 1956.

## Operations Budgets—1974 and 1973

	1974	1973
Administration-General .....	\$ 1,300,400	\$ 1,134,500
Data Processing/Systems .....	928,300	907,000
Accounting .....	453,300	431,500
Operations:		
Traffic Control and Police .....	3,865,600	3,653,700
Toll Collection .....	12,030,300	10,891,800
Maintenance, Repair, Replacement and Reconstruction .....	13,205,400	11,801,900
Engineering .....	843,200	714,600
Real Estate .....	223,800	175,200
Insurance .....	1,911,800	1,465,200
Professional Fees .....	133,000	133,000
Fiduciary Fees .....	62,000	128,500
Pension and Retirement Funds .....	1,816,400	1,402,600
Taxes .....	200,000	140,700
	<b>\$36,973,500</b>	<b>\$32,980,200</b>

<b>Toll Revenues</b>		
	<b>1973</b>	<b>1972</b>
January	\$ 6,096,439	\$ 5,460,848
February	5,649,873	5,097,881
March	6,563,331	6,069,307
April	6,758,458	6,157,692
May	6,973,854	6,561,022
June	7,069,496	6,679,026
July	7,212,344	6,941,857
August	7,662,042	7,430,149
September	6,570,436	6,476,630
October	6,665,484	6,543,698
November	6,276,882	6,319,419
December	5,498,310	6,202,152
	<u>\$78,996,947</u>	<u>\$75,939,682</u>
<b>Revenue Mileage</b>		
	<b>1973</b>	<b>1972</b>
January	208,597,601	193,524,155
February	194,057,578	175,697,122
March	223,759,387	214,107,430
April	244,698,927	229,057,250
May	243,005,691	237,082,025
June	247,502,646	236,680,187
July	262,948,111	265,638,832
August	277,620,184	276,472,582
September	231,521,277	234,715,998
October	225,130,543	230,576,546
November	211,661,203	222,899,261
December	182,564,523	222,070,585
	<u>2,753,067,671</u>	<u>2,740,521,973</u>
<b>Revenue Vehicles</b>		
	<b>1973</b>	<b>1972</b>
January	8,725,735	7,897,753
February	7,991,274	7,299,289
March	9,302,766	8,722,607
April	9,395,005	8,771,473
May	9,714,540	9,352,205
June	9,791,357	9,433,810
July	9,885,709	9,695,645
August	10,395,020	10,332,974
September	9,156,144	9,175,810
October	9,353,563	9,389,543
November	8,813,177	8,995,086
December	7,898,144	8,867,096
	<u>110,422,434</u>	<u>107,933,291</u>
<b>Turnpike Safety Record</b>		
	<b>1973</b>	<b>1972</b>
<b>Enforcement:</b>		
Summons Issued	62,052	61,869
Criminal Arrests	3,448	3,347
<b>Aids to Motorists:</b>		
Mechanical	38,541	38,850
Gasoline	10,588	12,197
Flat tires	9,339	13,240
Overheat	2,180	3,054
Other	44,348	45,554
Total Aids	104,996	112,895
Aids ratio	1 per 1,052 veh.	1 per 961 veh.
Aids per day	288	308
<b>Accident Information:</b>		
Accidents	2,306	2,516
Accident Rate	83.5	91.5
Personal Injuries	1,754	1,783
Injury Rate	63.5	64.9
Fatal Accidents	47	47
Fatalities	79	53
Fatality Rate	2.86	1.93
Accident, injury and fatality rates computed on basis of every 100 million miles of travel.		



Traffic on the 12-lane dual/dual moves smoothly along the Turnpike at Elizabeth.

## Contracts and Orders for Professional Services Awarded in 1973-In Excess of \$100,000

### R Series Contracts

Contract No.	Contractor	Amount
R-337	Della Pello Construction Company Union, N.J.	\$ 306,421
R-373-1	Union Paving Company Wynnewood, Pennsylvania	474,424
R-374	Schiavone Construction Company Secaucus, N.J.	2,069,924
R-375A	Pellecchia Construction Company Newark, N.J.	151,500
R-395	Fosco Fabricators, Inc. Dixon, Illinois	2,123,000
R-398-1	Hahr Construction Company, Inc. North Plainfield, N.J.	112,258
R-404	Schiavone Construction Company	748,063
R-405	Emcee Construction Company, Inc. Cherry Hill, N.J.	101,486
R-409	Revenue Systems, Inc. and Union Corporation, Plainview, N.Y.	318,494
R-412	Big Top Landscape Contractors Avenel, N.J.	100,842
R-415-1	Evanbow Construction Company East Orange, N.J.	286,600
R-416	Gardner M. Bishop, Inc. Mount Vernon, N.Y.	588,799
R-420	Structa-Bond, Inc. Conshohocken, Pennsylvania	117,680
R-425	Cardell, Inc., Keasbey, N.J.	679,922
R-426	Ritangela Construction Corporation Bardonia, N.Y.	585,308
R-427	A. W. Cross, Inc., Columbus, N.J.	512,874
R-428	Dynamic Painting & Decorating Corporation, Bronx, N.Y.	104,710
R-432	Schiavone Construction Company	407,950
R-433	National Engineering & Construction Corp., Bellmawr, N.J.	132,585
R-436	Schiavone Construction Company	506,781
R-441	Revenue Systems, Inc.	710,999

### Toms River Expressway

Contract No.	Contractor	Amount
DEAS-1	Interstate Wrecking Company Springfield, N.J.	\$147,150

### Sports Complex

Contract No.	Contractor	Amount
SC-101	Brewster Construction & Equipment Company, Hackensack, N.J.	\$5,316,832
SC-106	Brewster Construction & Equipment Company	2,522,236
SC-109	Lightning Electric Company Millburn, N.J.	707,178

### W Series Contracts

Contract No.	Contractor	Amount
W-747	Cayuga Construction Corporation New York, N.Y.	\$ 260,675
W-773	Karl Koch Erecting Company Carteret, N.J.	7,728,551
W-774	Schiavone Construction Company Secaucus, N.J.	2,805,923
W-783-5	Slattery Associates, Inc. Maspeth, N.Y.	15,955,870
W-784	Gardner M. Bishop, Inc. Mount Vernon, N.Y.	649,395
W-834	Broadway Maintenance Corporation Philadelphia, Pennsylvania	686,362
W-1726	Fosco Fabricators, Inc. Dixon, Illinois	279,260
W-1727	Construction Aggregates Corporation Chicago, Illinois	2,259,830
W-1728	Schiavone Construction Company	648,125



*Paul L. Troast Administration Building acquires new floral setting to extend the beautification program.*



*Authority saved time and money by mass purchase of 32 toll booths, stored here for installation at new interchanges.*

## Orders for Professional Services

Order No.	Engineer	Amount
Sup. Agreement 500A	Howard, Needles, Tammen & Bergendoff, Fairfield, N.J. (Widening Studies)	\$ 164,000.00
OPS 550A	Howard, Needles, Tammen & Bergendoff, (Sports Complex)	115,464.00
Agreement 586	Howard, Needles, Tammen & Bergendoff, (Toms River Expressway)	2,180,000.00
Agreement 588A	Edwards and Kelcey, Inc., Newark, N.J. (Toms River Expressway—N.J. Highway Authority's Approximate Share \$676,000.00)	1,558,325.00
Agreement 589	Louis Berger & Associates, Inc. East Orange, N.J. (Toms River Expressway)	1,088,000.00
Agreement 590	Urban Engineers, Inc., Camden, N.J. (Toms River Expressway)	1,100,000.00
Agreement 591	Porter & Ripa Associates, Inc. Morristown, N.J. (Toms River Expressway)	975,000.00
Agreement 592	Knoerle, Bender, Stone & Associates, Inc. Baltimore, Maryland (Toms River Expressway)	596,000.00
Agreement 593	Taylor, Wiseman and Taylor, Moorestown, N.J. (Toms River Expressway)	535,000.00
Agreement 594	Purcell, Taylor & Setteducato, P.C., East Orange, N.J. (Toms River Expressway)	1,290,000.00
Agreement 595	Parsons, Brinckerhoff, Quade & Douglas, Inc., New York, N.Y. (Toms River Expressway)	1,387,000.00
Agreement 596	Gannett, Fleming, Corddry & Carpenter, Inc., Harrisburg, Pennsylvania (Toms River Expressway)	991,000.00
Agreement 597	DeLeuw, Cather and Co., Newark, N.J. (Toms River Expressway)	1,269,000.00
OPS 601	Storch Engineers, Florham Park, N.J. (Resurfacing)	188,000.00
OPS 603, 603A	Howard, Needles, Tammen & Bergendoff (Bridge Deck & Structural Repairs)	161,000.00
Agreement 611	Clauss and Nolan, Ridgefield, N.J. (Reconstruction Restaurant Facilities, Addition to Service Station at SA IN)	140,000.00
Agreement 619	Sanders & Thomas, Inc., Pottstown, Pennsylvania (Toms River Expressway)	707,000.00
OPS 628, 628A & 628B	Environmental Research & Technology, Inc., Lexington, Massachusetts (EIS Proposed Widening Interchanges 9-8B)	105,000.00
Agreement 633	John B. Wilson, Architect, Warren, N.J. (Toms River Expressway)	160,000.00

### Insurance Contracts

Policy No.	Company	Amount
902-31-93	Continental Casualty Company (Comprehensive General Liability)	\$149,000.00
HEC4495263	Home Insurance Company (Major Bridge Insurance)	198,000.00
W-07762-8-73	N.J. Manufacturers Insur. Co. (Workmen's Compensation)	233,274.00

### Real Estate Purchases

Parcel DE2-23	Irving Roy	\$148,000.00
Parcel DE4-18	H.S. & A.J. Halpern & A. Wohl	147,000.00
Parcel DE7-14	Manalapan Twp. Fire Co. #1	230,000.00

### Purchases

Purchase Order No.	Vendor	Description	Price
P4024	Consolidated Laundry	Rental/Cleaning Work Clothing	\$146,000.00
P4824	Advance Building Maintenance	Janitorial Service (Interchanges)	221,856.00
P5046	Advanced Computer	Tabulating Cards	113,712.64
P5360	International Harvester Co.	Trucks	229,415.00
P5868	International Salt Co.	Rock Salt (Sodium Chloride)	326,010.00
P6179	Benedetti Oldsmobile	Police & Administration Motor Fleet	342,734.09
P6825	Syro Steel Company	Guard Rail Beams and Related Items	120,211.50

## Finance

In 1972, as mentioned in our Annual Report for that year, the Authority was authorized to construct an Expressway the general alignment of which is to be from Route 9 in Dover Township, Ocean County, northwesterly to meet with the existing New Jersey Turnpike in the Township of South Brunswick, Middlesex County, a distance of approximately 35 miles. To meet its obligation under this mandate and to provide funds for certain other commitments, the Authority on May 1, 1973, authorized the issuance of \$210,000,000 5.70% Turnpike Improvement Revenue Bonds, First Series. The purposes for which this issue was sold, which is the first of three proposed issues, are as follows:

1. Finance a portion of the cost of construction of the Expressway including widening of a related portion of the Turnpike.
2. Finance the construction of certain Turnpike access roads relating to the New Jersey Sports Complex in the Hackensack Meadowlands.
3. Provide funds to the extent necessary for the completion of the 1966 Turnpike Improvement and 1971 Turnpike Improvement.

On May 8, 1973, the Authority sold to the Underwriters its 5.70% Turnpike Improvement Revenue Bonds, First Series, dated May 1, 1973, to mature May 1, 2013, at a net interest cost to the Authority of 5.761%. Interest on these bonds is funded to January 1, 1975.

At December 31, 1973, our bond and note indebtedness amounted to \$1,006,336,000 and was comprised of the following issues:

General Revenue Bonds	\$ 36,736,000
Turnpike Revenue Bonds	634,100,000
Turnpike Notes	125,500,000
Turnpike Improvement Revenue Bonds	210,000,000
Total	\$1,006,336,000

The change in our debt position during the year 1973 was as follows:

### BOND AND NOTE INDEBTEDNESS

As of December 31, 1972	\$ 841,939,000
Add:	
Sale of 5.70% Turnpike Improvement Revenue Bonds, First Series	210,000,000
	1,051,939,000
Deduct:	
Redemption of General Revenue Bonds:	
3¼% (1950 Issue)	\$38,131,000
3.20% (1951 Issue)	7,472,000
	45,603,000
As of December 31, 1973	\$1,006,336,000

On January 1, 1974, the Authority redeemed by operation of the General Sinking Fund, General Revenue Bonds having a par value of \$5,825,000. The General Revenue Bonds outstanding at December 31, 1973, in the amount of \$36,736,000 shown above less the bonds redeemed on January 1, 1974, of \$5,825,000 leaves General Revenue Bonds in the amount of \$30,911,000 to be redeemed on or before January 1, 1975. The Authority covenanted in the Improvement Revenue Bond Resolution adopted May 1, 1973, to charge such tolls as shall be required in order that total tolls, revenues, fees, charges, rents and other income and receipts from the operation of the Turnpike System, including investment income treated as revenues, will provide funds which are sufficient, together with other available funds, to pay all General Revenue Bonds by January 1, 1975.

The 4% Turnpike Notes, Series A, in the amount of \$125,500,000 mature January 1, 1975. As set forth in the Official Statement dated May 1, 1973, which was issued in connection with the sale of the 5.70% Turnpike Improvement Revenue Bonds, First Series, the Authority plans to sell its Second Series in December, 1974, to refund this note issue.

Subsequent to January 1, 1975, the Authority will have outstanding first lien bonds which are the Turnpike Revenue Bonds and second lien bonds which are the Turnpike Improvement Revenue Bonds as opposed to the present four liens of bond and note issues which were outstanding at December 31, 1973.

At December 31, 1973, all reserve requirements pertaining to the General Revenue Bonds were fully met.

Net charges to Cost of Investment in Facilities amounted to \$102,474,995 during the fiscal year ended December 31, 1973. Detail by project is as follows:

1966 Turnpike Improvement (Including Special Projects)	\$37,440,544
1971 Turnpike Improvement	44,641,563
1973 Improvement and Funding Program	20,301,851
Capital Projects	104,311
Newark Bay-Hudson County Extension	(13,274)
Total	\$102,474,995

The credit to Newark Bay-Hudson County Extension arose from income from investments and was treated in accordance with the Bond Resolution.

The Consulting Engineers in their Progress Report dated January 1, 1974, estimate that the cost of the 1966 Turnpike Improvement only, exclusive of financing costs and Special Projects, would amount to \$425,267,000. At December 31, 1973, \$406,790,927 had been charged to this project. A similar report for the 1971 Turnpike Improvement shows the estimated cost for that project, exclusive of financing costs, to be \$112,000,000 which includes a contingency of approximately \$200,000. At December 31, 1973, \$80,419,461 had been charged against this project. As explained previously one of the purposes for which the 5.70% Turnpike Improvement Revenue Bonds, First Series, was issued was to provide funds to the extent necessary for the completion of the 1966 Turnpike Improvement and 1971 Turnpike Improvement. At this time it is believed that funds from this issue will be required only for the completion of the 1966 Turnpike Improvement.

The Consulting Engineers in their Progress Report dated December 1, 1973, for the 1973 Improvement and Funding Program indicated no change from the estimated construction costs as presented in the Official Statement issued in connection with our 5.70% Turnpike Improvement Revenue Bonds, First Series. At December 31, 1973, construction costs of \$12,407,028 had been charged against this Program.

The Fiscal Year 1973 showed an increase over 1972 of 4.0% in Toll Revenue and 2.3% in Revenue Vehicles. A comparison is shown below:

	1973	1972	Increase	%
<b>Toll Revenue</b>				
(Before Toll				
Adjustments)	\$ 79,000,212	75,947,821	3,052,391	4.0
<b>Revenue</b>				
<b>Vehicles</b>	110,422,434	107,933,291	2,489,143	2.3

In the Official Statement dated May 1, 1973, which was published in connection with the sale of our most recent bond issue, the Traffic Engineers estimated that for 1973 Toll Reve-

nue would amount to \$80,650,000 and Revenue Vehicles would total 114,662,000. Actual was under estimate for 1973 by 2.0% and 3.7% respectively. For the Fiscal Year 1973, Class 1 Vehicles (Passenger Cars) represented 83.7% of our Revenue Vehicles and Trucks and Buses represented 16.3%.

In 1973, the Authority had a complete change in concessionaires who operate our service area facilities. Exxon replaced Citgo as the operator of our service stations on April 1, 1973, and Marriott Corporation and Gladioux Food Services, Inc. replaced Howard Johnson Company as the operator of our restaurant facilities on October 1, 1973. The Traffic Engineers' estimate for Concession Revenue for 1973 was \$5,088,000 as compared with the actual amount realized of \$5,226,934.

Income from Investments for 1973 amounted to \$1,054,377 compared with \$819,630 in 1972, an increase of \$234,747. This increase is the result of investing in Time Deposits moneys which accumulated in the General Sinking Fund due to the unavailability of General Revenue Bonds in the open market (\$103,313); advance funding of extraordinary maintenance projects and the investing of the moneys prior to their use (\$100,180); and higher interest rates in 1973.

Miscellaneous Revenues for 1973 totaled \$207,416 compared to \$177,612 for 1972, an increase of \$29,804. Included in 1973 Revenues is a recovery (net) of \$17,270 from the County of Hudson in connection with the settlement of a contract dispute for which there is no comparable item in 1972.

The Annual Budget of Operating Expenses for the Fiscal Year 1973 as filed with the Trustee and Special Trustee was

in the amount of \$32,980,200. Operating Expenses for that year totaled \$32,715,081 or 99.2% of the Annual Budget. Operating Expenses for 1973 of \$32,715,081 represent an increase of 9.9% over the Operating Expenses of \$29,754,756 for 1972. The increase in Operating Expenses for 1973 over 1972 of \$2,960,325 is accounted for by an increase in Salaries and Wages of \$2,161,822 and an increase in All Other Accounts of \$798,503.

Other Charges financed from the General Bond Reserve Fund in accordance with provisions of the Bond Resolutions (subsequently restored from revenues) totaled \$8,232,307 in 1973. Of this amount \$1,592,286 was applicable to the replacement of Interchange #15E Toll Plaza, the last plaza to be rehabilitated north of Interchange 9 since the Turnpike was originally constructed. Other major expenditures from this fund were \$1,937,359 for Bridge Deck Repairs and Surfacing and \$1,800,385 for Resurfacing of Roadway. Other Charges for the Fiscal Year 1972 amounted to \$6,405,647.

Revenues Less Expenses for the Fiscal Year 1973 of \$42,832,416 represent a decrease of \$419,239 or 1% from the Revenues Less Expenses for the Fiscal Year 1972 of \$43,251,655.

At December 31, 1973, market value of our investments was approximately \$3,287,000 in excess of book value.

1974 and the continuing "energy crunch", what effect will it have on toll facilities in general and the New Jersey Turnpike in particular? We hope that it will be short-lived but have doubts that such will be the case. We do, however, wish to state that as we progress through this difficult period we shall continue to operate this Authority in a manner which we consider to be the best interest of our bondholders.

*The refurbished Hackensack River Bridge shows off its new median as work progresses on expansion to include shoulders, a safety feature on all major bridges.*



PEAT, MARWICK, MITCHELL & Co.

CERTIFIED PUBLIC ACCOUNTANTS

132 WEST STATE STREET

TRENTON, NEW JERSEY 08608

New Jersey Turnpike Authority  
New Brunswick, New Jersey:

We have examined the statements of assets, liabilities and revenues applied and retained of the New Jersey Turnpike Authority as of December 31, 1973 and 1972, the related statements of revenues and expenses and application of revenues after expenses, interest and other charges for the years then ended, and the statements of cost of investment in facilities to December 31, 1973 and 1972. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the assets, liabilities and revenues applied and retained of the New Jersey Turnpike Authority at December 31, 1973 and 1972, the revenues resulting from its operations and the application thereof for the years then ended, and the cost of investment in facilities to December 31, 1973 and 1972, in conformity with accounting principles set forth in note 1 of Notes to Financial Statements, applied on a consistent basis. Supplementary data included in Schedules 1 through 6 have been subjected to the same auditing procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the basic financial statements taken as a whole.

Further, we have read the provisions of the Bond and Note Resolutions relating to the receipt and application of funds and, in our opinion, based on our examination of the financial statements referred to above, the Authority has complied with such provisions.

January 25, 1974, except as to  
note 5 which is as of  
March 26, 1974

*Peat, Marwick, Mitchell & Co.*

# Statements of Revenues and Expenses (note 1)

Years ended December 31, 1973 and 1972

	<u>1973</u>	<u>1972</u>
<b>Revenues:</b>		
Toll revenue (Schedule 6)	\$ 78,996,947	75,939,682
Concession revenue	5,226,934	5,612,148
Income from investments	1,054,377	819,630
Miscellaneous	<u>207,416</u>	<u>177,612</u>
	<u>85,485,674</u>	<u>82,549,072</u>
<b>Budgeted operating expenses:</b>		
<b>Administration:</b>		
General	1,221,824	1,026,308
Data processing/systems	854,750	901,563
Accounting	430,221	359,397
<b>Operation:</b>		
Traffic control and police	3,952,025	3,731,084
Toll collection	10,787,896	9,418,257
Maintenance, repair, replacement and reconstruction	10,236,890	9,657,258
Engineering	680,794	518,618
Real estate	237,564	123,168
Insurance	1,825,438	1,565,205
Professional fees	126,801	107,175
Fiduciary fees	114,725	132,614
Pension and retirement	2,047,114	2,046,657
Taxes	208,143	175,592
Cash discounts	<u>(9,104)</u>	<u>(8,140)</u>
	<u>32,715,081</u>	<u>29,754,756</u>
	52,770,593	52,794,316
Interest on general revenue bonds	<u>1,705,870</u>	<u>3,137,014</u>
	51,064,723	49,657,302
<b>Other charges:</b>		
Repairs, replacements and maintenance items of a type not recurring annually or at short intervals	<u>8,232,307</u>	<u>6,405,647</u>
Revenues after expenses, interest and other charges (see accompanying statement for application thereof) (note 1)	<u>\$ 42,832,416</u>	<u>43,251,655</u>
Interest paid or payable from Bond and Note proceeds during the period - not deducted from revenues and charged to cost of investment in facilities (note 2)	<u>\$ 47,116,125</u>	<u>38,812,925</u>

See accompanying notes to financial statements.

# Statements of Assets, Liabilities and Revenues Applied and Retained (note 1)

December 31, 1973 and 1972

	<u>Assets</u>	<u>1973</u>	<u>1972</u>
<b>Operating accounts:</b>			
Cash		\$ 446,669	806,876
Investments (Schedule 1)		882,693	249,208
Accounts receivable		<u>763,298</u>	<u>826,172</u>
		2,092,660	1,882,256
Funds allocated from reserves to provide for major improvements, repairs, replacements, maintenance, etc.:			
Cash		540,752	189,735
Investments (Schedule 1)		5,432,699	577,148
Accounts receivable		226,531	410,040
Deposits in condemnation cases		<u>32,070</u>	<u>32,070</u>
		6,232,052	1,208,993
Other funds (Schedule 2):			
Revenue fund		6,477,775	6,922,907
General interest fund		138,170	129,195
Reserve funds		7,845,445	8,550,602
General bonds sinking funds		<u>6,575,340</u>	<u>13,194,425</u>
		21,036,730	28,797,129
Total operating accounts		<u>29,361,442</u>	<u>31,888,378</u>
Construction accounts (Schedule 4)		315,607,863	203,742,720
Cost of investment in facilities		1,180,354,920	1,077,879,925
		 <u><u>\$ 1,525,324,225</u></u>	 <u><u>1,313,511,023</u></u>

See accompanying notes to financial statements.

Liabilities and Revenues <u>Applied and Retained</u>	<u>1973</u>	<u>1972</u>
Operating accounts:		
Withholdings from employees	\$ 291,278	222,323
Toll revenues received in advance	159,321	142,032
Other liabilities	<u>10,429</u>	<u>7,934</u>
	461,028	372,289
Funds allocated from reserves to provide for major improvements, repairs, replacements, maintenance, etc.:		
Amounts retained from contractors and engineers	<u>618,360</u>	<u>397,203</u>
Total operating accounts	<u>1,079,388</u>	<u>769,492</u>
Construction accounts (Schedule 4)	8,511,180	4,262,079
Bond and note indebtedness (note 2) (Schedule 3):		
General revenue bonds	36,736,000	82,339,000
Turnpike revenue bonds	634,100,000	634,100,000
Turnpike notes	125,500,000	125,500,000
Turnpike improvement revenue bonds	<u>210,000,000</u>	<u>-</u>
Total bond and note indebtedness	<u>1,006,336,000</u>	<u>841,939,000</u>
Revenues applied and retained:		
Applied to retirement of bond indebtedness	419,544,825	373,955,099
Applied to improvements, enlargements and betterments and other charges	74,846,970	69,940,757
Retained in other funds by agreement with bondholders	13,874,230	21,634,629
Retained for general operating purposes	<u>1,131,632</u>	<u>1,009,967</u>
	509,397,657	466,540,452
Commitments and contingencies (note 3).		
	<u>\$ 1,525,324,225</u>	<u>1,313,511,023</u>

# Statements of Application of Revenues After Expenses, Interest and Other Charges (note 1)

Years ended December 31, 1973 and 1972

				<u>Other fund Reserve</u>
	<u>Combined total</u>	<u>Revenue fund</u>	<u>General interest fund</u>	<u>General interest reserve fund</u>
Balance December 31, 1971	\$ 430,939,665	6,679,172	179,739	2,185,089
Revenues after expenses, interest and other charges	43,251,655	(65,414)	(50,544)	-
Miscellaneous, including \$11,632 discount on bonds retired	22,426	-	-	-
Transfer of excess reserve requirements	-	-	-	(634,487)
Transfers from reserve fund	-	-	-	-
Revenues invested in facilities	-	-	-	-
Change in net assets of other operating accounts	-	309,149	-	-
	<u>474,213,746</u>	<u>6,922,907</u>	<u>129,195</u>	<u>1,550,602</u>
Less principal amount of bonds retired, including \$30,572,206 from revenues and \$10,794 from construction monies	<u>10,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance December 31, 1972	474,202,952	6,922,907	129,195	1,550,602
Revenues after expenses, interest and other charges	42,832,416	(323,467)	8,975	-
Miscellaneous, including \$24,789 discount on bonds retired	38,063	-	-	-
Transfer of excess reserve requirements	-	-	-	(705,157)
Transfers from reserve fund	-	-	-	-
Revenues invested in facilities	-	-	-	-
Change in net assets of other operating accounts	-	(121,665)	-	-
	<u>517,073,431</u>	<u>6,477,775</u>	<u>138,170</u>	<u>845,445</u>
Less principal amount of bonds retired, including \$45,589,726 from revenues and \$13,274 from construction monies	<u>13,274</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance December 31, 1973	\$ <u>517,060,157</u>	<u>6,477,775</u>	<u>138,170</u>	<u>845,445</u>
Comprised as follows:				
Revenues applied and retained:				
To retirement of bond indebtedness	419,544,825	-	-	-
To improvements, enlargements and betterments	74,846,970	-	-	-
In other funds by agreement with bondholders	13,874,230	6,477,775	138,170	682,945
For general operating purposes	<u>1,131,632</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues applied and retained	509,397,657	6,477,775	138,170	682,945
Proceeds from sale of bonds:				
Retained in accounts by agreement with bondholders	<u>7,662,500</u>	<u>-</u>	<u>-</u>	<u>162,500</u>
	<u>\$ 517,060,157</u>	<u>6,477,775</u>	<u>138,170</u>	<u>845,445</u>

See accompanying notes to financial statements.

<u>accounts</u> <u>funds</u>			Funds for major improve- ments, repairs, replace- ments, main- tenance, etc.	Net assets of other operating accounts	Revenues invested in facilities	Revenues applied to retirement of bond indebtedness
General bond reserve fund	General bonds sinking funds	Total (Schedule 2)				
6,265,233	755,939	16,065,172	708,617	1,819,116	68,963,867	343,382,893
7,041,454	42,731,806	49,657,302	(6,405,647)	-	-	-
-	22,426	22,426	-	-	-	-
367,233	267,254	-	-	-	-	-
(6,673,920)	-	(6,673,920)	6,673,920	-	-	-
-	-	-	(165,100)	-	165,100	-
-	-	309,149	-	(309,149)	-	-
7,000,000	43,777,425	59,380,129	811,790	1,509,967	69,128,967	343,382,893
-	30,583,000	30,583,000	-	-	-	(30,572,206)
7,000,000	13,194,425	28,797,129	811,790	1,509,967	69,128,967	373,955,099
13,136,020	38,243,195	51,064,723	(8,232,307)	-	-	-
2,500	35,563	38,063	-	-	-	-
-	705,157	-	-	-	-	-
(13,138,520)	-	(13,138,520)	13,138,520	-	-	-
-	-	-	(104,311)	-	104,311	-
-	-	(121,665)	-	121,665	-	-
7,000,000	52,178,340	66,639,730	5,613,692	1,631,632	69,233,278	373,955,099
-	45,603,000	45,603,000	-	-	-	(45,589,726)
7,000,000	6,575,340	21,036,730	5,613,692	1,631,632	69,233,278	419,544,825
-	-	-	-	-	-	419,544,825
-	-	-	5,613,692	-	69,233,278	-
-	6,575,340	13,874,230	-	-	-	-
-	-	-	-	1,131,692	-	-
-	6,575,340	13,874,230	5,613,692	1,131,632	69,233,278	419,544,825
7,000,000	-	7,162,500	-	500,000	-	-
7,000,000	6,575,340	21,036,730	5,613,692	1,631,632	69,233,278	419,544,825

**Statements of Cost of Investment in Facilities**  
to December 31, 1973 and 1972 (note 1)

	1966 Turnpike improvement (note A)	1971 Turnpike improvement (note B)	1973 Improvement and funding program (note C)	Original turnpike extensions and additional lanes	Improve- ments, enlarge- ments and betterments provided from revenues	Total to December 31	
						1973	1972
Engineering and architectural	\$ 28,352,087	9,245,917	10,022,476	28,083,278	10,794,641	86,498,399	74,408,123
Land, easements and rights-of-way	24,546,978	2,659,560	1,003,895	27,759,314	2,648,467	58,618,214	56,149,335
Construction, including cost of training and equipping operating personnel, machinery and equipment and miscellaneous pre-operating expenses	363,467,553	68,466,935	1,362,111	371,398,653	55,593,105	860,288,357	806,606,795
Other costs, including administration	2,006,895	47,190	18,691	1,869,762	111,902	4,054,440	3,942,287
Financial	<u>209,200,535</u>	<u>16,690,827</u>	<u>11,657,120</u>	<u>26,992,647</u>	<u>88,970</u>	<u>264,630,099</u>	<u>213,465,210</u>
	627,574,048	97,110,429	24,064,293	456,103,654	69,237,085	1,274,089,509	1,154,571,750
Less income from interim investment of construction funds	<u>68,969,916</u>	<u>13,291,129</u>	<u>3,762,442</u>	<u>7,707,295</u>	<u>3,807</u>	<u>93,734,589</u>	<u>76,691,825</u>
	<u>\$ 558,604,132</u>	<u>83,819,300</u>	<u>20,301,851</u>	<u>448,396,359</u>	<u>69,233,278</u>	<u>1,180,354,920</u>	<u>1,077,879,925</u>

Notes:

- (A) Financial cost of the 1966 Turnpike improvement includes \$180,150,436 interest on Turnpike Revenue Bonds from October 4, 1966, date of initial financing, \$14,168,100 discount on the sale of the bonds and \$13,439,130 cost of issuing refunding bonds.
- (B) Financial cost of the 1971 Turnpike improvement includes \$14,946,349 interest on Turnpike Revenue Notes from June 4, 1971, date of financing, and \$1,568,750 discount on the sale of the notes.
- (C) Financial cost of the 1973 Improvement and funding program includes \$7,747,250 interest on Turnpike Improvement Revenue Bonds from May 1, 1973, date of initial financing, and \$3,675,000 discount on the sale of the bonds.

See accompanying notes to financial statements.

# Investments

## December 31, 1973

### Schedule 1

	Interest rate	Maturity (note A)	Par value	Carrying value (note B)
<b>Operating accounts:</b>				
United States Treasury bills	-	%	\$ 900,000	882,693
<b>Funds allocated from reserves to provide for major improvements, repairs, replacements, maintenance, etc.:</b>				
United States Treasury bills	-	various	5,605,000	5,432,699
<b>General interest fund:</b>				
United States Treasury bills	-	Jun. 27, 1974	120,000	115,468
<b>General interest reserve fund:</b>				
United States Treasury bills	-	various	615,000	586,809
<b>General bond reserve fund:</b>				
United States Treasury bills	-	various	5,745,000	5,521,261
United States Treasury bonds	4-1/4	May 15, 1974	1,500,000	1,475,391
			<u>7,245,000</u>	<u>6,996,652</u>
<b>Construction accounts - 1966 general revenue bond resolution:</b>				
United States Treasury bills	-	various	1,600,000	1,577,238
Export-Import Bank participation certificates	5.125	May 4, 1974	300,000	286,500
United States Treasury notes	5.75	Nov. 15, 1974	306,000	306,000
The Twelve Federal Land Banks bonds	4-3/8	Apr. 21, 1975	662,000	615,660
			<u>2,868,000</u>	<u>2,785,398</u>
<b>Bond interest fund - 1966 general revenue bond resolution:</b>				
The Twelve Federal Land Banks bonds	4-1/2	Feb. 20, 1974	3,915,000	3,684,994
Export-Import Bank participation certificates	5-1/8	May 4, 1974	11,310,000	10,651,544
Federal National Mortgage Association discount notes	-	Jun. 27, 1974	355,000	341,835
Federal National Mortgage Association debentures	7.85	Sep. 10, 1974	2,020,000	2,013,688
United States Treasury notes	5-3/4	Nov. 15, 1974	5,355,000	5,253,332
United States Treasury bonds	3-7/8	Nov. 15, 1974	8,238,000	7,517,175
The Twelve Federal Land Banks bonds	4-3/8	Apr. 21, 1975	24,740,000	21,756,560
United States Treasury notes	6.00	May 15, 1975	8,035,000	8,020,984
			<u>63,968,000</u>	<u>59,240,112</u>
<b>Special projects - 1966 general revenue bond resolution:</b>				
Certificates of deposit (note D)	-	various	1,500,000	1,500,000
United States Treasury bills	-	various	600,000	592,569
The Twelve Federal Land Banks bonds	4.50	Feb. 20, 1974	1,500,000	1,340,625
Federal National Mortgage Association discount notes	-	Mar. 7, 1974	300,000	293,820
Government National Mortgage Assn. participation certificates	4.70	Dec. 1, 1974	1,400,000	1,225,000
			<u>5,300,000</u>	<u>4,952,014</u>

(Continued)

## Investments

### Schedule 1, continued

	Interest rate	Maturity (note A)	Par value	Carrying value (note B)	
Series G refunding bond expense account - 1966 general revenue bond resolution:					
United States Treasury bills	-	%	Jan.17,1974	\$ 1,240,000	1,217,386
General reserve fund - 1966 general revenue bond resolution:					
United States Treasury bills	-		various	760,000	747,900
Construction accounts - 1971 general note resolution:					
Certificates of deposit (note D)	-		various	17,000,000	17,000,000
United States Treasury bills	-		various	8,200,000	7,983,313
Federal Home Loan Bank notes	8.40		Feb.25,1974	3,000,000	3,000,000
The Twelve Federal Land Banks bonds	7.30		Apr.22,1974	3,000,000	3,000,000
Federal National Mortgage Association debentures	7.90		Jun.10,1974	3,000,000	3,000,000
Federal National Mortgage Association debentures	5.65		Sep.10,1974	1,000,000	990,000
			<u>35,200,000</u>	<u>34,973,313</u>	
Note interest fund - 1971 general note resolution:					
Federal National Mortgage Association debentures	7.90		Jun.10,1974	2,710,000	2,710,000
United States Treasury bills	-		Jun.27,1974	60,000	57,834
Federal National Mortgage Association debentures	6.10		Dec.10,1974	2,815,000	2,815,000
			<u>5,585,000</u>	<u>5,582,834</u>	
Construction accounts - 1973 improvement revenue bond resolution:					
Certificates of deposit	-		various	147,000,000	147,000,000
United States Treasury bills	-		various	5,700,000	5,499,616
Federal National Mortgage Association discount notes	-		Feb. 1,1974	10,000,000	9,497,500
			<u>162,700,000</u>	<u>161,997,116</u>	
Debt service fund and debt reserve fund - 1973 improvement revenue bond resolution:					
Time deposit	7.25		Aug. 8,1974	11,970,000	11,970,000
United States Treasury bills	-		Apr. 9,1974	5,790,000	5,438,199
The Twelve Federal Land Banks bonds	5.30		Oct.21,1974	5,790,000	5,666,963
The Twelve Federal Land Banks bonds	4.375		Apr.21,1975	1,975,000	1,882,422
			<u>25,525,000</u>	<u>24,957,584</u>	
Newark Bay - Hudson County extension:					
United States Treasury bills	-		Jun. 6,1974	210,000	201,756
Deposits in condemnation cases:					
United States Treasury bills	-		Mar.14,1974	3,120,000	3,023,904
Federal National Mortgage Association discount notes	8.40		Jun. 6,1974	1,640,000	1,570,355
Federal National Mortgage Association debentures	5.65		Sep.10,1974	1,000,000	990,000
Federal National Mortgage Association debentures	6.10		Dec.10,1974	2,000,000	2,000,000
			<u>7,760,000</u>	<u>7,584,259</u>	
<b>Total investments (note C)</b>			<u>\$ 325,601,000</u>	<u>318,253,993</u>	

(Continued)

## Investments

Schedule 1, continued

Notes:

- (A) United States Treasury bills mature periodically to July 2, 1974.
- (B) Investments have been valued at the lower of cost or the principal amount thereof in accordance with the terms of the Resolutions.
- (C) As of December 31, 1973, the aggregate market value of the investments was approximately \$3,287,000 in excess of carrying value.
- (D) Certificates of deposit bear interest at annual rates of 7.25% to 9.875% and mature periodically to November 12, 1974. The certificates which total \$165,500,000 were issued by the following banks - The Bank of America, \$35,000,000; The Chase Manhattan Bank, \$41,000,000; The Continental Illinois National Bank & Trust Co., \$46,000,000; The First National State Bank, \$26,000,000; The Peoples Trust of New Jersey, \$7,500,000; The First Pennsylvania Banking & Trust Co., \$10,000,000. Where required, such certificates are secured by a pledge of direct obligations of the United States in appropriate amounts as required by the Bond and Note Resolutions.

# Other Funds

December 31, 1973 and 1972

## Schedule 2

	Cash on deposit with Trustee, Special Trustee and Sinking Fund Agent	Investments in United States Government obligations - at cost (Schedule 1)	Total	
			1973	1972
Revenue fund	\$ 6,477,775	-	6,477,775	6,922,907
General interest fund	22,702	115,468	138,170	129,195
Reserve funds:				
General interest reserve fund	258,636	586,809	845,445	1,550,602
General bond reserve fund	3,348	6,996,652	7,000,000	7,000,000
	261,984	7,583,461	7,845,445	8,550,602
General bonds sinking funds (see note):				
3-1/4% - 1950 issue	3,969,248	-	3,969,248	10,791,407
3.20% - 1951 issue	2,606,092	-	2,606,092	2,403,018
	6,575,340	-	6,575,340	13,194,425
	\$ 13,337,801	7,698,929	21,036,730	28,797,129

Note - Includes \$5,825,000 reserved for bonds of the 1950 and 1951 issues in the principal amounts of \$3,721,000 and \$2,104,000, respectively, called for redemption on January 1, 1974 at 100 as provided in the bond resolutions and \$480,000 in 9-3/4% interest-bearing time deposits maturing February 8, 1974.

The Authority has commitments to purchase bonds to be delivered in January, 1974 in the amount of \$297,000.

## Summary of Construction Accounts

December 31, 1973 and 1972

### Schedule 4

<u>Assets</u>	<u>1966 General revenue bond resolution</u>				
	<u>Construction accounts</u>	<u>Bond interest fund</u>	<u>Special projects</u>	<u>Series G refunding bond expense account</u>	<u>General reserve fund</u>
Cash	\$ 261,725	2,162	172,612	11,851	148,937
Deposits in condemnation cases, including investments of \$7,584,259 (Schedule 1)	7,093,246	-	-	-	-
Interim investments of construc- tion funds (Schedule 1)	2,785,398	59,240,112	4,952,014	1,217,386	747,900
Deposits, other than condemnation	102,000	-	-	-	-
Accounts receivable	48,169	-	-	-	-
	\$ 10,290,538	59,242,274	5,124,626	1,229,237	896,837
 <u>Liabilities</u>					
Amounts retained from contrac- tors and engineers	1,198,640	-	89,004	-	-
Accrued interest	-	-	-	-	-
	\$ 1,198,640	-	89,004	-	-

# Bond and Note Indebtedness

December 31, 1973 and 1972

## Schedule 3

	Original amount authorized and issued	Refunded or acquired and cancelled in prior years (see note)	Amount outstanding Dec. 31, 1972	Acquired by sinking fund and cancelled during 1973	Amount outstanding Dec. 31, 1973
<b>General revenue bonds:</b>					
Turnpike revenue bonds (1950 issue), 3-1/4%, maturing January 1, 1985	\$ 220,000,000	153,292,000	66,708,000	38,131,000	28,577,000
Turnpike revenue bonds (1951 issue), 3.20%, maturing January 1, 1986	<u>35,000,000</u>	<u>19,369,000</u>	<u>15,631,000</u>	<u>7,472,000</u>	<u>8,159,000</u>
	<u>255,000,000</u>	<u>172,661,000</u>	<u>82,339,000</u>	<u>45,603,000</u>	<u>36,736,000</u>
<b>Second series revenue bonds</b>					
	<u>211,200,000</u>	<u>211,200,000</u>	-	-	-
<b>Turnpike revenue bonds:</b>					
Series A, 4-3/4% (1966 issue), maturing January 1, 2006	179,000,000	-	179,000,000	-	179,000,000
Series B, 5-1/8% (1968 issue), maturing January 1, 2008	75,000,000	-	75,000,000	-	75,000,000
Series C, 5.20% (1968 issue), maturing January 1, 2008	125,000,000	-	125,000,000	-	125,000,000
Series D, 5-3/4% (1969 issue), maturing January 1, 2008	60,000,000	-	60,000,000	-	60,000,000
Series E, 5-7/8% (1969 issue), maturing January 1, 2008	40,000,000	-	40,000,000	-	40,000,000
Series F, 7% (1969 issue), maturing January 1, 2009	137,000,000	137,000,000	-	-	-
Series G, 5-3/4% (1972 refunding issue), maturing January 1, 2009	<u>155,100,000</u>	<u>-</u>	<u>155,100,000</u>	<u>-</u>	<u>155,100,000</u>
	<u>771,100,000</u>	<u>137,000,000</u>	<u>634,100,000</u>	<u>-</u>	<u>634,100,000</u>
<b>Turnpike notes:</b>					
Series A, 4-5/8% (1971 issue), maturing January 1, 1975	125,500,000	-	125,500,000	-	125,500,000
<b>Turnpike improvement revenue bonds:</b>					
First series, 5.70% (1973 issue), maturing May 1, 2013	<u>210,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,000,000</u>
	<u>\$ 1,572,800,000</u>	<u>520,861,000</u>	<u>841,939,000</u>	<u>45,603,000</u>	<u>1,006,336,000</u>

Note - To December 31, 1973, General Revenue and Second Series Revenue bonds totaling \$429,464,000 had been retired, of which amount \$419,544,825 had been retired from revenues and \$9,919,175 from excess construction funds. In addition, as a result of issuing the Series G Turnpike Revenue Refunding Bonds, under the terms of the 1966 General Revenue Bond Resolution, the Series F Bonds are deemed to have been paid.

1971 General note resolution		1973 Improvement revenue bond resolution			Newark Bay - Hudson County extension	Total	
Construction accounts	Note interest fund	Construction accounts	Debt service fund	Debt reserve fund	1973	1972	
1,067,706	822	133,530	1,638	-	20,210	1,821,193	656,131
4,563,594	-	4,283,556	-	-	-	15,940,396	14,559,485
34,973,313	5,582,834	161,997,116	12,987,584	11,970,000	201,756	296,655,413	188,245,606
-	-	3,366	-	-	-	105,366	100,000
-	-	<u>1,037,326</u>	-	-	-	<u>1,085,495</u>	<u>181,498</u>
<u>40,604,613</u>	<u>5,583,656</u>	<u>167,454,894</u>	<u>12,989,222</u>	<u>11,970,000</u>	<u>221,966</u>	<u>315,607,863</u>	<u>203,742,720</u>
4,507,569	-	720,967	-	-	-	6,516,180	4,262,079
-	-	-	<u>1,995,000</u>	-	-	<u>1,995,000</u>	-
<u>4,507,569</u>	<u>-</u>	<u>720,967</u>	<u>1,995,000</u>	<u>-</u>	<u>-</u>	<u>8,511,180</u>	<u>4,262,079</u>

# Cash Receipts and Disbursements

Year ended December 31, 1973

## Schedule 5

	Combined <u>total</u>	Operating <u>accounts</u>	Funds for major improve- ments, repairs, etc. <u>etc.</u>	Revenue <u>fund</u>	General interest <u>fund</u>	General interest reserve <u>fund</u>	General bond reserve <u>fund</u>
Cash balances, December 31, 1972	\$ 22,033,419	806,876	189,735	6,922,907	31,881	226,329	5,135
<b>Receipts:</b>							
Revenues (including income of \$1,054,377 on investments)	85,584,634	186,328	116,237	84,530,257	56,032	72,937	351,739
Transfers of income on investments	-	(186,328)	(116,237)	1,054,377	(56,032)	(72,937)	(351,739)
Transfers from revenue fund	-	32,935,706	-	(86,029,766)	1,714,846	-	13,136,020
Sale or redemption of investments	490,306,271	17,021,141	7,101,656	-	1,998,288	2,166,438	19,042,228
Income on construction investments	17,029,178	-	-	-	-	-	-
Transfers of excess reserves	-	-	-	-	-	(705,157)	-
Transfers from general bond reserve fund	-	-	10,235,252	-	-	-	(10,235,252)
Proceeds from sale of bonds including accrued interest of \$232,750	206,557,750	-	-	-	-	-	-
Transfer from bond interest	-	-	-	-	-	-	-
Transfer to general reserve fund	-	-	-	-	-	-	-
Deposits in condemnation	1,903,742	-	-	-	-	-	-
Proceeds from sale of property after certification of completion	13,274	-	-	-	-	-	2,500
	<u>823,428,268</u>	<u>50,763,723</u>	<u>17,526,643</u>	<u>6,477,775</u>	<u>3,745,015</u>	<u>1,687,610</u>	<u>21,950,631</u>
<b>Disbursements:</b>							
Budgeted operating expenses	32,715,081	32,715,081	-	-	-	-	-
Interest on bond and note indebtedness, including accrued interest of \$232,750 at date of sale of 1973 issue	47,059,745	-	-	-	1,705,870	-	-
Purchase of investments including accrued interest	603,434,118	17,601,473	9,053,938	-	2,016,443	1,428,974	21,947,283
Retirement of bond indebtedness of \$45,603,000	45,578,210	-	-	-	-	-	-
Payment of cost of construction, studies and other repairs, replacements and maintenance items	74,105,277	-	7,931,953	-	-	-	-
Deposits in condemnation cases	4,383,556	-	-	-	-	-	-
Deposits other than condemnation	5,866	500	-	-	-	-	-
	<u>807,281,853</u>	<u>50,317,054</u>	<u>16,985,891</u>	<u>-</u>	<u>3,722,313</u>	<u>1,428,974</u>	<u>21,947,283</u>
Cash balances, December 31, 1973	\$ <u>16,146,415</u>	<u>446,669</u>	<u>540,752</u>	<u>6,477,775</u>	<u>22,702</u>	<u>258,636</u>	<u>3,348</u>

	Cash <u>balance</u>	Market value of securities pledged to <u>secure deposits</u>	
<b>Operating accounts:</b>			
<u>Depositories</u>			<u>Depositories</u>
First Jersey National Bank	\$ 278,289	3,434,375	Revenue fund:
The Peoples National Bank of Central Jersey	35,725	1,795,844	Fidelity Union Trust Company
Bank of Passaic and Clifton, N.A.	46,955	825,188	The National State Bank
Toll collectors' and other imprest funds	85,700	-	1971 General note resolution accounts:
Funds for major improvements, repairs, etc.:			First National State Bank of New Jersey
First National Bank of New Jersey	519,271	2,725,938	Midlantic National Bank
National Community Bank	21,481	1,501,575	1973 Improvement revenue bond resolution account
Balance carried forward	\$ 987,421	10,282,920	First National State Bank of New Jersey
			All other funds:
			The Chase Manhattan Bank, N.A.
			Balance brought forward

General bonds sinking funds	1952 bond resolution construc- tion funds	1966 General revenue bond resolution					General reserve fund	1971 General note resolution		1973 Improvement revenue bond resolution		
		Construction accounts	Special projects	Bond interest fund	Series G refunding bond expense account	Construction accounts		Note interest fund	Construction accounts	Debt service fund	Debt reserve fund	
3,194,425	24,466	95,651	308,308	6,279	10,388	3,807			33,923	-	-	-
271,104	-	-	-	-	-	-	-	-	-	-	-	-
(271,104)	-	-	-	-	-	-	-	-	-	-	-	-
3,243,194	-	-	-	-	-	-	-	-	-	-	-	-
-	606,726	33,258,156	13,018,259	61,314,855	3,359,747	2,430,631	136,411,386	11,016,047	175,935,757	5,624,956	-	-
-	-	970,732	321,354	6,302,831	98,193	68,054	4,823,459	682,258	3,400,615	361,682	-	-
705,157	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	175,975,210	18,612,540	11,970,000	-
-	-	4,297	-	(4,297)	-	-	-	-	-	-	-	-
-	-	-	-	-	(522,506)	522,506	-	-	-	-	-	-
-	-	1,860,442	-	-	-	-	43,300	-	-	-	-	-
10,774	-	-	-	-	-	-	-	-	-	-	-	-
2,153,550	631,192	36,189,278	13,647,921	67,619,668	2,945,822	3,024,998	141,451,454	11,732,228	355,311,582	24,599,178	11,970,000	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	33,564,500	-	-	-	5,804,375	-	5,985,000	-	-
-	610,982	26,143,278	13,021,593	34,053,006	2,913,588	2,182,339	98,018,778	5,927,031	337,932,872	18,612,540	11,970,000	-
5,578,210	-	-	-	-	-	-	-	-	-	-	-	-
-	-	9,688,416	453,716	-	20,383	693,722	42,358,829	-	12,958,258	-	-	-
-	-	93,859	-	-	-	-	6,141	-	4,283,556	-	-	-
-	-	2,000	-	-	-	-	-	-	3,366	-	-	-
5,578,210	610,982	35,927,553	13,475,309	67,617,506	2,933,971	2,876,061	140,383,748	11,731,406	355,178,052	24,597,540	11,970,000	-
6,575,340	20,210	261,725	172,612	2,162	11,851	148,937	1,067,706	822	133,530	1,638	-	-

Cash balance	Market value of securities pledged to secure deposits	
\$ 987,421	10,282,920	
1,364,499	8,886,875	
5,113,276	7,032,219	
822	664,875	
1,067,706	7,949,375	
133,530	7,256,250	
<u>7,479,161</u>	<u>28,210,373</u>	
\$ <u>16,146,415</u>	<u>57,161,012</u>	

# New Jersey Turnpike Authority Toll Revenue

Years ended December 31, 1973, and 1972

## Schedule 6

Class	Description	1973		1972	
		Toll revenue	Vehicles	Toll revenue	Vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 49,238,813	92,416,256	\$ 48,263,911	91,447,744
2	Vehicles having two axles other than type described under Class 1	5,139,105	5,583,523	4,848,832	5,208,925
3	Vehicle (vehicles), single or in combination, having three axles	3,190,050	2,263,003	2,910,426	1,991,701
4	Vehicle (vehicles), single or in combination, having four axles	7,292,066	4,032,249	7,172,086	3,858,662
5	Vehicle (vehicles), single or in combination, having five axles	14,109,808	6,114,307	12,725,215	5,414,400
6	Vehicle (vehicles), single or in combination, having six or more axles	30,370	13,096	27,351	11,859
	Non-revenue vehicles*	-	555,671	-	565,437
		79,000,212	110,978,105	75,947,821	108,498,728
	Deduct toll adjustments	3,265		8,139	
		\$ 78,996,947		\$ 75,939,682	

\*Non-revenue vehicles represents traffic of members, officers and employees of the Authority actually in the performance of their duties or traveling to or from such duties, members of the New Jersey State Police Force, members of Fire Departments or local Police Departments actually in the performance of their duties, ambulances, rescue squads or necessary vehicles of concessionaires.

# Notes to Financial Statements

December 31, 1973 and 1972

## (1) Organization and Accounting Principles

(a) Authorizing legislation—The New Jersey Turnpike Authority is a body corporate and politic created by the New Jersey Turnpike Authority Act of 1948 as amended and supplemented, authorized to construct, maintain, repair and operate turnpike projects at locations established by law, and to issue turnpike revenue bonds or notes of the Authority, subject to prior approval in writing of the Governor and of either or both the State Treasurer and the Comptroller of the Treasury, payable solely from tolls and other revenues of the Authority. Under the provisions of the Act, turnpike revenue bonds or notes and the interest thereon shall not be deemed to constitute a debt or liability or a pledge of the faith and credit of the State or any political subdivision thereof.

The Authority has no stockholders nor equity holders and all revenues of the Turnpike are required to be deposited by the Authority with, or in the name of, a special trustee to be applied in accordance with the provisions of the bond and note resolutions.

Accounts of the Authority are maintained in accordance with the principles set forth in this note, which are based on the provisions of the bond and note resolutions and on the Authority's interpretation of said resolutions.

(b) Cost of investment in facilities—Consists primarily of amounts expended to acquire right-of-way, construct, reconstruct and place in operation the turnpike, its extensions and related facilities. In accordance with the bond and note resolutions there have been included in construction costs expenses in connection with the offering, selling and issuance of bonds and notes; discount on the sale of bonds and notes; cost of issuing refunding bonds; commitment fees under bond purchase agreements; cost of certain real estate in excess of right-of-way requirements which may be sold and the proceeds applied in reduction of construction costs; interest on bonds and notes (less income earned on unexpended construction funds) and administrative and legal expenses during the construction period. This amount also includes the cost of improvements, enlargements and betterments provided from revenues.

(c) Interest—Interest on bond and note indebtedness is payable semi-annually on January 1, and July 1, except for interest on the Turnpike Improvement Revenue Bonds which is payable May 1, and November 1, of each year. Interest due on January 1, 1974 of \$20,275,044 had been deposited with paying agents as of December 31, 1973 (\$21,016,313 in 1972) and, accordingly, there is no liability shown in the accounts for such interest at that date. Interest on the 1973 Turnpike Improvement Revenue Bonds has been accrued and included in the accompanying financial statements.

(d) Pension and retirement plans—Employees of the Authority are covered by the Public Employees Retirement System of the State of New Jersey. Pension plan expense of \$1,148,225 for 1973 (\$1,363,917 in 1972) is based on annual billings received from the Retirement System and recorded on a cash basis. Authority employees are also covered by the Federal Social Security Act.

(e) Investments—Investments have been valued at the lower of cost or principal amount in accordance with the terms of the Resolutions.

(f) Operations—Toll revenues are recorded as earned, income on investments and from concessions is recorded when collected and costs of construction, improvements, enlargements and betterments to the facility, operating expenses (including materials and supplies) and other charges are recorded when paid.

(g) Operating expenses—The Annual Budget of Operating Expenses as filed for the years 1973 and 1972 amounted to \$32,980,200 and \$29,941,600 as compared with cash disbursements for operating expenses of \$32,715,081 and \$29,754,756, respectively. The resolutions state that operating expenses shall not include any allowance for depreciation and, accordingly, no provision for depreciation has been included in the accounts or in the accompanying financial statements. Effective recovery of construction costs is expected to be accomplished through the required allocation of available revenues to the respective sinking funds for retirement of the related bond indebtedness. During 1973 and 1972, \$38,961,626 and \$43,009,854 was made available for the retirement of General Revenue Bonds, \$38,948,352 (\$42,999,060 in 1972) of which was from revenues and reserves and \$13,274 (\$10,794 in 1972) from construction monies.

(h) Other charges—The Authority, with the approval of the Consulting Engineer, may direct the Trustee to transfer funds from Reserve Funds to special accounts to pay the cost of repairs, replacements or maintenance items of a type not recurring annually or at short intervals and which were not provided for in the budgeted operating expenses. During the years ended December 31, 1973 and 1972, transfers for such purposes amounted to \$13,138,520 and \$6,673,920, respectively. From funds so provided during the current and preceding years, including funds previously provided for major improvements, expenditures were made for major improvements in 1973 in the amount of \$104,311 (\$165,100 in 1972), which amounts have been added to the cost of investment in facilities, and \$8,232,307 (\$6,405,647 in 1972) for repairs, replacements and maintenance items which have been reflected as other charges in the accompanying Statements of Revenues and Expenses.

(i) Net revenues—Net revenues for the year 1973, as defined in the 1966 bond resolution, amounted to \$52,549,968 (revenues \$85,485,674, less amounts paid from the Revenue Fund into the Operating Fund, \$32,935,706). For the year 1972, net revenues as defined were \$53,351,328.

## (2) Bond and Note Indebtedness

At various dates, the Authority has authorized the issuance of bonds and notes to finance the cost of construction of the Turnpike, its extensions and various improvement programs. Details of the issues presently outstanding are shown in Schedule 3. The resolutions provide for the issuance of additional bonds and notes subject to certain limitations.

In the resolutions relating to the Turnpike Notes and Turnpike Improvement Revenue Bonds, the Authority has covenanted to charge such tolls as shall be required in order that net revenues (as defined) will be at least sufficient, together with other available funds, to retire or provide for the retirement of all the General Revenue Bonds by January 1, 1975. Such requirement is greater than the minimum annual sinking fund requirements under the 1952 General Bond Resolutions, as amended, and the annual requirement under the 1966 General Revenue Bond Resolution, which annual requirements have been satisfied. At December 31, 1973, \$6,575,340 was available in sinking funds for the retirement of outstanding General Revenue Bonds. In the opinion of the Authority, the General Revenue Bonds will be retired by January 1, 1975. General Revenue Bonds, at the election of the Authority, may be redeemed at varying premium rates other than by operation of the respective sinking funds, as set forth in the bond resolution.

The Turnpike Notes are subject to redemption at varying

## Notes to Financial Statements, Continued

premium rates and mature on January 1, 1975. The notes are payable from available amounts in the General Reserve Fund under the 1966 General Revenue Bond Resolution. At December 31, 1973, no amounts were available for such purpose. The Authority expressly covenants in the Note Resolution that, unless funds shall be made available in an amount sufficient to pay the notes in full at maturity, it will sell and issue its refunding bonds to refund the notes at the maturity date and will adjust or increase its toll rates to the extent necessary so that net revenues (as defined) will meet the earnings test and conditions under the 1966 General Revenue Bond Resolution for the issuance of such refunding bonds. Based upon existing toll schedules, estimated future revenues after payment of estimated costs of operation and maintenance would not provide sufficient net revenue (as defined) to meet the requirements of the tests for the issuance of refunding bonds required to provide for the retirement of the notes. As of December 31, 1973, the Authority expects to retire the notes at maturity from the proceeds of a subsequent offering of Turnpike securities.

On and after the retirement of all of the General Revenue Bonds, interest and principal on the Turnpike Revenue Bonds, Series A through E and Series G Refunding Bonds will be payable from and secured by a first lien on the net revenues of the turnpike system. Sinking fund requirements for the Turnpike Revenue Bonds commence with the annual period ending November 15, 1978.

The Turnpike Improvement Revenue Bonds are subject to redemption on or after May 1, 1983 at varying premium rates. After January 1, 1975 and prior to the retirement of the Turnpike Revenue Bonds, interest and principal will be payable from net revenues (as defined) of the Turnpike System available therefrom after meeting the 1966 General Revenue Bond Resolution bond service, bond reserve and maintenance reserve requirements in accordance with the 1966 Resolution. On and after the retirement of all of the Turnpike Revenue Bonds, the Turnpike Improvement Revenue Bonds will be secured by a first lien on the net revenues (as defined) of the Turnpike System. The Authority has covenanted in the Turnpike Improvement Revenue Bond Resolution to maintain toll revenues so that annual net revenues (as defined) less required deposits to the 1966 Maintenance Reserve Fund shall provide in each year commencing with 1975 coverage of debt service with respect to all outstanding Turnpike Revenue Bonds and Turnpike Improvement Revenue Bonds of at least 1.20. Based upon existing toll schedules, estimated future net revenues (as defined) less estimated deposits to the 1966 Maintenance Reserve Fund would not meet such coverage. Annual Sinking fund requirements for the Turnpike Improvement Revenue Bonds commence May 1, 1980.

The purpose for issuance of the first series of the Turnpike Improvement Revenue Bonds is as follows:

- (A) Finance a portion of the cost of construction of the Governor Alfred E. Driscoll Expressway including widening of a related portion of the Turnpike.
- (B) Finance the construction of certain Turnpike access roads relating to the New Jersey Sports Complex in the Hackensack Meadowlands.
- (C) Provide funds to the extent necessary for the completion of the 1966 and 1971 Turnpike Improvements. Interest to January 1, 1975 on the Turnpike Revenue Bonds, Turnpike Notes and Turnpike Improvement Revenue Bonds is payable from a portion of the bond and note proceeds deposited in the Bond and Note Interest and Debt Service Funds and the investment earnings of such funds. Interest on such bonds and notes charged to cost of investment in facilities in 1973 and 1972 amounted to \$47,116,125 and \$38,812,925 and investment earnings of the related interest funds credited to cost of investment in facilities amounted to \$7,346,771 and \$7,926,402, respectively.

### (3) Fuel Shortage

The Federal Energy Office has stated that fuel supplies are inadequate to meet current demands. Revenues of the Authority are generated by traffic miles traveled, and accordingly a fuel shortage could have a significant effect on revenues received by the Authority under the present schedule of toll rates. Revenues for the months of November and December of 1973 have declined in the aggregate by \$747,100 (6.3%) as compared to the same period in 1972. The Authority is presently unable to determine the trend of future declines of revenues. However, under the terms of the various resolutions, the Authority has covenanted to charge such tolls as necessary in order to meet debt service requirements as defined in the resolutions. Debt service requirements under existing Bond and Note Resolutions have been funded to January 1, 1975.

### (4) Commitments and Contingent Liabilities

In addition to commitments in the normal course of business, the Authority is contingently liable under pending lawsuits and claims in which the Authority is named a defendant. In the opinion of the Authority, the aggregate liability of such actions would not materially affect its financial position.

### (5) Subsequent Event

In 1973, the Authority adopted a resolution authorizing the issuance of Turnpike Improvement Revenue Bonds for its 1973 Improvement and Funding Program to be issued in one or more series in the estimated total amount of \$550,000,000. The 1973 Improvement and Funding Program provides for, among other things, the construction of the Governor Alfred E. Driscoll Expressway, as an extension of the Turnpike, and the widening of a related portion of the Turnpike to the point of connection therewith, including land acquisition therefore. In May, 1973, the Authority issued the first series of such bonds in the amount of \$210,000,000 for the purpose described in note 2. The Authority at its regular commission meeting on March 26, 1974 has determined to continue with the land acquisition program and with the completion of the engineering design for the project. Actual construction of the Expressway has been delayed pending a review of the effect of the present fuel crisis on the scheduling of construction. In the opinion of counsel for the Authority, such delay would not be a violation of the bond resolution.

