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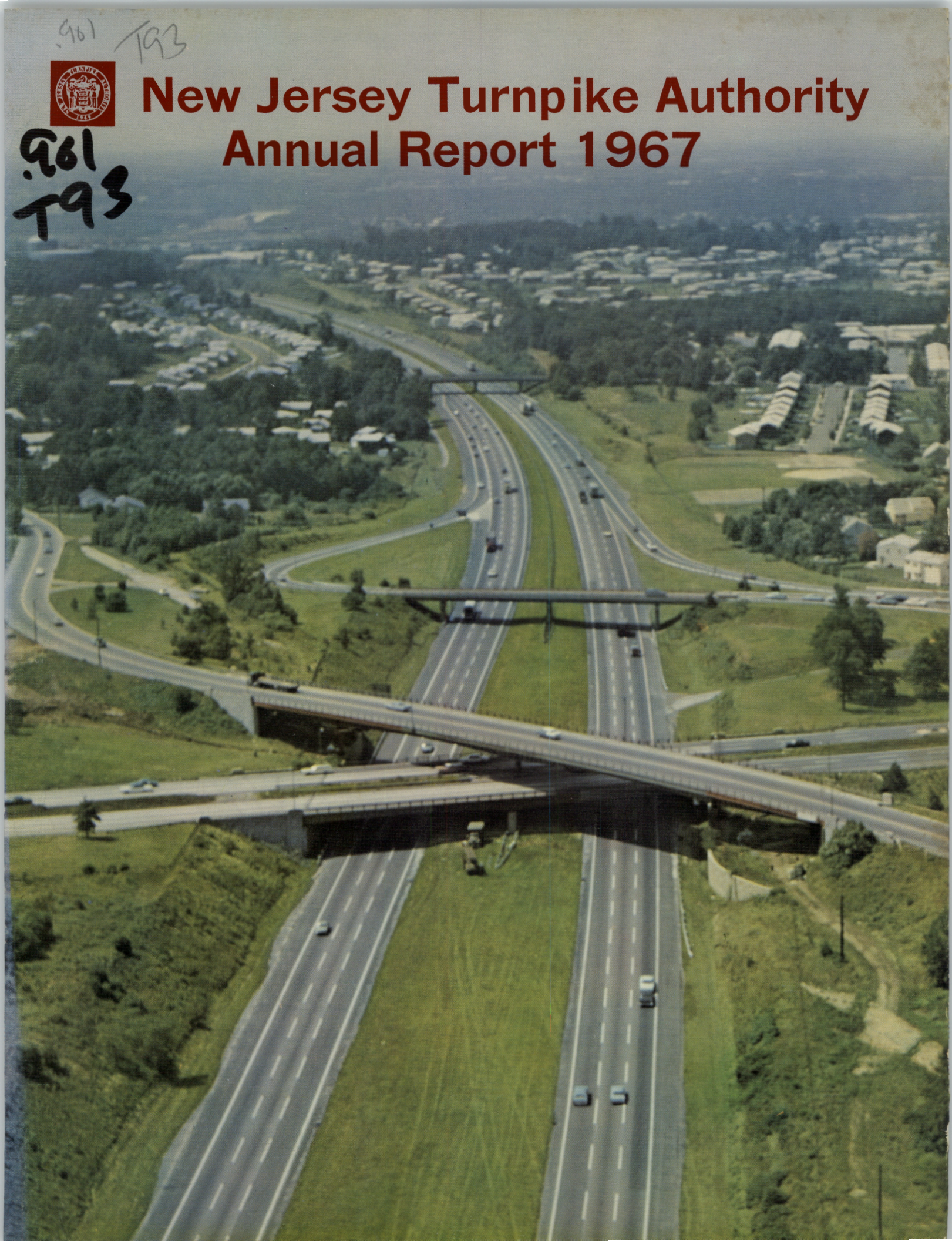
New Jersey Turnpike Authority
Annual Report 1967



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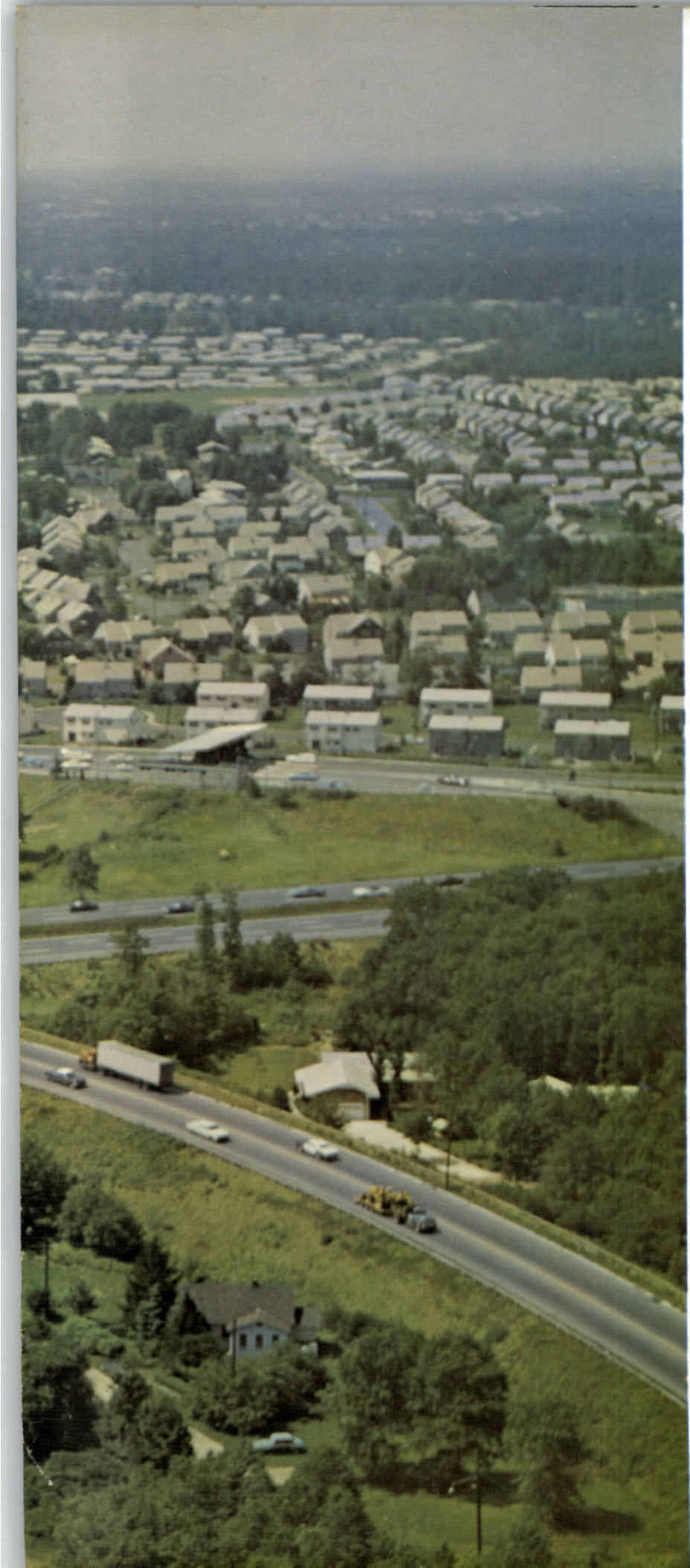
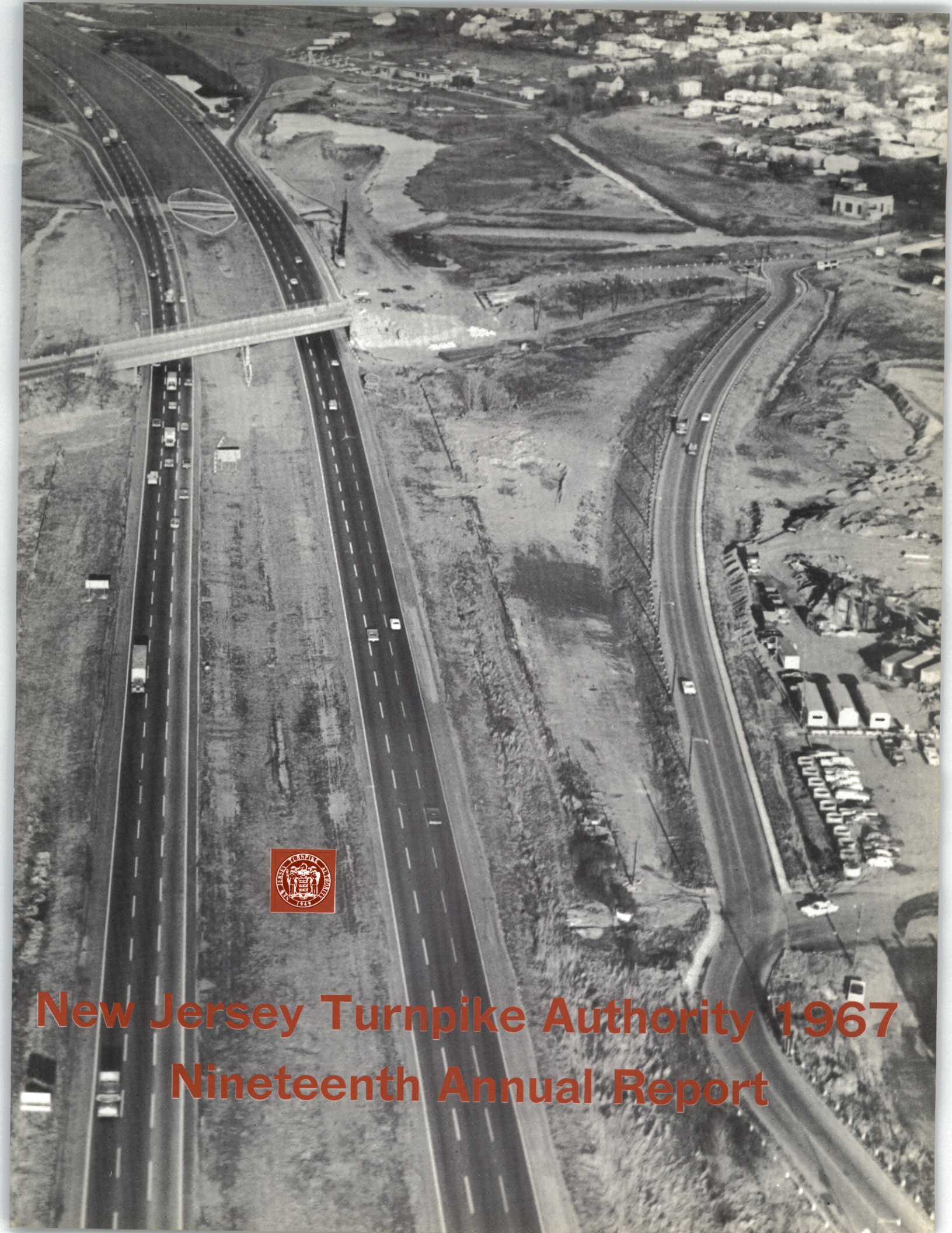


AERIAL view of the New Jersey Turnpike at Woodbridge, with the Main Street bridge and the Garden State Parkway span under it in the X-formation crossing over the Turnpike. Here, where the two greatest toll roads in the world, the Turnpike and Parkway, barely meet (via the northbound ramp in the background), the Turnpike's expansion program will provide a new interchange complex to create a direct connection with the Parkway in both directions. Using interstate roads, autoists will be able to travel without stopping to areas within and outside the State from what will truly be the Crossroads of America.



New Jersey Turnpike Authority 1967
Nineteenth Annual Report

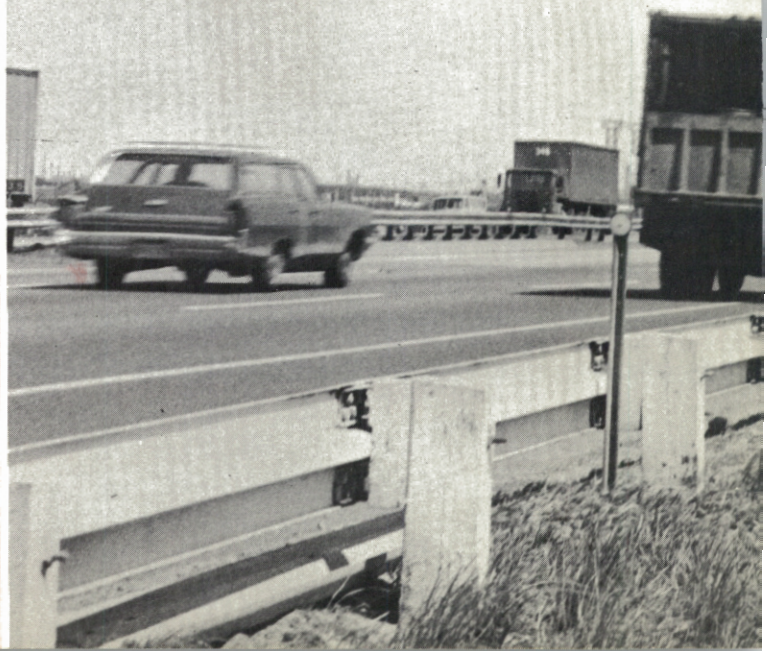
Letter of Transmittal



RICHARD J. HUGHES
GOVERNOR OF NEW JERSEY

Chapter I	Expansion Program in High Gear
Chapter II	Safety Measures Intensified
Chapter III	Finance: Turnpike Meeting Widening Obligations
Chapter IV	Toll Collection Moves Ahead
Chapter V	Augmenting Existing Facilities
Chapter VI	Maintaining the Turnpike
Chapter VII	Personnel: A Banner Year
Chapter VIII	A Step-Up in Legal-Real Estate
Chapter IX	Informing the Public

What you do
Still betters what is done.
—SHAKESPEARE



JOSEPH MORECRAFT, JR., CHAIRMAN
WILLIAM A. STERNKOPF, JR., VICE CHAIRMAN
ANGUS M. HARRIS, TREASURER

NEW JERSEY TURNPIKE AUTHORITY

NEW BRUNSWICK, N. J. 08903

January 24, 1968

To the Honorable Richard J. Hughes, Governor
and Members of the New Jersey Legislature:

This Annual Report covers the activities and accomplishments of our 16th year of operations--a year marked by continuing progress in the expansion program without interrupting the flow of traffic on established travel lanes.

The work of doubling the capacity of the Turnpike from six to 12 lanes along the heavily-travelled northern 30 miles began on November 15, 1966 and one year later it had advanced through the first phase under 40 construction contracts totalling some $179 million, with date for completion of the entire program scheduled for January 1, 1970. To this end, the Authority is considering means of financing the remainder of the program by the most practicable and economical method in the Spring of 1968.

At the same time, the Authority continued to fulfill its day-by-day obligations to the public in the improvement and maintenance of existing facilities through the combined efforts of its operating forces, engineers and consultants in a year that saw a record 73,931,787 vehicles on the Turnpike.

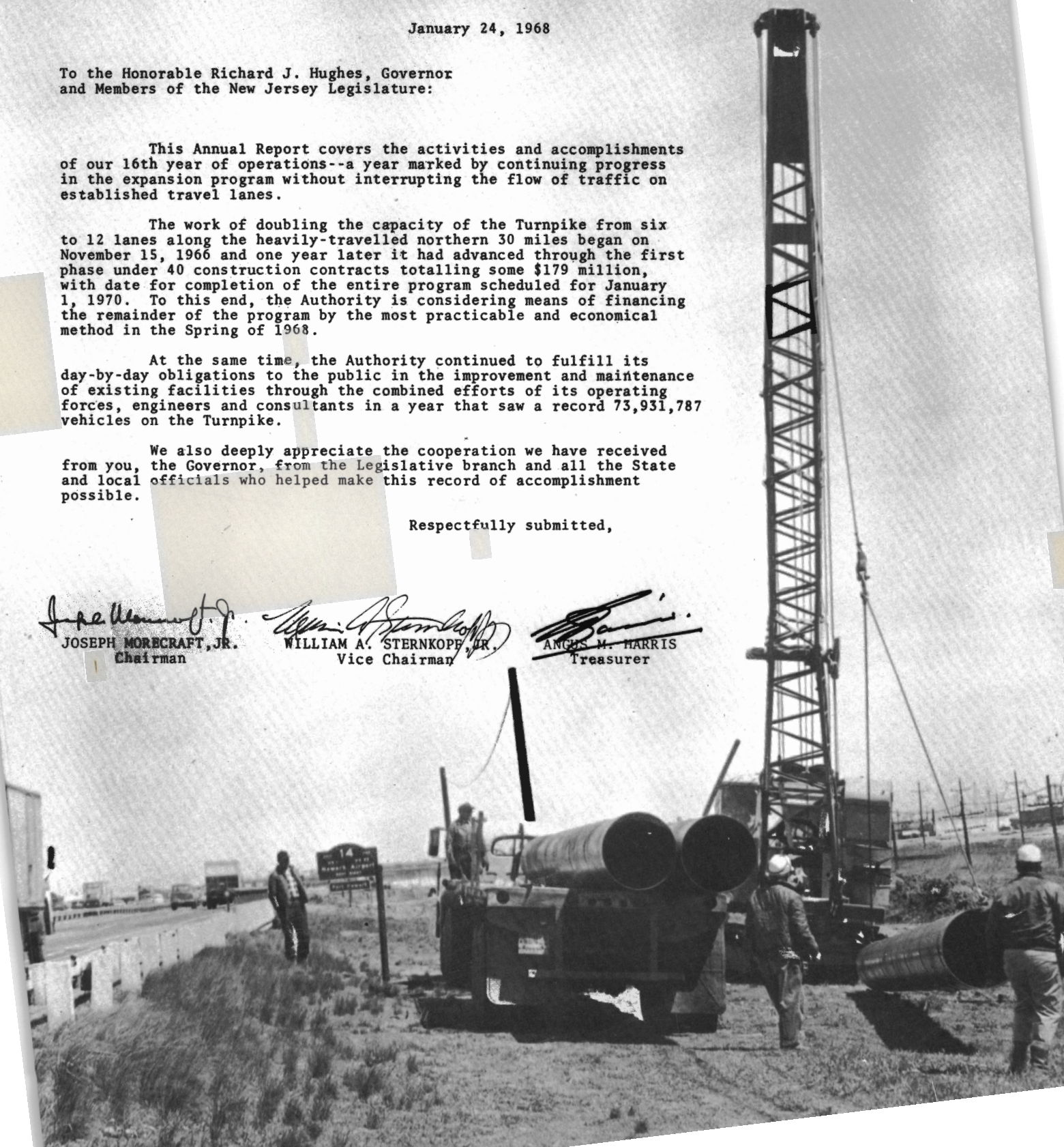
We also deeply appreciate the cooperation we have received from you, the Governor, from the Legislative branch and all the State and local officials who helped make this record of accomplishment possible.

Respectfully submitted,

JOSEPH MORECRAFT, JR.
Chairman

WILLIAM A. STERNKOPF, JR.
Vice Chairman

ANGUS M. HARRIS
Treasurer





JOSEPH MORECRAFT, JR.
CHAIRMAN



ANGUS M. HARRIS
TREASURER



WILLIAM A. STERNKOPF, JR.
VICE-CHAIRMAN



WILLIAM J. FLANAGAN
EXECUTIVE DIRECTOR



GROVER C. RICHMAN, JR.
GENERAL COUNSEL



LILLIAN M. SCHWARTZ
SECRETARY, ASST. TREASURER



New Jersey Turnpike Authority

NEW BRUNSWICK, NEW JERSEY

AUTHORITY MEMBERS

JOSEPH MORECRAFT, JR., Chairman
WILLIAM A. STERNKOPF, JR., Vice-Chairman
ANGUS M. HARRIS, Treasurer

GROVER C. RICHMAN, JR., General Counsel
LILLIAN M. SCHWARTZ, Secretary, Asst. Treasurer

STAFF

WILLIAM J. FLANAGAN, Executive Director

NEVILLE R. ASHCROFT, Comptroller

OLIVER K. COMPTON, JR.,
Assistant to the Executive Director
and Acting Director of Purchasing

HOWARD S. HEYDON, Chief Engineer
(Appointed August 1, 1967, succeeding
RALPH L. FISHER, retired August 1, 1967)

JOSEPH R. POSTIZZI, Senior Attorney

JOHN P. LESHER, Director of Tolls

PAUL M. WECKESSER, Traffic Engineer

ANTHONY E. DeSIMON, Director of Maintenance
(Appointed August 1, 1967, succeeding
HOWARD S. HEYDON)

HORACE A. TANI, Director of Public Information

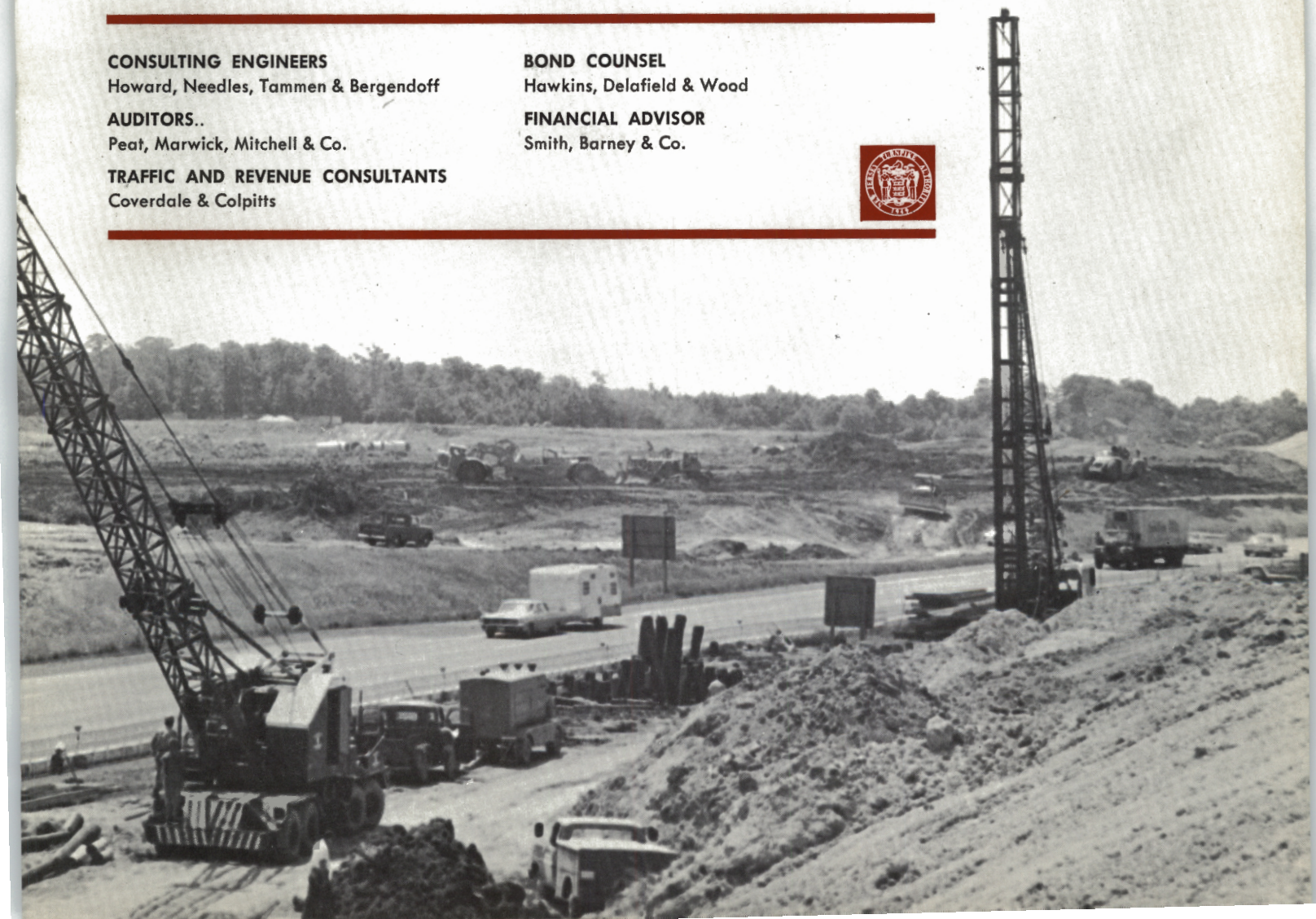
CONSULTING ENGINEERS
Howard, Needles, Tammen & Bergendoff

AUDITORS..
Peat, Marwick, Mitchell & Co.

TRAFFIC AND REVENUE CONSULTANTS
Coverdale & Colpitts

BOND COUNSEL
Hawkins, Delafield & Wood

FINANCIAL ADVISOR
Smith, Barney & Co.



Chapter I

Expansion Program in High Gear

NINETEEN sixty seven was a year of unusual achievement for the New Jersey Turnpike.

It turned a new face to the future as an army of men and machines rounded out the first year of widening construction on November 15. On this date, marking the Authority's 16th year of operations, the program was in full swing, with some 2,000 men, 21 prime contractors and 100 sub-contractors at work on 40 widening contracts aggregating $179,864,703.

New Turnpike Emerging

The progress made since the first contracts were awarded late in 1966 was proceeding according to overall schedules along the program's 10 sections covering the northern 30 miles of the emerging dual-dual facility—a "first" for the nation.

Another "first" is the videotape recording, by the Authority's photographer and project engineer, of the widening progress. Instant replay of the tapes, taken from a helicopter or on the ground, provides the Authority with the most current progress reports possible at its meetings or whenever desired.

Of the 40 contracts, five were completed in 1967 and work was in progress on the remaining 35. Completed were: grading, drainage and paving for the Berry Street connection at Woodbridge; extending and altering the bridge structure at Pyles Creek, Linden; construction of water service at the Elizabeth toll plaza; excavating and grading between Elizabeth and Newark Airport, and removal of the sanitary landfill and embankment construction on the site of the new toll plaza in Kearny.

Two new engineering sections were added to the original eight mapped by the Authority. The new sections are at Edison, where an interchange will be built to tie in with Interstate 287 and 95, and Route 440, and a small area between Edison and Woodbridge. Madison-Hyland, Inc., is the consulting engineer for the new section at Edison and Edwards & Kelcey for the other section.

The first-year phase of the work was devoted mainly to "fill" operations, with the removal of unsuitable material and replacing it with road embankment materials. By the Spring of 1968 it is expected that work on several major contracts for

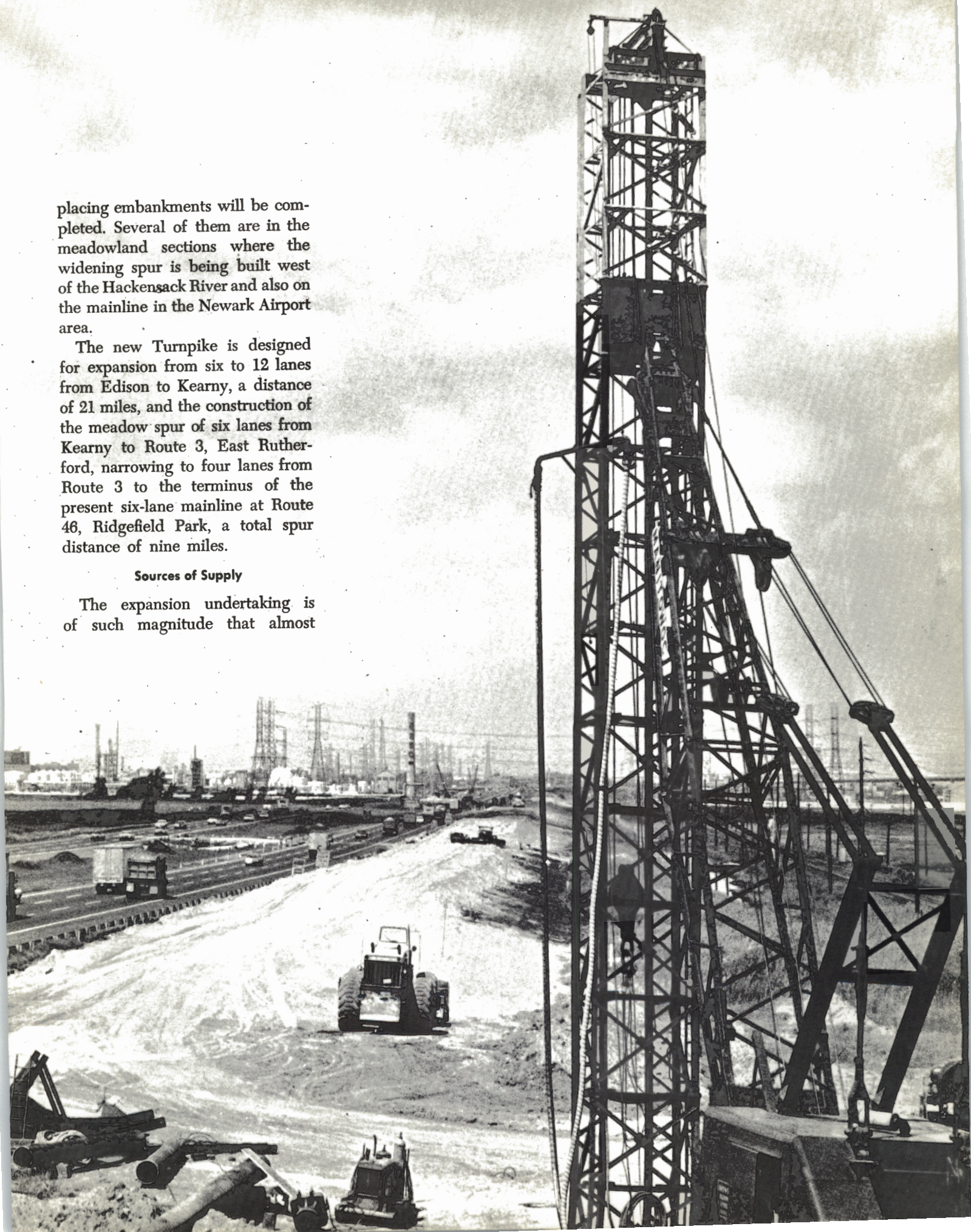


placing embankments will be completed. Several of them are in the meadowland sections where the widening spur is being built west of the Hackensack River and also on the mainline in the Newark Airport area.

The new Turnpike is designed for expansion from six to 12 lanes from Edison to Kearny, a distance of 21 miles, and the construction of the meadow spur of six lanes from Kearny to Route 3, East Rutherford, narrowing to four lanes from Route 3 to the terminus of the present six-lane mainline at Route 46, Ridgefield Park, a total spur distance of nine miles.

Sources of Supply

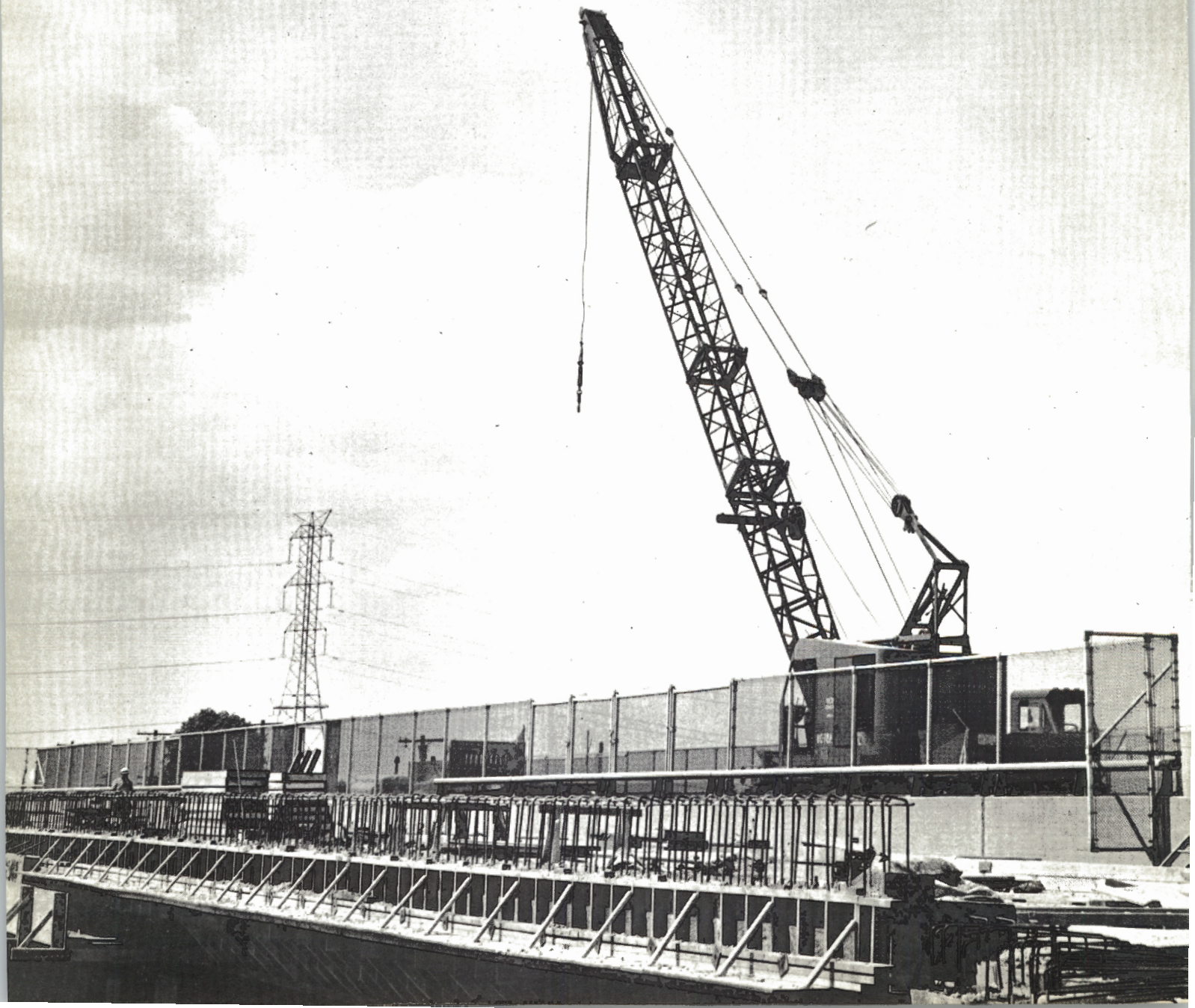
The expansion undertaking is of such magnitude that almost



all of the construction equipment in northern New Jersey is working on it. The Authority is drawing concrete from every major supplier in the area. Seventy-five percent of all fill is placed hydraulically, conveyed by barge from the local bay areas or trucked from Savreville, adjacent to the Woodbridge Interchange.

The work in the meadowland is facilitated by dredging operations at six locations—three at the sites of new construction and three at "borrow" areas in New York Bay or Raritan Bay, from where sand is loaded onto barges and then towed by tugs to the work sites. The sand is unloaded into basins in the Hackensack River, then pumped through pipes, varying in diameter from 8 to 27 inches, for distances of up to one mile. This pumping is accomplished by hydraulic dredges working on a 24-hour day basis.

The sand drain method of construction, used extensively in the meadow area was well along at year's end. The method consists of placing a blanket of porous sand fill on the meadow surface. Pipes or mandrels are driven into the unsuitable or muck area, filled with sand and the pipes withdrawn. This allows for water in the unsuitable



Expansion Program in High Gear

material to find its way upward to the sand blanket. The clean sand allows the water to rise, then is drained off to parallel ditches, materially increasing the settlement of the newly placed roadway embankment.

Throughout the widening construction, material being excavated from one section is moved to another section, where fill is required for reasons of economy.

When completed, the construction will have had placed 10 million yards of roadway embankment.

Bridge Contracts Let

In 1967 contracts were also let for the two new major bridges, one over the Passaic River and the other over the Hackensack. Work is now underway at fabrication plants for the 20,000 tons of steel that will be required for the new Passaic River Bridge and 6,000 tons for the Hackensack span. The additional crossings of the Passaic River will be adjacent to the existing bridge serving the present mainline between Newark and Kearny, while the second Hackensack River structure will be located on the meadowland spur, between Carlstadt and Ridgefield Park, near the junction of the spur with the mainline terminus.

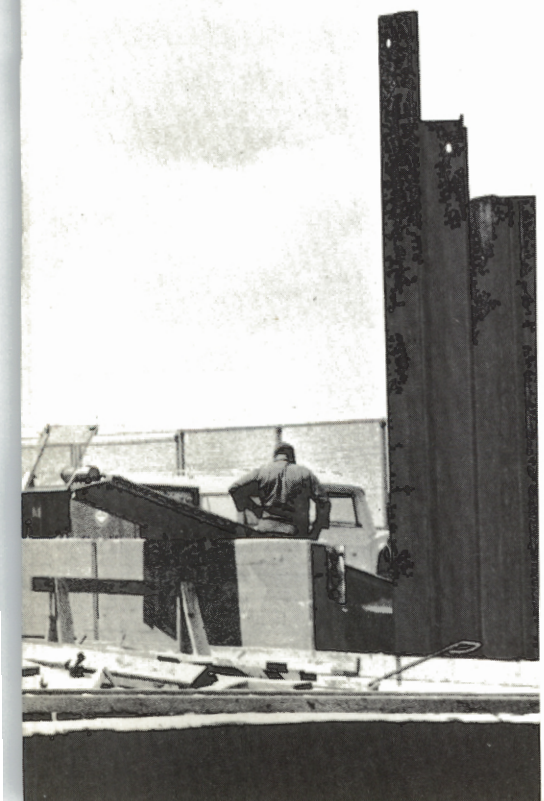
By the end of the year, 75 percent of the river piers for the Passaic bridge were completed and work begun on the land piers. For the Hackensack River span, work was completed on 50 percent of all piers.

Five new interchanges are projected: Edison, Woodbridge, Kearny, Route 3 and Route 46. Work is now in progress on three of these stations: Woodbridge, Kearny and Edison, with the most progress or 15 percent completion developed at Woodbridge. This will be the new complex providing for the connection with the Garden State Parkway.

Latest Methods in Use

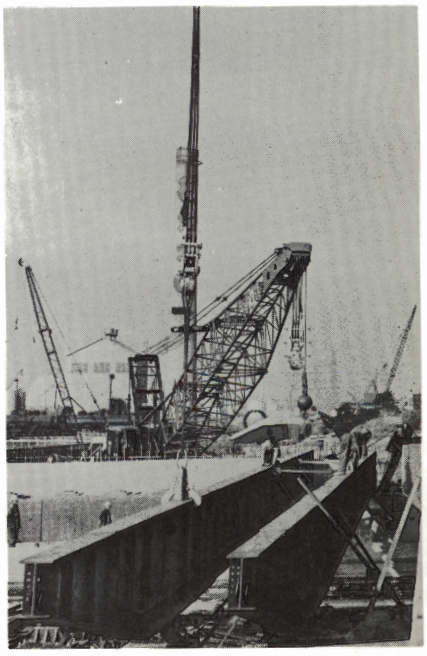
To insure the sturdiest construction possible, latest engineering discoveries in curing and finishing concrete are being employed. There was also a major revision in the Turnpike Standard Specifications, taking into consideration the most modern techniques dealing with bridge decks, which will be thicker, and with materials which have been improved since the original Turnpike was built.

Contracts have been awarded for all of the major ramps and bridge construction needed for the entire program. Altogether, there will be approximately 150 structures of all types in the widened Turnpike.



(LEFT) U-TURN BRIDGE BEING BUILT NEXT TO WOOD AVENUE SPAN, LINDEN.

ERECTING GIRDERS AT ELIZABETH.



As work progressed, a sharp upturn in construction prices prompted the Authority to reject bids because they were too high and award a number of contracts on a negotiated basis, thus not only preventing delay in its construction schedule but resulting in considerable savings.

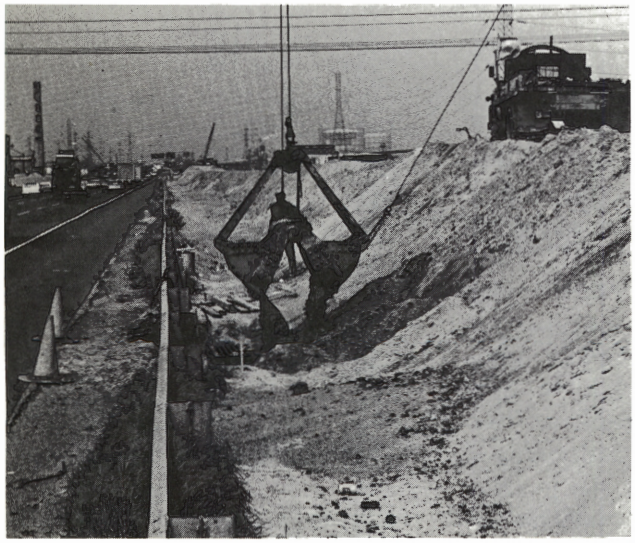
Utmost in Safety

The new Turnpike—two three-lane roadways in each direction for a total of 12 lanes—will not only double the traffic capacity of the heavily travelled northern section but will also provide the utmost in safety. Two independent roadways in the same direction will permit flexibility of operation not possible in a single directional roadway. Moreover, the widened Turnpike will have separate ramps to and from each of the four roadways at each interchange. This is designed to eliminate the hazardous maneuver of a vehicle cutting across five other lanes to reach an exit ramp. In addition, trucks and buses will be restricted to the two outside roadways while passenger cars will have the choice of either roadway. As an added safety factor, the new bridges over the Hackensack and Passaic Rivers will feature shoulders.

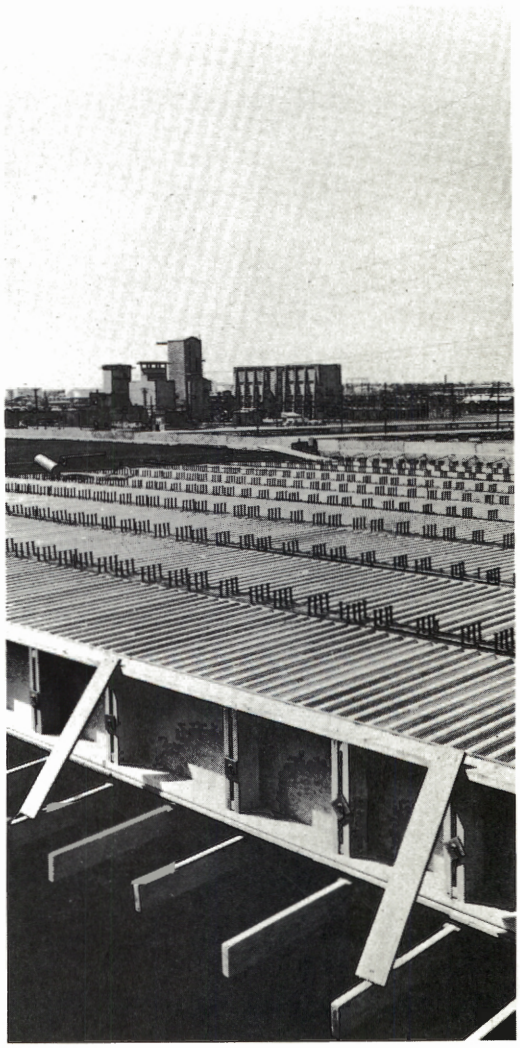
Backed by Performance

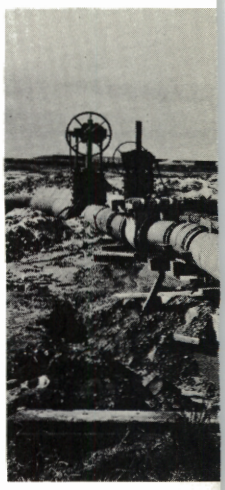
The expansion of the Turnpike was made possible by the sale in September 1966 of $179 million in revenue bonds due January 1, 2006, with prospects for additional financing in 1968, looking to eventual completion of construction by January 1, 1970.

In back of these bonds is the sound financial and operating posi-











Expansion Program in High Gear

tion of the Authority which by the end of 1967 had redeemed approximately $195 million of the $466,200,000 in old bonds used to finance the original Turnpike.

Simplify Procedure

Simplifying the toll collection procedure, the Authority on October 1, 1967 revised its vehicle classification and toll schedules under which rates for 98% of all vehicles remain unchanged.

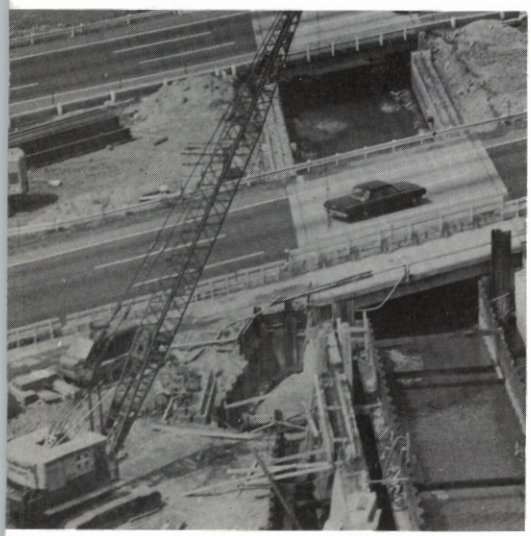
Outstanding was the record of safety maintained in the face of vehicular traffic that exceeded 2 billion miles in 1967—an increase of 280 percent since 1952, the first full year of operation. The Traffic Engineering Department cooperated with Construction Engineering in setting up guidelines and safety regulations for contractors, while constantly seeking to improve methods to control traffic and make the road safer for the public who finds the Turnpike a way of life.

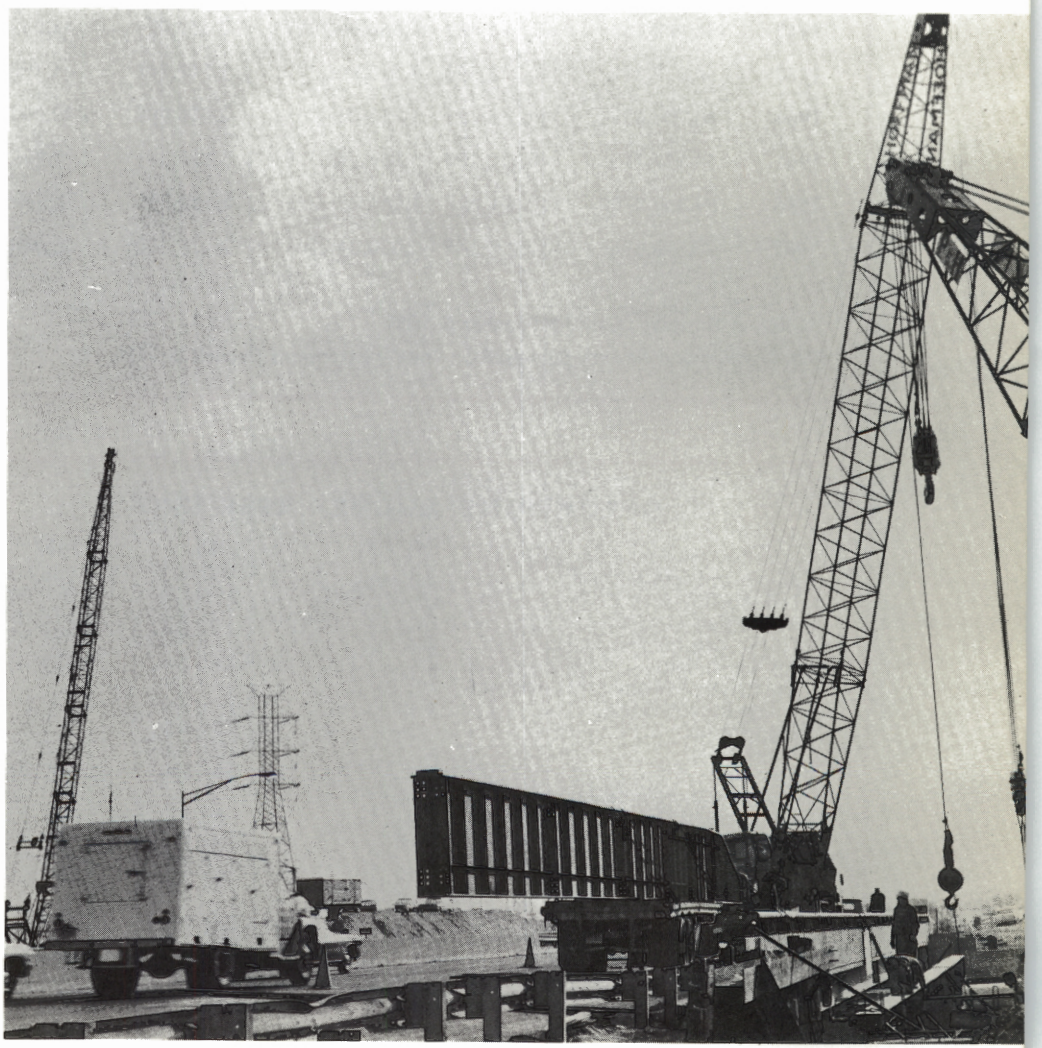
A vital part of the safety program is State Police Troop D, whose patrols and special units contributed greatly to efficient operations, sometimes under adverse conditions.

The expansion program was accompanied also by increased activity all along the line—from the burgeoning traffic which surpassed 73.5 million revenue vehicles to the combined efforts of Turnpike personnel, now placed at 1,120.

These efforts were reflected in the stepped-up performance of all departments as they kept pace with the mounting tempo of traffic and the steady progress of the massive construction program designed to accommodate with a maximum of safety and convenience tomorrow's traffic.







SIXTEEN YEARS OF OPERATION

	REVENUE VEHICLES	REVENUE TOLL	REVENUE MILEAGE	CONCESSION REVENUES	TOTAL REVENUES
1951*	787,195	$ 587,326	38,246,174	$ 32,861	$ 620,274
1952	17,948,325	16,241,267	765,807,780	1,523,038	17,829,635
1953	22,005,078	19,192,647	868,606,100	1,853,880	21,510,629
1954	24,555,441	20,756,344	927,393,967	1,826,777	23,217,762
1955	25,888,319	21,122,503	939,672,825	1,859,952	23,905,624
1956†	31,588,224	24,513,371	1,064,377,974	2,056,530	27,767,583
1957	39,269,643	29,022,910	1,200,254,680	2,370,516	32,840,440
1958	41,615,115	30,159,491	1,232,527,909	2,400,793	34,114,718
1959	46,199,339	33,317,927	1,343,847,970	2,602,998	37,317,332
1960	49,083,017	35,583,987	1,414,759,197	2,650,147	39,508,455
1961	51,737,682	37,192,652	1,471,802,723	2,649,106	40,998,727
1962	54,900,745	39,240,487	1,560,490,809	2,660,029	43,081,305
1963	56,677,379	40,778,566	1,610,706,177	2,749,777	44,798,607
1964	60,707,631	44,148,839	1,753,074,755	3,436,989	49,031,874
1965	64,957,715	46,122,200	1,856,395,130	3,624,311	51,296,301
1966	69,850,328	48,609,809	1,944,951,873	3,752,280	53,990,370
1967	73,528,656	51,229,549	2,030,844,201	3,976,450	56,848,226

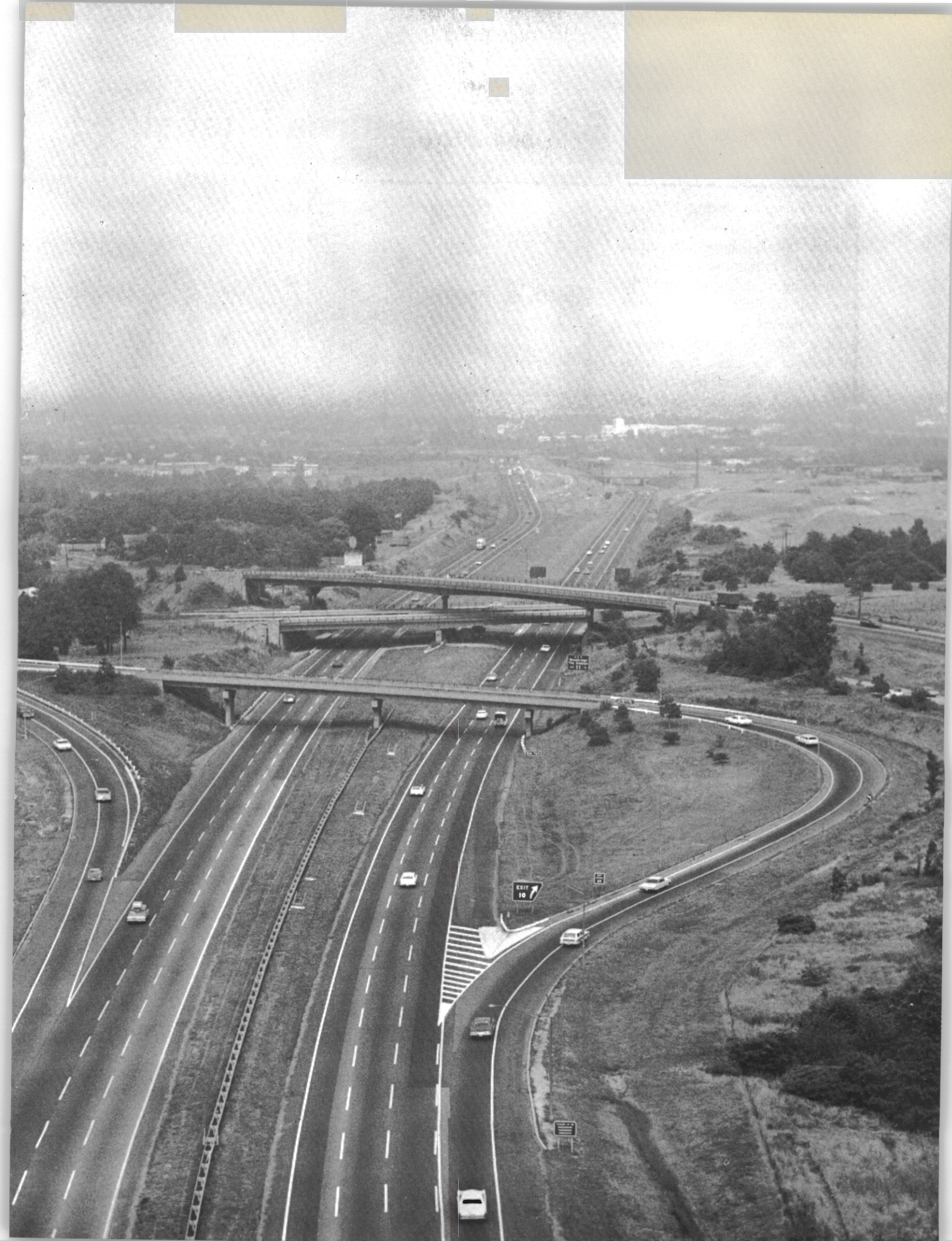
* Section of Turnpike Opened November 5, 1951.

† Pennsylvania and Newark Bay—Hudson County Extensions Opened in 1956.

OPERATIONS BUDGET 1968-1967

	1968	1967
Administrative—General	$ 580,000	$ 536,600
Toll Audit	355,300	330,900
Accounting	193,900	171,700
Traffic Control and Police	1,914,000	1,827,500
Toll Collection	4,287,600	4,109,700
Maintenance, Repair, Replacement and Reconstruction	4,745,500	4,642,200
Engineering	258,400	260,200
Real Estate	52,700	16.300
Insurance	586,200	465,200
Professional Fees to Auditors, Consulting Engineers, Etc.	60,000	77,200
Expenses and Compensation to Fiduciaries	91,100	92,100
Pension and Retirement Funds	1,073,800	905,700
Taxes	20,000	19,000
Provision for Salary Adjustment and Wage Increases	1,044,900	161,000
Total	$15,263,400	$13,615,300

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10

Chapter II Safety Measures Intensified

THE Turnpike, during 1967, accommodated nearly 74 million vehicles of all classes travelling more than 2 billion miles, while still maintaining its record as one of the safest toll facilities in the country. This represents an increase in vehicles of 280% since 1952, the first full year of operation, and an increase in mileage of over 160%.

Because of this great increase in traffic, it is the responsibility of the Traffic Engineering Department to institute safety regulations and procedures to constantly improve the safety of travel for patrons on the road.

During 1967, the Widening Program began to take physical shape. This Department collaborated with Construction Engineering in preparing plans and laying out guidelines, safety measures and regulations for the contractors. The Department issued more than 120 construction permits to contractors and utility companies for work on the Turnpike in conjunction with the Widening Project. To provide an uninterrupted flow of traffic on the mainline during construction of overpasses and underpasses, two stretches of temporary roadway were built. These roadways effectively detoured traffic around construction sites with a transition from the mainline to the detours designed to maintain a normal speed. On completion of construction in these areas, traffic will again be placed on the mainline.

Remote control sign studies are being conducted. Plans are being contemplated for changing the speed limit signs from green neon, which has proved to be ineffective in adverse weather conditions, to red neon, which will effect a clearer, more dependable speed limit reading. This Department is also investigating a new speed limit sign, which operates with controlled louvers to change the speed limit. The sign seems to have great possibilities for adaption to Turnpike use.



TURNPIKE SAFETY PROGRAM WAS PRAISED BY HOWARD PYLE, NATIONAL SAFETY COUNCIL PRESIDENT. GREETING HIM ON ARRIVAL ARE TRAFFIC ENGINEER PAUL M. WECKESSER, CAPT. WM. KENNEDY AND (RIGHT) PROJECT ENGINEER ORRIN RILEY.

The installation of traffic signals at the intersection of Paterson Plank Road and Turnpike Ramp PQ in Secaucus, was completed and is operating effectively to control traffic flows in that area.

During the year, various methods were devised to control accidents involving disabled vehicles. The installation of 68 emergency phones on the Hackensack and Passaic River Bridges was completed to further prevent accidents on the bridges. The phones enable patrons to call immediately for police or emergency aid. Statistics thus far indicate that the program is a great success in forwarding traffic safety.

The Department helped in formulating a new regulation for the control of disabled vehicles on the roadway. The regulation prohibits the entry of vehicles with New Jersey State Division of Motor Vehicle rejection stickers. At the same time, toll collectors and State Police were directed to ban from the Turnpike all vehicles which, on observation, appeared to be unsafe. Studies indicate a decrease in mechanical aids and accidents involving disabled vehicles since the new program went into effect.

Contract garages and Cities Service handled more than 70,000 disabled vehicles. Twenty-two fire companies and 36 ambulance squads responded to fire and accident emergencies. All helped to effect a smooth, uninterrupted flow of traffic.

Working closely with the Authority, Troop D of the New Jersey State Police contributed its resources and law enforcement techniques to a safety program designed to meet any contingency, new or recurring. There were periodic concentrations of road patrols at sensi-

tive areas, the effective use of radar equipment against speeders and the regular deployment of specially trained teams to inspect trucks and busses.

In an ever continuing effort to provide the maximum safety for all patrons under all conditions, the 109 man force of Troop D was augmented by the addition of 6 new troopers, who are assigned exclusively to the Widening Project, to help keep traffic volumes at a steady, safe flow and to prevent accidents during construction activities. This special detail is detached from the station and operates out of its own office at Interchange 12 (Carteret).

The enforcement of regulations was intensified during the year. During the twelve months in 1966, there were 41,833 summonses issued for violations, while in 1967 43,762 summonses were issued. In addition to rendering assistance to patrons in disabled vehicles or involved in accidents, and making arrests for motor vehicle violations, the officers and men of Troop D augmented by six detectives detached from Division Headquarters also performed a vital function in other areas of law enforcement. Listed among the accomplishments other than motor vehicle violations are the apprehension of 62 AWOL Servicemen, 138 persons carrying a deadly weapon, 73 persons for possession of narcotics, 82 for possession of untaxed cigarettes, three escaped mental patients, 20 fugitives from justice, and 145 runaway juveniles. These were among the 708 arrests for violations other than motor vehicles, representing an increase of 28% over 1966 for similar violations.

TURNPIKE SAFETY RECORD

ACCIDENTS

	1967	1966
Accidents	1,896	1,718
Accident Rate	93.0	88.0
Personal Injuries	1,628	1,287
Injury Rate	79.9	65.9
Fatal Accidents	40	24
Fatalities	44	34
Fatality Rate	2.16	1.74

AIDS TO MOTORISTS

	1967	1966
Mechanical	26,494	26,217
Gasoline	8,989	8,993
Flat Tires	11,946	11,429
Overheat	2,295	2,320
Other	23,994	20,574
Total Aids	73,718	69,533
Aids	1 per 997 vehicles	1 per 1,005 vehicles
Aids per day	202	191

ENFORCEMENT

	1967	1966
Summonses Issued	43,762	41,833
Criminal Arrests	708	551

MODERN SAFETY EQUIPMENT ROLLED OUT FOR INSPECTION OUTSIDE ADMINISTRATION BUILDING.



Chapter III Finance: Turnpike Meeting

THE General Revenue Bond Resolution adopted by the Authority on September 22, 1966 provides for the retirement of all outstanding bonds, called the Original Bonds, by January 1, 1976 and further provides that by November 30, 1967 such total bonds outstanding shall not exceed $283,000,000. At November 30, 1967 total of these Original Bonds outstanding was $274,966,000. This total did not include bonds in the amount of $1,154,000 purchased under firm contract and not then delivered.

At December 31, 1967 the total of these Original Bonds outstanding was $271,609,000 as shown on Schedule 3 of the accounts. Not included were bonds purchased on firm contract and not then delivered as follows:

General Bonds:	
1950 Issue—3¼%	$ 381,000
1951 Issue—3.20%	40,000
Second Series Bonds:	
1953 Issue—3⅜%	167,000
1954 Issue—3%	85,000
1955 Issue—2.80%	1,000
Total	$ 674,000

The General Sinking Fund requirement for the 12-month period ending November 15, 1968 is $7,125,000 as to the 1950 Issue and $520,000 as to the 1951 Issue. Of this requirement $2,416,451 for the 1950 Issue and $176,358 for the 1951 Issue has been supplied at December 31, 1967. This is the first year in which the 1951 Issue participates in the revenues.

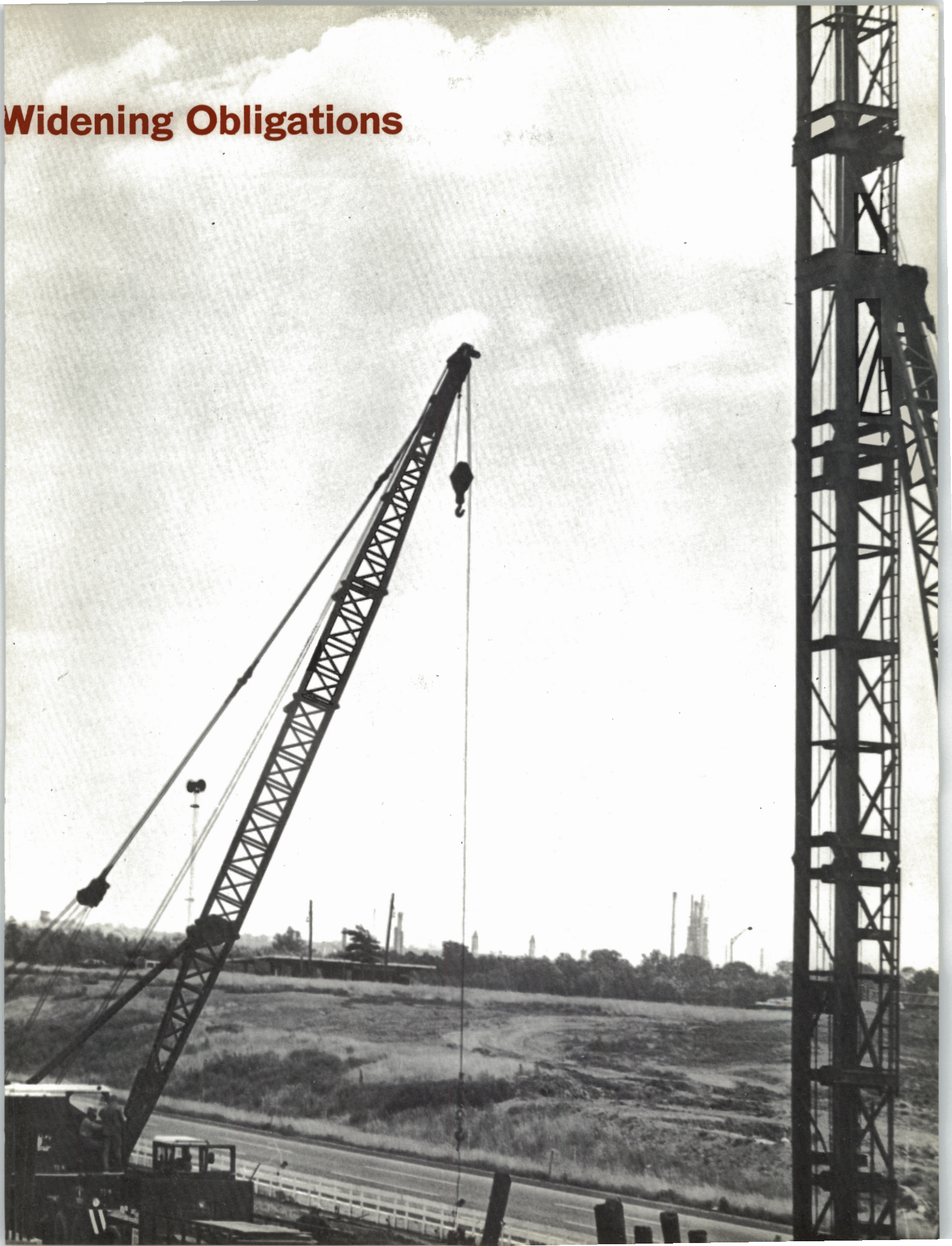
Interest coverage for the General and Second Series Bonds in the last three years was:

	1967	1966	1965
Before extraordinary expense	4.65	4.06	3.70
After extraordinary expense	4.12	3.65	3.34

A combination of increasing net revenues after operating expenses and continued bond redemption accounts for these increases in cover-



Widening Obligations



age. In years gone by, at its peak, the annual bond interest cost was $15,100,500. In 1967 it was $9,-354,820.

The new Turnpike Revenue Bonds do not participate in the revenues until the last of the Original Bonds are redeemed or provision is made therefor. Interest on these new bonds is funded out of the proceeds of the sale of the bonds until January 1, 1976.

Extraordinary charges financed from the reserves, in accordance with the provisions of the bond resolutions were higher in 1967 $4,-966,037 than the $4,207,327 spent in 1966. Major portions of these costs had to do with necessary work on repair and replacement of pavement and bridges. The total of these charges since inception to December 31, 1967 is $30,028,847.

Further improvements and betterments to the Turnpike were made in 1967 at a cost of $5,796,339. The cumulative cost from inception to December 31, 1967 is $69,841,948 which was charged to the following funds. (See Statement of Cost of Investment in Facilities in the financial statements.)

To the General Reserve Fund	$ 10,253,326
To the Second Series Maintenance Fund	53,305,533
To the 1966 Turnpike Improvement Fund (note)	6,283,089
Total	$ 69,841,948

Note: Provision is made in the General Revenue Bond Resolution for charges to the proceeds of the sale of the new bonds for certain amounts of improvements and betterments.

Of these moneys $8,572,405 came from the proceeds of sales of bond issues. All other moneys were supplied from revenues.

At December 31, 1967 all reserve requirements of the original bond resolutions had been fully met except for a deficiency in the Second Series Maintenance Fund of $268,-999 which deficiency will be made good from the revenues in due course. There were also moneys in the capital project accounts withdrawn from the Second Series Maintenance Fund of $400,786.

The Annual Budget of Operating Expenses for the fiscal year 1967 was $13,010,500. Due to circumstances, substantially beyond control of the Members of the Authority, it was found necessary to amend the budget to $13,615,300. Actual disbursements totaled $13,332,786.

Schedule 1 lists investments of the Authority at December 31, 1967. Market value at that date approximated acquisition cost.

In 1967 investment income totaled $1,476,783. In 1966 it was $1,407,-631. These amounts include interest received on time deposit of money in the sinking funds of $13,449 and $18,185 respectively. Market conditions were such that the Authority was able to use all sinking fund moneys in 1967 at call prices or better and did not resort to formal call. Interest earned and capital gain on investments in the Construction Fund and in the Bond Interest Fund accrue to the respective funds and are not treated as revenues in accordance with the General Revenue Bond Resolution.

At the time of the initial financing in 1966, it was estimated that the cost of widening and improving the Turnpike together with certain miscellaneous obligations of comparatively nominal amount would involve a total bond issue of $486,-000,000 of which $316,770,000 (before any interest earnings on interim investment of construction moneys) was applicable to construction cost. The Consulting Engineer has now revised this projected construction cost to $375,000,000 including a contingency reserve of $18,517,000. At December 31, 1967 there had been committed $229,139,000 against this revised cost of which $50,975,000 had been disbursed leaving $178,164,000 still to pay against this commitment. It was also projected at the time of the original financing that a further bond issue of $141,600,000 would be sold in January 1968. This issue will not be made in January as originally projected as, based on revised estimates of the Consulting Engineer, it is now calculated that moneys in hand will be sufficient to meet costs into June 1968.

Moneys in hand in the Construction Fund pertaining to the Newark Bay-Hudson County Extension totaled $227,995 at December 31, 1967 and are considered adequate to pay any remaining costs.

There follow the financial statements and supporting schedules as reported on by Peat, Marwick, Mitchell & Co., auditors to the Authority.

Financial Statements

PEAT, MARWICK, MITCHELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
RAYMOND-COMMERCE BUILDING
NEWARK, N. J. 07102

New Jersey Turnpike Authority
New Brunswick, New Jersey:

We have examined the statement of assets and liabilities of the New Jersey Turnpike Authority as of December 31, 1967, the related statements of revenues and expenses and application of revenues after expenses, interest and extraordinary charges for the year then ended, and the statement of cost of investment in facilities to December 31, 1967. 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 accompanying financial statements present fairly the assets and liabilities of the New Jersey Turnpike Authority as of December 31, 1967, the revenues resulting from its operations and the application thereof for the year then ended, and the cost of investment in facilities to December 31, 1967, in conformity with accounting principles set forth in note 1 of Notes to Financial Statements, applied on a basis consistent with that of the preceding year. The current year's 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 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.

Peat, Marwick, Mitchell & Co.

January 18, 1968



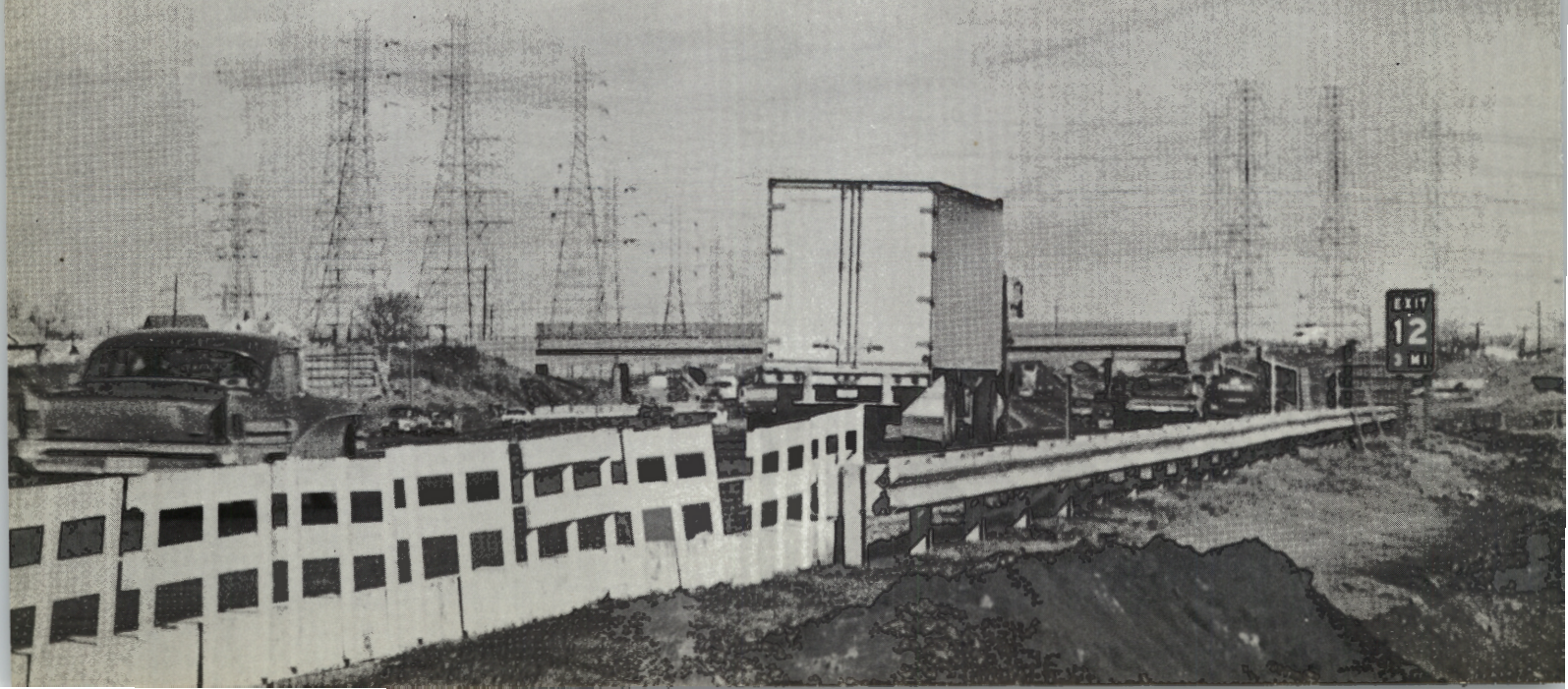
Statement of Assets and Liabilities — December 31, 1967

with comparative figures for 1966

ASSETS

	1967	1966
Operating accounts:		
Cash	$ 717,177	452,674
Investments—at cost (Schedule 1)	1,229,072	485,515
Accounts receivable	368,901	317,388
	2,315,150	1,255,577
Funds allocated from reserve to provide for major improvements, repairs, replacements, maintenance, etc.:		
Cash	400,786	359,182
Deposits in condemnation cases (including $390,416 invested in United States Treasury bills)	450,875	450,875
Accounts receivable	40,218	70,906
Cost of studies for proposed projects	6,505	654
	898,384	881,617
Other funds, including reserve funds (Schedule 2)	28,035,176	30,012,389
Total operating accounts	31,248,710	32,149,583
Construction accounts (Schedule 4)	122,513,350	171,507,915
Cost of investment in facilities	570,543,956	517,916,350
	$724,306,016	721,573,848

See accompanying notes to financial statements.



LIABILITIES

	1967	1966
Operating accounts:		
Withholdings from employees	$ 119,305	121,845
Toll revenues received in advance	82,370	78,596
Other liabilities	1,680	2,376
	203,355	202,817
Funds allocated from reserve to provide for major improvements, repairs, replacements, maintenance, etc.:		
Amounts retained from contractors and engineers	227,140	225,156
Total operating accounts	430,495	427,973
Construction accounts (Schedule 4)	3,787,834	937,003
Bond indebtedness (Schedule 3):		
General revenue bonds	195,545,000	201,635,000
Second series revenue bonds	76,064,000	99,403,000
Turnpike revenue bonds	179,000,000	179,000,000
Total bond indebtedness	450,609,000	480,038,000
Bond indebtedness retired from revenues	184,841,546	155,412,846
Revenues retained in funds and other accounts	84,637,141	84,758,026
	$724,306,016	721,573,848



Statement of Cost of Investment in Facilities to December 31, 1967

with comparative figures for 1966

	Original Turnpike	Newark Bay-Hudson County and Pennsylvania Extensions	Additional Traffic Lanes and Service Areas (Note 1)	1966 Turnpike Improvement (Note 2)	Improvements, Enlargements and Betterments (Note 1)	Total to December 31, 1967	Total to December 31, 1966
Engineering and architectural	$ 17,569,745	8,168,129	2,345,403	7,810,272	10,259,017	46,152,566	40,370,359
Land, easements and rights-of-way	20,622,863	7,295,058	18,233	6,662,878	2,674,941	37,273,973	30,745,069
Construction, including cost of training and equiping operating personnel, machinery and equipment and miscellaneous pre-operating expenses	230,726,485	110,407,684	28,142,810	39,659,312	50,428,774	459,365,065	420,023,742
Other costs, including administration	1,368,897	446,983	53,854	839,962	110,963	2,820,659	2,036,341
Financial	8,439,872	15,975,349	2,577,427	14,245,166	88,970	41,326,784	32,792,003
	278,727,862	142,293,203	33,137,727	69,217,590	63,562,665	586,939,047	525,967,514
Less income from interim investment of construction funds, etc.	1,093,951	5,856,122	726,101	8,715,111	3,806	16,395,091	8,051,164
	$277,633,911	136,437,081	32,411,626	60,502,479	63,558,859	570,543,956	517,916,350

Notes:

(1) Cost of Additional Traffic Lanes and Service Areas includes $211,882 and Improvements, Enlargements and Betterments includes $61,269,543 provided from retained revenues.

(2) Financial cost of the 1966 Turnpike Improvement includes $10,557,390 interest on Turnpike revenue bonds from October 4, 1966, date of sale and $3,383,100 discount on the sale of the bonds.

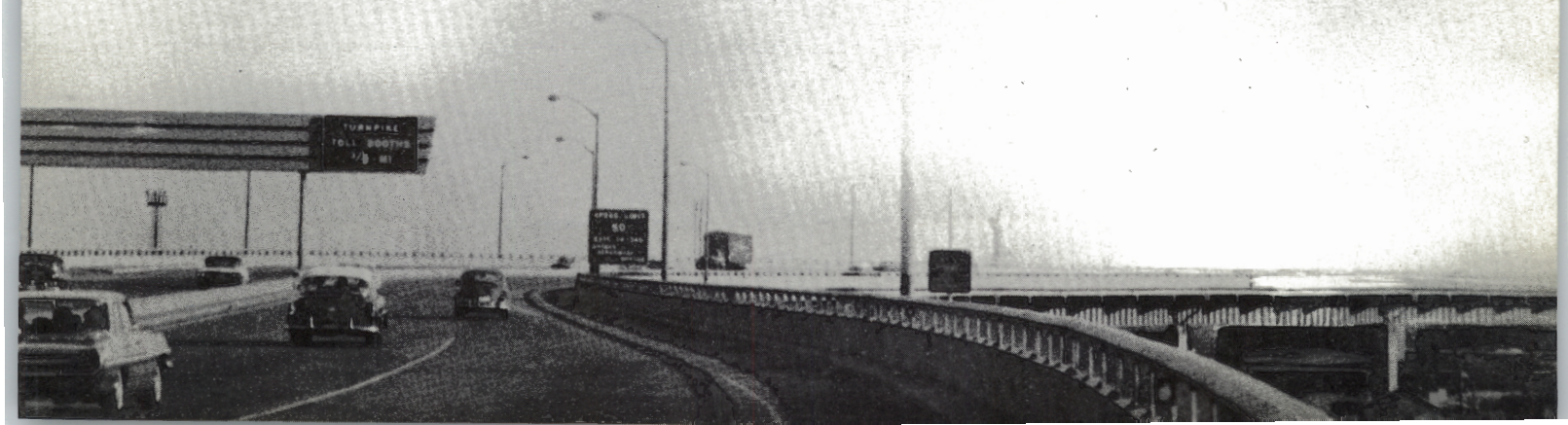
See accompanying notes to financial statements.



Statement of Revenues and Expenses
Year Ended December 31, 1967

	1967	1966
Revenues:		
Toll revenue (Schedule 6)	$51,229,549	48,609,809
Concession revenue	3,976,450	3,752,280
Income from investments	1,476,783	1,407,631
Miscellaneous	165,444	220,650
	56,848,226	53,990,370
Budgeted operating expenses:		
Administration:		
General	544,924	545,439
Toll audit	328,176	301,757
Accounting	167,839	154,934
Operation:		
Traffic control and police	1,711,320	1,646,675
Toll collection	4,144,600	3,818,685
Maintenance, repair, replacement and reconstruction	4,597,770	4,710,651
Engineering	256,651	238,165
Real estate	15,499	13,416
Insurance	487,869	334,363
Professional fees and compensation	74,302	78,950
Expense and compensation of fiduciaries	83,295	82,700
Pension and retirement	906,060	587,819
Taxes	18,634	19,595
Cash discounts	(4,153)	(5,629)
	13,332,786	12,527,520
	43,515,440	41,462,850
Interest on bonds (excluding interest on Turnpike revenue bonds, 1966 issue, charged to cost of facilities):		
General revenue bonds	6,431,796	6,676,177
Second series revenue bonds	2,923,024	3,536,847
	9,354,820	10,213,024
	34,160,620	31,249,826
Extraordinary charges:		
Repairs, replacements and maintenance items of a type not recurring annually or at short intervals	4,966,037	4,207,327
Revenues after expenses, interest and extraordinary charges (see accompanying statement) (Note 1)	$29,194,583	27,042,499

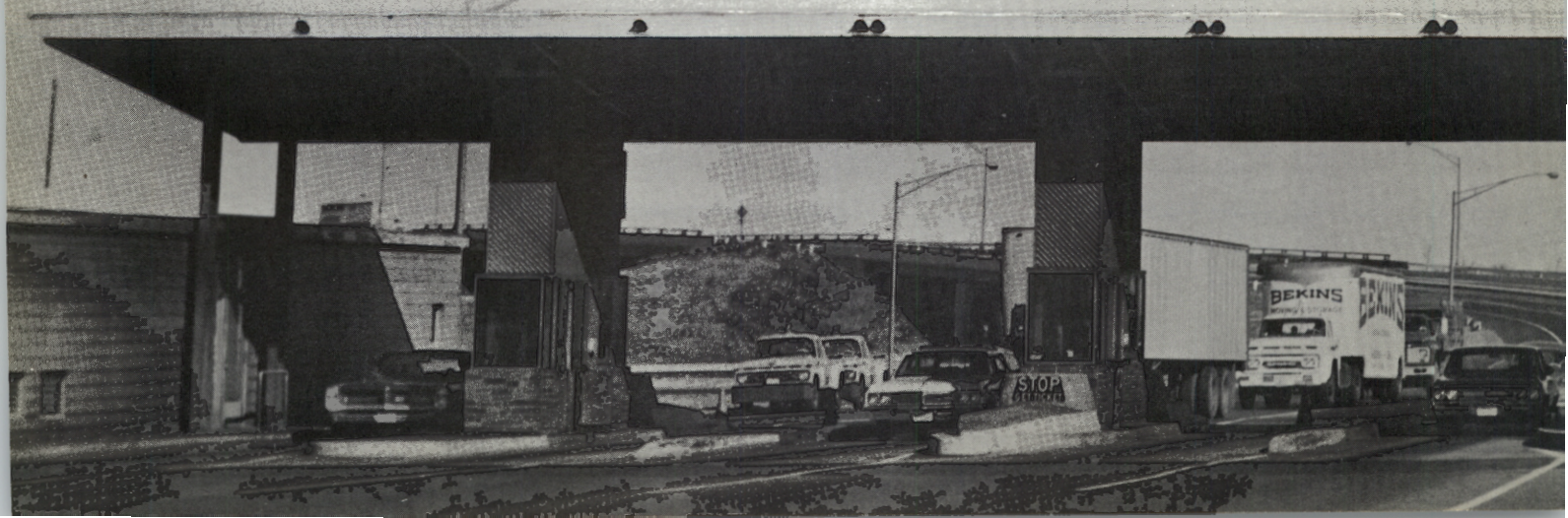
See accompanying notes to financial statements.



Statement of Application of Revenues After Expenses,

	Combined Total	Revenue Fund	Interest Funds	Reserve: General Interest Reserve Fund	Reserve: General Bond Reserve Fund
Balance December 31, 1966	$247,833,372	4,923,579	71,594	3,328,773	7,000,000
Add:					
Revenues after expenses, interest and extraordinary charges for year ended December 31, 1967	29,194,583	861,876	40,777	—	—
Discount (premium) on bonds retired, net	113,231	—	—	—	—
Transfer of excess reserve requirements	—	—	—	(119,371)	—
Transfers from second series maintenance fund	—	—	—	—	—
Proceeds from sale of property after certification of completion	23,665	—	300	—	—
Revenues invested in facilities during year	—	—	—	—	—
Change in net assets of other operating accounts	—	(1,059,036)	—	—	—
	277,164,852	4,726,419	112,671	3,209,402	7,000,000
Less:					
Principal amount of bonds retired, including $29,428,700 from revenues and $300 from construction moneys	300	—	—	—	—
Funds from construction accounts invested in facilities	23,365	—	—	—	—
	23,665	—	—	—	—
Balance December 31, 1967	$277,141,187	4,726,419	112,671	3,209,402	7,000,000
Comprised as follows:					
Proceeds from sale of bonds	$ 7,662,500	—	—	162,500	7,000,000
Bond indebtedness retired from revenues	184,841,546	—	—	—	—
Revenues retained	84,637,141	4,726,419	112,671	3,046,902	—
	$277,141,187	4,726,419	112,671	3,209,402	7,000,000

See accompanying notes to financial statements.



Interest and Extraordinary Charges to December 31, 1967

Other Fund Accounts

Funds		Sinking Funds						
Second Series Interest Reserve Fund	Second Series Maintenance Fund	General Bonds	Second Series Bonds	Total (Schedule 2)	Funds for Major Improvements, Repairs, Replacements, Maintenance, etc.	Net Assets of other Operating Accounts	Revenues Invested in Facilities	Bond Indebtedness Retired from Revenues
9,940,300	4,372,600	372,234	3,309	30,012,389	656,461	1,052,760	60,698,916	155,412,846
—	4,034,051	5,683,773	23,540,144	34,160,620	(4,966,037)	—	—	—
—	—	301,952	(188,721)	113,231	—	—	—	—
(2,333,900)	2,087,913	119,371	245,987	—	—	—	—	—
—	(5,786,928)	—	—	(5,786,928)	5,786,928	—	—	—
—	23,365	234	—	23,899	—	—	(234)	—
—	—	—	—	—	(782,743)	—	782,743	—
—	—	—	—	(1,059,036)	—	1,059,036	—	—
7,606,400	4,731,001	6,477,564	23,600,719	57,464,176	694,609	2,111,796	61,481,425	155,412,846
—	—	6,090,000	23,339,000	29,429,000	—	—	—	(29,428,700)
—	—	—	—	—	23,365	—	—	—
—	—	6,090,000	23,339,000	29,429,000	23,365	—	—	(29,428,700)
7,606,400	4,731,001	387,564	261,719	28,035,176	671,244	2,111,796	61,481,425	184,841,546
—	—	—	—	7,162,500	—	500,000	—	—
—	—	—	—	—	—	—	—	184,841,546
7,606,400	4,731,001	387,564	261,719	20,872,676	671,244	1,611,796	61,481,425	—
7,606,400	4,731,001	387,564	261,719	28,035,176	671,244	2,111,796	61,481,425	184,841,546



Investments - December 31, 1967

Schedule 1

	Interest Rate	Maturity (Note 1)	Par Value	Cost
Operating fund:				
United States Treasury bills	—%	various	$ 1,250,000	1,229,072
General interest reserve fund:				
United States Treasury bills	—	Apr. 25, 1968	2,450,000	2,386,701
United States Treasury notes	4¾	May 15, 1968	240,000	239,700
United States Treasury notes	5⅝	Feb. 15, 1969	500,000	500,000
			3,190,000	3,126,401
General bond reserve fund:				
United States Treasury bills	—	various	4,200,000	4,093,515
United States Treasury notes	5⅝	Feb. 15, 1969	1,170,000	1,170,000
United States Treasury notes	4¾	May 15, 1972	1,700,000	1,700,000
			7,070,000	6,963,515
Second series interest reserve fund:				
United States Treasury bills	—	Apr. 25, 1968	400,000	389,652
United States Treasury notes	4¾	May 15, 1968	2,550,000	2,546,813
United States Treasury notes	5¼	Nov. 15, 1968	1,800,000	1,798,920
United States Treasury notes	5⅝	Feb. 15, 1969	2,800,000	2,800,000
			7,550,000	7,535,385
Second series maintenance fund:				
United States Treasury bills	—	various	4,600,000	4,494,493
Construction fund—1966 Turnpike improvement:				
United States Treasury bills	—	various	4,000,000	3,898,734
United States Treasury notes	5⅝	Feb. 15, 1968	1,000,000	1,000,000
United States Treasury notes	4¾	May 15, 1968	1,000,000	998,750
United States Treasury notes	4¼	Aug. 15, 1968	3,000,000	2,998,500
The Twelve Federal Intermediate Credit Banks debentures	4.40	Feb. 1, 1968	1,000,000	996,563
Certificates of Deposit (Note 2)	—	various	43,300,000	43,300,000
			53,300,000	53,192,547
Total carried forward			$76,960,000	76,541,413



	Interest Rate	Maturity (Note 1)	Par Value	Cost
Total brought forward			$ 76,960,000	76,541,413
Bond interest fund—1966 Turnpike improvement:				
United States Treasury bonds	3⅞%	Nov. 15, 1968	3,077,000	2,957,766
United States Treasury bonds	4	Oct. 1, 1969	3,220,000	3,059,000
United States Treasury bonds	4	Feb. 15, 1970	1,284,000	1,217,393
United States Treasury notes	5	Nov. 15, 1970	3,357,000	3,287,762
United States Treasury notes	5¼	May 15, 1971	3,440,000	3,422,800
United States Treasury bonds	4	Feb. 15, 1972	3,610,000	3,382,119
United States Treasury bonds	4	Aug. 15, 1972	3,683,000	3,448,209
United States Treasury bonds	4⅛	Nov. 15, 1973	3,835,000	3,559,359
United States Treasury bonds	3⅞	Nov. 15, 1974	8,238,000	7,517,175
The Twelve Federal Land Banks bonds	4	June 20, 1968	3,015,000	2,921,723
Federal Home Loan Bank notes	5⅜	Mar. 25, 1969	3,135,000	3,097,772
Federal National Mortgage Association debentures	4⅝	Apr. 10, 1970	2,000,000	1,930,000
Federal National Mortgage Association debentures	4½	Sept. 10, 1971	3,530,000	3,366,737
Federal National Mortgage Association debentures	4¼	June 12, 1973	3,755,000	3,525,006
The Twelve Federal Land Banks bonds	4½	Feb. 20, 1974	3,915,000	3,684,994
The Twelve Federal Land Banks bonds	4⅜	Apr. 21, 1975	4,160,000	3,868,800
			57,254,000	54,246,615
Special projects:				
United States Treasury bills	—	Mar. 14, 1968	200,000	194,994
Certificates of Deposit (Note 2)	5½	Apr. 29, 1968	500,000	500,000
			700,000	694,994
Deposits in Condemnation:				
United States Treasury bills	—	various	7,950,000	7,749,727
Total investments			$142,864,000	139,232,749

Notes:

(1) United States Treasury bills mature periodically to June 27, 1968.

(2) Certificates of deposit bear interest at annual rates of 5⅛% to 5½% and mature periodically to April 29, 1968. The certificates which total $43,800,000 were issued by the following banks—The Chase Manhattan Bank, N.A., $17,930,000; Fidelity Union Trust Company, $7,330,000; Bankers Trust Company, $13,530,000; Chemical Bank New York Trust Company, $2,650,000; National Newark & Essex Bank, $2,360,000. Where required, such certificates are secured by a pledge of direct obligations of the United States by appropriate amounts as required by the bond resolution.

(3) As of December 31, 1967 the aggregate market value of the investments was approximately cost.



Other Funds — December 31, 1967

Schedule 2

with comparative figures for 1966

	Cash on deposit with Trustee, Special Trustee and Sinking Fund Agent	Investments in United States Government obligations—at cost (Schedule 1)	Total December 31, 1967	Total December 31, 1966
Revenue fund	$4,726,419	—	4,726,419	4,923,579
Interest funds:				
General bonds	3,327	—	3,327	8,507
Second series bonds	109,344	—	109,344	63,087
	112,671	—	112,671	71,594
Reserve funds:				
General interest reserve fund	83,001	3,126,401	3,209,402	3,328,773
General bond reserve fund	36,485	6,963,515	7,000,000	7,000,000
Second series interest reserve fund	71,015	7,535,385	7,606,400	9,940,300
Second series maintenance fund	236,508	4,494,493	4,731,001	4,372,600
	427,009	22,119,794	22,546,803	24,641,673
Sinking funds (Note):				
General sinking fund:				
3¼ %—1950 issue	351,262	—	351,262	371,347
3.20%—1951 issue	36,302	—	36,302	887
	387,564	—	387,564	372,234
Second series sinking fund:				
3⅜ %—1953 issue	173,105	—	173,105	1,479
3 %—1954 issue	86,892	—	86,892	782
2.80%—1955 issue	1,722	—	1,722	1,048
	261,719	—	261,719	3,309
	649,283	—	649,283	375,543
	$5,915,382	22,119,794	28,035,176	30,012,389

Note—Approximately $637,000 had been committed on firm orders to purchase bonds to be delivered in January 1968.



Bond Indebtedness — December 31, 1967

Schedule 3

with comparative figures for 1966

	Original amount authorized and issued	Acquired and cancelled in prior years	Amount outstanding Dec. 31, 1966	Acquired by Sinking Fund and cancelled during 1967	Amount outstanding Dec. 31, 1967
General revenue bonds:					
Turnpike revenue bonds (1950 issue), 3¼%, maturing January 1, 1985	$220,000,000	53,177,000	166,823,000	5,909,000	160,914,000
Turnpike revenue bonds (1951 issue), 3.20%, maturing January 1, 1986	35,000,000	188,000	34,812,000	181,000	34,631,000
	255,000,000	53,365,000	201,635,000	6,090,000	195,545,000
Second series revenue bonds, maturing July 1, 1988:					
Series B, 3⅜ % (1953 issue)	150,000,000	79,745,000	70,255,000	16,644,000	53,611,000
Series B, 3 % (1954 issue)	27,200,000	14,270,000	12,930,000	2,933,000	9,997,000
Series B, 2.80% (1955 issue)	34,000,000	17,782,000	16,218,000	3,762,000	12,456,000
	211,200,000	111,797,000	99,403,000	23,339,000	76,064,000
Turnpike revenue bonds, maturing January 1, 2006:					
Series A, 4¾% (1966 issue)	179,000,000	—	179,000,000	—	179,000,000
	$645,200,000	165,162,000	480,038,000	29,429,000	450,609,000

Note—To December 31, 1967 bond indebtedness totaling $194,591,000 had been retired of which amount $184,841,546 had been retired from revenues and $9,749,454 from excess construction funds.

Schedule 4

Summary of Construction Accounts — December 31, 1967

with comparative figures for 1966

	1966 Turnpike Improvement			Newark Bay-Hudson County Extension	Total December 31,	
	Construction Accounts	Bond Interest Fund	Special Projects		1967	1966
ASSETS						
Cash	$ 2,495,359	44,804	76,959	227,995	2,845,117	1,062,701
Deposits in condemnation cases (including $7,359,311 invested in United States Treasury bills)	11,347,288	—	—	—	11,347,288	1,627,100
Interim investments of construction funds—at cost (Schedule 1)	53,192,547	54,246,615	694,994	—	108,134,156	168,574,525
Accrued interest purchased	13,444	—	—	—	13,444	143,589
Deposits, other than condemnation	143,539	—	—	—	143,539	100,000
Accounts receivable	29,806	—	—	—	29,806	—
	$67,221,983	54,291,419	771,953	227,995	122,513,350	171,507,915
LIABILITIES						
Amounts retained from contractors and engineers	$ 3,746,502	—	41,332	—	3,787,834	937,003



Cash Receipts and Disbursements - Year Ended December 31, 1967

	Combined Total	Operating Accounts	Funds for Major Improvements, Repairs, etc.	Revenue Fund	General Interest Fund	Second Series Interest Fund
Cash balances, December 31, 1966	$ 7,493,977	452,674	359,182	4,923,579	8,507	63,087
Receipts:						
Revenues (including income of $1,476,783 on investments)	56,793,230	35,574	16,654	55,316,447	125,570	41,846
Transfers of income on investments	—	(35,574)	(16,654)	1,476,783	(125,570)	(41,846)
Transfers from revenue fund	—	14,336,824	—	(56,990,389)	6,426,316	2,969,280
Income on construction investments	8,338,749	—	—	—	—	—
Sale or redemption of investments	213,623,331	1,811,530	—	—	6,374,431	2,957,100
Proceeds from sale of property after certification of completion	23,899	—	—	—	300	—
Transfers of excess reserves	—	—	—	—	—	—
Transfers from second series maintenance fund	—	—	5,786,928	—	—	—
	286,273,186	16,601,028	6,146,110	4,726,419	12,809,554	5,989,467
Disbursements:						
Budgeted operating expenses	13,332,786	13,332,786	—	—	—	—
Interest on bond indebtedness	17,857,320	—	—	—	6,431,796	2,923,024
Purchase of investments	151,519,180	2,551,065	—	—	6,374,431	2,957,099
Retirement of bond indebtedness of $29,429,000	29,315,769	—	—	—	—	—
Payment of cost of construction, studies and extraordiary repairs, replacements and maintenance items	54,484,518	—	5,745,324	—	—	—
Deposits in condemnation cases	9,720,188	—	—	—	—	—
Deposits other than condemnation	164,963	—	—	—	—	—
	276,394,724	15,883,851	5,745,324	—	12,806,227	5,880,123
Cash balances, December 31, 1967	$ 9,878,462	717,177	400,786	4,726,419	3,327	109,344

DEPOSITORIES	Cash Balance	Market Value of Securities Pledged to Secure Deposits
Operating Accounts:		
First National Bank of Jersey City	$ 395,267	2,152,734
The Peoples National Bank of New Brunswick	271,675	910,313
Toll collectors and other imprest funds	50,235	—
Funds for Major Improvements, Repairs, etc.:		
First National Bank of Passaic County	298,212	2,631,406
National Community Bank	102,574	1,413,025
Revenue Fund:		
Fidelity Union Trust Company	779,205	6,127,047
The National State Bank	3,947,215	5,615,626
All Other Funds:		
The Chase Manhattan Bank, N. A.	4,034,079	23,989,713
	$9,878,462	42,839,864



Schedule 5

General Interest Reserve Fund	General Bond Reserve Fund	Second Series Interest Reserve Fund	Second Series Maintenance Fund	General Bonds Sinking Funds	Second Series Bonds Sinking Funds	1952 Bond Resolution Construction Funds	1966 Turnpike Improvement		
							Construction Accounts	Special Projects	Bond Interest Fund
72,113	9,093	128,395	39,103	372,234	3,309	228,331	826,422	—	7,948
158,493	360,177	508,564	216,456	—	13,449	—	—	—	—
(158,493)	(360,177)	(508,564)	(216,456)	—	(13,449)	—	—	—	—
—	—	—	4,034,052	5,683,773	23,540,144	—	—	—	—
—	—	—	—	—	—	—	5,581,195	82,439	2,675,115
5,709,184	11,108,509	12,712,038	9,629,384	—	1,000,000	—	148,496,302	2,683,976	11,140,878
—	—	—	23,365	234	—	—	—	—	—
(119,371)	—	(2,333,900)	2,087,913	119,371	245,987	—	—	—	—
—	—	—	(5,786,928)	—	—	—	—	—	—
5,661,926	11,117,602	10,506,533	10,026,889	6,175,612	24,789,440	228,331	154,903,919	2,766,415	13,823,941
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	8,502,500
5,578,925	11,081,117	10,435,518	9,790,381	—	1,000,000	—	94,595,037	1,878,970	5,276,637
—	—	—	—	5,788,048	23,527,721	—	—	—	—
—	—	—	—	—	—	336	47,928,372	810,486	—
—	—	—	—	—	—	—	9,720,188	—	—
—	—	—	—	—	—	—	164,963	—	—
5,578,925	11,081,117	10,435,518	9,790,381	5,788,048	24,527,721	336	152,408,560	2,689,456	13,779,137
83,001	36,485	71,015	236,508	387,564	261,719	227,995	2,495,359	76,959	44,804



Toll Revenue — Year Ended December 31, 1967

with comparative figures for 1966

Class	Description	1967 Toll revenue	1967 Vehicles	1966 Toll revenue	1966 Vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	$33,763,158	62,113,603	$32,354,905	59,143,528
2	Vehicles having two axles other than type described under Class 1	4,192,227	4,422,962	4,104,749	4,248,813
3	Vehicle (vehicles), single or in combination, having three axles	2,145,060	1,521,660	2,011,993	1,388,689
4	Vehicle (vehicles), single or in combination, having four axles	6,031,567	3,250,376	5,521,870	3,023,836
5	Vehicle (vehicles), single or in combination, having five axles	5,097,433	2,216,119	4,614,915	2,041,914
6	Vehicle (vehicles), single or in combination, having six or more axles	9,274	3,936	8,116	3,548
	Non-revenue vehicles (Note 2)	—	403,131	—	398,573
		51,238,719	73,931,787	48,616,548	70,248,901
	Deduct toll adjustments	9,170		6,739	
		$51,229,549		$48,609,809	

NOTES:

(1) On October 1, 1967, the Authority, upon recommendation of its Traffic Engineers, put into effect revised vehicle classifications and toll rates. Information shown above for periods prior to October 1, 1967 has been reclassified to conform to the new classifications.

(2) Non-revenue vehicles represents traffic of members, officers and employees of the Authority actually in the performance of their duties of 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



(1) 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 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 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 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 resolutions and on the Authority's interpretation of said resolutions.

(b) Investment in facilities—Consists primarily of amounts expended to acquire right-of-way, construct and place in operation the turnpike, its extensions and related facilities. In accordance with the bond resolutions there have been included in construction costs expenses in connection with the offering, selling and issuance of bonds; discount on the sale of 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; and interest on bonds (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 to the original facility.

(c) Interest—Interest on bond indebtedness is payable semi-annually on January 1, and July 1, of each year. Interest due on January 1, 1968 of $8,640,096 had been deposited with the paying agent as of December 31, 1967 (as in the previous year) and,

accordingly, there is no liability shown in the accounts for such interest at that date.

(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 $601,716 for 1967 ($355,765 in 1966) is based on annual billings received from the Retirement System and recorded on a cash basis. The increase in pension costs in 1967 resulted primarily from certain benefit improvements in the State plan. In addition, Authority employees are also covered by the Federal Social Security Act.

(e) 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 and operating expenses (including materials and supplies) are recorded when paid.

The amended Annual Budget of Operating Expenses as filed for the year 1967 amounted to $13,615,300 as compared with cash disbursements during 1967 for operating expenses of $13,332,786. The bond 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. In the absence of a provision for depreciation, 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 1967 $29,589,509 was made available for the retirement of bonds, $29,589,209 of which was from revenues and reserves and $300 from construction moneys. The Authority, with the approval of the Consulting Engineer, may direct the Trustee to transfer funds from the Second Series Maintenance Fund to special accounts to pay the cost of repairs, replacements or maintenance items of a type not recurring annually or at short intervals and for which moneys were not provided in the budgeted operating expenses. Transfers may also include funds for major improvements and certain studies.

During the year ended December 31, 1967, transfers for such purposes amounted to $5,786,928 including $23,365 provided from construction accounts. From funds so provided during the current and preceding year, expenditures were made for major improvements in the amount of $806,108 which has been added to the cost of investment in facilities and $4,966,037 for repairs, replacements and maintenance items which has been reflected as an extraordinary charge in the accompanying Statement of Revenues and Expenses.

Net revenues for the year 1967 as defined in the 1966 bond resolution amounted to $42,511,402 (revenues $56,848,226, less amounts paid from the Revenue Fund into the Operating Fund, $14,336,824). For the year 1966, net revenues as defined, were $41,330,952.

(2) AGREEMENT WITH BOND HOLDERS:

To provide funds for the construction of the turnpike and extensions, the Authority authorized on February 10, 1950, an issue of $220,000,000 Turnpike Revenue Bonds (1950 issue); on September 19, 1951, an issue of $35,000,000 Turnpike Revenue Bonds (1951 issue), both referred to as General Bonds; on November 18, 1952, an issue of $32,024,000 Second Series Bonds (Series A) of which $30,000,000 was issued; on October 14, 1953, an issue of $150,000,000 Second Series Bonds (Series B) of which $30,000,000 has been used to retire the Second Series Bonds (Series A); on April 14, 1954, an issue of $27,200,000 Second Series Bonds (Series B), and on March 17, 1955, an issue of $34,000,000 Second Series Bonds (Series B). For the purpose of financing a portion of the cost of construction of a turnpike widening and improvement program and certain special projects related in general to the turnpike system, the Authority authorized on September 22, 1966, an issue of $179,000,000 Turnpike Revenue Bonds, Series A, constituting the initial portion of an estimated $486,000,000 widening and improvement issue.

Minimum annual sinking fund payments sufficient to retire the General Bonds by maturity are required in increasing amounts commencing with the annual period ended November 15, 1959 in respect of the 1950 bonds which mature January 1, 1985, and the annual period ending November 15, 1968 in respect of the 1951 bonds which mature January 1, 1986. The minimum sinking fund requirement applicable to the 1950 issue of General Bonds for the annual period ended November 15, 1967 has been satisfied. The requirement for the 1950 and 1951 bonds for the annual period ending November 15, 1968 is $7,645,000. No minimum annual sinking fund payments are required for the Second Series Bonds (Series B) which mature July 1, 1988; however, all remaining revenues, after satisfying the requirements of all other funds provided for in the bond resolutions are allocated to the Second Series Sinking Fund.

In the bond resolutions relating to the Turnpike Revenue Bonds, Series A, the Authority has covenanted to charge such tolls as shall be required in order that net revenues will be at least sufficient, together with other available funds, to retire or provide for the retirement of all the General Bonds and Second Series Bonds by January 1, 1976.

Prior to such retirement, interest on the Turnpike Revenue Bonds, Series A, will be payable from a portion of the bond proceeds deposited in the Bond Interest Fund and the investment earnings of such fund. On and after the retirement of all of the General Bonds and Second Series Bonds, the Turnpike Revenue Bonds, Series A, will be payable from and secured by pledge of the revenues of the turnpike system.

Sinking fund requirements for the Turnpike Revenue Bonds, Series A, commence with the annual period ending November 15, 1978.

During the year 1967 the remaining revenues and excess reserve requirements applicable to Second Series Bonds of $23,786,130 were transferred to the Second Series Sinking Fund and allocated to sub-sinking funds as follows:

Series B, 3⅜ %	(1953 Issue)	$17,047,662
Series B, 3 %	(1954 Issue)	3,020,873
Series B, 2.80%	(1955 Issue)	3,717,595
		$23,786,130

In addition, $5,803,379 was transferred to the General Sinking Fund satisfying in full the remaining amount due for the annual period ended November 15, 1967 and including $2,592,808 in partial payment on the amount due for the annual period ending November 15, 1968. General Bonds and Second Series 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 resolutions.

Chapter IV Toll Collection Moves Ahead

ENCOURAGED by the results of a pilot program instituted in 1967, the Authority plans to place all of its toll collectors on steady shift schedules by April 1968. The program was tried successfully at Interchanges 5, 6, 7, 8 and 8A. It will be extended on a trial basis to all other toll areas in the southern section by January 1968 and in the northern section by April.

Should the plan work satisfactorily in the other areas, it will be established on a permanent Turnpike-wide basis. The plan is aimed at more efficient scheduling of personnel, with the men selecting one of three basic shifts according to seniority. To provide for the collectors' days off, which will vary, schedules will be rotated every seven weeks.

The steady shift program grew out of a study sponsored by the Authority to simplify work assignments and enable collectors to plan their activities well in advance. Some 400 men will be working the booths in 1968.



TROOPER, WITH TOLLS SUPERVISOR, TICKETS DRIVER OF UNSAFE VEHICLE.

Toll Collection is also planning to cope with manpower requirements generated by new construction. One new facility, the enlarged Interchange #13, relocated at Elizabeth, is expected to be in use by May 1968, replacing the old interchange at Elizabeth, which will be abandoned. The following year, the first new interchange in the Widening Program, linking the Garden State Parkway at Woodbridge, and eliminating Interchanges #10 and #11, is scheduled for completion.

Traffic in 1967 continued to show an uptrend at all toll points, with the largest increases recorded at #11 (Woodbridge-The Amboys), #13 (Elizabeth) and #17 (Lincoln Tunnel-Secaucus). As traffic mounted, the Authority continued to explore new methods to expedite the flow of vehicles through the interchanges and improve services and security measures in general.



Traffic and Toll Revenues

REVENUE VEHICLES

	1967	1966
January	5,499,556	4,824,346
February	4,619,490	4,548,727
March	5,937,461	5,519,505
April	5,971,305	5,846,522
May	6,329,086	6,011,128
June	6,687,706	6,296,315
July	6,741,472	6,462,883
August	6,987,434	6,763,413
September	6,372,425	6,030,744
October	6,320,792	6,040,876
November	6,108,408	5,873,887
December	5,953,521	5,631,982
	73,528,656	69,850,328

TOLL REVENUES

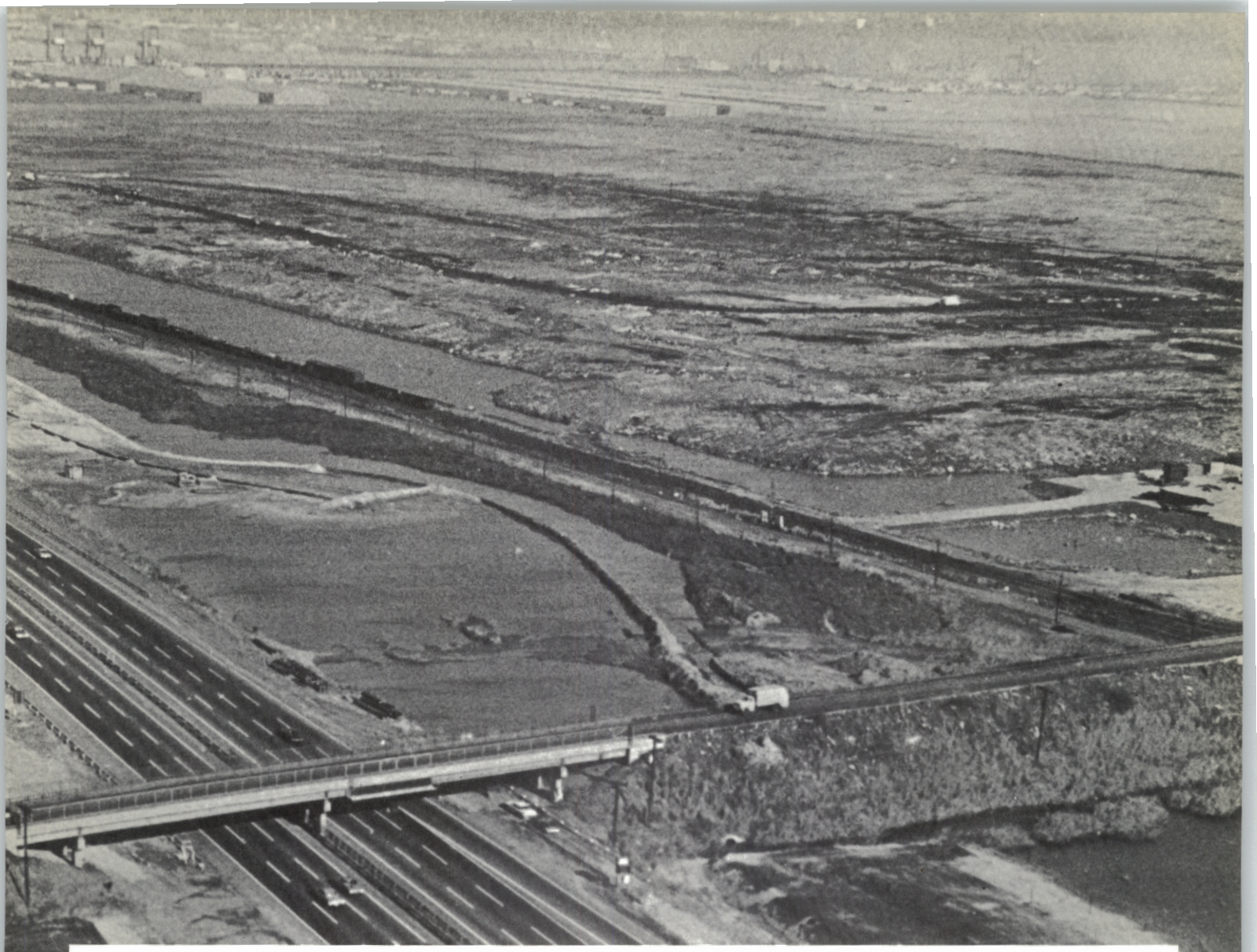
	1967	1966
January	$ 3,655,947	$ 3,203,114
February	3,122,447	3,071,057
March	4,064,734	3,735,151
April	4,089,673	4,096,593
May	4,314,196	4,130,899
June	4,693,226	4,408,581
July	4,858,839	4,738,712
August	5,043,129	4,946,722
September	4,503,535	4,278,264
October	4,430,255	4,130,704
November	4,293,539	4,046,539
December	4,160,029	3,823,473
	$51,229,549	$48,609,809

REVENUE MILEAGE

	1967	1966
January	140,109,224	122,379,265
February	117,726,064	116,161,019
March	158,673,122	141,840,947
April	163,417,104	168,852,639
May	169,829,277	165,559,955
June	187,076,173	174,413,502
July	205,234,309	201,936,938
August	207,729,414	207,198,522
September	182,207,012	172,555,379
October	170,562,871	162,828,552
November	166,669,007	161,687,937
December	161,610,624	149,537,218
	2,030,844,201	1,944,951,873



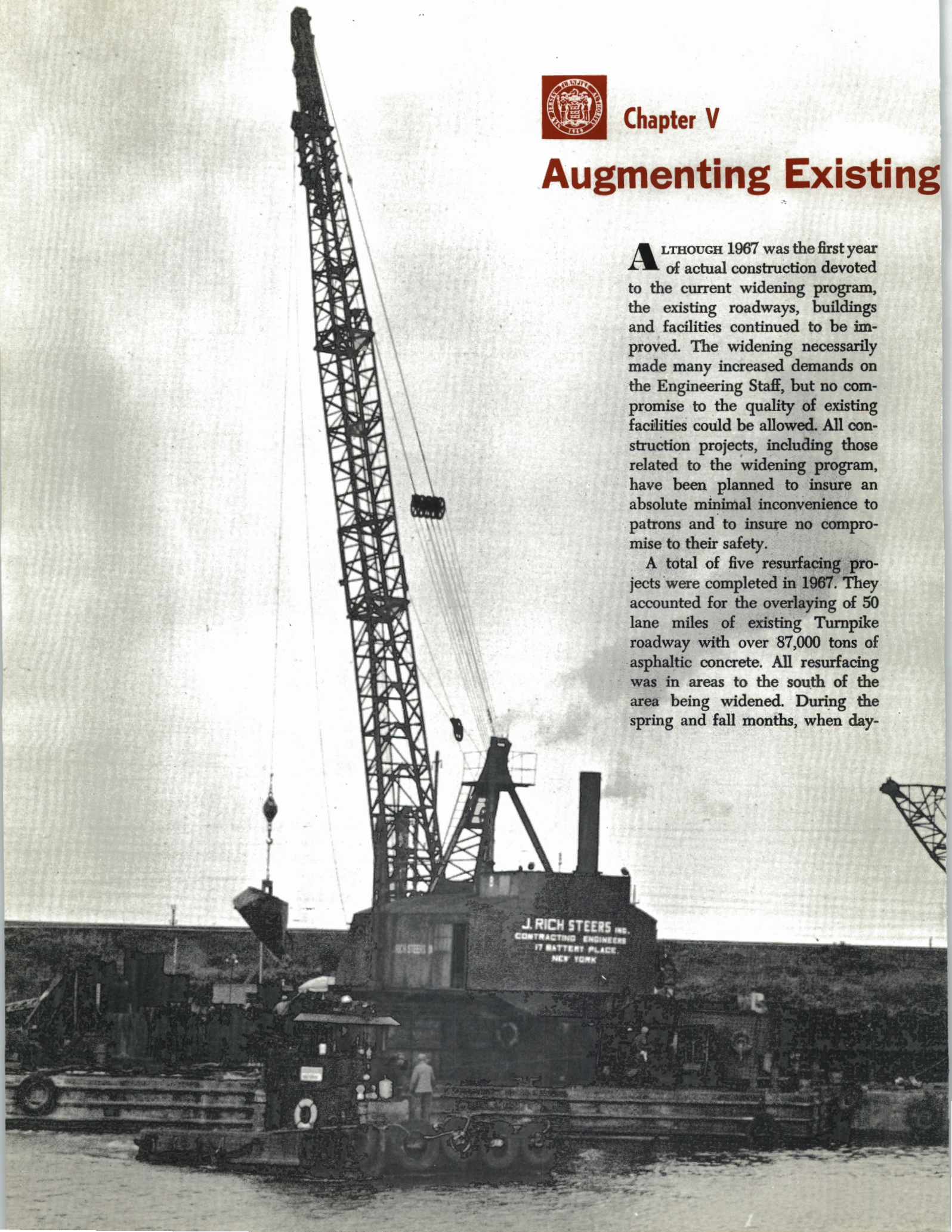
MAINLINE RUNNING UNDER NORTH AVE., WITH WIDENING WORK IN PROGRESS NEAR NEWARK AIRPORT (AT LEFT).



NOTE: On October 1, 1967, the Authority put into effect revised vehicle classifications and toll schedules which were recommended by its Traffic Engineers, Coverdale & Colpitts, who certified that no decrease in toll revenue will result from these changes and pointed out that approximately 98.2% of last year's traffic would not be affected by these changes. The figures set forth applicable to periods prior to that date have been recast to conform to these revised classifications.

CLASS	DESCRIPTION	1967 No. of Vehicles	1967 Percent of Total Revenue Vehicles	1967 Revenue	1967 Percent of Total Indicated Toll Revenue	1966 No. of Vehicles	1966 Percent of Total Revenue Vehicles	1966 Revenue	1966 Percent of Total Indicated Toll Revenue
1	Passenger Car, Motorcycle, Taxi or Hearse, Light Truck	62,113,603	84.5	$33,763,158	65.9	59,143,528	84.7	$32,354,905	66.5
2	Vehicle having two axles other than type described under Class 1	4,422,962	6.0	4,192,227	8.2	4,248,813	6.1	4,104,749	8.5
3	Vehicle (Vehicles), single or in combination, having three axles	1,521,660	2.1	2,145,060	4.2	1,388,689	2.0	2,011,993	4.1
4	Vehicle (Vehicles), single or in combination, having four axles	3,250,376	4.4	6,031,567	11.8	3,023,836	4.3	5,521,870	11.4
5	Vehicle (Vehicles), single or in combination, having five axles	2,216,119	3.0	5,097,433	9.9	2,041,914	2.9	4,614,915	9.5
6	Vehicle (Vehicles), single or in combination, having six or more axles	3,936		9,274		3,548		8,116	
	Sub Total	73,528,656	100.0	51,238,719	100.0	69,850,328	100.0	48,616,548	100.0
	Non-Revenue Vehicles*	403,131				398,573			
	Sub Total	73,931,787		51,238,719		70,248,901		48,616,548	
	Less Toll Adjustments			9,170				6,739	
	Total	73,931,787		$51,229,549		70,248,901		$48,609,809	
Daily Average Revenue Vehicles		**201,448**				**191,371**			
Daily Average Toll Revenue				**$140,355**				**$133,178**	

*Non-revenue vehicles represent traffic of members, officers and employees of the Authority actually in the performance of their duties of 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.



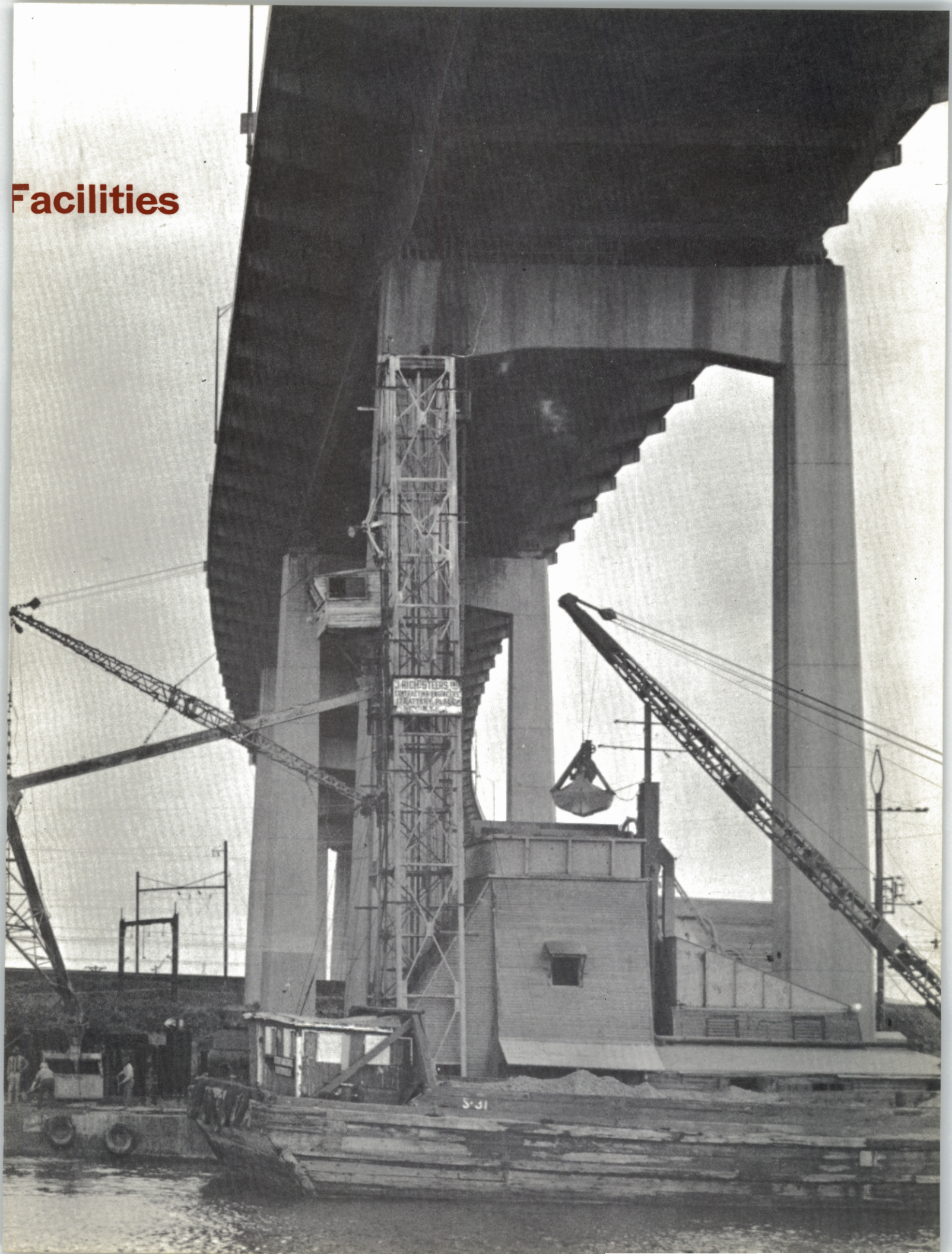
Chapter V

Augmenting Existing

ALTHOUGH 1967 was the first year of actual construction devoted to the current widening program, the existing roadways, buildings and facilities continued to be improved. The widening necessarily made many increased demands on the Engineering Staff, but no compromise to the quality of existing facilities could be allowed. All construction projects, including those related to the widening program, have been planned to insure an absolute minimal inconvenience to patrons and to insure no compromise to their safety.

A total of five resurfacing projects were completed in 1967. They accounted for the overlaying of 50 lane miles of existing Turnpike roadway with over 87,000 tons of asphaltic concrete. All resurfacing was in areas to the south of the area being widened. During the spring and fall months, when day-

Facilities


J. RICH STEERS INC.
CONTRACTING ENGINEERS
BATTERY PLACE
NEW YORK

time traffic densities were relatively light in these areas, the work was accomplished during daylight hours, one lane at a time. During the relatively high daytime traffic density summer months, however, this construction proceeded during nighttime hours, two lanes at a time. This system has the advantage of minimizing traffic delays while allowing the contractor to maintain acceptable production rates.

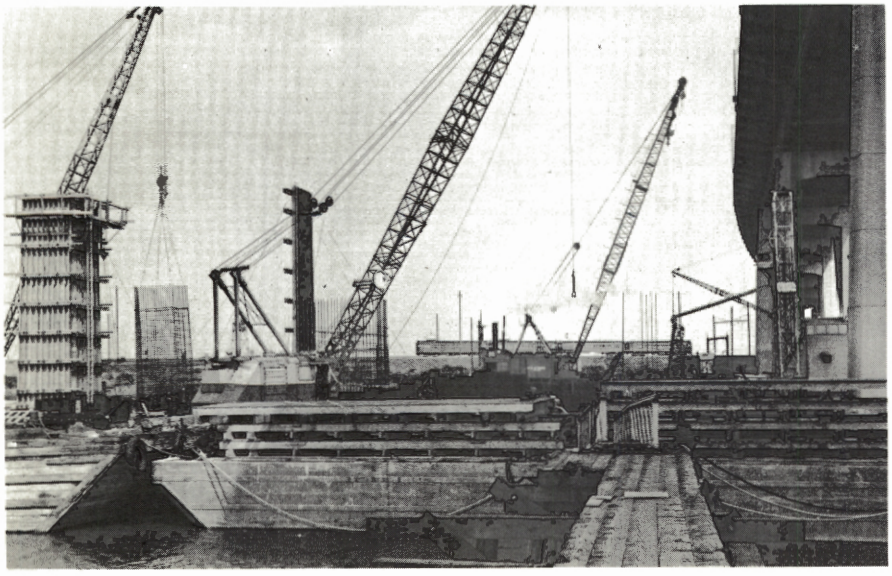
The continuing resurfacing program guarantees that the full utilization of existing pavements is being accomplished, and that good riding characteristics are being maintained, even on pavements that are now sixteen years old. It is also possible to take advantage of the latest knowledge with regard to asphalt designs. Moreover, the maintenance of resurfaced roadway is less costly.

In addition to the resurfacing mentioned above, a large scale bridge deck repair and maintenance program was undertaken during 1967. The bridges involved were mainline structures north of the Woodbridge Interchange and certain areas on the Hudson County Extension. Here, again, it was necessary to maintain traffic during construction; but in this case, the work included the entire removal of certain deck slabs. The work was limited to one lane at a time, and no weekend lane closings of mainline roadway were permitted. This is a twenty-four hour a day operation requiring the removal of concrete deck sections; curing and applying a waterproof membrane; and, finally, resurfacing—all being accomplished between Monday morning and Friday afternoon.

Work of this nature is an excellent example to emphasize the planning and coordination required and attained between staff and Consultant personnel.

The Southern Division Maintenance Headquarters at Moorestown was completed in 1967. This complex not only provides sufficient office and clerical space for the entire division, but also provides for 12,800 square feet of enclosed salt storage. Salt may now be purchased in large quantities, thus assuring availability when and where required; and also assuring a low purchase price. Also included is a 17,700 square foot, completely enclosed, vehicle storage building.

PIER CONSTRUCTION FOR THE NEW PASSAIC RIVER BRIDGE TO BE NAMED AFTER THE LATE TOLL COLLECTOR HARRY LADERMAN.



Major modifications and improvements to the service stations at Service Areas 1S (Clara Barton), 1N (John Fenwick), 8N (Joyce Kilmer), 10S (Thomas Edison), 10N (Grover Cleveland), and 12S (Alexander Hamilton) were completed during 1967. Included was the construction of new truck islands for the dispensing of diesel fuel, as well as gasoline at three areas; new island shelters at four areas; lengthening of existing islands; and addition of new fuel dispensers at two areas; and installation of newer, more efficient "Y" lights at two areas. The conversion to these new "Y" lights has now been completed at all mainline service areas, with the exception of Service Area 11N (William F. Halsey) at Elizabeth.

A new 1,480 square foot snack bar was constructed at Service Area 1N in 1967, together with an enlargement of the existing parking facilities, to provide for 77 more cars. The snack bar is an entirely separate building with separate kitchen and food-serving equipment. It also includes 468 square feet of storage space for the Service Area. A similar parking lot enlargement was also constructed at the Grover Cleveland Service Area in Woodbridge. Improvements to existing restaurant facilities at Service Areas 4N (James Fenimore Cooper), 6N (Woodrow Wilson), 6S (Richard Stockton), and EN (John Stevens) were also undertaken in 1967. Increased traffic volumes were reflected in the required enlargements to the Turnpike owned sewage plants at Service Areas 4N and 8N.

There were several improvements to existing interchanges as well. A 1,310 square foot addition to

the Bordentown Interchange Toll Building to provide much needed office and storage space began in the fall of 1967, and will be completed in the spring of 1968. This project also includes additional parking space for employees. Additional employee parking space was also provided at Interchange 9, New Brunswick, and Interchange 14A, Bayonne. Air conditioning improvements were made at almost all interchanges, as were improvements to interior offices. In addition, all plaza supervisor offices were equipped with lane indicator lights. These indicators allow the supervisor to tell at a glance which lanes are open and allow for a more efficient utilization of existing lanes.

Several bridge painting contracts which began in 1966 were completed in 1967. In addition, a new contract that provided for the painting of the East Viaduct, West Viaduct and North Terminal Ramps—all on the Hudson County Extension—was let in 1967. This work will be completed in the spring of 1968.

The augmentation to existing facilities planned for 1967 proceeded as planned in late 1966 and early 1967. Early planning and the judicious separation of work between Turnpike personnel and Consultants, all working together under the direction of the Engineering Staff, contributed to the successful administration of the various projects. The adverse effects of spiralling construction costs and scarcity of skilled construction labor in New Jersey were successfully held in check.



DIVER TELLS EXECUTIVE DIRECTOR FLANAGAN HOW HE CUTS SHEETING AT COFFERDAM WITH AN UNDERWATER TORCH AT THE SITE OF NEW LADERMAN BRIDGE OVER THE PASSAIC RIVER.

Chapter VI

Maintaining the Turnpike

THE Maintenance Department met the additional demands imposed by the widening program with a work force that was increased by 59 employees from 421 to 480, and discharged its overall duties with new programs and methods for greater efficiency.

On August 1, 1966 Maintenance began operating under a new department head, Anthony DeSimon, Northern Division Manager, who was appointed Director of Maintenance to succeed Howard S. Heydon, who became Chief Engineer for the Authority. Daniel C. Valenti was named as the new Northern Division Manager.

The Apprentice Program initiated in May of 1966 continued to grow in scope with the addition of a landscaping training course. The year-round course, designed to meet our landscaping requirements, is conducted evenings at the Central Shops in Hightstown and taught by experts from Rutgers University.

Fifty employees are participating in the overall program with personnel enrolled in seven different vocational schools in Middlesex, Mercer and Union Countries. Courses are also held in Turnpike buildings in Hightstown where air-conditioning and refrigeration are taught after work hours for apprentices, mechanics and supervisors. Altogether, instructions are given in 15 crafts, and 15 employees so far have qualified as journeymen and mechanics.

The program was designed to assist helpers in the various trades to better themselves as well as to provide the Authority with a means of developing trained mechanics.

Maintenance became involved in the Turnpike widening by preparing road signs and furnishing instructions to contractors, providing supervisors to work with traffic control, and inspecting detour and barricaded areas where contractors are



working off the mainline. The electrical section relocated signs and changed messages to aid construction work. As a result, the widening continued without disrupting traffic.

Acquire Heavier Equipment

A new trend in purchasing truck equipment was initiated with the addition of several pieces of heavier equipment to replace lighter machines. It is planned to upgrade the existing fleet of light duty trucks to a more versatile, heavier and more durable type in the 30,000 pound class which can be used in snow removal and hauling operations. Two high-lift platform trucks for structural and bridge painting operations were purchased.

A new mechanical means of lime spreading was adopted by landscaping personnel. Specially designed equipment is driven along the shoulder of the roadway, discharging a spray of lime as far as 30 feet out. The equipment is operated by a hydraulic pump. Another innovation is the use of a high velocity suction machine to clean water inlets, instead of doing the work manually.

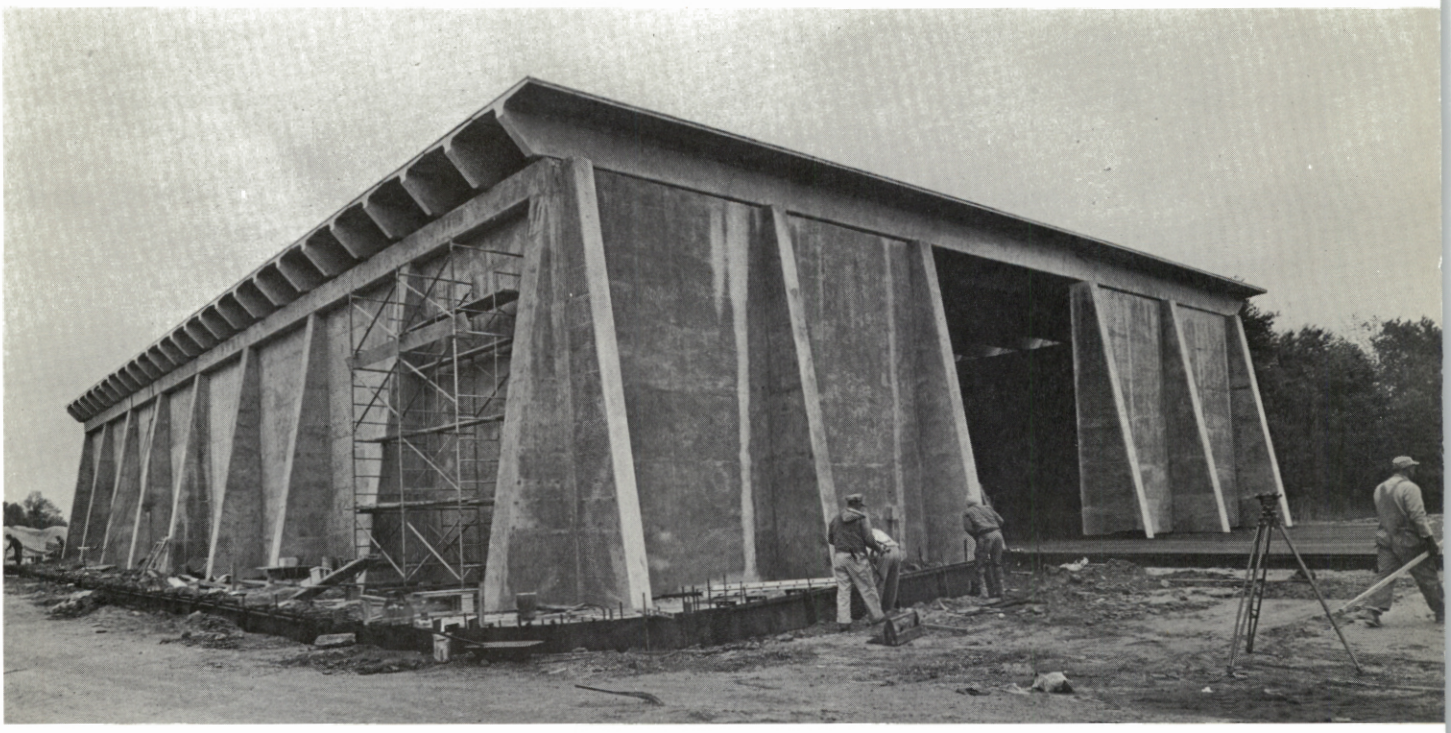
Maintenance took over work previously carried out by contractors—providing daily truck runs to areas where there are septic tanks and removing sludge from sewage plants to filter beds located at the Turnpike Sewage Treatment Plant at the Molly Pitcher Service Area (7S).

Water lines located at sewage plants at Fenimore Cooper (4N) and Joyce Kilmer (8N) Service Areas were replaced with new lines and relocated for expanded coverage.

The Department also began to replace worn underground gasoline storage tanks at the Service Areas—work formerly done by contract and to repair and recondition air conditioning systems and units in Turnpike buildings.

The original building used by





NEW SALT STORAGE BUILDING, WITH 9,000 TON CAPACITY, AT MAINTENANCE DISTRICT 2.

Maintenance District 2 was renovated for use by State Police at the Moorestown Station.

Designs for overhead turns over the Turnpike at District 4 at Milltown were completed and scheduled for use in 1968. Overhead turns are now in operation at District 2 at Moorestown.

Outstanding Shop

The Communications Section for the second straight year was selected as the outstanding shop at the Spring Inspection. At the Fall Inspection, District 1 at Swedesboro was judged the best shop.

A severe snow storm during the winter of 1966-67 brought a total accumulation of 51 inches as opposed to an average yearly accumulation of 29 inches for the Newark area. Because of the severity of the snowfall, 16,900 tons of salt were spread along the roadway during the winter.

New construction included the completion of Southern Division Headquarters building located at District 2. It houses Division and District offices and shops. The building is equipped with a lunch room and lavatory facilities for all personnel assigned to the District and Division.

A separate heated building in the complex is used for the storage of vehicular equipment used by personnel in the area. A fireproof storage area for flammable and explosive-type of material is also available. A salt storage building, large enough to hold 9,000 tons of salt, and four additional shop bays for repair of equipment were added to the complex. Snow removal operations in 1967 totalled $460,000, including the cost of outside contractors.

Bridge Phones Installed

In cooperation with the New Jersey Bell Telephone Company, 68 emergency telephones were installed on the Passaic and Hackensack River Bridges and placed into use in May. The Department was responsible for the general system, configuration signing, and supporting structures for the call box system which provides instant two-way voice communications for drivers of disabled vehicles.

The Communications section also completed revisions to the radio sign control system in the area north of Interchange 8 at Hightstown. New transmitting equipment on a separate radio channel, together with matching receivers at the 30 remote sign points along the roadway, now make the use of the sign system considerably more efficient.

The addition of this new exclusive use radio channel for remote control of signs and other traffic devices will provide the Turnpike with capabilities to expand this system several fold.

Maintenance radio dispatching and central control activities posted new records in the handling of



GUARDS PROVIDE TRAFFIC PROTECTION IN RESURFACING OPERATION.

patron service requests. The dispatching group placed into service in October 1964, has proved to be an effective focal point of communications control for all maintenance and allied activities on the roadway. Expanded responsibilities, which now include the role of a central information and record keeping operation for various operating groups, made it necessary to increase the personnel from five dispatchers to eight. In 1967, this control point processed and participated in providing emergency services to over 75,000 patrons.

Expansion of the Clara Barton (1S) Service Area water and sewage plant was completed. This included installation of a 200,000-gallon water tower. It also raised the design flow of the sewage plant from 80,000 to 250,000 gallons per day. The second 6,000 gallon tanker was put into service in 1967. The Turnpike now has two tankers in service, taking care of all of the service areas and interchanges on the Turnpike. Expansion of the sewage plants at the James Fenimore Cooper and Joyce Kilmer Service Areas was begun; it will include enlargement of the secondary settling tanks. The Walt Whitman Service Area (3S) was connected to the municipal water supply system in Runnemede.

AIR VIEW OF ENLARGED MAINTENANCE DISTRICT 2 AT MOORESTOWN.



Operations Computerized

Fleet records covering the operation and maintenance of all equipment assigned to the Maintenance Department are now prepared monthly and analyzed by electronic data machines in the Turnpike Data Processing Department.

These monthly reports, started in July, provide maintenance with information on costs of operating equipment. This system will result in considerable savings in time, money and effort.

A new-type of truck-mounted hydraulic median grass mower was added to landscaping operations. The unit replaced an old method of mowing the medians with conventional tractor equipment that required several passes over the area and use of back-up equipment, presenting contour problems. The new equipment mows the median in one pass with increased productivity.

Modern semi-automatic aluminum welding equipment was acquired which aided in solving a perennial problem of road sign maintenance.

Chapter VII

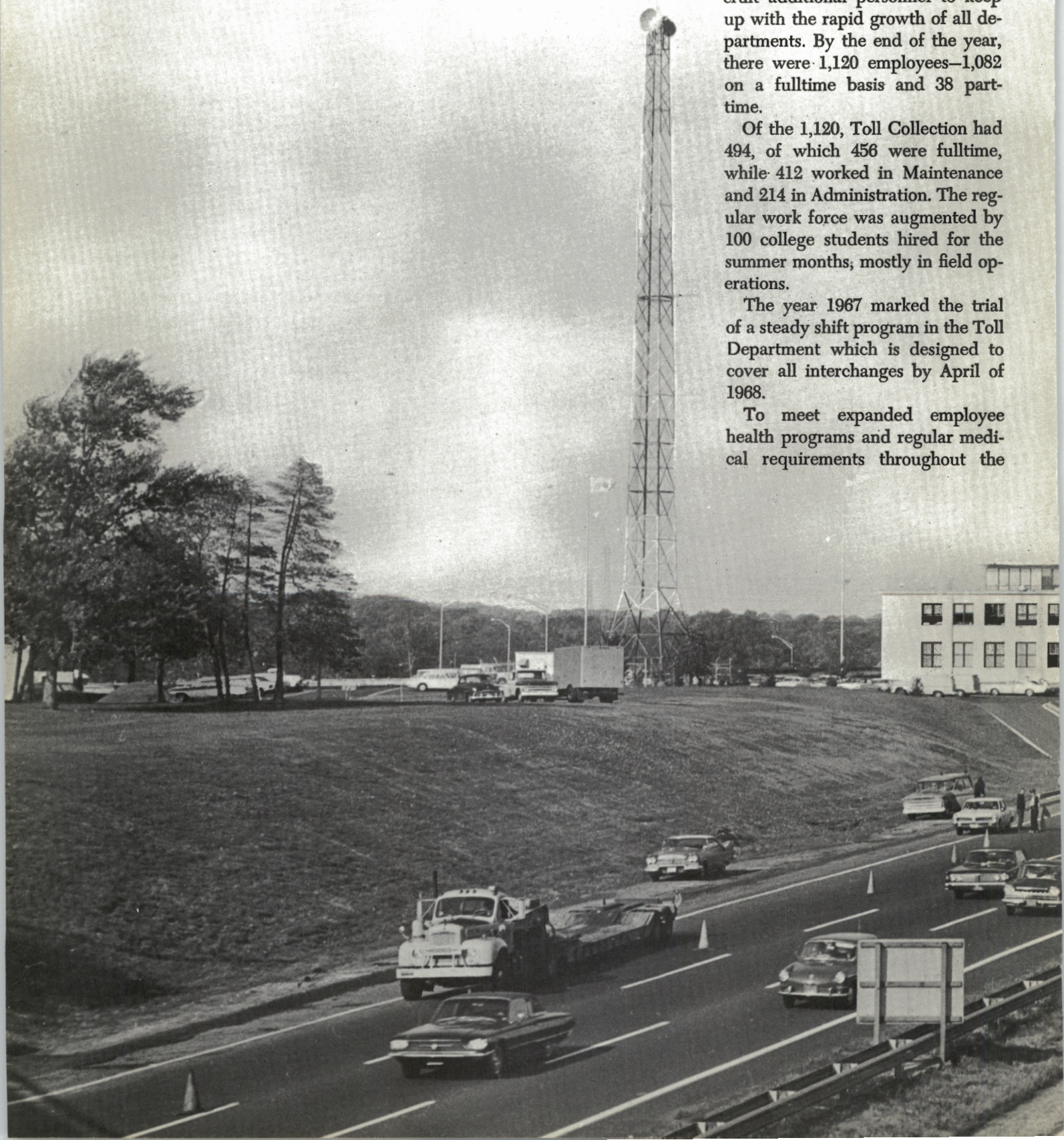
Personnel: A Banner Year

THE Authority's Widening Program created the need to recruit additional personnel to keep up with the rapid growth of all departments. By the end of the year, there were 1,120 employees—1,082 on a fulltime basis and 38 part-time.

Of the 1,120, Toll Collection had 494, of which 456 were fulltime, while 412 worked in Maintenance and 214 in Administration. The regular work force was augmented by 100 college students hired for the summer months, mostly in field operations.

The year 1967 marked the trial of a steady shift program in the Toll Department which is designed to cover all interchanges by April of 1968.

To meet expanded employee health programs and regular medical requirements throughout the



year, the staff of the medical department was increased by one full-time nurse. The work schedule of the Turnpike physician was expanded to handle physical examinations of new employees and other related medical requirements.

The Hospitalization and Medical Plan offered by the Authority was enlarged with the addition of Rider J clause at no cost to employees, effective January 1, 1968.

In memory of Harry Laderman, the Authority authorized the creation of a college scholarship fund. Harry Laderman, a toll collector, was killed when a truck crashed into his booth at the Lincoln Tunnel Interchange Complex on February 2, 1967.

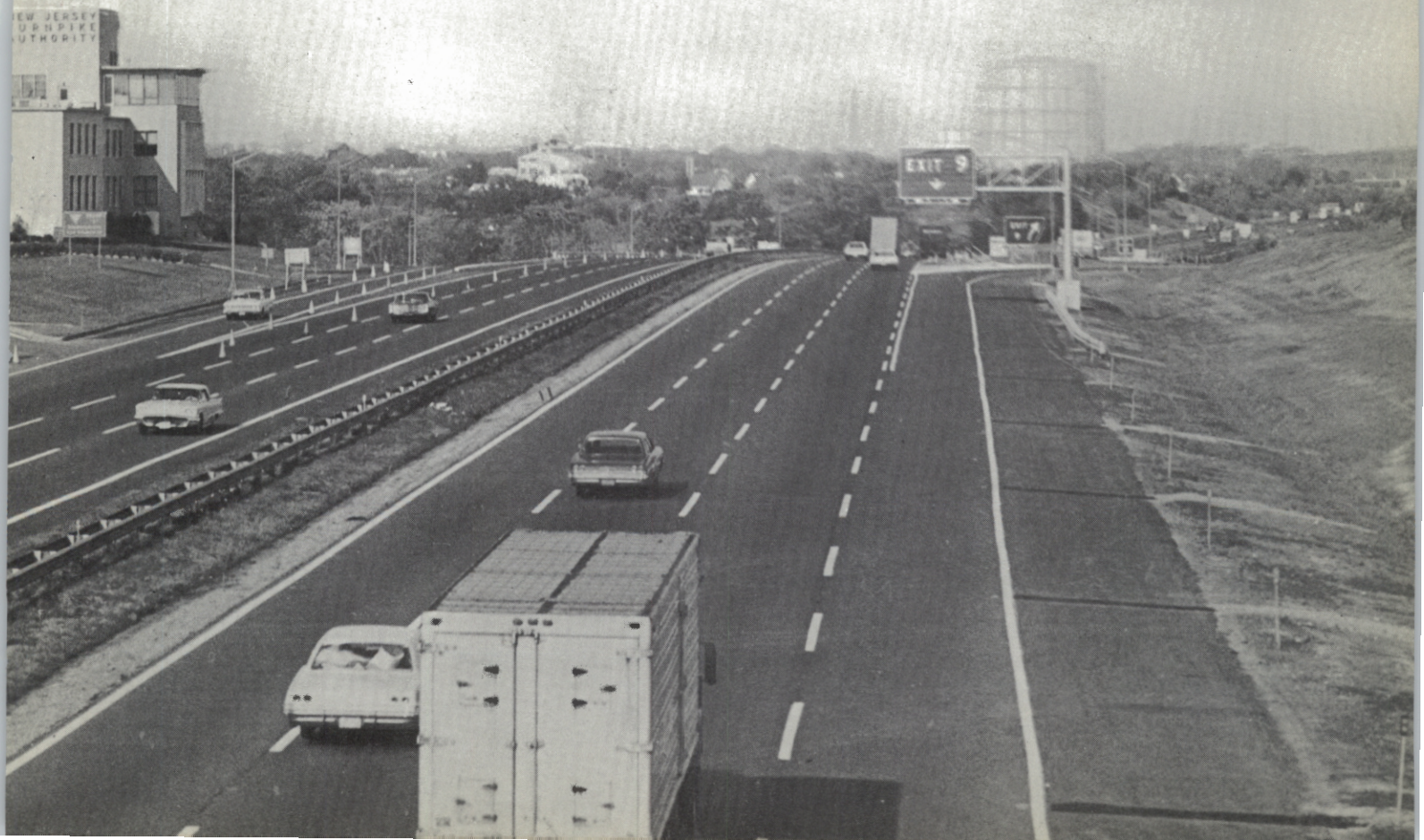
The Authority also adopted a resolution to dedicate in Mr. Laderman's memory the new Passaic River Bridge now under construction in connection with the Turnpike's expansion program.

A committee was formed to administer the Fund which will benefit sons and daughters of Turnpike employees. The Authority will contribute $2,000 a year to the Fund, to be dispensed under rules set up by an employees' committee. The grant will be paid in the name of the individual to the college at which he is registered, in the amount of $500 per year for a period of four years.

In November, the Authority announced a new salary program, authorizing increases for Turnpike employees, including across-the-board increments totalling $1,200 spread over a three-year period—$300 in 1968, $400 in 1969 and $500 in 1970, besides the continuation of its policy of regular merit increases based on performance reviews and established increment schedules.

In addition, it authorized a longevity payment of $250 to each employee with 10 years or more of continuous service, the amount paid in December, and to be continued in subsequent years. The new program makes Turnpike employees the highest paid toll road personnel in the nation.

The Employee Relations Improvement Committee (ERIC) continued to provide off-hour activities for personnel. It sponsored social events in the Spring and Fall, and supervised the Sixth Annual Christmas Family Reunion for Turnpike employees and their families. The Suggestion Plan, to which employees contribute their ideas for the improvement of operations and greater safety, handled 500 entries in 1967 and made 45 cash awards in the program initiated in 1962.



Chapter VIII

A Step-Up i

NINETEEN sixty seven saw the emergence of the Legal-Real Estate Department in full operation, dominated by the property acquisitions required for the Widening.

At the year end the Authority had taken title or was in possession of approximately 400 of the 800 parcels needed for the expansion. The acquisition for the Edison Interchange was virtually complete, with only three parcels remaining, and these were in condemnation.

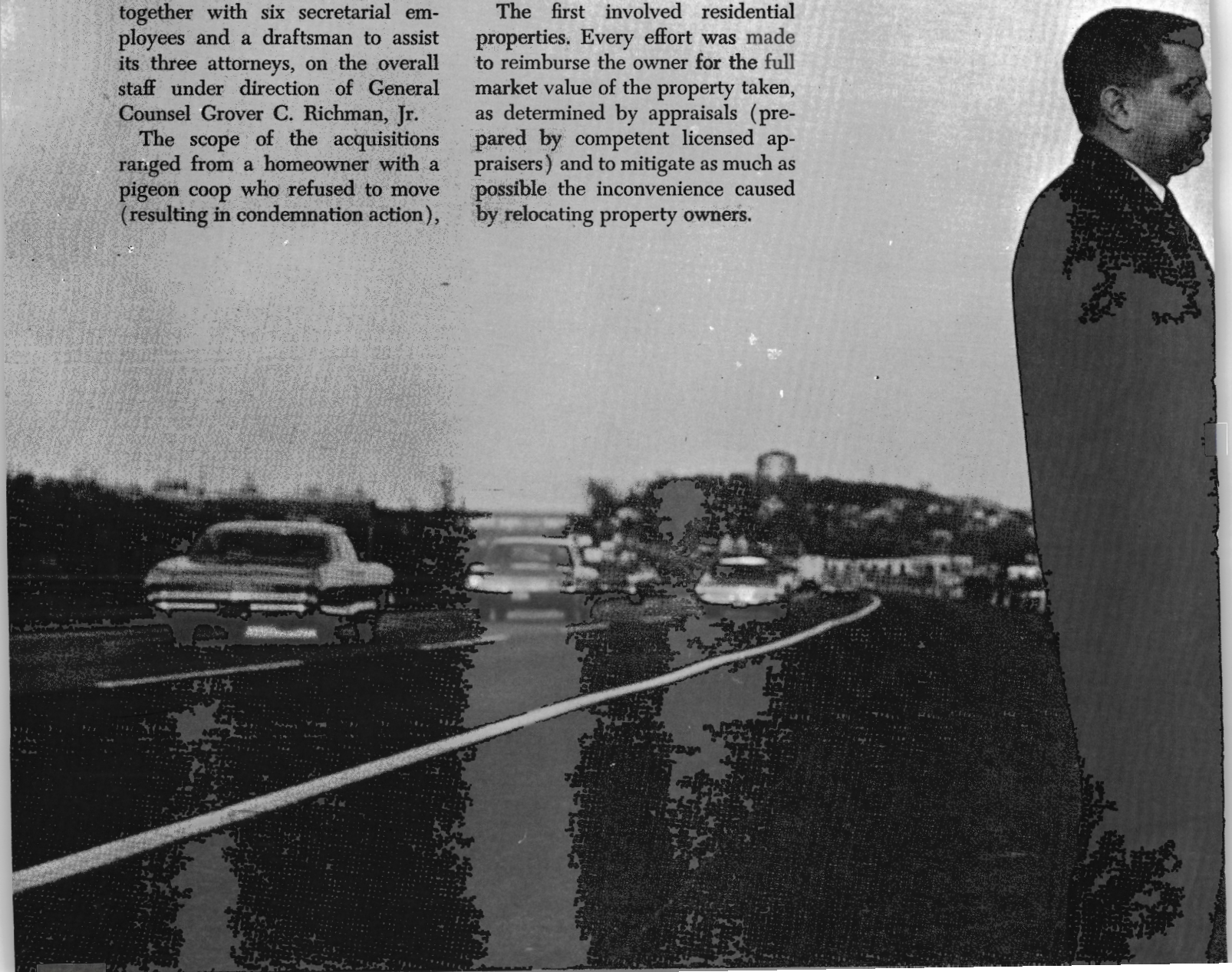
The Department utilized the services of three full-time negotiators, together with six secretarial employees and a draftsman to assist its three attorneys, on the overall staff under direction of General Counsel Grover C. Richman, Jr.

The scope of the acquisitions ranged from a homeowner with a pigeon coop who refused to move (resulting in condemnation action), to the taking of a portion of an outdoor drive-in theater and the removal and relocation of six radio towers. The towers had to be removed and relocated in such a manner to avoid any disruption in broadcast operations and still be available to the contractors within the framework of the construction schedule. About 85% of the acquisitions was accomplished without resort to condemnation.

In accomplishing its designated assignments the Department was guided by a three-pronged objective.

The first involved residential properties. Every effort was made to reimburse the owner for the full market value of the property taken, as determined by appraisals (prepared by competent licensed appraisers) and to mitigate as much as possible the inconvenience caused by relocating property owners.

The second phase involved the taking of commercial and industrial property. Here the Authority strove to lessen the effect of such acquisitions to avoid total loss of commercial or industrial use and the consequent disruptive effect upon a municipality by the loss of ratables. An example would be the construction of a retaining wall by the Authority where the situation permitted, instead of a much larger taking of property for slope embankments, thus resulting in a mini-



.egal-Real Estate

mal effect upon the existing commercial use and permitting the business to remain as a functional, profitable enterprise.

The third phase was to make properties available to contractors without delay and so avoid claims for damages that would result. All acquisitions have been on schedule and no formal claims have been made by any contractor against the Authority for delay in availability of construction sites.

The legal operations were similarly in high gear. There were instituted, for instance, a total of 50 condemnation complaints. But the most voluminous file is the case of the Authority, among others vs Morton Salt Co., et als, in which the Authority successfully appealed a U.S. District Court decision dealing with an involved interpretation of the Clayton Anti-Trust Act.

Suits are also pending against the Authority for damages arising from earlier construction and by the Authority against trucking companies for damages to Turnpike property.

Moreover, Legal continued to review and prepare easements, deeds, crossing permits, contracts, utility orders, insurance requirements and labor relations matters, and it provided advice and counsel to the various departments.



Chapter IX

Informing the Public

A YEAR marked by the expansion program gave impetus to the Authority's informational activities to serve a wide area of interests.

The communications media, including six daily newspapers with correspondents assigned to the Authority, were served by the Public Information Department with a running account of Turnpike developments.

Press and radio were kept abreast of construction progress through news releases, personal interviews, photographic reports and by attending the Authority's meetings. Visual evidence of construction progress was provided for newsmen and photographers in periodic aerial inspection tours of the widening aboard Turnpike helicopters.

Mr. Pyle Visits Road

Requests from other publications for the latest information on the work and from interested parties regarding the widening, including right-of-way matters, were handled by the Department as a source of news or photographic material.

Press coverage was highlighted on July 25 when Howard Pyle, president of the National Safety Council, was a guest of the Authority in his first official visit to a toll highway. On that occasion, Mr. Pyle praised the Turnpike for its "dedication to the cause of highway

HOWARD PYLE, PRESIDENT OF NATIONAL SAFETY COUNCIL, MEETS PRESS ON TURNPIKE.





STAFF PHOTOGRAPHER OLECK, WITH INFORMATION ASSISTANT KOCSIK, BOARDS CRAFT FOR "REPORT" PHOTOS.

safety" and presented Authority Chairman Joseph Morecraft, Jr. with a citation for maintaining and constantly improving a "high level of safety for the millions of American motorists who use its miles of essential roadway."

Mr. Pyle held a press conference at which he described the Turnpike as a "neatly packaged type of business, being run on a business basis and a forward-looking pioneering highway constantly concerned with safety."

Work Expanded

Quickly geared to the additional demands imposed by the expansion program, the Public Information Department experienced a corresponding increase in other areas of work. There was the necessity to prepare and have published a new supply of strip maps, expand its news coverage for the employee newspaper, the Pike Interchange, run off a new issue of its hotel-motel directory and its Charter Bus Stop pamphlet, and redo in printed form the facts booklet on the widening program. In addition, the Department served as the clearing house for other publications and publicity material on employee activities during the year.

These activities were fully reported in the Pike Interchange which began its ninth year of publication in September 1967 and had its 100th issue in December.

Another important phase of its work is the publication of the Authority's Annual Report, the material for which was supplied and documented for the Authority by its staff and the photographs furnished by the Photographic Section.

Maintained Close Contact

Throughout the year, the Department maintained a close liaison with other departments on informational matters in order to assure that the data obtained and distributed to the public or to Turnpike employees was accurate.

Of concern to the Department also was the Employees Suggestion Plan under the ERIC program. The many suggestions submitted by personnel for consideration by the Awards Committee continued to be processed by the Department and followed through from review by the various department heads to final evaluation by the Committee.

The Department from time to time received and conducted visitors on tours of the Administration Building. There were delegations from schools, Boy and Girl Scout troops interested in the Turnpike operations and occasionally engineers and other technical people from other countries who came to discuss the Turnpike organization and the construction techniques. They were all cordially welcomed.



NEW TOLL PLAZA (BEHIND TOWERS) AT ELIZABETH. WITH TURNPIKE PASSING UNDER GOETHALS BRIDGE (RUNNING DIAGONALLY THROUGH PICTURE CENTER).



A TURNPIKE HELICOPTER SURVEYS SITE WHERE NEW COMPLEX TO CONNECT THE GARDEN STATE PARKWAY IS NOW BEING BUILT.

Designed by Robert Ahlgrim

Photography by Al Oleck
State Photographer, New Jersey Turnpike

Printed by Terminal Printing & Lithographing Co.
Hoboken, N. J.

