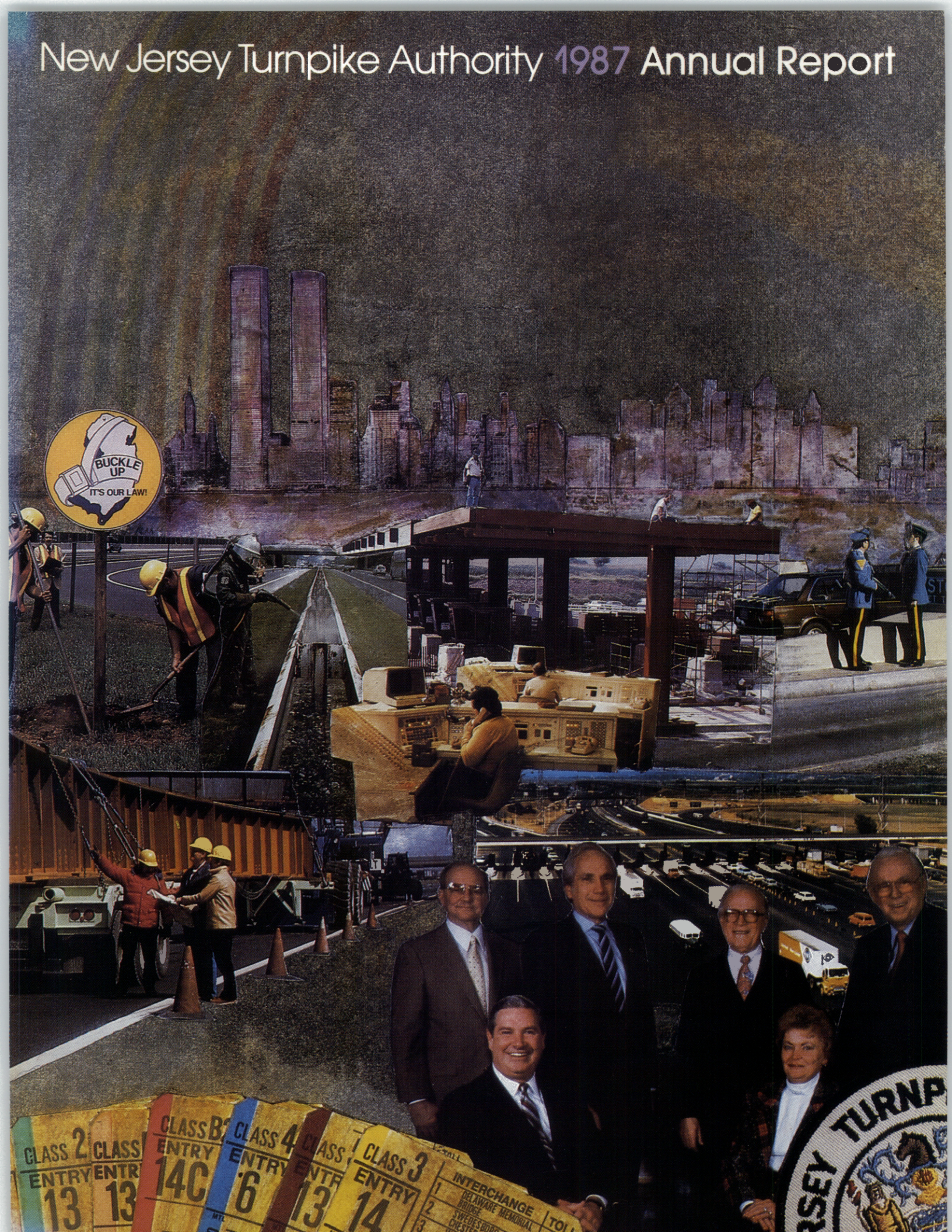


New Jersey Turnpike Authority 1987 Annual Report



BUCKLE UP
IT'S OUR LAW!

CLASS 2 ENTRY 13
CLASS B ENTRY 14C
CLASS 4 ENTRY 6
CLASS 3 ENTRY 14

INTERCHANGE
DELAWARE MEMORIAL BRIDGE
JEWEL'S ROAD
CHESTER

NEW JERSEY TURNPIKE AUTHORITY

Thomas H. Kean, Governor



••• Letter of Transmittal

NEW JERSEY TURNPIKE AUTHORITY

(201) 247-0900

NEW BRUNSWICK, N. J. 08903

To the Honorable Thomas H. Kean, Governor
and Members of the New Jersey Legislature:

March 1, 1988

This Annual Report provides a narrative, pictorial and statistical summary of our 36th full year of service to the people of this State and its visitors.

Construction is finally under way in our Widening and Improvements Program between Interchanges 8A and 9. The northern section between Interchange 11 and Route 46 should soon be under way following State and Federal environmental review and approval.

Evidence of other accomplishments during the year includes a variety of ongoing maintenance, facility and systems enhancement projects as detailed in the Departments Section of this report. We had one of our safest years with an 0.66 per 100 million miles traveled fatality rate--no small achievement when 183 million vehicles set a new record in traveling more than four billion miles on our road.

Once again we commend the efforts of 1,847 employees for the accomplishments herein recorded and offer sincere appreciation for the support of our Executive and Legislative branches of government.

Respectfully submitted,

Joseph A. Sullivan
Chairman

Michael Kardon
Vice Chairman

Dolores T. Prideaux
Treasurer

Frank E. Rodgers
Commissioner

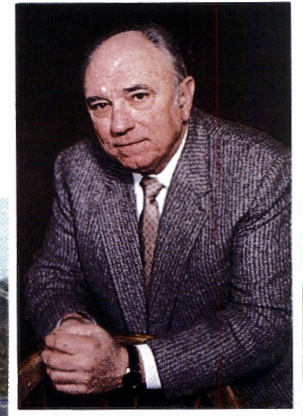
Richard Tissiery
Commissioner

Staff

William J. Flanagan *Executive Director*
 Frank B. Holman *Senior Executive*
 John M. Carroll *Comptroller*
 Paul M. Weckesser *Chief Engineer*
 Wallace R. Grant *Director of Maintenance*
 Robert F. Dale *Director of Operations*
 Herbert I. Olarsch *Senior Attorney*
 William J. Burke *Director of Toll Collection*
 Valeria J. Dalesandro *Director of Personnel*
 Gordon R. Hector *Director of Public Information*
 Richard R. Zysk *Director of Systems and Data Processing*
 Daniel J. Donahue *Director of Purchasing*
 Charles A. Dupuis, Jr. *Director of Risk Management*

* *
 Kimmelman, Wolff & Samson *General Counsel*
 Howard Needles Tammen & Bergendoff *Consulting Engineers*

* *
 Peat Marwick Main & Co. *Auditors*
 Wilbur Smith and Associates *Traffic and Revenue Consultants*
 Hawkins, Delafield & Wood *Bond Counsel*
 Smith Barney, Harris Upham & Co., Inc. *Investment Bankers*
 Kidder, Peabody & Co., Inc. *Financial Advisors*



THE AUTHORITY: Visiting construction site with Executive Director Flanagan, left, are Vice Chairman Michael Kardon, Chairman Joseph A. Sullivan, Commissioner Frank E. Rodgers, Treasurer Dolores T. Prideaux and Commissioner Richard Tissiere.

INSET: Frank B. Holman, Executive Director-elect, will fill the position when William J. Flanagan retires February 5, 1988.

• Engineering

An ambitious \$2 billion 1985-90 Widening Program commenced with groundbreaking ceremonies held at the Turnpike Administration Building. The Interchange 9 toll plaza is one of five locations between Interchange 8A and 9 where construction began simultaneously as part of a solution to assist with the orderly growth of our State, meet local needs and provide for a safe and efficient Turnpike.

Included in the Widening Improvement Program is a relocation of Interchange 7, a dedicated Truck Service Area and construction of a continuous concrete median barrier on the Turnpike. The Engineering Department also undertook a \$16 million Extraordinary Maintenance Program for the fiscal year of 1987 as well as an additional \$8 million Special Projects Improvement Program. To better visualize the scope of work that is representative of our 1987 Program the following selected projects and pertinent details are presented:

On June 23, 1987, the groundbreaking ceremony was held at the Administration Building helipad overlooking the Interchange 9 toll plaza to officially commence the Interchange 8A to 9 segment of the Widening.

The Widening Program will ultimately include the widening between Interchange 11 and the Northern Terminus of the Turnpike near Route 46. Applications for necessary permits from the Army Corps of Engineers and the U.S. Coast Guard were filed in August 1987 and the final Environmental Impact Statement (E.I.S.) was filed in September 1987. The State Department of Environmental Protection will also review the final E.I.S. along with applications to be submitted to them concerning water quality, landfill disruption, waterfront development, etc. Public hearings for this work will be held in early 1988 and expeditious reviews by the permitting agencies involved should permit construction to start soon thereafter on this part of the Widening Program.

The Interchange 7 relocation work is progressing on schedule and has met all public concerns.

The dedicated truck service facility is planned for the former charter bus site located behind Molly Pitcher Service Area in Cranbury between Interchanges 8 and 8A. It is expected to handle more

than 2,500 trucks daily. It is anticipated this exclusive truck service facility will eliminate the present overcrowding of the existing service areas by truckers on the Turnpike.

Included in the Widening Program is the continuation of the main line concrete median barrier design and construction. Since the decision to replace the median guardrail was made, concrete barrier has been constructed on the main line median between miles 29 and 40, miles 78 and 82 and on the Newark Bay-Hudson County Extension. Design services have been approved to provide this high performance median barrier from Interchange 7A to the southern limit of the proposed dual-dual roadway south of Interchange 8A. Additional sections between miles 40 and 48, miles 58 and 60 and miles 75 and 77 are being designed. Two contracts were awarded in September 1987 for the section between miles 60 and 73.

A \$16 million Capital Construction and Extraordinary Maintenance Funding Program provides for the continued repair and rehabilitation of the Turnpike's major infrastructure components (i.e., roadways and bridges). Part of this budget has been allocated for bridge deck repairs which provide for the removal and reconstruction of deteriorated concrete deck slabs and joints. Any evidence of significant deterioration or potential structural failure is investigated in our annual bridge inspections and repair programs are developed. Two major bridges, Passaic and Hackensack River Bridges, have been targeted for deck surfacing repairs. The surfacing on these bridges is approaching the end of its serviceable life of 20 years. A substantial effort is being planned over the next several years for complete replacement of the membrane and wearing surface on these structures.

Miscellaneous structural repairs on selected bridges were also earmarked as part of our systematic annual bridge inspection program. We completed construction on two repair contracts designed in 1986 and started a third repair contract. An additional design contract was initiated in 1987 for miscellaneous structural repairs on the

Delaware River Turnpike Bridge and a selected number of structures farther north. Actual construction will commence in 1988. Included in this section of the Turnpike is the design of permanent access roads to the Utilities Authority's proposed Resource Recovery Facility in Ridgefield, adjacent to our Vince Lombardi Service Area. In an agreement dated March 18, 1986, the Utilities Authority will reimburse the Turnpike Authority for all costs associated with the design and preparation of contract documents.

Repainting of approximately 9,250 tons of steelwork on the East Viaduct of the Hudson County Extension was accomplished. Additionally, 75,000 square feet of a special Zinc/Vinyl Paint System was adapted for all steelwork below the roadway open expansion joints including the fixed and expansion bridge shoes. A contract was awarded in 1987 to cover the cost of implementing the two paint systems on the East Viaduct Structure.

The Extraordinary Maintenance Program included provisions for main line resurfacing of those areas showing deterioration, settlement, wheel rutting and lipcurb damage. Work started on resurfacing preselected areas between mile 43 and mile 91 and the Pennsylvania Extension. Several service areas, interchange and maintenance districts have also been included in this resurfacing program.

An \$8 million special projects reserve account addressed an assortment of construction improvement projects at interchanges, service areas, maintenance districts and communication networks as follows:

The Authority's continuing policy of rehabilitating its service stations and fuel distribution facilities provides for the complete reconstruction and upgrading of Service Area 10N in Edison, 11N in Elizabeth and 12S in Secaucus.

In conformance with Department of Environmental Protection regulations and the federally enacted Clean Air Act, the Authority has been quick to meet the highest standards of environmental quality. In this regard, specific designs have been developed to include a Stage II Vapor Recovery System in the design of Service Areas 10N, 11N and 12S fuel system. This will include installation of special fuel dispensary nozzles designed to capture hydrocarbon vapors and preclude their interaction with other industrial airborne pollution that create ozone—the main component of smog and source of severe irritation for people with chronic respiratory problems.

Similar design work previously authorized in 1986 for Service Area 6N reached the construction phase and two construction contracts were awarded in 1987. The work includes the reconstruction of fuel islands and improvements to parking facilities. The installation of new underground fuel tanks and related piping, dispensing islands and overhead canopies at Service Areas 7S and 3S, initiated in 1986, were completed in 1987.

Over the years, the Authority has continued a concrete slab extension and rehabilitation program at its heavily trav-

bound from the Goethals Bridge has been slated for widening and realignment. Design work was completed in 1987 and construction is expected to start in early spring of 1988.

Special projects include revisions and reconstruction of ramps outside of Interchange 15E. The Turnpike Authority and New Jersey Department of Transportation are jointly funding a construction project designed to improve the roadway system at Interchange 15E, Route 1 and 9 and Raymond Boulevard in Newark. Construction of the roadway improvements

existing computers have produced a more comprehensive network of user-friendly computer resources. The Administration Building Local Area Network installation was completed mid-year, and, by the year end, 150 CRT terminals were already connected to it. An additional 100 terminals will complete the system.

By mid-year, enhancements were made to the second generation Automatic Traffic Surveillance and Control System Software. These consolidated control of the two sign systems (north and south), and made traffic statistics more



PLACING GIRDERS in Interchange 9 northbound ramp construction as part of the 1985-90 Widening Program. Each set weighs 50 tons and is 90 feet long.

eled toll facilities to correct severe rutting and pavement distortion problems. This program involves the construction of heavily reinforced 10" thick concrete slabs designed to absorb the tremendous braking and acceleration forces that occur at the entry and exit sides of our toll plazas. This is due in part to the increasing volumes of commercial vehicles traveling our system. These improvements were authorized for Interchange 13 and also included an upgrading of the toll treadle system. This construction repair contract was completed in 1987.

Ramp improvements are another integral part of maintaining the high efficiency and safety of the Turnpike arterial system. The ramp at Interchange 13 which carries traffic exiting I-278 west-

began in July 1986 and is expected to be completed in 1989.

Continuation of the Authority's landscape beautification program has allowed for the completion of landscape improvements at Interchanges 2 and 5. Likewise, the newly commissioned Distribution Building in Milltown, adjacent to local residences, has received the benefit of site work and lawn establishment along with screen and ornamental plantings.

Noteworthy accomplishments have been made in the area of electronic engineering and are currently being used to good advantage. Follow-up work on the installation of two Digital Equipment VAX machines and their integration with other

readily available to any of the CRT station operators who are authorized to access that kind of data.

By the end of 1987, a high-speed Datacom Link to the Maintenance Department Central Shops was established. This enables the Maintenance administrative personnel quick access to the Administration Building computer resources.

The Electronic Systems Section of the Engineering Department also completed installation of the new ROLM Telephone System. This will assist in the optimization of Telco trunk and WATS circuits on an ongoing basis.

• **Maintenance**

The programming of the Maintenance Management system utilizing the ORACLE Data Base was initiated in 1987. This focused on a Work Order System which is fundamental to computerized maintenance controls—preventive maintenance work, equipment history, and various types of cost analysis. Implementation details have been provided, software coding documented, and a fully operational pilot program has been established at the Maintenance Department's Southern Division Headquarters. It is anti-

liquid calcium chloride—and associated spraying equipment at Maintenance Districts 5 and 6. Conclusions drawn from the program have shown that use of wetted salt has resulted in a significant reduction in rock salt usage and will typically melt snow and ice faster than untreated salt. Recommendations have been made for capital funding to install wetted salt facilities Turnpike wide.

In the Spring of 1987 a wildflower program was undertaken at Interchange 7A. By the close of summer, a grass bowl area was transformed into a spectacular

replacement decision saved the Authority approximately \$425,000 in purchase costs and provides the Maintenance Department with a more economical and utilitarian vehicle.

During the 1986-1987 winter season, the Maintenance Department responded to sixteen snow events. Approximately 19,000 tons of salt were utilized during this period. Costs for materials, labor and contractor participation were approximately 1.3 million dollars.

A Memorial Softball Field, located at Southern Division Headquarters in Mt.



BRIDGE PIER is in place to hold fly-over ramp for southbound inner roadway traffic from Interchange 9.



SPRAYING SOLUTION of calcium chloride on rock salt proved successful in reducing cost and increasing efficiency of snow and ice removal operations.

pated that full implementation of the system will occur during 1988.

Of the thirty-one Turnpike employees enrolled in the Apprentice Program, six individuals have completed all requirements of the four year curriculum, which included 576 hours of formal training at a vocational school and concurrent on-the-job training. Four of these individuals are currently working as journeymen in the Maintenance Department, and two have been assigned to a promotional pool, to be available when vacancies occur in their respective crafts.

The Maintenance Department has completed a three year study of wetted salt—rock salt coated with a solution of

display of colorful wildflowers. The future results of this project will determine the extent of the wildflower uses and the prognosis is good. The anticipated outcome will reduce mowing costs and roadside aesthetics will be greatly enhanced. An additional 2,000 evergreen seedlings were planted and dedicated to the Governor's "Turnpike Region Environmental Enrichment" (TREE) program.

A recommendation was presented in 1985 not to replace the Authority's aging 14 cubic yard tandem dump trucks in kind. As an alternative, two 7 cubic yard diesel single rear axle vehicles were purchased for evaluation. After an eleven month successful evaluation, the Maintenance Department has purchased an additional fifteen 7 cubic yard units. This

Laurel Township, was dedicated to the memory of four Maintenance Department employees who lost their lives in performance of their duties. Inspiration for a suitable tribute to these employees came from within the Maintenance Department as did its planning and construction. Over 2,000 man hours were expended by Maintenance Department personnel—Maintenance Men, Equipment Operators, Heavy Equipment Operators, Masons, Carpenters, Building Mechanics, Electricians and Landscapers—constructing a regulation ball field complete with bleachers, backstop, and Memorial Plaque. The Memorial Field will be used by the Mt. Laurel Recreation Department, the State Police, and all Departments of the Turnpike.



• Turnpike Growth is a Partnership

Large scale construction programs, whether private sector or public, must be planned, designed and implemented in a partnership between need and nature. Such partnerships must balance the need for the project with sensitivity to its impact on the natural environment.

In response to unprecedented growth in traffic, the New Jersey Turnpike Authority has initiated an ambitious highway construction program. But unlike previous highway construction, which simply laid down concrete and asphalt, this \$2 billion widening and improvement project constitutes a massive environmental cleanup and enhancement program.

The Turnpike Authority recognized that the badly needed expansion would go through densely populated and environmentally sensitive areas. We therefore took the initiative to improve the environment surrounding the road.

The Authority will clean up toxic and hazardous waste sites, create and improve wetlands, reduce noise and air pollution and generally improve the

environmental quality of life in the region. While easing traffic congestion and enhancing highway safety, these environmental improvements should set a standard for future construction projects throughout the United States.

Turnpike staff and consultants met in advance with leaders of the State's environmental community, benefitting from their useful advice and suggestions.

Specifically, we undertook a massive redesign of the interchange in the Lyndhurst-Route 3 area to satisfy environmental considerations which we believe far outweigh engineering and cost problems.

Through bridging and avoidance, we have minimized Turnpike construction in environmentally sensitive wetland areas. The Turnpike will disturb only 180 unconnected acres. Using a mitigation plan that calls for the creation of 322 acres of new prime wetlands, the Authority will add 1.8 acres of higher quality wetlands for each acre it disturbs.

The original interchange design would have disrupted the nesting and feeding grounds of the state's endangered Northern Harrier and destroyed some prime wetlands. That area will be acquired by the Turnpike and maintained as an environmental park after improvements are made. The park will enhance a natural habitat for nearly 300 species of birds, fish and mammals, including several that are on the New Jersey endangered species list.

Between Newark International Airport and the Meadowlands Sportsplex, where lanes will be added and the new interchange built, all potentially contaminated sites will be examined, tested and cleaned up where necessary.

Eleven landfills along the Turnpike will be environmentally "closed" and sealed where affected. In addition, the 140-acre Avon landfill in Lyndhurst finally will be "closed" by building above and below surface sidewalls, capping the top, compacting and constructing leachate containment and gas-venting systems.



When stabilized, this landfill will become the site of the new Interchange 15W-A. It will relieve congestion on Route 3 near Giant Stadium and improve the traffic flow to Route 17 in Bergen County.

Air quality will be improved by unlocking the stop-and-go traffic jams that are all too common today. When automobile traffic slows from 55 to 35 miles per hour, carbon monoxide emissions increase by six times and 45 percent more hydrocarbons are emitted.

To alleviate noise pollution, the Authority will build noise barriers in residential areas such as East Brunswick, Milltown and north of Interchange 11. This will be one of the largest, non-federally financed noise abatement programs in the country. It is being designed with input from the local residents who are most directly affected.

New Jersey's varied transportation systems have contributed greatly to the unprecedented economic expansion that our region has experienced during the last six years. However, the wide diversity of residence and work sites creates a broad range of travel origins and destinations.

Improvements to one transportation system, like the Turnpike, can not satisfy everyone or cure all our interlocking transportation problems.

But the Turnpike Authority, working closely with other public and private sector organizations, will continue to interact with concerned citizens and environmentalists. This approach alone can ensure an environmentally sound transportation infrastructure that will meet the needs of the 21st century.

New Jersey has led the nation in the past in highway safety and design. I predict that in the future the nation will look to us as the model for infrastructure construction that balances need with nature and enhances the environment.

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THIS OPINION piece written by Chairman Joseph A. Sullivan was published in the *New York Times* on January 31, 1988. Chairman Sullivan appears above with Jim Fowler, host of *Mutual of Omaha's Wild Kingdom*, and his eagle at the HMDC Headquarters in Lyndhurst where the Authority conducted an Environmental Seminar in August 1987. Photos to the left and right show areas of the Meadowlands where the Authority intends to preserve and enhance the environment while improving the Turnpike.

• **Operations**

On August 12, 1987, an exact change lane was instituted at Interchange 11 in Woodbridge. This innovative operation in which all classes of vehicles are permitted to use the lane has resulted in an approximate 24% increase in the evening rush hour volume. Plans are under way to install exact change toll lanes at other interchanges sometime in 1988.

Safety related construction projects were completed in 1987 with the installation of two new changeable message signs on the southbound easterly roadway near Interchange 17E. These signs permit easier closings of this roadway when necessary, and provide motorists with improved motorcycle and trailer ban alerts. In addition, the construction of an overhead sign structure containing speed limit and speed warning signs just south of Interchange 10 in Edison, started in late 1987. The completion of this project will result in the availability of speed warning and speed limit signs at intervals of approximately 2 miles.

Hazardous material training for members of the State Police, Operations Department and other Turnpike departments continued during 1987. Members of the Operations Department attended radiology training, and a refresher course, supplementing the 1986 hazardous material training.

The enhancement of the ATSC System software was completed in 1987 giving more flexibility and increased report capacity to the ATSC System in the first major software update. A major improvement was made in computer sign control increasing the speed and reliability of computer sign control. Another improvement was made in the method of obtaining traffic reports and the ability to retrieve information from the System's recorded data of past events. In addition, extensive software programming was completed for the forthcoming integration of all Turnpike sign control into one master computer system.

On April 1, 1987, Shell Oil Company became the new service station operators at the Turnpike's 13 service areas. During the last 9 months in 1987, Shell Oil Company's performance resulted in a substantial increase in sales and revenue to the Authority. The Marriott Corporation operating Big Boy and Roy Rogers restaurants on the Turnpike also showed a significant increase in sales and concession revenue.

Renovation of the service station at the Walt Whitman Service Area was completed in 1987 and renovation of the service station at the Woodrow Wilson Service Area will be completed in early 1988. Plans for renovating the service stations at Grover Cleveland, William F. Halsey

Turnpike Safety Record

	1987	1986
Enforcement:		
Summonses Issued	74,616	73,723
Criminal Arrests	6,417	3,355
Aids to Motorists:		
Mechanical	49,553	46,058
Gasoline	5,022	5,194
Flat Tires	5,371	5,611
Overheat	553	969
Other	18,629	19,904
Total Aids	79,128	77,736
Aid Ratio	1 per 2,325 Vehicles	1 per 2,300 Vehicles
Aids Per Day	217	214
Accident Information:		
Accidents	5,309	4,489
Accident Rate	129.7	113.7
Personal Injuries	2,404	2,008
Injury Rate	58.7	50.9
Fatal Accidents	18	24
Fatalities	27	33
Fatality Rate	0.66	0.84

NOTE: Accident and fatality rates are computed on a basis of 100 million miles of travel.



HAZARDOUS MATERIALS training continued during 1987. State Police, Operations and other Turnpike department personnel attended radiology and refresher courses supplementing last year's training.



TEN additional Troopers were authorized during 1987. Another 30 during 1988 will increase the State Police complement to 217. Here, Troop D Headquarters officers conduct annual inspection at the New Brunswick station.

and Alexander Hamilton Service Areas are in progress with anticipated start in the Spring of 1988. These renovations, which include the reconstruction of the fuel islands and the construction of a new canopy will result in improved service quality to the traveling public.

During the year 1987, 274 vehicles left unclaimed at contract garage areas were disposed of by the Emergency Services Division of the Operations Department. In addition, the Emergency Services Division coordinated the operation of 31 contract garages, 42 ambulance squads, 30 fire departments and road service vehicles from the Turnpike's 13 service areas.

Troop "D"

State Police assigned to Troop "D" continued their enforcement of the 55 mph speed limit. The number of speeding summonses issued in 1987 was 32,510. The drinking driver is of prime concern to the State Police and the Turnpike Authority. Special funding enabled the State Police to initiate DWI Supplemental Patrols on a regular basis with the sole purpose of removing the drunk driver from the roadway. State Police arrested 843 motorists for driving while under the influence.

A total of 5,309 motor vehicle accidents were investigated in 1987. The Troop "D" computer was utilized in the close monitoring of motor vehicle accidents. At the end of every month, stations received a computer printout indicating the accidents occurring in each area. The information indicated the high accident areas, time of day, day of the week, and weather conditions. This information enabled each Station Commander to concentrate patrols in the needed areas, and to initiate programs, in an attempt to decrease these accidents. Of the 5,309 accidents investigated in 1987, 18 were fatal accidents which resulted in 27 deaths, reflecting a fatality rate of 0.66 per 100 mvm.

During 1987 Troop "D" personnel maintained a uniform flow of traffic at the Meadowlands during sporting events and concerts. Supplemental Programs were set up and patrols were placed at strategic locations insuring a smooth traffic flow, both before and after each event. An additional supplemental program was initiated at the Express Bus Lanes (XBL) at Interchange 17. Additional personnel were utilized to assist with the high volume of bus traffic during the rush hours. Troop "D" personnel participated in the Construction Zone Supplemental patrols, assisting with the traffic flow, enforcing the speed reduction through the con-

struction areas and maintaining the safety of the construction workers during the Turnpike's roadway construction work.

Located at milepost 66 northbound is the Troop "D" Pistol Firing Range. Since its completion in the latter part of 1985, Troop "D" personnel have qualified two times in 1987. This was beneficial to Troop "D" in that troopers on patrol could report to the pistol range, qualify, and then resume their patrol in a minimal amount of time.

State Police issued 74,616 summonses in 1987. Of these summonses, 27,082 were issued to trucks, 774 to buses, and 46,760 to all other vehicles. Minor infractions of the Motor Vehicle Code required issuance of 23,962 warnings. In addition, Troop "D" provided aid to 79,128 patrons. Toll evasions accounted for 318 summonses issued to those violators.

The Criminal Investigation Section accomplished 6,417 arrests, encompassing a broad spectrum ranging from rape to juvenile runaways. Making up a major portion of arrests were 886 for carrying deadly weapons and 3,964 for various narcotic violations, a majority being large quantities of marijuana and cocaine. The total estimated value of narcotics seized was \$10,641,901.

• **Toll Collection**

1987 will be remembered as a year of progress in the Toll Collection Department. Revisions in previously established procedures have provided an improvement in our service to patrons while reducing overall costs to the Turnpike.

Toll revenue is the primary source of revenue for the complete operation, maintenance and management of the Turnpike. No federal, state, or municipal taxes are ever used to fund the New Jersey Turnpike.

The staff of 829 Toll Collectors processed and assisted more than 183 million patrons this year. This represents yet another record breaking traffic year for the Turnpike.

The processing of this traffic was aided by changes instituted in 1987. The elimination of the acceptance of foreign currency for toll payments came into full effect this year. Previously, delays in traffic were caused by conversions and deductions, necessary when foreign currency was accepted.



NEW SIGN bridge was constructed in Secaucus to hold variable message and exit signs. Here Exit 17 is hoisted into place.

August saw the installation of an "Exact Change—No Receipt" test lane at Interchange 11. Operating during the evening rush hour, this lane has demonstrated a 20% to 25% increase in traffic flow. With a very positive response from the patrons utilizing this lane, the test proved to be a success.

Additional "Exact Change" test lanes are being installed at Interchanges 13, 14, and 18W for operation during the morning and evening rush hours. Should this test also prove successful, installation of exact change lanes at all high volume interchanges is anticipated.

The Department's Training Section processed, trained and assisted 83 new collectors in 1987. In addition to the training of new collectors, the Training Section, in working with individual collectors, has resulted in a 28% improvement in work record statistics.

Employee training is considered an integral part of this Department's responsibility. As such, training methods are continuously reviewed. Anticipated in 1988 is a course for all employees on patron relations and the expansion of training for new employees.

Distribution of Toll Collection supplies by the Department's Stock Service Clerks to 27 interchanges exceeded 317 tons in 1987. In addition to supplying each interchange with the tickets, paperwork and utility supplies necessary for operation, the Distribution Center also supplied and maintained the uniforming for over 1,000 employees in the Department.

The Park-Ride Facility, located in the Vince Lombardi Service Area, provided security and transportation to New York City for almost 1,800 commuters daily in 1987. Working in conjunction with New Jersey Transit, expansion and promotion of this facility is currently in progress.

The Department's 26 Utility employees did an exceptional job of cleaning and maintaining the Turnpike's 27 Interchanges. With the purchase of new equipment in 1987, the cleaning of individual lanes and booths was greatly enhanced.

1987 also saw the introduction of the computer age to the Department's Administrative Office. Instant access to Departmental procedural changes, employee records, interchange status and traffic reports is now available. Expansion of this system to include collector audit reports and inventory records is planned for the near future.

The Department of Toll Collection constantly works to find improved methods of serving the public. Serious progress was made in this area and the future presents the possibility of further Departmental changes while striving for the goal of 100% patron satisfaction.

• **Purchasing**

Everything from routine office supplies through furniture, light fixtures and paper products, to the complex field of computer equipment is provided for all departments of the Authority. The Purchasing Department staff has processed more than 3,665 purchase orders totalling \$16,341,376.17 during 1987.

Maintenance Department requirements are vast. Purchasing released orders, through bidding and public advertisement, for rock salt, calcium chloride and snowplow parts; reflective materials and aluminum sheets for traffic sign production; a myriad of electrical, plumbing, automotive and hardware supplies; horticultural chemicals for use during the spring and summer seasons; plus requests for new units of heavy equipment including trucks, rollers, linestripers and road sweepers.

Toll Collection received complete uniforming for all male and female collectors; toll receipts; and all materials necessary for janitorial services performed by Utility teams to keep interchanges clean. Since the Authority entered the sophisticated world of computer technology several years ago, the Purchasing Department provided word processing systems and related printers to each department. Individual employees received training in the operation of this equipment and its application to their respective work assignments.

With the initial phases of the Widening Program in progress our Engineering Department received a large supply of traffic protection devices, including traffic cones, sign stands, flashing light units, and related equipment used by their staff, consultants, and contractors to assure the safety of workers and patrons within construction areas.

Maintaining a 24 hour, 7 day a week safe operation demands the skill of experienced police. Our State Police, stationed at three strategic locations on the Turnpike, received vehicles, total maintenance service, radios and numerous related items necessary in daily operation through difficult weather conditions and unique traffic problems. The Police are provided special testing equipment, flares for use under accident and other emergency conditions, revised manuals outlining new police procedures and techniques, and related equipment essential to Police operations.

Our Medical Section performs approximately 800 complete physical examinations each year plus more than 2,000 medical visits. These professionals receive a considerable assortment of medi-

cal supplies and modern equipment, plus revised Medical Journals and clinical uniforms. Laboratory and analysis services are provided under purchase order thus "early detection" of any pending medical problem is made available to employees.

A Records Management Consultant Team has been contracted by the Authority. These personnel review all existing files and minutes recorded since the inception of the New Jersey Turnpike Authority with the intent to microfilm thousands of documents which will provide additional file and storage space essential to meet the demands of growth and expansion. Purchasing provided all necessary supplies and equipment required by the consultants.

The Authority also participated under State of New Jersey contracts, awarded to low bidders, producing substantial savings through joint-agency purchasing efforts.

The Director of Purchasing also acts in the capacity of Surplus and Salvage Officer. Through bi-monthly State of New Jersey auctions, the Authority realized \$341,859.50 from the sale of used vehicles and equipment.



SECOND ANNUAL Pre-Retirement Seminar for 95 employees and their spouses. Mr. Flanagan opened the day-long program which included presentations on Public Employees Retirement System, Social Security, Wills and Estates, Deferred Income and Financial Planning.

• Systems & Data Processing

Expansion was the byword in 1987. New technology and direct user access, heralded by the completion of the Ethernet installation, resulted in a proliferation of video display units throughout the Turnpike. Approximately 250 employees enjoy the advantages of a direct computer interface. Of the directly connected users, 188 are involved in "All-in-1" word processing/office automation using the power of the new computer in direct support of Turnpike clerical efforts.

As our user community increased familiarity with the new computer, the demand for increasingly sophisticated user tools emerged. Oracle relational database management system and Oracle/SQL, the user interface, became the next tools of choice. There are approximately 70 users of Oracle gaining access to their computer stored data on an ad hoc basis.

More users with more complex applications put increasing resource demands on the hardware necessitating significant expansion of our computer. Computer memory was expanded fourfold from 20 million to 76 million characters. In addition, disk storage capacity was increased 25% to 3.2 billion characters of data storage.

Enhancement of current applications and creation of new applications to reflect the advanced technology permeated the activities throughout the year. More than 200 new programs representing nearly 220,000 lines of computer code were developed in support of our growing user community.

All the expansion and intense interaction overshadowed the end of an era on the Turnpike. The UNIVAC 9400, a patriarch of second generation computing, was quietly powered down for the last time and, on September 16th, dismantled and removed from the Turnpike.

A general office reorganization was completed with work spaces grouped by function and activity. Neutral and earth tone colors create a subdued atmosphere conducive to the analytical processes required to fulfill departmental obligations.

With computers monitoring the pulse, the lifeblood of the Turnpike is its toll tickets. For the first time in Turnpike history, two vendors, in lieu of one as in prior years, were chosen to insure an adequate, timely and continuous supply of the 210 million tickets inventoried and stored to meet annual requirements.

Auditing of 183,166,154 toll transactions during the past year indicated an increase of 2.9% of vehicles passing over the roadway.

• Personnel

On December 7, Frank B. Holman was employed as Senior Executive to fill the position of Executive Director when Mr. Flanagan retires on February 5, 1988.

Personnel changes during the year include the hiring of 111 new employees as replacements and 35 as additions.

One hundred six employees left the Turnpike by reason of resignation, retirement, death or release.

Other Activities:

Promotional—90 promotions were made among all classifications.

Grievances—31 grievance hearings at step 2 were held by the Labor Relations Committee and three cases were heard through arbitration.

Longevity—156 employees have been with the Authority for 10 years and 634 employees have at least 15 years of service. The 36th Annual Service Awards Banquet was held on January 19, 1988 to honor 48 employees with 25, 30 and 35 years of service.

Tuition Refund—72 requests for employee tuition refund were acknowledged with reimbursements.

Special Programs:

Employee Assistance—We have completed five years of involvement in this valuable program. Participation continues to increase in our voluntary EAP conducted by Rutgers Medical School.

Pre-Retirement Seminar—Another voluntary program, this one assisted 95 employees and their spouses to plan for retirement.

Medical Section:

Visits to the Medical Section totaled 2,334. They were classified as non-occupational, job-related, pre-employment, periodic and promotional exam visits.

Blood Bank—Again the north/south regional concept was used for two separate donor days during 1987. The Authority added 219 pints of blood to its bank.

• **Legal Department**

The Legal Department is actively in the process of acquiring property for the Interchange 8A-9 portion of the 1985-90 Widening Program, the Interchange 7 Improvement Project, the Truck Service Area and other improvements to Turnpike facilities. The firm of Abeles, Schwartz Associates has instituted the procedures for acquisition and relocation services and a number of properties have been acquired prior to commencement of construction. The firms of Robert W. Hendricks, Inc. and John O. Lasser Associates, retained by the Authority as review appraisers, have been responsible for the review of appraisals prepared by the various appraisers in order to set Fair Market Values of property to be acquired for the Widening. With the assistance of these experienced consultants, the Legal Department has been able to coordinate the acquisition of property in a timely fashion.

We have been involved in the litigation of several major lawsuits involving large property damage claims resulting from major accidents, which has resulted in the recovery of approximately \$100,000. The Turnpike Authority has benefited from the definitive efforts of the department in assisting Risk Management with recoveries in property damage claims resulting from accidents on the Turnpike.

This department continues to successfully administrate the Authority's Employees' Deferred Compensation Plan with continued increasing enrollments and increased amounts of weekly deferrals. The Plan, in its seventh year, now has total assets of approximately \$11,000,000.

• **Risk Management**

On June 23, 1987, the official groundbreaking ceremonies for the \$2 billion Widening Program took place. With the first spade of soil turned, the Owner Controlled Insurance Program became effective.

The Risk Management Department had pursued an exhaustive plan which fully utilized the talents of this department in a coordinated effort with our brokers, Fred S. James. The Owner Controlled Insurance plan requires this Authority to provide General Liability, Workers' Compensation and Builders Risk insurance for all contractors and their subcontractors. Through this mechanism, we were able to obtain broader coverage, higher limits, lower costs and full control of all insurance to protect the interests of the bondholders. The primary liability coverage, Workers' Compensation and Builders Risk, were all placed with domestic carriers. The Umbrella Liability was placed through Lloyds of London after competitive proposals had been reviewed by this department.

In addition to the OCIP, 1987 saw a slight softening of the insurance market which was reflected in reduced insurance costs for our day-to-day operations.

154 newly hired or transferred Toll Collectors received Basic Tolls Safety Orientation administered by this department. A ½ day Basic Maintenance Safety Orientation was developed and has been incorporated into the Maintenance Department's four week indoctrination for new employees. A Personal Accident History Review Program was initiated. Under this program employees who have experienced an inordinate amount of "on the job" injuries receive counseling. Problems and contributing factors are identified and, where appropriate, retraining is provided.

The Claims Section processed 1,026 Property Damage claims against patrons in 1987. This was an increase of almost 100 more than 1986 which resulted in the recovery of \$1,876,331 for damaged Turnpike property. Patrons made 196 claims and employees filed 565 Workers' Compensation claims, of which 443 involved lost time from work.

• **Public Information**

The Public Information Department issued 74 press releases during the course of the year and hosted reporters attending the 12 monthly Turnpike Commissioners' Meetings. Information concerning meeting agenda items was released, upon request, to reporters not in attendance.

Media coverage of the Groundbreaking Ceremony for the 8A to 9 Widening Project was coordinated as was coverage of the Authority's Environmental Seminar held at HMDC Headquarters. A press conference was held to announce plans for new Interchange 15W-A.

A special program of weekly traffic advisories tailored to the needs of commuters was instituted to keep motorists aware of the spring/fall maintenance programs as well as the widening program construction activities. Safety and service are dual purposes of this program.

Public Information personnel were activated for emergency duty on 9 occasions when it was necessary to issue special information concerning weather, accident or other unusual conditions. Emergency press credentials were issued to reporters and photographers who cover spot-news events on the Turnpike.

We published 12 issues each of the Pike Interchange house organ and the Trailblazer newsletter. A number of individual students and two class tours were handled and we arranged for the hosting of foreign visitors from Korea and Japan.

Our Community Relations Section successfully resolved 51 neighbor complaints and our Photographic Section handled a wide variety of photo and audio-video assignments.

Submissions to our Suggestions Program totaled 145 this year. Twenty employees received monetary awards for their ideas.

36 Years of Operation

	Revenue Vehicles	Toll Revenue	Revenue Mileage	Concession Revenues	Other Revenues	Total Revenues
1951	787,195	\$ 587,326	38,246,174	\$ 32,861	\$ 87	\$ 620,274
1952	17,948,235	16,241,267	765,807,780	1,523,038	65,330	17,829,635
1953	22,005,078	19,192,647	868,606,100	1,853,880	464,102	21,510,629
1954	24,555,441	20,756,344	927,393,967	1,826,777	634,641	23,217,762
1955	25,888,319	21,122,503	939,672,825	1,859,952	923,169	23,905,624
1956	31,588,224	24,513,371	1,064,377,974	2,056,530	1,197,682	27,767,583
1957	39,269,643	29,022,910	1,200,254,680	2,370,516	1,447,014	32,840,440
1958	41,615,115	30,159,491	1,232,527,909	2,400,793	1,554,434	34,114,718
1959	46,199,339	33,317,927	1,343,847,970	2,602,998	1,396,407	37,317,332
1960	49,083,017	35,583,987	1,414,759,197	2,650,147	1,274,321	39,508,455
1961	51,737,682	37,192,652	1,471,802,723	2,649,106	1,156,969	40,998,727
1962	54,900,745	39,240,487	1,560,490,809	2,660,029	1,180,789	43,081,305
1963	56,677,379	40,778,566	1,610,706,177	2,749,777	1,270,264	44,798,607
1964	60,707,631	44,148,839	1,753,074,755	3,436,989	1,446,046	49,031,874
1965	64,957,715	46,122,200	1,856,395,130	3,624,311	1,549,790	52,840,301
1966	69,850,328	48,609,809	1,944,951,873	3,752,280	1,628,281	53,990,370
1967	73,528,656	51,229,549	2,030,844,201	3,976,450	1,642,227	56,848,226
1968	78,205,075	55,339,724	2,138,002,435	4,323,562	1,653,381	61,316,667
1969	80,618,191	57,636,727	2,202,999,403	4,624,406	1,979,854	64,240,987
1970	89,655,299	63,934,463	2,382,332,241	4,959,536	1,949,358	70,843,357
1971	98,533,612	70,124,311	2,574,226,834	5,322,464	1,004,360	76,451,135
1972	107,933,291	75,939,682	2,740,521,973	5,612,148	997,242	82,549,072
1973	110,422,434	78,996,947	2,753,067,671	5,226,934	1,261,793	85,485,674
1974	106,628,059	75,243,082	2,529,483,967	4,924,039	3,062,147	83,229,268
1975	105,632,830	84,385,089	2,583,789,035	5,315,803	6,553,424	96,254,316
1976	109,233,669	91,081,922	2,671,766,280	5,176,767	4,756,959	101,015,648
1977	113,664,015	95,111,786	2,759,241,650	5,232,246	5,026,621	105,370,653
1978	120,622,761	100,837,720	2,885,020,752	5,959,715	5,757,312	112,554,747
1979	121,031,648	100,884,856	2,803,773,003	5,956,116	9,452,586	116,293,558
1980	122,587,520	118,613,863	2,850,062,160	6,013,967	6,700,771	131,328,601
1981	127,211,999	126,188,012	2,930,550,698	5,929,656	13,787,205	145,904,873
1982	132,932,001	129,922,144	3,022,902,748	5,983,228	14,257,360	150,162,732
1983	143,854,884	139,894,904	3,205,540,623	6,521,074	10,047,954	156,463,932
1984	156,029,218	151,913,410	3,442,060,842	7,301,559	12,617,054	171,832,023
1985	167,179,166	162,449,170	3,685,451,718	7,579,995	11,082,401	181,111,566
1986	178,838,750	173,546,512	3,936,120,912	8,620,488	11,138,626	193,305,626
1987	183,166,154	178,969,813	4,077,924,075	10,615,629	18,006,757	207,592,199

Revenue Vehicles

Toll Revenue

Revenue Mileage

	1987	1986		1987	1986		1987	1986
January	12,991,940	13,265,849	January	\$ 12,443,159	\$ 12,776,086	January	272,987,992	275,016,341
February	12,942,135	11,812,528	February	12,426,347	11,437,854	February	270,057,142	244,562,027
March	15,149,495	14,399,039	March	14,641,364	13,912,806	March	319,813,585	311,552,962
April	15,204,750	14,691,860	April	14,808,867	14,313,628	April	335,795,505	316,511,425
May	15,896,703	15,587,214	May	15,503,494	15,167,324	May	361,615,066	349,105,072
June	16,062,394	15,637,201	June	15,768,350	15,273,803	June	355,960,101	347,227,808
July	16,565,419	16,117,627	July	16,457,613	15,848,558	July	388,263,704	371,755,736
August	16,569,671	16,670,418	August	16,613,506	16,426,313	August	397,918,350	398,340,679
September	15,510,321	15,224,545	September	15,300,408	14,750,732	September	348,049,124	330,636,537
October	15,976,747	15,870,061	October	15,504,098	15,269,559	October	349,148,776	338,950,131
November	14,942,707	14,568,657	November	14,647,025	14,026,127	November	338,064,803	323,581,790
December	15,353,872	14,993,751	December	14,855,582	14,343,722	December	340,249,927	328,880,404
	183,166,154	178,838,750		\$178,969,813	\$173,546,512		4,077,924,075	3,936,120,912

Budgets of Operating Expenses for 1987 and 1986

Classification	1988	1987
Administration—General	\$ 3,230,700	\$ 2,892,800
Data Processing/Systems	4,236,700	4,008,100
Accounting	1,294,500	1,191,400
Operations:		
Traffic Control and Police	13,945,600	10,651,100
Toll Collection	41,864,000	38,956,600
Maintenance	31,931,500	31,050,900
Engineering	2,792,500	2,686,100
Risk Management	13,974,100	13,245,100
Non-Departmental:		
Professional Fees	464,500	464,500
Fiduciary Fees	151,600	147,800
Pension and Retirement Funds	9,400,200	8,583,900
Taxes	200,000	200,000
	123,485,900	114,078,300
Maintenance Reserve Fund	16,000,000	16,000,000
State Payment Fund	12,000,000	12,000,000
Total	\$151,485,900	\$142,078,300

Contracts & Orders Awarded in 1987 in Excess of \$100,000

Engineering

Contract No.	Contractor	Amount
R-945	Bishop/Sanzari (Joint Venture)	\$ 454,450
R-914	M & R Mechanical Contractors, Inc.	167,953
R-959	Schiavone Construction Co.	1,627,000
R-957	Bishop/Sanzari (Joint Venture)	3,956,700
R-943	Frassetto Construction Co., Inc.	816,340
R-958	Bishop/Sanzari (Joint Venture)	153,941
R-807A	Petroleum & Environmental Technology Co.	672,463
R-807B	Crisdel Group, Inc.	487,865
R-960	H.J.B. Contracting Corp.	399,000
W-4300	M & L Construction Co., Inc.	5,198,158
W-4200	R.A. Hamilton Corp.	2,041,697
R-939	Chris-Tec Associates, Inc.	982,820
W-4400	M & L Construction Co., Inc.	2,118,876
W-4100	Bishop/Sanzari (Joint Venture)	6,951,408
R-975	Trap Rock Industries, Inc.	1,195,234
R-956	Pressure Concrete & Grouting Co., Inc.	2,468,538
R-941	B & J Nursery	119,428
W-4500	George Harms Construction Co., Inc.	5,342,205
R-967	Bishop/Sanzari (Joint Venture)	1,175,950
R-898-1	Whitmyer Bros.	1,148,738
R-946	Bishop/Sanzari (Joint Venture)	377,000
R-977	TPK Construction Corp.	608,000
R-973	Bishop/Sanzari (Joint Venture)	2,274,175
R-962	Roman Asphalt Corp.	173,446
R-940	Schiavone Construction Co.	638,420
R-972	Solar-Mite Electrical Contractors, Inc.	300,194
R-968	Industrial Engineering Works	1,671,850
R-970	J. Fletcher Creamer & Son, Inc.	5,947,045
R-880	Milor Air Conditioning, Inc.	324,000
R-961	Bishop/Sanzari (Joint Venture)	575,430
R-971	Bishop/Sanzari (Joint Venture)	5,943,460
W-4201	Conti Construction Co., Inc.	4,967,694
R-976	Spearin, Preston & Burrows, Inc.	329,450
W-4501	George Harms Construction Co., Inc.	9,568,042
W-4001	Winko-Matic Signal Co., Inc.	440,272

Professional Services

OPS No.	Engineer/Architect	Amount
1139	Howard Needles Tammen & Bergendoff	\$ 390,000
1141	Urban Engineers	1,566,000
1142	Howard Needles Tammen & Bergendoff	179,000
1143	Stone & Webster Engineering Corporation	407,000
1146	Howard Needles Tammen & Bergendoff	682,000
1147	Louis Berger & Associates, Inc.	1,260,000
1148	Howard Needles Tammen & Bergendoff	1,767,000
1149	Howard Needles Tammen & Bergendoff	430,000
1157	Edwards & Kelcey, Inc.	3,300,000
1158	The RBA Group	4,717,000
1159	De Leuw, Cather & Company	3,900,000
1160	Howard Needles Tammen & Bergendoff	617,000
1165	Louis Berger & Associates, Inc.	245,030
1166	John B. Wilson, Architect	162,000
1167	Howard Needles Tammen & Bergendoff	120,000
1171	Digital Equipment Corporation	1,165,263
1174	Howard Needles Tammen & Bergendoff	163,000
1175	N.H. Bettigole, P.A.	250,000
1180	Howard Needles Tammen & Bergendoff	850,000
1182	Howard Needles Tammen & Bergendoff	225,000
1185	Digital Equipment Corporation	977,574
1186	The RBA Group	163,574
1187	Howard Needles Tammen & Bergendoff	127,000
1194	Michael Baker, Jr., Inc.	225,000
1201	Louis Berger & Associates, Inc.	998,000

Legal-Real Estate


	Amount
Parcels DE4-15A, R15X1; DE4-16, A16, Township of Jackson Turnpike Authority to Robert Bench	\$246,000.87
Parcels A755, 1E755, 2E755, 755X1, 755X2, East Brunswick Ebrima and Geraldine Ndur to Turnpike Authority	193,000.00
Parcels A756, 1E756, 2E756, 756X1, 756X2, East Brunswick John and Cecily Ouimet to Turnpike Authority	190,000.00
Parcels A757, E757, 757X, East Brunswick Robert and Jean Lorber to Turnpike Authority	181,000.00
Parcels 828 and 829X, East Brunswick Dale and Susan Van Liew to Turnpike Authority	215,000.00
49 Gage Road, East Brunswick Myron and Evelyn Schiff to Turnpike Authority	190,000.00
256 Ryders Lane, East Brunswick William and Helen Scharfenstein to Turnpike Authority	135,000.00
163 Tices Lane, East Brunswick Robert and Barbara Mac Niven to Turnpike Authority	158,000.00
5 Brook Drive, Milltown Theodore and Elise Grosch to Turnpike Authority	194,000.00
35 Albert Avenue, Milltown Daniel and Ann Jackson to Turnpike Authority	191,500.00
27 Albert Avenue, Milltown Anthony and Marie Mazzucca to Turnpike Authority	185,000.00
303 Ryders Lane, East Brunswick William and Rose Marie McMahon to Turnpike Authority	158,000.00
21 Albert Avenue, Milltown Richard and Sharon Puzzele to Turnpike Authority	178,500.00
85 Townsend Street, Milltown Kenneth and Beatrice Christian to Turnpike Authority	155,000.00
Parcel 160 B, Township of Bordentown Turnpike Authority vs. Charles W. Coward, Jr., etc.	271,250.00

Risk Management

	Premium
Old Republic Insurance Co./Excess Workers' Compensation	132,000.00
The Home Indemnity Co./Comprehensive General Liability	1,146,036.00
Hartford Insurance Co./Excess Umbrella Liability	1,050,000.00
International Insurance Co./Excess Umbrella Liability	400,000.00
Lexington Insurance Co./Excess Umbrella Liability	450,000.00
Commercial Union Life/Specific & Aggregate Medical Coverage	139,226.00
Insurance Company of North America/Major Bridge Insurance	134,553.00
National Union Fire Insurance Co./Public Officials Liability	186,560.00
Group Life Insurance	199,293.00
LTD Insurance	138,230.00

Purchasing

Purchase Order No.	Vendor	Description	Amount
P4246	Warnock Chevrolet	1987 State Police Fleet	\$ 746,330.00
P4465	Digital Equipment	Computer Field Service	311,874.00
P4372	Consolidated Laundries	Cleaning/Rental-Clothing	272,000.00
P4408	Koplin Pontiac	Motor Pool Fleet	351,988.00
P5055	Westside International	Nine Trucks	622,794.00
P5113	Syro-Steel Company	Guardrail Elements	227,000.00
P5525	Ennis Paint Mfg. Co.	Traffic Paint	111,264.90
P5683	Radiator Specialty	Traffic Cones	101,750.00
P5951	Standard Fusee Corp.	Red Flares	103,752.00
P5964	The Revenue Markets	Axle Counting Devices	114,750.00
P6020	United Armored Service	Armored Truck Service	1,332,000.00
P6293	Silvi Concrete	Snow Removal	130,000.00
P6540	Pedroni Fuel Company	Fuel Oil	186,120.00
P6541	Mitchell Supreme Fuel	Fuel Oil	120,212.00
P6794	International Salt	Sodium Chloride	527,500.00
P6795	Diamond Crystal Salt	Sodium Chloride	186,500.00
P7109	Warnock Chevrolet	1988 State Police Fleet	904,350.00
P7199	Electronic Data Magnetics	Magnetic Toll Tickets	598,135.50
P7200	Magnetic Ticket & Label	Magnetic Toll Tickets	696,082.00
P7560	Radiator Specialty Co.	Traffic Cones	245,115.00
P7613	SCI Technology, Inc.	Lane Controllers	147,660.00
P7730	Eastern Metal of Elmira	Traffic Protection Signs	137,745.60

 **Peat Marwick**

Certified Public Accountants

Peat Marwick Main & Co.

Princeton Pike Corporate Center

P.O. Box 7468

Princeton, NJ 08540

New Jersey Turnpike Authority
New Brunswick, New Jersey:

We have examined the statement of assets, liabilities and fund balances of New Jersey Turnpike Authority as of December 31, 1987, the related statements of revenues and expenses and changes in fund balances for the year then ended, and the statement of cost of investment in facilities at December 31, 1987. 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.

As more fully described in note 1 to the financial statements, the Authority's policy is to prepare its financial statements based on the provisions of the 1984 and 1985 Turnpike Revenue Bonds Resolutions and on the Authority's interpretation of such resolutions; consequently, the financial statements do not include certain assets, liabilities, revenues and expenses. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

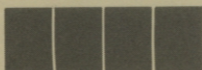
In our opinion, the aforementioned financial statements present fairly the assets, liabilities and fund balances of New Jersey Turnpike Authority at December 31, 1987, the revenues and expenses and changes in fund balances for the year then ended, and the cost of investment in facilities at December 31, 1987, on the basis of accounting described in note 1, which basis has been applied in a manner consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements, prepared on the basis of accounting described in note 1, taken as a whole.

Further, we have read the provisions of the 1984 and 1985 Turnpike Revenue Bonds 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.

February 5, 1988

Peat Marwick Main & Co.



Member Firm of
Klynveld Peat Marwick Goerdeler

New Jersey Turnpike Authority
Statement of Assets, Liabilities and Fund Balances

December 31, 1987

with comparative total
 memorandum figures for 1986

Assets	Funds held by Authority			
	Revenue fund	Construction fund	Maintenance reserve fund	Special project reserve fund
Cash and cash equivalents	\$ 18,936,197	27,777	79,367	76,715
Investments, at cost which approximates market value (notes 2 and 5)	18,723,712	1,630,431,766	7,600,000	53,861,033
Accounts receivable	2,552,634	698,076	718,853	-
Interfund accounts, net	-	2,093,436	-	21,000,667
Deposits in condemnation	-	487,960	-	-
Cost of investment in facilities	-	1,491,239,076	-	-
Other assets (note 8)	-	-	-	-
	<u>\$ 40,212,543</u>	<u>3,124,978,091</u>	<u>8,398,220</u>	<u>74,938,415</u>
Liabilities and Fund Balances				
Accrued interest payable	-	-	-	-
Withholdings from employees (note 5)	11,353,944	-	-	-
Toll revenues received in advance	300,694	-	-	-
Amounts retained from contractors and engineers	-	1,583,110	1,233,535	443,091
Other liabilities	2,369,471	-	1,213,750	-
Bond indebtedness (note 3):				
Turnpike Revenue Bonds, 1984 Series	-	501,825,000	-	-
Turnpike Revenue Bonds, 1985 Series	-	2,000,000,000	-	-
Total liabilities	<u>14,024,109</u>	<u>2,503,408,110</u>	<u>2,447,285</u>	<u>443,091</u>
Fund balances:				
Applied to retirement of bond indebtedness	-	621,569,981	-	-
Revenues retained	<u>26,188,434</u>	<u>-</u>	<u>5,950,935</u>	<u>74,495,324</u>
Total fund balances	<u>26,188,434</u>	<u>621,569,981</u>	<u>5,950,935</u>	<u>74,495,324</u>
Commitments and contingent liabilities (note 9).				
	<u>\$ 40,212,543</u>	<u>3,124,978,091</u>	<u>8,398,220</u>	<u>74,938,415</u>

See accompanying notes to financial statements.

General reserve fund	Funds held by trustee				Total memorandum only - (note 7)	
	Priority debt service fund	Priority debt reserve fund	Debt service fund	Debt reserve fund	1987	1986
	27,987	3,889	-	1,803	6,305	19,160,040
31,558,444	95,996,111	144,000,000	23,330,150	46,495,335	2,051,996,551	2,094,469,596
-	-	-	-	-	3,969,563	4,846,452
907,700	(24,000,000)	-	(1,803)	-	-	-
-	-	-	-	-	487,960	62,351
-	-	-	-	-	1,491,239,076	1,433,313,199
12,305,869	-	-	-	-	12,305,869	11,157,703
44,800,000	72,000,000	144,000,000	23,330,150	46,501,640	3,579,159,059	3,561,665,086
-	72,000,000	-	23,330,150	-	95,330,150	23,330,150
-	-	-	-	-	11,353,944	9,034,288
-	-	-	-	-	300,694	287,731
-	-	-	-	-	3,259,736	1,927,980
-	-	-	-	-	3,583,221	3,280,605
-	-	-	-	-	501,825,000	501,825,000
-	-	-	-	-	2,000,000,000	2,001,000,000
-	72,000,000	-	23,330,150	-	2,615,652,745	2,540,685,754
-	-	144,000,000	-	-	765,569,981	894,240,488
44,800,000	-	-	-	46,501,640	197,936,333	126,738,844
44,800,000	-	144,000,000	-	46,501,640	963,506,314	1,020,979,332
44,800,000	72,000,000	144,000,000	23,330,150	46,501,640	3,579,159,059	3,561,665,086

New Jersey Turnpike Authority
Statement of Revenues and Expenses

Year ended December 31, 1987

with comparative figures for 1986

	<u>1987</u>	<u>1986</u>
Revenues (note 3):		
Toll revenue	\$ 178,969,813	173,546,512
Concession revenue	10,615,629	8,620,488
Income from investments	14,501,432	7,205,150
Miscellaneous	<u>3,505,325</u>	<u>3,933,476</u>
Total revenues	<u>207,592,199</u>	<u>193,305,626</u>
Operating expenses:		
Administration	7,680,935	7,179,787
Traffic control and police	13,346,519	11,111,944
Toll collection	37,965,465	34,181,054
Maintenance, repair, replacement and reconstruction	28,287,155	25,905,810
Engineering	2,294,600	2,312,342
Insurance	15,150,319	12,550,586
Professional fees	240,247	300,304
Fiduciary fees	148,830	165,095
Pension, retirement and payroll taxes (note 5)	8,754,059	8,231,743
Taxes	207,382	194,298
Cash discounts	<u>(28,329)</u>	<u>(40,090)</u>
Total operating expenses	<u>114,047,182</u>	<u>102,092,873</u>
Net revenues before interest and other charges	93,545,017	91,212,753
Interest expense (note 3):		
Turnpike Revenue Bonds, 1984 Series	<u>46,660,300</u>	<u>46,771,412</u>
Revenues before other charges	46,884,717	44,441,341
Other charges	<u>25,923,373</u>	<u>24,550,708</u>
Revenues after operating expenses, interest expense and other charges	<u>\$ 20,961,344</u>	<u>19,890,633</u>

See accompanying notes to financial statements.

New Jersey Turnpike Authority
Statement of Changes in Fund Balances
Year ended December 31, 1987
with comparative total
memorandum figures for 1986

	Funds held by Authority						Funds held by trustee				Total memorandum only - (note 7)	
	Revenue fund	Construction fund	Maintenance reserve fund	State payment fund	Special project reserve fund	General reserve fund	Priority debt service fund	Priority debt reserve fund	Debt service fund	Debt reserve fund	1987	1986
	Balances at beginning of year	\$ 23,812,088	694,140,488	6,834,799	-	37,090,317	12,500,000	-	200,100,000	-	46,501,640	1,020,979,332
Add (deduct):												
Net revenues before interest and other charges	93,545,017	-	-	-	-	-	-	-	-	-	93,545,017	91,212,753
Net excess earnings available for transfer to revenue fund	-	-	-	-	-	-	-	1,228,971	-	-	1,228,971	3,362,524
Payment of bond interest expense	-	47,217,223	-	-	-	(17,223)	(119,200,000)	-	(46,660,300)	-	(118,660,300)	(46,771,412)
Retirement of bonds	-	1,000,000	-	-	-	(1,000,000)	-	-	-	-	-	-
Payment of other charges	-	-	(16,883,864)	-	(9,039,509)	-	-	-	-	-	(25,923,373)	(24,550,708)
Proceeds from sale of excess property	663,841	(663,841)	-	-	-	-	-	-	-	-	-	-
Transfer to the State of New Jersey	-	-	-	(12,000,000)	-	-	-	-	-	-	(12,000,000)	(12,000,000)
Other changes	-	4,336,667	-	-	-	-	-	-	-	-	4,336,667	-
Interfund transfers, net	(91,832,512)	(124,460,556)	16,000,000	12,000,000	46,444,516	33,317,223	119,200,000	(57,328,971)	46,660,300	-	-	-
Balances at end of year	\$ 26,188,434	621,569,981	5,950,935	-	74,495,324	44,800,000	-	144,000,000	-	46,501,640	963,506,314	1,020,979,332

See accompanying notes to financial statements.

New Jersey Turnpike Authority
Statement of Cost of Investment in Facilities

December 31, 1987

with comparative total
 memorandum figures for 1986

	1966 Turnpike <u>improvement</u>	1971 Turnpike <u>improvement</u>	1973 Improvement and funding <u>program</u>	1977 Turnpike system revenue bond <u>accounts</u>
Engineering and architectural	\$ 32,051,535	11,566,356	18,997,183	-
Land, easement and rights-of-way	28,804,223	4,055,433	7,104,750	-
Construction, including cost of training and equipping operating personnel, machinery and equipment and miscellaneous preoperating expenses	389,855,394	103,797,024	30,811,393	-
Other costs, including administration	2,770,920	181,599	307,851	-
Financial	<u>245,668,754</u>	<u>22,512,061</u>	<u>23,615,248</u>	<u>12,602,396</u>
	699,150,826	142,112,473	80,836,425	12,602,396
Less (income) expense from interim investment of construction funds	<u>(82,042,352)</u>	<u>(19,485,504)</u>	<u>(46,808,678)</u>	<u>271,732</u>
	<u>\$ 617,108,474</u>	<u>122,626,969</u>	<u>34,027,747</u>	<u>12,874,128</u>

See accompanying notes to financial statements.

Original turnpike extensions and additional lanes	Revenues invested in facilities	1984 Turnpike revenue bonds	1985-1990 Widening project	Total to December 31,	
				1987	1986
28,083,278	12,125,827	-	59,066,212	161,890,391	125,552,916
27,964,118	6,062,573	-	2,314,752	76,305,849	74,654,822
371,398,653	69,099,391	-	33,173,088	998,134,943	972,432,100
1,869,763	164,427	-	5,464,893	10,759,453	6,200,127
<u>26,992,647</u>	<u>165,271</u>	<u>67,745,399</u>	<u>98,919,629</u>	<u>498,221,405</u>	<u>429,869,110</u>
456,308,459	87,617,489	67,745,399	198,938,574	1,745,312,041	1,608,709,075
<u>(9,901,900)</u>	<u>(3,929)</u>	<u>-</u>	<u>(96,102,334)</u>	<u>(254,072,965)</u>	<u>(175,395,876)</u>
<u><u>446,406,559</u></u>	<u><u>87,613,560</u></u>	<u><u>67,745,399</u></u>	<u><u>102,836,240</u></u>	<u><u>1,491,239,076</u></u>	<u><u>1,433,313,199</u></u>

New Jersey Turnpike Authority

Notes to Financial Statements

December 31, 1987

(1) Organization, Nature of Funds and Basis of Presentation

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

The Authority has no stockholders nor equity holders and all revenues of the Turnpike are required to be deposited by the Authority in the Revenue Fund, to be applied in accordance with the provisions of the 1984 Turnpike Revenue Bond Resolution, as amended by the First Supplemental Turnpike Revenue Bond Resolution (collectively, the Bond Resolution).

(b) Nature of funds—The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. Resources are allocated to and accounted for in the individual funds based upon the provisions of the Bond Resolution. The various funds are as follows:

- 1. Revenue Fund**—The Revenue Fund is the General Operating Fund of the Authority. It is used to account for all of the revenue and operating expenses.
- 2. Construction Fund**—The Construction Fund is used to account for financial resources to be used for cost of investment in facilities. Included in this fund are the proceeds from the November 21, 1985 issuance of New Jersey Turnpike Authority Turnpike Revenue Bonds 1985 Series (see note 3), and unexpended moneys related to projects authorized by the 1952, 1966 and 1973 Bond Resolutions and the 1971 Note Resolution.
- 3. Maintenance Reserve Fund**—Amounts in this fund may be applied to the cost of major resurfacing, replacement, repairs, renewals or reconstruction of the Turnpike System.
- 4. State Payment Fund**—This fund is used to account for the moneys that are to be applied to payments required to be made to the State pursuant to the terms of an agreement between the State and The Authority (see note 9).
- 5. Special Project Reserve Fund**—Amounts in this fund may be applied to the cost of one or more special projects or additional projects. This fund may also be used in an amount up to twenty percent of the amount on deposit therein on the first day of any year to meet budgeted payments into the maintenance reserve fund. Under certain circumstances, it is also to be used to meet deficiencies in the Revenue-Fund, the Priority Debt Service Fund, the Priority Debt Reserve Fund, the Debt Service Fund, the Debt Reserve Fund and the State Payment Fund.
- 6. General Reserve Fund**—Amounts in the General Reserve Fund are to be used to make up deficiencies in the Revenue Fund, the Priority Debt Service Fund, the Priority Debt Reserve Fund, the Debt Service Fund, the Debt Reserve Fund, the Maintenance Reserve Fund, the State Payment Fund and the Special Project Reserve Fund. Amounts in this fund which are not required to remedy any such deficiency may be applied, to: (a) the purchase or redemption of any bonds and expenses in connection therewith; (b) payments into the Construction Fund; (c) improvements, extensions, betterments, renewals, and replacements of the Turnpike System or the provision of reserves for these purposes; (d) payments into the Revenue Fund; or (e) any other corporate purpose.
- 7. Priority Debt Service Fund**—The Priority Debt Service Fund accumulates the amounts required for (i) the payment of interest and maturing principal amounts on the Priority Bonds (see note 3) when due, (ii) payment of the redemption price and accrued interest on the redemption of Priority Bonds, and (iii) payment of the purchase price of Priority Bonds purchased through application of moneys accumulated in this fund by reason of the payment of any Sinking Fund Installment.
- 8. Priority Debt Reserve Fund**—Amounts in the Priority Debt Reserve Fund are to be applied to make up any deficiency in the Priority Debt Service Fund. The Resolution provides that as a condition to the issuance of each Series of Priority Bonds there shall be deposited in the Priority Debt Reserve Fund the amount, if any, necessary so that the amount in such Fund equals the Priority Debt Reserve Requirement calculated immediately after the issuance of such Series of Priority Bonds.

Whenever the moneys and securities on deposit in the Priority Debt Reserve Fund, together with the amount in the Priority Debt Service Fund, are sufficient to pay in full all outstanding Priority Bonds in accordance with their terms, the funds on deposit in the Priority Debt Reserve Fund are to be transferred to the Priority Debt Service Fund.

In lieu of the required deposits into the Priority Debt Reserve Fund, the Authority may deposit into the Priority Debt Reserve Fund a surety bond or an insurance policy or a letter of credit in an amount equal to the difference between the Priority Debt Reserve Requirement and the sums then on deposit in the Priority Debt Reserve Fund, if any.

9. Debt Service Fund—This fund is used to account for the accumulation of moneys for, and the payment of principal and interest related to the 1984 Turnpike Revenue Bonds (see note 3).

10. Debt Reserve Fund—Amounts in this fund are to be applied to make up any deficiency in the Debt Service Fund. The Resolution provides that as a condition to the issuance of each Series of Refunding Bonds there shall be deposited in the Debt Reserve Fund the amount, if any, necessary so that the amount in such Fund equals the Debt Reserve Requirement calculated immediately after the issuance of such Series of Refunding Bonds.

Whenever the moneys and securities on deposit in the Debt Reserve Fund, together with the amount in the Debt Service Fund, are sufficient to pay in full all outstanding Refunding Bonds in accordance with their terms, the funds on deposit in the Debt Reserve Fund are to be transferred to the Debt Service Fund.

The Authority may deposit a surety bond, insurance policy or letter of credit into the Debt Reserve Fund to meet all or a part of the Debt Reserve Requirement, subject to conditions described in the Bond Resolution.

(c) Basis of presentation—Accounts of the Authority are maintained in accordance with the practices set forth herein, which are based on the provisions of the Bond Resolution and on the Authority's interpretation of said resolution. These practices differ in certain respects, which may be material, from generally accepted accounting principles. The significant practices are as follows:

- 1. Depreciation of the Turnpike and related facilities** is not included as an operating expense or otherwise provided.
- 2. Costs for investment in facilities** are generally recorded when paid except for costs for payments to contractors and engineers which include amounts withheld (retainage) from such payments. Income on unexpended construction funds is credited to cost of investment in facilities when received.
- Costs of investment in facilities** also include expenses in connection with the offering, selling and issuance of bonds and notes; discount on the sale of bonds and notes; costs of issuing refunding bonds; costs of certain real estate in excess of right-of-way requirements which may be sold and the proceeds applied in reduction of construction costs; certain interest on bonds and notes (less income received on unexpended construction funds); and administrative and legal expenses during the construction period.
- 3. Toll revenues** are recorded as received.
- 4. Income on investments and from concessions** is recorded when received. Investments are valued at the lower of cost or principal amount, except for investments in the Priority Debt Reserve Fund and the Debt Reserve Fund which are valued at the lower of cost or market determined as of the preceding December 1.
- 5. Other income and receipts, from whatever source derived, are recorded as revenue** when received.
- 6. Operating expenses (including materials, supplies and equipment) and compensated absences** are recorded when paid.
- 7. Interest on bond indebtedness** is recorded on the accrual basis.
- 8. Costs for major repairs, replacements or maintenance items of a type not recurring annually or at short intervals and costs for major resurfacing, replacement, repairs, renewals or reconstruction of the Turnpike System** are recorded when paid except for amounts withheld (retainage) from payments to contractors and engineers. Such costs are included in other charges in the accompanying statement of revenues and expenses when such moneys have been provided from revenues, and are presented principally as construction costs in the accompanying statement of cost of investment in facilities when such expenditures are made from construction funds.

Notes to Financial Statements (continued)

(2) Investments

A summary of the components and carrying values of investments at December 31, 1987 is as follows:

U.S. Government obligations	\$1,839,279,118
Certificates of deposit	90,552,283
Repurchase agreements	112,665,150
Other investments	9,500,000
	<u>\$2,051,996,551</u>

The market value of investments at December 31, 1987 approximates carrying value. Other investments include life insurance bonds purchased under the provisions relating to the Employees Deferred Compensation Plan (see note 5).

(3) Bond Indebtedness

On November 21, 1985, the Authority issued \$2,001,000,000 of Turnpike Revenue Bonds, 1985 Series Bi-Modal Multi-Term Format Bonds (the 1985 Bonds or Priority Bonds). Under the Bi-Modal Multi-Term Format (BMTF) structure, the Authority issued all the Bonds necessary to finance the 1985-1990 Widening Program (originally estimated to cost \$1,700,000,000). On January 30, 1987, the Authority approved a resolution authorizing a preliminary remarketing memorandum for the Authority's outstanding \$2,000,000,000 Turnpike Revenue Bonds, 1985 Series in Mode 1. On March 3, 1987, the \$2,000,000,000 of Turnpike Revenue Bonds, 1985 Series converted from Mode 1 to Mode A pursuant to the "Drop-Lock" provisions of the Bond Resolution. At conversion date, the interest rate on the 1985 Bonds converted from adjustable rates to a fixed rate of 7.2% per annum to maturity (January 1, 2018) or earlier redemption. The primary security for Mode A Bonds are the Net Revenues, as defined, of the Authority.

The Bond Resolution requires the Authority to estimate the construction expenditures for the Widening Program for a fifteen month period. Estimated construction expenditures for the fifteen months to March 1989 aggregated \$158,000,000.

On September 13, 1984, the Authority issued \$501,825,000 of Turnpike Revenue Bonds, 1984 Series, (the 1984 Bonds), for the purpose of refunding the Authority's outstanding 1966 Turnpike Revenue Bonds and 1977 Turnpike System Revenue Bonds (collectively referred to as the Prior Bonds) having outstanding principal amounts aggregating \$537,982,000 and \$186,855,000, respectively.

The net proceeds of the 1984 Bonds together with certain other available moneys of the Authority were deposited with a trustee for the purpose of purchasing Governmental securities which mature at various dates and together with interest earned thereon are calculated to provide sufficient moneys to pay the principal of, redemption premium, if any, and interest on the Prior Bonds by 2014.

The 1984 Bonds are term bonds which mature as follows: \$249,040,000 due January 1, 2003 with interest at 10.375% per annum, \$69,175,000 due January 1, 2005 with interest at 12% per annum, \$132,520,000 due January 1, 2009 with interest at 6¾% per annum and \$51,090,000 due January 1, 2014 with interest at 7% per annum. The bonds are collateralized by the proceeds of the sale of the 1984 Bonds, all revenues, and all amounts on deposit in funds established by the Resolution other than the State Payment Fund and the Construction Fund. Such lien is subordinate to the lien and pledge of net revenues for any Priority Bonds which may be issued pursuant to the Resolution. Sinking Fund installments for the 1984 Bonds do not commence until 1990, when \$7,485,000 is due.

The 1984 Bonds maturing on January 1, 2003 and January 1, 2005, are subject to redemption prior to maturity, in whole or in part, at any time after January 1, 1994, at varying premium rates. The 1984 Bonds maturing on January 2, 2009 and January 1, 2014, are subject to redemption prior to maturity, in whole or in part, at any time after January 1, 1987, at varying premium rates.

Under the terms of the Bond Resolution, the 1985 Bonds have a senior lien on the revenues of the Authority over the 1984 Bonds.

The Authority has covenanted that it will charge and collect such tolls and other charges as shall be required in order that in each calendar year net revenues shall at least equal the greater of (i) the sum of the aggregate debt service on Priority Bonds and Refunding Bonds, maintenance reserve payments, state payments and special projects reserve payments for each calendar year, or (ii) 1.20 times the sum of the aggregate debt service on Priority Bonds and Refunding Bonds, for such year.

Net revenues were sufficient to satisfy the toll covenant requirements for the fiscal years 1987 and 1986.

(4) Operations

The Annual Budget of Operating Expenses as filed with the Trustee for 1987 amounted to \$114,078,300, as compared with actual operating expenses of \$114,047,182.

(5) Pension and Deferred Compensation Plans

Employees of the Authority are covered by the Public Employees Retirement System of the State of New Jersey. Pension plan payments amounting to \$3,429,098 in 1987, are based on annual billings received from the Retirement System and are recorded when paid. Authority employees are also covered by the Federal Social Security Act.

In 1980, the Authority established the Employees Deferred Compensation Plan. All permanent employees are eligible to participate in the plan, which permits the participant to defer annually a portion of their salary. The Authority does not make any contributions to the plan. At December 31, 1987, the plan assets were \$11,002,700. Such assets are included in the accompanying financial statements as they are considered to be assets of the Authority until disbursement; however, such assets are in a separate trust account controlled by the plan administrator and trustees.

(6) Sales of Property

Proceeds from the sale of excess property for the year ended December 31, 1987 amounted to \$663,841. Such amounts are allocated in the same manner as revenues.

(7) Memorandum Only

"Total Memorandum Only" columns contain the totals of the similar accounts of the various Funds. Since the assets of the Funds are restricted, the combination of the accounts, including assets therein, is for convenience only and does not indicate that the combined assets are available in any manner other than that provided for in the Bond Resolution.

(8) Other Assets

At December 31, 1987 and 1986, the Authority held 1966 Series Turnpike Bonds with a face value of \$14,455,000 (cost \$12,305,869) and \$13,475,000 (cost \$11,157,703), respectively. A gain of \$2,317,297 was recognized on January 1, 1987 when tendering of the 1966 Series Turnpike Bonds took place, and is included in miscellaneous revenue. A gain of \$2,149,131 will be recognized on January 1, 1988 when the tendering of the remaining 1966 Series Turnpike Bonds takes place.

(9) Commitments and Contingent Liabilities

In addition to commitments in the normal course of business, the Authority is contingently liable under pending lawsuits and claims in which the Authority is named a defendant relating mainly to construction claims. In the opinion of the Authority, the aggregate liability of such actions would not materially affect its financial statements and sufficient funds are available in the construction accounts to satisfy any payments in connection therewith.

Under the terms of an agreement dated April 27, 1984, the Authority agreed to make annual payments to the State of New Jersey to assist in transportation purposes. These payments, which aggregate \$12,000,000 annually, are due for a period of 20 years from the agreement date. The payments to the State are subordinate to the 1985 Turnpike Revenue Bonds and the 1984 Turnpike Revenue Bonds.

New Jersey Turnpike Authority Investments

December 31, 1987

Schedule 1

	Interest rate	Maturity (notes C, D, E and G)	Par value	Carrying value (note B)
Revenue fund:				
United States Treasury bills (note C)	various	various	\$ 240,000	236,429
Repurchase agreements (note E)	various	various	4,135,000	4,135,000
Certificates of deposit (note D)	various	various	4,852,283	4,852,283
Other (note G)	various	various	9,500,000	9,500,000
			<u>18,727,283</u>	<u>18,723,712</u>
Construction fund:				
Certificates of deposit (note D)	various	various	15,000,000	15,000,000
Repurchase agreements	6.25	Jan. 8, 1988	4,700,000	4,700,000
Federal National Mortgage Association (note F)	various	various	1,610,731,766	1,610,731,766
			<u>1,630,431,766</u>	<u>1,630,431,766</u>
Maintenance reserve fund:				
Repurchase agreements (note E)	various	various	7,600,000	7,600,000
Special project reserve fund:				
Repurchase agreements	6.25	Jan. 8, 1988	900,000	900,000
Certificates of deposit (note D)	various	various	49,000,000	49,000,000
United States Treasury bills (note C)	-	Jan. 14, 1988	4,000,000	3,961,033
			<u>53,900,000</u>	<u>53,861,033</u>
General reserve fund:				
Certificates of deposit (note D)	7.00	various	21,700,000	21,700,000
United States Treasury bills (note C)	-	Mar. 31, 1988	10,000,000	9,858,444
			<u>31,700,000</u>	<u>31,558,444</u>
Priority debt service fund:				
United States Treasury bills (note C)	-	June 9, 1988	24,815,000	23,996,111
Repurchase agreements	6.50	Jan. 4, 1988	72,000,000	72,000,000
			<u>96,815,000</u>	<u>95,996,111</u>
Priority debt reserve fund:				
Federal National Mortgage Association (note F)	7.08	Dec. 31, 1993	144,000,000	144,000,000
Debt service fund:				
Repurchase agreements	6.50	Jan. 4, 1988	23,330,150	23,330,150
Debt reserve fund:				
United States Treasury bills (note C)	-	Jun. 23, 1988	48,045,000	46,495,335
			<u>48,045,000</u>	<u>46,495,335</u>
			<u>\$ 2,054,549,199</u>	<u>2,051,996,551</u>

Notes:

- (A) As of December 31, 1987, the carrying value of investments approximated market value.
- (B) Investments have been valued at lower of cost or the principal amount thereof, except for investments in the Debt Reserve Fund which are valued at the lower of cost or market as of December 1, 1987, as required by the bond resolution.
- (C) United States Treasury bills mature periodically through June 23, 1988.
- (D) Certificates of deposit bear interest at annual rates of 6.75% to 11.75% and mature periodically through February 20, 1989. The certificates, which total \$90,552,283, were issued by the following banks:

Columbia Savings and Loan	\$ 200,000
First Fidelity Bank N.A.	86,802,700
Glendale Federal Savings and Loan	100,000
Lincoln Savings and Loan	100,000
The National State Bank	2,370,178
United Jersey Bank, N.A.	979,405
	<u>\$ 90,552,283</u>

- (E) Repurchase agreements bear interest at annual rates of 5.00% to 7.85% and mature periodically through March 21, 1988. The agreements are collateralized by various United States Government securities pledged by the banks.
- (F) Federal National Mortgage Association bears interest at annual rates of 5.8% to 9.477% annually and mature periodically through December 31, 1993.
- (G) Other investments include \$9,500,000 in life insurance bonds which bear interest at annual rates of 7.97% to 13.74% and mature periodically through December 21, 1992.

New Jersey Turnpike Authority

Bond Indebtedness

December 31, 1987

Schedule 2

	Original amount authorized and issued	Refunded or acquired and cancelled in prior years	Refunded or acquired and cancelled during 1987	Amount outstanding Dec.31,1987
Turnpike revenue bonds:				
Series A, 4-3/4% (1966 issue), maturing January 1, 2006	\$ 179,000,000	179,000,000	-	-
Series B, 5-1/8% (1968 issue), maturing January 1, 2008	75,000,000	75,000,000	-	-
Series C, 5.20% (1968 issue), maturing January 1, 2008	125,000,000	125,000,000	-	-
Series D, 5-3/4% (1969 issue), maturing January 1, 2008	60,000,000	60,000,000	-	-
Series E, 5-7/8% (1969 issue), maturing January 1, 2008	40,000,000	40,000,000	-	-
Series F, 7% (1969 issue), maturing January 1, 2009	137,000,000	137,000,000	-	-
Series G, 5-3/4% (1972 refunding issue), maturing January 1, 2009	155,100,000	155,100,000	-	-
	<u>771,100,000</u>	<u>771,100,000</u>	<u>-</u>	<u>-</u>
Turnpike improvement revenue bonds:				
First series, 5.70% (1973 issue), maturing May 1, 2013	210,000,000	210,000,000	-	-
General revenue bonds:				
Turnpike revenue bonds (1950 issue), 3-1/4%, matured January 1, 1985	220,000,000	220,000,000	-	-
Turnpike revenue bonds (1951 issue), 3.20%, matured January 1, 1986	35,000,000	35,000,000	-	-
	<u>255,000,000</u>	<u>255,000,000</u>	<u>-</u>	<u>-</u>
Second series revenue bonds	211,200,000	211,200,000	-	-
Turnpike notes:				
Series A, 4-5/8% (1971 issue), matured January 1, 1975	125,500,000	125,500,000	-	-
Turnpike system revenue bonds:				
First series, 6% (refunding), maturing January 1, 2014	202,415,000	202,415,000	-	-
Turnpike revenue bonds:				
1984 series, 6-3/4% - 12%, maturing January 1, 2003 through 2014	501,825,000	-	-	501,825,000
Turnpike revenue bonds:				
1985 series, bi-modal multi-term format (BMTF):				
Mode 1 (tender dates ranging from one week to July 2, 1990)	2,000,000,000	-	2,000,000,000	-
Mode A (tender dates ranging from one week to January 1, 2018)	1,000,000	-	1,000,000	-
	<u>2,001,000,000</u>	<u>-</u>	<u>2,001,000,000</u>	<u>-</u>
1985 series, Mode A, 7.2%, maturing January 1, 2018	2,000,000,000	-	-	2,000,000,000
	<u>\$ 6,278,040,000</u>	<u>1,775,215,000</u>	<u>2,001,000,000</u>	<u>2,501,825,000</u>

Note - At December 31, 1987, bond and note indebtedness totalling \$3,776,215,000 had been retired from the following sources:

Revenue	\$ 557,840,082
Excess construction funds, bond proceeds and miscellaneous receipts allocated to revenues	20,037,918
Issuance of Series G (refunding issue) Turnpike Revenue Bonds to refund Series F bonds for redemption on January 1, 1979	137,000,000
Portion of proceeds of the 1973 Turnpike Improvement Revenue Bonds used to retire Turnpike notes, Series A	125,500,000
Issuance of Turnpike System Revenue Bonds, first series (refunding) to refund the 5.70% Turnpike Improvement Revenue Bonds, first series, for retirement in accordance with sinking fund installment established at the time of their issuance	210,000,000
Issuance of Turnpike Revenue Bonds, 1984 Series to refund the Turnpike Revenue Bonds Series A through E and Series G and the Turnpike System Revenue Bonds, First Series (refunding), for retirement in accordance with sinking fund installments established at the time of their issuance	724,837,000
Issuance of Turnpike Revenue Bonds, 1985 Series, Mode A used to retire 1985 Series bi-modal multi-term format Mode 1	2,000,000,000
Retirement of Turnpike Revenue Bonds, 1985 Series, Mode A	1,000,000
	<u>\$ 3,776,215,000</u>

New Jersey Turnpike Authority
Cash Receipts and Disbursements

Year ended December 31, 1987

	<u>Combined total</u>	<u>Revenue fund</u>	<u>Construction fund</u>	<u>Maintenance reserve fund</u>
Cash balances, December 31, 1986	\$ 17,815,785	16,720,948	315,613	377,767
Receipts:				
Revenues (including income of \$14,501,432 on investments)	207,498,060	194,233,816	14,097	492,442
Transfers of income on investments	-	13,264,244	(14,097)	(492,442)
Transfers from revenue fund	-	(93,043,000)	-	16,000,000
Sale or redemption of investments	2,769,816,520	272,481,321	1,346,329,979	101,550,000
Income on construction investments	79,964,259	-	79,961,440	-
Transfer of funds	-	-	(138,791,839)	-
Proceeds from sale of property	663,841	663,841	-	-
Reimbursements of construction costs and other recoveries	11,179,434	-	-	-
	<u>3,069,122,114</u>	<u>387,600,222</u>	<u>1,287,499,580</u>	<u>117,550,000</u>
Disbursements:				
Operating disbursements	110,265,986	110,265,986	-	-
Retirement of bonds	1,000,000	-	-	-
Interest on bond indebtedness	93,877,523	-	-	-
Purchase of investments including accrued interest	2,727,343,475	275,118,987	1,201,948,170	102,250,000
Payments to State of New Jersey	12,000,000	-	-	-
Cost of construction, studies, major repairs and other purchases	123,290,875	-	85,839,246	15,598,400
	<u>3,067,777,859</u>	<u>385,384,973</u>	<u>1,287,787,416</u>	<u>117,848,400</u>
Cash balances, December 31, 1986	\$ 19,160,040	18,936,197	27,777	79,367

<u>Depositories</u>	<u>Cash balance</u>	<u>Market value of securities pledged to secure deposits</u>
Revenue fund:		
First Jersey National Bank	\$ 137,993	2,691,406
The Peoples National Bank of Central Jersey	94,092	2,291,844
Valley National Bank	11	1,058,323
Ramapo Bank	-	707,000
The Chatham Trust Company	57	1,179,341
Toll collectors' and other imprest funds	96,100	-
United Jersey Bank	5,928,535	9,925,000
National State Bank of Elizabeth	12,674,409	14,339,370
Mount Holly State Bank	5,000	-
Balance carried forward	<u>18,936,197</u>	<u>32,192,284</u>

Funds held by the Authority

Funds held by Trustees

State payment fund	Special project reserve fund	General reserve fund	Priority debt reserve fund	Priority debt service fund	Debt service fund	Debt reserve fund
14,667	375,974	2,297	4,523	-	-	3,996
95,821 (95,821)	1,721,429 (1,721,429)	1,790,128 (1,790,128)	3,351,846 (3,351,846)	2,179,849 (2,179,849)	820,044 (820,044)	2,798,588 (2,798,588)
11,985,333	22,297,367	-	-	-	42,760,300	-
12,000,000	240,452,473	175,197,535	200,102,181	225,598,862	103,096,373	93,007,796
-	-	-	2,819	-	-	-
-	15,390,036	32,409,523	(56,109,523)	143,200,000	3,901,803	-
-	-	-	-	-	-	-
-	21,731	11,157,703	-	-	-	-
23,985,333	278,161,607	218,764,761	143,995,477	368,798,862	149,758,476	93,007,796
-	-	-	-	-	-	-
-	-	1,000,000	-	-	-	-
-	-	17,223	-	47,200,000	46,660,300	-
12,000,000	268,913,506	205,415,979	144,000,000	321,594,973	103,096,373	93,005,487
12,000,000	-	-	-	-	-	-
-	9,547,360	12,305,869	-	-	-	-
24,000,000	278,460,866	218,739,071	144,000,000	368,794,973	149,756,673	93,005,487
-	76,715	27,987	-	3,889	1,803	6,305

Depositories

Balance brought forward

Cash
balance
\$ 18,936,197Market value
of securities
pledged to
secure deposits

32,192,284

All other funds:

Midlantic National Bank
First Fidelity Bank
National Community Bank- 454,653
144,476 4,632,000
79,367 1,540,481
\$ 19,160,040 38,819,418

New Jersey Turnpike Authority
Toll Revenue

Year ended December 31, 1987
with comparative figures for 1986

Schedule 4

Class	Description	1987		1986	
		Toll revenue	Vehicles	Toll revenue	Vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 114,086,099	157,474,763	110,710,684	154,346,105
2	Vehicles having two axles other than type described under Class 1	8,435,194	5,931,530	7,965,737	5,567,242
3	Vehicle (vehicles), single or in combination, having three axles	4,004,307	2,349,962	3,787,224	2,119,419
4	Vehicle (vehicles), single or in combination, having four axles	7,412,683	2,957,945	7,615,388	2,955,115
5	Vehicle (vehicles), single or in combination, having five axles	41,877,098	12,159,390	40,380,419	11,530,752
6	Vehicle (vehicles), single or in combination, having six or more axles	510,189	130,271	475,790	116,451
7	Buses having two axles	399,586	454,740	461,744	508,739
8	Buses having three axles	1,919,313	1,286,959	1,868,020	1,250,770
9	Commuter buses having two axles	63,392	90,874	81,163	121,187
10	Commuter buses having three axles	325,961	329,720	312,885	322,970
	Non-revenue vehicles (A)	-	743,103	-	707,037
		179,033,822	183,909,257	173,659,054	179,545,787
	Deduct toll adjustments	64,009		112,542	
		\$ 178,969,813		173,546,512	

(A) Non-revenue vehicles represent traffic of members, officers and employees of the Authority actually in the performance of their duties or traveling to or from such duties, members of the New Jersey State Police Force, members of fire departments or local police departments actually in the performance of their duties, ambulances, rescue squads or necessary vehicles of concessionaires.



