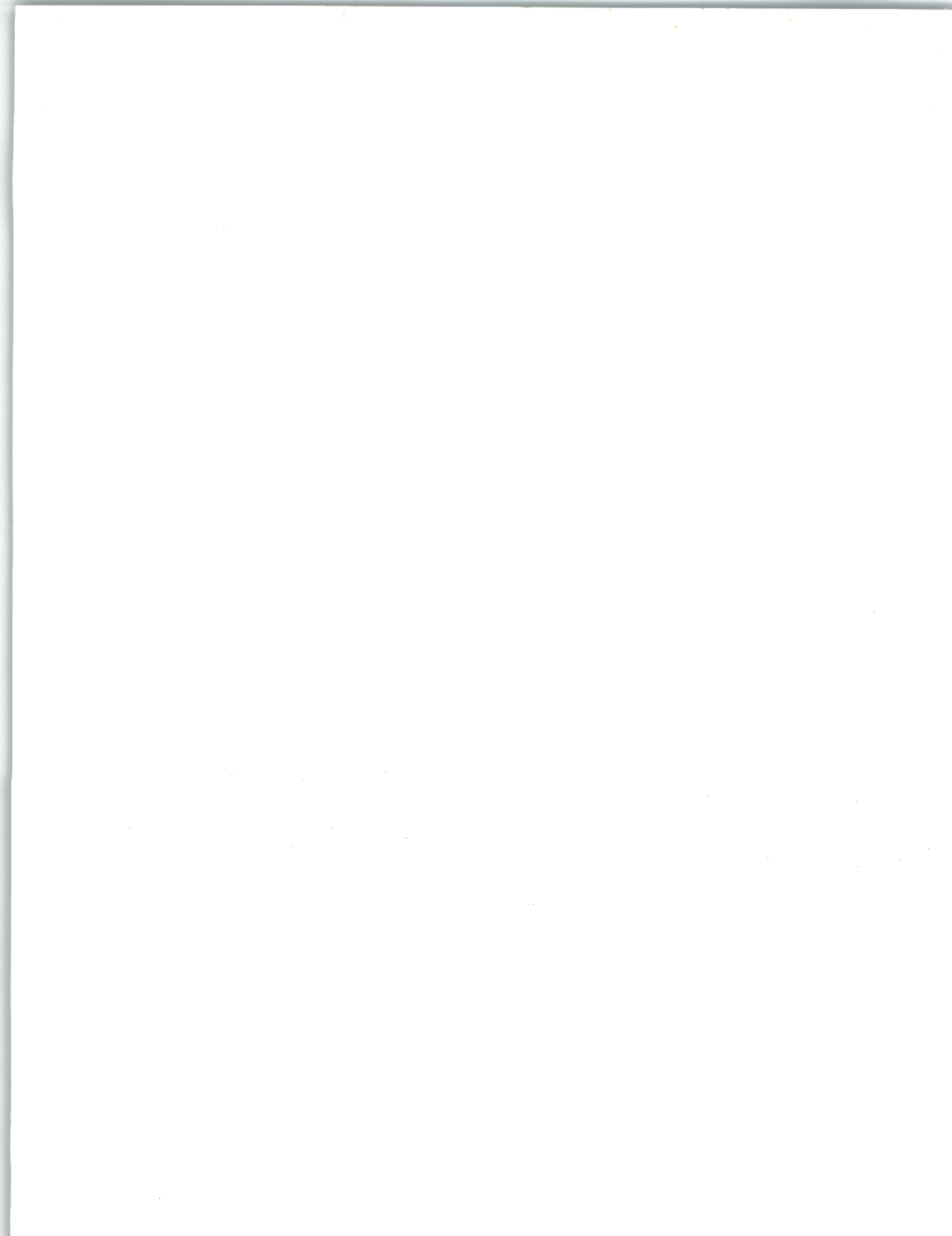




New Jersey Turnpike Authority

Annual Report **1974**



New Jersey Turnpike Authority 1974

Annual Report on the 23rd Year of Highway Service to State, Nation and the World



ALFRED E. DRISCOLL

Former Governor, "Father of the New Jersey Turnpike" and its Chairman since 1970, died on March 9, 1975. His passing is mourned by those who knew him and admired him during his association with the Turnpike Authority and by the citizens of New Jersey he served during his distinguished career.

COVER PHOTO: The Paul L. Troast Administration Building Complex overlooking the mainline at East Brunswick. The Troast Building was dedicated on February 11 in memory of the Authority's first chairman. (Photo by Al Oleck)

**NEW JERSEY TURNPIKE AUTHORITY
NEW BRUNSWICK, NEW JERSEY**

ALFRED E. DRISCOLL, *Chairman*
ROBERT J. CITRINO, JR., *Vice-Chairman*
WILLIAM F. TAGGART, *Treasurer*
RICHARD D. ILNICKI, *Commissioner*
FRANCIS G. FITZPATRICK, *Commissioner*
(Appointed May 13, 1974)
WILLIAM R. KIELY, JR., *Commissioner*
(Served 1973-1974)

LILLIAN M. SCHWARTZ, *Secretary-Assistant
Treasurer*
WARD J. HERBERT, *General Counsel*

STAFF

WILLIAM J. FLANAGAN, *Executive Director*
JOSEPH E. ROBERTSON, *Deputy Executive Director*
ROBERT E. MOSHER, *Comptroller*
HOWARD S. HEYDON, *Chief Engineer*
ANTHONY E. DeSIMON, *Director of Maintenance*
ROBERT E. RAMSEN, *Director of Toll Collection*
PAUL M. WECKESSER, *Traffic Engineer*
OLIVER K. COMPTON, JR., *Director of Personnel*
HERBERT I. OLARSCH, *Senior Attorney*
HORACE A. TANI, *Director of Public Information*
ROBERT G. OTT, *Director of Systems &
Data Processing*
DANIEL J. DONAHUE, *Director of Purchasing*
CHARLES A. DUPUIS, JR., *Director of Insurance*

CONSULTING ENGINEERS: Howard Needles
Tammen & Bergendoff

AUDITORS: Peat, Marwick, Mitchell & Co.

TRAFFIC AND REVENUE CONSULTANTS:
Coverdale & Colpitts

BOND COUNSEL: Mudge, Rose, Guthrie & Alexander

FINANCIAL ADVISORS: Smith, Barney & Co., Inc.

Letter of Transmittal



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

NEW JERSEY TURNPIKE AUTHORITY

(201) 247-0900

NEW BRUNSWICK, N. J. 08903

February 11, 1975

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

This Annual Report for 1974 reviews the 23rd year of operations--a year marked by a dramatic improvement in the New Jersey Turnpike's safety record. The year witnessed a 14.4 percent reduction in the accident rate and an even greater cut of 42.3 percent in the fatality rate as against a 3.4 percent decrease in traffic.

The improvement in the safety record was attributed to stepped-up enforcement by State Police, the adoption of new safety measures, including those embodied in new construction, and greater public awareness of the need to drive safely and conserve fuel.

Meantime, we completed or moved toward completion of construction projects previously authorized, including the addition of safety shoulders on five major bridges and building of access roads to the Sports Complex. We also look to completion in 1975 of the computerized traffic control and surveillance system to enhance the safety of this heavily travelled northern segment of the Turnpike.

We are mindful of our commitment to the public and will continue to cooperate with you and the mandates of the Legislature in serving the millions who rely on the Turnpike as their principal means of travel.

Respectfully submitted,

Alfred E. Driscoll

Alfred E. Driscoll
Chairman

Robert J. Citrino, Jr.

Robert J. Citrino, Jr.
Vice Chairman

Richard D. Ilnicki

Richard D. Ilnicki
Commissioner

William F. Taggart

William F. Taggart
Treasurer

Francis G. Fitzpatrick

Francis G. Fitzpatrick
Commissioner



BRENDAN T. BYRNE
Governor of New Jersey

Marking the 23rd Year of Service to State, Nation and the World

IN a year dominated by the energy crisis and adverse economic conditions, the New Jersey Turnpike continued to maintain its position as one of the nation's safest and most dependable arteries of commerce.

Although traffic in 1974 fell short by 3.4 percent of the 1973 level, when some 110 million vehicles paid tolls, it should be noted that the energy crunch did not assert itself until November of 1973 and continued well into 1974.

A study of Turnpike operations during and since the fuel shortage shows a decided impact upon the motoring public of the need to conserve fuel and exercise greater care in their driving habits. Out of it came an encouraging improvement in traffic safety.

In 1974 the New Jersey Turnpike was rated as the safest of the 10 major toll roads in the nation, according to the accident rates compiled by the International Bridge, Tunnel and Turnpike Association. The Turnpike handles all types of traffic, including the heaviest trucks.

With only a slight decrease in traffic volumes in 1974, in comparison to 1973 the Turnpike accident rate was down by more than 14 percent and the fatality rate was cut by 42 percent. The number of accidents was reduced by 21 percent and the number of fatalities was reduced by 47 percent.

As an example of the improvement in the safety picture, the accident rate of 71.5 can be compared with the 83.5 rate of 1973 and the 91.5 of 1972, figures based on the established accident ratio per 100 million vehicle miles. At the same time the fatality rate was cut to 1.65; it was 2.86 in 1973 and 1.93 in 1972. In addition, aids provided to disabled vehicles were reduced by about 10 percent when comparing 1973 and 1974.

The public's attitude was not the only contributing factor in the Turnpike's safety record. State Police Troop D's enforcement of traffic regulations, the adoption of new approaches to traffic control, and the additional safety measures embodied in new construction, completed or underway, all combined to emphasize the Turnpike Authority's continuing concern with the safety and convenience of its patrons.

The construction was of major proportions. It included the completion of the 12-lane dual/dual Turnpike another five miles south from Edison (Interchange 10) to New Brunswick (Interchange 9). It also took in the addition of 12-foot shoulders to five major bridges; the Rancocas, the Basilone (across the Raritan), the Susquehanna Viaduct, the Hackensack and the Passaic River Spans, the latter well on the way to a spring 1975 completion.

All this work also featured the conversion of bridge parapets to a new design and construction of a median

of the latest design. The expansion of the five bridges represented another "first" in projects of this nature, since those structures were built without shoulders when the original mainline was constructed 23 years ago. With the 1969 widening to 12 lanes, new bridges came into being over the Hackensack and Passaic Rivers, each complete with safety shoulders and medians. Now the seven bridges stand out as examples of full protection for motorists.

In addition, the Authority in May opened a new interchange 7A in Mercer County, connecting a new section of I-195 west to the Trenton area and east from Allentown to County Route 527 in Ocean County.

BUT safety is an endless consideration. By late 1975 the automatic traffic control and surveillance system is scheduled to become operational. It will be the culmination of an eight year project that includes, so far, the laying of 106 miles of cable along the northern stretch of the Turnpike to connect some 800 loop detectors now being installed in the pavement for this pioneering computerized system of traffic control.

Already the computers, a 22-foot map display and other appurtenances for the system have been completed and placed in a central room at the Sperry Rand plant at Great Neck, New York, ready to be shipped next summer and reassembled in like fashion in the Turnpike Authority's control room in the round building at its headquarters in the Paul L. Troast Administration Building Complex.

As part of this latest system, that will automatically close lanes and re-route traffic whenever necessary, 44 additional changeable message signs of the drum type were installed between Interchange 14 (Newark Airport) and the northern terminus of the Turnpike at Route 46. In addition, more than 100 existing variable speed limit and warning signs will complement the new system.

Quietude marches along with safety. On October 1, after a test period, the Authority started enforcing its anti-noise program, based on a new Turnpike regulation to cover all types of vehicles. Designed to cut down the noise from passing vehicles to the relief of Turnpike neighbors, the program has proved to be most effective.

Lawful noise limits vary, with trucks pegged at a maximum of 90 decibels. These are recorded by mobile van monitors stationed at various sites, with their microphones picking up the noise levels under favorable weather conditions. The cooperation of the trucking industry and the steps it has taken to adapt their vehicles to the new program have been gratifying.

The concern for safety and comfort goes even
(Continued on Page 8)



This network of Turnpike roadways forms the key for land, sea and air travel all over the world. The mainline runs from left to right, linking the Holland Tunnel, Newark Airport and Ports Newark and Elizabeth.

Alfred E. Driscoll
Chairman

Former chairman of Warner-Lambert Pharmaceutical Co. He was appointed to a five-year term in 1970 by Former Governor Wm. Cahill. A graduate of Williams College and Harvard Law School, he has devoted many years to public service. He was N.J. Governor from 1947-1954. Chairman Driscoll died suddenly on March 9, 1975.

William F. Taggart
Treasurer

President of Taggart International, Inc. He is a nationally recognized authority on highway safety and is also Vice president of the American Safety Foundation, Director of Massachusetts Auto Safety Center and the State Bank of Fort Lee. His four year term expires February 14, 1976.

Robert J. Citrino, Jr.
Vice Chairman

A partner in the law firm of Citrino, Balsam and Ford. He was appointed to the Authority for a term of three years in 1970 by former Gov. Wm. Cahill and was reappointed for a five-year term in 1973. A graduate of Columbia University he received his law degree from Georgetown.



Richard D. Ilnicki
Commissioner

A research professor in the Rutgers Univ. Soils and Crops Department. He is a former South Brunswick mayor and is currently serving as Deputy Mayor, Committeeman and police commissioner. He is director of the New Jersey League of Municipalities.

Francis G. Fitzpatrick
Commissioner

Former Mayor of Bayonne. A graduate of John Marshall College of Law, he is a partner in the law firm Fitzpatrick & Fitzpatrick. He was appointed by current Governor Brendan Byrne, for a five-year term expiring February 14, 1979.

William J. Flanagan
Executive Director

He joined the Authority in his present position in 1962. He is currently Chairman of the Council of Past Presidents of the International Bridge, Tunnel and Turnpike Association, after having served as president of the group in 1974.

This network of Turnpike roadways forms the key for land, sea and air travel all over the world. The mainline runs from left to right, linking the Holland Tunnel, Newark Airport and Fort Newark and Elizabeth.



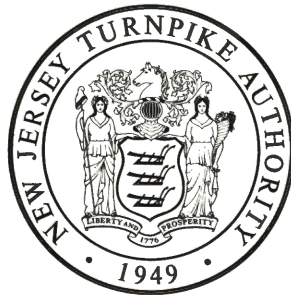
ALFRED E. DRISCOLL
Chairman



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WILLIAM F. TAGGART
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RICHARD D. ILNICKI
Commissioner



FRANCIS G. FITZPATRICK
Commissioner



WILLIAM J. FLANAGAN
Executive Director

further. In the spring of 1975 the Authority was scheduled to install on its westerly alignment in the meadows the first electronic fog detector system. It is the latest effort on the part of the Traffic Engineering Department to seek a breakthrough in its fight against fog. The apparatus will detect and transmit the fog density to State Police as an early warning system to prevent accidents.

Turnpike Safety Record

Enforcement:	1974	1973
Summonses Issued	56,545	62,052
Criminal Arrests	2,841	3,448
Aids to Motorists:		
Mechanical	32,908	38,541
Gasoline	9,123	10,588
Flat Tires	6,764	9,339
Overheat	1,608	2,180
Other	43,642	44,348
Total Aids	94,045	104,996
Aids Ratio	1 per 1,134 veh.	1 per 1,052 veh.
Aids Per Day	258	288
Accident Information:		
Accidents	1,816	2,306
Accident Rate	71.5	83.5
Personal Injuries	1,216	1,754
Injury Rate	47.9	63.5
Fatal Accidents	40	47
Fatalities	42	79
Fatality Rate	1.65	2.86

Accident, injury and fatality rates computed on basis of every 100 million miles of travel.

Less complex is the protective measure taken by the Authority to prevent accidents. At Elizabeth (Interchange 13) along the northern section of the road, new impact barriers have been installed to absorb the shock of a collision. Some of the barriers are a cluster of water-filled cells and others are sand-filled barrels that shatter on impact.

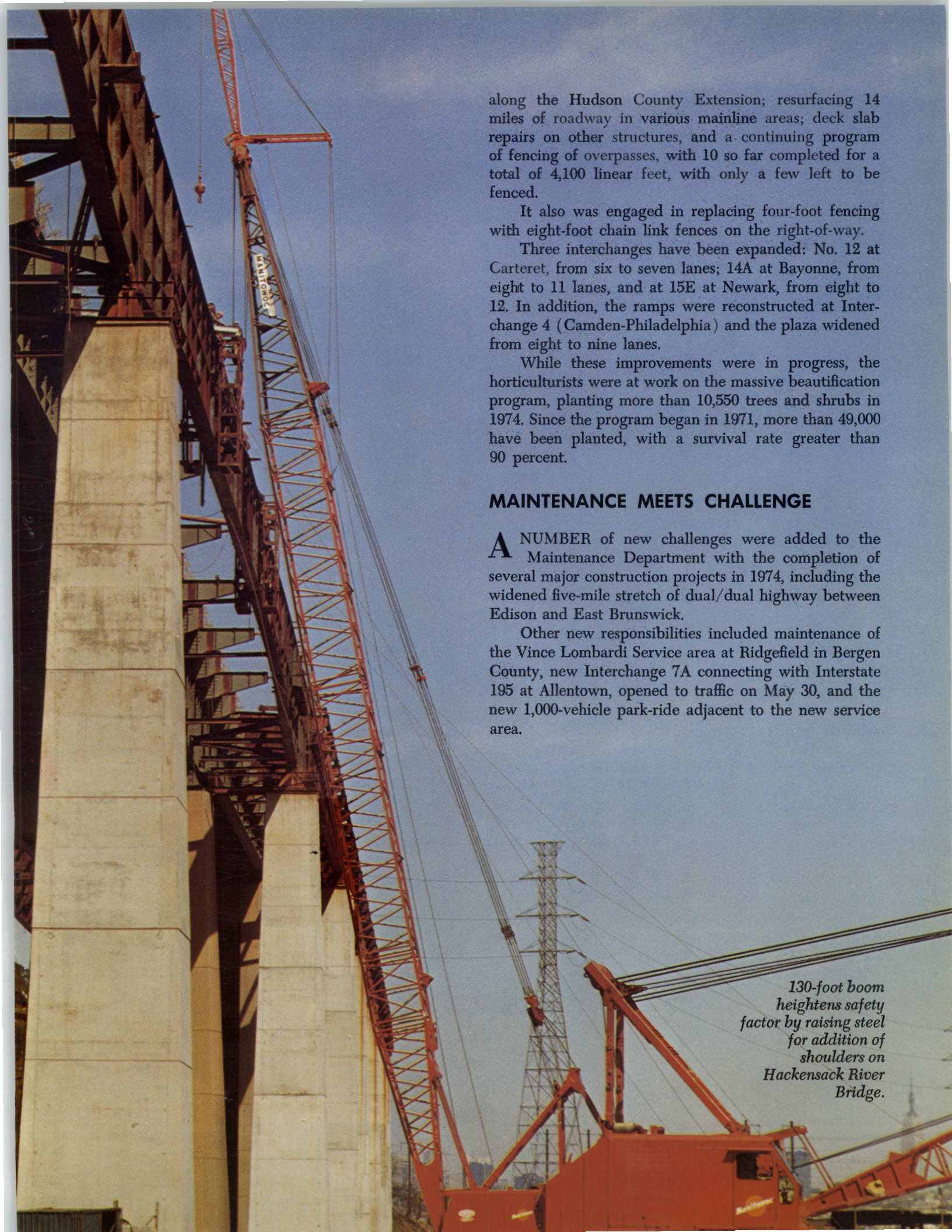
ALTHOUGH the construction of the proposed Toms River Expressway has been deferred, the Authority, acting on the basis of a court decision, authorized in 1974 a new environmental impact study for a 12-mile portion of the Expressway alignment at South Brunswick and Monroe Townships. The Court had held that small sections of the route were invalid because it was not covered by the original environmental impact statement, as alleged by the two townships.

At the same time, Turnpike engineers reported progress on the Authority's construction of access roads to the Sports Complex under an agreement with the State Department of Transportation and the Sports Authority. The work involves the widening of Interchanges 16W and 18W, and construction of a new bridge over Route 20, to provide access to the meadowland sports center.

To maintain the integrity of the road, the Engineering Department reported the first phase of a three-year program for major rehabilitation of concrete decks



Traffic moving along the Turnpike in a fall scene near Hightstown.



along the Hudson County Extension; resurfacing 14 miles of roadway in various mainline areas; deck slab repairs on other structures, and a continuing program of fencing of overpasses, with 10 so far completed for a total of 4,100 linear feet, with only a few left to be fenced.

It also was engaged in replacing four-foot fencing with eight-foot chain link fences on the right-of-way.

Three interchanges have been expanded: No. 12 at Carteret, from six to seven lanes; 14A at Bayonne, from eight to 11 lanes, and at 15E at Newark, from eight to 12. In addition, the ramps were reconstructed at Interchange 4 (Camden-Philadelphia) and the plaza widened from eight to nine lanes.

While these improvements were in progress, the horticulturists were at work on the massive beautification program, planting more than 10,550 trees and shrubs in 1974. Since the program began in 1971, more than 49,000 have been planted, with a survival rate greater than 90 percent.

MAINTENANCE MEETS CHALLENGE

A NUMBER of new challenges were added to the Maintenance Department with the completion of several major construction projects in 1974, including the widened five-mile stretch of dual/dual highway between Edison and East Brunswick.

Other new responsibilities included maintenance of the Vince Lombardi Service area at Ridgefield in Bergen County, new Interchange 7A connecting with Interstate 195 at Allentown, opened to traffic on May 30, and the new 1,000-vehicle park-ride adjacent to the new service area.

*130-foot boom
heightens safety
factor by raising steel
for addition of
shoulders on
Hackensack River
Bridge.*



Advance notice: Electronic sign tells trucker he is not exceeding 90 decibel limit in Turnpike anti-noise program. State Police enforcement of the new regulation, a pioneer in the highway industry, began on October 1.

Although the winter of 1973-74 was relatively mild in terms of snow, there was increased usage of rock salt to control skidding conditions caused by an unusually large number of ice storms. However, the mild winter weather permitted roadway crews to linestripe, seal cracks and repair potholes, bridge decks and curbs, functions normally limited to the warmer months.

The most severe windstorm in Turnpike history occurred December 1, causing the loss of the canopy roof at the Lincoln Tunnel Complex (Interchanges 16E-18E). Maintenance completed repairs within a matter of days, avoiding additional structural problems.

In road operations, 33,000 feet of guardrail damaged by accidents were replaced. Two types of impact barriers, to provide increased safety to patrons at "splits," were installed at Interchange 13, Elizabeth. Later, similar barriers will be erected at other interchanges.

Turnpike landscapers concentrated their beautification efforts at service areas and interchanges. They also resolved several poison ivy complaints from neighbors adjacent to the right-of-way to their satisfaction.

During the year Turnpike crews painted the interiors of approximately 30 percent of all maintenance and toll collection buildings, replaced treadles and frames at 30 separate toll lanes, installed boilers at two locations, linestriped the entire roadway twice and

initiated a program to line underground gasoline storage tanks with fiberglass to prevent leakage, without having to dig them up.

Signs also played a major role in 1974 Maintenance activities. As part of the Authority's new anti-noise program, an electronic sign was fabricated and installed at East Windsor Township to alert motorists to their decibel readings. More than 200 additional signs of all types were fabricated and erected for the Traffic Engineering Department, while more than 800 others were repaired and maintained.

TOLLS ADDS TO RECORD

THE Authority's front-line representatives—the Toll Collection personnel—broke much new ground in 1974.

As reported by the state and national media, "gentler hands are collecting Turnpike tolls." On October 28 Bonnie Stafford, an Engineering Department employee, became the first successful female applicant for the position of toll collector on the New Jersey Turnpike.

She was joined by 11 other women by the end of November, who, along with three new male collectors, covered existing vacancies in the Turnpike's toll forces and were the only additions in 1974.

A new connection with I-195, Interchange 7A, in Washington Township, was opened to the public. Interchange 7A, operational in May, offers patrons a more direct route to the Trenton and Allentown areas.

In the northern section of the roadway area growth necessitated the expansion of existing facilities.

Interchange 12 in Carteret was given an additional lane bringing its total to seven. The transformations were greater at Interchange 14A where three new lanes were constructed due to traffic increases in the Bayonne area attributable to the completion of Route 169.

Interchange 15E saw the final stages of construction completed in December, providing a complete new twelve lane toll plaza in the heart of the industrialized zone in the Newark/Kearny/Jersey City area. This entire project was phased so that its various stages of completion were tied to like stages of demolition of the old interchange providing for continuous handling of traffic during the entire project.

But perhaps the greatest effort is occurring at the Turnpike's northernmost end in anticipation of the completion of the Sports Complex in 1976.

Both Interchanges 16W and 18W are receiving an additional six lanes to handle the already increased traffic of the projected figures. Interchange 16W in East Rutherford will go from six lanes to 12 while Interchange 18W in Carlstadt will move from its current number of 12 to 18 lanes when the work is completed.

Tolls again continued to add to its 23-year operations record a list of fine credits in dealing with the public. Heading the list of appreciative patrons was U.S. Senator Harrison A. Williams. Senator Williams commended Toll Plaza Supervisor Luke Platt for the "superb job of assisting me" when the Senator's car became disabled.

LEGAL-REAL ESTATE

IN the interest of increased efficiency and economy, the Legal and Real Estate Departments were consolidated April 24 under the general direction of the newly appointed Senior Attorney Herbert I. Olarsch of Linden. Mr. Olarsch has been on the Turnpike's legal staff for nearly 10 years.

Much of the department's legal activity was concentrated on the proposed Toms River Expressway project, but it continued its role of handling all Authority litigation, providing counsel to all Turnpike departments and the review of contracts, purchase orders and public bidding procedures.

It also won a significant ruling from the State Superior Court that the joint venture with Marriott Corporation to build a motor inn near the Turnpike's northern terminus in Ridgefield was within the Authority's jurisdiction.

Under a policy adopted by the Commissioners to seek means to dispose of all surplus land parcels more than 300 feet from the center of Turnpike right-of-way south of East Brunswick, the department initiated, along with the General Consultant, a revision of property maps covering the southern 83 miles of the roadway.

Other Real Estate activities included the commencement of a study with Systems/Data Processing to determine the feasibility of recording all Authority land holdings on computer, another to develop a "title bank" showing the history of ownership of all Authority-owned properties, and a continued review of riparian claims with the State.

The possibility of acquiring land owned by the State Department of Transportation adjacent to Interchange 10 at Edison for an 1,100 vehicle park-ride facility was also under investigation at year's end.



Turnpike trooper demonstrates mobile radar unit for media. It's the newest device to catch speeders, resulting in 58% increase in summonses.

INSURANCE

IT was an active and productive year for the Insurance Department with the spotlight on employee benefits. In July, the Major Medical and Dental coverage was broadened in scope and increased in benefits as part of the new union agreement. Travel Accident insurance was upgraded and rewritten.

Stock market losses which reduced book value, and subsequently assets, for insurance companies resulted in a restricted market and higher premiums for insurance. The General Liability Program was replaced by a new carrier after solicited bids were received. Umbrella Liability coverage was increased to meet the remote but possible chance of a major catastrophe. The blanket All Risk policy covering Turnpike buildings and contents was broadened to include such coverage as Replacement Cost and deductibles were applied to reduce premiums.

The Claims Section of the Insurance Department processed 360 employee Workmens Compensation claims. A total of 535 claims against patrons for damage to Turnpike property were settled which resulted in a recovery of \$220,625. A total fire loss on a surplus piece of Turnpike property in Newark resulted in the recovery of \$230,000 from our All Risk insurance carrier.

NEW PERSONNEL PROGRAM

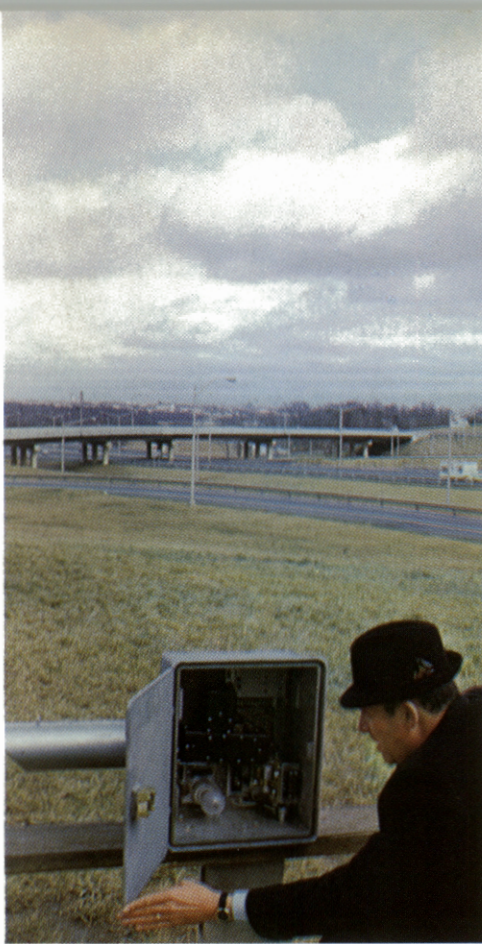
THE Turnpike Authority acquired a new member in 1974 with the appointment by Governor Brendan T. Byrne of Francis G. Fitzpatrick, former Mayor of Bayonne as a commissioner to fill the vacancy left by William R. Kiely, Jr., of Fair Haven, whose term expired. Commissioner Fitzpatrick was named to a five-year term to expire February 14, 1979.

During 1974 the Authority, with active participation by the Operating and Personnel Departments, embarked upon its own affirmative action program in recognition of Equal Employment Opportunity Legislation. Personnel Department employees attended a seminar devoted to Practical Approaches to Affirmative Action Compliance sponsored by the American Management Association.

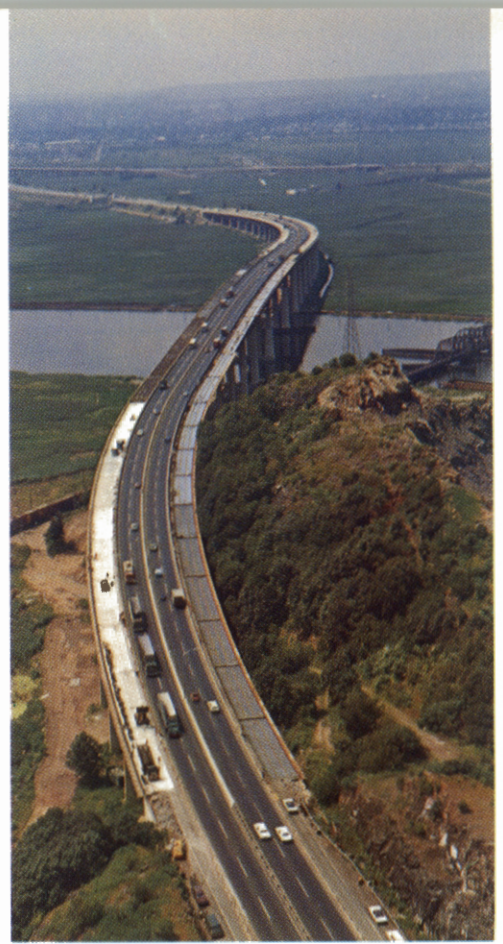
As an extension of this program, the Authority initiated the employment of 12 females as toll collectors. They were selected from among many applicants who indicated a great desire to fill the positions. Similarly, a dispatcher position in Maintenance was filled by a female applicant.

Personnel played a supportive role in labor negotiations with the union representing the employees. The

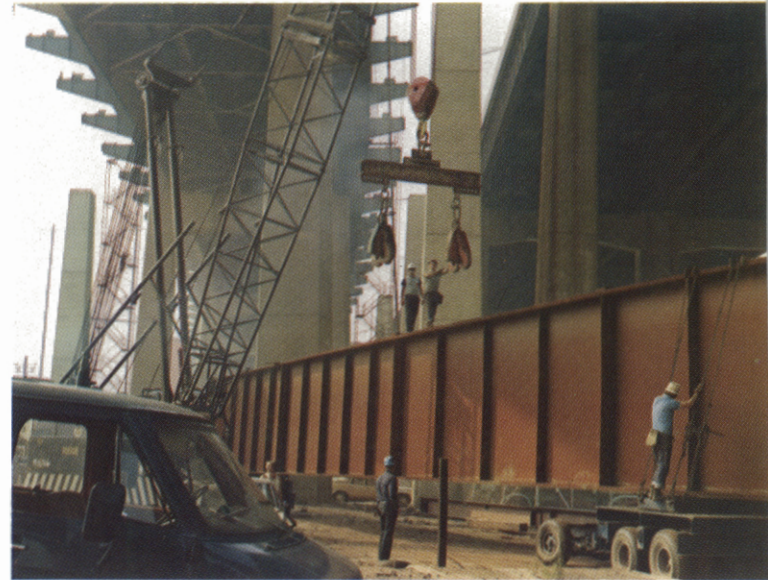




Aerial view of Hackensack Bridge being given safety shoulders, new median and parapets.



Traffic Engineer Paul Weckesser inspects one of four fog detectors to be tested on Westerly route.



This 144-foot long, 160,000 pound steel girder being readied for installation on Passaic River. It was hoisted 130 feet above river in construction of safety shoulders.

The Authority in session, Chairman Alfred E. Driscoll presiding. Shown clockwise, are: James F. Finn, engineering consultant; Commissioners Richard D. Ilnicki and Francis G. Fitzpatrick; secretary Lillian M. Schwartz, Chairman Driscoll, Vice Chairman Robert J. Citrino, Jr., Treasurer William F. Taggart, Executive Director William J. Flanagan, next to Chief Engineer Howard S. Heydon, and Comptroller Robert E. Mosher. Star Ledger reporter Larry Bodine is at bottom right.

result was two new three-year agreements effective July 1, 1974 with an expiration date of June 30, 1977. Two agreements were negotiated, one covering operating employees of Tolls and Maintenance, the other covering Office, Clerical and Technical employees of all departments. All modifications in wages and benefits have been implemented with corresponding and related changes adjusted for Supervisory and Management personnel.

A total of 44 permanent employees joined the Authority; this number represented 36 replacements and 8 additions, while 116 seasonal employees were hired for the summer period. There was a turnover of 68 employees. Excluding retirements, the turnover rate was 3 percent.

At the Annual Service Awards Dinner, 130 employees were honored for having attained 25, 20, 15 and 10 years of service. Heading the list was the Turnpike's first employee, Mrs. Lillian M. Schwartz, the Authority's Sec-

retary-Assistant Treasurer, who was first to be honored for a quarter of a century of service.

October 2, 1974, was the regular Blood Donor Day, with 262 employees contributing. During the year 2,502 medical visits were made, with 176 pre-employment and 553 employee physical examinations performed.

Sixteen separate tuition refunds were made and the 1974 Harry Laderman Scholarship Award went to Gary L. Carrier, son of James L. Carrier, Maintenance employee.

A total of 559, or more than 25 percent of the entire work force, completed at least 10 years service. Turnpike personnel benefited by the Longevity Program: 186 had 10 through 14 years service and 373 had at least 15 years with the Authority.

SYSTEMS AND DATA PROCESSING

A "self-service credit card test" was one of the most interesting of the 1974 projects in which the Systems and Data Processing Department was involved. Although Systems personnel had the key role in this project, it was a coordinated effort of the Toll Collection, Maintenance, Comptroller, Engineering and Traffic Engineering Departments.

The news media covers the opening of the six-month credit card test at Interchange 9, New Brunswick.



The test is designed to determine if it is practical for a car driver to reach through the car window and insert a credit card into a card reading device adjacent to the Collector's booth.

Three different reader designs are being tested and the test period of six months will end in May of 1975. Ninety Turnpike employees are participating in the test at three interchanges—New Brunswick, Edison and Woodbridge.

Since "self-service" implies charge accounts and periodic billing, the concept would, if it proves workable, offer to the steady customer a means of using the Turnpike without the annoyance and inconvenience of exchanging cash and a ticket through the car window. It would also tend to reduce the number of receipts issued which would improve safety and increase Collector efficiency.

"Pavement Overlay" is the work title of a system project initiated in September as a service to the Engineering Department. In this project, a Computer Programmer and an Engineer are working together to computerize the cost of material to be used in resurfacing a given length of road. In the past this work was done by consulting organizations at great expense and with less precision than Turnpike Engineers considered desirable. Initial phases of the project have been completed and resulting computer output is being profitably used by the Engineers.

As the need for conservation of energy became evident, the Maintenance Department management realized that more sophisticated and timely "power consumption" reports were needed. They collaborated with Systems personnel to design and computerize the needed reports now being routinely produced.

Toll collection equipment that is being installed in the new lanes of interchanges being expanded is electronic and controlled by a small scale computer located in the interchange utility building. The hardware concepts are being designed by Engineering personnel but responsibility for programming the small computers have been accepted by Systems and Data Processing.

The every day routine of processing tickets in auditing toll collections and computer generation of standard accounting and statistical reports continued. Toll tickets processed totaled about 107 million.

In response to requests from other departments, 37 one-time special reports were produced by the computer and six new repetitive jobs were integrated into the computer schedule.

New computer projects to receive attention in 1975 include control of contract insurance and real estate tax payment, both requested by the Legal Department; monitoring and control of the Engineering Department's "Contractor Prequalification" program; and periodic preparation of seniority lists for the Maintenance Department.



Authority inspects latest first aid equipment at Paul L. Troast Administration Building. Shown are Commissioners Richard D. Ilnicki, Vice Chairman Robert J. Citrino, Jr.

RECORD NEWS COVERAGE

IN 1974 the Public Information Department handled the widest news media coverage ever of the New Jersey Turnpike, including increasing participation by network and local television in a continuing series of Authority programs.

At the request of the Department, the print and broadcast reporters recorded a succession of Turnpike "firsts."

They were out in force to cover the initial issuance on August 12 of "courtesy advisories" in the Turnpike pioneering anti-noise program, enforcement of which began on October 1.

Photographers and radio and TV crews were rowed out of the middle of the river to film the erecting on September 10 of a 160,000 pound steel girder to close the last section of the widened Passaic River Bridge at Kearny-Newark.

On November 14 the newsmen were briefed at the Department and then recorded the beginning of the six-month "self-service credit card" test at Interchanges 9, 10 and 11.

On November 19 the media covered the use of the anti-noise warning sign in the Hightstown area flashing to passing vehicles the number of decibels—or noise levels—produced by them, alerting them to possible violations of the new regulations adopted on July 23.

With the cooperation of the State Police, they saw

for the first time the operation of the new mobile radar system set up to catch speeders—a device that has been responsible for more than 58 percent of the increase in speeding summonses issued by Troop D.

Besides those demonstrations, good publicity was accorded other events. Notable was the November 20 visit for the first time to the Turnpike of a delegation from Russia—a group of transportation officials who were impressed by the operation and safety measures on the Turnpike. It was the only highway they visited in their trip to this country and at their request the Department arranged for our two documentaries “Incredible Journey” and “Turnpike” to be shown in the Soviet Union.

The following day a delegation of French highway engineers from the Societe’De’L’Autoroute Paris-Normandie spent a day with Turnpike officials to learn about our toll operation.

Early in the year, a delegation of South African engineers attended a round table discussion with Turnpike engineers on construction techniques.

At year’s end arrangements were being made to publicize one of several fog detection devices to be installed before the spring fogs occur on the westerly or meadowland route.

News coverage was also complemented by the mailing of more than 50 press releases to all the media. When conditions made it necessary to get immediate coverage on important developments, press, radio and when warranted, TV stations, were notified by phone. Supplementing this was the use for the first time of the TWX and Telex system in our Control Center.

The Department’s representatives also made direct, personal contact with the editors of several newspapers so that they could obtain the Authority’s point of view and policies regarding the need for a toll increase, questions dealing with the proposed Toms River Expressway, and other matters on which the newspapers had been editorializing.

With the cessation of activities related to the Toms River Expressway, Community Relations efforts were directed to the operating Turnpike. The new program had two objectives (a) to establish liaison with political subdivisions, groups and individuals who are affected by—or affect—the Turnpike and (b) to seek out and lend support to civic and economic entities who have undertaken programs which will be mutually beneficial to them and the Turnpike.

To accomplish these objectives the Community Relations operation was introduced by letters from Chairman Driscoll to the 10 counties and 48 municipalities along the Turnpike. Follow-up letters were mailed and telephone calls made to those who did not acknowledge the letters.

Names and addresses of more than 300 residents



The mainline at Newark, with the Pulaski Skyway running above it and Route 1 below it. To accommodate traffic in this heavily industrialized area, Interchange 15E (at right) was expanded to 12 lanes and uniquely engineered to reduce costs.

whose properties about the Turnpike were obtained. The lists will be used to inform individuals and neighborhoods about Turnpike programs and projects which will affect or interest them, such as fence replacement projects and meetings to discuss noise regulations.

INFLATION'S IMPACT ON PURCHASING

INFLATION had a heavy impact on the state's economy and the New Jersey Turnpike was no exception. The year saw a continuing increase in costs of materials and services needed for the efficient and safe operation of one of the nation's great highways.

Besides the spiraling costs of steel, asphalt, and manufactured mechanical systems, such as air conditioning and heating units in construction contracts, the Authority had to pay more for automatic equipment, besides the myriad supplies and services required for the maintenance, repair and operation of the roadways.

Material cost increases ranged from 30 to 100 percent and the Turnpike faces the prospect of another year of soaring prices. As an example, the price of steel guard rail has virtually doubled, a fact that makes the replacement or new installation of these protective rails so costly.

The Purchasing Department assumes a major responsibility in procuring the goods and services needed every year. In 1974, for instance, it expended \$7,780,044 on 2,831 requisitions, compared to \$4,425,079 on 3,073 requisitions the year before. The expenditure represented maintenance and operating necessities that had to be met.

In 1974, through competition and analysis of proposals, over \$1 million was spent for the purchase of various models of trucks destined for reassignment within the Authority's automotive fleet. To further complement the fleet all necessary repair parts, antifreeze and tires were ordered, plus the installation of new garage lifts to provide maximum service on all units.

The Medical Department received the latest in supplies and vaccines, while outside medical consultation service was provided to guarantee the finest in medical knowledge and treatment available to employees.

In a continued effort to aid the environmental studies, special sound level measurement equipment was bought. Operating from a mobile noise enforcement van a new program was initiated to monitor sound levels of all vehicles.

Recognizing the 24-hour operation of the Turnpike, the State Police received the most modern, efficient equipment available for effective operation.

Complex radio equipment was ordered to provide for replacement and expansion of facilities within the

Turnpike microwave communications system. Auxiliary equipment was also obtained to provide instant communication during emergencies.

The Authority's needs also included: thousands of tons of hot mix for resurfacing; cold mix for temporary patching; white traffic paint reflectorized by glass beads providing an indispensable lifeline during inclement weather, and hundreds of traffic signs to guide our patrons.

The New Jersey Turnpike has initiated many test programs in over two decades of service. With safety and convenience of the motorist its prime objective, two test programs of special significance were established.

Four types of electronic fog detector units were ordered. In addition 12 credit card reading machines were obtained from three manufacturers for the six-month trial period at certain interchanges.

Maintenance of service areas was served with the purchase of tractors, sweepers and mowers.

In the continuing conservation program, our horticulturist received thousands of seedlings, plus weed killers and fertilizers necessary for proper growth.

Preparing for the winter season, fuel oil and snow plowing contracts were finalized well in advance and purchase orders were released for rock salt, calcium chloride and snow plow parts.

Yearly contracts were released for servicing machines, uniform cleaning, repainting and relamping radio towers, blueprinting and specification book requirements, law books, window cleaning and lab testing services.

Purchasing has participated with the State of New Jersey on many contracts, and its policy of procuring for all Turnpike departments the best value possible prevailed.



The beautification program proceeds with new plantings among the thousands gracing the Turnpike in the five-year program.

Authority Adds a 13th Service Area and a Second Park-Ride

THE first memorial in the nation in honor of Vincent T. Lombardi, professional football's super-coach, was dedicated by the New Jersey Turnpike Authority on February 5, 1974 when it opened its 13th and newest Service Area Complex in Ridgefield. The event was sponsored jointly by the Turnpike Authority, the Marriott Corporation and Exxon Company before some 400 persons, including the coach's widow and many former players and colleagues of the coach who formerly taught school and resided in New Jersey. In the restaurant are displayed many mementos and trophies of Mr. Lombardi's exploits and a Wall of Fame depicting his distinguished career.

Adjacent to it is the Authority's second Park and Ride facility in Ridgefield, which was opened to the public on July 8, 1974. Brief opening ceremonies were held with Authority Chairman Alfred E. Driscoll, former

New Jersey Governor, participating.

This Park and Ride provides Turnpike patrons with direct commuter bus transportation to the Port Authority Bus Terminal in New York City. During peak commuter hours in the morning and evening buses leave for the Bus Terminal every 10 minutes and in the evening return to the Park-Ride, again on a 10-minute headway.

Buses run from 6 a.m. until midnight on weekdays. By the end of 1974 close to 100,000 passengers used the facility, which has a capacity of 1,000 passenger cars.

The East Brunswick Park-Ride Off Interchange 9 opened in 1972 continued to operate at 100 percent capacity. By year's end 90 percent of the site was used by purchasers of monthly parking tickets. Some 800 passengers a day were served with non-stop bus service directly to New York City.



for Its Patrons' Services

(At right) Patrons view Lombardi memorabilia in lobby of Marriott Restaurant at Lombardi Service Area.

(Below) Chairman Driscoll, with neighboring officials, cutting ribbon for new Park-Ride.



Patrons in a section of the restaurant in Lombardi Service Area.

(At left) Aerial view of Vince Lombardi service area complex, with new Park-Ride in foreground. (inset). Mrs. Lombardi speaking at dedication ceremonies February 5.

Automatic Traffic Surveillance and Control System



How this most sophisticated system, to be ready in 1975, will work: At left, men are laying cable (over 100 miles) to connect loop detectors shown at right in front of truck. Then by electronic



impulse traffic incidents or congestion will be instantly recorded on computers, shown below at Turnpike headquarters. Here the computers will automatically activate drum-type traffic control signs to reroute vehicles as required for patrons' safety and convenience.



23 Years of Operation

	REVENUE VEHICLES	REVENUE MILEAGE	TOLL REVENUE	CONCESSION REVENUES	OTHER REVENUES	TOTAL REVENUES
1951*	787,195	38,246,174	\$ 587,326	\$ 32,861	\$ 87	\$ 620,274
1952	17,948,325	765,807,780	16,241,267	1,523,038	65,330	17,829,635
1953	22,005,078	868,606,100	19,192,647	1,853,880	464,102	21,510,629
1954	24,555,441	927,393,967	20,756,344	1,826,777	634,641	23,217,762
1955	25,888,319	939,672,825	21,122,503	1,859,952	923,169	23,905,624
1956+	31,588,224	1,064,377,974	24,513,371	2,056,530	1,197,682	27,767,583
1957	39,269,643	1,200,254,680	29,022,910	2,370,516	1,447,014	32,840,440
1958	41,615,115	1,232,527,909	30,159,491	2,400,793	1,554,434	34,114,718
1959	46,199,339	1,343,847,970	33,317,927	2,602,998	1,396,407	37,317,332
1960	49,083,017	1,414,759,197	35,583,987	2,650,147	1,274,321	39,508,455
1961	51,737,682	1,471,802,723	37,192,652	2,649,106	1,156,969	40,998,727
1962	54,900,745	1,560,490,809	39,240,487	2,660,029	1,180,789	43,081,305
1963	56,677,379	1,610,706,177	40,778,566	2,749,777	1,270,264	44,798,607
1964	60,707,631	1,753,074,755	44,148,839	3,436,989	1,446,046	49,031,874
1965	64,957,715	1,856,395,130	46,122,200	3,624,311	1,549,790	51,296,301
1966	69,850,328	1,944,951,873	48,609,809	3,752,280	1,628,281	53,990,370
1967	73,528,656	2,030,844,201	51,229,549	3,976,450	1,642,227	56,848,226
1968	78,205,075	2,138,002,435	55,339,724	4,323,562	1,653,381	61,316,667
1969	80,618,191	2,202,999,403	57,636,727	4,624,406	1,979,854	64,240,987
1970	89,655,299	2,382,332,241	63,934,463	4,959,536	1,949,358	70,843,357
1971	98,553,612	2,574,226,834	70,124,311	5,322,464	1,004,360	76,451,135
1972	107,933,291	2,740,521,973	75,939,682	5,612,148	997,242	82,549,072
1973	110,422,434	2,753,067,671	78,996,947	5,226,934	1,261,793	85,485,674
1974°	106,628,059	2,529,483,967	75,243,082	4,924,039	3,062,147	83,229,268

* Section of Turnpike opened November 5, 1951.

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

° 12-lane widening from Northern Terminus to New Brunswick opened in 1974.

Operations Budgets—1975 and 1974

	1975	1974
Administration-General	\$ 1,522,500	\$ 1,524,200
Data Processing/Systems	981,600	928,300
Accounting	486,100	453,300
Operations:		
Traffic Control and Police	4,350,100	3,865,600
Toll Collection	12,738,500	12,030,300
Maintenance, Repair, Replacement and Reconstruction	13,556,200	13,205,400
Engineering	976,200	843,200
Insurance	1,912,700	1,911,800
Professional Fees	150,000	133,000
Fiduciary Fees	237,000	62,000
Pension and Retirement Funds	2,170,200	1,816,400
Taxes	136,900	200,000
Sub-Total	\$39,218,000	\$36,973,500
Provision for amounts to be deposited to the credit of the Maintenance Reserve Fund	4,500,000	—
Total	\$43,718,000	\$36,973,500

Toll Revenues

	1974	1973
January	\$ 5,415,885	\$ 6,096,439
February	4,498,341	5,649,873
March	5,567,483	6,563,331
April	6,277,429	6,758,458
May	6,711,085	6,973,854
June	6,716,098	7,069,496
July	7,157,222	7,212,344
August	7,608,957	7,662,042
September	6,413,919	6,570,436
October	6,619,500	6,665,484
November	6,127,815	6,276,882
December	6,129,349	5,498,310
	<u>\$75,243,082</u>	<u>\$78,996,947</u>

Revenue Mileage

	1974	1973
January	166,761,534	208,597,601
February	132,631,902	194,057,578
March	170,712,323	223,759,387
April	209,592,857	244,698,927
May	224,173,135	243,005,691
June	228,488,839	247,502,646
July	252,949,414	262,948,111
August	277,734,098	277,620,184
September	219,616,246	231,521,277
October	219,725,582	225,130,543
November	209,959,643	211,661,203
December	217,138,394	182,564,523
	<u>2,529,483,967</u>	<u>2,753,067,671</u>

Revenue Vehicles

	1974	1973
January	7,734,428	8,725,735
February	6,483,757	7,991,274
March	8,040,016	9,302,766
April	8,885,473	9,395,005
May	9,434,095	9,714,540
June	9,386,620	9,791,357
July	9,886,564	9,885,709
August	10,470,908	10,395,020
September	9,081,690	9,156,144
October	9,454,590	9,353,563
November	8,845,067	8,813,177
December	8,924,851	7,898,144
	<u>106,628,059</u>	<u>110,422,434</u>

R Series Contracts

Contract No.	Contractor	Amount
R-408	Lightning Electric Company Millburn, New Jersey	\$2,234,963.00
R-430	A. W. Cross, Inc. Columbus, New Jersey	172,815.00
R-431	The Conduit & Foundation Corporation Clifton, New Jersey	115,642.50
R-451	Cardell, Inc. Keasbey, New Jersey	838,365.00
R-452	A. W. Cross, Inc. Columbus, New Jersey	532,446.70
R-455	The Conditioning Company, Inc. Newark, New Jersey	198,443.00
R-456	Schiavone Construction Company Secaucus, New Jersey	436,240.00
R-460	Gardner M. Bishop, Inc. Mount Vernon, New York	1,294,621.50
R-466	Schiavone Construction Company Secaucus, New Jersey	539,343.00
R-470	B & E Landscape Company Green Brook, New Jersey	106,592.50
R-472	Atlas Steel Products Inc. Jersey City, New Jersey	107,775.00

Sports Complex

Contract No.	Contractor	Amount
SC-102	Construction Aggregates Corporation Chicago, Illinois	\$3,617,000.00
SC-103	Schiavone Construction Company Secaucus, New Jersey	6,628,229.50
SC-104	Schiavone Construction Company Secaucus, New Jersey	2,282,289.50
SC-105	Frapaul Construction Company, Inc. Rochelle Park, New Jersey	4,264,135.00
SC-107	Brewster Construction & Equipment Company Hackensack, New Jersey	3,415,525.00
SC-110	National Engineering & Construction Corp. Merchantville, New Jersey	781,100.00
SC-111	Fosco Fabricators, Inc. Dixon, Illinois	599,000.00
SC-112	Crescent Construction Company, Inc. West Caldwell, New Jersey	1,288,560.00
SC-114	Custom Art Metals, Inc. Camden, New Jersey	187,220.00
SC-115A	AGS Computers Inc. Hicksville, New York	123,986.00

Purchases

Purchase Order No.	Vendor	Description	Price
P-6860	Honeywell, Inc.	Honeywell Maintenance	\$ 139,164.00
P-7008	National Electronic	1974—Tabulating cards	184,825.74
P-7391	Verflex Sales	1974—Traffic Paint	150,679.54
P-7534	International Salt	Rock Salt	240,000.00
P-8385	O'Connor Ford Truck	Trucks	682,202.00
P-8386	International Harvester	Trucks	348,819.00
P-8722	United Armored Service	Armored Truck Service	1,080,000.00
P-8954	International Salt Co.	Rock Salt (South)	207,225.00
P-8955	Charles Schaefer	Rock Salt (North)	285,490.00
P-9073	Mt. Laurel Concrete	Snow Removal	110,000.00
P-9216	Motorola, Inc.	Two Way radio sets	230,164.00
P-9339	Benedetti Olds.	1975—Police Fleet	381,699.07
P-9412	National Electronic	1975—Tabulating cards	350,562.36
P-9723	Consolidated Laundry	1975 Laundry Service	150,000.00
P-9621	Statewide Hiway	Guard Rail Beams and related items	257,960.00

Insurance Contracts

1) Comprehensive General Liability
Hartford Accident & Indemnity Company Policy No. 18CG14000E; effective May 1, 1974; expires May 1, 1975; deposit premium of \$217,000.00, subject to gross receipts audit.
2) Workmen's Compensation
New Jersey Manufacturers' Policy No. W-07762-8-74; effective January 1, 1974; expires January 1, 1975; estimated annual premium is \$573,048.00, subject to Payroll audit.

Real Estate

Toms River Expressway		
DE4-8	Christie Asso., Township of Jackson, County of Ocean	\$105,000.
DE6-11	Philip Katzev, Township of Freehold, County of Monmouth (Settlement in Court)	\$126,000.
DE7-22	E.B.S. Realty, Township of Manalapan, County of Monmouth (Settlement in Court)	\$124,000.
1969 Widening		
Section 5A, Parcel 751C	Township of Woodbridge Middlesex County	\$193,000.

Utility Orders

Agreement SC-TR-1 Approved 4/24/74	Transcontinental Gas Pipe Line Company Houston, Texas Relocation of Facilities near Sports Complex	\$173,150.00
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Finance

December 31, 1974, was an important date in the annals of the New Jersey Turnpike Authority. On that date our debt structure changed from one having four liens of bond and note issues to one having two liens of bond issues. In accordance with the appropriate bond resolution, the Authority publicly advertised to its bondholders that it would redeem on January 1, 1975, all the General Revenue Bonds outstanding; i.e. the 3¼% (1950 Issue) and the 3.20% (1951 Issue). This action was in accordance with the covenant contained in the Improvement Revenue Bond Resolution which the Authority adopted on May 1, 1973. Furthermore, the Turnpike Notes, Series A, 4½%, matured January 1, 1975.

The change in our debt position during the year 1974 was as follows:

BOND AND NOTE INDEBTEDNESS

As of December 31, 1973	\$1,006,336,000	
Deduct:		
Redemption of General Revenue Bonds:		
3¼% (1950 Issue)	\$ 28,577,000	
3.20% (1951 Issue)	8,159,000	
	36,736,000	
Retirement at Maturity of Turnpike Notes, Series A	125,500,000	162,236,000
As of December 31, 1974	\$ 844,100,000	

Funds for the redemption of the General Revenue Bonds were obtained from revenues, from reserves which had been created from monies obtained from the sale of bonds and from construction monies. The General Revenue Bonds which were issued in 1950 (\$220,000,000) and in 1951 (\$35,000,000) originally totaled \$255,000,000 and were to mature in 1985 and 1986 respectively. Over the years these bonds were obtained through the General Sinking Fund by purchases made in the open market and by redemption on various call dates as provided in the Resolution. The cost to the Authority to redeem these two issues was \$250,238,290, or an average price per \$100 of 98.133.

Funds for the retirement at maturity of Turnpike Notes, Series A, were obtained from those monies derived from the sale of the Turnpike Improvement Revenue Bonds. Bond Counsel furnished the Trustee an opinion that the utilization of these funds to retire the Turnpike Notes, Series A, at maturity was in accordance with the Improvement Revenue Bond Resolution.

The monies for the redemption of the General Revenue Bonds and the retirement at maturity of the Turnpike Notes, Series A, were made available to the respective trustees at December 31, 1974, and accordingly both the funds and the liabilities have been removed from our accounts at the year-end. Schedule 3, which accompanies our financial statements, sets forth in detail the changes in our debt structure.

Net charges to Cost of Investment in Facilities amounted to \$59,048,339 during the fiscal year ended December 31, 1974. Detail by project is as follows:

1966 Turnpike Improvement (Including Special Projects)	\$32,907,105
1971 Turnpike Improvement	23,068,803
1973 Improvement and Funding Program	3,234,679
Original Turnpike, Extensions and Additional Lanes	(162,248)
Total	\$59,048,339

The credit to Original Turnpike et al arose from the sale of property (\$149,600) and income from investments (\$12,648) and was treated in accordance with the Bond Resolution.

The net charges shown above may also be summarized as follows:

Construction Costs	\$40,285,601
Bond and Note Interest Costs	51,338,875
	91,624,476
Less:	
Income from Interim Investment of Construction Funds and Bond and Note Interest Funds	32,576,137
Net	\$59,048,339

The Consulting Engineers in their Progress Report dated January 1, 1975, estimate that the cost of the 1966 Turnpike Improvement only, exclusive of financing costs and Special Projects, would amount to \$425,267,000, the same amount as estimated at January 1, 1974. At December 31, 1974, \$410,361,341 had been charged to this project. Funds for the completion of this project will be obtained through the General Reserve Fund in accordance with the General Revenue Bond Resolution.

Also under date of January 1, 1975, the Consulting Engineers submitted a Progress Report for the 1971 Turnpike Improvement which showed the estimated cost for that project, exclusive of financing costs, to be \$112,000,000 with no contingency. At December 31, 1974, \$100,823,241 had been charged against this project. Funds remaining are ample for the completion of this project.

Under date of December 1, 1974, the Consulting Engineers submitted their Progress Report for the 1973 Improvement and Funding Program. This report showed no change from the estimated construction costs as presented in the Official Statement issued in connection with our 5.70% Turnpike Improvement Revenue Bonds, First Series. At December 31, 1974, construction costs, exclusive of financing costs, of \$26,646,753 had been charged against this Program.

The Authority's toll and concession revenues were adversely affected during 1974 by the energy crisis and in the latter part of the year by the state of the economy. A comparison of the toll revenue received for each month of 1974 with that received in the corresponding month in 1973 reflected a decrease in every month but December. February was the depth of the slide when tolls were off 20.4%. For the Fiscal Year 1974 Toll Revenue reflected a decrease of 4.8% and Concession Revenue, a decrease of 5.8%. A comparison of these items of revenue and revenue vehicles using the Turnpike for the two years is shown below:

	1974	1973	Decrease	% Decrease
Toll Revenue				
(Before Toll Adjustments)	\$ 75,240,796	79,000,212	3,759,416	4.8
Concession Revenue	4,924,039	5,226,934	302,895	5.8
Revenue Vehicles	106,628,059	110,422,434	3,794,375	3.4

Referring to Schedule 6 which accompanies our financial statements you will note that one class of revenue vehicle; namely Class 5, bucked the trend and registered a gain for 1974 versus 1973. Although Concession Revenue reflected a

decrease of \$302,895, an analysis as to Service Stations and Restaurants reveals that Restaurants reflected an increase of \$42,595.

Income from investments for 1974 registered an increase of \$1,745,230 over the \$1,054,377 received in 1973 to total \$2,799,608, an increase of 165.5%. Of prime importance in this investment picture were the much higher interest rates that were available in 1974 as compared with 1973. In 1974 we adopted the same policies used in 1973 and invested in Time Deposits monies which accumulated in the General Sinking Fund due to the unavailability of General Revenue Bonds in the open market and invested the monies prior to their use that were obtained by the advance funding of extraordinary maintenance projects. These two items account for \$1,375,802 of the increase.

Miscellaneous Revenues for 1974 of \$262,540 were after reflecting payments to the Township of East Brunswick of \$44,691 representing their share of the net income derived from the operation of the Park-Ride at Interchange 9 for the period February 14, 1972—January 31, 1974. Adding back this payment to the Township of East Brunswick, Miscellaneous Revenues then amounts to \$307,231 which compares with the \$207,416 received as Miscellaneous Revenues in 1973. The increase of \$100,000 is represented by a payment received from a construction company for the granting of an easement to that company by the Authority.

The Annual Budget of Operating Expenses for the Fiscal Year 1974 as filed with the Trustee and Special Trustee was in the amount of \$36,973,500. Operating Expenses for that year totaled \$36,841,752 or 99.7% of the Annual Budget. Operating Expenses for 1974 of \$36,841,752 represent an in-

crease of 12.6% over the Operating Expenses of \$32,715,081 for 1973. The increase in Operating Expenses for 1974 over 1973 of \$4,126,671 is accounted for by an increase in Salaries and Wages of \$2,184,481 and an increase in All Other Accounts of \$1,942,190. During 1974 the Authority entered into agreements with Local 194, IFPTE, AFL/CIO-CLC representing Toll Collection and Maintenance Unit and Office, Clerical and Technical Unit covering a three year period, July 1, 1974 through June 30, 1977.

Other Charges financed from the General Bond Reserve Fund in accordance with provisions of the Bond Resolutions (subsequently restored from revenues) totaled \$9,788,309 in 1974. Major expenditures from this fund were \$2,608,816 for Bridge Deck Repairs and Surfacing, \$2,366,913 for Resurfacing of Roadway and \$1,680,994 for the installation of changeable message signs in that part of the Turnpike referred to as the Mixing Bowls. Other Charges for the Fiscal Year 1973 amounted to \$8,232,307.

Revenues Less Expenses for the Fiscal Year 1974 of \$35,734,255 represent a decrease of \$7,098,161 or 16.6% from the Revenues Less Expenses for the Fiscal Year 1973 of \$42,832,416. 1974 is only the fourth year in the history of its operations that the New Jersey Turnpike has registered a decline in Revenues Less Expenses when compared with the preceding year. The other years were 1955, 1956, and 1973.

In accordance with the Bond Resolution the Authority immediately authorized the Traffic Engineers, Coverdale and Colpitts, to undertake traffic studies and to devise a new schedule of tolls. This increased toll schedule was submitted to Governor Brendan T. Byrne for his approval in compliance with N.J.S.A. 27:23-3(F).



The first delegation of transportation officials from the Soviet Union visit the Turnpike for ideas on our operations. It was the only highway they chose to visit in their trip to the U.S. They are standing in the rain on an overhead safety U-turn in the Newark area.

Statements of Revenues and Expenses (note 1)

Years ended December 31, 1974 and 1973

	<u>1974</u>	<u>1973</u>
Revenues:		
Toll revenue (Schedule 6)	\$ 75,243,082	78,996,947
Concession revenue	4,924,039	5,226,934
Income from investments	2,799,608	1,054,377
Miscellaneous	<u>262,540</u>	<u>207,416</u>
	<u>83,229,269</u>	<u>85,485,674</u>
Budgeted operating expenses:		
Administration:		
General	1,372,270	1,221,824
Data processing/systems	931,482	854,750
Accounting	455,338	430,221
Operation:		
Traffic control and police	4,292,079	3,952,025
Toll collection	11,722,948	10,787,896
Maintenance, repair, replacement and reconstruction	12,088,100	10,236,890
Engineering	888,312	680,794
Real estate	203,606	237,564
Insurance	1,762,118	1,825,438
Professional fees	318,878	126,801
Fiduciary fees	42,340	114,725
Pension and retirement (note 7)	2,666,363	2,047,114
Taxes	108,875	208,143
Cash discounts	<u>(10,957)</u>	<u>(9,104)</u>
	<u>36,841,752</u>	<u>32,715,081</u>
	46,387,517	52,770,593
Interest on general revenue bonds	<u>864,953</u>	<u>1,705,870</u>
	45,522,564	51,064,723
Other charges:		
Repairs, replacements and maintenance items of a type not recurring annually or at short intervals	<u>9,788,309</u>	<u>8,232,307</u>
Revenues after expenses, interest and other charges (see accompanying statements for application thereof) (note 1)	<u>\$ 35,734,255</u>	<u>42,832,416</u>
Interest paid or payable from Bond and Note proceeds during the period - not deducted from revenues and charged to cost of investment in facilities (note 2)	<u>\$ 51,338,875</u>	<u>47,116,125</u>

See accompanying notes to financial statements.

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

December 31, 1974 and 1973

	<u>Assets</u>	<u>1974</u>	<u>1973</u>
Operating accounts:			
Cash		\$ 318,257	446,669
Investments (Schedule 1)		1,094,333	882,693
Accounts receivable		<u>847,240</u>	<u>763,298</u>
		2,259,830	2,092,660
Funds allocated from reserves to provide for major improvements, repairs, replacements, maintenance, etc.:			
Cash		503,402	540,752
Investments (Schedule 1)		5,282,271	5,432,699
Accounts receivable		147,896	226,531
Deposits in condemnation cases		<u>32,070</u>	<u>32,070</u>
		5,965,639	6,232,052
Other funds (Schedule 2):			
Revenue fund		8,527,902	6,477,775
General interest fund		-	138,170
Reserve funds		-	7,845,445
General sinking fund		<u>11,864,209</u>	<u>6,575,340</u>
		20,392,111	21,036,730
Total operating accounts		<u>28,617,580</u>	<u>29,361,442</u>
Construction accounts (Schedule 4)		129,397,681	315,607,863
Cost of investment in facilities		1,239,403,259	1,180,354,920
		 <u><u>\$ 1,397,418,520</u></u>	 <u><u>1,525,324,225</u></u>

See accompanying notes to financial statements.

Liabilities and Revenues		
<u>Applied and Retained</u>	<u>1974</u>	<u>1973</u>
Operating accounts:		
Withholdings from employees	\$ 388,739	291,278
Toll revenues received in advance	169,283	159,321
Other liabilities	<u>11,436</u>	<u>10,429</u>
	569,458	461,028
Funds allocated from reserves to provide for major improvements, repairs, replacements, maintenance, etc.:		
Amounts retained from contractors and engineers	<u>601,256</u>	<u>618,360</u>
Total operating accounts	<u>1,170,714</u>	<u>1,079,388</u>
Construction accounts (Schedule 4)	7,011,587	8,511,180
Bond and note indebtedness (note 2) (Schedule 3):		
General revenue bonds	-	36,736,000
Turnpike revenue bonds	634,100,000	634,100,000
Turnpike notes	-	125,500,000
Turnpike improvement revenue bonds	<u>210,000,000</u>	<u>210,000,000</u>
Total bond and note indebtedness	<u>844,100,000</u>	<u>1,006,336,000</u>
Revenues applied and retained:		
Applied to retirement of bond indebtedness	448,956,075	419,544,825
Applied to improvements, enlargements and betterments and other charges	74,597,661	74,846,970
Retained in other funds by agreement with bondholders	20,392,111	13,874,230
Retained for general operating purposes	<u>1,190,372</u>	<u>1,131,632</u>
	545,136,219	509,397,657
Commitments and contingent liabilities (note 8).		
	<u>\$ 1,397,418,520</u>	<u>1,525,324,225</u>

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

Years ended December 31, 1974 and 1973

		<u>Other fund</u>	
	<u>Combined total</u>	<u>Revenue fund</u>	<u>General interest fund</u>
Balance December 31, 1972	\$ 474,202,952	6,922,907	129,195
Revenues after expenses, interest and other charges	42,832,416	(323,467)	8,975
Miscellaneous, including \$24,789 discount on bonds retired	38,063	-	-
Transfer of excess reserve requirements	-	-	-
Transfers from reserve fund	-	-	-
Revenues invested in facilities	-	-	-
Change in net assets of other operating accounts	-	(121,665)	-
	<u>517,073,431</u>	<u>6,477,775</u>	<u>138,170</u>
Less principal amount of bonds retired, including \$45,589,726 from revenues and \$13,274 from construction monies	<u>13,274</u>	<u>-</u>	<u>-</u>
Balance December 31, 1973	517,060,157	6,477,775	138,170
Revenues after expenses, interest and other charges	35,734,255	2,108,867	(118,077)
Miscellaneous, including \$4,307 discount on bonds retired	166,557	-	-
Transfer of excess reserve requirements	-	-	-
Transfers from reserve fund	-	-	-
Change in net assets of other operating accounts	-	(58,740)	-
	<u>552,960,969</u>	<u>8,527,902</u>	<u>20,093</u>
Less principal amount of bonds retired, including \$29,411,250 from revenues, \$162,250 from construction monies and \$7,162,500 from bond proceeds	<u>7,324,750</u>	<u>-</u>	<u>20,093</u>
Balance December 31, 1974	\$ <u>545,636,219</u>	<u>8,527,902</u>	<u>-</u>
Comprised as follows:			
Revenues applied and retained:			
To retirement of bond indebtedness	448,956,075	-	-
To improvements, enlargements and betterments	74,597,661	-	-
In other funds by agreement with bondholders	20,392,111	8,527,902	-
For general operating purposes	<u>1,190,372</u>	<u>-</u>	<u>-</u>
Total revenues applied and retained	545,136,219	8,527,902	-
Initial operating fund provided from bond proceeds	<u>500,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 545,636,219</u>	<u>8,527,902</u>	<u>-</u>

See accompanying notes to financial statements.

<u>accounts</u>				Funds for major improve- ments, repairs, replace- ments, main- tenance, etc.	Net assets of other operating accounts	Revenues invested in facilities	Revenues applied to retirement of bond indebtedness
<u>Reserve funds</u>							
General interest reserve fund	General bond reserve fund	General sinking fund	Total (Schedule 2)				
1,550,602	7,000,000	13,194,425	28,797,129	811,790	1,509,967	69,128,967	373,955,099
-	13,136,020	38,243,195	51,064,723	(8,232,307)	-	-	-
-	2,500	35,563	38,063	-	-	-	-
(705,157)	-	705,157	-	-	-	-	-
-	(13,138,520)	-	(13,138,520)	13,138,520	-	-	-
-	-	-	-	(104,311)	-	104,311	-
-	-	-	(121,665)	-	121,665	-	-
<u>845,445</u>	<u>7,000,000</u>	<u>52,178,340</u>	<u>66,639,730</u>	<u>5,613,692</u>	<u>1,631,632</u>	<u>69,233,278</u>	<u>373,955,099</u>
-	-	45,603,000	45,603,000	-	-	-	(45,589,726)
845,445	7,000,000	6,575,340	21,036,730	5,613,692	1,631,632	69,233,278	419,544,825
-	9,539,000	33,992,774	45,522,564	(9,788,309)	-	-	-
-	-	166,557	166,557	-	-	-	-
(417,730)	-	417,730	-	-	-	-	-
-	(9,539,000)	-	(9,539,000)	9,539,000	-	-	-
-	-	-	(58,740)	-	58,740	-	-
<u>427,715</u>	<u>7,000,000</u>	<u>41,152,401</u>	<u>57,128,111</u>	<u>5,364,383</u>	<u>1,690,372</u>	<u>69,233,278</u>	<u>419,544,825</u>
<u>427,715</u>	<u>7,000,000</u>	<u>29,288,192</u>	<u>36,736,000</u>	-	-	-	<u>(29,411,250)</u>
-	-	11,864,209	20,392,111	5,364,383	1,690,372	69,233,278	448,956,075
-	-	-	-	-	-	-	448,956,075
-	-	-	-	5,364,383	-	69,233,278	-
-	-	11,864,209	20,392,111	-	-	-	-
-	-	-	-	-	1,190,372	-	-
-	-	11,864,209	20,392,111	5,364,383	1,190,372	69,233,278	448,956,075
-	-	-	-	-	500,000	-	-
-	-	11,864,209	20,392,111	5,364,383	1,690,372	69,233,278	448,956,075

Statements of Cost of Investment in Facilities

to December 31, 1974 and 1973 (note 1)

	1966 Turnpike improvement (note A)	1971 Turnpike improvement (note B)	1973 Improvement and funding program (note C)	Original turnpike extensions and additional lanes	Improve- ments, enlarge- ments and betterments provided from revenues	Total to December 31	
						1974	1973
Engineering and architectural	\$ 28,747,611	10,274,986	15,715,329	28,083,278	10,794,641	93,615,845	86,498,399
Land, easements and rights-of-way	26,433,036	4,152,536	4,525,143	27,609,714	2,648,467	65,368,896	58,618,214
Construction, including cost of training and equipping operating personnel, machinery and equip- ment and miscellaneous pre- operating expenses	366,776,223	86,341,004	6,338,134	371,398,653	55,593,105	886,447,119	860,288,357
Other costs, including adminis- tration	2,055,138	54,856	68,367	1,869,762	111,902	4,160,025	4,054,440
Financial	<u>242,880,549</u>	<u>22,502,219</u>	<u>23,657,796</u>	<u>26,992,647</u>	<u>88,970</u>	<u>316,122,181</u>	<u>264,630,099</u>
	666,892,557	123,325,601	50,304,769	455,954,054	69,237,085	1,365,714,066	1,274,089,509
Less income from interim investment of construction funds	<u>75,381,320</u>	<u>16,437,498</u>	<u>26,768,239</u>	<u>7,719,943</u>	<u>3,807</u>	<u>126,310,807</u>	<u>93,734,589</u>
	<u>\$ 591,511,237</u>	<u>106,888,103</u>	<u>23,536,530</u>	<u>448,234,111</u>	<u>69,233,278</u>	<u>1,239,403,259</u>	<u>1,180,354,920</u>

Notes:

- (A) Financial cost of the 1966 Turnpike improvement includes \$213,714,936 interest on Turnpike Revenue Bonds from October 4, 1966, date of initial financing, \$14,168,100 discount on the sale of the bonds and \$13,439,130 cost of issuing refunding bonds.
- (B) Financial cost of the 1971 Turnpike improvement includes \$20,750,724 interest on Turnpike Revenue Notes from June 4, 1971, date of financing, and \$1,568,750 discount on the sale of the notes.
- (C) Financial cost of the 1973 Improvement and funding program includes \$19,717,250 interest on Turnpike Improvement Revenue Bonds from May 1, 1973, date of initial financing, and \$3,675,000 discount on the sale of the bonds.

See accompanying notes to financial statements.

Investments

December 31, 1974

Schedule 1

	Interest rate	Maturity (note A)	Par value	Carrying value (note B)
Operating accounts:				
United States Treasury bills	- %	various	\$ 1,100,000	1,094,333
Funds allocated from reserves to provide for major improvements, repairs, replacements, maintenance, etc.:				
United States Treasury bills	-	various	5,375,000	5,282,271
Construction accounts - 1966 general revenue bond resolution:				
United States Treasury bills	-	various	900,000	881,927
Federal National Mortgage Association discount notes	-	Feb. 18, 1975	800,000	784,573
			<u>1,700,000</u>	<u>1,666,500</u>
Bond interest fund - 1966 general revenue bond resolution:				
The Twelve Federal Land Banks bonds	4.375	Apr. 21, 1975	24,740,000	21,756,560
United States Treasury notes	6.00	May 15, 1975	8,035,000	8,020,984
			<u>32,775,000</u>	<u>29,777,544</u>
Special projects - 1966 general revenue bond resolution:				
Certificates of deposit (note D)	-	various	2,400,000	2,400,000
United States Treasury bills	-	various	900,000	889,850
Federal Home Loan Bank notes	7.85	Mar. 5, 1975	1,400,000	1,372,525
			<u>4,700,000</u>	<u>4,662,375</u>
General reserve fund - 1966 general revenue bond resolution:				
United States Treasury bills	-	various	1,230,000	1,207,269
Construction accounts - 1971 general note resolution:				
Certificates of deposit (note D)	9.00	various	14,000,000	14,000,000
Federal National Mortgage Association discount notes	-	Jan. 30, 1975	4,000,000	3,974,511
United States Treasury bills	-	Feb. 6, 1975	800,000	795,145
			<u>18,800,000</u>	<u>18,769,656</u>
Construction accounts - 1973 improvement revenue bond resolution:				
Certificates of deposit (note D)	-	various	37,500,000	37,500,000
United States Treasury bills	-	various	2,100,000	2,087,613
Federal Home Loan Bank discount notes	-	various	4,000,000	3,949,613
			<u>43,600,000</u>	<u>43,537,226</u>
Debt service fund and debt reserve fund - 1973 improvement revenue bond resolution:				
Time deposit	9.00	Mar. 31, 1975	11,970,000	11,970,000
The Twelve Federal Land Banks bonds	4.375	Apr. 21, 1975	1,975,000	1,882,422
			<u>13,945,000</u>	<u>13,852,422</u>
Newark Bay - Hudson County extension:				
United States Treasury bills	-	Mar. 6, 1975	210,000	200,144
Deposits in condemnation cases:				
Federal National Mortgage Association discount notes	-	various	5,000,000	4,887,708
Federal Home Loan Bank notes	8.65	Jan. 9, 1975	1,600,000	1,561,940
			<u>6,600,000</u>	<u>6,449,648</u>
Total investments (note C)			\$ 130,035,000	126,499,388

Notes:

- (A) United States Treasury bills, Federal National Mortgage Association discount notes, and Federal Home Loan Bank discount notes mature periodically to May 2, 1975.
- (B) Investments have been valued at the lower of cost or the principal amount thereof in accordance with the terms of the Resolutions.
- (C) As of December 31, 1974, the aggregate market value of the investments was approximately \$2,760,000 in excess of carrying value.
- (D) Certificates of deposit bear interest at annual rates of 9.00% to 9.875% and mature periodically to March 11, 1975. The certificates which total \$53,900,000 were issued by the following banks - The Chase Manhattan Bank, N.A., \$15,400,000; The Continental Illinois National Bank & Trust Co., \$6,500,000; The First National State Bank, \$25,000,000; The First Pennsylvania Banking & Trust Co., \$6,000,000; Midlantic National Bank, \$1,000,000. Where required, such certificates are secured by a pledge of direct obligations of the United States in appropriate amounts as required by the Bond Resolutions.

Other Funds

December 31, 1974 and 1973

Schedule 2

	1974 (notes A and C)	1973 (note B)
Revenue fund	\$ <u>8,527,902</u>	<u>6,477,775</u>
General interest fund	<u>-</u>	<u>138,170</u>
Reserve funds:		
General interest reserve fund	-	845,445
General bond reserve fund	<u>-</u>	<u>7,000,000</u>
	<u>-</u>	<u>7,845,445</u>
General sinking fund	<u>11,864,209</u>	<u>6,575,340</u>
	<u>\$ 20,392,111</u>	<u>21,036,730</u>

Notes:

- (A) Includes cash and time deposits on deposit with special trustee and sinking fund agent.
- (B) Includes cash on deposit with trustee, special trustee, and sinking fund agent and investments in United States government obligations, at cost.
- (C) In January, 1975, the monies in other fund accounts were transferred to their respective counterpart funds under the 1966 and 1973 resolutions and allocated as follows:

Revenue fund	\$ 810,764
Operating fund	4,817,570
Bond reserve fund	1,398,518
Debt service fund	4,066,298
1966 general revenue bond resolution construction accounts	8,298,961
General reserve fund - reserved for the payment of interest on the 1973 Turnpike improvement revenue bonds	<u>1,000,000</u>
	<u>\$ 20,392,111</u>

Bond and Note Indebtedness

December 31, 1974 and 1973

Schedule 3

	Original amount authorized and issued	Refunded or acquired and cancelled in prior years	Amount outstanding Dec.31,1973	Retired during 1974 (see note)	Amount outstanding Dec.31,1974
General revenue bonds:					
Turnpike revenue bonds (1950 issue), 3-1/4%, maturing January 1, 1985	\$ 220,000,000	191,423,000	28,577,000	28,577,000	-
Turnpike revenue bonds (1951 issue), 3.20%, maturing January 1, 1986	<u>35,000,000</u>	<u>26,841,000</u>	<u>8,159,000</u>	<u>8,159,000</u>	-
	255,000,000	218,264,000	36,736,000	36,736,000	-
Second series revenue bonds	<u>211,200,000</u>	<u>211,200,000</u>	-	-	-
Turnpike revenue bonds:					
Series A, 4-3/4% (1966 issue), maturing January 1, 2006	179,000,000	-	179,000,000	-	179,000,000
Series B, 5-1/8% (1968 issue), maturing January 1, 2008	75,000,000	-	75,000,000	-	75,000,000
Series C, 5.20% (1968 issue), maturing January 1, 2008	125,000,000	-	125,000,000	-	125,000,000
Series D, 5-3/4% (1969 issue), maturing January 1, 2008	60,000,000	-	60,000,000	-	60,000,000
Series E, 5-7/8% (1969 issue), maturing January 1, 2008	40,000,000	-	40,000,000	-	40,000,000
Series F, 7% (1969 issue), maturing January 1, 2009	137,000,000	137,000,000	-	-	-
Series G, 5-3/4% (1972 refunding issue), maturing January 1, 2009	<u>155,100,000</u>	-	<u>155,100,000</u>	-	<u>155,100,000</u>
	771,100,000	137,000,000	634,100,000	-	634,100,000
Turnpike notes:					
Series A, 4-5/8% (1971 issue), maturing January 1, 1975	125,500,000	-	125,500,000	125,500,000	-
Turnpike improvement revenue bonds:					
First series, 5.70% (1973 issue), maturing May 1, 2013	<u>210,000,000</u>	-	<u>210,000,000</u>	-	<u>210,000,000</u>
	<u>\$ 1,572,800,000</u>	<u>566,464,000</u>	<u>1,006,336,000</u>	<u>162,236,000</u>	<u>844,100,000</u>

Note - As of December 31, 1974, all General Revenue and Second Series Revenue bonds totaling \$466,200,000 were deemed retired, of which amount \$448,956,075 had been retired from revenues and \$17,243,925 from excess construction funds and bond proceeds. As a result of issuing the Series G Turnpike Revenue Refunding Bonds, under the terms of the 1966 General Revenue Bond Resolution, the Series F Bonds are deemed to have been paid. The Turnpike notes, Series A, mature on January 1, 1975. As of December 31, 1974, \$125,500,000 was made available from funds under the 1973 Turnpike improvement revenue bond resolution for the retirement of all of the notes, and accordingly there is no liability shown in the accounts for such notes at that date.

Summary of Construction Accounts

December 31, 1974 and 1973

Schedule 4

<u>Assets</u>	<u>1966 General revenue bond resolution</u>			
	<u>Construction accounts</u>	<u>Bond interest fund</u>	<u>Special projects</u>	<u>General reserve fund</u>
Cash	\$ 384,586	170,246	253,746	93,181
Deposits in condemnation cases, including investments of \$6,449,648 (Schedule 1)	5,253,108	-	-	-
Interim investments of construction funds (Schedule 1)	1,666,500	29,777,544	4,662,375	1,207,269
Deposits, other than condemnation	102,000	-	-	-
Accounts receivable	48,169	-	-	-
	<u>\$ 7,454,363</u>	<u>29,947,790</u>	<u>4,916,121</u>	<u>1,300,450</u>
 <u>Liabilities</u>				
Amounts retained from contractors and engineers	889,478	-	140,485	-
Accrued interest	-	-	-	-
	<u>\$ 889,478</u>	<u>-</u>	<u>140,485</u>	<u>-</u>

1971 General note <u>resolution</u> Construction <u>accounts</u>	1973 Improvement <u>revenue bond resolution</u>			Newark Bay - Hudson County <u>extension</u>	<u>Total</u>	
	Construction <u>accounts</u>	Debt service <u>fund</u>	Debt reserve <u>fund</u>		1974	1973
422,408	1,219,849	36,280	-	21,822	2,602,118	1,821,193
2,043,029	1,322,398	-	-	-	8,618,535	15,940,396
18,769,656	43,537,226	1,882,422	11,970,000	200,144	113,673,136	296,655,413
-	-	-	-	-	102,000	105,366
-	<u>4,353,723</u>	-	-	-	<u>4,401,892</u>	<u>1,085,495</u>
<u>21,235,093</u>	<u>50,433,196</u>	<u>1,918,702</u>	<u>11,970,000</u>	<u>221,966</u>	<u>129,397,681</u>	<u>315,607,863</u>
2,623,196	1,363,428	-	-	-	5,016,587	6,516,180
-	-	<u>1,995,000</u>	-	-	<u>1,995,000</u>	<u>1,995,000</u>
<u>2,623,196</u>	<u>1,363,428</u>	<u>1,995,000</u>	-	-	<u>7,011,587</u>	<u>8,511,180</u>

Cash Receipts and Disbursements

Year ended December 31, 1974

Schedule 5

	Combined total	Operating accounts	Funds for major improve- ments, repairs, etc.	Revenue fund	General interest fund	General interest reserve fund	General bond reserve fund
Cash balances, December 31, 1973	\$ 16,146,415	446,669	540,752	6,477,775	22,702	258,636	3,348
Receipts:							
Revenues (including income of \$2,799,608 on investments)	83,178,429	230,350	523,406	80,438,977	31,773	45,160	593,006
Transfers of income on investments	-	(230,350)	(523,406)	2,739,452	(31,773)	(45,160)	(593,006)
Transfers from revenue fund	-	36,849,651	-	(81,128,302)	746,877	-	9,539,000
Sale or redemption of investments	1,060,705,791	16,255,017	23,680,695	-	858,226	1,009,840	27,946,411
Income on construction investments	32,568,921	-	-	-	-	-	-
Transfers of excess reserves	-	-	-	-	-	(417,730)	-
Transfers from general bond reserve fund	-	-	3,989,244	-	-	-	(3,989,244)
Transfers of funds	-	-	-	-	-	-	-
Deposits in condemnation	3,136,870	-	-	-	-	-	-
Proceeds from sale of property after certification of completion, etc.	162,250	-	-	-	-	-	-
	<u>1,195,898,676</u>	<u>53,551,337</u>	<u>28,210,691</u>	<u>8,527,902</u>	<u>1,627,805</u>	<u>850,746</u>	<u>33,499,515</u>
Disbursements:							
Budgeted operating expenses	36,841,752	36,841,752	-	-	-	-	-
Interest on bond and note indebtedness	52,203,828	-	-	-	864,953	-	-
Purchase of investments including accrued interest	869,025,821	16,391,328	17,980,510	-	742,759	423,031	26,499,515
Retirement of bond and note indebtedness of \$162,236,000	162,231,693	-	-	-	20,093	427,715	7,000,000
Payment of cost of construction, studies and other repairs, replacements and maintenance items (see note)	51,179,956	-	9,726,779	-	-	-	-
Deposits in condemnation	599,738	-	-	-	-	-	-
	<u>1,172,082,788</u>	<u>53,233,080</u>	<u>27,707,289</u>	<u>-</u>	<u>1,627,805</u>	<u>850,746</u>	<u>33,499,515</u>
Cash balances, December 31, 1974	\$ <u>23,815,888</u>	<u>318,257</u>	<u>503,402</u>	<u>8,527,902</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Cash balance	Market value of securities pledged to secure deposits	
<u>Depositories</u>			<u>Depositories</u>
Operating accounts:			Balance brought forward
First Jersey National Bank	\$ 170,889	3,468,281	Revenue fund:
The Peoples National Bank of Central Jersey	40,301	1,780,525	Fidelity Union Trust Company
Bank of Passaic and Clifton, N.A.	33,617	756,250	The National State Bank
Toll collectors' and other imprest funds	73,450	-	1971 General note resolution accounts:
Funds for major improvements, repairs, etc.:			First National State Bank of New Jersey
First National Bank of New Jersey	483,392	2,465,625	Midlantic National Bank
National Community Bank	20,010	1,496,536	1973 Improvement revenue bond resolution account:
Balance carried forward	\$ 821,659	9,967,217	First National State Bank of New Jersey
			All other funds:
			The Chase Manhattan Bank, N.A.

General bonds sinking funds	1966 General revenue bond resolution						1971 General note resolution		1973 Improvement revenue bond resolution		
	1952 bond resolution construction funds	Construction accounts	Special projects	Bond interest fund	Series G refunding bond expense account	General reserve fund	Construction accounts	Note interest fund	Construction accounts	Debt service fund	Debt reserve fund
6,575,340	20,210	261,725	172,612	2,162	11,851	148,937	1,067,706	822	133,530	1,638	-
1,241,653	-	-	-	74,104	-	-	-	-	-	-	-
(1,241,653)	-	-	-	(74,104)	-	-	-	-	-	-	-
33,992,774	-	-	-	-	-	-	-	-	-	-	-
-	407,351	10,320,346	23,352,343	62,583,478	3,378,805	4,895,816	185,228,489	11,367,218	642,577,959	22,903,797	23,940,000
-	-	602,409	764,080	4,916,936	66,029	67,300	2,837,380	308,990	20,458,966	899,480	1,647,351
417,730	-	-	-	-	-	-	-	-	-	-	-
-	-	450,000	-	(450,000)	(42,535)	42,535	88,271	(88,271)	1,647,351	-	(1,647,351)
-	-	361,904	-	-	-	-	185,160	-	2,589,806	-	-
162,250	-	-	-	-	-	-	-	-	-	-	-
41,148,094	427,561	11,996,384	24,289,035	67,052,576	3,414,150	5,154,588	189,407,006	11,588,759	667,407,612	23,804,915	23,940,000
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	33,564,500	-	-	-	5,804,375	-	11,970,000	-
-	405,739	9,009,883	23,062,704	33,317,830	3,389,257	4,127,346	168,034,831	5,784,384	524,118,069	11,798,635	23,940,000
29,283,885	-	-	-	-	-	-	-	-	125,500,000	-	-
-	-	2,516,045	972,585	-	24,893	934,061	20,936,799	-	16,068,794	-	-
-	-	85,870	-	-	-	-	12,968	-	500,900	-	-
29,283,885	405,739	11,611,798	24,035,289	66,882,330	3,414,150	5,061,407	188,984,598	11,588,759	666,187,763	23,768,635	23,940,000
11,864,209	21,822	384,586	253,746	170,246	-	93,181	422,408	-	1,219,849	36,280	-

Cash balance	Market value of securities pledged to secure deposits
\$ 821,659	9,967,217
2,147,579	8,930,000
6,380,323	6,896,407
-	245,000
422,408	7,988,750
1,219,849	4,818,750
<u>12,824,070</u>	<u>45,102,031</u>
\$ <u>23,815,888</u>	<u>83,948,155</u>

Note - includes amounts paid totalling \$3,316,397 which are receivable from others.

New Jersey Turnpike Authority Toll Revenue

Years ended December 31, 1974 and 1973

Schedule 6

Class	Description	1974		1973	
		Toll revenue	Vehicles	Toll revenue	Vehicles
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 45,872,720	88,637,827	\$ 49,238,813	92,416,256
2	Vehicles having two axles other than type described under Class 1	5,012,185	5,523,769	5,139,105	5,583,523
3	Vehicle (vehicles), single or in combination, having three axles	3,089,416	2,203,736	3,190,050	2,263,003
4	Vehicle (vehicles), single or in combination, having four axles	6,725,768	3,831,559	7,292,066	4,032,249
5	Vehicle (vehicles), single or in combination, having five axles	14,514,721	6,419,783	14,109,808	6,114,307
6	Vehicle (vehicles), single or in combination, having six or more axles	25,986	11,385	30,370	13,096
	Non-revenue vehicles*	-	534,362	-	555,671
		75,240,796	107,162,421	79,000,212	110,978,105
	Add (deduct) toll adjustments	2,286		(3,265)	
		\$ 75,243,082		\$ 78,996,947	

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

Notes to Financial Statements

December 31, 1974 and 1973

(1) Organization and Accounting Principles

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

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

(b) Basis of presentation—Accounts of the Authority are maintained in accordance with the principles set forth in this note, which are based on the provisions of the bond and note resolutions and on the Authority's interpretation of said resolutions. These practices differ in certain respects, which may be material, from those generally accepted accounting principles applied in the presentation of financial position and results of operations commonly followed by other types of enterprises. They are as follows:

1. Depreciation of the Turnpike and related facilities is not included as an operating expense or otherwise provided for. The cost of all maintenance, repairs, and replacements deemed necessary to maintain such facilities in good operating condition is charged to operations.
2. Costs of investments in facilities are recorded when paid except for interest on indebtedness and retainage from contractors and engineers which are recorded on the accrual basis. Income on unexpended construction funds is credited to cost of investment in facilities when received. Interest on indebtedness with respect to the

interest on Turnpike Revenue Bonds, Turnpike Notes and Turnpike Improvement Revenue Bonds has been charged to cost of investment in facilities from date of initial financing as required by the various resolutions.

3. Budgeted operating expenses (including materials and supplies) and other charges are recorded when paid.
4. Income on investments and from concessions is recorded when received. Investments are valued at the lower of cost or principal amount.

(c) Tolls—Toll revenues are recorded as earned.

(d) Interest—Interest on bond and note indebtedness is recorded on the accrual basis. Interest due on January 1, 1975 and 1974 had been deposited with paying agents as of December 31, 1974 and 1973, respectively, and accordingly there is no liability shown in the accounts for such interest at those dates.

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

(2) Bond and Note Indebtedness

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

Notes to Financial Statements, Continued

tional bonds and notes subject to certain limitations.

In the resolutions relating to the Turnpike Notes and Turnpike Improvement Revenue Bonds, the Authority has covenanted to charge such tolls as shall be required in order that net revenues (as defined) will be at least sufficient, together with other available funds, to retire or provide for the retirement of all the General Revenue Bonds by January 1, 1975.

On December 31, 1974, \$24,089,000 was transferred to the trustee for the retirement of the remaining General Revenue Bonds, and accordingly there is no liability shown in the accounts for such bonds at that date.

The Turnpike Notes mature on January 1, 1975. As of December 31, 1974, \$125,500,000 was made available from funds under the 1973 Improvement Revenue Bond Resolution for the retirement of all the notes. Such amount has been deposited with the Trustee, and accordingly there is no liability shown in the accounts for such notes at that date (see note 3).

On and after the retirement of all of the General Revenue Bonds on January 1, 1975, interest and principal on the Turnpike Revenue Bonds, Series A through E and Series G Refunding Bonds will be payable from and secured by a first lien on the net revenues of the turnpike system. Sinking fund requirements for the Turnpike Revenue Bonds commence with the annual period ending November 15, 1976 and amount to \$365,000.

The Turnpike Improvement Revenue Bonds are subject to redemption on or after May 1, 1983 at varying premium rates. After January 1, 1975 and prior to the retirement of the Turnpike Revenue Bonds, interest and principal will be payable from net revenues (as defined) of the Turnpike System available therefrom after meeting the 1966 General Revenue Bond Resolution bond service, bond reserve and maintenance reserve requirements in accordance with the 1966 Resolution. On and after the retirement of all of the Turnpike Revenue Bonds, the Turnpike Improvement Revenue Bonds will be secured by a first lien on the net revenues (as defined) of the Turnpike System. The Authority has covenanted in the Turnpike Improvement

Revenue Bond Resolution to maintain toll revenues so that annual net revenues (as defined), less required deposits to the 1966 Maintenance Reserve fund shall provide in each year commencing with 1975 coverage of debt service with respect to all outstanding Turnpike Revenue Bonds and Turnpike Improvement Revenue Bonds of at least 1.20. Based upon existing toll schedules, estimated future net revenues (as defined), less estimated deposits to the 1966 Maintenance Reserve fund would not meet such coverage. As of December 31, 1974, the Authority has undertaken a study for the purpose of increasing its tolls. Sinking fund installments for the Turnpike Improvement Revenue Bonds are due annually on May 1 commencing in 1980.

Interest on the Turnpike Revenue Bonds, Turnpike Notes and Turnpike Improvement Revenue Bonds is payable from a portion of the bond and note proceeds deposited in the Bond and Note Interest and Debt Service funds and the investment earnings of such funds. Interest on such bonds and notes charged to cost of investment in facilities amounted to \$51,338,875 in 1974 and \$47,116,125 in 1973 and investment earnings of the related interest funds credited to cost of investment in facilities amounted to \$6,098,706 in 1974 and \$7,346,771 in 1973.

(3) 1973 Improvement and Funding Program

In 1973, the Authority adopted a resolution authorizing the issuance of Turnpike Improvement Revenue Bonds for its 1973 Improvement and Funding Program to be issued in one or more series in the estimated total amount of \$550,000,000. The 1973 Improvement and Funding Program provides for, among other things, the construction of the Governor Alfred E. Driscoll Expressway, as an extension of the Turnpike, and the widening of a related portion of the Turnpike to the point of connection therewith, including land acquisition thereof. In May, 1973, the Authority issued the first series of such bonds in the amount of \$210,000,000 and estimated at that time that additional bonds would be issued in the future to finance the balance of the 1973 Improvement and Funding Program, including the retirement of the Turnpike Notes, Series A, due January 1, 1975.

Notes to Financial Statements, Continued

In June, 1974, as a result of suits brought by Monroe and South Brunswick Townships to require further environmental studies and hearings pertaining to the alignment of the Expressway, the Appellate Division of the Superior Court of New Jersey voided the approval of the Governor of New Jersey and the Commissioner of the Department of Environmental Protection as to the environmental impact statement for the Expressway. The Court held that the Authority had received environmental impact statements on three alignments but had selected as its right-of-way a segment of a fourth line which had neither been studied for environmental impact nor subjected to public hearing. As a result, the Authority has been unable to proceed with the construction of the Expressway. In September, 1974, the Authority petitioned the Supreme Court for certification of the environmental impact statement which petition was denied by the Court in December, 1974. Counsel to the Authority has stated that the opinion of the Court does not set up any permanent bar to the construction of the Expressway, but merely holds that the environmental impact studies made and the public hearings held were not adequate. In December, 1974, the Authority resolved that the necessary plans and arrangements be made for a supplementary environmental impact study to supplement the studies previously made in order to meet the requirements as construed by the Court.

As a result of the decision of the Appellate Division of the Superior Court of New Jersey as well as drastic increases in interest rates in the bond market, the Authority with the approval of bond counsel, authorized the use of \$125,500,000 from the proceeds of the 1973 Turnpike Improvement Revenue Bonds for the retirement of all the Turnpike Notes, Series A, due January 1, 1975 (see note 2).

(4) Operations

The Annual Budget of Operating Expenses as filed for the years 1974 and 1973 amounted to \$36,973,500 and \$32,980,200, respectively, as compared with cash disbursements for operating expenses of \$36,841,752 in 1974 and \$32,715,081 in 1973. During 1974, \$36,731,693 was made available for the retirement of General Revenue Bonds, \$36,569,443 of which was from revenues and reserves and

\$162,250 from construction monies. Comparable amounts in 1973 are \$38,961,626, \$38,948,352 and \$13,274, respectively.

(5) Other Charges

The Authority, with the approval of the Consulting Engineer, may direct the Trustee to transfer funds from reserve funds to special accounts to pay the cost of repairs, replacements or maintenance items of a type not recurring annually or at short intervals and which were not provided for in the budgeted operating expenses. During the years ended December 31, 1974 and 1973, transfers for such purposes amounted to \$9,539,000 and \$13,138,520, respectively. From funds so provided during the current and preceding years, including funds previously provided for major improvements, expenditures were made for major improvements in 1973 in the amount of \$104,311 (none in 1974) and has been added to the cost of investment in facilities, and \$9,788,309 and \$8,232,307 in 1974 and 1973, respectively, for repairs, replacements and maintenance items which have been reflected as other charges in the accompanying Statements of Revenues and Expenses.

(6) Net Revenues

Net revenues for the year 1974, as defined in the 1966 bond resolution, amounted to \$46,379,618 (revenues \$83,229,269, less amounts paid from the Revenue Fund into the Operating Fund, \$36,849,651). For the year 1973, net revenues (as defined) were \$52,549,968.

(7) Pension and Retirement Plans

Employees of the Authority are covered by the Public Employees Retirement System of the State of New Jersey. Pension plan expense of \$1,611,605 and \$1,148,225 in 1974 and 1973, respectively, is 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.

(8) Commitments and Contingent Liabilities

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

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

132 WEST STATE STREET

TRENTON, NEW JERSEY 08608

New Jersey Turnpike Authority
New Brunswick, New Jersey:

We have examined the statements of assets, liabilities and revenues applied and retained of the New Jersey Turnpike Authority as of December 31, 1974 and 1973, the related statements of revenues and expenses and application of revenues after expenses, interest and other charges for the years then ended, and the statements of cost of investment in facilities to December 31, 1974 and 1973. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the assets, liabilities and revenues applied and retained, of the New Jersey Turnpike Authority at December 31, 1974 and 1973, and the revenues and expenses and application thereof for the years then ended, and the cost of facilities to December 31, 1974 and 1973, in conformity with the provisions of the Bond and Note Resolutions set forth in note 1 of Notes to Financial Statements, applied on a consistent basis. Supplementary data included in Schedules 1 through 6 have been subjected to the same auditing procedures and, in our opinion, are stated fairly in all material respects when considered in conjunction with the basic financial statements taken as a whole.

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

January 29, 1975

Peat, Marwick, Mitchell & Co.



