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Statement on SCR 6

by

Commissioner Dwight R. G. Palmer
New Jersey State Highway Department

October 1, 1964

Mr. Chairman, Members of the Joint Legislative Committee:

Apparently it is my mission to present today the Administration position on the issues raised by Senate Concurrent Resolution 6 -- whether the operation of the New Jersey Turnpike and the Garden State Parkway should be placed "under the control of the State Highway Commissioner, for the purpose of effecting economy . . ."

The thought expressed by SCR 6 has been voiced on several occasions and in various ways during the past decade. A careful examination of the circumstances, however, reveals that each time this proposal has been brought forth, it has been for a different reason; to forestall what appeared to be a danger at the time, or to accomplish a desirable goal more expeditiously.

For example, five or six years ago there appeared substantial cause for concern over whether the Garden State Parkway's toll income would be sufficient to pay the interest on its original \$285 million bond issue and retire the principal according to schedule. In the event the revenues were not sufficient, of course, the State guarantee would be called into play with resulting cost to the taxpayers.

155.28

New Jersey State Library

There were those, myself included, who wondered at the time whether sufficient savings in operating costs might be effected by combining the two toll Authorities -- by having the affluent Turnpike take over the then destitute Parkway, so to speak -- to escape this hazard. Fortunately, the passing of time, and certain steps taken by the Highway Department to improve the Parkway's business, proved the concern felt at that time to be needless.

Today, the Parkway's traffic picture has improved to the point where there appears to be no danger that the State guarantee will ever be invoked and, indeed, the Parkway has for some years been in the position of being able to finance extensions and improvements without credit backing from the State.

So that reason for the step again under consideration no longer exists.

Then there was the time, comparatively recently, when it was felt to be in the best financial interests of the State that the Turnpike undertake no further improvements of great magnitude, and that efforts be devoted to paying off its existing bonded indebtedness in the shortest possible period, so that its tremendous revenues could bolster vital improvements in the fields of education, institutions and transportation generally. Any move to hasten attainment of this objective certainly merited consideration.

Today, the situation has altered radically, Refusal by the Federal Government to approve 90-10 funds for construction of Interstate Route 95 as a free highway north of Interstate Route 287 means that a sizable segment of Route 95 will remain on the Turnpike for an

indefinite period. This being so, there is no alternative to substantial improvement of the Turnpike north of New Brunswick. The only questions are those of timing and extent, and these will be determined on the basis of factual studies.

As a matter of fact, it is worth repeating here that even with completion of our Interstate Routes, and widening the Turnpike to the fullest extent feasible, and improvement of our other existing north-south highways, we will still be substantially short of the traffic lanes required to accommodate the enormous future demand in this corridor.

Under these circumstances, it would appear certain that the time for final retirement of the Turnpike obligations must be deferred for many years, and no merger of operating organizations can materially hasten the date.

Thus that reason for consolidation also no longer exists.

Indeed, we must ask ourselves, what reasons do exist at the present time? The purpose as stated by SCR 6 would be to effect "economy in the administration of the two projects." But economies, or savings, must always be balanced against losses, and in this particular situation perhaps it would first be prudent to determine who would realize the benefits of the savings and who would bear the burden of the losses.

The Turnpike and the Parkway both may be likened to large businesses, operated by management responsible to many stockholders under strict legal and financial covenants. The State may, no doubt, rearrange

the operating structure of these two "firms" and through a merger of the sort which is familiar in industry, replace two administrative heads with a single "chairman of the board".

But the "stockholders", or bond owners, must still receive their due, and in the case of these two businesses they are due 100 cents on the dollar plus interest strictly on schedule. The State dare do nothing to impair these existing obligations or to demote them to a lower priority. When the question of merger was discussed in the past, eminent legal opinion indicated consent of the bond owners would be a prerequisite to the scheme proposed under SCR 6.

So, under the existing bond covenants, any savings effected through consolidation of Turnpike and Parkway operations must go -- first and for a long time to come -- to the bondholders, and not to the taxpayers of New Jersey.

Now let us consider some potential losses, and who might have to pay for them. Merger of the two Authorities could, as already stated, very well require refunding their present outstanding indebtedness, which is substantial. The new bonds would be supported by toll revenues, of course, but they would still be State Government bonds and it would seem logical that the State's credit might be more directly involved even than at present. This would require approval at a referendum and, as I am certain you gentlemen realize, such a procedure is fraught with uncertainty.

But even if the intricate financial and legal difficulties could be surmounted, what would be the result? Refunding the present outstanding Turnpike bonds alone would require payment of premiums in excess of \$5 million. This added expense would naturally be reflected in the refinancing costs, as would any increase over the interest rates previously obtained.

In a nutshell, if the proposal outlined in SCR 6 would require refunding the present debt of the two Authorities -- and many experts have taken that position -- then the only result could be a substantial dollar loss to the State. To put it another way, it would take longer to pay for the facilities now in existence than under the present financial arrangements, and thus the day when the taxpayers of New Jersey could expect to derive any benefit from toll revenues would be even further deferred.

Only the present bondholders can derive any benefit from a merger legislated as proposed under SCR 6 and only the motorists who must pay for these facilities, and ultimately the taxpayers would suffer any loss. Viewed in this light, the specific proposal under discussion would not appear to merit further consideration.

You may have noted that up to this point I have not touched on the aspects of control of the Turnpike and Parkway by the State Highway Commissioner, but have merely discussed merger of the two into a single agency. Now let us consider the effect of SCR 6 upon the State Highway Department.

Attached to this statement you will find certain data pertaining to the Turnpike, the Parkway and the Highway Department, including salary schedules. Your attention to the compensatory differences is invited.

The Highway Department, of course, operates under Civil Service. The Turnpike and the Parkway, while their employees are privileged to join the State retirement system, are not under the classified service. Many are union members.

Returning to the "business" analogy, the Authority Commissioners are privileged to go beyond the bounds of State compensation schedules in order to obtain the talent they require to operate their respective facilities on an efficient basis. Likewise, they are not restricted as to numbers. The same freedom applies to materials and equipment. The only restriction is that the toll road "business" must be operated according to the best judgment of the Commissioners in the manner which will produce the most "profit" for the owners -- the bondholders.

Would that the Highway Commissioner operated under the same conditions! That would be Utopia indeed, and many of the problems that presently plague us would have long since evaporated.

So, putting the Parkway and the Turnpike under the Highway Commissioner would create a host of problems. Should the salaries of some of their employees come down, or should the Department's go up? Where does Civil Service come into the picture on the questions of dismissal

and recruitment? Will the State Treasury handle their accounts? Will the Legislature determine their operating budgets? Can their equipment be used on State Highways and vice versa? The ramifications are endless and, if you don't mind my saying so, the State Highway Commissioner presently has no lack of intricate and may I say interesting problems -- no further explanation needed.

Operating and administrative benefits in terms of dollars which might be effected through merger are extremely difficult to determine accurately. One off-the-cuff estimate I recall was \$160,000 a year. If a really good figure is required, then perhaps some top management consulting firm should be engaged by the Legislature to make a thorough study of the matter. We presently have neither the funds nor the facilities for an investigation of the proper scope.

It takes little investigation, however, to visualize what practical benefits might be derived through some consolidation of planning. At present, the Turnpike and the Parkway are to some degree rivals. Steps taken by either to improve its business could conceivably have an adverse effect upon the other. And together, they might be able to plan future action of mutual benefit.

We in the Highway Department are required under Federal law to conduct continuing transportation planning studies in urban areas -- and most of our State is urban. We have good liaison with the Delaware River

Bay Authority and the New York Port Authority, both of which influence the future of the Turnpike and the Parkway.

It may well be that some more formal arrangement than presently exists should be established with the Turnpike and Parkway to provide for integrated transportation planning. It does not seem that this would require action of the sort contemplated under SCR 6.

If the real purpose of SCR 6 is to produce administrative economy, and not, as some former attempts along this line, to eliminate the present independence of the toll agencies, then it seems as a practical matter that no such legislation is needed.

Assuming that some saving could be effected through consolidation of maintenance equipment, for example, why couldn't this be accomplished by agreement between the Authorities? Too often the practical path to accomplishment is overlooked in favor of a more glamorous and newsworthy scheme which presents infinite difficulties for those required to get on with the job.

One more word: The Turnpike, the Parkway and the State Highway Department are all presently hoping to embark on major improvement programs. This just doesn't seem the time to precipitate any doubts on the part of bankers and investors.

Thank you.

EXHIBITS

SENATE CONCURRENT RESOLUTION No. 6

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 6, 1964

By Senators STAMLER and SARCONE

Referred to Committee on Highways, Transportation and Public Utilities

A CONCURRENT RESOLUTION providing for a study commission to consider the advisability of placing the administration of the New Jersey Turnpike and the Garden State Parkway under the control of the State Highway Commissioner.

1 BE IT RESOLVED *by the Senate of the State of New Jersey (the General*
2 *Assembly concurring):*

1 1. There is hereby created a commission to consist of 6 members, 3 to
2 be appointed from the membership of the Senate by the President thereof, no
3 more than 2 of whom shall be of the same political party and 3 to be ap-
4 pointed from the membership of the General Assembly by the Speaker
5 thereof, no more than 2 of whom shall be of the same political party, who
6 shall serve without compensation. Vacancies in the membership of the com-
7 mission shall be filled in the same manner as the original appointments were
8 made.

1 2. The commission shall organize as soon as may be after the appoint-
2 ment of its members and shall select a chairman from among its members
3 and a secretary who need not be a member of the commission.

1 3. It shall be the duty of said commission to make a study of the prac-
2 ticability and advisability of providing by law for the placement of the ad-
3 ministration of the New Jersey Turnpike and the Garden State Parkway
4 under the control of the State Highway Commissioner, for the purpose of

5 effecting economy in the administration of the 2 projects, and of the best
6 means to effectuate such purpose if its accomplishment shall be deemed to be
7 advisable and practicable.

1 4. The commission shall be entitled to call to its assistance and avail
2 itself of the services of such employees of any State, county or municipal
3 department, board, bureau, commission or agency as it may require and as
4 may be available to it for said purpose, and to employ such stenographic
5 and clerical assistants and incur such traveling and other miscellaneous
6 expenses as it may deem necessary, in order to perform its duties, and as
7 may be within the limits of funds appropriated or otherwise made available
8 to it for said purposes.

1 5. The commission may meet and hold hearings at such place or places
2 as it shall designate during the sessions or recesses of the Legislature and
3 shall report its findings and recommendations to the Legislature, accompany-
4 ing the same with any legislative bills which it may desire to recommend for
5 adoption by the Legislature to the present or next annual session of the
6 Legislature.

GARDEN STATE PARKWAY

Total issue of bonds \$369,900,000

Amount paid off 10,490,000

Annual bond interest as of this date 9,420,675

Respective retirement dates of different issues of bonds Series A, B, C & F bonds mature on Jan. 1, 1988. Series 1 Jr. Bonds have a Jan. 1, 1997 maturity date.

State whether employees are on salary or hourly basis Maintenance employees in the unskilled, skilled and foreman categories are paid on hourly basis. Permanent Authority employees paid on salary basis.

Total maintenance costs & what it includes Total cost of roadway, building and equipment maintenance function, including labor, materials & services for the yr. 1963 was \$3,177,445. The \$1,547,799 salary portion of this total maintenance cost covered 275 permanent empls. & 21 temporary employees.

NEW JERSEY TURNPIKE

\$466,200,000

119,432,000

11,235,551

1950 issue - 3 1/4% -- Jan. 1, 1985
1951 issue - 3.20% --- Jan. 1, 1986
1953 issue - 3 3/8%,
1954 issue - 3%,
1955 issue - 2.80% --- July 1, 1988

All employees on salary except some part-time people, mostly in the Toll Collection Dept., as part-time Collectors.

Actual in 1963 -- \$3,484,300
Budgeted - 1964 - 4,183,700

Major items of cost are salaries and wages; materials such as for automotive spare parts, pavement, shoulders & bridge maintenance, median & roadside & planted areas, traffic aids, snow & ice control, line paint, electrical supplies; purchase & replacement of automotive & other equipment; outside services such as bridge maintenance, snow plowing, building equipment maintenance; light, heat & power; & motor vehicle expenses.

GARDEN STATE PARKWAY

Number of State Police &
their cost

Troop "E" consists of 96 personnel. Based on June 1964 monthly billing the annual salary and maintenance and pension costs to the Authority would be \$637,844.

Number of automobiles
provided for State Police --
are automobiles included in
State Police Cost

39 vehicles not included in the foregoing costs. Authority's cost of policing Parkway during 1963 was \$891,961. Of this \$611,706 was paid to the State of N.J. for services of 92 State Police Troop E personnel. The balance of \$280,255 represents the salaries of 5 Authority employees assigned full-time to Parkway policing function & all other Authority financed expenses including cost and operation of Authority-owned patrol cars, police radio communications system, materials, supplies & services directly related to Parkway policing function.

Pieces of equipment, by
classification, exclusive of
aforementioned cars and their
book value

Exclusive of police vehicles the Authority owns 281 pieces of self-propelled equipment at a cost of \$1,148,000. Since depreciation of equipment is not permitted as an operating expense through our General Bond Resolution, book values are not maintained.

Number of lanes, stating
location and mileage of each
for four-lane highways & six-
lane highways, etc.

The Parkway has two separate roadways each carrying one-way traffic which are divided by a center island ranging in width from 4 ft. in built-up areas to 600 ft. in rural areas, except on long bridges. Each roadway has 3 lanes generally 12 ft. wide between the Bergen Toll Plaza, Saddle Brook Twp. & a point near Asbury Park a distance of about 58 miles. On all other sections comprising a length of about 115 miles, each roadway has 2 12-foot lanes, except across the Great Egg Harbor bridge which carries 2 lanes.

NEW JERSEY TURNPIKE

Troop consists of 98 men.
Total cost 1963 - \$1,108,600
Budgeted 1964 - 1,239,600

The Authority provides 44 automobiles for the troop at a cost of \$150,500 which cost is included in the above costs.

Equipment exclusive of above:

Automobiles-79 -- \$191,700
Trucks - 206 -- 941,500

Two lanes each way from Deepwater, Interchange #1 to North Camden, Interchange #4, at Mile Post 34.5. Balance of the Turnpike is three lanes each way.

NEW JERSEY TURNPIKE AUTHORITY

	<u>Annually</u>
Executive Director	\$ 25,000
Comptroller	19,500
Administrative Consultant	19,105
General Counsel	19,000
Chief Engineer	18,000
Director, Toll Collection	16,500
Director, Maintenance	16,000
Assistant to Executive Director	15,300
Senior Attorney	15,000
Assistant Comptroller	13,800
Communications Engineer	13,740
Highway Design Engineer	13,250
Division Supervisor, Toll Collection, North	13,250
Maintenance Division Manager - North	13,000
Supt. Bldgs. & Installations	12,775
Traffic Engineer	12,500
Director, Public Information	12,000
Manager, Data Processing	11,700
Construction Engineer	11,550
Maintenance Engineer	11,500
Equipment Superintendent	11,400
Division Supervisor, Toll Collection, South	11,200
Division Superintendent, Maintenance	11,100
Specifications Engineer	10,300
Division Superintendent, Maintenance	10,250
Administrative Assistant, Toll Collection	10,080
Personnel Director	10,000
Section Chief, Toll Collection	10,000
Chief Accountant	9,750
Chief Electrician	9,750
Ass't Highway Design Engineer	9,700
Section Chief, Toll Collection	9,650
Ass't Communications Engineer	9,500
Section Chief, Toll Collection	9,500
Assistant Construction Engineer	9,300
Division Superintendent, Maintenance	9,300
Sanitation Engineer	9,150
Section Chief, Toll Collection	8,780
Ass't Section Chief	8,700
Manager, Patron's Services	8,640

NEW JERSEY TURNPIKE AUTHORITY

Auditor	\$ 8,550
Ass't to Construction Engineer	8,550
District Foreman, Maintenance	8,550
Ass't Section Chief, Toll Collection	8,500
Supervisor, Data Processing	8,400
Ass't Section Chief, Toll Collection	8,400
Communications Technician	8,340
Ass't Section Chief, Toll Collection	8,300
Ass't Section Chief, Toll Collection	8,240
District Foreman, Maintenance	8,235
Electrical Foreman	8,230
Ass't Specifications Engineer	8,200
Ass't Section Chief, Toll Collection	8,200
Carpenter Paint Foreman	8,200
Electrical Foreman	8,200
District Foreman, Maintenance	8,180
District Foreman, Maintenance	8,175
Emergency Services Supervisor	8,100
Auto Shop Foreman	8,100
Ass't Section Chief, Toll Collection	8,100
Line Striping Foreman	8,050
Ass't to Construction Engineer	8,050
Ass't Section Chief, Toll Collection	8,040
Sewage Foreman	8,030
District Foreman, Maintenance	8,030
Ass't Section Chief, Toll Collection	7,950
District Foreman, Maintenance	7,905
Ass't Traffic Engineer	7,900
Ass't Section Chief, Toll Collection	7,900
Ass't Section Chief, Toll Collection	7,900
Communications Technician	7,840
Communications Technician	7,840
Ass't to Construction Engineer	7,750
Landscape Foreman	7,700
Electrical Foreman	7,700
Surveyor-Draftsman	7,700
Toll Plaza Supervisor	7,600
Toll Plaza Supervisor	7,500
Toll Plaza Supervisor	7,500

NEW JERSEY TURNPIKE AUTHORITY

INSURANCE

For The Twelve Months Ended December 31, 1963

	<u>Cost</u>	<u>Broker</u>
Multi-Risk - Major Bridges -	\$ 40,915.92	Frelinghuysen
Use and Occupancy - Major Bridges	17,168.30	"
Fire	15,823.56	(David Roberts Edw L Whelan
Automobile - Including Liability	21,116.94	David Roberts
Blanket Liability (Fidelity)	15,458.00	John Conklin
Workmen's Compensation (N J Mfr's)	34,239.67	None
Group Insurance - Blue Cross -Medical Surgical Group Life -Major Medical	115,678.84	Hosp.Serv.Pla Prudential
Fidelity Bonds (Commissioners -Treasurer)	2,333.62	Various
+ Collision Loss Account (Not Insured)	4,537.98	
Miscellaneous	<u>4,562.55</u>	Various
	\$ 271,835.38*	

*As shown in our Annual Report, 1963.

+Included as a budget item to offset car damage
not covered by collision insurance

NEW JERSEY HIGHWAY AUTHORITY

<u>Title</u>	<u>Annual Salary</u>
Executive Director	\$22,500
Comptroller	16,000
Operations Manager	15,220
Chief Engineer	14,500
Director, Public Relations	14,000
Real Estate Supr.	13,100
Asst. Comptroller	12,844
General Attorney	12,200
Maint. Engineer	11,336
Personnel Manager	11,000
Chief Accountant	10,530
Asst. Engr. of Maintenance	10,530
Field Services Supr.	10,244
Engr. III Highway	10,140
Traffic Engineer	10,114
Chief Auditor	9,958
Coordinator Communications	9,932
Supt. of Tolls	9,828
Landscape Engr.	9,932
Engr. III Highway	9,568
Supr. of Titles	9,444
Mechanical Supr.	9,126
Operations Analyst	9,126
Dist. Maint. Supr.	9,126
Dist. Maint. Supr.	9,126
Dist. Maint. Supr.	9,126
Supr. Electrical	9,126
Right of Way Engr.	9,126
Supr. of Purchasing	8,996
Engr. III Highway	8,710
Chief Appraiser	8,482
Asst. Traffic Engr.	8,450
Supr. Accountant General	8,450
Dist. Supr. Tolls	8,372
Dist. Supr. Tolls	8,372
Dist. Maint. Supr.	8,112
Supr. Accountant, Budget & Cost	8,112
Property Control Supr.	8,086
Engr. III Safety	8,086
Craftsman I Electrical	7,800

NEW JERSEY HIGHWAY AUTHORITY

<u>Title</u>	<u>Salary</u>
Asst. Supt. Tolls	\$ 7,774
Supr. Auditor	7,774
Health & Sanitation Supr.	7,774
Accountant - Methods & Procedures	7,514
Service Area Inspector	7,514
Tabulating Supr.	7,514
Asst. Dist. Maint. Supr.	7,514
Asst. Dist. Maint. Supr.	7,514
Asst. Dist. Maint. Supr.	7,514
Craftsman I Elec-Mech	7,514

NEW JERSEY HIGHWAY AUTHORITY

<u>Description of Coverage</u>	<u>INSURANCE</u>	<u>Amount of Coverage</u>	<u>SCHEDULE</u>	<u>1964 Annual Premium (Est)</u>	<u>Broker</u>
Fire, Ext. Coverage, Vandalism		\$9,223,000		\$15,285	Harry Godshall, Inc.
All Risk on Toll Booths, Canopies, Remote Recording Equipment, Communications, Misc. Contractors Type Equipment		3,981,327		3,095	J. S. Frelinghuysen Corp.
Bridge Physical Damage		15,793,000		15,635	J. S. Frelinghuysen Corp.
Bridge Use and Occupancy		25,000,000		9,900	J. S. Frelinghuysen Corp.
Comprehensive General Liability including Automobile Liability		5,000,000		35,000	David Roberts and Co., Inc.
Workmen's Compensation				62,000	Edward L. Whelan Co.
Comprehensive - Dishonesty, Disappearance & Destruction of Money		100/250,000		1,553	Harry Godshall, Inc.
Boiler, Unfired Pressure Vessels and Refriger- ation Systems		50,000		1,808	Harry Godshall, Inc.

NEW JERSEY STATE HIGHWAY DEPARTMENT

<u>TITLE</u>	<u>RANGE</u>
State Highway Commissioner	\$22,000 per annum
State Highway Engineer	18,000 " "
Confidential Secretary	14,950 " "
Assistant to the Commissioner	12,000 " "
Executive Director, Division of Railroad Transp.	19,000 " "
Assistant Chief Accountant	8957 - 11,645
Assistant Chief, Bur. of Equipment	8530 - 11,092
Assistant Chief, Hwy. Urban Planning Section	8530 - 11,092
Assistant Comptroller, Highway Department	11,431 - 14,863
Assistant Director and Assistant Chief Engineer, Division of Roads, Design and Construction	12,603 - 16,383
Assistant Director, Bureau of Public Information	7737 - 10,059
Assistant Director, Div. of Administrative Serv.	8530 - 11,092
Assistant Director, Div. of Maintenance & Opera.	12,603 - 16,383
Assistant Director, Div. of Right of Way, Acquisitions and Titles	11,431 - 14,863
Assistant Director of Personnel, Hwy.	8957 - 11,645
Assistant District Engineer, Bur. of Construction	8530 - 11,092
Assistant District Engineer, Bur. of Location and Design	8530 - 11,092
Assistant District Engineer, State Aid, Projects	8530 - 11,092
Assistant District Superintendent, Maintenance and Operations	8530 - 11,092
Assistant District Supervisor, Bur. of Appraisals and Negotiations	8530 - 11,092
Assistant District Supervisor, Electrical	6366 - 8274
Assistant District Supervisor, Hwy. Maintenance	6366 - 8274
Assistant Engineer, Electrical	5499 - 7149

<u>TITLE</u>	<u>RANGE</u>
Assistant Engineer, Highway	\$5499 - 7149
Assistant Engineer, Laboratory	5499 - 7149
Assistant Executive Officer, Personnel, Hwy.	12,003 - 15,603
Assistant Head Paymaster	6063 - 7881
Assistant Landscape Architect	5499 - 7149
Assistant Master Mechanic	6366 - 8274
Assistant Parkway Engineer	8530 - 11,092
Assistant Superintendent, Road Maintenance and Construction	8124 - 10,560
Assistant Supervising Bridge Engineer, Design	10,369 - 13,477
Assistant Supervising Electrical Engineer	10,369 - 13,477
Assistant Supervising Engineer, Bureau of Construction	10,369 - 13,477
Assistant Supervising Engineer, Bureau of Location and Design	10,369 - 13,477
Assistant Supervising Engineer, Bureau of Planning and Traffic	10,369 - 13,477
Assistant Supervising Engineer, Highway Maint.	10,369 - 13,477
Assistant Supervising Engineer, State Aid Proj.	10,369 - 13,477
Assistant Supervising Engineer, Testing Laby.	10,369 - 13,477
Assistant Supervisor of Bridge Operation	6684 - 8688
Assistant Supervisor of Bridges and Structures	6366 - 8274
Assistant Supervisor of Construction and In- stitutional Roads	6366 - 8274
Assistant Supervisor of Landscape Maintenance	6366 - 8274
Assistant Supervisor of Materials, Maintenance and Operations	6366 - 8274
Assistant Supervisor of Signs and Traffic Lines	6366 - 8274
Assistant Supervisor of Purchase and Stores, Hwy.	7018 - 9124
Assistant Supervisor of Warehouses	5774 - 7508
Assistant Title Officer	8530 - 11,092

<u>TITLE</u>	<u>RANGE</u>
Assistant to the Director and Chief Engineer, Div. of Roads, Design and Construction	\$6366 - 8274
Bridge Designer, Architectural, Highway	7737 - 10,059
Bridge Designer, Structural, Highway	7737 - 10,059
Bridge Detailer, Architectural, Highway	5499 - 7149
Bridge Detailer, Structural, Highway	5499 - 7149
Bridge Inspector	5499 - 7149
Chief Accountant	10,887 - 14,151
Chief, Bureau of Buildings and Grounds, Hwy.	9405 - 12,225
Chief, Bureau of Data Processing, Highway	10,369 - 13,477
Chief, Bureau of Equipment	10,887 - 14,151
Chief Electrical Draftsman	5774 - 7508
Chief, Highway Planning, Survey Section	8530 - 11,092
Chief, Highway Traffic Operations Section	8530 - 11,092
Chief, Highway Traffic and Safety Research Section	9405 - 12,225
Chief, Highway Traffic Regulation Section	8530 - 11,092
Chief, Highway Urban Planning Section	9405 - 12,225
Chief, Highway Use Survey Section	8530 - 11,092
Chief Investigator	9875 per annum
Comptroller, Highway Department	12,003 - 15,603
Confidential Agent, Div. Railroad Transp.	15,000 per annum
Confidential Secretary, Div. Railroad Transp.	16,000 " "
Contractor's Classification Officer, Hwy.	7737 - 10,059
Data Processing Analyst, II	7369 - 9577
Data Processing Programmer, II	6684 - 8688
Data Processing Programmer, III	5499 - 7149
Director and Chief Bridge Engineer, Bridge Div.	13,895 - 18,065
Director and Chief Engineer, Div. of Planning, Research, Soils and Tests	13,895 - 18,065

<u>TITLE</u>	<u>RANGE</u>
Director and Chief Engineer, Division of Roads, Design and Construction	\$13,895 - 18,065
Director and Chief Engineer, Maintenance and Operations	13,895 - 18,065
Director, Bureau of Public Information, Hwy.	10,369 - 13,477
Director, Division of Right of Way, Acquisitions and Titles	13,895 - 18,065
Director of Research, Highway	13,895 - 18,065
District Bridge Engineer, Construction	9405 - 12,225
District Engineer, Bureau of Construction	9405 - 12,225
District Superintendent, Maintenance & Opera.	9405 - 12,225
District Supervisor, Bur. of Appraisals and Negot.	9405 - 12,225
District Supervisor, Electrical	7369 - 9577
District Supervisor, Highway Maintenance	7369 - 9577
Drainage Engineer	8530 - 11,092
Electrical Foreman	5499 - 7149
Engineer of Design	9405 - 12,225
Engineer of Special Assignments (Federal Aid)	8530 - 11,092
Engineer of Special Assignments (Hwy. Permits)	8530 - 11,092
Engineer of Special Assignment (Maint. Structures)	8530 - 11,092
Engineer of Special Assignments (Pavement Maint.)	8530 - 11,092
Engineer of Special Assignments (Research)	8530 - 11,092
Engineer of Special Assignments (Signs)	8530 - 11,092
Engineer of Utilities Coordination	8530 - 11,092
Engineer, Specifications, Highway	8530 - 11,092
Foreman, Bridges and Structures	5499 - 7149
Foreman, Building Maintenance	5499 - 7149
Foreman, Equipment Operation	5499 - 7149
Foreman, Highway Drilling Operations	5499 - 7149

<u>TITLE</u>	<u>RANGE</u>
Foreman, Highway Maintenance	\$5499 - 7149
Foreman, Highway Signs	5499 - 7149
Foreman, Landscape, Highway Maintenance	5499 - 7149
Foreman, Mechanic	5499 - 7149
Foreman, Painter, Bridges	5499 - 7149
Foreman, Radio Maintenance	5499 - 7149
Foreman, Sign Shop	5499 - 7149
Foreman, Traffic Line Painting	5499 - 7149
Garage Foreman	5499 - 7149
Head Offset Machine Operator	5774 - 7508
Head Paymaster	8124 - 10,560
Highway Property Clerk	6366 - 8274
Information Assistant, Maint. & Operations	6366 - 8274
Inspector, Highway Permits, I	6684 - 8688
Inspector, Highway Permits, II	5774 - 7508
Junior Bridge Designer, Architectural, Hwy.	6684 - 8688
Junior Bridge Designer, Structural, Hwy.	6684 - 8688
Landscape Architect	6684 - 8688
Machine Shop Foreman	5499 - 7149
Master Mechanic	7369 - 9577
Model Maker	7369 - 9577
Parkway Engineer	8957 - 11,645
Principal Accountant	8124 - 10,560
Principal Auditor	8124 - 10,560
Principal Bridge Designer, Structural, Hwy.	9405 - 12,225
Principal Engineer, Bridge	7737 - 10,059
Principal Engineer, Civil	7737 - 10,059
Principal Engineer, Electrical	7737 - 10,059

<u>TITLE</u>	<u>RANGE</u>
Principal Engineer, Highway	\$7737 - 10,059
Principal Engineer, Hydraulic	7737 - 10,059
Principal Engineer, Laboratory	7737 - 10,059
Principal Engineer, Soils	7737 - 10,059
Principal Engineer, Structural	7737 - 10,059
Principal Engineer, Traffic	7737 - 10,059
Principal Highway Bridge Inspector	6366 - 8274
Principal Landscape Architect	7737 - 10,059
Principal Personnel Assistant	8124 - 10,560
Principal Procedures Coordinator	7369 - 9577
Principal Public Relations Assistant	7737 - 10,059
Principal Right of Way Negotiator	7737 - 10,059
Principal Title Examiner	7737 - 10,059
Regional Highway Engineer	13,895 - 18,065
Safety Supervisor, Highway	6684 - 8688
Secretarial Assistant, I	6366 - 8274
Secretarial Assistant, II	5499 - 7149
Secretarial Assistant, Highway	7737 - 10,059
Senior Accountant	6063 - 7881
Senior Auditor	6063 - 7881
Senior Bridge Designer, Architectural, Hwy.	8530 - 11,092
Senior Bridge Designer, Structural, Hwy.	8530 - 11,092
Senior Bridge Inspector	6684 - 8688
Senior Engineer, Bridge	6684 - 8688
Senior Engineer, Electrical	6684 - 8688
Senior Engineer, Highway	6684 - 8688
Senior Engineer, Highway (Utilities)	6684 - 8688
Senior Engineer, Hydraulic	6684 - 8688

<u>TITLE</u>	<u>RANGE</u>
Senior Engineer, Laboratory	\$6684 - 8688
Senior Engineer, Soils	6684 - 8688
Senior Engineer, Traffic	6684 - 8688
Senior Highway Bridge Inspector	5499 - 7149
Senior Highway Inspector	5499 - 7149
Senior Personnel Assistant	7018 - 9124
Senior Procedures Analyst	6684 - 8688
Senior Public Relations Assistant	6366 - 8274
Senior Right of Way Negotiator	6366 - 8274
Senior Title Examiner	6366 - 8274
Senior Training Advisor	6684 - 8688
Soils Engineer	9405 - 12,225
Special Contracts Engineer, Hwy.	9405 - 12,225
Special Investigator	6000 per annum
Superintendent, Electrical Construction and Maint.	8124 - 10,560
Supervising Accountant	7369 - 9577
Supervising Auditor	7369 - 9577
Supervising Bridge Engineer, Construction	12,003 - 15,603
Supervising Bridge Engineer, Planning & Design	12,003 - 15,603
Supervising Electrical Engineer	12,003 - 15,603
Supervising Engineer, Bureau of Construction	12,003 - 15,603
Supervising Engineer, Bureau of Location & Design	12,003 - 15,603
Supervising Engineer, Bureau of Planning & Traffic	12,003 - 15,603
Supervising Engineer, Highway Maintenance	12,003 - 15,603
Supervising Engineer, State Aid Projects	12,003 - 15,603
Supervising Engineer, Testing Laboratory	12,003 - 15,603
Supervising Garage Foreman	6366 - 8274
Supervisor, Bureau of Appraisals & Negotiations	9875 - 12,839

<u>TITLE</u>	<u>RANGE</u>
Supervisor of Bridge Operation	\$7737 - 10,059
Supervisor of Bridges and Structures, Hwy.	7369 - 9577
Supervisor of Condemnation Proceedings	8530 - 11,092
Supervisor of Landscape Maintenance	7369 - 9577
Supervisor of Materials, Maintenance & Operations	7369 - 9577
Supervisor of Office Services, Highway	6684 - 8688
Supervisor of Purchase & Stores, Highway	8124 - 10,560
Supervisor of Records, Maint. & Operations	7369 - 9577
Supervisor of Signs and Traffic Lines	7369 - 9577
Supervisor of Tabulating Machine Operations, I	6063 - 7881
Supervisor of Tabulating Machine Operations, II	5499 - 7149
Supervisor of Warehouses	6684 - 8688
Title Examiner	5499 - 7149
Title Officer	9875 - 12,839

EXCERPT OF TESTIMONY MR. D. LOUIS TONTI, EXECUTIVE DIRECTOR N.J. HIGHWAY AUTHORITY

BEFORE THE ASSEMBLY COMMITTEE ON HIGHWAYS, TRANSPORTATION & PUBLIC UTILITIES

HELD:

ASSEMBLY CHAMBER
STATE HOUSE
TRENTON, N.J.
AUGUST 7, 1958

At this point, I should like to make use of a chart that we placed up to the right, there. If everyone can see this chart, which is marked "Estimates of Toll Revenue and Outstanding Obligations" they will notice four colored lines. This green line, which is the highest one, represents the current estimate of total revenue - ideal estimates, if you will, because the estimates are predicated on no restrictions to the free flow of toll-paying traffic - and the line goes from 1955 all the way to 1987, when the last bonds of the Parkway should be paid off. It takes into account the additional revenues that will accrue to the Garden State Parkway as soon as the present plans of the State Highway Department materialize with respect to some major arteries of transportation which will be constructed east-west in the State of New Jersey; for example, the beneficial effects on the Parkway that will flow from the construction of the Bergen-Passaic Expressway, from the East-West Freeway, from the new Route 22, - they are all reflected in this green line and, therefore, I repeat, represents the estimate of total revenue with no restrictions to the free flow of toll paying traffic which the Parkway will receive through the year 1987.

The yellow line, which is just below it, represents in

dollars the minimum obligations of the New Jersey Highway Authority. The dollars and cents of that line will be available to this Committee and anyone else who asks for it. I noticed that some people were looking at some copies of our prospectus on our bond sales and I think, if they will look on page 13, they will find the figures which provide the data for this yellow line. The minimum obligations of the Highway Authority - these obligations, briefly, to maintain and operate the road. This year, roughly \$4 million and increases slightly each year. The interest costs are in there, which this year are about \$9,648,000. And also included are the amortization costs to pay off bonds, which begin next year. Next year, the first time, we set aside money to pay off on principal to the tune of \$1,051,000 for the year 1959, which will be payable January 1, 1960. And each year thereafter, that \$1,051,000 figure increases by almost a half million dollars each year. That's the yellow line - obligations. And, conceivably, when we are all paid off, there are no obligations, it drops down, except to maintain - somebody is going to maintain it.

The blue line represents the estimate of revenues, made in 1956 by Coverdale & Colpitts, which does not have the benefit of the beneficial effects of all the new highways that I spoke about previously.

But now, gentlemen, the red line. The red line is the total estimate based on the report that I am reading from, and which will be available to the Committee, - the total estimates of income to the Authority with consideration of the effect of restrictions to the free flow of toll-paying traffic. I want to point out that

such restrictions or congestions to the free flow of toll-paying traffic occurs, according to the engineers, most severely in Essex County but also in other parts of the State. And I will quote that section of the report later. But the interesting thing here is that the red line, which is estimates, and the yellow line, which is obligations, cross at a point about 1964.

We'll have occasion to refer to this chart more frequently as we go on with our presentation.

The analysis made in this report, and as indicated by that chart, indicates that the revenues have been and will be progressively affected by the lack of roadway capacity on the Garden State Parkway.

Remember that continuous records of the hourly volumes of traffic in each direction, at each toll plaza, were maintained by the Authority. We have statistical recorders which measure the volume of traffic each hour of every day through every toll plaza, in each direction, and those tapes have been studied in great detail and made available to this Consulting Engineering firm.

"The curve representative of the obligations of the Authority is crossed by the revenue curve during 1964. This indicates that at about that time the Authority will be unable to meet its obligations unless the restrictions are removed."

"The worst restricted area now and in the future is the free section in Essex County between the Union and Essex Toll Plazas; the next in order of magnitude is from the Raritan Toll Plaza to the Union Toll Plaza, including the state-owned section in Union and Middlesex Counties."

N. J. to Run Pike and Parkway For \$2 Billion Road Building

By Tom Barrett

TRENTON, Nov. 25. — Gov. Meyner was reported today to have decided on state operation of the New Jersey State Turnpike and the Garden State Parkway, to help finance \$2,700,000,000 in highway construction in New Jersey.

Both the \$450,000,000 turnpike and the \$330,000,000 parkway are now operated under independent authorities, with none of their combined \$15,000,000 annual profits over and above their bond requirements available to New Jersey until the bonds, due for redemption by 1987, are paid off.

Under a plan approved by the Governor's legal counsel, both super highways will be leased to the New Jersey Highway Commission at a rental equal to the bond interest and sinking fund requirements of the stockholders of both tollways.

Other Savings

In addition to freeing profits for immediate use by the State Highway Commission, the backers of the plan said a minimum of \$1,500,000 in operating expenses would be saved annually by combining the man power and maintenance machinery of the two highways, which criss-cross the state.

A modified version of the present proposal was presented to Gov. Meyner three years ago. He held it up because of legal complications and the hostile attitude of commissioners of both roads, most of them carry-overs from his Republican predecessor, Gov. Alfred E. Driscoll.

The approval of Gov. Meyner's legal counsel, however, is expected to carry weight with both the present super-highway authorities, whose six members are all Meyner appointees.

Legal "Loophole"

A loophole in the indenture of the bond sales of both authorities, which enables the commissioners to "lease" the facilities of both toll highways, is the legal basis for the proposed merger, the backers said.

The proposed lease to the state of the 173-mile parkway and the 118-mile turnpike comes at a time when both highways are reaching a state of financial health. With the opening of a new spur to the New York Thruway last summer, the Garden State Parkway, which had rocky financial going in its first three years, is reportedly making a \$2,500,000 profit for 1957 operations, relieving objections of turnpike bond holders whose gross income of \$24,500,000 doubles the parkway receipts.

In addition, the merger plan, to ease objections on turnpike bond holders, also provides for an extra 20 per cent reserve over and above interest and sinking fund obligations.

The plan, based upon state operation of both highways by 1960, envisages a \$2,000,000 increase each year in profits, so that by the time both authority bonds are redeemable, the state will be netting more than \$50,000,000 a year from the combined operations, the backers said.

The turnpike, with 750 employees, has an annual operating expenses of \$5,500,000, and the parkway, with 500 employees, lists expenses at \$3,600,000. In addition to savings by the combined use of machinery and maintenance equipment, the plan would provide for only one chief operating engineer and staff.

The present commissioners of both super-highways will be limited in responsibilities to turning over the rent from the state to the bond holders to meet the obligations. The combined roads will be run by a special division of the State Highway Department.

Aware of Plan

D. Louis Tonti, executive director of the parkway, said today he was aware that the plan was under consideration by the state administration. He said he understood that the move was prompted by the necessity of keeping state feeder county and municipal highways up to date with advances of the state's super highways.

"As a matter of highway safety, there seems to be no alternative but to have funds made available to the state immediately to meet public highway requirements," Mr. Tonti said.

Fulfillment of the plan, sources here said, will enable Gov. Meyner to raise state matching funds for the Federal highway program without having to increase gasoline taxes.

NEW YORK
Herald Tribune
TUESDAY, NOVEMBER 26, 1957

Plain, Courier
News 11/26/57

Parkway, Turnpike Grab Denied

A report that Governor Meyner was moving toward state operation of the New Jersey Turnpike and the Garden State Parkway was branded today as "wholly without foundation."

Joseph Morecraft Jr. of Dunellen, chairman of the State Turnpike Authority, telephoned to Dwight R. C. Palmer, state highway commissioner, after he was apprised of the report in a New York newspaper that Meyner wanted state operation of the toll roads in order to help finance \$2 billion in state highway construction.

No Foundation

Palmer told him, Morecraft said, that the story was without foundation and the Governor Meyner had discussed no such intention with him (Palmer).

Governor Meyner, on a European tour, was not available for comment on the proposal, said to be a modification of one made three years ago by the Governor and defeated then by legal complications and hostility toward it by commissioners of both roads.

Must Retire Bonds

Independent authorities now operate the \$450-million turnpike and the \$330-million parkway and none of their \$15 million annual profits over and above bond requirements can be used by New Jersey until the bonds are paid off in 1987.

The New York newspaper said Meyner's legal counsel approved a proposal to lease both super-highways to the State Highway Commission at a rental equal to the bond interest and sinking fund requirements of the stockholders of both roads.

The six members of the present authorities for both tollways are Meyner appointees. When the proposal was voiced before, some commissioners were holdovers from the Driscoll Republican administration.

State House Scene

Meyner Administration Bigwigs Discuss Merger of Authorities

By James P. Hackett

TRENTON — (AP) — There has been some exploratory talk in the higher echelons of the Meyner administration about the possibility of the Highway Department taking over operations of both the New Jersey Turnpike and the Garden State Parkway.

Nothing concrete has been done so far except for a suggestion from Highway Commissioner Dwight R. G. Palmer that personnel of the Turnpike Authority and the Highway Authority get together at regular intervals.

The Highway Authority, which is building the Garden State Parkway and hopes to have much of it in operation by midsummer, is a quasi-independent body. The Turnpike Authority obtained during its formation in 1948 legislative approval to act independently of the Highway Department.

See Duplication

Some members of Gov. Robert B. Meyner's official family feel it is duplication of effort to have two authorities, each operating a toll road, and a Highway Department maintaining all the other state roads.

The talk about the toll roads goes something like this:

The Turnpike Authority makes decisions on what new toll road extensions from the 118-mile mainline will be required. Each extension will be financed by a bond issue and so long as there are bond issues afloat no part of the turnpike or its tributaries will be freed of tolls.

Similarly, the Highway Authority could go ahead with extensions and the Garden State Parkway could continue as a toll road for a long time. The Highway Authority is building the Garden State Parkway with a staff that duplicates that of the Turnpike Authority.

Meanwhile, the Highway Department and county road supervisors find their problems growing as traffic increases on both toll roads. This is especially true on the seaward side of the Garden State Parkway where existing roads and bridges may need rebuilding to handle the traffic dumping into Shore resorts.

Could Consolidate

With a stroke of new legislation, the Highway Department could consolidate the operations of the two authorities under its direction and eliminate such things as special state police detachments on both roads, separate engineering

corps, and separate staffs.

The same legislation could reduce the authorities to financial bodies with power only to recall outstanding bonds and issue new securities for any extensions decided upon by the Highway Department.

It is interesting to note that negotiations to have Mercer County Democratic leader Thorn Lord succeed Paul L. Troast as chairman of the Turnpike Authority petered out. The negotiations were at a high pitch two months ago, but since then nothing has happened. Meyner still has to appoint a Turnpike Authority member to succeed George F. Smith of Johnson & Johnson, whose term expired last March.

And, Meyner did not take the opportunity to name Mayor Katharine Elkus White of Red Bank as chairman of the Highway Authority. She is the newest member of the authority and its only Democrat. Meyner elevated Orrie de Nooyer from secretary to chairman. De Nooyer, a Republican, has a term which expires next June.

Tonti Predicts Deficit by '64 For Parkway

TRENTON (AP)—The N. J. Highway Authority said yesterday it will go in the red by 1964 unless a way is found to keep toll-free riders from jamming the Garden State Parkway in Essex County.

The authority said that if it defaults on 285 million dollars worth of bonds guaranteed by the state, the unpaid amount will have to be made up through a statewide tax on real estate and the gasoline tax.

D. Louis Tonti, executive director of the authority, told a public hearing conducted by the Assembly Highway Committee that the parkway's paying customers are being pushed off the 5.7-mile toll-free section in Essex County.

He said, "No one will pay for the privilege of riding on an expressway to wind up in a traffic jam in Essex County or anywhere else. We have no monopoly on roads leading from one place to another."

Mr. Tonti testified in opposition to a bill by Assemblyman Richard A. Lynch (D-Essex) of Bloomfield that would require the authority to move its Essex County toll gate.

The 25-cent toll barrier is now located just north of the Bloomfield avenue exit on the parkway. Bloomfield and other nearby municipalities contend that parkway riders seeking to duck the toll jam the exit causing tremendous congestion on local roads and a high accident rate.

Would Shift Barrier

The Lynch bill would shift the barrier north, permitting north-bound motorists to leave the parkway at Hoover and Watchung avenues without paying a toll.

Mr. Lynch said the idea is to disperse the traffic now using the Bloomfield avenue exit.

But Mr. Tonti said, "All we're looking for here is more free miles of parkway."

He said the traffic problem cited by the Essex County municipalities could be solved just as easily by moving the toll barrier southward, so there would be no special incentive to use the Bloomfield avenue exit.

"We should quit fooling the people into thinking they can have more and more government services without paying for it," Mr. Tonti added.

He said the Lynch bill would only speed up the authority's inability to meet its bond obligations, as predicted in a special engineering report released by the agency yesterday.

Assemblyman J. Edward Crabel (D-Middlesex), chairman of the Highway Committee, said that as an individual he didn't see how the committee could approve the bill if the highway authority's figures added up.

Mr. Crabel said he thought the Legislature must first consider the entire problem of the authority's operations, to keep it operating in the black.

Given a Month

He gave both sides a month to file briefs and said it was doubtful any action would be taken on Mr. Lynch's measure for several months. The Legislature is adjourned until Nov. 10.

The report, prepared by a New York engineering firm at what Mr. Tonti said was a cost of \$5,025, said the parkway already is operating at or over its practical peak capacity on every work day in Essex County.

The high volume of traffic already requires motorists to slow down near major exits and causes traffic to back up, the report said, and in two years driving speeds will be reduced to 30 to 35 miles an hour, with increased congestion at the exits.

It said, "driving under such conditions will not be pleasant and the necessary (revenue) growth at the Union and Essex toll plazas will be restricted."

Toll-free traffic amounts to considerably more than one-third of all the traffic in Essex County, the report said, and cuts the number of express lanes available for toll-paying motorists in half during peak hours.

If this condition is not eliminated, the authority's revenue will drop below the amount needed to meet its obligations during 1964, the report said.

It said the parkway section between the Raritan and Union toll plazas in Union and Middlesex counties was the second most congested area on the superhighway.

Mr. Tonti said the parkway was a "marginal operation — the toughest in the world."

"We give prizes for toll-paying motorists found on the southern section in November," he quipped.

8/25/58

The Record

Bergen Tolls On Parkway Too High, Savino Claims

Lyndhurst — Assemblyman Carmine Savino Jr. (R., Bergen) served notice today that he will be waiting to clash with Garden State Parkway officials when the time comes for the Legislature to consider Parkway financial woes.

FOOLED TOO LONG

Said Savino: "We in Bergen County have been fooled for many years by the Parkway; we've had to pay higher tolls than any other county and we can't use the road for local traffic. And now we hear outrageous statements that the Parkway wants to decrease, rather than increase, free ride areas."

Savino was referring to statements made last month by D. Louis Tonti, executive director of the Parkway. Tonti, appearing before an Assembly Committee,

protested a bill that would increase the toll-free section in Essex County.

If an even larger number of motorists are permitted to drive without paying tolls, he said, they will create more serious traffic jams than now exist in the Bloomfield area and keep toll-paying drivers off the road, said Tonti.

If too many non-paying riders crowd the Parkway, Tonti said, Parkway finances may suffer. It is possible, according to an engineers' survey, that the Parkway may face deficits by 1964 unless more tolls are collected.

WANTS CLOSE LOOK

Savino challenged these statements today. He said he plan to take a very close look when the Legislature considers Tonti's suggestions for a solution to the problem. Tonti is expected to make recommendations for the relief he says is needed in an other appearance before the Committee next month.

"I really doubt," said Savino "that finances on the Parkway can be as bad as Mr. Tonti says they are. And what's more I think the time has come for toll reduction and establishment of free riding areas in Bergen.

"Just recently I had to go from Lyndhurst to Montvale to make a speech, and it cost me 60 cents in tolls — 10 cents when I got on the Parkway, 25 cents in Saddle Brook, and another 25 cents in Washington Township. This is entirely too much. Bergen is the most abused county. The Parkway would be used much more here if we could have more sensible tolls."

Savino, late last year, suggested that both the New Jersey Turnpike Authority and the authority operating the Parkway be abolished. He said the State Highway Department could take over operation of both toll roads.

Desirable Features, But —

Obstacles In Path Of Pike-Parkway Merger

Governor Meyner holds the view merged management of the New Jersey Turnpike and the Garden State Parkway could have desirable economic features, but accomplishment would be practically impossible.

Merger is a periodic proposal and came up recently after the Highway Authority, operating the Parkway, expressed opposition to a two-mile extension in Essex County which would be toll-free. A spokesman said "we are giving away too much now."

Meyner pointed out that, while the Turnpike continues to be a money maker with a bond retirement reserve of more than \$39,000,000, the Parkway now is about "breaking even."

With Jersey drivers "free road

conscious," he saw little chance of cutting out free sections.

Highway Authority spokesmen have expressed fear unless revenues increase bond interest and principal payments may have to be supported by special state taxes. Such a protective provision is contained in bond agreements with present holders.

Meyner explained the agreements with bondholders of both Turnpike and Parkway construction bonds presented the major blockade to a merger plan.

The holders would not agree, he pointed out, unless their bonds were bought up at a profit, or premium, should the state seek to combine operation of the two super highways.

Bond Requirements

No other way of getting the old bonds paid off, except to let them run to maturity, is seen by state financial experts. Issues for both roads run for 15 to 20 years longer.

Meyner estimated roughly the state would need to float an issue of \$420,000,000 of bonds to buy up the Turnpike issues outstanding and about \$320,000,000 to liquidate the Parkway bonds.

He said this could not be done economically, because of the substantial premiums holders would expect, unless the bond market became very favorable. If the state could float new issues at about one percent interest, he said, the merger plan might be practical.

The Governor recalled that in the 1953 Republican primary cam-

paign for nomination of a candidate for governor, Senator Malcolm S. Forbes of Somerset broached the merger plan as a way to help school financing.

The then Governor Driscoll opposed the idea as legally impossible because of the bond agree-

ments.

There has never been any decision what to do about tolls from the roads after the bonds are paid off. Use of revenue above operating cost for other state purposes, or cut the tolls, have been opposing informal suggestions.

Nwk. Star Ledger
8/27/58

Turnpike-Parkway merger

It appears that the N.J. Turnpike Authority and the N.J. Highway Authority are going to have to go their separate ways. There is very little likelihood of a merger, even though such a step would mean economies in the operation and administration of the Turnpike and the Parkway.

The legal problems, Gov. Meyner pointed out yesterday, are so great in a merger of this sort that it just about rules out the move, for all practical purposes.

It would entail buying up the bonds of both authorities—at a heavy premium—and refinancing the bonds under a new authority in a less favorable market. This undoubtedly would be costly. But the question which has been unanswered is whether the cost would, or would not, offset the economies which could be effected by a merged authority.

While the Turnpike is in no financial difficulty, the Parkway is not doing so well and faces the prospect of operating at a loss by 1964. In that event, the state would have to make up the deficit. The problems the Parkway faces will not be solved by a merger.

A merger would mean that some of the Turnpike profits would go toward paying off the Parkway deficit. It would drain off funds which would go toward the improvement of the Turnpike, the development of feeders and interchanges and other projects by the Turnpike Authority. In the long run, this might mean a loss of new and improved facilities to the motorist.

The parkway's major problems is in congestion from local traffic on toll-free portions of the road.

The ultimate solution is the development of auxiliary roads which will handle the local traffic outside the Parkway. That will solve the local motorist's problem . . . and probably will also solve the Parkway's financial troubles.

Bayonne Times

8/27/58

Merger of N.J. Toll Arteries Appears Unlikely

Pike Bondholders Seen Reluctant To Approve Plan

TRENTON, (UPI) — Chances that New Jersey's two major toll roads ever would be administered by a single agency appeared slim today although state officials agree that a merger would have advantages.

Gov. Robert B. Meyner said yesterday that a consolidation of the New Jersey Turnpike Authority and the New Jersey Highway Authority, which operates the Garden State Parkway, might have some desirable features. The big problem would be getting bondholder approval, he added.

Similar viewpoints were expressed to United Press International by Joseph Morecraft, chairman of the Turnpike Authority, and D. Louis Tonti, executive director of the Highway Authority.

The merger proposal was resurrected recently after Tonti disclosed at a public hearing that the Parkway would be losing money in six years.

Bondholders Reluctant

The Governor said the advantages from such a merger would result from removing current duplication of accounting and in control of supervision procedures.

But he pointed out that the Turnpike bondholders probably would be reluctant to take on the Parkway obligation, which has not been as profitable as the Turnpike.

Meyner said one possible solution could be to have the state float a new bond issue and purchase the bonds of the two agencies.

However, he conceded that the estimated \$750-million cost of such a venture might not

justify the saving.

The Governor appeared to be more optimistic about the Parkway's future than Tonti, who based his appraisal on a special engineering report.

Meyner said that an early end to the current recession plus an increase in business stemming from the state's anticipated population rise during the next six years might help the Parkway's business.

"There is a fair chance that it can break even," Meyner said.

Tonti said studies of the Parkway facilities indicated that in 1964, when the road would have to begin payment on bond principal as well as interest, income from all sources would be \$22,536,000 while the total expenses would amount to \$22,579,000.

"In 1965, the spread begins to get even greater," Tonti predicted to be \$23,215,000 and added, "Projected income is expenses, \$23,332,000. The gap increases geometrically from there on."

Tonti said Turnpike bondholders undoubtedly would be reluctant to accept a merger that would involve consolidation with a deficit operation.

In addition, there would be the intricate legal task of drawing up a structure for the united organization, which would then have to be submitted to the bondholders.

Morecraft said obtaining bondholder consent would be a monumental task.

Both Tonti and Morecraft said they doubted consolidation could take place until 1988, when the bonds of both facilities are slated to be retired.

8/29/58

Good Idea, but—

IN THE matter of the proposed consolidation of our turnpike and parkway authorities, Gov. Meyner says it's a good idea, but— The "but" signifies that in the governor's opinion it can't be done.

First, Mr. Meyner says it might be necessary to retire outstanding bonds of both authorities. To do so, he continues, might require possibly 800 million dollars, and that the premium for premature retirement of turnpike bonds alone might run to 39 million.

That's a formidable list of objection for one press conference, and so far as the governor is concerned seems to signal the end of consolidation. But does it dispose irrevocably of this issue?

It was not suggested that turnpike revenue be used to rescue the parkway from its impending financial plight, at least not until the turnpike obligations were discharged. What was pointed out was the opportunity consolidation offered for eliminating duplicate services—legal, engineering, secretarial, etc.—in the interest of economical administration. This applies also to the proposed construction of a new headquarters building for the Parkway, or State Highway, Authority approximately 10 miles from the headquarters of the Turnpike Authority.

Moreover, competent legal sources outside the administration question whether it would be necessary to undertake the huge refunding operation the governor thinks might be necessary. An example cited is the merger of two industrial companies wherein the new entity simply assumes responsibility for both sets of bonds.

So more thorough exploration might disclose that the obstacles to consolidation aren't as monumental as the governor believes. In any case, the project promises savings which seem to warrant something more than casual dismissal. The Legislature which professedly hunts for economies on all fronts might conceivably be as interested (almost) as the toll-paying public in the possibilities when its session resumes in November.

Herald News
(Passaic) 9/2/58

One Management for State's Toll Roads

THE suggestion that the New Jersey Turnpike and the Garden State Parkway be merged to cut operating costs is not new and on the surface the idea appears sound. Governor Meyner agrees that it would be a good thing, though he says the financial contracts with the bondholders are "insurmountable obstacles".

The strongest desire for a merger of the toll roads stems from those who object to the tolls on the Garden State Parkway in Essex and Bergen Counties. And herein lies the heart of the problem. As the parkway's executive director, D. Louis Tonti, of Paramus, testified before the Assembly committee on roads, Bergen and Passaic County drivers pay the highest tolls of any stretches on the parkway. The toll charges had to be stepped up in these counties to help pay for the free mileage given Essex County residents. And if tolls were reduced or more free riding areas created it would continue to throw a burden on the rest of the parkway.

The cure for the parkway's ills is certainly not to try to create more miles of free riding. By the time any such move was through the Legislature, the whole parkway would be a free road and the state would be saddled with \$330,000,000 in bonds to pay off. The answer is to abolish all free areas so that there is a chance to reduce tolls all along the parkway. There are no legal or logical reasons, only political ones, why Essex residents should have a special status denied to the rest of the state.

Another point that must be made is that despite all the talk about merging the two toll roads the idea has yet to be explored fully and intelligently. It is quite probable that a legal and financial merger is out of the question. Any savings to be effected would not come from a financial merger anyway. The bondholders must still be paid off from the profits of each highway.

There is no reason, however, why the two superhighways couldn't be operated by a single administrative, maintenance and operating unit. Private firms that merged have found it saved money to combine divisions doing the same kind of work. From the standpoint of not having to duplicate certain heavy and expensive road equipment used only seasonally, the savings might be more than expected.

The idea of merging the operations of the state's two toll roads holds such promise that it should be given serious study.

Tonti Will Ask State To End Toll-Free Stretch On Parkway

Tells Paramus Democrats He Opposes Present Essex County Arrangement

Paramus — D. Louis Tonti, executive director of the Garden State Parkway, told a Democratic Club audience last night he will recommend to the State Legislature in November it terminate toll-free privileges now permitted on a 5.7-mile section of the Parkway in Essex County.

OPPOSED BILL

Tonti went before a legislative committee last month to object to a proposed bill, sponsored by Essex County delegates and officials, which would add 2 more miles of toll-free parkway in that County. Tonti also told the legislators that, if something were not done soon, the Parkway would be in the red by 1964 and all taxpayers in the State would have to foot the deficit.

Tonti also promised the legislators his engineers would have a final report and recommendation ready by November. He said last night this recommendation would be to do away with the free rides in Essex County now.

The Parkway expects a surplus of \$500,000 at the end of this year, Tonti said, but most of this could be wiped out if the maintenance crews are faced with a snowstorm like the one which occurred last December. In figuring the \$500,000 surplus, he said, heavy snow is not expected in November or December.

It cost almost \$500,000 to clear

away the heavy snow last December, Tonti said.

Tonti reviewed the history of the 5.7 miles of toll-free freeway in Essex County. Before bonds on the Parkway were sold, he said, the State bought 2.3 miles of the old 4-lane Oriton Parkway in Essex County for \$3 million. There was also an agreement to give the County an equal distance of the future Garden State Parkway as toll-free road, he said.

Instead of 2.3 miles of parkway, Tonti said, Essex County received the present 5.7 miles of 10-lane freeway. Tonti also criticized Essex County officials for not using the \$3 million for the other roads in the County.

Charles Suchan, Democratic candidate for the Borough Council, asked Tonti if the Legislature could put pressure on Parkway engineers to recommend a

toll increase on the thoroughfare instead of doing away with the free mileage. Tonti had said the engineers are the ones responsible for certifying that an increased toll is needed to bring in more income.

Replying to Suchan, Tonti said he didn't think this was possible for two reasons:

1. The engineers would not be influenced by pressure from the Legislature.

2. An increase in tolls is not always the answer to a dwindling income, since a high toll can scare off motorists.

Tonti also reiterated his belief the Parkway increases the value of nearby real estate. As an example, he said the Parkway officials had purchased 40 acres of land in Monmouth County in 1954 for \$500 an acre. This year, he said, the persons who owned the 40 acres sold their remaining land to a developer for \$3,500 a acre.

Bergen Ev'ng Record
9/15/58

Merging Operations Of The Superhighways

Unquestionably some measure of operational economy could be effected by combining the New Jersey Highway Authority and the New Jersey Turnpike Authority. But as Governor Meyner has properly explained, there seem to be insurmountable financial obstacles barring any such merger.

While the Garden State Parkway, which is operated by the Highway Authority, is a toll road built with bond-issue money, it is not in exactly the same category as the Turnpike. The State's credit is back of the Parkway bonds, and if revenues are insufficient to meet expenses the taxpayers of the State are obligated in one way or another to make up the difference. Turnpike bonds are a strictly private matter, like Port Authority bonds.

But while a merger of the two projects seems out of the question, not to be dismissed is continued study of the Parkway operation and the prospect that within the next few years it may not be able to meet its bond obligations. If, as has been claimed, the toll-free arrangement for one portion of the Parkway, in Essex County, is endangering its financial structure, then the Legislature ought to stop this policy of appeasing one small section of the State at the expense of the rest of us.

MEYNER COOL TO ROAD TIE

Legal Problems May Hinder Merger

Trenton, Aug. 27 (AP)—A proposal to have a single agency run New Jersey's two toll roads gets a cold shoulder from Governor Robert B. Meyner.

He told a news conference yesterday such a merger might be cheaper in some ways but there appear to be insurmountable legal problems.

Meyner said the New Jersey Turnpike, run by the Turnpike Authority, is an overwhelmingly successful operation. The Garden State Parkway, run by the New Jersey Highway Authority, has been having a close call financially.

The Governor said Turnpike bondholders could stop any merger as a violation of their contract with the State.

If the State should buy up bonds of both roads and float a new bond issue in a merged authority, Meyner said extra money would probably have to be paid to the bondholders.

Assemblyman Carmine Savino (R., Bergen) has proposed that the State Highway Department operate the Parkway and Turnpike and that both authorities be abolished.

WILL RUN IN RED

D. Louis Tonti, executive director of the New Jersey Highway Authority, has said the Parkway will be running in the red by 1964 unless free traffic on a 5.7-mile stretch in Essex County is controlled.

Tonti told a newsman yesterday the Authority is studying several plans to confine the local toll-free traffic to one Parkway lane in Essex County and leave the other two lanes open for through traffic.

Another alternative, he said, would be for legislators from the other 20 counties to rescind the 1952 prohibition against tolls on the Essex portion.

Savino said recently it would be outrageous to charge more tolls on the Parkway.

Meyner said he hasn't noticed congestion in his travels on the Parkway in Essex County.

He said he'll meet with Tonti and Dwight R. G. Palmer, State Highway Commissioner, to go over the Parkway's financial setup.

Another idea — to have the State sell a toll-free stretch in Union and Middlesex Counties — found little favor with the Governor. He said the public won't pay tolls on a road it's been getting for free.

TOLL REVENUE FOR PARKWAY SHOWS BOOST

**Increase In Bond Debt
Service To Cause
Dip In Finances**

PREDICT DEFICIT

(Special to the Bergen Evening Record)

Red Bank, Nov. 18—The Garden State Parkway is heading for a good year in toll revenue and net income, but the finances may dip low after 1958 as obligations increase.

That was the gist of a report today by Treasurer Sylvester C. Smith Jr., of the New Jersey Highway Authority on Parkway finances for the first 10 months of this year.

"This will probably be one of our very best years financially," Smith said, "but a sharp rise in our bond debt service for 1959 and subsequent years should cut down any sizable balances hereafter."

He noted that annual principal payments on the Authority's \$330,000,000 bonds start January 1, 1960. So far the Authority has been paying only interest on the bonds, which were issued to finance construction of the Parkway from one end of the State to the other.

Engineering consultants cited those increasing obligations in warning the Authority recently that it will go into the red by 1964 unless measures are taken to prevent free riders in Essex County from crowding out the needed additional tollpayers. An Essex County section of the Parkway is toll-free by virtue of the 1952 legislation which authorized the project.

PAYMENTS TO INCREASE

Principal payments on the bonds range from \$1,051,000 in 1959 (for the Jan. 1, 1960 due date) to \$4,248,000 in 1964, and will continue to increase substantially each year through Jan. 1, 1988 when the final \$22,005,000 matures. Annual interest payments will amount to more than \$9,500,000 throughout the 1959-1964 period.

During the first 10 months this year, the Parkway collected \$13,696,458 in tolls as compared to \$12,346,278 for the same period of 1957. Total revenue during the same time—including income from Parkway restaurants and earnings on investments—was up from \$13,332,384 last year to \$14,721,344 this year.

The Authority's net income, after the deduction of operating costs and debt service, was \$2,963,212 as of October 31. It was \$2,713,464 one year before when operating and debt service requirements were lower.

However, the 1958 balance is likely to go down during the remaining 2 months when traffic usually falls off but maintenance costs rise in the face of winter weather. Also noted is the bond indenture requirement that the Authority's net revenue in each year equal 120 per cent of its total debt service for the 12-month period.

Surplus funds in the past have been consumed by the continuing need for improvements and major repairs such as roadway widenings, additional exit-entrance ramps, and critical drainage problems.

"But the fact remains," Smith said, "that we are now in good financial condition. Our concern is for the future. And yet we are confident that with the understanding and co-operation of the officials and citizens of New Jersey, the Authority can effectively overcome any of the obstacles and maintain the Parkway as a self-supporting road."

Herald News
(Passaic) 1/27/59

Combining Toll Highway Functions

IT is good to learn that studies are under way to determine the feasibility of merging administrative and maintenance functions of the New Jersey Turnpike and the Garden State Parkway.

The two toll road authorities are carefully weighing the desirability of combining certain duplicate work and are trying to determine whether the resultant savings would make this worthwhile. The state attorney general's office and bond attorneys in New York also are studying the possibilities of combining the debt structure of the two authorities. This latter may not be workable but it should not hinder merging administrative and maintenance operations.

No one is certain now just what the savings would be if such work as snow removal, policing, toll supervision, highway repairs and improvements and office work were placed on a joint basis. Some savings are bound to be possible in better use of equipment and less supervisory personnel. Careful analysis will reveal the full story.

These studies come at the right time. The Garden State Parkway has plans ready for a new administrative building on Telegraph Hill. In any merging of administrative functions it would be possible to use the turnpike's administrative center at New Brunswick by building an addition. This would cost much less than a separate building.

Governing Meyner has said he is in favor of a merging operation if it will save money and bring about better service.

The bills Assemblyman Musto, Hudson County Democrat, has introduced in the Legislature to place both toll roads under the State Highway Department seem pointless. The highway department has its hands full looking after the new superhighways it is building and the state's older roads it is trying to rebuild.

In great measure the success of the two toll roads has been due to the non-salaried, high-caliber appointees who supervise the toll operations. Placing the two authorities directly under the state's thumb might create some well-paying jobs for patronage-hungry politicians but would not guarantee any improvement in economies or better management.

Easton Express
1/28/58

Meyner Thinks Authorities Could Combine Functions

TRENTON (AP) — Gov. Robert B. Meyner thinks money could be saved by combining some functions of the N. J. Turnpike Authority and N. J. Highway Authority.

He told a news conference yesterday he has discussed the idea with Dwight R. G. Palmer, state highway commissioner.

He said one problem is "a certain rivalry" between the Turnpike Authority, which runs the Turnpike, and the Highway Authority, which runs the Garden State Parkway. Each is independent of the state Highway Department.

Meyner said the Turnpike Authority is "super successful" while the Highway Authority is "just barely making a living."

He said the two agencies might get together on maintenance, administration and new construction costs.

Assemblyman William V. Musto (D-Hudson) introduced a bill Monday to transfer the powers and duties of the two authorities to Palmer.

Meyner said he would be sympathetic to such an idea "if it is legal." He has indicated in the past there would be many legal problems, such as provisions protecting the bondholders.

Bills Would End Road Authorities

Ocean county Assemblyman W. T. Hering on Monday sponsored a measure in the assembly authorizing study of the legality and practicality of dissolution of the New Jersey Turnpike and New Jersey Highway Authorities, and transfer of their functions, powers and duties to the State Highway Department. The measure would involve both the Turnpike and Garden State Parkway, and was co-sponsored by Hudson Assemblyman William Musto.

The study commission would consist of six members, three from each house. Mr. Hering said he felt duplication of effort and economies in costs could be affected by combining such services as engineering, operating maintenance and toll procedures. He also is co-sponsor with Mr. Musto of two other bills, one to place administration of the Highway Authority under direct jurisdiction of the State Highway Commissioner, without study, the other to perform without study the same changeover of the Turnpike Authority.

