



New York City Transit Authority

Annual Report

1967-1968



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William J. Ronan
Chairman
Leonard Braun
William L. Butcher
Donald H. Elliott
Harold L. Fisher
Bruce A. Gimbel
Eben W. Pyne
William A. Shea
Walter N. Thayer

Submitted to:

THE HON. NELSON A. ROCKEFELLER
Governor

THE HON. ARTHUR LEVITT
Comptroller

THE HON. WARREN M. ANDERSON
Chairman, Senate Finance Committee

THE HON. HARVEY M. LIFSET
Chairman, Assembly Ways and Means Committee
OF THE STATE OF NEW YORK

THE HON. JOHN V. LINDSAY
Mayor

THE HON. MARIO A. PROCACCINO
Comptroller

THE HON. FRANK D. O'CONNOR
President of the Council

THE HON. PERCY E. SUTTON
President of the Borough of Manhattan

THE HON. HERMAN BADILLO
President of the Borough of the Bronx

THE HON. ABE STARK
President of the Borough of Brooklyn

THE HON. MARIO J. CARIELLO
President of the Borough of Queens

THE HON. ROBERT T. CONNOR
President of the Borough of Richmond
OF THE CITY OF NEW YORK

*In accordance with Sections 1213
and 2500 of the Public Authorities Law*

The Authority meets, left to right,
top: William A. Shea, Eben W. Pyne,
Donald H. Elliott, Leonard Braun;
center: Walter L. Schlager Jr.,
Executive Officer, Operations and
Maintenance, Daniel T. Scannell,
Executive Officer, Construction
Administration, Sidney Brandes,
General Counsel, Chairman Ronan;
bottom: Harold L. Fisher, Walter N.
Thayer, Bruce A. Gimbel and
William L. Butcher.

For the New York City Transit Authority, the 1967-68 fiscal year was one of transition. On March 1, 1968, the Authority became a constituent agency of the Metropolitan Transportation Authority. The Metropolitan Authority was given responsibility under state legislation for setting policy and developing mass transportation facilities in the New York State portion of the metropolitan area.

The M.T.A. and the Transit Authority moved swiftly to advance a program of transit improvements that would take advantage of \$2.5 billion in special borrowing for transportation that was authorized by the voters of the state in November, 1967. On June 5, 1968, the M.T.A. submitted to the New York City Board of Estimate and Mayor Lindsay a \$957 million package of subway and commuter rail additions. On Sept. 20 the Board of Estimate approved the construction of 12 new routes or additions at a cost of \$1.3 billion at the current level of costs.

- These included a Second Avenue subway from the area of the Battery up to the Bronx, a crosstown line in the vicinity of 48th Street, connections to the new tunnel under the East River at 63rd Street in Manhattan and Queens, a new express track on the Queens Boulevard line, other extensions in outlying parts of Queens and Brooklyn not now served by rapid transit, relocation of the Canarsie line in Brooklyn and a new line in the Bronx to replace the Third Avenue Elevated.

The year was highlighted by other events:

- On March 1, 1968, William J. Ronan became chairman and chief executive officer of the Authority. Serving with him as members of the Authority were Leonard Braun, William L. Butcher, Donald H. Elliott, Harold L. Fisher, Bruce A. Gimbel, Eben W. Pyne, William A. Shea and Walter N. Thayer.

- At the same time, John J. Gilhooley and Daniel T. Scannell, former members of the Authority, became respectively Executive Officer for Labor Relations and Personnel and Executive Officer for Construction Administration. Walter L. Schlager Jr., former General Manager, became Executive Officer for Operations and Maintenance. The new post of Executive Officer, Controller, was not filled during the fiscal year.



Chairman Ronan discusses new car design with his two assistants at left, Edward M. Kresky and William Lassow, at plant of St. Louis Car Division of General Steel Industries.

A goal envisioned as long ago as 1940 was achieved in November, 1967, when the BMT and IND divisions were unified at Chrystie Street in Manhattan, permitting the operation of joint services. In addition to the Chrystie Street connection, new facilities placed in operation at this time included a new station at Grand Street and new deep-bore express tracks under the Avenue of the Americas (Sixth Avenue) between the West 4th Street and 34th Street stations. These events were considered to be one of the most important in rapid transit service since the opening of the IND division in 1932.

- Introduction of a color-coding system to identify rapid transit services coincided with the merger of the BMT and IND through Chrystie Street. The largely educational task of gradually discontinuing the BMT, IND and IRT divisional identifications was begun. A new eight-color schematic map of train services was published and two million



pocket-size copies were distributed to the public at station change booths and by mail.

- A new signage system, designed to better guide travelers to their destinations at 484 subway stations, was developed in consultation with Unimark International, graphic arts specialists. By the end of the fiscal year, 3,000 new signs had been installed at 100 stations and old ones removed to reduce visual clutter. Headway was being made also in installing new color-coded signs in subway cars.

- Nearly 200 of 800 new high-acceleration, stainless steel cars ordered from the manufacturer were delivered. The cars were financed with the funds in the City capital budget and from Federal sources which paid for 200. Of the 800 cars scheduled to be delivered by mid-1969, 600 will be air-conditioned.

- The \$13 million new station and trackage at 57th Street and Avenue



The first of the latest series of rapid transit cars, the R-42, as delivered following design decisions. The cars feature air-conditioning, advanced styling and improved signs.



Dispatcher Bernard Huat at radio console of two-way radio system that links Surface Division headquarters with all buses.

of the Americas, which went into service on June 30, completed the program of making the Avenue of the Americas route a four-track line. The station is the most advanced in design so far of subway stations in New York City and features wide use of stainless steel, glass, polished stone and brilliant fluorescent lighting.

- A \$1.3 million station was added to the system at 148th Street Lenox Terminal to serve a growing residential area. Construction of the station was allied with use of air rights over an adjoining train storage yard which enabled the Board of Education to build two schools on the site for elementary and junior high school students.

Eleven construction contracts totalling \$27.3 million were in progress during the year as part of the Authority's station-lengthening program to permit operation of 10-car trains on the BMT and IRT. Completion of this long project will add some 20 per cent to the passenger capacity of these lines.

- A \$6 million two-way radio system on the Surface Division went on the air in May. All 4,285 buses operated by the Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority, are equipped for immediate radio contact between them and their headquarters. The system also features public address systems for communication between bus drivers and passengers. The system is expected to be an aid in deterring crime and in regulating the flow of buses, particularly when traffic is delayed by fires and other emergencies.

- Express bus service between Staten Island and Manhattan was started in December, 1968, on a test basis using the Verrazano-Narrows Bridge, the Gowanus Expressway and the Brooklyn-Battery Tunnel. Brand new air-conditioned coaches with soft upholstered forward-facing seats were used to provide the rush-hour service.

- The rapid transit and surface divisions achieved exceptional safety records, improving past safety performances already rated superior by industrywide standards. Both divisions turned in passenger accident frequency ratings marking the second lowest level recorded by the Safety Bureau in 22 years. The rapid transit passenger accident frequency rate showed an 8 per cent decrease. The surface division rate declined 10 per cent.

A two-year agreement, whose cost was estimated at \$59 million, was negotiated effective Jan. 1, 1968 with unions representing hourly operating employees. The agreement provided for an immediate 5 per cent wage increase, and 6 per cent effective July 1, 1969. Also included were a wide range of improvements in pension, welfare benefits and working conditions. Among them also was a 20-year retirement plan providing, in general, one-half pay at age 50.

- Training, upgrading and recruitment programs were intensified to replace a generation of hard-to-duplicate skilled employees now going into retirement and to provide new personnel for an expanding transportation system. The number of employees who plan to retire in the coming year was estimated at 3,336, about four times the average in the two preceding years.

- A Travel Information Center was established at T.A. headquarters to provide a round-the-clock service seven days a week to passengers seeking travel assistance. The center began operation in November, 1967. Within months because of the flow of calls the staff was doubled to 42 trained information specialists who handle approximately 90,000 telephone inquiries a month.

Mezzanine of new station at 57th Street and Avenue of the Americas that features wide use of stainless steel, glass, terrazzo, and fluorescent lighting.



NEW YORK CITY TRANSIT AUTHORITY

Statement of Results of Operation for Fiscal Year Ended June 30, 1968

Revenues:	TOTAL	RAPID TRANSIT	SURFACE
Passenger Revenue	\$330,226,553	\$254,249,926	\$ 75,976,627
School Fare Program Revenue from City	26,861,109	11,498,907	15,362,202
Total Passenger Revenue	\$357,087,662	\$265,748,833	\$ 91,338,829
Advertising	4,272,209	3,500,446	771,763
Station Concessions	2,694,901	2,694,901	—
Interest Income	328,544	245,195	83,349
Rentals and Miscellaneous	789,591	735,687	53,904
Total Revenues	\$365,172,907	\$272,925,062	\$ 92,247,845
Expenses:			
Salaries and Wages	\$333,944,473	\$257,900,007	\$ 76,044,466
Pension Cost — City Retirement System	35,318,887	28,510,183	6,808,704
Social Security — Employer's Share	11,137,581	8,601,168	2,536,413
Health and Welfare Benefits	11,681,695	9,219,941	2,461,754
Power Purchased	31,195,715	30,739,874	455,841
Fuel for Buses	1,945,391	—	1,945,391
Material and Supplies	18,798,472	15,314,889	3,483,583
Rentals of Tires, Trucks and Other Equipment	2,304,399	1,521,552	782,847
Provision for Public Liability	4,250,000	2,500,000	1,750,000
Provision for Workmen's Compensation	1,000,000	772,821	227,179
Maintenance by Outside Parties	3,357,087	2,963,317	393,770
Miscellaneous	3,386,336	2,480,429	905,907
Credit from City for Transit Police Services	(42,162,064)	(42,162,064)	—
Total Expenses	\$416,157,972	\$318,362,117	\$ 97,795,855
Net Income (Loss) Before Adjustments	(\$ 50,985,065)	(\$ 45,437,055)	(\$ 5,548,010)
Extraordinary Credits (a)	6,925,117	5,089,001	1,836,116
Net Income (Loss) After Adjustments	(\$ 44,059,948)	(\$ 40,348,054)	(\$ 3,711,894)

(a) Reduction of Authority's Pension Costs of \$4,027,564 for prior years and for Reimbursement from the City of \$2,897,553 for Transportation of police, firemen, etc., for 12 months ended December 31, 1967.

Revenue Car and Bus Miles	393,573,810	327,711,651	65,862,159
Revenues per Car and Bus Mile	92.78¢	83.28¢	140.06¢
Expenses per Car and Bus Mile	105.74¢	97.15¢	148.49¢
Revenue Passengers	1,738,372,297	1,303,465,841	434,906,456
Average Rate of Fare	20.19¢	20.19¢	20.19¢
Revenue per Revenue Passenger	21.01¢	20.94¢	21.21¢
Expenses per Revenue Passenger	23.94¢	24.42¢	22.49¢
Number of Employees:	38,056		
Hourly Rated	29,654		
Annually Rated	8,402		

NEW YORK CITY TRANSIT AUTHORITY

Statement of Assets and Liabilities at June 30, 1968

Assets

Current assets:

Cash		\$ 11,784,529
Investment in U. S. Treasury Bills (at cost)		2,197,531
Accounts receivable and unbilled charges:		
Accounts receivable:		
City of New York	\$21,273,827	
Others	1,350,866	
Capital expenditures and other charges to be billed to City of New York and others	<u>2,209,609</u>	
	24,834,302	
Less: Reserve for unreimbursed capital expenditures and other receivables	<u>202,000</u>	
		24,632,302
Accrued interest receivable		133,758
Prepaid expenses and other assets		<u>1,888,897</u>
Total current assets		40,637,017

Other assets:

Accounts receivable due after one year:		
City of New York	7,745,434	
Others	<u>102,819</u>	
Total other assets		7,848,253
Materials and supplies, at average cost	20,755,907	
Less: Allowance for inventory adjustments	<u>653,000</u>	
		20,102,907
Deferred charges		143,946
Assets from funds derived from long term debt:		
Rapid transit passenger cars	70,270,111	
Unexpended proceeds from long term debt	6,935,084	
Debt retirement fund with trustee	1,973,333	
Unamortized bond expenses	93,421	
Unamortized debt on cars sold to City of New York	<u>2,318,051</u>	
	81,590,000	
Less: Unreimbursed bond amortization	<u>740,000</u>	
		80,850,000
Deposits from contractors, concessionaires and others		<u>1,762,838</u>
		<u>\$151,344,961</u>

Liabilities

Current liabilities:

Accounts payable	\$ 12,459,536
Accrued salaries and wages	6,618,009
Payroll taxes withheld and accrued	10,807,126
Amounts payable to the New York City Retirement System	27,912,716
Liability for prepaid transportation	5,000,098
Estimated liability for employee death benefits	2,000,000
Advance from State of New York	100,000
Total current liabilities	64,897,485

Other liabilities:

Estimated amount accrued for payment to the New York City Retirement System – Fiscal Year 1967-68	35,318,887
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Estimated liabilities:

Public liability	\$16,900,000
Workmen's compensation	6,562,000
	23,462,000

Long term debt:

Serial Bonds due November 1, 1968	2,960,000
Serial Bonds due November 1, 1969 and successive years	77,890,000
	80,850,000

Liability for deposits from contractors, concessionaires and others

1,762,838

Surplus:

From operations:

Deficit balance June 30, 1967	(71,858,964)
Loss for year	\$(50,985,065)
Extraordinary income (A)	6,925,117
Net Loss	(44,059,948)
Accumulated operating deficit June 30, 1968	(115,918,912)

Contributed surplus:

By City of New York	
(Materials and Supplies)	16,222,663
By Mabstoa (Surplus Grants)	44,750,000
	60,972,663

(54,946,249)
\$151,344,961

(A) Reduction of Pension System contributions for Fiscal Years 1966 \$2,524,189 and 1967 \$1,503,375.

Payment by City of New York of claim of \$2,897,553 for transportation of Police, Firemen, etc., for 12 months ended December 31, 1967.

NEW YORK CITY TRANSIT AUTHORITY

Disposition of Bond Proceeds at June 30, 1968

	1962 SERIES A BONDS	1963 SERIES A BONDS	TOTAL
Bond Proceeds Account:			
Cash and Securities on deposit	\$ 489,119	\$ 888,167	\$ 1,377,286
Debt Service Reserve Fund:			
Cash and Securities on deposit as guarantee of pay- ment of principal and interest on the bonds	3,147,925	2,409,873	5,557,798
Unexpended Proceeds from long term debt	3,637,044	3,298,040	6,935,084
Miscellaneous bond expenses	56,857	36,564	93,421
Rapid Transit Passenger Cars:			
Proceeds expended for cars received (See Note) . . .	47,206,099	34,965,396	82,171,495
Total Bond Issue	\$50,900,000	\$38,300,000	\$89,200,000
Less Bonds Retired	4,855,000	3,495,000	8,350,000
Bonds Outstanding at June 30, 1968	<u>\$46,045,000</u>	<u>\$34,805,000</u>	<u>\$80,850,000</u>

Status of Bond Funds at June 30, 1968

ISSUED	TOTAL PROCEEDS	1962 SERIES A BOND PROCEEDS ACCOUNT	1963 SERIES A BOND PROCEEDS ACCOUNT	DEBT SERVICE RESERVE FUND
November 1962	\$50,900,000	\$47,752,075	—	\$ 3,147,925
August 1963	38,300,000	—	\$35,890,127	2,409,873
	<u>\$89,200,000</u>	<u>\$47,752,075</u>	<u>\$35,890,127</u>	<u>\$ 5,557,798</u>
<i>Cost of Cars Purchased</i> <i>(See Note)</i>				
To June 30, 1967	81,255,790	46,710,602	34,545,188	—
	7,944,210	1,041,473	1,344,939	5,557,798
Fiscal year 1967-68	915,705	495,497	420,208	—
	7,028,505	545,976	924,731	5,557,798
Misc. bond expenses	93,421	56,857	36,564	—
Unexpended	<u>\$ 6,935,084</u>	<u>\$ 489,119</u>	<u>\$ 888,167</u>	<u>\$ 5,557,798</u>

Note: Pursuant to Agreements with the City of New York, title to 108 cars costing \$11,901,384 was transferred to the City.