Port Commission budget projects higher expenses

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Accumulated repair projects and rising insurance rates account for the slightly higher expenses included in the budget for the coming fiscal year at the Greater Baton Rouge Port Commission, said Executive Director John Dutton.

The 1986-87 budget approved at the commission’s Monday meeting is based on expenses totaling $2,387,916, only about $206,000 more than what officials expect to spend by Oct. 31, the end of the current fiscal year.

At the same time, revenues from port operations are expected to rise little more than $1,000 during the coming year, compared with this year, to $3,366,934.

After payment of a $963,300 debt service, the port hopes to show a $24,720 surplus at the end of the 1986-87 year.

“Even though that’s not a great deal of surplus, other ports in the Gulf are taking a loss,” Dutton said Tuesday.

The Port of New Orleans had a shortfall of $9.3 million last year, and other ports of competitive size as Baton Rouge, such as Gulfport and Galveston, also suffered losses, Dutton said.

“. . . Some ports, such as Beaumont (Texas), receive subsidies from their county or state. We are in direct competition with subsidized ports, and we operate solely on self-generated funds,” he said.

The projected expenditures for materials and supplies will run higher for the coming year because of the extensive repairs on the railroad trestle, sheds and the fender system.

Those and other smaller-scale projects account for $120,000 of the $171,150 allocated for repairs to port facilities. Last year’s budget allowed $98,700 for the same category, but the port probably will spend $107,400 by the end of the current fiscal year, Dutton said.

The cost for general insurance, which includes property and liability, has increased during the current fiscal year by $69,000 more than the budgeted projection — from $223,000 to $292,000.

The new budget allocates $23,000 more to bring the cost of insurance to $315,075 for the coming year.

The insurance coverage affords the commission full coverage for liability up to $50 million, but, Dutton said, commissioners may have to consider self-insurance for some part of the first $1 million coverage to reduce the premium in the future.

The new budget also shows a $5,000 increase allocation for legal expenses because of a backlog of work and several continuing liability cases against the port, he said.

As for revenue, Dutton said the port expects business to remain only steady at its major operations.

Business could increase slightly at the barge terminal, the grain elevator, the midstream operation and the general cargo docks, compared with the projected final figures for the current year.

The budget projects tonnage through Oct. 31 at 4.7 million and proposes almost 5 million in the coming year.