

Minutes
Bar Harbor Cruise Ship Committee
By Video Conference
Thursday, Feb. 11, 2021 @ 3:00 PM

Attendance:

Chair Eben Salvatore and committee members Martha Searchfield, Eben Salvatore, Matt Hochman, Sandy McFarland, Jeremy Dougherty, Jennifer Cough, Ken Smith, Jim Willis, Lawrence Sweet, Greg Gordon, John Kelly, Charlie Phippen, Sarah Flink, Skip Strong, Amy Powers and Liz Graves.

Jane Disney was excused.

Jeremy Dougherty and Jennifer Cough were appointed Jan. 19 to the two Downtown Business Representative seats on the committee. Jim Willis, Greg Gordon, Charlie Phippen, Sarah Flink, Skip Strong and Amy Powers are non-voting members. Liz Graves did not vote. The voting membership for the meeting was nine.

Town Manager Cornell Knight also attended.

I. CALL TO ORDER— 3:02 p.m.

II. PUBLIC COMMENT PERIOD (UP TO 15 MINUTES)

Scott Mitchell of the Peruvian Link store on Cottage Street said he wanted to put in a plug that we do all we can to get ships, but at the same time we do want to have some regulations. He asked about the laws requiring foreign-flagged passenger vessels to visit a foreign port on each cruise itinerary with American ports. He wanted to know if there's a way to mitigate the loss somehow by changing the regulations that we have in place. Mr. Salvatore said the topic will be addressed under a later agenda item, but that there are media reports of a member of Congress from Alaska raising questions about changing the law.

III. APPROVAL OF MEETING MINUTES (Jan. 14, 2021)

All present indicated by a straw poll vote that the minutes were acceptable. Then Mr. Smith, with second by Mr. Hochman, moved to approve the Jan. 14, 2021 Regular Meeting minutes as presented. Roll Call Vote:

<u>Searchfield</u>	<u>Y</u>
<u>Salvatore</u>	<u>Y</u>

Hochman Y
McFarland Y
Dougherty Y
Smith Y
Sweet Y
Kelly Y

Motion passed 8-0. (Ms. Cough’s video and microphone were off during this vote.)

IV. STAFF REPORTS

Mr. Salvatore welcomed Mr. Dougherty and Ms. Cough to the committee and thanked them for agreeing to serve.

Mr. Phippen said there are still 120 ship visits on the schedule for 2021 that have not been cancelled, 19 of which are the Independence (American Cruise Lines). He doesn’t expect that we’re going to see anywhere near that number, but he’s not yet received any more cancellations on top of what he already had. For 2022 so far, 134 ships are scheduled, 18 of which are American Cruise Lines. For 2023, 81 are scheduled. For 2024, 34 are scheduled. For 2025, 25 ships. For 2026, 25 ships.

Mr. Knight outlined changes made to the cruise ship fund budget for FY22 since the announcement that Canada was extending its cruise ship ban until February 2022, which significantly affected the revenue picture. That news came after the Town Council had already approved the budget. The amended budget with these changes will go to the Council on Tuesday, 2/16, and the Warrant Committee after that.

We had been looking at 40% of scheduled passengers in calendar year 2021, so that’s dropped significantly. Projected cruise ship revenues dropped from \$530,000 to \$174,000—that’s revenue from the small ships still planning to visit in 2021, and 100% of the ships scheduled for May and June of 2022. Expenses have been cut in half, \$105,000 to \$49,000. The transfer from the cruise ship fund to the general fund was reduced from 167,000 to \$91,000. All capital spending (had been \$165,000) was cut except \$76,000 in debt service. This drops the fund balance down to minimal amounts; we had a pretty healthy reserve, but if it went another year that debt service would all be on the tax rate.

Ms. Searchfield asked about the effects of these changes on taxes or future capital projects the town is saving for. Reserves that will not get funded this year include municipal building renovations, Lower Main Street and Cottage Street streetscapes, ambulance replacement, fire engine replacement, port security building boat, police cruisers, public safety building renovations, ferry terminal improvements, town and pier fencing, Museum in the Streets, Village Green bandstand, Grant Park, Harborview Park, downtown signage, and restroom renovations. All those things eventually are going to affect the property tax.

V. REGULAR BUSINESS

a. 2021 season update

Mr. Salvatore said Canada’s announcement to keep ships out until 2022 affects almost every one of our ships. The Passenger Vessel Services Act of 1886 requires foreign-flagged vessels to call on a foreign port on each itinerary with American ports. That pretty much ends our season. In the announcement of the Canadian policy, they left some doors to walk through later if things improve. It’s almost completely up to them when we can resume our 2021 season. It takes the pressure off a little bit—everyone was a little antsy still about when the first ship was coming, so that might be a silver lining, but obviously it’s going to be a negative impact on everybody if they don’t make it this year.

Mr. Strong added that The CAT ferry is also definitely not running this year. Mr. Salvatore said American Cruise Lines is planning to have the Constitution go to Bucksport and bus those passengers here. Ms. Flink said American Cruise Lines is scheduling to keep the Independence in Bar Harbor and take the Constitution to Bucksport. Mr. Salvatore said Bucksport is spending millions on becoming a cruise ship port; the Constitution could be the canary in the coal mine if we go down the path of pushing more ships away. It doesn’t mean the passengers are not going to find their way here.

b. Anchorage B Update

Mr. Phippen said he canvassed seven or eight fishermen and they were all in favor of moving the anchorage over one cable, 600 feet. The Harbor Committee didn’t pass an official motion, but they were also in favor of the move. There’s really no negative side, and it looks like it will improve fishing for those that fish out there (not just Bar Harbor fishermen) and negate some of the gear conflicts that we’ve had up there.

Next step is for Mr. Phippen to write a letter to the Coast Guard First District and ask for Council approval. It should go to Council as a recommendation from this committee.

Mr. Smith, with second by Mr. Hochman, moved to ask Mr. Phippen to draft a letter for Council approval requesting the Coast Guard shift Anchorage B one cable (204 yards) to the west. A straw poll show of hands approved. Roll Call Vote:

<u>Searchfield</u>	<u>Y</u>
<u>Salvatore</u>	<u>Y</u>
<u>Hochman</u>	<u>Y</u>
<u>McFarland</u>	<u>Y</u>
<u>Dougherty</u>	<u>Y</u>
<u>Cough</u>	<u>Y</u>
<u>Smith</u>	<u>Y</u>

Sweet _____ Y
Kelly _____ Y
Motion passed 9-0.

c. Breakwater Update

Mr. Phippen said he has not heard back from the Army Corps of Engineers on the status of the project. The ball is in their court. We've asked them to clarify whether it's classified as an "improvement" or a new project; still waiting for them to decide that.

Mr. Strong said the next Army Corps Dredge Team meeting is March 4 and he has requested an update on the project at that meeting. Hopefully there'll be a written update coming out after the meeting, or at least they'll say what their next steps are. He said he thinks we just have to be persistent on this. It's a big project and they've got a lot of projects to do and not a lot of money. He offered to send the Zoom link so anyone interested can attend.

Mr. Salvatore asked Mr. Strong and Mr. Phippen to speak up if there are points in the process that committee members or others can do anything to help. If we could actually get this done, it would be huge for Bar Harbor.

d. Review Community Survey/Annual Cap

At the last Council meeting, Mr. Hochman said, the survey company introduced themselves and their qualifications. The company has had contracts with The Jackson Laboratory and are familiar with the area. The survey will likely be a combination of mail and email. He's hoping questions will be geared toward trying to find out what exactly it is that people don't like about cruise ships. He said he was confident we'll get some questions that will help us find a good compromise between no ships and unlimited ships.

Mr. Salvatore said sentiment about whether people like ships or not seems to be where the conversation always ends up, but what about it is it? Is that something we can fix, and what's the best fix?

Ms. Cough said she'd be wary about questions that lead with the negative and invite people to just rag on cruise ships. It might be good to say, "Cruise ships are going to happen. We have to come to some sort of compromise. What would you like to see happen?" Mr. Hochman said we don't this to be a leading survey, either in the positive or in the negative.

Mr. Salvatore suggested it might be helpful to discuss what things we'd like to know from our community, not necessarily formulated as survey questions, for Mr. Hochman to take back to council and to the survey group. Mr. Dougherty asked whether a draft of the survey would be shared before it's sent out.

Ms. Searchfield asked if the survey would include questions about other types of traffic. Ms. Cough said traffic flow interruptions or congestion sometimes interfere with businesses being able to receive deliveries they need.

Mr. Strong said what he sees from the bridge of the ships as they enter the inner harbor is 17 hotels. Cruise ships are definitely point-loading the pier, but hotels, short-term rentals, and campgrounds must also be contributing to the crowding issue. Also, when he gets back to the pier at 8 p.m. in early October after escorting a ship out, he can't find a parking space to go have dinner. Mr. Salvatore said one of the studies done by Professor Gabe from UMaine also found that more people are in town in the evenings after cruise ships leave.

Mr. McFarland said that on coach tours, the number one thing passengers ask is, "When are we going to have a chance to shop?" He said he remembers being in traffic on a bus in the park on July 5, 2019, when traffic was three cars abreast. There were 52 people on the bus and they were the only bus in the line that he could see. He remembers thinking that coach tours don't add to the traffic issue, they help it, because there are so many more people on the coach than in each personal vehicle.

Mr. Salvatore noted that a lot of towns are hungry for busy sidewalks. Mr. Hochman said the council is hoping to send the survey to nonresident business owners and summer residents, in addition to year-round residents. Mr. Salvatore said at the Council meeting there seemed to be some effort to dismiss businesses as all being from out of state, a "they leave after they get their money" sentiment. He said we all know that's really not the case. He was glad to see that Council conversation go where it went, eventually.

Ms. Flink recommended trying to gauge whether opinions of small ships are different. She said other port communities such as Rockland have limits where a certain small size of ship have fewer or no restrictions. The smaller ships are fine with a lot of people that don't care for larger ones for whatever reason. The federal CDC in their restrictions for safety around the pandemic excluded everything with 250 or fewer people—they seem to think it's a small enough size that it can be handled in a different way. The American Cruise Lines ships used to tie up at the town dock and not be counted.

Mr. Hochman said his sense is that the Council would like to find a threshold for number of ships in a year and not exceed that, but they may be swayed by hearing Mr. Phippen explain why that's not a good idea. It's also possible that small ships may be excluded. Mr. Strong agreed that if the Council could come up with a threshold for size of ship or number of passengers, then that would give us something to work with.

Mr. Phippen said a very effective way to limit the ships would be to specify days you don't want ships, say a certain number days per week, then spread that out over the course of the normal

season. That's going to determine the number of ships that you feel are reasonable, and then you fine tune it with passenger caps. That's much more manageable from a scheduling point of view.

Ms. Powers suggested adding to the next agenda a conversation with a few cruise line staff members who work on deployment or itinerary development. It would give us some insight into what their considerations are, what their binding agreements are with other ports, and how this process works so that we can make more informed decisions for ourselves.

In response to a question from Mr. Smith, Mr. Knight said the cost estimate for the survey is \$12,600.

VI. PUBLIC COMMENT PERIOD (UP TO 15 MINUTES)

David Witham said he is encouraged by the discussion about Anchorage B, the cooperation and reaching out to the fishermen. He said he gets thrown off when discussion about emails received focuses on how they're not specific enough. Some of those email writers were quite specific about what their concerns are, but they don't seem to be gaining any traction. How do those concerns become a real voice? Each 3,500 passenger ship is the equivalent of 17 hotels with 80 rooms apiece coming into the harbor, so it seems that would add to the congestion. He said he hopes for honest, productive dialogue and feels at times there's a lot of discrediting going on.

Scott Mitchell said his store, the Peruvian Link, is a specialty clothing shop with many items priced in the hundreds of dollars. They did a study prior to 2020 and estimated that cruise ship passengers are 20-30 percent of their business. Mr. Salvatore said the town commissioned a study from UMaine economist Todd Gabe in 2016, which found an estimated \$119 per cruise passenger was spent, for a \$20 million economic impact. Mr. Mitchell asked how that compares to the total commerce in Bar Harbor. Mr. Salvatore said sales tax figures for September 2020 were down 27% and that was a dramatically bigger drop than other destinations like Camden.

VII. COMMITTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

Ms. Powers said the survey gives us an opportunity to have a transparent discussion with everybody regarding their concerns. It's going to be healthy to have this dialogue and listen more intently to the opinions of the community. She also shared a [link to a guidance document](#) from U.S. Customs and Border Protection about the Passenger Vessel Services Act.

Mr. Kelly offered the most recent numbers for the economic impact of Acadia National Park on the region, for context related to Mr. Mitchell's question. The park helps create \$510 million in economic activity, which reflects about 5,500 jobs, in Hancock County and Knox County.

Ms. Searchfield said the word “congestion” means different things to different people and wondered if there are good definitions out there. Mr. Hochman agreed, saying it’s one of the most subjective of the issues we’re dealing with. He said he remembers a lot of days downtown in the 1980s that seemed busier than it is now.

Mr. Kelly said the park has worked on this question for decades, and it is very subjective. There is the physical capacity, which they’ve studied at spots like Thunder Hole, what physical crowding is like. There have also been social science studies done. Those show people simulations of scenes in different settings. You put five people in that simulated scene, then 20, then 40, then 80 and you ask respondents to identify preferred and acceptable numbers of people and a threshold number at which they’d no longer want to visit.

Mr. Salvatore suggested keeping the current agenda items: 2021 update, Anchorage B, breakwater update, and survey update. Ms. Powers will contact cruise line itinerary/deployment staff to join the meeting for a discussion. The next meeting was set for March 4 at 3 p.m.

VIII. ADJOURNMENT— 4:20 p.m.

Mr. Smith, with second by Mr. Hochman, moved to adjourn. A straw poll show of hands approved. Roll Call Vote:

<u>Searchfield</u>	<u>Y</u>
<u>Salvatore</u>	<u>Y</u>
<u>Hochman</u>	<u>Y</u>
<u>Dougherty</u>	<u>Y</u>
<u>Cough</u>	<u>Y</u>
<u>Smith</u>	<u>Y</u>
<u>Sweet</u>	<u>Y</u>
<u>Kelly</u>	<u>Y</u>

Motion passed 8-0. (Mr. McFarland had left the meeting.)


Liz Graves, Deputy Clerk