

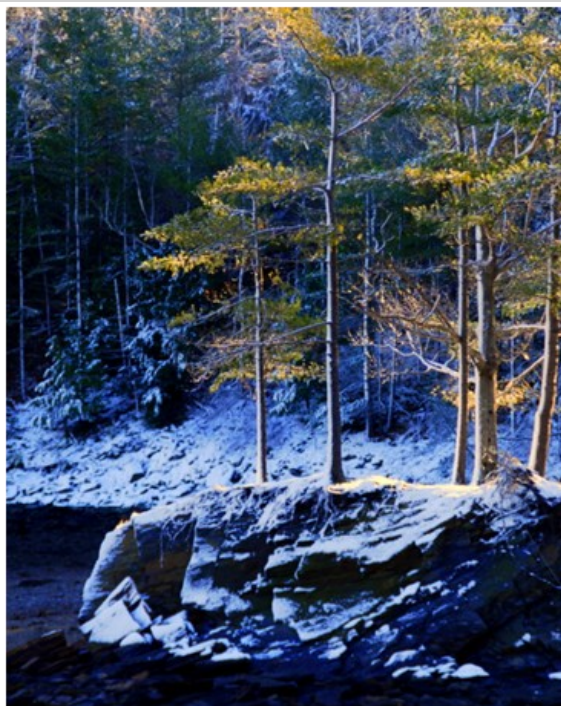
February 2016

Updates from the BOD

It is that time of year when short winter days and cold winter nights generate dreams of sparkling ferry rides, ice cream at the general store and the warmth of a close community and summer days.

The board has been working closely with Foreside Mgt. to finish a number of capital and special projects to prepare for a wonderful 2016 summer season. Thanks to our BOD, our newsletter contributors and editors for their efforts.

Matt Hoffner
DCHA President



Quick Updates on Various DC Projects

Barge Landing: The new barge landing was completed by the city in the fall of last year. It is a significant improvement with a better slope, concrete panels and curbing. The new landing accommodates barge deliveries at all tide levels- a great enhancement for DC! The city will be landscaping the area this spring including the area around our new Sunset Park.



Transfer Station: After numerous delays with the city, they expect to begin construction of the trash transfer station at DC this month with operation expected to start this summer. Like the barge landing, there is a long term commitment from the city to maintain safe operation of the station.

Updated Covenants: A new clean copy of the DCHA Covenants including the recent new amendments will be posted on the website later this month- A notice will be sent to HO's when ready.



Update from Chris Carman- Property Manager Diamond Cove

Administration Building:

The Administration building is in the process of being renovated, and I am excited to reveal the finished product prior to this coming summer. I know, we're all going to miss the stained carpets, but it was time to move on.

There will be some re-working of the traffic flow in the three large rooms, as well as all new paint, window treatments, carpets as well as new comfortable furniture for all the rooms. We have been guided in our work by a local interior designer and I think you will be pleased with her work.

Other Projects Planned:

The board and we at Foreside are working closely together to finish a number of other projects before the summer. These include:

- Significant road repair and re-grading
- Updated Insurance Policies
- Repair Storm drains

- Beach clean-up and enhancements
- Further Landscape projects
- Water quality test flush

New RA at Diamond Cove:

Since the departure of Ryan last month – I have been sifting through applicants, (of which we received numerous). I was able to find 3 final candidates who were then interviewed by two selected year round homeowners. Of the three finalists, the two homeowners and I narrowed the selection to Mark Wogaman.

Mark will begin work early February and I believe he will be a positive addition to our team. Over the course of his career he has been involved in customer relations with Delta Airlines, US Airways, Hatteras Yachts, and has proven his leadership as a Production Manager for Hydro International. He is an Eagle Scout, a certified Red Cross Disaster relief volunteer, and was a Quartermaster in the U.S. Coast Guard.

Interview with Hank Berg– General Manager Casco Baylines

Editor Question: How was the first full season with the new terminal open? How did CBITD do financially?

Hank's response:

The first full season with the new terminal went very well. We worked out the most of the kinks but we have a few things we need to improve during the second phase of the terminal renovation, like the acoustics in the waiting area. For the most part we have received very positive feedback on the new terminal and everyone particularly likes it when the large Wilson doors are open on a nice day or evening. It really has become more of a destination then just a waiting area attracting more people to the waterfront. In addition to that, we received some great exposure with over 40,000 people during the summer at the Maine State Pier concert series.

The draw of the new terminal, great weather, the concert exposure, social media and word of mouth all contributed to an increase of ridership of over 9%, increase of vehicle transport of over 9%, and a revenue increase of 4% over the previous year which was also a record breaking year. For the second year in a row the revenue in July and August was over \$1,000,000 for each month. To put it in perspective; CBITD's total revenue for the last fiscal year was approximately \$5,200,000.

Last fiscal year CBITD achieved a significant milestone by safely transporting over 1,000,000 passengers!

Editor Question: How was the ridership to Diamond Cove this summer and how does that traffic compare to traffic to the Great Diamond Dock?

Hank's response:

Between April and December 2015 DC ridership was 48,627 passengers compared to 37,457 the year before– an increase of 29% !

For the same period ridership to the Great Diamond dock was 29,108 compared to 26,227 the year before– an increase of 11%.



Interview with Hank Berg (cont)

Editor Question: Are there any big projects planned at CBITD? What would be the timing and impact to riders?

Hank's response:

CBITD's Board of Directors has conducted three strategic planning meetings during the last year. Among other things, they have prioritized the areas of focus to be:

- Terminal renovation and all currently funded projects
- Next new vessel
- Freight handling/process/pricing
- An overhaul of the sailing schedules

Since 2012 we have had a long-range capital improvement plan which is updated every year. This plan is then used to find funding sources for the capital projects.

We have been very fortunate to find and receive federal funding for all of the capital improvement projects in the plan to date. The federal funding we received (or has been approved) from grants for FY 14 was \$6,940,000 and for FY15 was \$2,000,000 which includes but is not limited to:

- Phase 2 of the terminal renovation (Expect to start later this year)
- Wabanaki improvements including the addition of a crane (In process)
- Automatic Vehicle Location/Real Time Passenger Information (Alpha testing; targeted to go live summer of 2016)
- New vessel planning and design (Funding approved but not yet released)

Out of all the projects the one that might have the most impact to our customers will be phase 2 of the terminal renovation project. This will primarily be site work and some facility improvements. It is not expected to be as disruptive as the construction of the new waiting area.



Editor Question: Do you expect any changes in the ferry schedule that would impact Diamond Cove or Great Diamond? (winter or summer)

Hank's response: The Board's Operations committee is currently evaluating four requested schedule changes. There is an active survey to get the public's feedback on the proposed changes below (<http://www.cascobaylines.com/ferry-news/schedule-survey/>)

The addition of a 4:15 PM Inner Bay run during the winter sailing schedule on Saturdays and Sundays/Holidays

The addition of a noon Down Bay run during the winter sailing schedule on Mondays and Wednesdays

The addition of a noon Down Bay run on weekdays for the entirety of the spring and fall sailing schedules

The addition of a Diamond Cove stop on the 5:45 PM departure that currently stops at Little Diamond and Great Diamond during the summer sailing schedule

Editor Question: Could CBITD publish a schedule in a format like a "Train Schedule" and at least put it on the website? It would make it easier to arrange inter-island visits.

Hank's response:

I am very interested in doing that and a preliminary format has been developed. I would love to get feedback from interested parties. If there is further interest I anticipate publishing it along with the roll out of the Automatic Vehicle Location/Real Time Passenger Information system.

Editor Question: Anything else DCHA residents and visitors can do to help your operations?

Hank's response:

Thanks for asking. The best way you can help is to get more active in the Board and Board Committee meetings as well as providing constructive feedback on the operations.

Thank you Hank! Thanks to all the great people at CBITD as well!

Update from the Security Committee

The Security committee (7 homeowners) and staff of DCHA met by conference call in December to discuss the security measures that were put in place in 2015 and to make recommendations for the 2016 season. The following is a recap of those discussions.

What worked /did not work in 2015

- ♦ Communication at the beginning of the season to homeowners regarding security procedures and personnel was helpful and should be repeated next year.
- ♦ In general, the number of trespassers at the pool decreased – not sure if it was due to security person being there or the sign in sheets (or both)
- ♦ Waterproof wristbands for homeowners did not work- poor distribution and enforcement. Wristbands for rental guests was more successful- no negative feedback from rental guests
- ♦ Robbie and Duncan did a good job in confronting and politely asking people to leave private property- some weekends there were 30-40 people removed
- ♦ Challenge with people wanting to “visit” the Inn and not understanding that it is all private property
- ♦ Security personnel were not given clear expectations regarding the need to make rounds each hour- often times were riding together in the truck instead of the cart or walking- often times they were both on the dock meeting boats instead of being in the community.
- ♦ Routine visits from Portland police (3) were well received
- ♦ Congestion continued on the dock- Inn carts parked and at times blocked DCHA van-
- ♦ The Inn carts were often speeding on their way to and from the dock



Update from the Security Committee (cont)

Recommendations for 2016

- ♦ - Assume Robbie plans to re-turn as security person- need to hire one additional person. That person needs maturity/ personality to handle the responsibilities of the job.
- ♦ Will only hire 2 security people- will not re-hire a "Freight Assistant" in 2016
- ♦ One of the security people will assist RA's with freight on Friday, Saturday and Sunday if needed on certain boats- the other security person will remain "on rounds" at all times
- ♦ - Need Chris to train security people and set clear expectations on duties and schedule
- ♦ - Continue to place sign in sheet on clip board at the pool that security can reference as they make their hourly rounds
- ♦ - Wristbands will be used by rental guests only- distributed by Great Diamond Rentals
- ♦ - Portland Police will provide training for our security people early in the season
- ♦ - Portland police will provide some patrols to the island in the summer (especially on Ripple Run Day, July 23rd)
- ♦ - Need to meet with Inn to prepare for 2016 and ask for better cooperation on use of the carts and dock
- ♦ - "Security Update" communication to the community should be prepared and released by Memorial Day.
 - Names and contact # for security personnel





Real Estate News (from Amy Farrell)

The DC community experienced a significant increase in home sales in 2014 and 2015; a spike we have not seen in recent years. Although we experienced, on average, higher valued sales in 2014, totaling \$3,146,500; we continued to show steady sales of both homes and land in 2015, with prices ranging between \$170,000 - \$380,000. Now that the majority of inventory in this price range has sold, it offers the higher listing priced properties to now become the most affordable, an advantage to sellers and a step towards increasing home values. Currently, the lowest priced home listed by Port Island Realty is \$292,500. At the start of 2015 the median home/land listing price was \$331,542. Heading into 2016, Port Island Realty median home/land listing price is \$486,400, an increase of 32%. This bodes well for sellers who at the start of 2016 can experience higher listing prices and less competitive inventory for buyers to choose from.

New Owners to Diamond Cove

233 Woodside Drive - formerly Schultze/Burge New owners - Oliver & Maria Pennington	144 McKinley Court - formerly Bauer New owners - Joe & Wendy Taggart
14 Ingalls Road - formerly Cady New owners - Nick & Jessica Boldyga	4 Bakery Lane - formerly Lane New owner - Fred Clough
124 Diamond Ave - formerly Crow New Owners - Kyle Tzrinske & Vikki Walker	34 Ingalls Road - formerly Andrus New owner - Jennifer Brennan
4 Ingalls Road - formerly Taggart New owners - William Taylor & Nancy Thompson	

Rental News

It was overall a consistently strong year for the rental program, and Great Diamond Rentals is eager to welcome returning renters and increase new visitors to Diamond Cove in 2016.

- ♦ In 2015, 57% of renters were returning guests. This is a strong pool of loyal visitors to Diamond Cove who could, and have often done so in the past, become buyers one day.
- ♦ We value the return business from our loyal renters, but realize increasing our marketing reach to attract new customers is a must. Rental homes are being marketed on web based advertising sites such as VRBO, Homeaway, Flipkey (part of Trip Advisor), Google Adword campaigns along with real estate postings on Facebook, ongoing incentives, and email marketing.

Rental News (cont)

- ♦ The Diamond Cove website has been an effective web based marketing resource. Reports show that in 2015 visitors to the Homes for Rent pages represented 15% of total page views to the website. We have also received positive feedback from returning guests and new renters pleased with the website's offerings. Viewers to the site can conveniently view calendars and see available dates as they scan from house to house, print or share home information sheets, and easily fill out and email a contact inquiry form that is sent directly to GDR for quick correspondence.
- ♦ Early bird incentives encouraging repeat renters to snatch up their choice home early has proven to be a successful outreach. Previous year comparison reports for the month of January show a 28% increase in rental income. It is a great start for 2016!

Fort McKinley Museum at Diamond Cove, Inc.



This winter the DCHA board has supported the

creation of an official non-profit corporation to manage the historical activities and assets at Diamond Cove. This legal non-profit 501c corporation will be able to issue receipts for donations, will have it's own bank account, members and board of directors separate from the DC BOD. However, a member of the DC BOD will also be a member of the FMMDC, Inc. BOD in order to facilitate communications and joint programs.

This new organization will manage the historical tours and programs within our community and hopefully will be the catalyst for even better stewardship of our rich

historical assets at Diamond Cove.

In order for this new organization to be successful, we will need board members and members of the community to lend their talents and a little bit of their time. Over the next month or so, there will be a call for volunteers who can assist with the start-up of this new organization. We do not believe that this will be an onerous time consuming position– but one that meets once or twice per year for planning and coordination.

So many people have purchased homes at Diamond Cove because they were intrigued by the unique history of this special community. As residents, we have an opportunity to foster greater understanding and better long term stewardship of these unique gifts that make Diamond Cove so special.

When asked, please consider a small donation of your time to be a member or a board member.