



Board of Directors

Charles Nunes – President & Park Maintenance
John Watkins – Vice President
Lorena Lemus – Secretary
Brenda Critzer – Treasurer (Absent)
Fernando Da Silva – Management (Absent)

Mark Schieber – Rules and Regulations
Leroy Laird – Public Relations
Brien Carlson – Park Use
Tom Barcellos – Collections

Members Present – 50

Meeting called to order at 10:00 am by Charles Nunes

Flag Salute by Lorena Lemus

President's Address

1. Please turn off all cell phones.
2. This meeting is restricted to Members only.
3. This is a volunteer Board. No one is paid for their time. Board Members are reimbursed for out-of-pocket expenses.
4. Discussion of issues can become heated and emotional, but everyone deserves to be treated with dignity and respect.
5. Regular and special meetings of the Board are open to all Members of the Association. Members who are not on the Board may not participate in any deliberations or discussions unless expressly so authorized by a majority of a quorum of the Board of Directors.
6. Members may participate in the meeting during the Member's Comments section of the agenda.
7. Questions, comments or suggestions will be referred to Board Member, as appropriate or taken into consideration by the Board for research, review and discussion, and placed on next month's agenda.
8. Holiday RV Park's meetings and procedures are governed by our bylaws, CC&Rs and rules adopted by the Board.
9. Charles Nunes thanked Tom Barcellos, Julie Hill and the Election Committee (Mary Halberg & Frank Polehonki) for their work to help organize and count the election ballots.

Linda Blanco (Locker 213) made a motion to accept the minutes of the March 10, 2018 meeting, seconded by Bernice Barcellos (Locker 55).

Certification of Quorum – Tom Barcellos

A total of 499 ballots were received from our Members this year, totaling 57.03% of all 875 Shares. The results of the election will be announced shortly.

Correspondence – Leroy Laird

Comment from Charles Nunes – Leroy did not seek reelection this year, so today is his last meeting. I would like to thank Leroy for his excellent service the last 3 years. We are going to miss having him on the Board and his dedication to the Park. We really appreciate the many hours of work that he put into the roadwork project from 2017 – 2018, and in dutifully handling correspondence and public relations all these years.

Thank you, Charles, for that nice introduction. Well, I don't have a very long report today; I think that overall things have been going great at the Park, and our positive comments each month attest to that. The Board is committed to being honest with everyone. There were certainly times over the past 3 years when I had to make decisions that I personally did not agree with, but it was for the good of the Park as a whole.

Allow me to review the following comments from our guests that stayed in the Park last month:

- “I felt totally safe inside the Park, very clean and maintained man was so helpful and fixed the problem quickly.”
- “This was my first stay at the Holiday RV Park and we had a great experience we would definitely go back the staff was really helpful and we really appreciated it thank you so much.”
- “Wish the Park was more concerned about the quality of the spaces and not the how many people they can pack in.”
- “We were very happy with our stay. It was very quiet. The showers were excellent- very clean and nice hot water. Staff very welcoming and pleasant. Will be back. Thank you!”
- “We were impressed with the improvements made to the Park and the friendliness of all the staff. The evening gentlemen who helped park us was excellent. Wish I could remember his name. He was very helpful!
- “Your Park Host who expertly guided is unto our spot was fantastic! This was our first time staying side-by-side with other campers, so we didn't know what to expect. It isn't our favorite style but served us well for the couple of nights we visited. What I missed most was being able to have a campfire, but the competence of your staff outweighed that disappointment. Thank you!”
- “Office staff is friendly and helpful.”

Committee Reports

Financial Report – Brenda Critzer (Absent) – John Watkins (Representing)

Annual Comparison	Jan - Dec 2018	Jan - Dec 2017	Difference	% Change
Income	\$1,129,635.78	\$949,772.66	\$179,863.12	18.9%
Expense	\$959,341.21	\$881,061.18	\$78,280.03	8.9%
Net Income	\$170,294.57	\$68,711.48	\$101,583.09	147.8%

In looking at our financials from last year, I would like to point out a couple of things to everyone here today. Please note that we are a 1.1-million-dollar organization. Next, look to your Monthly rentals and Snowbird rentals and you will see a yearly increase of \$55,000 over 2017. Lastly, please note that our off-the-street, Non-Member income increased \$86,000. That is primarily due to Julie and the office staff working harder to book paying customers and fill vacancies instead of allowing sites to remain empty.

Looking forward to 2019, we are looking at controlling expenses when it is possible. There were several utilities and vendors that either raised their rates last year or the Park required more work than usual; that is the uncontrollable cost of doing business. We want to make sure that whatever money the Board must spend this year on the Park is *well spent* towards long-lasting improvements and maintenance. Julie is making sure that we are securing the needed business to accommodate our current and projected expenses; again, look at the financials and see that \$179,000 boost to our income.

Allan Bedford (Locker 344) made a motion to approve the annual financials (profit & loss and year-to-year comparison), seconded by Nancy Borgman (Locker 857).

Management – Fernando Da Silva (Absent) – Charles Nunes (Representing)

Our office staff and maintenance crew are doing a great job; we have a brand-new office staff member here for her very first day. Her name is Nancy Perales, let's do our best not to scare her away today! Our new, in-house bookkeeper, Liz Cuccia, is here as well. She has done an excellent job of simplifying the financial reporting for the Board and our Members. The Board is looking forward to working with the staff this year to really improve the Park, inch by inch!

Collections – Tom Barcellos

I would like to begin by thanking Liz for doing a terrific job of generating accurate reports on the Membership dues, with greater ease than before. We currently have \$1,678 in outstanding dues, which is down considerably. I am expecting to

file a lien against 3 Members that are severely behind on their payments and that will begin the foreclosure process. \$5,382 is still left unpaid from the current January 2019 dues, but I do expect that to be remitted quickly.

Park Use – Brien Carlson

Looking at our annual Park use, there is a slight drop in our total occupancy for 2018, 77.26% from 79.55% in 2017. However, if you look to our rental revenue, you will see there was a dramatic increase last year; gross revenue was over 1.1 million dollars in 2018 compared to just over \$875,000 in 2017. The Board implemented new rules last year to limit unwarranted usage of Member free days to get us in line with our CC&Rs, and I think that our revenue surging \$225,000 is proof that those decisions were for the benefit of the entire Park as a business.

Park Maintenance – Charles Nunes

Last month we've had a few maintenance repairs, starting with the lighting inside the pool and spa area. Some lights had gone out that required draining the spa temporarily to inspect the wiring within. At the same time, the pool heater had a leak repaired and the spa pump had minor repairs as well. The area next to the spa which houses equipment is starting to show a lot of wear and tear because it is not shielded from the elements. We are going to explore building some protective housing for the spa equipment.

The new LED lighting for the streetlights down the center of the Park is still on order, we are expecting that work to be completed within the next few weeks. These will save us money on electricity and brighten the Park up at night for greater safety.

The deposit on the new set of dryers for the laundry room has been paid, and our vendor should be calling back soon to schedule delivery and installation.

The new automatic door to the maintenance garage has been paid for as well, and we are again waiting on our vendor for delivery and installation.

The new heater in the clubhouse was recently certified by the state inspectors. We replaced it a few months ago, but I just wanted to update everyone that it is working great and now we are clear with the state.

As you may have noticed, the elevator stopped working about a week ago. The Park's elevator is very old, and it has been on its last legs for a long while now. We are struggling to find any contractors to come and look at the elevator based on the age of the machinery and the liability of repairing it. However, the Board is working with the Park's architect on what kind of options are available to replace the elevator. We are looking at cost-effectiveness and longevity as our key concerns.

Rules and Regulations – Mark Schieber

When I touch base with the office staff to find out if we have any rules being violated or guest issues, it is nice to hear that our Members and guests have been abiding by our rules more often than not. I appreciate everyone's participation in that effort. Probably the most common complaints we have in the Park are what I consider to be "neighbor-to-neighbor" issues, so I would like to remind everyone to be respectful of your neighbors and other guests that stay in our Park. We all cohabit a very tight environment and mutual respect goes a long way sometimes.

Looking towards this year, we are still focused as a Board on generating revenue for the Park. That ties in greatly with our rules and regulations, and I will make sure that our rules and policies assist us in capturing every potential dollar that passes through the Park as a business.

Public Relations – Leroy Laird

Covered under Correspondence.

Manager’s Report – Julie Hill

I wanted to begin with a huge thank you to the Beach Social Club; they are handling all the preparations for today’s luncheon and over the last year they have contributed almost all their earnings from events back to the Park.

I have been managing the Park for nearly 2 years now, and I have had an opportunity to try and change things a little bit. As the Board has mentioned several times already today, we are starting to generate more revenue than years prior. I felt that the priority of making reservations was being ignored by some of our staff when I first arrived. The current staff in the office now is all on the same page and prioritizing getting our Members in *first*, but then filling as many spots as possible with off-the-street customers. I know some Members might not enjoy it as much when the Park is full of non-members, but guess what? *They* are the ones that help offset all your costs.

The maintenance staff has been doing a great job too, and they are working hard to keep the Park clean and well-maintained. One change that the Board and I implemented last year was recognizing that professional work in the Park needed to be handled by professionals, not by our staff. The cleanliness, daily upkeep and appearance of our Park should be the focus of our maintenance staff.

This year we are making it a goal to try and generate more revenue to help finance the big repairs and improvements that our Park desperately needs. Obviously, the elevator is top priority now that it finally stopped working, but we still have more ADA-required renovations left to complete. As we work to earn enough money to pay for all this, please bear with us and understand that nothing happens overnight.

I look forward to enjoying another wonderful and busy year at the Park, thank you so much!

2019 Election Results – Tom Barcellos

- 1) Charles Nunes – 609 votes (45.21%)
- 2) Lorena Lemus – 440 votes (32.67%)
- 3) Linda Blanco – 298 votes (22.12%)

Congratulations to our new and returning Board Members, and congratulations to the winners of our early bird prizes for getting ballots in early: Allan & Jean Bedford (Locker 344), Steve & Theresa Scottish (Locker 39) and Joe & Genevieve Silva (Locker 380). One additional note; we had 39 ballots returned that were only marked for reaching a quorum and not for any specific candidate.

Old Business

None.

New Business

1. 2019 Operating and Capital Budget – John Watkins

Brenda is not here today, but I want everyone to know that she worked hard with Julie on the budget for this year. Together with better accounting from the new bookkeeper, we will be able to track our financial progress in greater detail. We are projecting a total income of over 1 million dollars this year, based on our success last year. However, we are also anticipating over 1 million dollars in expenses as well. This deficit is projected to plan for the unexpected; but thankfully we have a safety net from last year’s success. If you look to our list of capital improvements you will see that we are

projecting an expense of \$114,000 to finish the miscellaneous ADA renovations, and to finance the full planning and permitting of a complete restroom reconstruction project in the future. The improvements will be listed as line items on our monthly financial reports moving forward.

Steve Scrottish (Locker 39) made a motion to approve the 2019 Operating and Capital Budget, seconded by Jeanne Schales (Locker 694).

Member's Comments

Bill Couchman (Locker 784) – If the elevator is not working, where will the Board meetings be held? Also, the Park's bylaws state that the manager should live onsite in the mobile home; why is that no longer practiced?

Response from Mark Schieber – I will check on that Bill, but to my knowledge the Board has the *option* of hiring a management company or an individual to live onsite in the mobile home and see to the daily operations of the Park. Living onsite is not stated as being a requirement though.

Response from Charles Nunes – We are planning to host the Board meetings at an accommodating location until the elevator has been fixed. That may be in the Park at the Magnolia Center, or at another hall or rec center.

Lou Garrett (Locker 313) – I think we should get along to fixing the elevator, because there is a tendency to let things run down around here. Take the laundry room for instance, there are 3 broken dryers and those machines have been out of order for months. I don't think repairs should take this long.

Response from Charles Nunes – I appreciate your concern for the Park, but it does take a lot of time and money to make big repairs around here. The laundry account only generated enough money last year to pay for either new washers or new dryers, and the Board chose new dryers based on our needs.

Response from Julie Hill – Everything takes *time*. You brought up the laundry room as an example; our laundry machine vendor recommended that we replace our washers and dryers ASAP because of how often they repaired our machines last year. The dryers especially are at the end of their life cycle, so the Board decided to make replacing them priority. However, the Board is trying to pay for any new machines only using the money that has been generated for that specifically for the laundry room rather than take money out of other accounts reserved for other uses. Also, you must understand that whenever I call contractors to bid out repair projects, I am lucky to get maybe *1 in 20* to come to the Park and get us an estimate. The Board and I are doing the best we can, but I simply can't make our vendors move faster just because.

Response from Mark Schieber – We are feeling the hurt from years of past practices which focused only on covering our monthly operational expenses and not investing for the long term. The Park should have been saving way more money these past 10-20 years than we managed to, so the Board would be able to replace things *before* they break. Please bear with us, we are going to get things done.

Nancy Borgman (Locker 857) – Is it in the realm of possibility to borrow the money needed to replace the elevator?

Response from Mark Schieber – Yes, but there is a voting process required from the Membership to make that happen.

Response from Liz Cuccia – As your new bookkeeper, I have a few comments about these concerns. In reviewing your finances, I discovered that reserves were not regularly set aside as suggested in previous reserve studies from your CPA. To the Board's credit, they did try to fund several capital improvements via a special assessment, which is really the only mechanism available to your Park aside from saving money in reserve over time. The assessment did not pass, so the Board's hands are tied. Yes, they are thinking about the maintenance of this Park. I have listened to their concerns during meetings with them, but the simple fact is that there is no quick solution available to you except for an assessment. I hope that everyone will understand that the Board is trying to do the best they can do given the constraints they must work with.

Jeanne Schales (Locker 694) – I personally did not vote for the special assessment because it was an attempt to fund too many projects once. It should have been limited to the most important projects for the Park only, instead of being far-

reaching and costly. I was unable to attend the meetings to find out why the amount of the assessment was decided to include everything at once, but I could imagine that some Members did not vote in favor of the assessment because they could not afford to pay for such a cost in the amount of time required.

Response from Mark Schieber – We decided to prioritize that list, per requests from our Members during the special meeting in August. As an example, I recall the elevator being lower in priority on that list. Of course, *now* it is top priority! To your main point, the Board’s decision was based on the fact that because a special assessment was unprecedented in our Park’s history we attempted to lessen the likelihood of reassessment within a 5-year period; hence the 5-year project time line and the 4-year duration of the actual assessment fees needed to fund all the projects as listed. We sincerely did not want to plan on the Board necessitating another special assessment, which is why a full maintenance reserve was included. If the assessment had passed, then there would have been more than enough reserves collected to carry the Park through the years to come. A lot of these specific choices were hashed out by an ad-hoc committee over several months last year, and the Board took their recommendations into serious consideration.

I know that I have stressed this point a lot, but I must remind everyone that our Members are not paying market value for space rentals at the Park. Thanks to an amendment passed in 1996, the Board was permitted to set the Member’s rates at their discretion. Now our Member’s rental rates that are less than *half* of what everyone else in Pismo Beach is paying. After 23 years of operating a business like this, it is no wonder that the Board had to recommend a special assessment and ask the Membership for money.

Shirley Torres (Locker 759) – I think that spending up to \$99,000 on a new elevator is bit too much; my son-in-law received a bid of only \$30,000 to install an elevator for his home in Grover Beach.

Response from John Watkins – The Construction Improvement Committee met with the architect this week, so I am glad you brought this up. There is a big difference between constructing an elevator for commercial purposes versus residential use. The State of California imposes more requirements for the Park on what we can and cannot do.

To elaborate on what Mark was saying, another reason for wanting to fund and complete all the projects at once was to lower our expenses. If we can manage to fund, permit, design and construct several major capital improvements in one fell swoop it would save the Park money. We cannot afford to pay double or triple costs to plan each project individually over an unforeseeable amount of years. The Construction Improvement Committee hopes to have more information available at the April meeting. Ultimately, this Board will make a decision in the best interest of the Park, that is our fiduciary responsibility to you.

Bob Krum (Locker 403) – I’ve been a Member since the 1990s and through the years Boards have come and gone. Things ran smoothly, we’ve had capital expenditures, but now my understanding is that the money is gone, and we have more improvements left to do. So, where did the money go?

Response from Mark Schieber – As I was saying earlier, the Park was not collecting enough money from our Members, nor was the Board saving the money it should have all those years. The Park focused only on operations, just making enough to skate by each month while taking money out of whatever accounts it could.

Ken Dixon (Locker 43) – I am not personally familiar with the current Board Members, but in general I like what I am hearing today. I may not agree with everything, but I don’t envy the amount of responsibly their job brings. I know that the Board is unpaid for their work, but instead compensated for “out-of-pocket expenses.” What exactly are those expenses? I would appreciate an explanation on that.

Response from John Watkins – The Board receives compensation for their travel mileage to attend meetings, that’s it. I live outside Bakersfield, so my compensation is about \$130 for the round trip just to give you an example. As far as all the other work we do, conferring with each other via email or on the phone, reviewing documents and proposals etc., it’s unpaid.

Shirley Torres (Locker 759) – Does that not include space rent for 2 days as well?

Response from Charles Nunes – Correct, if a Board Member brings their RV to the Park for the meeting or if they are a Snowbird or a Monthly they are credited 2 free days (Friday and Saturday) for their service.

Donna Krum (Locker 403) – Have you received many complaints regarding marijuana smoke? A few nights ago, it was wafting around our RV and it severely affected my respiratory illness. I understand that marijuana is now legal in California, but do we have the right to ask someone to stop smoking non-stop? If it goes on and on, will it be dealt with?

Response from Julie Hill – I have not received any yet, but I would certainly take any complaints seriously out regarding this issue if they are written down on a complaint form. Too often our Members are willing to complain but unwilling to write a formal complaint that can be addressed by the Board. If I have that form in hand I can work with Mark (Rules and Regulations) or another Board Member to handle a problem that needs to be addressed.

Response from Mark Schieber – Julie and I have discussed this topic a few times, and another facet to the issue is the people that are using it for a medical reason and not just for recreation. It is also a challenge to figure out exactly where it is coming from unless a person is obviously smoking outside of their RV. Marijuana users could also argue that the Park's rules do not prohibit tobacco use, and now that it is legal in California they should enjoy the same privileges as cigarette smokers. So, when you combine all those problems it becomes an issue that is best left alone, unless someone is smoking egregiously in a way to upset or offend others.

Allan Bedford (Locker 344) – I noticed that the Board is taking a more responsible attitude towards the rules compared to years past. I don't like to use the term "old boy's club," but that was how it felt sometimes when the Board used to turn a blind eye towards a lot of important rules, depending on who was breaking them. I wanted to let you know that I appreciate that. As an individual Member, I hope there will not be a need for a special assessment; that we will get all our affairs together and save enough money before it comes to that.

On the topic of the elevator/lift, I would suggest that the Board seriously consider looking at a portable lift for convenience and cost savings. There is a hotel right down the road that safely uses a portable 4-foot lift that only cost \$9,000. All we would need to do is build a 4-foot-high ramp to bridge the height difference up to the second floor of the clubhouse.

Response from Charles Nunes – Thank you for that information, we will look at that lift and see if our architect can as well.

Response from John Watkins – While the Board is aware that we are not required by any kind of law to actually have an elevator to the clubhouse, we are also well aware that we have an obligation to serve the needs of our Members and other guests. We are morally obligated to do the right thing and make sure everyone has a reasonable accommodation to access our facilities.

Lou Garrett (Locker 313) – One the reasons that my husband and I bought in to the Park was because there was an elevator to the clubhouse, and a swimming pool and nice facilities that were fixed up. We are kind of letting that down.

Also, we are very sad that Julio is no longer working here at the Park. He was the best maintenance employee that we had. If anything went wrong in the Park, he fixed it by the next day. I just want you to know how sad I am that the Board allowed that to happen.

Response from Charles Nunes – Yes, Julio is no longer employed by the Park, but you may see him around the Park since he remains a welcome vendor here. A few Members asked me why he was allowed in the Park, so I wanted to address that and make people aware that he is still welcome to be here. As far as the reasons for his termination, we cannot get into that discussion.

Bob Krum (Locker 403) – Are the totals listed for all the planned improvements simply estimates, or have we received actual bids? Also, I think that our current maintenance staff is very able to pour concrete if required and there should not be a need for contractors to do that work.

Response from Charles Nunes – Our maintenance staff has more than enough work around the Park to keep the busy, so the Board and Julie have made the decision to pay for professional work when needed. Part of that decision is based on past mistakes made by our staff that resulted in paying professionals to fix said mistakes. We are better off letting professionals fix their own work rather than burden the maintenance staff with responsibilities that are not a part of their actual job description.

Secondly, the figures listed are only estimates. Our architect will calculate bids in the coming months.

Board Member's Comments

Mark Schieber (Locker 155) – I'm hearing a lot of great ideas today about how to improve our Park, but I think that sometimes we spend so much time talking about good ideas that before you know it, a year has gone by...or five years have gone by. The Board has been carefully listening to some of our Members that have experience in construction and their overall opinion is unanimous; this Park was built by professionals 40 years ago, and now it needs to be fixed professionally.

Darlene Nunes (Locker 55) made a motion to adjourn to executive session, seconded by Allan Bedford (Locker 344).

All Motions

Linda Blanco (Locker 213) made a motion to accept the minutes of the March 10, 2018 meeting, seconded by Bernice Barcellos (Locker 55).

Roll Call: All Members present unanimously voted yes, motion carried.

Allan Bedford (Locker 344) made a motion to approve the annual financials (profit & loss and year-to-year comparison), seconded by Nancy Borgman (Locker 857).

Roll Call: All Members present unanimously voted yes, motion carried.

Steve Scottish (Locker 39) made a motion to approve the 2019 Operating and Capital Budget, seconded by Jeanne Schales (Locker 694).

Roll Call: All Members present unanimously voted yes, motion carried.

Darlene Nunes (Locker 55) made a motion to adjourn to executive session, seconded by Allan Bedford (Locker 344).

Roll Call: All Members present unanimously voted yes, motion carried.

Meeting adjourned at 11:09 am

Respectfully Submitted,

Lorena Lemus
Board of Directors – Secretary

Cc

Aaron Cartwright
Senior Reservation Agent