



Board of Directors

Charles Nunes – President & Park Maintenance
Fernando Da Silva – Vice President (Absent)
George Johns – Secretary (Absent)
Mark Schieber – Treasurer

John Watkins – Rules and Regulations
Brenda Critzer – Public Relations (Absent)
Brien Carlson – Park Use
Tom Barcellos – Collections
Lorena Lemus – Management

Members Present – 30
Meeting called to order at 9:06 am by Charles Nunes
Flag Salute by Leroy Laird (Locker 252)

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. All meetings of the Board are open to any 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 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.

Brien Carlson made a motion to accept the minutes of the January 11, 2020 meeting, seconded by Mark Schieber.

Correspondence – Brenda Critzer (Absent) – Charles Nunes (Representing)

Brenda is absent due to illness, but we did not receive correspondence from our guests aside from the survey comments.

January 2020 Guest Survey Comments: *Please refer to the attached comments at the end of this document.*

Committee Reports

Financial Report – Mark Schieber

Park Accounts	Balance (1/31/20)	Monthly Comparison	Jan 2020	Jan 2019	Difference	% Change
Mechanics Bank-Operating	\$58,226.05	Income	\$134,720.57	\$118,923.33	\$15,797.24	13%
Mech. – Laundry	\$2,409.92	Expense	\$116,022.98	\$118,065.13	-\$2,042.15	-1%
Mech. – Dues	\$53,492.97	Net Income	\$18,738.33	\$914.10	\$17,824.23	1950%
Mech. – Emergency Reserves	\$100,365.92					
Mech. – CIM Reserves	\$265,644.45					
Morgan Stanley Dean Witter	\$161,648.84					

Looking at our balance sheet, you will see that revenue from paying customers was down, mostly due to bad weather. We are still putting money away in reserve every month towards construction. Our mission statement remains “keep saving money so we can get this place modernized!”

Mark Schieber made a motion to pay the bills and payroll, seconded by Tom Barcellos.

Management – Lorena Lemus

As a reminder, the office staff will be busy this month preparing for the annual meeting, please be patient during this time. I want to thank the Members and other persons that volunteered their time yesterday to count the loan ballots.

Collections – Tom Barcellos

The January dues payments are nearly collected, we have a little over \$9,000 left outstanding on that. There is currently \$2,035 in delinquent charges prior to 2020; those matters will be mostly resolved after the public auction is held.

Park Use – Brien Carlson

Our occupancy was up slightly last month at 72%, instead of 71% in 2019. However, revenues from rentals were down because we had less off-the-street customers. The rainy weather in January lost us that extra business.

Park Maintenance – Charles Nunes

I don't want to sound like a broken record, but the maintenance staff continues to keep the weeds under control after each rainy day. The laundry room improvements have been completed and I'm pleased with how everything turned out. I noticed a few potholes on the roadway that I would like to have the maintenance staff fill with some coal mix. Lastly, electrical work will continue over the next few months, so please ask the office staff if you have any questions.

Rules and Regulations – John Watkins

Site inspections are ongoing, and otherwise the Park is looking good. I have fielded no major concerns about rules and regulations violations since last month.

Public Relations – Brenda Critzer (Absent)

Nothing to report.

Manager's Report – Julie Hill

As John stated, I am performing site inspections at random. If I discover any problems, you will receive a letter with a list of corrections and have 30 days to make improvements. If you don't receive a notice that means I did not see any problems, or I have not inspected your site yet. Snowbird and Monthly tenants are required to have RV current registration and insurance information, so your inspection letter may ask you to provide us with updated records.

Reportable Actions – George Johns (Absent)

None.

Old Business

1. Beach Social Club Events & Announcements – Brenda Critzer (Absent)

Nothing to report.

2. Architect / Construction Improvement Committee – Resubmission of Plans to State; Engineering – John Watkins / Tom Barcellos

Comment from Tom Barcellos – I don't know if some of you saw the plans for construction, a nice big roll of blueprints, but those were returned with corrections from the Department of Housing and Community Development over in Riverside. We received only a few minor corrections, which is reassuring, but now additional engineering work is

required to meet HCD's approval. I have bids for electrical engineering at \$2,000 and HVAC engineering at \$7,000; I would like to get a motion passed today to pay for that work so we can get our plans finalized and ready for implementation.

Tom Barcellos made a motion to complete additional engineering to meet the Department of Housing and Community Development's requirements for Park construction plans, estimated at a total cost of \$9,000, seconded by John Watkins.

Comment from John Watkins – This is a continuation of all the work leading us towards the goal of construction, and there will be more work down the road.

2. Architect / Construction Improvement Committee – Loan Balloting Results – Charles Nunes

I want to begin by thanking the committee of Members and volunteers that helped to count the ballots yesterday afternoon. Their dedication to the process of secretly counting the ballots was appreciated; it took nearly 3 hours.

The proposal did not pass. 98 “no” votes were counted, and 566 “yes” votes were counted. We needed 584 “yes” votes from the Membership; this left us 18 votes away of approving the loan, only 1.4% short of the 66% approval required by the Conditions, Covenants and Restrictions (CC&Rs).

211 Members did not submit a ballot, nearly 25% of the total voting power.

I am disappointed to report these results today, and everyone on the ballot counting committee was very disappointed yesterday afternoon when it became clear that the loan proposal did not pass.

The office staff did a terrific job of trying to contact all the Members via phone and email, resending ballots that were lost in the mail, doing everything they could to stress the importance of this vote.

The Board is taking these results under consideration and will consider issuing another special assessment, something we wanted to avoid by asking the Members to approve a loan instead. We thought that a loan seemed like the best way to secure financing for construction without having to ask our Members for more money out of their pockets, but with results like these the Board is left without options.

Comment from Mark Schieber – 18 votes...211 non-participants. If we took the ratio of “yes” to “no” votes, 566 to 98, and extrapolate that if those 211 Members returned their ballot, we would be looking at roughly 745 “yes” and 135 “no” votes. I think the takeaway is that most of the Membership that is involved with the Park's business seem to want the improvements we have planned; they want this to happen. But it takes the village to spread the word, if the word is “no,” that's okay. The majority will vote, and the majority will decide. I agree with Charles, the Board will have to issue another special assessment and I apologize for that. But until we receive support from the Membership with their voting power, this is what the Board must do. If you have friends and family out there that cannot see the wisdom of what we are trying to do, *please*, attempt to change their minds. If you think that is not possible, attempt to change ours.

Comment from John Watkins – This is not the end of the road; I believe there will be another vote on a loan proposal. I don't like assessments, and like everyone else I am disappointed in the 211 Members that did not participate. I would have rather them vote “no” than not even bother, at least show some action. The Board must move forward and do everything we can to pay for improvements, we don't have a choice. If something happens to that restroom or we are forced to close it up, everyone knows what it means. The Park will be vacated and closed for business. Again, this is not the end of the line, it is more like a bump in the road. I want to come up with a plan for another vote in the near future, and I mean soon. I am just a single vote on this Board, but I am in favor of delaying a special assessment until we get another vote. If a second vote does not pass, then we are looking at least 3 years of assessments; no other choice. Let's all generate thoughts, stay focused, and see what we can up with together. Thank you.

3. Annual Meeting – Brenda Critzer (Absent) – Julie Hill (Representing)

After the annual meeting on March 14th, which starts at 10 am over at the Pismo Beach Moose Lodge, the Beach Social Club is hosting a luncheon and party. Tickets are on sale in the office for \$12 each, you may also call and reserve tickets

in advance. The Park will provide transportation again for the meeting and luncheon since parking by the Moose is so limited. It worked out well last year, so we're pleased to offer that service again. Please support the Beach Social Club by attending, all their hard work and proceeds go back into the Park!

4. Transformers – Julie Hill

Our primary electricians, Hart Electric, have been working on some large construction projects and are unable to refurbish the transformers until their other work is finished. Disappointing, but it's the way it goes.

5. Laundry Room Revamp – Julie Hill

The laundry room improvements are complete, but unfortunately, a small window near the floor has a large crack in it. And it is not one of the windows that was recently replaced, so I can't just ask the repairman to come back and fix it! It should be covered under my budget; it is a small window.

6. Pump Station – Julie Hill

The pump and lift station by the men's restroom was replaced last month, our service provider was here yesterday to perform a regular inspection, and they reported everything is working perfectly. We are scheduled to receive quarterly maintenance repairs on the sewer pumps, which should greatly improve the lifespan of this equipment. Previously, the work was done inhouse and not as skillfully as professionals. Moving forward, we can remove this item from future agendas.

7. Electrical Improvements (Hart Electric) – Julie Hill

As I mentioned, Hart Electric is very busy with other clients, so the replacement of more RV electrical pedestals in our Park is delayed until they are available to work here.

8. Annual Mailing – Julie Hill

Everyone should have received their annual mailing, a large white envelope filled with information. If you did not receive it, please notify the office. Your address information may be outdated, or it got lost in the mail. There is an early bird drawing for gift card prizes and any Member that returns their annual ballot to the Park by February 17th will be entered!

New Business

None.

Member's Comments

Allan Bedford (Locker 344) – Regarding the loan and assessment process, I think some people need a reality check. Why not send everyone a bill? I figure we have 875 Members, so it should be an invoice close to \$900 each. Have them make a choice; pay your bill *or* vote...is that bribery?

Response from Mark Schieber – Well, the CC&Rs of the Park prohibit the Board from doing something just like that. This is a good thing; it prevents the Board from charging you \$900! The Board tried to pass a Membership-approved assessment plan 2 years ago that was close to the dollar amount you mentioned, but that did not receive support either. My concern is the Members that have a negative attitude towards the Board and making improvements, I don't think they understand how much it is holding back progress. Now that we must resort to special assessments and finding "creative" ways to finance projects it fuels the perception that the Board isn't doing their job, that's how rumors get started. In all honesty, the Board is just trying to do *everything* we can to help this Park succeed. That means asking the Members to help the Park out again financially. We would love to say that the off-the-street customers will be able to pay for everything but look at our recent occupancy. Non-Member occupancy was the only category down. Therefore, when I

hear Members asking the Board to raise the public rates, I must remind everyone that it's an issue of supply and demand. We don't want to be stuck as the last RV park that people call, only when the other parks are full because our rates are too high. I recommend we lower prices to get more customers in here frequently, to build our reserves faster. While it is convenient to think that the customers can take care of everything, the reality is that the fundamental responsibility of keeping this Park looking good, healthy and solvent lies on the backs of 875 Shareholders.

Allan Bedford (Locker 344) – Can we consider doing away with the clubhouse remodel on the loan since it is not an ADA-related issue like the restrooms?

Response from Mark Schieber – Yes, that is a possibility. The Board's focus is the restrooms because of the ADA, but the reason that the Board is strongly supporting a concurrent clubhouse remodel along with the bathrooms is because the architect and contractors are stressing how cost effective it would be to rebuild both at once. Of course, if we can't afford, we can't do it at once. But it will increase the cost of whichever project gets pushed down the road.

Leroy Laird (Locker 252) – I had some doubts about this process. I like to pay my bills when they are due, not 5 years in advance. I understand that the Board wants to save money by doing everything at once, but if you can't get the vote for it, why not do one project at a time? Let's construct one new building and repair the other until we can afford to rebuild it. When I hear that 211 people that didn't vote, to me, that's a "no." We're a family, but you must consider only doing what we can actually achieve instead of the big, million-dollar package. Yet, this morning the Board is approving spending nearly \$10,000 on engineering and you can't even get the vote for a loan to pay for the project!

Response from Mark Schieber – The problem with piecemealing everything is that when the Board is talking to architects, engineers and contractors their professional opinion is "I don't think this is such a good idea." We could be spending an exorbitant amount of money by limiting the scope of the project, which makes a large group of Members concerned that the Board is acting carelessly. To your point about the engineering, the Park actually has enough money in the bank right now to construct the bathroom if needed, but that's spending *all* our money. Of course, the Board doesn't want to leave the business, our investment, without any reserves.

Edward Dewitt (Locker 334) – This problem has been a long time coming, not something the current Board has created. In watching this condition deteriorate over the 10 years my wife and I have been Owners it has become clear that a lot of decisions were made that favored the persons that "live" in the Park. Likewise, the Board neglected to set enough money aside in reserve for ongoing maintenance over the years. It reflects poorly on all of us as Members for letting these things happen for so long.

Because nearly a quarter of the Membership doesn't participate in the voting process, it will be very difficult to accomplish anything meaningful. It would be a wise consideration to figure out exactly why these people are not participating...do they not care? Have they stopped using the Park? Do they feel like they don't know enough about the situation to vote? It is essential that we find out what the problem is soon because we won't get far if progress is always help back by pursuing the 2/3rd majority. Voting roadblocks like this are why many California organizations have changed their supermajority to be lower than 66%, to combat voter apathy. I understand that this Board tried to count nonreturned votes as affirmative ballots a few years ago and that did not work, but if a large group of our Members are not exercising their right to vote is there any sort of recourse? Let's suppose that after a Member refuses to return 2 or 3 ballots in a row, can the Board choose to vote for that nonparticipating Shareholder by proxy?

I know that I am thinking a little "creatively" and that idea is not likely legal, but the point is that I am very concerned about the long-term viability of the Park. Our maintenance costs will only continue to increase, and most of our business caters to Monthly and Snowbird tenants that are paying far below market value to enjoy accommodations in Pismo Beach. Because their rent is so undervalued, we're stuck relying on the off-the-street income to pay for our growing overhead. I'm sorry, but we will always be the last choice for the general public because of the small spaces, lack of attractive facilities and the expensive rates. Mark is right, we need to charge less than the competition to get customers to stay here more often. I understand that it's only human nature to look out for our own interests and make decisions that benefit ourselves personally, but the Monthlies and Snowbirds have got to start paying realistic prices soon. If our business goes

belly up, there are tons of developers out there who will swoop down and buy this property up so they can build townhouses and condos here. Wake up people!

Response from Tom Barcellos – I appreciate your comments, every one of them is valid. Regarding the 211 Members that didn't participate, the Board discussed that situation this morning and we want to conduct an outreach study to figure out why these folks are not participating and highlight just how important this vote was to the Park. It did not go unnoticed to us either and your reasoning is spot-on.

Going back to Leroy's comments, I also appreciate your concerns and I want to emphasize how much planning went into the construction designs. Furthermore, the decisions on the scope of the project were made by the entire Board through long discussion and are ultimately what we think will be best for the Park's future.

Dawn Dewitt (Locker 334) – Before another balloting process begins, I am wondering if the Board can contact the nonvoting Members to make sure their address and contact information is correct? Maybe the Board could ask them if they would like to speak for a few minutes about what is going on, engage them a little bit.

On another note, it may be helpful to highlight the changes to the rules and regulations each year with a red font to let people know right away what is different. The rules are so lengthy that it's difficult to figure this out on your own. Just a small request, but I think people would really appreciate it!

Kari Olafsson (Locker 291) – If additional ballots are returned to the Park, or if someone accidentally mailed their loan proposal ballot with the annual ballot can those be counted? Or is this voting process closed?

Response from Julie Hill – No, any votes not received on time nor completed in the manner outlined were not counted as valid. These decisions were made by a committee of Members and the Board. While I wish that additional votes could be counted until we reach the desired outcome, that is not the way this process works.

Board Member's Comments

None.

All Motions

Brien Carlson made a motion to accept the minutes of the January 11, 2020 meeting, seconded by Mark Schieber.

Roll Call: Tom Barcellos, Lorena Lemus, Charles Nunes and John Watkins voted yes. Brenda Critzer, Fernando Da Silva and George Johns absent. Motion carried.

Mark Schieber made a motion to pay the bills and payroll, seconded by Tom Barcellos.

Roll Call: Brien Carlson, Lorena Lemus, Charles Nunes and John Watkins voted yes. Brenda Critzer, Fernando Da Silva and George Johns absent. Motion carried.

Tom Barcellos made a motion to complete additional engineering to meet the Department of Housing and Community Development's requirements for Park construction plans, estimated at a total cost of \$9,000, seconded by John Watkins.

Roll Call: Brien Carlson, Lorena Lemus, Charles Nunes and Mark Schieber voted yes. Brenda Critzer, Fernando Da Silva and George Johns absent. Motion carried.

Meeting adjourned at 9:57 am

Respectfully Submitted,

George Johns
Board of Directors – Secretary

Cc

Aaron Cartwright
Senior Reservation Agent

Guest Survey Comments from January 2020:

- “Love this Park - staff are always so very helpful and polite.”
- “Men's restroom needs remodeling... Sites are pretty tight...”
- “Great helpful and friendly staff, great RV Park. Recommend it very highly.”
- “My only suggestion would be to have the showers scrubbed a little more often. Otherwise it was a great stay.”
- “I noticed a man in the spa one evening smoking a cigarette and drinking a can of beer. I know there is supposed to be no drinking of alcohol beverages but is smoking allowed? Didn't notice a no smoking sign.”
- “On Saturday leaving our site our car battery was dead we called the office and maintenance came straight over and jumped our car. Thank you for such prompt service and helping us get on our way.”
- We love this place. We will always use this RV Park. My wife's sister lives next door and we plan on visiting her several times a year.”
- “Parking is always an issue... the staff is awesome!”
- “Appreciated the accommodation on short notice. Very friendly and helpful.”
- “We were at the back of the Park and Wi-Fi was nonexistent”
- “The check-in process is easy, and the maintenance guys are the best with helping you get into your spot. I love it.”