

MINUTES
OF THE
MEETING OF THE BOARD OF DIRECTORS

CALL TO ORDER

The regular Meeting of the Board of Directors of Pismo Coast Village, Inc. was called to order May 20, 2017, by President Terris Hughes at 10:00 AM.

PLEDGE OF ALLEGIANCE AND INVOCATION

Mr. Hughes led the Pledge of Allegiance. Mr. Plumley gave the invocation.

PRESIDENT'S MESSAGE

Mr. Hughes welcomed the shareholders and directors to the meeting. He thanked the members of the Board for their support and the work that they do for the Corporation.

ROLL CALL

Mr. Pappi called roll. With the exception of Mr. Hickman and Mr. Nunlist, all members of the Board of Directors were present. Mr. Pappi declared a quorum.

PRIOR MINUTES REVIEWED

Mr. Williams moved that the minutes of the Board of Directors' Meeting held March 17, 2017, be accepted as submitted. Mr. Plumley seconded, and the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, reported that this weekend the 10th Annual Vintage Trailer Rally, with approximately 310 vintage units, is being held in the Resort. Their Open House event is scheduled from 10 AM to 3 PM today. The team from Flight Camp is here to film footage for their television show about restoring vintage trailers. Flamingo Radio, an on-line radio program, is interviewing guests at the Rally. A local ice cream business has brought in their 1954 vintage ice cream truck, and all of their staff is dressed in vintage apparel. We expect there to be a lot of foot traffic through the resort. A local boy scout troop was given permission to direct visitor parking in A-Lot during the Open House, with the proceeds going to their club.

We have had a lot of rain, which has put us behind in some of the projects that were planned for the year, and completion will be a challenge with our increasing occupancy. Fiscal-year-to-date, we are down 61 general public site nights and 56 shareholder site nights compared to last year. Projections remain strong.

We've received the option payment and two months rent for the Verizon cell tower location in A-Lot, and expect them to start construction within the next 60 days. The City of Pismo Beach's new sewer lift station will be constructed at the front west corner of A-Lot. All of the bids have come in, and the City expects to award the contract soon. During these projects, we will need to allow space for the contractors to store equipment and supplies in the Lot.

The Oceano drainage project will affect Storage Lots B and E while the project is going on. They are paying us for the use of the property, and have already held the mandatory bid meeting, which was attended by approximately twelve companies considering bidding on the project. We expect that this will be a summer 2017 project.

The storm water control plan for the new RV Shop location in Oceano was accepted by the County. However, the County is requiring changes for some flood elevations, which our engineers are revising. Public Works supports the waiving of the curbs, gutters and sidewalks along 21st Street, but they are requiring them on Nipomo Street. We are hoping to have more information soon so that we can move forward with the project.

The renovation of the basketball court into a sport court is progressing. A new retaining wall was put in, which allowed the parking area to be moved, allowing three to eight feet more passing space along the street. New fencing was added. In June, a contractor will come to do the resurfacing of the multi-use court for basketball and pickleball.

A change was made to the television system and we have converted from DirecTV to Dish TV. The changeover resulted in a considerable reduction in the amount of equipment that is needed. The new system went live a few weeks ago. There have been some issues with a blade that had to be replaced, and with the channels not matching our published program schedule. He apologized to those that have older televisions, because there have been some compatibility issues with getting the new system to work on the older equipment.

The City of Pismo Beach's pier reconstruction project is underway. Pismo Preserve has started to have private tours and will have a shuttle bus to take visitors to the Preserve.

Mr. Jamison expressed his appreciation for the cards, flowers, and donations to the scholarship fund made in memory of his mother-in-law who passed away recently.

EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEE REPORT

Mr. Nelson, Chair of the Personnel and Compensation/Benefits Committee, reported that there was a joint meeting held yesterday. With the exception of Mr. Nunlist and Mr. Pappi, all committee members were present. Mr. Jamison also attended the meeting. At that meeting, he gave the committees an update on the resort. The Committee reviewed and approved the annual review proposals for two of Mr. Jamison's direct report employees. Also discussed was the Company's 401(K) Plan, and Mr. Jamison updated the committees on the progress of the 401(K) administrator search. The Committee will have a recommendation to present to the Board during Closed Session today.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said that the Finance Committee met this morning. The Committee reviewed the financial statement for April 2017 and variances, and found nothing out of the ordinary. The balance sheet looks good. The capital projects were reviewed, as well as the first drafts of the operating and capital expenditure budgets for fiscal year 2017/2018. The Finance Committee will present a motion during Closed Session.

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. All committee members were present with the exception of Mr. Nunlist. The Committee reviewed the draft of the 2018 Shareholder Information Manual/Calendar. The Committee also discussed the trash enclosures in the Resort, and will continue discussion on this topic at a future meeting.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. All committee members were present with the exception of Mr. Hickman. Also attending the meeting were Accounting Manager Kitty Karstetter, Maintenance Supervisor Scott Cooper, and Retail Supervisor/General Store Manager Peter Ward. The Committee discussed the procedures for training new staff and procedures relating to accounting and other staffing issues that occur.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Buchaklian, Chair, reported that the Committee met jointly yesterday with the Natural Disaster Plan Committee. Mr. Buchaklian thanked Mr. Jamison for inviting Pismo Beach Police Chief Jake Miller to attend the meeting for discussion of the Tsunami Evacuation Plan for the Resort. The Plan was discussed and some changes were made to the document. The Committee also toured the General Store and the restaurant facility (Pismo Coast Village Grill), and updated their List of Advisories.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said that the Nominating Committee did not meet yesterday.

SHAREHOLDERS' COMMENTS

A shareholder commented that Channel 7 on the satellite television system was not coming in. Mr. Jamison responded that this is being looked into.

A shareholder asked about the status of the sewer line replacement project along Dolliver Street. Mr. Jamison said that, in conjunction with the new lift station location in A-Lot, the City of Pismo Beach would be replacing the sewer line. This project may occur this summer.

A shareholder suggested that the Company continue with their plan to remove trees from the Resort.

A shareholder's daughter read a statement during Open Session. The statement expressed their appreciation to staff, the Board and the shareholders for the many friendships made and enjoyed and the kind and considerate treatment over the years.

Mr. Hughes recessed the meeting at 10:36 AM, asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:46 AM.

There being no further business, the meeting was adjourned at 11:20 AM.

The above minutes of the May 20, 2017, Board of Directors' Meeting are correct and accepted as presented.

George Pappi Jr.

George Pappi, Jr., V. P. – Secretary

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