

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 March 16, 2019, by President Terris Hughes at 9:56 AM.

PLEDGE OF ALLEGIANCE AND INVOCATION

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

PRESIDENT'S MESSAGE

Mr. Hughes welcomed the shareholders and Directors to the meeting. He thanked the Directors for their support and for reelecting him to serve as President for another year. He thanked Mr. Jamison and asked him to extend the Board's appreciation to staff for the work that was done for the Annual Shareholders' Meeting.

Mr. Hughes said we have a new face on the Executive Committee, Mr. Enns, Vice President - Operations and Chair of the Operations Committee. We also have two new Committee Chairpersons; Mrs. King, the new Audit Committee Chair, and Mr. Skaggs, Environmental Health & Safety Advisory Committee Chair. Mr. Hughes thanked the Directors for their willingness to serve. Three Directors were absent and unavailable all due to deaths in their families. Mr. Hughes is looking forward to a productive and exciting year in 2019.

ROLL CALL

Mr. Pappi called roll. Apart from Mr. Hardesty, Mr. Nelson, and Mr. Plumley, all members of the Board of Directors were present. Mr. Pappi declared a quorum.

PRIOR MINUTES REVIEWED

Mr. Williams moved, Mr. Buchaklian seconded, and the motion carried that the minutes of the Board of Directors' Reorganizational Meeting held January 19, 2019, be accepted as submitted.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, introduced Julia Small who will be replacing Terri Braun, the Secretary to the Board of Directors upon Ms. Braun's retirement. Mr. Jamison reported that so far, the year is going great and said the rainfall has affected occupancy somewhat. While occupancy is down, fiscal year to date, in comparison to last year, advanced deposits are up for the fiscal year and future projections look good. Something that's worked to our favor, because of the rainfall and decline in occupancy, is being able to gravel more campsites than expected. We budgeted to gravel 48 to 50 campsites during this off season and have been able to complete over 100. The feedback has been really positive, and we'll continue to gravel more campsites.

Mr. Jamison provided an update on the RV Shop project and said it's moving forward, and the slab is expected to be poured on Tuesday (March 19, 2019). We're also in the process of getting all heating and air systems in the restrooms at the Resort checked; we've had issues with the ventilation system. The cost of repairing the system could be costly and the Board might see this reflected in a future budget draft. The City of Pismo Beach is raising their water and sewer rates. This increase is expected to impact Pismo Coast Village's budget over the next five years.

The Workers' Compensation Insurance MOD Rate increased from 91 in 2018 to 111 in 2019. There was an increase because two incidents, which took place in 2016, had settlements paid in 2018. We have no open cases and very small injuries throughout this last year.

Mr. Jamison encouraged everyone to notify staff if they're experiencing any Wi-Fi issues. The Wi-Fi seems to be working well, and typically, most of the negative interactions have been due to equipment and/or operator error. We're probably going to be upgrading the bandwidth, which will benefit our guests, since the cost has decreased significantly.

The Vintage Trailer Rally will be held the third weekend of May. There will be approximately 300 vintage RVs in the Resort in conjunction with a few special events. An Inaugural Trailer Crawl is scheduled for May 17, 2019 from 6-8:30 pm; one participant is hosting a Pancake Breakfast on May 18, 2019 from 7:30 - 9 am; and a street party featuring music and beverages is also planned the night of the 18th. This event promotes Pismo Coast Village on a national level and provides positive public relations for the Resort within the RV industry and community.

The Verizon cell tower in A Lot, which was finished about a year ago, should be online by the end of the month. The only item left for them to do, which Pismo Coast Village is involved with, is the fencing along Highway 1. Mr. Jamison is hoping this will be done sometime within the next two to three months. The City of Pismo Beach Lift Station located in A Lot should be completed within the next six months. The City will upgrade the power pedestal for our use and theirs. Carolyn Leach, our arborist, was here a week ago yesterday and did a review of the trees. We're waiting on a full report from her with things we can improve and are doing well to share with our maintenance staff. Spring Break begins April 12th; we're gearing up for intense two-week period. We're really proud of staff for all of their hard work and extra assistance with the new RV Shop project.

EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEE REPORT

Mr. Pappi, acting Secretary for the Personnel and Compensation/Benefits Committee, reported that there was a joint meeting held yesterday with the Executive Committee. Except for Mr. Hardesty and Mr. Nelson, all committee members were present. Mr. Jamison also attended and provided an update on the Resort and 401(k) Plan which appears to be going smoothly. Mr. Nunlist reminded everyone of possibly revisiting the bonus plan for any changes or revisions.

FINANCE COMMITTEE REPORT

Mr. Williams, substituting for Mr. Hardesty, Chair of the Finance Committee, reported that the Committee met this morning. Except for Mr. Plumley, all committee members were present. Mr. Williams reported that the financials are solid and said the Balance Sheet remains on a solid basis. The Committee had three motions for closed session.

OPERATIONS COMMITTEE REPORT

Mr. Enns, Chair, said that the Operations Committee met this morning; all committee members were present. The Committee discussed the 2020 Shareholder Information Manual presented by Charles Amian, Operations Manager. The Committee also discussed shareholder comments from the Annual Meeting as well as car pass comments and the online survey. The Committee had one item for closed session.

AUDIT COMMITTEE REPORT

Karen King, Chair, said the Committee met yesterday; all committee members were present. The Committee reviewed several audit documents from Brown Armstrong CPA and had a great discussion on what they plan on achieving in 2019.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Skaggs, Chair, reported that the Committee met yesterday. All committee members were present. At the meeting, Charles Amian, Operations Manager, gave an update on guest injuries. There were no employee safety issues. Mr. Amian distributed the Company's Tsunami Evacuation Plan for review. The Committee went through a list of open advisories and will follow up at their next meeting. Mr. Amian also gave a tour of the Company's storage facilities and new RV Shop site.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday and introduced his committee members, who were all present. Mr. Hearne said they're the only committee voted in by the Board. At their meeting, the Committee interviewed one new prospective candidate for Board membership, updated the Board Application, and discussed items to be added to May's Agenda. The Committee also discussed SB 826.

SHAREHOLDERS' COMMENTS

A shareholder was very complimentary towards the Resort and said to continue to keep doing a great job. He appreciates the amenities, convenient location (close proximity to the bus, California Fresh, and Pismo Beach Outlets), and helpful, kind, and confident employees.

A shareholder said she's been at the Resort for two and a half weeks and gave feedback on the Wi-Fi. She's had issues and said it was not due to equipment and/or operator error and thought it was due to volume of users. She enjoys walking around the Resort and loves the landscaping clusters going in. She's not staying on a graveled campsite but said it's been interesting to see the graveling process.

A shareholder said that he loves the gravel and said it's a huge improvement; doing the whole park would be great service to the guests. he gave feedback on the Wi-Fi and said the signal level has been excellent, but bandwidth has been choppy. He suggested repairing and/or replacing the 50 AMP outlets on the pedestals at some point and said that other than that, the Resort is doing a great job.

A shareholder said the Resort is well run and well managed. He asked that we continue to improve the area by the Square to make it look more like Disneyland. He also suggested turning the Corporate Chronicle into more of a marketing tool.

Mr. Hughes recessed the meeting at 10:42 AM, asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:58 AM.

There being no further business, the meeting was adjourned at 11:40 AM.

The above minutes of the March 16, 2019, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr.

George Pappi, Jr., V. P. – Secretary

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