



Lakecliff POA Special Board Meeting – May 27, 2022

Location: Zoom

When: 11:00 AM CT

Opening – Call to Order, Certification of Quorum

- Meeting Called to Order by Mike Lange
- Attendees were:
 - Mike Lange– POA Board President
 - Kent Graham – POA Treasurer
 - Dan Wittner – POA Board Vice President and Secretary
 - Scott Walther – POA Board Member via proxy provided to Kent Graham
 - Nancy McCormick – POA Board Director Elect
 - Stacy Jackson – Community Manager, Goodwin and Company
 - Carly Pennington, Assistant CAM, Goodwin and Company
- Mike stated a Quorum of the Board was present
- Mike mentioned that we had 2 Business Items the POA Board needed to address
 - Security Proposal determination
 - New Board Member nomination to replace Al Bishop

Security

- Mike opened with comments on the Security evaluation
- Reason for further review was that questions and suggestions were raised at the Quarterly Board Meeting about the proposal
- Mike spoke on how much effort has gone into the review and we are now ready to discuss and come to a decision
- Dan Wittner was asked to review the findings
- Dan opened with the questions that were raised and the approach taken
- The Board was asked to see if there were other options that were less expensive and accomplished the same end result
- Dan mentioned that we did a contrast and compare process to look at the 3 companies we had engaged through the process Allied Universal, Access Controls and Stealth Monitoring
- The below slide was reviewed in detail and showed that the feature functionality and benefits to the Lakecliff property owners were significantly greater with the proposed Allied Universal approach

Security – Solution Comparisons



Comparison of Solutions	AUS	Access Controls	Stealth Monitoring
New Entry Technology - All Box Updated Doorking	X		
New Working gates under canopy	X	X	
Commercial Grade Security Cameras	X	Partial Based on Pricing	Partial Based on Pricing
Resident App for ease of managing their guests	X		
Easy to change portal for managing guests	X		
Portal to manage Doorking		X	X
Use existing "Sqiggly" entry bar codes	X	X	
Remote monitoring of cameras only	X		X
Remote monitoring of cameras and live Guard Action	X		
Remote guards on Demand	X		
New All Boxes at both Entry Gates	X		
LPR Cameras that read and attach to file upon entry	X		
LPR Opening based on info in system	X		
Golf Club Tablets to support entry of their guests into the community and Golf Club	X		
First Responder Horn opener	X		
Cloud based storage of all images and information	X		X
Back-up on site for outage	X		Partial
Customer Support Team	X		
Full Service warrantee over 5 years	X		
1 Year Warrantee		X	X

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- Next Dan reviewed the financial structure
- The following was shared and showed that if we went with a lesser solution, the POA may have a lower capital expense for now but the ongoing expense would be approximately the same
- Kent reiterated that the Security benefits provided by Allied Universal was far better and would benefit the community long term

Security – Solution Cost Comparison



Allied Universal - All New Technology and Remote Guard Access				
Proposal	Hardware	Recurring Monthly Costs	Financing Costs for Hardware	Total Monthly Costs
Core - All Technology at Gate	\$ 139,619	\$ 2,734	\$ 2,968	\$ 5,702
Additional Camera at Lot 1	\$ 47,339	\$ 466	\$ 1,016	\$ 1,482
Totals	\$ 186,958	\$ 3,200	\$ 3,984	\$ 7,183
Access Control - Front Gate				
Proposal	Hardware	Recurring		
Make Non-operating Gate functional	\$ 13,995			
New Security Cameras and NVF in Guard House	\$ 6,675			
New Doorking Entry System	\$ 6,595			
Replace Doorking Display	\$ 1,395			
Monthly Management Fee for Keeping Doorking updated		\$ 1,000		
Totals	\$ 28,660			
Stealth Monitoring - New Cameras and Remote Monitoring				
New Cameras for Gate area	\$ 40,000			
Remote Monitoring fee per month per camera (\$100x15)		\$ 1,500		
Totals	\$ 68,660	\$ 2,500		

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- Dan reviewed in detail the final numbers to ensure we had a clear analysis

Revised Proposal Allied Universal and Access Controls

Allied Universal Revised Proposal	Original Proposal	Non-Operating Gate Costs	Joint New Proposal
Core Solution at Gate Less non-operating Gate	\$ 139,619.00	\$ (21,000.00)	\$ 118,619.00
Access Control Proposal			
Non-operating Gate made operational	\$ -	\$ 14,000.00	\$ 14,000.00
Total Costs	\$ 139,619.00	\$ (7,000.00)	\$ 132,619.00



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- Dan turned the financial discussion over to Kent to discuss how we would pay for the solution
- Kent mentioned that we had several options
 - Pay for with cash from Reserves
 - Have a special assessment for the POA Members
 - Finance the costs of the project
 - Combination of the previous 3 options
- Kent shared the following slides

Security – Financial Structure

- Total cost of project will be ~\$133,000. This is achieved by contracting with Access Controls to do the gate work necessary for the current inbound manual gate that is not in use. This reduces the cost of the work Allied Universal will do to ~\$119,000. The cost for the work Access Controls will do is \$14,000.
- Options to fund cost for project:
 - Pay for out of cash reserves
 - Assess POA members for the cost
 - Finance cost of project
 - Any combination of the above
- If we finance the entire cost of the project
 - Arrowhead Bank will loan us the amount needed to fund the project if we establish a CD in the same amount that will serve as collateral for the loan
 - The finance rate will be 3 points in excess of the rate the CD will earn
 - We can choose any time period over which to amortize the loan
 - Regardless of term, net finance rate will be 3%

- Kent continued with a Pros and Cons of each

Security – Financial Structure

How Does POA Pay For Project	Total Cost	Cost Difference	Pros	Cons
Cash	\$133,000	\$0	Saves cost of financing	Depletes our cash reserves
Finance entire amount over 60 months	\$143,390	\$10,390	Provides flexibility in managing our cash reserves Attractive financing rate of 3% in an environment of rising interest rates Additional cost per month is small (~\$174) We can manage our cash by selecting lower payment amounts if necessary	Adds some administrative effort to manage periodic loan refinancing
Assess POA members	\$0	\$133,000	Doesn't impact POA economics	Due to approval % required, unlikely to be approved

- Kent continued that he had reviewed the current operating cash reserves to determine whether we had too much in operating cash reserves
- Kent mentioned that he spoke to Stacy at Goodwin and asked for best practices
- Stacy mentioned that it was typical to see a minimum of 3 month's operating cash on-hand



- At that Workshop, Kent recommended that we move to a 4 month operating cash reserve policy which was agreed upon
- Kent recommended that we take excess funds and open an account at Arrowhead Bank and leverage the low interest rate offered
- Kent continued that Arrowhead Bank would be very flexible regarding the terms of the loan (e.g., amortization schedule, setting payment amounts, duration of loan, etc.)
- Mike mentioned that he was in favor of no special assessment and keeping our cash position
- Dan asked if the costs were in the 2022 Budget
- Kent said yes and that we should see a positive impact in the Budget as we will not have costs but for 6 months of the year
- Based on the findings of the solution comparison, the financial minimal exposure through Arrowhead Bank and the benefits to the community, Mike asked to approve the Security proposal
- Dan Seconded and it was approved Unanimously
- Kent made a motion to approve the Arrowhead Bank financing solution and give him the right to set-up the arrangements
- Dan Seconded and it was approved Unanimously
- Kent then asked that we approve a Corporate Resolution that was required for Arrowhead Bank
- Kent asked Dan to read the resolution which Dan did
- Dan Seconded the approval request and it was passed Unanimously
- Kent asked Stacy to please send to the POA Board for signature via Docusign

New Board Member Nomination and Vote

- Mike mentioned that Al Bishop had resigned
- Mike indicated that Nancy McCormick (resume attached) had agreed to serve for the remaining of Al's term, if approved by the Board.

Director

Nancy McCormick – Bio

Hello! I am a native Texan and was born and raised in Amarillo. In my early 20s, I moved to San Diego, CA and spent 22 years there raising my kids. I returned to Texas as soon as I could after my son went off to college. Professionally, I am a trained nurse practitioner that specializes in heart failure and arrhythmias. I started working in the medical device industry in 2005 and currently manage a team that responds to cardiac emergencies for Central Texas. Prior to moving back to Texas, I served on the Board of Directors for EP Save A Life Foundation. It is an organization that is dedicated to saving lives of young adults by providing free medical screening to prevent sudden cardiac arrest. I have always had the goal of building my forever home in a golf community. I purchased my lot during the snowstorm of 2021 – sight unseen. I could not feel more blessed to have found this amazing community and I look forward to being an actively involved contributing member. Above all, I am most proud of being the mother of two amazing grown kids – Bailey and Miles. Bailey is a graduate of University of California Santa Cruz and works in the wine industry. Miles just completed his Junior year at St. Mary's College of California. He is ranked as one of the best rugby players in the nation and is spending his summer in South Africa training courtesy of the US Rugby Foundation.



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- Mike nominated Nancy McCormick for the vacant Board Position
- Dan Seconded and the Board Unanimously Approved her appointment

Comments from Zoom attendees

- There were several questions regarding gate ID tags which Mike indicated he would work with the residents that were having issues

Adjournment

- Mike made a motion to Adjourn
- Kent Seconded and the POA Board voted to Adjourn the meeting
- Meeting concluded at 11:47 AM CT