



*Golden Eagle*

Homes Association Inc.

Should GEHOA attempt  
another Special Assessment for  
Security?



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## **New ENVERA Financial Offer**

- **5-year vs 3-year contract.**
- **First year costs reduced from previous contract**
- **Cost structure fixed for remaining 4 years**
- **No change to installation costs. All Maintenance included**

**Board conducted extensive financial analysis of several alternatives to identify the best business decision with physical guards only, a mix of physical and virtual, and virtual guards only. Seven options reviewed, one eliminated for contractual limits, others required significant dues increases (~27%)**



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## Results of Analysis of New Financial Picture

- **Assuming inflation continues, staying with Physical Guards only requires a 5% dues increase next year and 2% to 5% per year through 2026**

	Projected 2024-2027 Budget - All Physical Guards					
	2023		2024	2025	2026	2027
Total Lots (incl GECC)	963.5		963.5	963.5	963.5	963.5
Dues Increase - Breakeven	(\$2.69)		(\$10.13)	(\$18.50)	(\$26.76)	(\$35.87)
Total Dues - Breakeven	\$676.31		\$668.87	\$660.50	\$652.24	\$643.13
Dues Increase % - Breakeven	0%		-1%	-3%	-4%	-5%

<b>Max Board Dues Increase</b>	<b>\$34</b>		<b>\$36</b>	<b>\$37</b>	<b>\$39</b>	<b>\$41</b>
<b>Proposed Total Dues</b>	<b>\$713</b>		<b>\$749</b>	<b>\$786</b>	<b>\$825</b>	<b>\$866</b>
<b>Max Board Dues Increase %</b>	<b>5%</b>		<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>



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## Alternative Scenarios for Physical/Virtual Guards 2023

All Physical Guards	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Notes
\$21.82	\$21.82	\$21.82	\$21.82	\$21.82	\$21.82	\$21.82	Physical Guard Hourly Cost
\$0.00	\$6.65	\$6.22	\$5.38	\$4.67	\$5.14	\$4.61	Envera System Hourly Cost
9,464	13,104	8,736	5,824	5,824	2,912	0	Physical Guard Annual Hours
0	13,104	17,472	20,384	20,384	23,296	26,208	Envera System Annual Hours
9,464	26,208	26,208	26,208	26,208	26,208	26,208	Total Hours (26,208 Max)
26 Phys, 0 Virt	36 Phys, 36 Virt	24 Phys, 48 Virt	16 Phys, 56 Virt	16 Phys, 56 Virt	8 Phys, 64 Virt	0 Phys, 72 Virt	Daily Hours (Total for all Gates = 72 Max)



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## **Breakdown of Options**

### **All gates have coverage 24/7**

- **Option 1: Most expensive (27% dues increase), most Physical coverage (36 Phy/36 Virt)**
- **Option 2: Security Committee preferred. 15% dues increase requires owners to approve by Special Vote (24 Phy/36 Virt)**
- **Options 3 & 4: Same coverage times (16 Phy/56 Virt). Differences in how physical guards are deployed at gates. Requires 5% dues increase.**
- **Option 5: Below ASA minimum hours for them to continue as our security provider.**
- **Option 6: No physical, all virtual. Highest risk as residents become familiar and comfortable with Envera system the first year. Lowest cost.**



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## Costs for Alternative Scenarios 2023 Budget - Security Guard Options (Year 1)

	All Physical 26 hrs/day	Option 1 36/36	Option 2 24/48	Option 3 16/56	Option 4 16/56	Option 5 8/64	Option 6 0/72
Total Lots (incl GECC)	963.5	963.5	963.5	963.5	963.5	963.5	963.5
Dues Increase - Breakeven	(\$2.69)	\$167.73	\$91.12	\$26.19	\$11.27	(\$29.18)	(\$94.11)
Total Dues - Breakeven	\$676.31	\$846.73	\$770.12	\$705.19	\$690.27	\$649.82	\$584.89
Dues Increase % - Breakeven	0%	25%	13%	4%	2%	-4%	-14%

Dues Increase 2023	\$34	\$180	\$105	\$34	\$34	\$34	\$34
Total Dues	\$713	\$859	\$784	\$713	\$713	\$713	\$713
Max Dues Increase %	5%	27%	15%	5%	5%	5%	5%

Total Dues Collected	\$675,924	\$814,332	\$743,232	\$675,924	\$675,924	\$675,924	\$675,924
GECC Easement Fee Collected	\$11,051.50	\$13,314.50	\$12,152.00	\$11,051.50	\$11,051.50	\$11,051.50	\$11,051.50
Total Income with Dues Increase	\$718,621	\$861,692	\$789,429	\$721,021	\$721,021	\$721,021	\$721,021
Total Ordinary Expense	\$683,270	\$849,873	\$776,054	\$713,495	\$699,125	\$660,146	\$597,587
Net Ordinary Income w/ Dues Increase	\$35,350.54	\$11,818.54	\$13,375.00	\$7,525.34	\$21,895.94	\$60,874.18	\$123,433.62



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## Possible Financial Picture 2023-2027 Hybrid

- **The mix of Physical and Virtual (Hybrid) guards allows coverage at all gates 24/7 but requires a dues increase of 5% per year through 2026**

<b>Envera - Option 3</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Physical Guard Annual Hours	5,824	5,824	5,824	5,824	5,824
Physical Guard Weekly Hours	112	112	112	112	112
Physical Guard Daily Hours	16	16	16	16	16
Virtual Guard Annual Hours	20,384	20,384	20,384	20,384	20,384
Virtual Guard Weekly Hours	392	392	392	392	392
Virtual Guard Daily Hours	56	56	56	56	56
<b>Dues</b>	<b>\$713.00</b>	<b>\$748.00</b>	<b>\$785.00</b>	<b>\$824.00</b>	<b>\$824.00</b>
<b>Dues Increase from Previous Year</b>	<b>\$34.00</b>	<b>\$35.00</b>	<b>\$37.00</b>	<b>\$39.00</b>	<b>\$0.00</b>
<b>% Dues Increase from Previous Year</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>0%</b>
Total Income	\$721,020.50	\$749,028.30	\$784,972.26	\$822,852.71	\$823,166.47
Total Expense	\$713,495.16	\$743,856.53	\$767,539.62	\$792,170.04	\$817,785.67
Net Income	\$7,525.34	\$5,171.77	\$17,432.64	\$30,682.67	\$5,380.80
Cumulative Budget Excess for R&D					\$66,193.22



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**No Physical Guards after 2023.  
Minimal acceptable Physical coverage in 2023.**

<b>Envera - Option 3</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Physical Guard Annual Hours	5,824	0	0	0	0
Physical Guard Weekly Hours	112	0	0	0	0
Physical Guard Daily Hours	16	0	0	0	0
Virtual Guard Annual Hours	20,384	26,208	26,208	26,208	26,208
Virtual Guard Weekly Hours	392	504	504	504	504
Virtual Guard Daily Hours	56	72	72	72	72
<b>Dues</b>	<b>\$713.00</b>	<b>\$713.00</b>	<b>\$713.00</b>	<b>\$713.00</b>	<b>\$713.00</b>
<b>Dues Increase from Previous Year</b>	<b>\$34.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>% Dues Increase from Previous Year</b>	<b>5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Total Income	\$721,020.50	\$715,305.80	\$715,600.26	\$715,904.21	\$716,217.97
Total Expense	\$713,495.16	\$631,219.14	\$649,615.72	\$668,748.16	\$688,645.90
Net Income	\$7,525.34	\$84,086.66	\$65,984.54	\$47,156.05	\$27,572.07
Cumulative Budget Excess for R&D					\$232,324.66





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## **Analysis of New Financial Picture**

- **Options 3 and 4 with the new RFID system offer more coverage at each gate than the current physical guard posture (72 hours vs 26 hours).**
- **If we transition to Envera in 2023, the community may elect to move to a virtual only footprint and eliminate physical guards in the future**
- **Next year the Board should consider a survey to see how people feel about the virtual only option after gaining some experience with Envera**
- **Envera only may allow for future income to repay Roads and Drainage fund**
- **Without the virtual system we will need to increase dues each year through 2026. This does not account for gate repair/maintenance that will likely be necessary due to high use rates.**



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Homes Association Inc.

## **Analysis of Investment Alternatives**

- **Payback period for a special assessment of \$137,460:**
  - **Keeping Hybrid (Physical + Virtual): Option 4 = 5.2 years, Option 3 > 7 yrs**
  - **Virtual Only: Option 4 = 2.4 years, Option 3 = 2.7 years**
- **Contract includes all maintenance of Envera systems**
  - **Prolongs life of current gates, allows retirement of current cameras, call boxes and video equipment**
  - **Cost avoidance of \$20,000 to \$70,000 for new call boxes**
  - **Some gate maintenance will be needed, current projections approximately \$30,000 per year**
- **No price increases for 5 years**



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## **Motion**

**Whereas the Association has received a more attractive financial offer from Envera, I move that the board approve another attempt at the Special Assessment for Security in the amount of \$137,460 or \$145 per owner for capital improvements to install the Envera RFID, camera, Kiosk and License Plate reader system.**



**Back up slides**



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<b>Envera - Option 1</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Physical Guard Annual Hours	13,104	13,104	13,104	13,104	13,104
Physical Guard Weekly Hours	252	252	252	252	252
Physical Guard Daily Hours	36	36	36	36	36
Virtual Guard Annual Hours	13,104	13,104	13,104	13,104	13,104
Virtual Guard Weekly Hours	252	252	252	252	252
Virtual Guard Daily Hours	36	36	36	36	36
<b>Dues</b>	<b>\$859.00</b>	<b>\$902.00</b>	<b>\$947.00</b>	<b>\$994.00</b>	<b>\$1,044.00</b>
<b>Dues Increase from Previous Year</b>	<b>\$180.00</b>	<b>\$43.00</b>	<b>\$45.00</b>	<b>\$47.00</b>	<b>\$50.00</b>
<b>% Dues Increase from Previous Year</b>	<b>27%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
Total Income	\$861,691.50	\$897,407.30	\$941,059.26	\$986,647.71	\$1,035,136.47
Total Expense	\$849,872.96	\$888,358.43	\$918,649.67	\$950,152.56	\$982,915.56
Net Income	\$11,818.54	\$9,048.87	\$22,409.59	\$36,495.15	\$52,220.91
Cumulative Budget Excess for R&D					\$131,993.07



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<b>Envera - Option 2</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Physical Guard Annual Hours	8,736	8,736	8,736	8,736	8,736
Physical Guard Weekly Hours	168	168	168	168	168
Physical Guard Daily Hours	24	24	24	24	24
Virtual Guard Annual Hours	17,472	17,472	17,472	17,472	17,472
Virtual Guard Weekly Hours	336	336	336	336	336
Virtual Guard Daily Hours	48	48	48	48	48
<b>Dues</b>	<b>\$784.00</b>	<b>\$823.00</b>	<b>\$864.00</b>	<b>\$907.00</b>	<b>\$907.00</b>
<b>Dues Increase from Previous Year</b>	<b>\$105.00</b>	<b>\$39.00</b>	<b>\$41.00</b>	<b>\$43.00</b>	<b>\$0.00</b>
<b>% Dues Increase from Previous Year</b>	<b>15%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>0%</b>
Total Income	\$789,429.00	\$821,290.80	\$861,088.76	\$902,823.21	\$903,136.97
Total Expense	\$776,054.00	\$809,228.28	\$835,554.63	\$862,934.04	\$891,408.62
Net Income	\$13,375.00	\$12,062.52	\$25,534.13	\$39,889.17	\$11,728.35
Cumulative Budget Excess for R&D					\$102,589.17



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<b>Envera - Option 3</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Physical Guard Annual Hours	5,824	5,824	5,824	5,824	5,824
Physical Guard Weekly Hours	112	112	112	112	112
Physical Guard Daily Hours	16	16	16	16	16
Virtual Guard Annual Hours	20,384	20,384	20,384	20,384	20,384
Virtual Guard Weekly Hours	392	392	392	392	392
Virtual Guard Daily Hours	56	56	56	56	56
<b>Dues</b>	<b>\$713.00</b>	<b>\$748.00</b>	<b>\$785.00</b>	<b>\$824.00</b>	<b>\$824.00</b>
<b>Dues Increase from Previous Year</b>	<b>\$34.00</b>	<b>\$35.00</b>	<b>\$37.00</b>	<b>\$39.00</b>	<b>\$0.00</b>
<b>% Dues Increase from Previous Year</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>0%</b>
Total Income	\$721,020.50	\$749,028.30	\$784,972.26	\$822,852.71	\$823,166.47
Total Expense	\$713,495.16	\$743,856.53	\$767,539.62	\$792,170.04	\$817,785.67
Net Income	\$7,525.34	\$5,171.77	\$17,432.64	\$30,682.67	\$5,380.80
Cumulative Budget Excess for R&D					\$66,193.22



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<b>Envera - Option 4</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Physical Guard Annual Hours	5,824	5,824	5,824	5,824	5,824
Physical Guard Weekly Hours	112	112	112	112	112
Physical Guard Daily Hours	16	16	16	16	16
Virtual Guard Annual Hours	20,384	20,384	20,384	20,384	20,384
Virtual Guard Weekly Hours	392	392	392	392	392
Virtual Guard Daily Hours	56	56	56	56	56
<b>Dues</b>	<b>\$713.00</b>	<b>\$748.00</b>	<b>\$785.00</b>	<b>\$824.00</b>	<b>\$824.00</b>
<b>Dues Increase from Previous Year</b>	<b>\$34.00</b>	<b>\$35.00</b>	<b>\$37.00</b>	<b>\$39.00</b>	<b>\$0.00</b>
<b>% Dues Increase from Previous Year</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>0%</b>
Total Income	\$721,020.50	\$749,028.30	\$784,972.26	\$822,852.71	\$823,166.47
Total Expense	\$699,124.56	\$730,283.81	\$753,966.90	\$778,597.32	\$804,212.95
Net Income	\$21,895.94	\$18,744.49	\$31,005.36	\$44,255.39	\$18,953.52
Cumulative Budget Excess for R&D					16 \$134,854.70