

# Meeting History

## Club Annual Meeting



**THU - OCTOBER 23, 2003**

Details of the annual meeting including finances, new bylaws

1) Finances. Excel spreadsheet to be e-mailed to members.

Total revenue: \$21,085

Total expenses: \$20,538

Net Revenue: \$546

Revenue/Hr \$1.89

2) Unanimous approval of bylaws discussed in September. Changes include:

a. Change in currency requirements from 45 to 60 days

b. Removal of references to aircraft manager

c. Change mechanism for amending bylaws

3) Discussed model of second aircraft including merits of 172SP

4) Discuss Additional Changes to Bylaws for vote on Nov 13th

a. Increase equity requirement to \$3,500. Other option is to just asses \$500 to all members and no increase to equity on exit from club. These funds are needed for the impending engine overhaul.

b. Change in hourly rate to \$70/hr to account for actual maintenance costs and a small engine reserve for subsequent engine overhauls.

c. Add listing for hourly rate of \$60/hr for Cessna 172SP

5) Loan Refinance information. We must find four members to sign for the new loan. Additionally, we will also need additional people for any new aircraft.

6) Advertising for new members. Initial thrust via posting pages at local aircraft and website.

7) Maintenance Status - Com panel being replaced and an AD being applied. Making plans for inspections every 250 hrs for a total of \$2000-\$2500 per 500 hrs of flight.

8) Discussions about pre-heating. We will buy a heater and we will talk to airport about heater storage. The suggestion is 30 degree limit for a pre-heat

9) Election of board members. Jeff ran unopposed and is still president. Norb is now VP. Roy Gross is now member at large

Posted at 07:29 PM

## September Monthly Meeting



**THU - SEPTEMBER 25, 2003**

## Discussion on Finances, New Aircraft, New Members etc by Jeff

It was an eventful meeting for the Schaumburg Flying Club last Thursday night.

- Norb talked about the annual inspection. The total cost of the annual was about \$3,600. Here are the highlights: An aux power outlet for a handheld GPS was installed, induction tubes were re-suaged, some oil leaks were found and eliminated, one magneto was overhauled, incorrectly installed vacuum pump covers were fixed, a few fiberglass cracks were stop drilled, missing static wicks were replaced, the air filter was replaced, and a support was fabricated for the right fuel step to comply with an AD after a crack was found. Results from the latest compression check continue to be encouraging, with all cylinders between 71/80 and 76/80. Since no metal was found in the oil filter and we have excellent compression, it still looks like we'll be able to safely take the engine at least somewhat beyond its rated TBO of 2,200 hours.

The EGT gauge hasn't worked since the annual, and it will be repaired during the plane's next oil change in a week or two. There's also a new crack propagating on the nosewheel fairing that will be stop-drilled at the same time. We're deferring some cosmetic damage to the left main gear strut until the overhaul. We're also in the midst of some radio work. We have a service bulletin on the audio panel and NavCom #2 is giving us trouble again. The work on the NavCom is under warranty, so we aren't incurring any costs for this repair work.

- We voted informally to purchase a second aircraft, a 1998-2000 Cessna 172SP. To comply with the bylaws, we'll hold that vote again at the annual meeting in October.
- We agreed to add 10 members to the club. This will require a formal vote during the October Club meeting to amend our bylaws.
- We voted to refinance our loan at a rate of 5.75%. We need people to guarantee the loan. If you're interested, contact Bill Wetmore.
- We briefly reviewed the proposed changes to the bylaws e-mailed to all members near the start of September. We'll vote on this set of changes to the bylaws in October as well. The big change here is that currency requirements will increase from 45 to 60 days now that we have Avemco's approval to do so.
- On October 1<sup>st</sup>, we will begin enforcing club bylaws by preventing club members with more than \$100 overdue from reserving club aircraft.
- Also on October 1<sup>st</sup>, we will begin enforcing club bylaws by preventing club members who have not flown within the past 60 days from reserving club aircraft. Contact Mike Miley, Norb Paprocki, or Jeff Puglielli if you are no longer current when you want to book time with an instructor. E-mail is your best bet for reaching all 3 of us.
- We discussed the club's finances. We currently have approximately \$9,000 in the bank. During the Annual meeting in October we will discuss raising each member's equity commitment from \$3,000 to \$3,500. We will also discuss rates for both N334SA and the Cessna 172SP we will purchase. A rate of \$70/hr for 4SA and \$60/hr for the 172 will be recommended by the board.

If you weren't at the meeting, you probably have a number of questions after reading this. Here's an attempt to answer some of them:

### **Why are we going to buy a 172SP for our next airplane? Isn't this a step down?**

If there's one thing we've learned in the past year, it's that the rates established in October 2002 are untenable. Since many members joined the club because it offered the most affordable flying around, keeping hourly costs low seems more important to many than performance. A review of flight time over the past couple of months also reveals that most of us fly the airplane for short blocks of just an hour or two. For flights this short we wouldn't realize the performance benefits of a 182 and it makes more sense to be economical.

For those who really would have preferred another 182, there's a good case to be made that purchasing a 172 for local flights will make the club more attractive to a larger number of potential new members. Next year at this time, we will hopefully be talking about expanding the club yet again by adding a high performance plane as our third aircraft. Suggestions made during this month's meeting included a Bonanza, a Saratoga, and a Mooney 231. In the short term though, our financial position precludes us from making this type of investment.

### **Why is the cost of club membership going up?**

We anticipate the need for an overhaul in the first quarter of 2004 when the engine reaches 2,500 hours. Maybe we'll go a little further. We've selected Poplar Grove for the overhaul, which will cost a maximum of \$26,000. With only \$9,000 in the bank, we will be unable to pay for the overhaul without an additional contribution from each member. Rather than asking for a one time assessment of \$500, we'd rather increase each member's equity. This way, if someone resigns they can recover their entire \$3,500 investment rather than only the original \$3,000 in equity. Increasing our equity requirements will immediately provide an extra \$15,000 in capital. We will also use some of the equity from new members to cover the cost of the overhaul (see below). Unfortunately, we're not in a position to cash any money out of our existing aircraft equity during the refinance.

### **Why are we adding 10 more members?**

In order to purchase a second aircraft, we need the \$35,000 in additional equity that would be provided by 10 more members. Although some have suggested that every existing member should simply contribute another \$1,000 to the club, no one present at our last meeting lobbied for this since we will already require extra capital from all existing members to pay for the pending engine overhaul. Of the \$35,000 brought in by new members, about \$26,000 will be used for a down payment. The other \$9,000 will be used to cover the remaining cost of the overhaul with the \$15,000 collected from current members.

We will still have better availability with 40 members than thirty, since our average number of members/aircraft will drop from 30:1 to 20:1.

### **Why is the board recommending yet another rate increase for 4SA?**

When we raised rates in July, we expected maintenance costs fall. As of now, maintenance costs have not yet dropped, and they still average to about \$18/hr (excluding August and our annual inspection). Now that we've completed an expensive annual inspection, many of us once again believe that maintenance costs should fall. Rather than count on that though, we'd rather be conservative and drop rates in the future instead of having to raise them yet again.

At \$70/hr for 4SA and \$60/hr for a 4-5 year old Cessna 172SP our finances will be stable if we manage to fly the two aircraft a total of 120 hours/month throughout the year. We've averaged about 75 hours/month on 4SA so far, and if we continue this through the winter and manage to use two aircraft a total of 150 hours/month then we should be able to reduce rates by \$3 to \$4 per hour in mid-2004 (barring changes in fuel costs, insurance, maintenance surprises >\$17/hr, etc).

Although an hourly rental rate of \$70/hr is a 40% increase from the \$50/hr advertised when most of us joined the club, its still \$60/hr less than what most FBOs charge for a C182S. Bringing a C172SP into the club at \$60/hr is about \$35-\$45 per hour less than what most FBOs charge.

### **You've proposed a lot of changes. What's the timeline?**

#### Now:

Please read the proposed changes to the bylaws.

Play "what if" scenarios with the attached spreadsheet so you can help discuss rate changes. [Second Aircraft](#)

[Calcs-Expurgated.xls](#)

Start thinking about how to advertise for new members.

#### October 23<sup>rd</sup>:

Hold our annual meeting at 7PM at the airport.

Elect Board Members for 2004

Vote to purchase a relatively new Cessna 172SP

Vote to increase club size to 40 members

Discuss changes to membership equity and rental rates

Start advertising for 10 more members

November:

Vote to change membership equity and rental rates. Rental rates should change the day of the vote; we can set the change in equity requirements to take effect based on how close we are to accepting our new members and when we think we'll need to do the overhaul. We might not need to collect \$500 from everyone until January.

Once we have 10 new members who have committed to join:

Collect checks. We will not collect checks until we have 10 names since without 10 names we won't be able to afford a second aircraft, and without a second aircraft we can't accept anyone new (unless they're a replacement) due to availability problems. If we get 8 or 9 volunteers and can't find a 10<sup>th</sup> then we can talk about other options that would still let us move forward.

As soon as we have our new members:

Buy a plane, hopefully before the overhaul on 4SA so we always have at least one aircraft available.

If you have any questions, feel free to contact Jeff Puglielli. E-mail ([jwpuglielli@yahoo.com](mailto:jwpuglielli@yahoo.com)) is your best bet, but you can also reach Jeff evenings at 630-848-0746.

Posted at 11:00 PM



**LATEST INFO FROM THE AUG MEETING**

Norb talked about the annual inspection. The total cost of the annual was about \$3,600. Here are the highlights: An aux power outlet for a handheld GPS was installed, induction tubes were re-suaged, some oil leaks were found and eliminated, one magneto was overhauled, incorrectly installed vacuum pump covers were fixed, a few fiberglass cracks were stop drilled, missing static wicks were replaced, the air filter was replaced, and a support was fabricated for the right fuel step to comply with an AD after a crack was found. Results from the latest compression check continue to be encouraging, with all cylinders between 71/80 and 76/80. Since no metal was found in the oil filter and we have excellent compression, it still looks like we'll be able to safely take the engine at least somewhat beyond its rated TBO of 2,200 hours.

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Posted at 10:59 PM