

Metro Flyers

**North Texas' Oldest Flying Club
Denton Municipal Airport (KDTO)
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Special Called Meeting

Time: 7:30pm

Date: 2 June, 2016

Location: Denton Municipal Airport Terminal Building

Attendees:

Members - Don Smith, Jim Lattimore, Brian Garner, Robin Lawson, Ray Vaughn, Steve Church, Kathy Haenszel, Matt Clary, Jason Seider

Others - Steve Uslan, MFC insurance agent

Minutes:

AIG adjuster, Jayme Scifres, inspected 49G today (6/2) and should have proposal back to Uslan tomorrow or Monday. Garner talked with her and was told that AIG will put the airplane back like it was but not improve it, i.e.; no engine overhauls, overall paint or other improvements.

Smith and Uslan made strong recommendations for Thibodeaux to do repairs to 49G. Major concern among members present is cost and Thibodeaux's lack of schedule. Uslan offered to make weekly trips to Flying T to keep Thibodeaux on schedule. Thibodeaux's offer of 172 is no longer of consideration because of special circumstances involving the aircraft.

Decision made to require three bids with focus on cost and date of completion. Projection is that 49G will cost \$1,800 per month in lost flight revenue while down.

Garner has two bids coming in on repairs by Tuesday. Smith to get bid from Thibodeaux by Tuesday. All bids to be specific as to cost and scheduled completion. Question is; How do we get the shop to maintain schedule? Suggestion is that we offer some incentive for on-time completion. One of Garner's conversations indicated that repairs should take 4 to 6 weeks.

Uslan (30 year FAA Safety Counselor) made several points:

- MFC will see considerable cost in 49G repairs even with insurance because of deductible and depreciation.
- AIG turned down \$20,000 increase in 182 insured amounts because that exceeds book value of the aircraft.
- His recommendation is that MFC not spend any money on Bonanza rebuild we don't have to.
- He will not be surprised if AIG declines coverage when our policy comes up in November or they may increase rates to excessive levels because of our history.
- He recommends against any consideration of a high performance aircraft like C400 because of high pilot requirements and excessive insurance cost, if MFC could even get insurance.
- If AIG declines coverage, he will shop our insurance but MFC may have to drop back and sell Bonanza and look at something like another 182 which will be much less risk and more attractive to insurers.

Haenszel commented that AIG will be looking strictly at profitability of the account and with our loss record, we are not in a favorable position for insurance.

Garner reports that MFC has \$16,000 in the bank but \$3,000 is obligated for 49G brake repairs.

Discussion of 49G repairs resulted in a plan to repair what insurance will pay for. Engine to be inspected and re-assembled unless damage due to incident is found, which insurance would pay for. Prop and hub to be replaced as may be required, again, insurance would pay. Paint belly and do sheet metal as may be required. No money to be spent other than covered by insurance. This still leaves deductible and depreciation to be covered by MFC which are unknowns until Scifres gives us her report.

Two additional items were identified: Center section of spar requires inspection every 500 hours for cracks. Initial thinking is that insurance will cover, if not, spend \$1,000 to do this while uncovered. Seider has researched ground proximity sensing systems to replace current gear warning system. Will investigate and consider cost at a later date.

Garner had run numbers to see what financing would cost if MFC sold Bonanza and bought C400. Fixed cost would be \$80 per member per month. This does not consider increased insurance and maintenance costs.

Discussed typical mission profile for MFC aircraft and concluded that there is not much to be gained on the majority of trips with 200+ kt airplane because of comparatively short duration. Operating and maintenance costs would be much higher. Decision by all present to shelve any consideration of new airplane until MFC recovers from shock of 49G repairs.

Expect to have results of bidding and insurance in by mid-week next week. May need to meet again to select best bid and finalize repair plans.

Minutes recorded and submitted by Jim Lattimore, Vice President.