



# **Minutes**

## **Board of Directors Meeting**

### **Oxford Flying Club**

February 6, 2014

Version 1.1

#### **Summary**

An open Board of Directors Meeting was held in the Keystone Conference Room at OXC at 7pm on February 6, 2014. The primary purpose was to discuss and evaluate options and next steps with regard to Archers 84F and 61H, both of which will need new engines soon, in light of another Archer with a new engine on the field which is for sale. (N4334X)

No votes were held and no official decisions were made. Several alternative actions were proposed and reviewed. The primary outcome was a direction to collect more accurate information particularly surrounding aircraft valuations and asking price.

The meeting included much discussion among all attendees and this recorder found it impossible to collect all comments, and in chronological order. However an attempt was made to register the information presented along with primary discussion points. Those documents plus photos of the available aircraft are included as addenda to these minutes.

Respectfully submitted,  
Don Heidrich

## **Detailed Minutes**

### **Attendees:**

Burt Stevens, Mahesh Reddy, Matt Baker, Gary Nalband, Bruce Richardson, Ron Schmecker, Ed Chromczak, Mike Fazio, Brian Proulx, Don Heidrich.

### **Comments and discussion points offer by the attendees:**

It might be advantageous to the club to replace Archer N8261H with Archer N4334X:

- The net cost of swapping planes may be lower than the cost of a new engine
- Net swap cost estimated at \$15k whereas new engine is estimated at \$30k
- 34X is better equipped in many ways (see addenda)
- 34X has 3300TT compared to 61H at 3900TT
- 34X has a new engine with 100 SMOH

The owner of 34X also owns a T-hangar at OXC which he wants to sell for \$70K.

In full disclosure, the owner of 34X:

- also owns a Bonanza in which he is taking flight training from Burt
- is considering Ron for a position in his company
- is considering joining the club as an Associate member for the benefit of aviation camaraderie.

34X has lower 'curb appeal' than 61H due to paint scheme and older cloth interior. This may be advantageous for the club in selling 61H and buying 34X, but 34X therefore would be less attractive to prospective new members.

Another option might be to replace Archer N4384F with Archer N4334X:

- 84F has 7000TT
- requires work to repair the wing walk interior structure estimated to be \$3000
- still has another 2-3000 hours life (airframe)
- has an engine that is technically 200 hours past TBO
- but the cylinders only have 900 hours and the crankcase is lower time too
- would a buyer recognize / value the life left in the engine?
- 84F needs new paint

There was much discussion around the value of the airplanes. The Vref numbers (from the AOPA calculator) introduced were generally agreed to be rather unrealistic and do not reflect market value. 61H was shown as \$68k and 84F as \$32k.

It was suggested that 61H could probably be sold for \$60-65k and 84F for \$40-45k

The Vref of \$84,600 for 34X is also in question.

61H offers many features including avionics, leather seats, Mode S, GNS530, Traffic, nice paint.

While the actual valuations need refinement, it was generally agreed for discussion purposes that the street value of 61H is about \$20k higher than 84F.

And it was estimated that the street value of 34X is about \$15k higher than 61H.

Trading 61H vs. 84F will have significant impact to the net cash outlay for the club. The following equations, while not presented as such at the meeting, offer high-level representations of the options under consideration:

61H + \$30k Engine --> 61H (zero SMOH, top quality engine)

61H + \$15k + (surprises) --> 34X (100 SMOH, medium quality engine)

61H – 84F = \$20k

84F + \$35k + (surprises) --> 34X (100 SMOH, medium quality engine)

The term 'surprises' above reflects the unknown and unexpected costs associated with bringing a new airplane to club maintenance standards, even given a detailed pre-buy inspection. The club experienced nearly \$20k additional cost when purchasing 61H, and additional \$30k when buying 62Y.

The amount to consider for 'surprises' for 34X was discussed and proposals ranged from \$5k to \$15k.

The devil we know vs. the angel we don't know?

Concern over maintaining the club cash safety margin was raised, along with the currently somewhat under-funded engine reserve (resulting from a few extraordinary events.)

The club still owes \$40k (to members) on the purchase of 62Y.

The meeting included some discussion around what the makeup of the club fleet should be:

Is it better to have two "Cadillac" Archers like 61H with similar gear and hourly rates? Or is it better to have one "Cadillac" and one "Buick" for lower cost flying?

Should the club consider swapping an Archer for another type altogether, such as a Diamond, or perhaps a Light Sport?

Is it better to have consistency and availability of similar types? Or a variety to broaden the flying challenge and experience?

Which will attract more members?

The meeting ended with agreement to try to refine the values of all aircraft involved. Also the owner of 34X would be approached with the notion of selling for \$15k more than the club sells 61H. It was generally agreed that the club has no interest in trying to 'take advantage' of the seller.

No official action was voted upon or authorized.

After the meeting adjourned at 8:15pm many of the attendees went to the T-hangar to inspect Archer N4334X.

**ADDENDA FOLLOW**

Vref value and actual price someone is willing to pay could be substantially lower.

Suggest using the Vref values as a guide only; see the adjusted value.

	Now 1/15/2014	Adjusted 2/6/2014	Before 11/1/2013
819	\$44,000		\$45,000
84F	\$32,000	\$40,000	\$51,000
61H	\$68,000	\$70,000	\$82,000
62Y	\$94,000		\$97,000

1984 - PIPER ARCHER II/III PA28 181    **\$84,584.48**    (as configured)

Trade-in value will be considerably less due to dealer marketing costs, margins and inventory expenses. Price assumes complete logs, no damage, and all inspections complied.

**ModelBase RetailSerial No.** 28-181    \$57,000.00    8490001-112

**Airframe Total Time and Engine Time Since Major Overhaul:** Note: Numbers in parenthesis are negative values.

**AFTT:** 3300. Effect on valuation=\$1,834.48 at \$1.75/hour.

**SMOH Engine #1:** 150. Effect on valuation=\$9,350.00 at \$11.00/hour.

**Basic Equipment:** Dual digital navcoms, transition to Garmin 430s in 1999, Avidyne display on 2005 & up,

100 SMOH,  
7 P&I,  
1-ax AP,  
GS,  
ADF,  
NDH.

**Other Typical Add-on Equipment (Installed):** **CategoryItem** AutoPilot/FDCentury IV

**Retail Value** \$2,000.00

AutoPilot/FD Eng Monitor Navcom Navcom Traffic & Xponder

**Engine Data:** **Item** Power / TBO Engine Model Fac. Reman. Overhaul

STEC 40    \$3,000.00

Digital FF Sgl    \$1,200.00

GNS430W    \$4,000.00

KX155    \$0.00

Mode S    \$1,500.00

**Approximate value for non-listed addons:** \$4,700.00

**Description of non-listed addons:**

Aspen \$5000    LED \$300    No tail beacon -\$600

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