

## Minutes of the PML Aero Club January 10, 2009

The meeting was called to order by Dennis Smith at 9:45 a.m., January 10, 2009 at the Boy's Club, 21133 Jemmersall Lane, Groveland, CA 95321.

Those in attendance were: Bob Hornauer, Dave Morgan, Dennis Smith, Elizabeth and Michael Lindeburg, Larry Jobe, Steve Martin, and Tom Martin.

The meeting was to address several changes to the proposed club bylaws.

However, before going through the bylaws, Tom Martin gave an update on the insurance quote he had received. For a \$45,000 plane covering both hull and liability for the club, the annual fee would be \$3,891 for a club of ten or fewer members. The fee would increase slightly for 11-14 members and would increase again for 15 members. The deductible would be \$200 unless the plane was totaled, in which case there would be no deductible. The insurance company stipulated that 1) no more than 25% of members were to be students, 2) that each member was to have equal membership, 3) that if the club is liquidated then each member would share equally, and 4) that all other club members needed to be "current." Larry asked if the insurance company meant just "day current" or did they also require "night current." Tom said he would look into that. Tom was also asked to check with the insurance company about whether Associate Members would be covered or if the policy just covered Full Members.

Larry raised the issue of leasing back planes, including the founding members buying the first plane and then leasing back that plane to the club. The lease back would take care of all maintenance and insurance. While no decision as to these ideas was made at this time, Larry did encourage the club to allow in the bylaws a provision for lease backs.

Dennis then asked Steve to present those items in the draft of the bylaws that he felt needed the group's attention. The following articles and sections were addressed:

From the proposed Operating Policies and Procedures:

3.4.1 The members present all agreed that the club should not have a club credit card.

3.7 The discussion revolved around whether to run the planes "dry" or "wet." Larry related how in another club, when planes were run dry, the valves were burned. When the club went to running "wet," the valve problem went away. The members decided that this club would run "wet."

Another issue related to at what price reimbursement would be made – the actual price paid at another field or the home field price. The group agreed to use the home field price.

In regards to topping off or not, the group agreed that members should top off the tank so that the tank doesn't get water in it. However, because the ramp isn't level, "topped off" was to equal 99% full (to the "club fill mark") rather than 100% full. Also, if a member doesn't want the tank topped off, it is the member's responsibility to contact the person using the plane before him to notify him not to top off the plane.

- 5.7 “Minimum usage” was discussed and agreed upon as two hours per day for the entire time of the reservation. (For instance, if the plane was reserved for five days yet only flown the first and last day, there would still be a two hour minimum charge for even the days not flown.) Dave brought up the idea of maximum usage. While the members didn’t conclude what the maximum usage was to be, Larry said that if someone did want to reserve a plane over the maximum, they could ask for approval. The important thing is to be flexible and to monitor usage to ensure that there isn’t abuse.
- 6.2 In regards to the initiation fee, there would be no separate student rate. All full and Associate Members would pay the same initiation fee of \$150. The initiation fee would be included in the \$4,000 payment of Full Members. Should Associate Members wish to become Full Members at a later date, the \$150 initiation fee paid by Associate Members would be credited to their Full Membership fee.
- 6.3 In regards to the annual membership fee, it was discussed whether the fee should be paid monthly, quarterly, semi-annually, or annually. After much discussion, it was moved, seconded and passed that members would be billed monthly for dues and flight time. There would be no discount for prepayment of the entire amount of the annual dues.

For clarification, the annual dues cover tie down (\$504/year), 1% annual property tax, insurance (about \$3,891/year depending on the number of Full Memberships). Members were concerned that the monthly dues needed to cover all known fees, even if the plane never was used during a year. Likewise, if there wasn’t enough in reserve to cover a large unexpected expense, the club needed the ability to address those costs through an assessment of the membership.

It was agreed that it would be “safer” to set the monthly dues a bit higher initially as it would be easier to go down in price than to go up. Dave moved that the monthly dues be \$50 per member. The motion was seconded and passed unanimously. Monthly dues would not be collected until the club is incorporated, has finalized bylaws, buys a plane, and has insurance.

Steve then raised several points in the proposed bylaws which were then discussed.

#### Article 3 of the Bylaws: Membership

- 3.7 The members agreed to add “by signature” to the By-Law requiring that members read and agree to the club “Operating Policies and Procedures.”

#### Article 4 of the Bylaws: Meetings of Members

- 4.1 While the members are currently meeting twice monthly in order to complete business related to club formation, the meetings will become once a month once a plane is purchased and the club incorporated and insured.
- 4.4 Instead of a quorum 10% of the membership required to transact business, it was decided to rely on the Board of Directors to transact business. This section could be deleted.

- 4.5 It was agreed to keep this section as written – that only Full Members in good standing would be allowed to vote.
- 4.6 It was also agreed to keep in this section to provide for proxy votes by Full Members in good standing.

#### Article 6 of the Bylaws: Board of Directors

- 6.1 It was unanimously decided that there would be five members on the Board of Directors. The bylaws will reflect that only Full Members in good standing would be allowed to vote for Board of Directors. The Directors would then elect the Officers. As in many other flying clubs, the PML Aero Club Directors would most likely also be the Officers. Both Directors and Officers would need to be Full Members in good standing. The one time exception to this By-Law is the current situation where three officers have already been elected by the founding members so as to accomplish the club formation. Those three officers, also on the Board of Directors, are: Bob Hornauer (Vice-President), Jim Goodrich (Secretary), and Michael Lindeburg (Treasurer). Dennis Smith resigned as President due to his current membership status. The remaining two board members will be elected at the next club meeting, January 24, 2009, provided that there is sufficient number of eligible Full Members present. (To be eligible, the full \$4,000 needs to have been paid.)

There was concern about how much autonomy the Board of Directors would have, particularly in the area of financial disbursements. Therefore, it was moved, seconded, and unanimously passed that “Any decision by the Board of Directors which would result in an assessment against the members would require a vote by those members.”

#### Article 8 of the Bylaws: structure of members.

- 8.1 While the club will not require individuals to have their own non-owner insurance policy, the bylaws will reflect that the club recommends that members have their own policy to protect them from subrogation. An advantage of individual non-owner insurance is that you can then fly planes in other locations.
- 8.9 It was confirmed that while there are four Full Members on the finance committee who can sign checks, only two members from that committee listed on the signature card will need to sign checks. Dennis asked to be removed from the signature card since he is not a Full Member at this time. The four Full Members on the signature card will be Jim Goodrich, Larry Jobe, Michael Lindeburg, and Tom Martin.

Tom requested funds to be approved to cover incorporation expenses. It was moved, seconded, and unanimously passed to allow \$500 for legal consultation in filing corporation paperwork, including the non-profit application. Two attorneys were suggested for Tom to consider consulting with: Paul Bundt and Tom Tingley.

#### Article 9 of the Bylaws: Dues, Fees, and Assessments

The group felt that the proposed bylaws are consistent with what was discussed and agreed upon earlier.

Other items of business that were discussed are as follows:

Dave raised the question, "What happens if a Full Member wants to or needs to leave the club?" A letter of resignation with reasonable cause would need to be submitted. That member could sell his / her membership. While it was felt that the club should have the first option to buy the membership, the club was under not obligation to do so.

A related issue to a member selling his/her membership is that all new members, including those that come into the club through buying a membership from a Full Member, need to be approved by the club.

The status of the search for a plane was discussed. Steve said that the broker in Chino had said he was willing to drop his prices 20%. Larry recommended waiting a few more months closer to tax time when owners would be more desperate to sell and the club could get a better deal. There was no update on Jim's progress with talking to Linda Stark about leasing back her plane if the club paid the balance due for engine repairs.

Dave corrected the previous minutes in saying that Jim Goodrich had provided the list of available planes, not Dave.

Bob reported that he had submitted an announcement about the club to Miguel for insertion in the PMLAA Newsletter. It was suggested that the club also consider putting announcements in the PML Voice and the PML News which can be done for free under the club announcement section.

Action items:

The By-Law committee (Bob, Steve, Dave, and Tom) will work on revising the bylaws to integrate the changes made today.

Tom will proceed with completing the documents for incorporation and becoming a non-profit organization (either 501C3 or 501C7) and will consult with an attorney as necessary.

Tom will also contact the insurance company to see if "current" referred to just "day current" or if it also meant "night current." Tom will also confirm with the insurance company whether or not Associate Members would be covered by the insurance policy.

Dennis will send the meeting announcement to all those who have expressed an interest in the club and mention that anyone interested in serving on the Board of Directors or as an officer, they need to become a Full Member and contribute \$4,000 by the next meeting. For those individuals unable to join as Full Members at this time, they will be advised that the fee for joining as an Associate Member would be \$150 plus \$50 monthly dues. Monthly dues for both Full and Associate Members will not be assessed until after incorporation is complete and a plane has been purchased. Checks need to be made payable to "PML Aero Club" and either dropped off at Jim Goodrich's office or mailed to the treasurer at:

Michael Lindeburg  
PO Box 114  
Groveland, CA 95321

Michael will send an email to specific individuals who have already expressed an interest in becoming a Full Member so as to collect the balance of funds needed for a plane.

Those on the plane search committee (Dennis, Jim, Larry, and Steve) will continue to research good quality planes within the club's budget.

The next meeting of the PML Aero Club will be January 24, 2009 starting at 10:00 at the Boys' Club.

There being no further business, the meeting was adjourned at 12:45.

Respectfully submitted,

Elizabeth Lindeburg,  
Substitute Secretary