

Pinellas Pilots Association

Dues and Hourly rate
Presentation

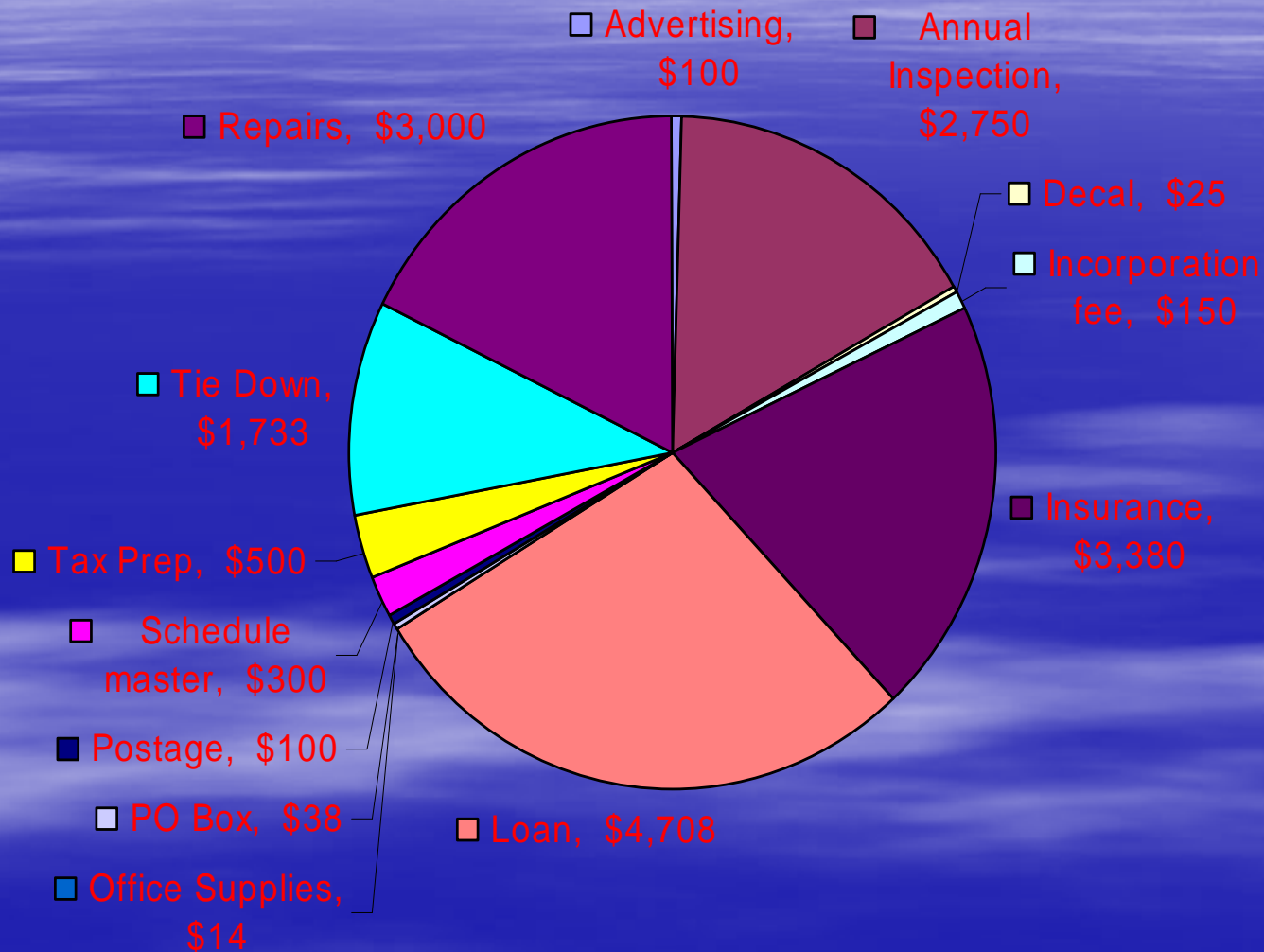
Purpose of Proposal

Charge the appropriate monthly and hourly fees needed to cover fixed and variable costs.

All sources state “Fixed costs should be covered by monthly member fee, Variable costs covered by flight time” in order to have a financially solid organization.

See AOPA: <http://www.aopa.org/members/files/guides/flyclub.html>

Fixed costs



Total \$16,798 per Year

Fixed costs per month

Number of Members	Allocation of Fixed Costs per month
5	\$298
10	\$140
15	\$93
20	\$70

For 12 = \$117

Variable Costs

- Engine Rebuild \$12,000 (2000 hours)
- Prop \$ 2,000 (2000 hours)
- Fuel & Oil \$ 36 per hour
 - \$4 per gallon/ 9 gallons per hour

This works out to be \$43 per hour

Proposal

- Monthly Membership allocation \$100
 - Goal to have between 15 and 20 members
 - \$6 more than 15 member cost to capture misc.
 - Adjust quarterly depending on membership count.
- Hourly fee \$45
 - \$2 more than costs to capture misc.
 - No monthly minimum for cost recovery purposes (might want to keep it for safety purposes).
 - Adjust quarterly depending on fuel costs.

Effects on Members

Average monthly usage for each member:

- From December 1999 to present, 2.2 hours
- Last 12 months 2.5 hours

Average Plane usage

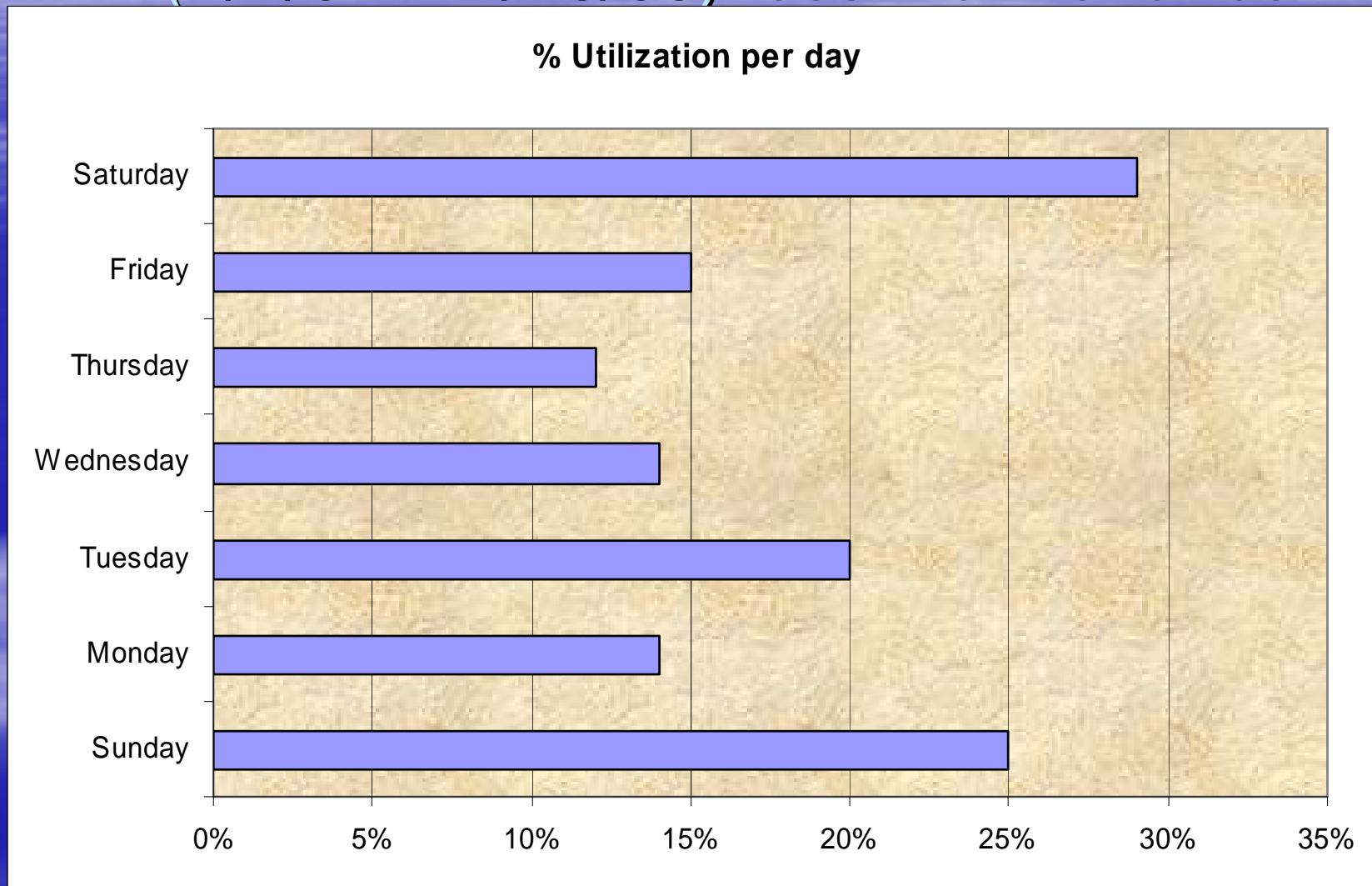
(4/1/04 – 4/16/05) less maintenance

Assume 12 hour days

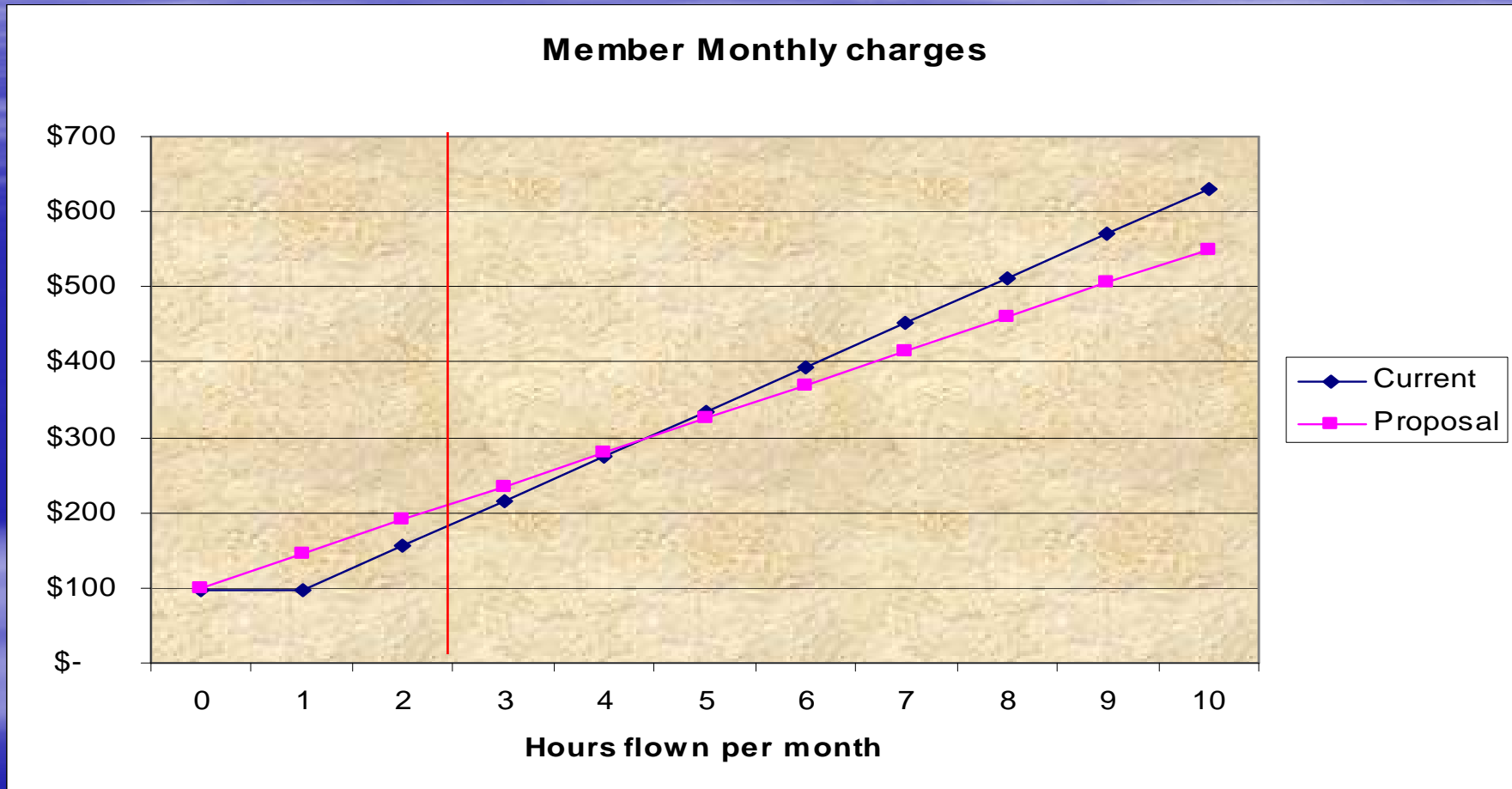
- 841 hours out of 4572 possible = 18%
- 230 out of 381 days used = 60%

- With maintenance 27% hours utilized and 70% days utilized.

Average Plane usage (4/1/04 – 4/16/05) less maintenance



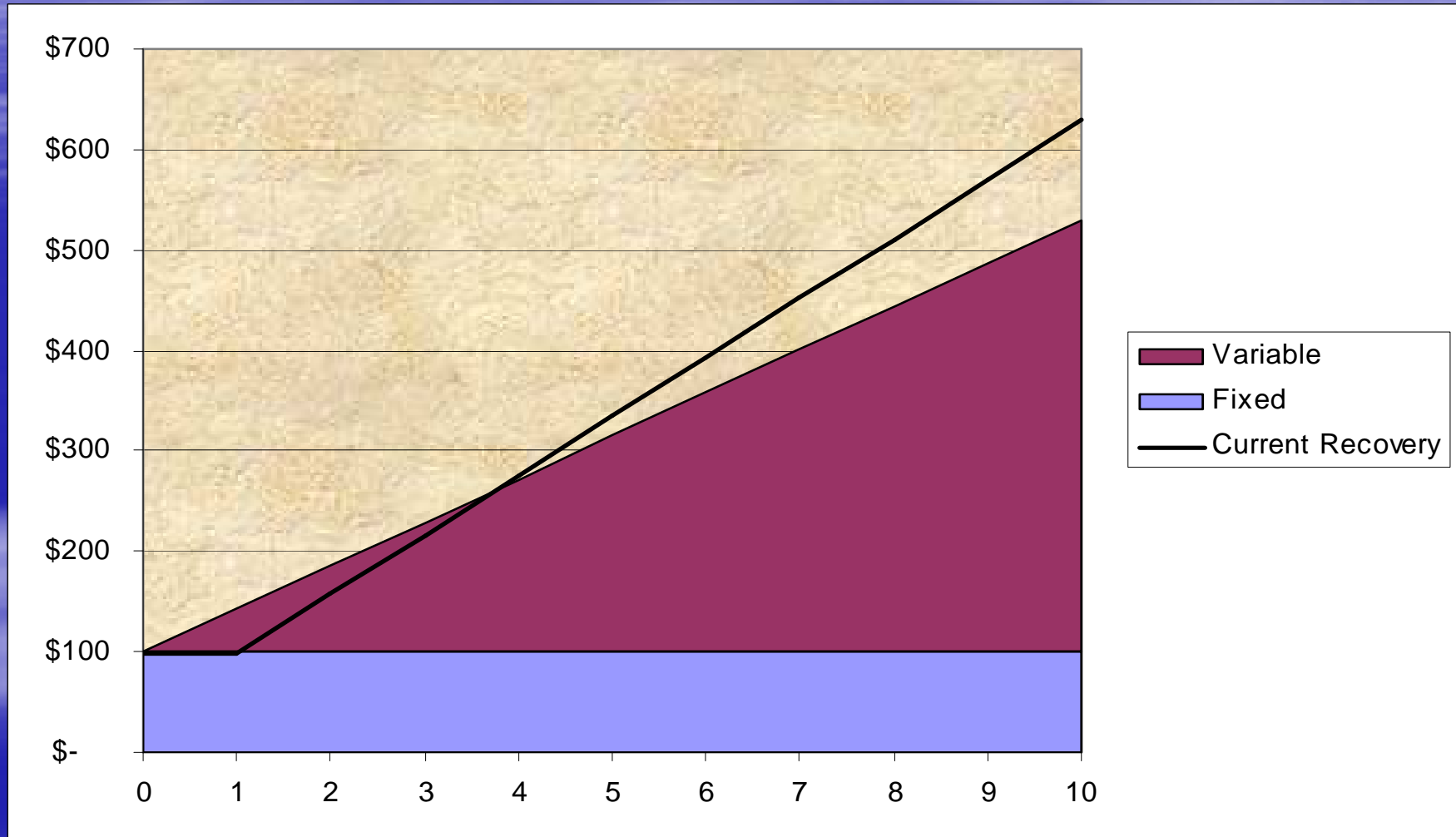
Member Monthly Charges



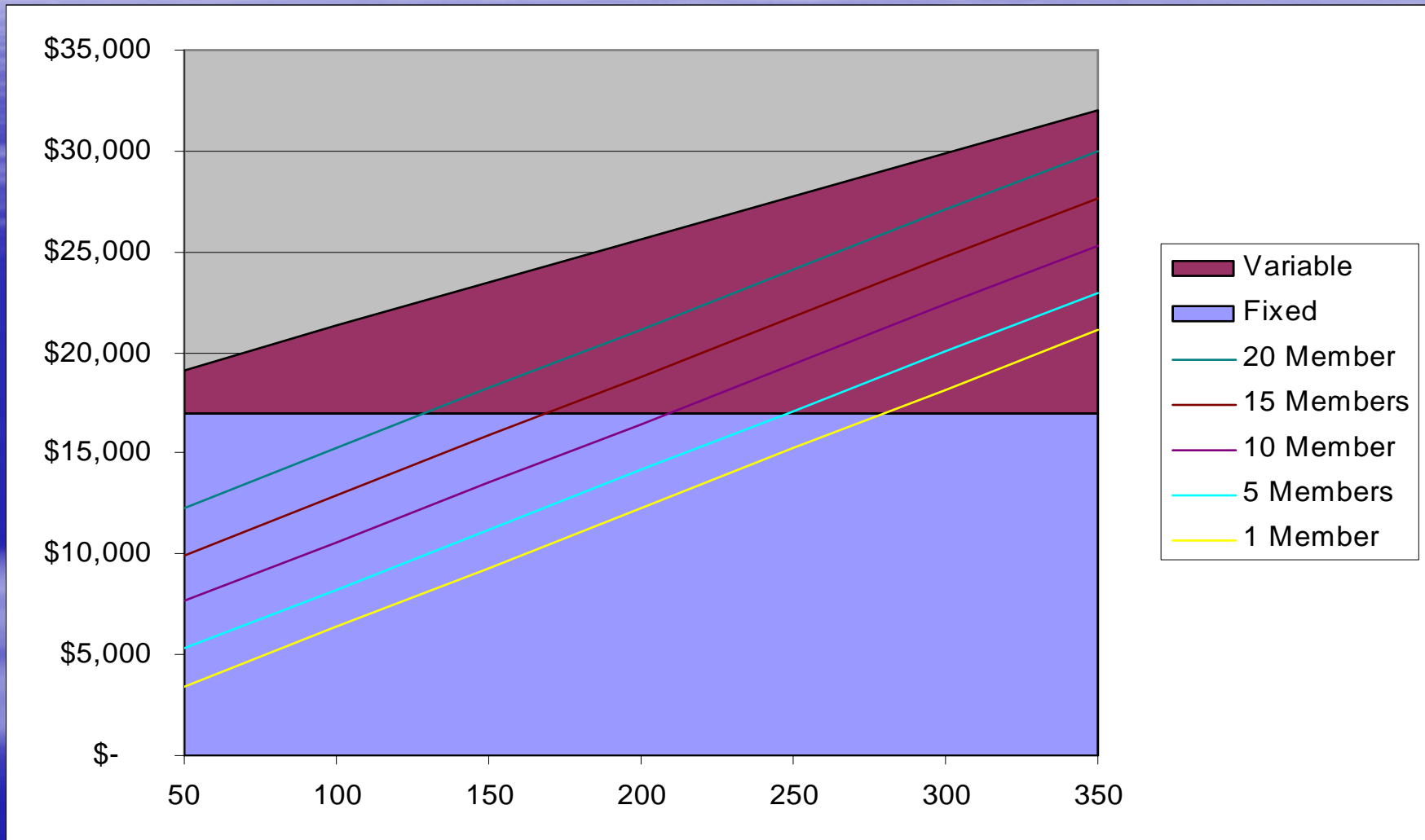
2.5 hours the difference is \$26 per month

Effect on Club Finances

Monthly Cost Recovery Each Member



Yearly Under-Recovery



12 Members, 240 flight hours per year = \$7,544 loss

How are we surviving now

- Some people are being billed 1 hour minimum and not flying, all \$59 goes toward expenses vs. only \$16 if someone flies.
 - To break even, this has to be about half of the hours billed?
- We are dipping in to the Engine fund?
- We are dipping in to the \$1300 Capitalization?

Summary

- Financially we would be more stable, collecting monthly fees to cover fixed costs and hourly fees to cover variable costs.