



MT. SAN ANTONIO COLLEGE

REGULAR MEETING OF THE BOARD OF TRUSTEES

Wednesday, September 12, 2012

6:30 p.m. Public Session

1100 N. Grand Avenue, Founders Hall
Walnut, CA 91789

ADDENDUM TO THE AGENDA

CONSENT AGENDA

Administrative Services

17. Consideration of approval to amend the aircraft purchase by the Aeronautics Program.
(See attached backup information.)

DISCUSSION AGENDA

1. Procedural and parliamentary processes during Board meetings including analysis from legal counsel.

**BOARD OF TRUSTEES
MT. SAN ANTONIO COLLEGE**

DATE: September 12, 2012

ACTION

SUBJECT: Amended Aircraft Purchase, Aeronautics Program

BACKGROUND

On July 25, 2012, the Board approved the Aeronautics Program purchase of a 2001 Cessna 172SP (Registration No. N3505R) to complement its existing aircraft inventory. This aircraft will provide learning opportunities in newer technology and decrease the time demands and related servicing on existing aircraft.

The original agenda item did not provide some of the specific details about alternative aircraft that were considered during the purchase process and other details about the steps followed for the purchase as is required to assure compliance with all District policies and procedures. Because this was the purchase of a used aircraft, normal bidding processes could not be used. However, to facilitate the purchase, it was necessary to use the services of a Broker and then an Escrow and Title Company to handle closing of the sale, similar to the process used when purchasing a home. As a result of this added information, it is recommended that the Board reapproves the purchase inclusive of the additional information provided below.

ANALYSIS AND FISCAL IMPACT

The Broker and Aeronautics faculty members researched aircraft that were available for purchase using the internet, trade publications, and other used aircraft listings. A tally sheet listing three similar aircraft best suited for the Aeronautics program was then evaluated for the purchase, as follows:

<u>Description</u>	<u>Registration No.</u>	<u>Price</u>	<u>Hours</u>	<u>Comments</u>
2001 Cessna 172S	N2711R	\$129,500	4310	No damage/corrosion, heavy use
2002 Cessna 172S	N5298S	\$115,900	3970	No damage/corrosion, flight school
2001 Cessna 172SP	N3505R	\$111,000	460	No damage/corrosion, one owner

Prepared by: Thomas G. Meikle

Reviewed by: Michael D. Gregoryk

Recommended by: Bill Scroggins

Agenda Item: Action #

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After evaluating the factors of age, condition, flight hours, usage, in-person inspection, and price; the Broker and Aeronautics faculty recommend the purchase of the Cessna 172SP. The total purchase price of the Cessna 172SP is not to exceed \$135,000 and includes broker, escrow, title/insurance, inspection fees, and taxes, as indicated below:

- Aircraft Purchase Price: \$111,000 + tax
- Broker Fee: \$1,500
- Escrow Fees: \$550
- Title Fees/Insurance: \$525
- Annual Insurance Premium: \$9,085
- Inspection: \$2,000-\$2,500

Using the Escrow and Title Services of AIC Title Service LLC, Oklahoma City, OK, the aircraft will be purchased from Keith and Joanne Longie, Scottsdale, AZ. Brokerage services will be provided by Apodaca Investigative Agency, Walnut, CA. The Annual Insurance Premium will be paid to Falcon Insurance.

Funding Sources

- Restricted General Fund.
- Unrestricted General Fund.

RECOMMENDATION

It is recommended that the Board of Trustees approves entering into escrow and payment to AIC Title Service LLC, Oklahoma City, OK, for all amounts due inclusive of payment for Escrow Fees, Inspection Fees, and Broker Fees to Apodaca Investigative Agency, Walnut, CA, and sales proceeds to Keith and Joanne Longie, Scottsdale, AZ, for the purchase of the Cessna 172SP Aircraft. In addition, the Board of Trustees approves payment of the Annual Insurance Premium to Falcon Insurance and applicable taxes to the appropriate taxing, registration, and licensing authorities.