

**THE WORKSESSION  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD FEBRUARY 26, 2018 AT 6:00 P.M.  
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**CALL TO ORDER:**

Mayor King called the meeting to order at 6:04 p.m. with the Pledge of Allegiance.

**ROLL CALL:**

Present were: Mayor Toney D. King Sr., Vice Mayor Joe Konrad, Councilmembers Pat Boyle, Larry Dempster, Lupe Diaz, Levi Garner and David Lambert.

**NEW BUSINESS:**

1. **Discussion regarding airport safety and making the airport profitable.**

Interim City Manager Vicki Vivian stated this worksession was requested by Councilmember Dempster and allows the Council to discuss airport safety and making the airport profitable, adding an action item has been placed on the Regular Meeting agenda to allow Council to take action regarding the airport safety and making the airport profitable.

Councilmember Dempster stated Public Works Director/Airport Manager Brad Hamilton and Airport Coordinator (ASC) David Thompson's presentations at the Council meeting in September were good and he learned a lot, but he wanted to address a couple issues. Councilmember Dempster then stated the airport should be as safe as possible and comply in every way with any safety requirements of any agencies or anybody and be overly zealous in safety. Councilmember Dempster then stated at the meeting in September, there was mention of a bull on the runway and the Federal Aviation Administration (FAA) suggesting the airport be fenced, adding he felt that was a serious situation, especially since it was now on record that it should be done and that it shouldn't cost that much to fence the airport. Public Works Director Brad Hamilton stated the FAA suggested the airport be fenced because of the cattle on the runway and the FAA agreed to fund it, but the City has to go through a process, which is underway. Mr. Hamilton then stated first step is clearing the environmental evaluation so the fence is funded, again stating the City has to go through the process.

Councilmember Dempster asked about the cost of fencing 3 miles, with Mr. Hamilton stating the cost is expensive, adding the FAA is recommending the whole fence be chain link, with breakaways at the wash crossings. Councilmember Dempster then spoke about his concerns regarding the airport being in compliance from a safety standpoint; particularly fuel-water separators, filters, samples, the timing of when they need to be changed and the documentation that it's been done. Mr. Hamilton stated he has looked into the matter and found there is a difference between a certified airport and a general aviation airport, adding the City's airport is a general aviation airport so a lot of the rules that apply to a certified airport do not apply to the City, but the FAA makes recommendations. Mr. Hamilton then stated all fuel trucks/tanks have to meet NFPA 407 for fueling aircraft and the City enforces the codes through the Fire Marshall, adding the Fire Marshall will be taking a look at all of that and inspecting it. Councilmember Dempster asked about requirements concerning intervals and checking filters, sampling, and things like that for the fuel with Mr. Hamilton stating the only requirements he could find were for certified airports, adding for certified airports, there are regulations and for general aviation airports, there are suggestions. Mr. Hamilton then stated he has been reading through the manuals and he can't find where a general aviation airport would be doing this like a certified airport would.

Mayor King asked Mr. Hamilton to explain the difference between a certified airport and a non-certified airport and to explain the differences between the two with Mr. Hamilton stating a certified airport must have an air carrier that carries more than nine passengers on a plane on a regular basis, basically an airline, adding those airports must be certified, and they have a lot more rules. Mr. Hamilton then stated the City doesn't have an airline and doesn't sell tickets to the general public, the City's airport is not certified and is not required to be certified.

Mayor King stated he is trying to understand the safety issues and asked about an airplane that carries more than nine passengers with Mr. Hamilton stating there must be an airline at the airport that would carry more than nine passengers on a flight. Mayor King then verified that even if the airport runways were extended, the airport would not be a certified airport because there isn't an airline company offering flights in Benson with the ability to carry more than nine passengers. Mayor King then asked about changes that would have to be made before the airport would become a certified airport with Mr. Hamilton stating he wanted to clarify that nine people on a corporate jet flying into Benson will not require being a certified airport, adding the flight service would have to be offered to the general public. Mayor King asked if Mr. Hamilton was talking about a major airline or an airline company with Mr. Hamilton stating anyone who offers tickets to more than nine passengers on their airplanes to the general public flying in and out of the airport on a regular basis would require the airport to become a certified airport. Mr. Hamilton then stated the City's airport consultant will be coming in tomorrow and meeting with Staff to go over this information as well.

Councilmember Dempster asked if it is possible for the FAA to do an inspection for the City with Mr. Hamilton stating he was not sure, as this would be equivalent to the FAA putting their name on it.

Airport Services Coordinator Dave Thompson stated that airline service on scheduled airlines, according to the FAA, is covered under Part 135 and does require fuel sampling and a lot of different requirements. Mr. Thompson then stated Part 91, concerning general aviation, which is what the City's airport is, requires the pilot to be responsible for the quality of the fuel in his aircraft, adding specific to the FAA, the pilot is required to check their own fuel and water for contaminants or whatever; again stating that's the pilot's responsibility. Mr. Thompson then stated the vendor the City has now, Southwestern Aviation, is using trucks that have serviceable filters and they are serviced and logged so Southwestern Aviation is in complete compliance with fuel contamination quorums.

Mayor King confirmed that Mr. Thompson was stating Southwestern Aviation was meeting all the requirements and then asked how many times a year the Fire Marshall inspects something like this with Mr. Hamilton stating he was unsure of the frequency of inspections. Mr. Thompson then stated the FAA did an inspection in December of the City's airport, adding they checked the runway lights. Mayor King then asked about the outcome of that inspection with Mr. Thompson stating the City was fine. Mayor King asked if there were any safety issues with Mr. Thompson stating there were none. Mr. Thompson then stated the only thing the City was required to do down the road was get the back fence fixed, adding the City has been working on that. Mr. Hamilton then stated the FAA found nothing wrong.

Mr. Thompson then stated the City is trying to get the runway extended and in order to comply with the FAA, the City has to do whatever the FAA wants, noting the fence is the first requirement. Mr. Thompson then stated the City is restricting the aircraft that come and go right now because the runway isn't long enough for some planes, such as big twins or light jets.

Mr. King stated the City has been waiting on information to come through to be able to see the governor with both state representatives plus the head of state land. Mayor King then stated once the City gets information, the Council would let the public know.

Mr. Thompson then stated the safety issue applies there because, for instance, Love's fuel station's auditor comes here three times a year to check their books and records and when they fly into Benson, they can't fuel. Mr. Thompson then stated they can legally take off the runway if they are light, but if they fuel up, they are too heavy and can't take off. Mr. Thompson then stated the City loses that economic advantage and it's based strictly on a safety issue.

Vice Mayor Konrad confirmed this was due to the length of the runway. Councilmember Dempster then stated his concern was because he has been involved in various airplane wrecks, adding one was at LAX that involved a private plane and like locusts, every agency in the country was there to check on his company. Councilmember Dempster then stated his company had to come up with all kinds of records and sampling and everything else, stating again, this was a private plane. Councilmember Dempster then stated he wants to feel comfortable that the City has everything needed, such as the documentation, in case anything should happen, adding he likes the idea of the FAA inspecting and signing off that the City is ok. Mr. Hamilton stated he would see what could be done.

Councilmember Diaz asked what was being done about the fence situation with Mr. Hamilton stating the fence is repaired on a regular basis. Mr. Hamilton then stated he hasn't seen the bull lately and isn't sure the bull is still in the pasture next to the airport, adding there was one bull that was big enough to lay the fence right over and when that happened, other cattle would follow. Mr. Hamilton then stated unfortunately, when the airport was built they wanted non-barbed wire on the bottom and top of the fence and that type of fence doesn't prevent this problem, adding the problem has been identified and it is on the way to getting fixed. Mayor King asked how often the fence was visually inspected with Mr. Thompson stating he drives the perimeter road once a week and he's hasn't seen the bull either. Mr. Thompson then stated he inspects the runway all the time, adding usually in the morning, he can turn on the runway lights to make sure all the lights are working and everything is in compliance for night landing, adding at the same time, he is looking for FOD, which is "foreign object deposits" on the runway. Mr. Thompson then stated he removes whatever he finds and there hasn't been any cow stuff in over a year, adding the fence is secure all the way around the backside, which is where the problem was.

Councilmember Dempster asked if the pasture was state land, adding if it is, then whoever has the lease on it can run cattle. Councilmember Dempster then asked about how big the lease was and if it could be purchased cheaply, adding if the City purchased the lease, there would be no cattle. Councilmember Dempster then stated that Mr. Thompson said the FAA wants an 8-foot fence similar to the one in the front and at the ends of the airport and they want it all the way up the backside. Mr. Thompson then stated the TSA (Transportation Safety Authority), has a bulletin out this year and he made sure the City had the proper signage, adding the City did. Mr. Thompson then stated he is also looking at the gates, noting they are operational and the key cards should only be held by people who need access to the airport, noting airport security is very important and is something being reviewed at airports, including small general aviation airports. Mr. Thompson then stated the Casa Grande airport is wide open with no one around, but now they must put gates up and make sure the general public can't just wander onto the airport, adding the FAA is getting stricter on security.

Vice Mayor Konrad asked about restrictions and if it included the runway area with Mr. Thompson stating the public can drive outside the fenced area, as that is all open for public access, but if someone wants to come onto the field, they need a key code to go through the main gates or some type of an access card. Mr. Thompson then stated the City airport uses a magnetic reader card that people can use to swipe their card at the gate so they can drive on, but they must have an aircraft or be part of the crew or they must be working on the airport to have fulltime access, otherwise, they need to be escorted. Mr. Thompson then stated part of this is a big safety issue because at a little airport in Ohio, a man took his girlfriend flying and she went to do something and then came back through an open gate and walked into a propeller, adding the plane was warming up and she wasn't aware of the propeller spinning and she was killed. Mr. Thompson then stated the FAA then became big on safety, adding this girl should have been escorted back in.

Mayor King stated he knew there were problems in the past with keys and locks with Mr. Thompson stating he is going through the key list right now, so there aren't people on the key list who shouldn't be. Mr. Thompson then stated this does affect the repair facility becomes sometimes their customers can't get on the field, so they must call and have someone come let them in, but those are the rules. Mayor King stated he would rather have that slight inconvenience than have someone get hit by a plane or be in areas where planes are getting started up to take off. Mr. Thompson agreed, then stated he is at the airport all the time and doesn't like to see strangers out there or people who don't have any business at the airport.

Councilmember Dempster asked about the insurance at the airport and if it was with the Risk Pool with Interim City Manager Vicki Vivian stating there is a separate carrier for airport insurance and she believes it is with Jones-Wilson Insurance Agency, but she would have to confirm the carrier.

Mayor King asked if anyone had any questions about profitability with Councilmember Garner asking how much the City sells fuel for and if the City could adjust the price to increase income. Mr. Hamilton stated currently Southwestern Aviation sells fuel and the City gets a flowage fee. Mr. Hamilton then stated as far as setting prices, it's a free market and the price is determined by Southwestern Aviation. Mr. Hamilton then stated the City has considered installing a fuel farm for self-serve fuel, which would be a little different operation and could potentially make money that would offset the cost.

Ms. Vivian then stated the FBO (Fixed-base Operator) contract requires the FBO to pay the City a certain amount per gallon, regardless of the price it is sold for, adding she believes the City receives .06 cents a gallon but she's not positive.

Mayor King asked if the City has been approached by anyone who would like to start a fuel farm and if this was something that could be profitable for the City with Mr. Hamilton stating he has met with Arizona Electric Power about installing self-service fuel, adding they have a funding opportunity that may be available with a very low interest rate or possible no interest. Mr. Hamilton then stated the idea would be that the City would make enough money to make the payment and maybe more than that to offset the cost of the airport.

Mayor King asked about procurement for such a project with Ms. Vivian stating the City would have to follow the procurement code and find three different costs, unless Staff found a vendor that was on the state contract and was cheapest. Ms. Vivian then stated it's a little different than an RFP (Request for Proposal, but the City would follow the procurement code.

Mayor King asked Mr. Thompson if there were any interested parties that the City needs to look into who could offer profitability with Mr. Thompson stating he has talked to several airports around the state and 53% of the airports in Arizona have self-fueling. Mr. Thompson then stated most have found that self-fueling jet fuel is okay for the helicopters, but there is no jet pilot that will fuel his own plane because they don't want to get in the airplane and smell like jet fuel, so they require someone to fuel the aircraft for them. Mr. Thompson then stated most of the airports that have helicopter volume, either have a truck like the City's airport does, adding it sits next to the helipad and then if a jet needed to be fueled, the truck would go fuel them and then go back to helipad because that's where most of the jet fueling is done. Mr. Thompson then stated some airports have a stand tank, which is a gravity feed tank on a stand with 2,500-3,000 gallons of jet fuel that is gravity fed and is used just for helicopters, adding they also have a small truck that can run around the field to fuel jets, noting it depends on the size of the airport and how busy they are. Mr. Thompson then stated everyone agrees that 100 LL, gasoline for private aircraft is an extremely good way to go, noting most airports that have installed a self-fueling system have doubled or tripled their volume because people can land at night and fuel. Mr. Thompson then stated the profitability to the airport runs about .65 to .75 cents a gallon. Mr. Thompson then stated Wickenburg installed fuel tanks and paid for their entire system in about 5 ½ years based on fuel sales, adding their fuel sales tripled when they put in the self-fueling tanks. Mr. Thompson then stated Falcon Field in Mesa has self-fueling tanks for 100 LL, but they do not have it for jets because they don't get a lot of jet aircraft, adding they do get a lot of military aircraft that want to be fueled out of trucks because they don't want the smell of fuel on their uniforms. Mr. Thompson then stated they do have two trucks that just go around and service the flight schools that are up there, adding one school has 130 aircraft and every time they come in for lessons, they need to be fueled. Mr. Thompson then stated Falcon Field's profitability runs about .48 cents a gallon and they are open 24 hours a day, but they figure in the manpower that cuts into their overall profitability. Mr. Thompson then stated self-fueling tanks with a credit card reader brings the profitability to .75 cents a gallon.

Councilmember Diaz stated if the City goes to self-fueling, the airport will lose a lot of the other services the FBO provides, adding when the City hires an employee, there are other costs, such as pensions, holiday pay and health care that will cut into the profit, adding the City may look at the profit margin but they need to look at what they would really be getting and take that into consideration. Councilmember Diaz then stated when the City gets rid of an FBO and moves to self-service, they are making a tradeoff, again stating the City would be looking at more employees. Councilmember Diaz then stated he believes the FBO handles promotional events and websites; then stated the Council needs to consider the community and if they would be happy when there isn't anybody to repair their aircraft with Mr. Thompson stating the FBO provides a great service and a lot of people don't want to fuel their own planes. Councilmember Diaz stated if the City goes to self-service, they would lose some of that and there may not be anyone repairing planes. Mr. Thompson stated self-service is standalone, adding it would not cut the FBO or any repair facilities out of the airport. Councilmember Diaz asked if this would mean there could be two options for fuel with Mr. Thompson stating sometimes there are even three or four fueling options at airports. Councilmember Diaz stated what he sees is only adding more costs to the City to operate the airport with Mr. Thompson stating it wouldn't cost the City because it would be a self-standing business. Mr. Thompson then stated in the City's operations, the Airport Services Coordinator is a contract employee, so he has no benefits. Mr. Thompson then stated he could provide the services without there being an extra burden on the City and as far as

self-fueling having an impact on the FBO or repair facilities, the FBO could still offer fueling services and it really doesn't have anything to do with the repair facilities.

Mayor King asked both Mr. Hamilton and Mr. Thompson about the runway extension, how it would affect the airport profitability and what the benefit would be of extending the runway with Mr. Hamilton stating the airport could then take faster aircraft and other services. Mr. Hamilton then stated as far as the profitability of the airport, there was still the big capital expense of the fence to get the FFA to go along with it.

Mr. Thompson stated by bringing in larger aircraft and light jets, the airport could also service charter aircraft and if the need would ever arise, the City could also do a scheduled service and a terminal. Mr. Thompson then stated a longer runway would bring more maintenance facilities, more maintenance workers and much more fuel service thereby increasing the airport's profitability. Mr. Thompson then stated the City could also get the fire fighter planes that are stationed in Willcox now, adding they would rather be at the Benson Municipal Airport because it is in the center of their firefighting area, but they need 5,500 feet to operate and the City only has 4,200 feet. Mr. Thompson then stated there would also be a possibility for freight dogs, which are the small planes from UPS and FedEx, adding they would much rather be at our airport than in Tucson because they are limited by the heavy traffic there. Mr. Thompson then stated in Tucson, it costs them a lot of time, manpower and fuel. Mr. Thompson then stated the profitability to the airport would be that they fuel here, land here and do business here. Mr. Thompson then stated there is no small City that is successful without a good airport and with Vigneto coming, a lot of people will have their own aircraft or they will charter aircraft to come here and look at property, adding the need is there. Councilmember Diaz stated he knows the City subsidizes the airport and there is a big chunk of money going out of the general fund to support the airport; then stated the Council needs to minimize the deficit.

Councilmember Dempster asked if an income statement could be prepared for the airport; a balance sheet with sales, expenses, and profit so the Council could analyze sales and determine how they could decrease expenses and increase profit. Ms. Vivian stated Staff could look at expenses and income, but there aren't any City sales at the airport to look at with Councilmember Dempster stating he would like to change sales to income of any kind for the City. Councilmember Dempster then stated the Council could then address each item, including the insurance policy expense.

Mayor King asked if there were any other questions. There were none.

**ADJOURNMENT:**

Vice Mayor Konrad moved to adjourn at 6:42 p.m. Seconded by Councilmember Garner. Motion passed 7-0.

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Toney D. King, Sr., Mayor

ATTEST:

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Vicki L. Vivian, CMC, City Clerk