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FINAL REPORT  
OF THE  
BURLINGTON AIRPORT STUDY GROUP

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## INTRODUCTION

Proposed legislation (H. 413) in the 1985 session of the General Assembly was designed to transfer ownership and operation of the Burlington International Airport from the City of Burlington to a regional authority. This proposal raised a number of issues including the amount to be paid for City equity, financial viability of the authority, employee protection and the appointment of authority trustees.

In order to address these and other issues a Governor's Study Group analyzed various alternatives ranging from doing nothing to transferring the Airport to the state government which would own, operate and develop the facility. Each of the alternatives presented advantages and disadvantages. All but two alternatives were found to be less desirable than either modifying the existing City management or transferring ownership to a regional authority.

Further analysis indicated that simply modifying City management practices, providing revenue bonding authority, and increasing the size of the Airport Commission to provide neighboring communities and the state some voice in Airport affairs would adequately address the primary intentions of the legislation while avoiding the expense and effort attendant to establishing a regional authority.

A recurring issue, but one beyond the scope of this study, is the question of the suitability of the Airport's current location in respect to the region's long term needs. This issue deserves further analysis.

### Study Direction and Intent

By an Executive Order, the Governor directed a study be conducted of the entire issue surrounding the management, operation and development of Burlington International Airport. The reason for Governor Kunin directing that the study be done was to provide information and recommendations relative to legislation (H. 413) which had been introduced in the 1985 Session of the General Assembly. This report is made in conformance with the direction contained in the Executive Order.

### Organization of Study

Shortly after issuance of the Governor's Executive Order, volunteer persons were secured to be members of the Study Group. The Study Group was chaired by the Secretary of Transportation, Susan Crampton, with co-chairs, Senator Thomas Crowley and Representative David Kaufman. Members of the Study Group represented various governmental and constituent groups including:

City of South Burlington - Michael Flaherty;  
City of Winooski - Clement Bissonette;  
Business Community - Edward Horton.

Although invited, the City of Burlington declined to appoint a representative to the Study Group.

The Study Group held its initial meeting on June 24, 1985, at which time it affirmed the committee organization and establishment of a work program. The Committee titles and their chairmen were:

User Committee - Jack Stanton;  
Value Committee - John Downs;  
Employee Committee - Dominique Casavant;  
Finance Committee - William Bruett;  
Organization Committee - Gary Barnes.

Each committee was composed of several members having either intimate knowledge of the Airport's operations or specific background and training which would support the primary committee activities approved by the Study Group.

In the initial review by the Study Group, it was found that the Airport itself was very well maintained and operated to the highest standards, indicating exceptional quality of Airport staff and management plus long term care and support by the Airport Commission which is responsible for the Airport under the Burlington City charter. The Airport has historically had the luxury of a relatively strong income stream provided by the airlines and other tenants and users of the facility. There was no evidence of any City taxes, as may have been raised for City government purposes, having been used for any Airport purpose within the last twenty-five years. The Airport essentially is, and has been, self-sustaining on a current basis with respect to maintenance, operation and capital development other than for major capital improvements which were not supported by federal aid. The Airport has historically been dependent upon a combination of federal and state assistance for capital projects with the exception of the terminal improvements which are income producing and, therefore, not eligible for that form of aid under policies in effect. Despite the fact that there was no scheduled capital improvement plan, it was clear that there were capital improvement demands sufficient to require the use of all potentially available revenues well into the future, even with a continued strong influx of federal and state assistance.

#### Environment Identified for the Airport

With the Airport providing excellent travel service for both management and products of key industries within a large region encompassing fully the northern half of Vermont and the northeastern portion of upper New York State together with

southern Quebec, including the City of Montreal, it was obvious that it is a transportation facility of critical importance. Since the Airport holds such status, it is axiomatic that it should be responsive to demands and opportunities to serve the present and anticipated passenger and freight carriers and users together with being the base for important National Guard facilities supporting the national defense. Certain events in the recent past gave concern to the Study Group that constraints were being made on the Airport Commission which prevented the Airport from responding adequately to the needs and economic well-being of a large region encompassing, but greatly overshadowing, the City of Burlington. It seemed highly undesirable, given the regional importance of the Airport, that one element of local government and its citizens could effectively deny the preservation and expansion of the Airport to suit regional needs.

Concerns were raised by the apparent policy and determination of the City of Burlington to divert Airport revenues to general City purposes. In addition, the current Airport terminal expansion project was limited in scope by the reluctance of the City administration to place a sufficient bond issue before the voters with the result that the building will likely be overly crowded upon the completion of construction, leaving no room for the anticipated expansion of passenger volumes in the immediate future. Another instance of concern was the placement of security officers provided by the Burlington Police Department at a greater cost than offered by other parties.

With this environment in mind, the Study Group set out to find opportunities and alternatives to remove their concerns and enable the Airport to be the responsive and quality facility which the economy of the region warrants and demands.

### Alternatives Identified for Study

The Study Group identified five discrete alternatives for analysis. These alternatives were similar to the approaches taken in a number of localities where similar issues and situations had confronted decision makers. As in every case a range of alternatives exists on a scale ranging from doing nothing to making a substantial and dramatic change in ownership, management and oversight.

For the purposes of this study, the alternatives identified were:

1. Do nothing;
2. City ownership and management modified;
3. Operate by independent authority, City ownership;
4. Acquisition and operation by an independent authority;
5. State ownership, operation and management.

Each of the alternatives was evaluated for its apparent advantages and disadvantages. The financial implications of each alternative were reviewed from the standpoint of costs, revenues, incurring of debt and governmental organization issues.

Several of the alternatives were found to be wanting in terms of achieving the desired character of the Airport or presented no opportunity for improving the Airport's responsiveness. These included (1) doing nothing, which obviously led to a continuance of present problems being encountered. Operation by an independent authority (3) did not address the primary issue of the owner's (City) responsibility for capital improvements, although through the medium of revenue bonds the future requirements may possibly have been accommodated. Organizational problems dealing with acquisition of additional property and the liabilities to the City as owner did not favor this alternative.

Inclusion of the Airport in the present state airport system (5) did not provide for the responsiveness which was felt to be essential. Transfer of employees to State status also was found to be undesirable. Competition with the other airports for administrative attention and development funding was seen to be not conducive to this alternative.

This analysis left two primary alternatives for detailed review.

#### Analysis of Primary Alternatives

The two primary alternatives reviewed by the Study Group included continuation of City ownership, operation and development with modifications; and, secondly, the ownership, development and operation being turned over to a new entity termed a regional authority.

These two opportunities were discussed at length by each of the committees and consultation was had with the primary users, the surrounding communities, the Federal Aviation Administration and the Air Transport Association. The Chittenden County Regional Planning Commission issued a report and adopted a resolution which supported the alternative of City ownership with modifications.

The Study Group noted that there currently did not exist any compelling reason to make a large scale change. The cost of transferring ownership was problematical. No mechanism existed for arriving at a transfer price and the City is currently developing a value based upon future income and has yet to arrive at its demands, but the amount is felt to be likely in excess of one million dollars. In addition there was an undefined, but anticipated, costly transfer of Airport employee benefits to a successor entity. The airlines and other primary users expressed no interest in contributing to an acquisition or transfer cost. The FAA indicated no restrictions on the transfer with the exception that continuance as an airport would be required

and that federal investment would need be accounted for in arriving at a cost which would be reflected in user fees.

With certain modifications to City policy and statutory provisions, it would seem that the primary concerns could be addressed. This would involve no change in user fees or in demands on local, state and federal resources. In effect, continuance of the status quo with certain modifications would be the least costly alternative. It was also the most feasible alternative to effect in the short run since considerable, detailed study and lengthy transition time would be necessary for the regional authority to assume responsibility for the Airport.

#### Analysis of the Feasible Alternative

Certain features of City government practice and statutory authority were seen to need modification in order to provide the Airport with the necessary responsiveness and capability to meet the anticipated demands and needs of the region, the regional economy and visitors to the state. These included:

1. Establishing the Airport as an Enterprise Fund which allowed segregation of revenues and costs.
2. Providing the Airport Commission with financial autonomy in terms of allowing budgeting and expenditures with reduced oversight by the City administration and with the intent of Airport management being able to effectively control costs and secure the most economical operation and maintenance.
3. Providing the Airport Commission with revenue bond authority which would provide an alternative to general obligation bonding by the City.



4. Requiring a long-term capital needs plan by the Airport Commission which would indicate over at least a ten-year period a complete listing and schedule of improvements together with anticipated funding sources.
5. Expanding the Commission to include representation from neighboring communities which is intended to allow policy and operations to be considered by those communities who are most directly affected by the Airport and who are not now represented on the Commission, including Winooski, Colchester, Essex and Williston.

Each of the modifications is specified in detail in the appendices to this report.

#### Discussion of the Feasible Alternative

Modification of the City policy and statutory authority, in order to provide the necessary financial autonomy and flexibility to the Airport as described above, is the most feasible alternative reviewed by the Study Group. The measures necessary to accomplish this are generally self-evident in terms of the necessary implementing process for what is to be accomplished. Some issues surrounding each of these measures include:

1. Establishment of the Airport as a formal Enterprise Fund, much the same as the City's electric and water departments, would result in separate budgeting of expenses and retention of excess revenues as reserve funds; the internal control and approval of expenses, and the establishment and maintenance of a separate bookkeeping system. The Airport has been informally treated as an enterprise fund for many years and no

objection should be voiced except as related to the treatment of excess revenues. Public review would be achieved in the same manner as provided for the electric and water departments, i.e. via budgets submitted to the Board of Aldermen.

2. Providing the Airport Commission with financial autonomy in addition to budgetary authority as provided by an enterprise fund confers control of purchases for services, personnel and equipment and all expenses related to the daily operation of the Airport together with approving all small capital expenditures not requiring indebtedness. In many instances services may likely be secured from the City of Burlington as the most economical source as, for instance, legal and purchasing functions. The lowest initial and long-term cost should be a basis for selecting a service provider. The negotiation of revenue contracts and leases not conferring long-term rights or obligations on the public facility and its associated real estate is necessary for financial autonomy.

Any desired public review of the financial activities could be achieved through the Commission providing reports to the Board of Aldermen.

3. Providing the Airport with revenue bond authority would allow the funding of major capital improvements having identified income streams such as auto parking, jetways, hangars and terminal improvements without incurring general obligation on

City of Burlington property owners or competing with other City general obligation capital needs. Having this recommended authority makes the Airport more readily responsive to needs and avoids the necessity to present specific issues of narrow importance to the voters. It is seen that the failure of a general obligation bond approval in a timely manner could be detrimental to the economic growth of the City and the State. Public review and oversight on incurring revenue bond indebtedness is necessary in order to protect the existing general obligation indebtedness which was approved in anticipation of current income to the Airport being available to amortize the debt. With this in mind, approval by the Board of Aldermen is absolutely necessary so long as general obligation Airport debt is outstanding.

Special authority would be required from the General Assembly to allow the Airport to take advantage of Vermont Industrial Development Authority financing or to allow independent issuance of the revenue bonds.

4. Development of an Airport capital needs plan extending into the future is necessary for solid financial management and analysis. Currently the best project detail and schedule for the major projects is included in the Agency of Transportation Five Year Plan, but this includes only federal and state-aid eligible projects, omitting the others. A program of projects, based on assumed federal and state-aid projected and scheduled out at least ten years into the future, is necessary for the Airport's long-range financial status to be assessed

and for revenue sources to be adjusted accordingly when contract provisions allow this.

5. Representation of neighboring communities on the Airport Commission is a highly sensitive issue to all parties. The City is rightfully wary of having its ownership status diluted by a substantial expansion of the Commission with outside representation. The neighboring communities to the Airport are subject to greater economic and environmental impacts than is the City. The critical importance of the Airport to the region argues against the City having singular influence and decision making. The size of the group is best limited to seven, an increase of two members. Representation of the State's interest for its substantial financial contributions and likely bail-out role in the event of trouble is warranted. Various sources of representation were considered with the most workable seen to be a person nominated by the Chittenden County Metropolitan Planning Organization, who is not a resident of Burlington or South Burlington, seen as the most reasonable approach. A second person nominated by the Governor, who is not a resident of Burlington or South Burlington or the community of the MPO representative, to represent the State is also a reasonable approach.
6. The suitability of the Airport's current location for meeting the needs of the region is of sufficient question to warrant additional study.

## Recommendations

In order to accomplish the consensus of action arrived at by the Study Group, a coordinated series of policy and legislative initiatives is necessary. These initiatives are:

1. The City should propose, and the General Assembly approve, City charter changes to establish the Airport as an Enterprise Fund with the same status and powers as provided to the Burlington Electric and Burlington Water Departments.  
Suggested language is at Appendix A.
2. The City should propose, and the General Assembly approve, City charter changes to provide the Airport Commission with full responsibility for managing the Airport budget with the exception of incurring indebtedness which would require the approval of the Board of Aldermen, the same as provided the Burlington Electric and Burlington Water Departments.  
Suggested language is at Appendix B.
3. The City should propose, and the General Assembly approve, City charter and general statute changes to provide the Airport Commission the opportunity to issue revenue bonds as approved by the Board of Aldermen.  
Suggested language is at Appendix C.
4. The Airport Commission should develop and update on an annual basis a capital project schedule extending at least ten years into the future. This development plan should be coordinated with the Agency of Transportation Five Year Capital Improvement Plan submitted annually to the General Assembly in accordance with Act 183 of 1982.

5. The City should propose, and the General Assembly approve, City charter changes to increase the size of the Airport Commission by two members -- one of the new members to be named by the Governor and the second by the Chittenden County Metropolitan Planning Organization, with both not to be residents of Burlington or South Burlington.

Suggested language is at Appendix D.

6. The General Assembly should tighten the statutory restrictions on the use of Airport revenues in Title 5, Section 296.

Suggested language is at Appendix E.

7. The General Assembly should drop action on H. 413.

8. Member communities of the Chittenden County Regional Planning District should charge the Regional Planning Commission to conduct a study to determine the suitability of the Airport's current location for the region's needs in the long term.

9. It is further recommended that the results of this study and its recommendations be discussed with the City. Concurrent with this discussion should be the scheduling of a reasonable time frame for implementing the recommendations contained herein as well as of a suitable mechanism for evaluating progress.

## Conclusion

In conclusion, the Study Group has completed its study of the issues surrounding the management, operation and development of Burlington International Airport. The Study Group concludes the Airport is to date a well maintained and operated transportation facility of critical importance not only to the City of Burlington but to a much larger region. Related to this, the Study Group further concludes that changes to certain features of City government policy, practice and statute authority in respect to the Airport should be made to ensure the Airport can be readily responsive to changing needs and circumstances as well as to improve overall economy, efficiency and effectiveness of the Airport enterprise.

To this end, the Study Group respectfully submits this report and the recommendations contained therein for consideration and, the Group trusts, action by the Executive and Legislative branches of the City of Burlington and State of Vermont.

APPENDIX A

AIRPORT; ACCOUNTS

- (a) An airport enterprise fund is hereby created, to consist of the following:
- (1) all rents, fees, charges and other receipts derived from the operation or ownership of the airport;
  - (2) all income derived from the investment of airport revenues not immediately applied to airport expenses; and
  - (3) all grants from the federal or state government for airport purposes as well as funds appropriated from general city revenues for airport purposes.
- (b) Except as otherwise provided, the airport enterprise fund shall be under the exclusive management and control of the board of airport commissioners.
- (c) The airport enterprise fund shall be used exclusively for airport purposes, shall be held and accounted for separately from general city revenues and shall not be subject to appropriation for general city purposes.
- (d) The board of airport commissioners may establish and maintain checking accounts and may pay airport expenses by writing checks on such accounts. The board may delegate its powers and duties under this subsection to airport employees who shall exercise such delegated powers and duties under the general supervision of the board.



APPENDIX B

AIRPORT; SUPERVISION BY CITY COUNCIL

- (a) The powers of the city with respect to its airport except for the power to take property by eminent domain shall be exercised by the board of airport commissioners. The power to take property by eminent domain, and the ultimate authority to determine the wages and salaries for airport employee positions shall be exercised by the city council.
- (b) The following votes or resolutions of the board of airport commissioners, unless approved by the city council, shall be subject to veto by vote of a majority of the whole number of the aldermen, passed within thirty days after the adoption of the vote or resolution by the board of airport commissioners:
- (1) the authorization (but not the sale) of revenue bonds or the adoption of a resolution to provide for the security of revenue bonds or of notes in anticipation thereof;
  - (2) the authorization of a construction contract or a contract for the purchase of property involving in either case the expenditure of more than \$100,000.00.
  - (3) the establishment of rates and charges for (but not changes made in such rates or charges pursuant to any previously established schedules or formulae); and
  - (4) the authorization of a contract to run for a period of more than one year.
- (c) Any such votes or resolutions shall be reported to the city council in writing within five days after adoption by the board of airport commissioners, and the commissioners shall, upon request, appear before the city council to explain the votes or resolutions.

- (d) A vote so passed within thirty days shall be subject to the mayor's veto, and to the overriding thereof, in accordance with the city charter.
- (e) The provisions of this section shall not affect the manner of authorizing or issuing general obligation bonds or notes of the city or of appropriating moneys other than revenues of the airport.

APPENDIX C

ISSUANCE OF REVENUE BONDS

(a) The city is hereby authorized and empowered to issue negotiable bonds, from time to time, for the purpose of financing the cost of any improvement to the airport. Said bonds and the interest thereon shall be payable solely and exclusively from the revenues of the airport and shall not constitute general indebtedness of the city nor be an obligation or liability upon the city to pay the same from any funds of the city other than the revenues of the airport. No holder or holders of any bonds issued under this act shall ever have the right to compel any exercise of the taxing power of the city to pay said bonds or the interest thereon. Said bonds shall not constitute an indebtedness within the meaning of any debt limitation or restriction and shall not be within any statutory limitation upon the power of the city to issue bonds. It shall be plainly stated on the face of each bond that it has been issued under the provisions of this act and that it does not constitute an indebtedness of the city but is payable solely from the revenues of its airport. Said bonds may be authorized by resolution of the board of airport commissioners adopted by a majority vote of the members thereof present at any meeting of such board. Each such resolution shall take effect immediately from its passage and need not thereafter be laid over or published or posted. The issuance of bonds under the provisions of this section the city shall not be subject to authorization or approval thereof by the legal voters of the city or to any other authorization or approval except as provided in Sec. 12 of this act.

(b) Said bonds may be issued in one or more series, may bear such date or dates, mature at such time or times not exceeding forty years from their respective dates, bear interest at such rate or rates, be in such denominations, be in

such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, be declared or become due before the maturity date thereof, as such resolutions authorizing their issuance may provide. Said bonds may be sold at public or private sale for such price or prices as the board of airport commissioners shall determine.

- (c) In case any officer of the city whose signature appears on any bond or coupon shall cease to be such officer before the delivery of such bond, such signature shall, nevertheless, be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this act shall be deemed to be investment securities under the Uniform Commercial Code. Any bonds issued by the city pursuant to the provisions of this act are declared to be issued for an essential public and governmental purpose and to be public instrumentalities and, together with interest and income thereon, shall be exempt from taxes. The resolution authorizing the issuance of said bonds may provide that the bonds shall contain a recital that they are issued pursuant to this act, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.
- (d) In order to secure the payment of any bonds the interest thereon, or in connection with such bonds, the city shall have power as to such bonds, to the extent not inconsistent with the mandatory provisions herein:
- (1) To pledge all or any part of the revenue derived from the airport;
  - (2) To provide for the terms, forms, registration, exchange, execution and authentication of such bonds;
  - (3) To provide for the replacement of lost, destroyed or mutilated bonds;

- (4) To covenant as to the use and disposition of the proceeds from the sale of such bonds and as to the use and disposition of revenues, including, without limitation of the generality of the foregoing, the establishment of reserves for debt service or other capital or current expenses from bond proceeds or revenues or both;
- (5) To covenant as to the rates and charges of the airport provided that the city shall always collect revenues adequate at all times to provide for the proper operation and maintenance of the airport and for the payment of the principal of and interest on all bonds payable from said revenues and all other required payments in connection therewith;
- (6) To redeem such bonds, and to covenant for their redemption, and to provide the terms and conditions thereof;
- (7) To covenant and prescribe as to what happenings or occurrences shall constitute "events of default" and the terms and conditions upon which any or all of such bonds shall become or may be declared due before maturity and as to the terms and conditions upon which such declaration and its consequences may be waived;
- (8) To covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, conditions or obligations;
- (9) To vest in a trustee or trustees the right to receive all or any part of the income and revenue pledged and assigned to, or for the benefit of, the holder or holders of bonds issued hereunder, and to hold, apply and dispose of the same and the right to enforce any covenant made to secure or pay or in relation to the bonds; to execute and deliver a trust agreement or trust agreements which may set forth the powers and duties and the remedies available to such trustee or trustees and limiting the liabilities thereof and describing what occurrences shall constitute "events of default" and prescribing the terms and conditions upon which

such trustee or trustees or the holder or holders of bonds of any specified amount or percentage of such bonds may exercise such rights and enforce any and all such covenants and resort to such remedies as may be appropriate;

(10) To make covenants other than, and in addition to, the covenants herein authorized, of like or different character, necessary or advisable to effectuate the purposes of this act;

(11) To execute all instruments necessary or convenient in the exercise of the powers herein granted or in the performance of its covenants or duties.

(e) Any pledge hereunder shall be valid and binding and shall be deemed continuously perfected for the purposes of the Uniform Commercial Code from the time when the pledge is made; unless otherwise provided in the resolution making the pledge, the pledge of revenues shall include any contract or other rights to receive the same, whether then existing or thereafter coming into existence and whether then held or thereafter acquired by the city and the proceeds thereof; the revenues, rights and proceeds so pledged and then held or thereafter acquired by the city shall immediately be subject to the lien of such pledge without any physical delivery or segregation thereof or further act; and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the city, irrespective of whether such parties have notice thereof. The resolution by which a pledge is made need not be filed or recorded except in the records of the proceedings of the board of airport commissioners and no filing need be made under the Uniform Commercial Code.

(f) A resolution pledging revenues hereunder may provide for priorities among payments to be made from such revenues, whether required by statute, the city charter, such resolution or otherwise. The pledge may include revenues

otherwise accruing to particular funds established by statute or the city charter. In the event bonds are issued junior and subordinate to other bonds, revenues remaining from time to time which are permitted by the terms of the senior bonds to be used to pay or secure the junior bonds may be pledged for that purpose by the resolution under which the junior bonds are issued. A pledge of revenues under this act shall constitute a sufficient appropriation thereof for the purposes of any provision for appropriation and such revenues may be applied as required by the pledge without further appropriation.

- (g) The city may issue refunding bonds for the purpose of paying any of its bonds issued hereunder at maturity or upon acceleration or redemption. The refunding bonds may be issued at such time prior to the maturity or redemption of the refunded bonds as the city deems to be in the public interest. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium thereon, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by a resolution under which bonds are issued. The issue of refunding bonds, the maturities and other details thereof, the security therefor, the rights of the holders thereof, the security therefor, the rights of the holders thereof, and the rights, duties and obligations of the city with respect thereto shall be governed by the provisions of this act relating to the issue of bonds other than refunding bonds insofar as the same may be applicable.
- (h) Unless otherwise provided in the authorizing proceedings, if bonds are authorized under this act, temporary notes may be issued in anticipation

thereof. The board of airport commissioners may delegate the sale of temporary notes to an officer or officers thereof. The principal of and interest on notes may be renewed or paid from time to time by the issue of other notes. Except as otherwise provided, notes issued under this section shall be governed by the provisions of this act relating to bonds insofar as the same may be applicable.

- (i) The city shall have power by resolution of its board of airport commissioners to confer upon any holder or holders of a specified amount or percentage of bonds, including a trustee or trustees for such holders, the right in the event of an "event of default" as defined in such resolution or as may be defined in any agreement with the holder or holders of such bonds or the trustee or trustees therefor:
- (1) By suit, action or proceedings in any court of competent jurisdiction to obtain the appointment of a receiver of the airport or any part or parts thereof. If such receiver be appointed he may enter and take possession of such airport or any part or parts thereof and operate and maintain the same, and collect and receive all revenues thereafter arising therefrom in the same manner as the city itself might do and shall deposit such moneys in a separate account or accounts and apply the same in accordance with the obligations of the city as the court shall direct.
  - (2) By suit, action or proceeding in any court of competent jurisdiction to require the city to account as if it were the trustee of an express trust.
  - (3) Any such resolution shall constitute a contract between the city and the holders of bonds of such issue.
- (j) All moneys received from the issue of bonds (other than refunding bonds) shall be used solely to defray the cost of improving the airport. The cost of improving the airport shall include all cost of acquisition, or



improvement, including all preliminary expenses, the cost of acquiring all property, franchises, easements, and rights necessary or convenient therefor, engineering legal expenses, expenses for estimates of costs and revenues, expenses for plans, specifications and surveys, other expenses incident or necessary to determining the feasibility or practicability of the enterprise, administrative expense, interest prior to and during the carrying out of any project and for a reasonable period thereafter, such reserves for debt service or other capital or current expenses as may be required by the ordinance or resolution under which the bonds are issued, and any such other expenses as may be incurred in the financing herein authorized, the acquisition or improvement of the airport, the placing of such improvement in operation, including the creation of a cash working fund, and the performance of the things herein required or permitted in connection therewith.

(k) Notwithstanding the foregoing provisions, and except as provided in subsection (1) of this section, no bonds shall be issued under this act unless and until more than fifty percent of the board of aldermen of the city present and voting thereon at any regular or special meeting duly warned for that purpose shall have first voted to authorize the project or improvement for which such bonds are to be issued. The meeting agenda shall describe in general terms such project or improvement, shall estimate its cost, and shall state the amount of bonds proposed to be issued to finance it.

(1) The city may issue bonds under this act without voter approval

(1) to pay the costs of (A) the completion of a project or improvement previously authorized by the voters of the city, provided that such costs of completion do not exceed by more than fifty percent the estimated cost of the city's share of the project or improvement as set forth in the warning submitting the question to the voters, and (B)

repairs, alterations or other improvements necessary to maintain the operational status of any facilities of the airport, whether necessitated by casualty, regulatory or licensing requirements, or other cause; or

(2) in the case of jointly-owned facilities not controlled by the city, to pay the city's share of the costs of improvements which the lead participants are empowered to make; or

(3) for refunding as provided in Sec. . of this act.

APPENDIX D

BOARD OF AIRPORT COMMISSIONERS; COMPOSITION

- (a) The board of airport commissioners of the city of Burlington shall consist of seven persons, to be appointed as follows:
- (1) Four from among the legal voters of the city of Burlington, to be appointed by the city council;
  - (2) One from among the legal voters of the city of South Burlington, to be appointed by the South Burlington city council;
  - (3) One from among the legal voters of the state of Vermont who are residents of municipalities other than Burlington or South Burlington, to be appointed by the governor; and
  - (4) One from among the legal voters of the state of Vermont who are residents of municipalities other than Burlington or South Burlington, to be appointed by the Chittenden County Metropolitan Planning Organization.
- (b) Commissioners shall serve for three years and until their successors are appointed and qualified.

APPENDIX E

5 V.S.A. S. 296 is amended to read:

S. 296. VOTE; INCOME; ISSUANCE OF NOTES OR BONDS

An airport or landing field shall not be established or constructed, or equipped, maintained or improved \*[from time to time]\* by a municipality, acting either singly or jointly with one or more other municipalities, \*[unless and]\* until a proposition \*[therefor]\* fixing the maximum amount which may be expended \*[thereunder]\* by \*[such]\* the municipality for \*[such]\* the establishment, construction, equipment or improvement has been submitted to an annual or special meeting of the municipality and adopted by a majority vote of the qualified voters voting \*[thereon]\* on the matter. A municipality \*[may]\* shall use and expend all income derived from the operation of \*[such]\* an airport, \*[or]\* landing field or air navigation facility improvement only for capital improvements or for maintenance and upkeep \*[thereof]\* of the airport, landing field or air navigation facility and may pledge its credit and issue notes or bonds for the purposes of this subchapter in accordance with the provisions of the general law or the charter applicable to \*[such]\* the municipality.