

April 2014

Proposed Five-Year Capital Plan Totals \$1.9 Billion

City will increase annual capital borrowing, but keep within 7% debt service standard

The five-year capital plan (FY15-FY19) submitted as part of Mayor Walsh's FY15 operating budget on April 9th, totals \$1.89B. This five-year capital plan includes 319 new and continuing projects and proposes \$286.8M in new project authorization. Spending for debt service remains below the City's 7% standard.

Capital Funding

Sale of General Obligation (GO) bonds are planned to fund 69.4% of all project costs with federal funds expected to support 11.6% and state funds 13.2% of total costs. The City plans to increase its sale of GO bonds to \$140M in each of the next five years, totaling \$23M more than the last five-year plan. Gross debt service is expected to rise by 32.8% over this time, from \$144.0M in FY14 to \$191.2M in FY19, but will remain below the City's debt standard of 7% of the operating budget. In FY15, gross debt service will represent 5.7% of the operating budget.

With its high [bond ratings](#) and low interest rates, the Bureau has encouraged the City to increase its debt service costs up to the 7% standard to address needed capital projects and invest in infrastructure to support new development.

Project Type

The FY15 capital budget allocates 32% of funds for upkeep, 23% for upgrades, 42% for new/major rehabilitation and 3% for planning and matching needs. This budget continues a trend of increased spending on upgrades and new/major rehabilitations. Five departments account for over 80% of the total capital budget over the five years.

Funding by Department

FY15-FY19, \$ in millions

Department	Amount	%
Public Works	\$671.8	35.6%
School	318.4	16.9%
Prop.Const.& Mgt.	209.7	11.1%
Parks	183.6	9.7%
Library	133.3	7.1%
Dept. Innovation & Tech	116.5	6.2%
Other	254.6	13.5%
Total	\$1887.9	100.0%

Schools

Capital plans for the School Department total \$318.4M over five years, which includes \$243.1M of GO funds. The Department's share of total funds is 16.9% which is less than required to meet the capital infrastructure needs of the system's 128 schools.

In FY15 the School Department will undertake two major renovations: the Elliot School (\$36.3M) and the Mission Hill facility to house Fenway High (\$12M). Additionally, a new facility is being built for the Dearborn School in Roxbury, with the Massachusetts School Building Authority covering \$37.4M or 50.8% of projects costs.

BPS Headquarters

The \$119M Ferdinand Building in Dudley Square is scheduled to open as the new BPS Headquarters in February 2015. The City plans to spend \$20M from FY15 to FY19 on comprehensive renovations at 26 Court Street, the BPS HQ's current site, to accommodate the transfer of other city departments.