

## Proposed Five-Year Capital Plan Totals \$1.8 Billion

*City shifts focus to maintenance and planning, keeps debt service within 7% standard*

The five-year capital plan (FY16-FY20) submitted as part of Mayor Walsh's FY16 operating budget on April 9<sup>th</sup> totals \$1.79B. This five-year capital plan includes 333 new and continuing projects and proposes \$151.3M 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 67.8% of all project costs with the balance coming from state (15.7%), federal (12.2%) and other (4.3%) revenue sources. The City plans to issue GO bonds sales of \$140M in each of the next five years, the same amount budgeted in last year's capital plan. Debt service is expected to rise by 14.0% over this time, from \$164.4M in FY16 to \$187.4M in FY20, but will remain below the City's debt standard of 7% of the operating budget. In FY16, debt service will represent 5.8% of the operating budget.

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

### Project Type

The FY16 capital budget allocates 49% of funds for upkeep, 29% for upgrades, 13% for new/major rehabilitation and 9% for planning and matching needs. This budget reverses the previous trend of increased spending on upgrades and new/major rehabilitations, which represent 42% of the plan this year compared to 65% in last year's plan. This shift is due in part to the completion of the Bruce C. Bolling Municipal Building, which was the largest project underway last year. Seven

departments account for 89.2% of the total capital plan over the next five fiscal years as indicated below.

### Capital Funding by Department

FY16-FY20, \$ in millions

Department	Amount	%
Public Works	\$679.9	38.0%
School	305.5	17.1%
Parks	194.2	10.9%
Library	143.2	8.0%
Dept. Innovation & Tech	106.2	5.9%
Transportation	87.2	4.9%
Prop. & Const. Mgmt.	78.6	4.4%
Other	192.7	10.8%
<b>Total*</b>	<b>\$1,787.4</b>	<b>100.0%</b>

\* Total does not add due to rounding

### Schools

Capital plans for the School Department total \$305.5M over five years. The Department's share of total funds is 17.1% which does not meet its full infrastructure needs.

The School Department recently contracted with Symmes Maini & McKee Associates (SMMA) to complete a ten-year master facilities plan, which is expected to be completed in early 2017. The FY16-FY20 capital plan sets aside \$20M for major school renovations that are expected to emerge from the plan. What city entity will manage these projects has yet to be established. The School Department will begin construction of the Dearborn STEM Academy in FY16, and is undertaking feasibility studies on new facilities for the Quincy Upper School and Boston Arts Academy.