

OVERVIEW: FY26-30 RECOMMENDED CAPITAL PLAN

*Office of Budget Management
April 17, 2025*



City of Boston
Mayor's Office



City of Boston
Budget

FY 2026-2030 CAPITAL PLAN OVERVIEW

- The FY26-30 Capital Plan totals \$4.5 billion across 390 projects in all neighborhoods, including:
 - **School Facilities** including the Carter School, Sarah Roberts School, and PJ Kennedy renovations
 - **Libraries and other Civic Buildings** including a new Fields Corner Library, new Chinatown Library with affordable housing, and a new Grove Hall Community Center
 - **Parks and Open Space** investments in over 80 parks and playgrounds
 - **Sidewalk and Roadway Improvements** and **state of good repair** projects to maintain municipal buildings
- Builds on successes in the last year, including the Josiah Quincy Upper School, Engine 17, multiple school yards and park renovations, improvements at BHA sites, three bridge stabilizations, and dozens of other projects that maintain quality of life and keep facilities in a state of good repair
- Maximizes our AAA bond rating while maintaining fiscal responsibility

UNDERSTANDING THE CAPITAL PLAN

- The Capital Plan is a representation of Boston's intentions for long-term capital improvements for the City's large inventory of capital assets: hundreds of miles of roads, dozens of bridges, parks in every neighborhood, and over 300 municipal buildings
- Provides a roadmap for what large expenditures will be made when, and aligns to revenue projections
- While not a budget itself, it is made up of individual projects and programs with projected expenditures:
 - **Project:** A discrete improvement at specific locations that will be removed from the plan at project completion - examples include Fields Corner Library and Clifford Playground
 - **Program:** A budget that supports an annually recurring improvement but at different locations - examples include street tree planting and sidewalk repairs
- The projected expenditures for any individual projects may be sufficient for advancement, or they may need increasing investment to actualize the full project
- The City uses a combination of general obligation bonds, other City funds, and grants (federal, state, and other sources) to finance the capital expenditures necessary to implement capital projects that support repairs of existing assets and the acquisition of new assets

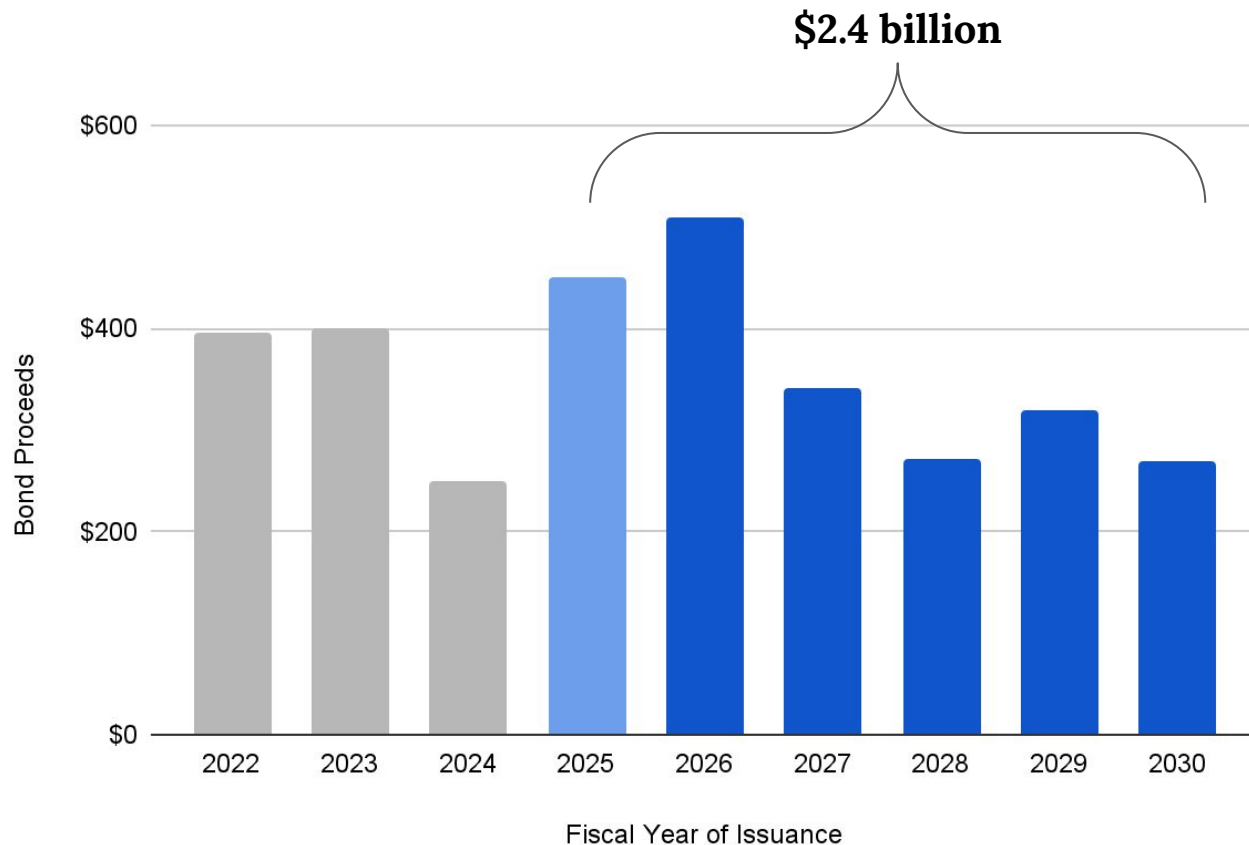
FINANCING THE CAPITAL PLAN

A blue-tinted photograph of a city park at night. In the foreground, a large ice skating rink is filled with many people skating, their figures slightly blurred from motion. The rink is enclosed by a low wooden fence. In the background, there are several tall city buildings with some lights on, and trees decorated with strings of white lights. The overall scene is festive and urban.

FINANCING THE CAPITAL PLAN

- Capital projects are funded primarily via General Obligation (G.O.) bonds that the City sells
 - G.O. bonds represent **direct general obligation debt for the City**, and are backed by the full faith and credit of the City of Boston
 - The timing of the issue depends, in part, on market conditions and internal cash needs
- The City repays the bond principal and interest as part of approved schedules, which are summarized as the **debt service** in the fixed costs component of the **annual Operating Budget**, in accordance with the City's debt management policies
- The City is authorized to issue debt against certain projects based on the Loan and Appropriation Orders that City Council authorizes and the Mayor approves
- By financing capital assets over time, more work is able to be done each year than if the City paid for projects with cash, much like a mortgage helps finance the purchase of a home

PAST AND PROJECTED BOND ISSUANCES

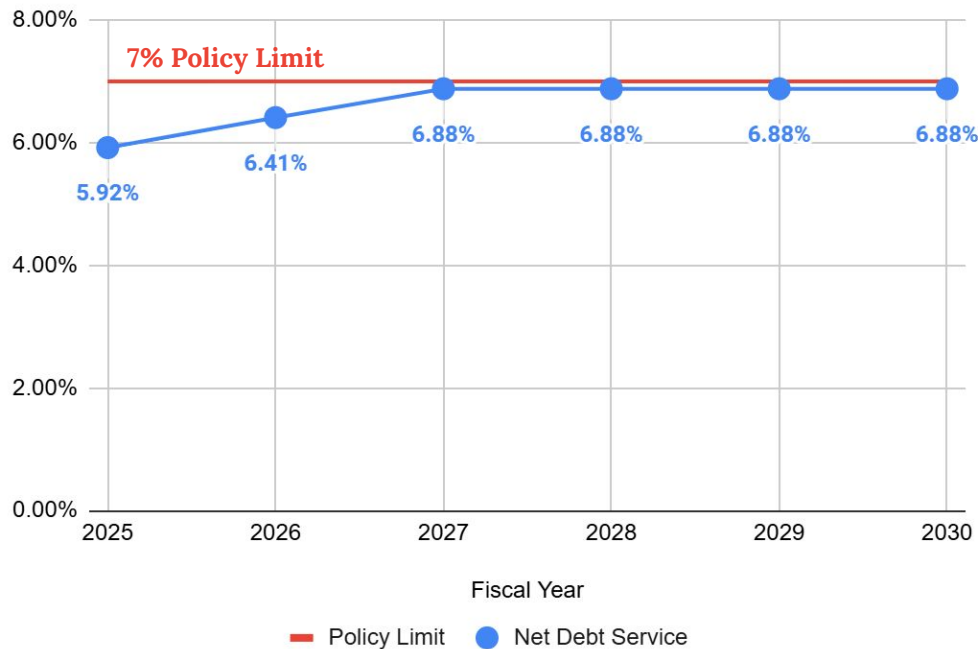


- The City anticipates issuing over \$500 million of bonds in FY26 to fund current projects
- Annual bond proceeds are expected to moderate in future years to align with our debt management policies

DEBT MANAGEMENT POLICY

- Key components of the City's policy include:
 - Annual debt service shall not exceed 7% of Operating Budget expenditures
 - Rapid repayment of principal
 - At least 35-40% of principal repaid within 5 years
 - At least 65-70% of principal repaid within 10 years
 - Variable rate debt is limited to 20% of outstanding principal
- The policy enforces fiscal responsibility, limits our debt exposure, allows us to recapture borrowing capacity quickly, and is a factor considered in the City's overall credit rating
- Adherence to these policies has been a major factor in earning and maintaining our AAA bond rating

OPERATING BUDGET DEBT SERVICE WITHIN 7%



Approaching the 7% policy limit creates consequences and trade-offs for the Plan's capacity:

- The City's flexibility to accommodate projects on the margin is reduced
- Bond issuances become more sensitive to the annual growth rate of the Operating Budget

CHALLENGES TO CAPITAL FINANCING

- Monitoring several factors that may create further constrain and impact capital project delivery, including:
 - **Tariffs** that may cause construction costs to increase
 - **Larger economic trends and market volatility**, which may impact our ability to sell bonds at favorable rates
 - **Changes to federal grants**, which make up 9% of total Plan funding and a meaningful portion of streets and coastal resilience funding structure
 - **Changes in operating budget growth**, which impacts how much debt the City can issue within current policy limits
- The FY26-30 Capital Plan and our conservative debt management policies provide maximum flexibility during uncertain economic times

CAPITAL PLAN PROJECT IMPLEMENTATION & ACCOMPLISHMENTS



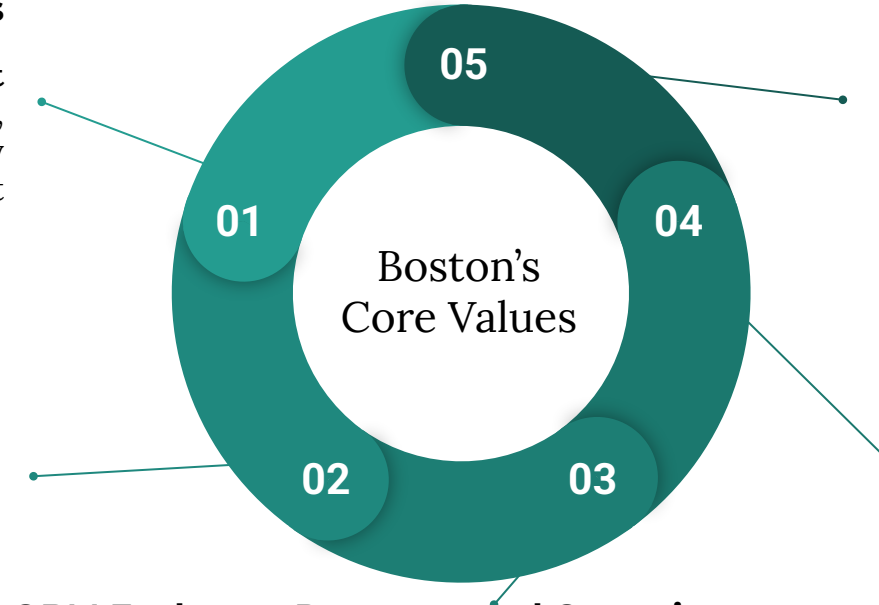
FY26-30 CAPITAL PLANNING PROCESS

Department Project Priority Requests

We look to the **user department** as experts on their assets, relative priorities and community impact

Facility Condition Assessment Data

Our FCA provided detailed information about facility conditions, facilitating data driven decisions across departments and asset type



OBM Evaluates Requests and Commitments

The City's finance team considers the financial need of existing projects and critical new projects against revenue projections, and evaluates new projects against remaining revenue, health, safety, and impact

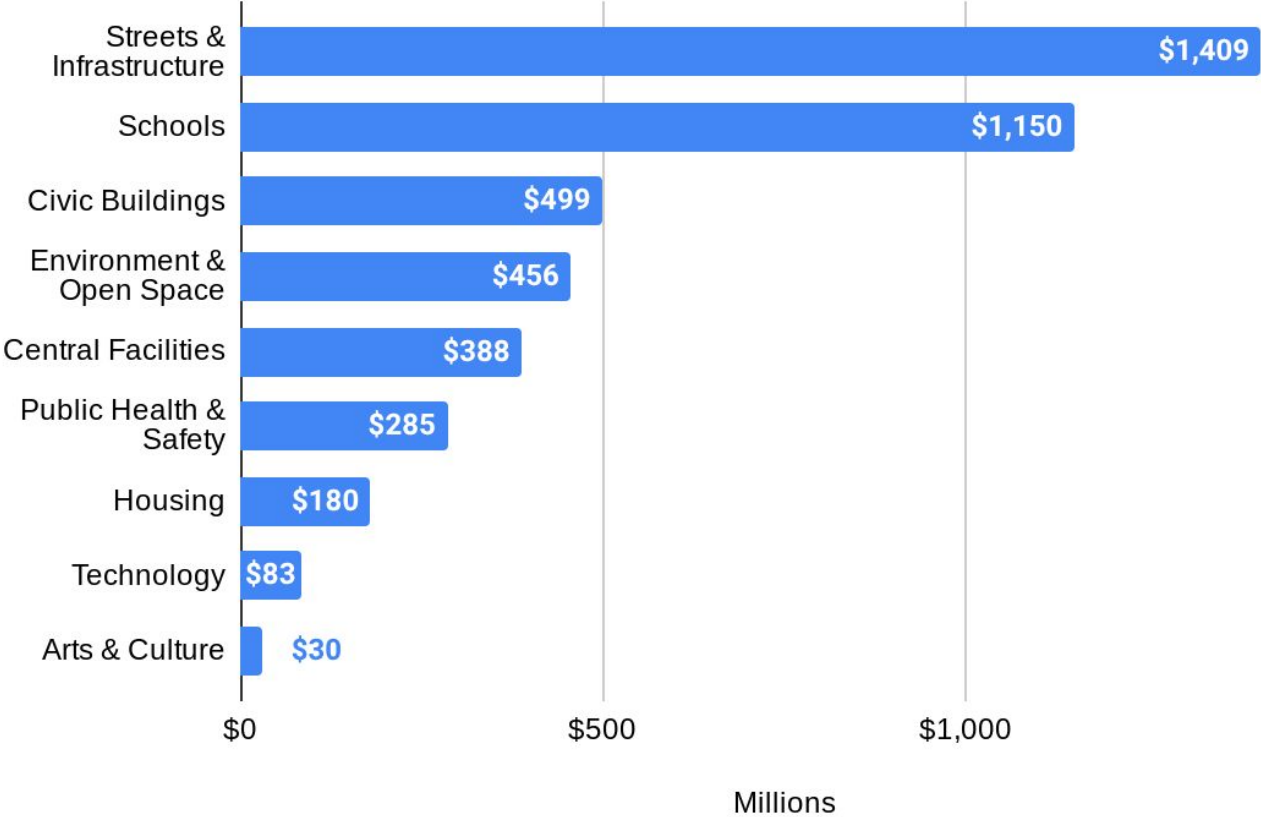
Mayor & City Council Official Approval

The Recommended Plan is introduced by the Mayor to City Council and the public for review and **official authorization of new funds**

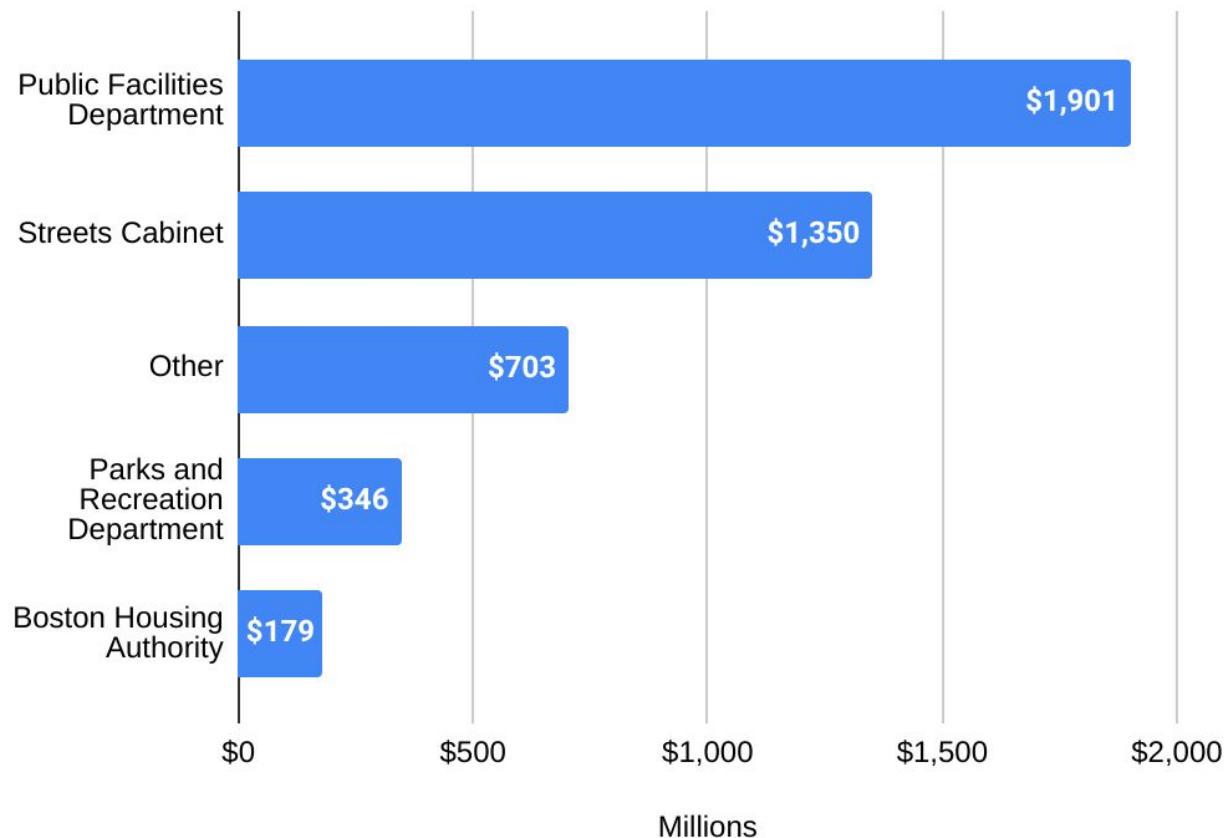
Engaging City Leadership on Priorities

The finance team works with the **Mayor's leadership team** and engages with **City Council** to identify priorities

FY26-30 CAPITAL PLAN BY CATEGORY



FY26-30 CAPITAL PLAN PROJECT MANAGEMENT



FY25 ACCOMPLISHMENTS & FY26-30 PROJECTS - STREETS

Completed

- Arboretum Gateway Path
- Washington Street / Traveler Street
- Belgrade Avenue Bridge
- Sullivan Square Underpass
- Walworth Street Bridge
- Nottingham Path
- Wellington Hill Street Stairs

In Progress

- Cummins Highway
- Bill Russell Bridge
- Harrison Avenue Improvements
- Safety Surge
- Lower Roxbury Neighborhood Safety Improvements
- Northern Avenue Bridge
- Roadway & Sidewalk Reconstruction

FY25 ACCOMPLISHMENTS & FY26-30 PROJECTS - PARKS

Completed

- Harambee Park Phase 4
- Titus Sparrow Park
- Clarendon Street Playground
- Crawford Street Playground
- McGann Playground
- O'Day Playground

In Progress

- Copley Square Park
- Clifford Playground
- Ryan Playground
- Murphy Field
- Odom Serenity Garden
- Ringer Playground
- English High Field
- Harambee Park Phase 5
- Boston Common & Franklin Park Master Plans

FY25 ACCOMPLISHMENTS & FY26-30 PROJECTS - BPS

Completed

- Josiah Quincy Upper School
- Curley K-8 School
- Horace Mann School Relocation
- New Windows and Boilers at Four Schools
- Quincy School Exterior Upgrades

In Progress

- Carter School
- Bathroom Renovations District Wide
- Renew Boston Trust Phase 3C
- Sarah Roberts School
- Mattahunt School
- P.J. Kennedy School Renovation
- Brighton High School Repairs
- Boilers, Roofs, and Windows at Holland, Haley, Henderson, and English

FY25 ACCOMPLISHMENTS & FY26-30 PROJECTS - FACILITIES

Completed

- Facilities Condition Assessment (FCA)
- New Engine 17 Fire Station
- Renew Boston Trust Phase 3
- Clougherty Pool (Bathhouse to open in June)
- Family Justice Center Repairs

In Progress

- Fields Corner Library
- Chinatown Branch Library
- Dorchester (Grove Hall) Community Center
- New City Hall Elevator
- Animal Shelter HVAC Repairs
- Window and Roof Replacements at Four Police Stations
- City Hall Plaza Phase 2

CLOSING & SUMMARY

- The \$4.5 billion FY26-30 Plan creates and maintains critical City-owned assets and infrastructure in every neighborhood
- This year's update to the Capital Plan focuses on delivery of core City services and ensuring that there is sufficient capacity for projects in future years
- The Capital Plan is largely funded by general obligation bonds repaid in the annual Operating Budget, with financing governed by the City's debt management policies
- Federal policies and general economic uncertainty may have impacts on the plan that we will continue to monitor and adjust, as needed

THANK YOU!

