

Capital Planning

OVERVIEW OF CAPITAL PLANNING

Boston's five-year \$1.5 billion capital plan, "Together, We CAN," is an investment program for the City's future. The underlying framework for the plan emphasizes (1) the strategic use of infrastructure to promote economic development, neighborhood revitalization, quality education, health care, and public safety, (2) comprehensive planning to lay the foundation for future growth, and (3) effective government management to deliver necessary municipal services efficiently.

The program name "Together, We CAN" reinforces the ideas that "Cities Are Neighborhoods" and that the capital plan is a strategic tool shaped by many hands and designed to enhance the livability of a city that draws strength from its neighborhoods.

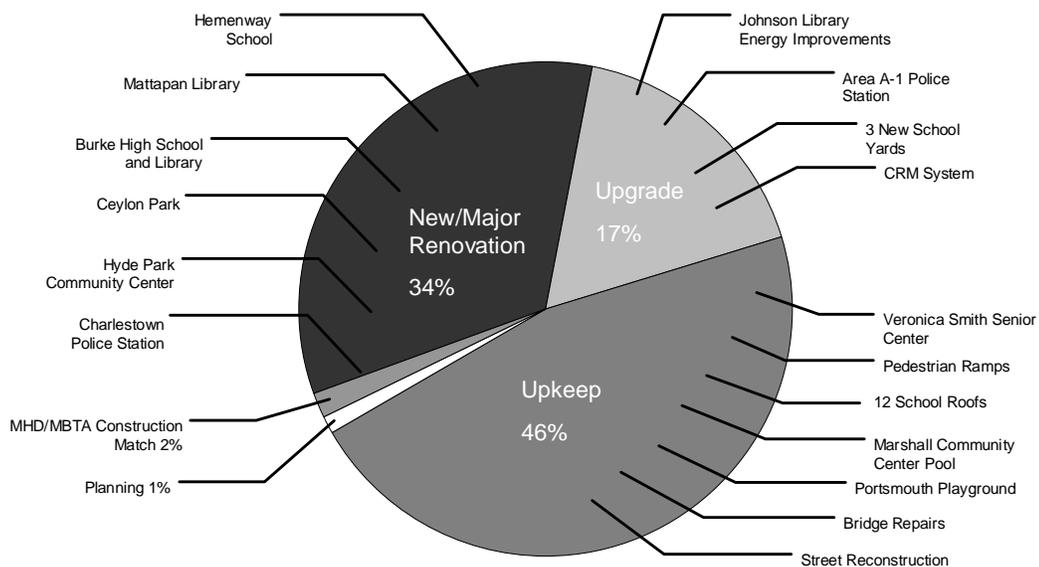
The Office of Budget Management (OBM) is responsible for managing the City's capital plan and budget. OBM coordinates the evaluation of capital requests, forecasts the timing and financial requirements of new construction and rehabilitation,

and recommends the allocation of current and future resources by monitoring capital expenditures.

FY08 Allocation Summary

This year marks the introduction of a new analytical tool for tracking the City's capital investment by each project's impact on the City's assets. All projects are categorized as Upkeep, New/Major Renovation, Upgrade, Planning or Matching Funds and the overall distribution of these categories will be tracked from year to year.

The Upkeep category represents projects that maintain the City's assets, a fundamental priority of the Capital Plan. Accordingly, close to 50% of the FY08 budget is allocated for projects such as roof and masonry repairs, the replacement of play equipment in parks, HVAC and boiler replacement, and critical repair funds for departments to address relatively small but vital repair projects not covered by routine maintenance. A substantial part of the upkeep portion of allocated spending is on-going roadway programs, including bridge, street, sidewalk, pedestrian ramp



FY08 Spending Allocation

Figure 1

and street lighting repairs that ensure the City's streets and sidewalks are safe and in good condition.

About a third of the FY08 allocations represent major renovations and new buildings. New facilities and rehabilitation projects for schools, libraries and community centers enable the City's facilities to adapt to fit the needs of today's programs, improve the 'green' performance of facilities, and extend the useful life of historic assets.

The Upgrade category represents projects that improve existing assets by adding new capacity or innovations. This year's upgrade allocations include an energy efficiency project for the Johnson Library and capital investment in the CRM (Citizen Relationship Management) project which will provide new tools for tracking citizen requests and government performance.

Finally, about 1% of the FY08 allocation is dedicated to planning projects and 2% to matching fund projects. Comprehensive planning projects, which analyze a group of buildings or program needs, provide the groundwork for targeted investments in the categories of Upgrade and New/Major Renovations. Matching grants from Mass Highway and the MBTA unlock state funds for local investment.

The distribution of allocations this year—34% for New/Major Rehabilitations, 17% for Upgrades, 46% for Upkeep, 1% for planning and 2% for matching roadwork—is a good balance between new and old. In the future, this measure will help OBM to track the City's investment over the long-run and ensure that an appropriate proportion is dedicated to the maintenance of existing assets and the improvement or expansion of assets.

Summary and Highlights of the FY08-FY12 Capital Plan

Also new to the budget document this year are Figures 2 and 3 on the following pages which illustrate the Capital Plan in maps. Figure 2 illustrates the location and status of parks and facilities projects and Figure 3 the location of major infrastructure projects. A portion of the projects in the FY08-FY12 Capital Plan could not be mapped because the scope of the project is city-wide or because geographic data is not yet available. In the next year, OBM will increase its capacity to map projects and for analysis based on location. Adding geographic information provides a new way of evaluating projects based on

demographics, the relationship between projects, and a project's proximity to other programs or resources.

Highlights in the FY08-FY12 Capital Plan include renovations at schools, libraries and community centers, a new municipal office building in Dudley Square, and an acceleration of the upgrade and replacement of traffic signal controls.

Highlights of the FY08-FY12 Capital Plan

Invest in Infrastructure

American Legion Highway
Edward Everett Square
Sullivan Square Design
Road Resurfacing and Reconstruction
Traffic Signal System Improvements

Strengthen Communities

Roslindale Community Center Construction
Hyde Park Community Center Construction
Shelburne Community Center Assessment
Curley Community Center Roof

New Grove Hall Branch Library
New Mattapan Branch Library
New Roofs at Seven Branches
McKim Phase II D

New Play Equipment
Ball Field and Playing Court Renovations
New Synthetic Turf Fields at Charlestown High School, Ceylon Park, Noyes Playground, Roberts Playground and American Legion Playground

Invest in Education

Burke High School Addition
Cleveland School
Hemenway School
Dearborn School
Russett Road School
School Yard Improvements

Promote Public Safety & Public Health

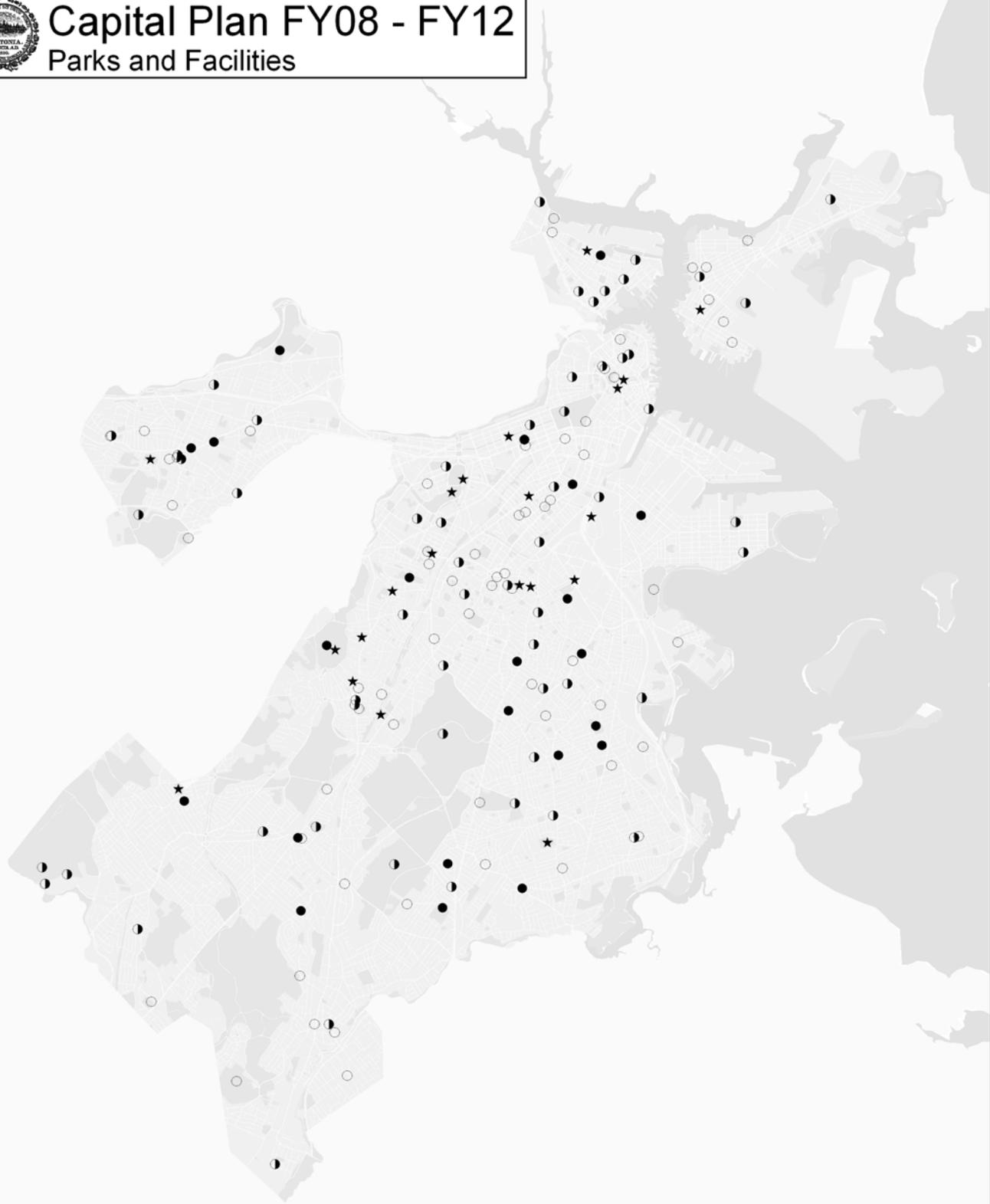
New Fire Trucks
New Fire Training Simulator
New Charlestown Police Station
New Dudley Square Police Station
Long Island Infrastructure Improvements

Support Neighborhood Development

Crossroads Initiative
Dorchester Avenue
New Dudley Square Municipal Building
Maverick Gardens
Neighborhood Business Districts Improvements
Strand Theater Improvements



Capital Plan FY08 - FY12 Parks and Facilities



FY08 - FY12 Parks and Facilities

Project Status

- ★ New Project
- To Be Scheduled
- ◐ In Design
- In Construction

Map does not include projects at multiple locations,
multiple projects at a single location, or city-wide projects.

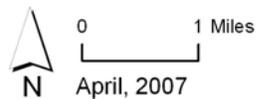


Figure 2



Capital Plan FY08 - FY12

Infrastructure Projects (Excluding Bridges and Street Trees)



Figure 3

Capital Planning Process

Capital needs and resource availability are assessed annually through a capital planning process that results in a five-year capital plan. The first year of the spending plan is considered the City's capital budget. Expenditures against this budget are closely monitored. To emphasize the balance between needs and resource availability, the budget document (in Volumes II and III) includes both capital authorizations and expenditure projections for each project.

The annual capital planning process begins with a capital improvement project request schedule where all departments have an opportunity to identify their facility, equipment, infrastructure, and planning needs in a systematic manner and to forward their proposals to OBM for funding consideration. The development of department project requests may involve both internal assessments of current needs as well as a review of external constituent requests.

The departmental requests must be comprehensive and meet a threshold criteria established each year. Project requests include cost estimates, descriptions of the proposed scope of work, useful life statements, and project justifications related to the primary criteria.

The total cost of a proposed project must account for its short- term and long-term effect on the City's operating budget. Accordingly, project requests must include information describing the proposed project's anticipated effect on personnel, utilities, maintenance, and supply costs as well as expected changes in service demand or delivery of departmental programs. As a practical matter, it is assumed that certain types of projects such as energy conservation and energy efficiency projects (e.g. heating system upgrades or roof and window replacements) provide operating budget savings. OBM works with departments to measure these savings.

All capital improvement projects requesting funding consideration had to meet at least one of the following threshold criteria:

- Complies with Americans with Disabilities Act;
- Improves health and safety;
- Supports economic development;
- Enhances general government effectiveness;
- Mitigates an environmental hazard;

- Responds to a legal, legislative or administrative mandate; or
 - Preserves existing municipal facilities.
- OBM reviews submissions to determine the extent to which private purposes or benefits exist for each project, a process that allows the City of Boston to maintain its tax-exempt financing status.

New capital requests that are recommended for funding are placed into a multi-year spending plan along with projects previously authorized. The Mayor submits the capital plan to the City Council each year. The City Council, in turn, holds public hearings to consider project authorizations. This year's Capital Plan identifies 427 new and continuing projects and proposes \$137.3 million in new project authorizations.

Descriptions of all 427 projects can be found in Volumes II and III of the Budget. Project descriptions include authorizations and funding sources, projected expenditures, and scope of the project.

Financing the FY08-FY12 Capital Plan

Financing for the capital plan comes from General Obligation bonds, state and federal funds, trust funds, and other funds. These sources are described below.

General Obligation (G.O.) Bonds

General obligation bonds represent 62.5% of all project funding. This year's plan assumes \$600 million in new general obligation borrowings over the next five years to support ongoing capital needs.

State and Federal Funds

Funds for capital financing are currently estimated at \$211.5 million from state programs and \$241.4 million from federal programs. Specific financing programs provide key resources for Boston's capital plan. Programs include the School Building Assistance program, Chapter 90, the Transportation Improvement Program, and the Massachusetts Water Pollution Abatement Trust.

School Building Assistance Program: The School Building Assistance (SBA) program, currently administered by the Massachusetts School Building Authority (MSBA), is an important revenue source for school renovation and construction.

The MSBA assumed responsibility for the payment of existing SBA program commitments from the

Department of Education and will review and prioritize future project requests (reimbursement rates range from 40%-80%). MSBA began accepting new project requests in July 2007 and the City submitted six Statements of Interest. Reimbursements for projects previously approved will continue on existing schedules.

The City commenced construction on Burke High School, its final MSBA priority list project, and is currently in negotiations with the MSBA regarding the timing and manner in which grant payments will be made to reimburse project costs. For the period FY08-12 total payments from the state are estimated at \$60.4 million.

Chapter 90 Funds: Administered by the Massachusetts Highway Department, Chapter 90 funds are allocated by formula through state bond authorizations and through the state budget to all cities and towns in the Commonwealth. Based on recent allocations, \$11 million in Chapter 90 funds will be provided annually.

Transportation Improvement Program (TIP): The Transportation Improvement Program is a statewide road and bridge construction advertisement program developed under the management of the Commonwealth of Massachusetts Executive Office of Transportation and Construction (EOTC). It includes both locally owned roads and bridges as well as state owned roads and bridges. The TIP's funding sources include state issued general obligation bonds and federal funds made available through the Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA LU). SAFETEA LU is authorized by Congress through federal fiscal year FY09. State departments including the Massachusetts Highway Department (MHD), the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts Turnpike Authority (MTA) use the TIP to manage the bidding and awarding of state construction projects.

Massachusetts Water Pollution Abatement Trust (MWPAT): The Massachusetts Water Pollution Abatement Trust is a statewide revolving fund that addresses necessary environmental actions outlined in the federal Clean Water Act. \$13.4 million was included in an October 1999 MWPAT bond issue to cap the former Gardner Street landfill as a non-point source of water pollution and to create Millennium

Park. Boston will repay the MWPAT for these essentially zero interest bond funds over twenty years.

Trust Funds

The City's Treasury Department manages trust funds and bequests from private citizens dedicated to Boston's public spaces. Grants from the Edward Ingersoll Browne Trust Fund have been used for the restoration of neighborhood parks, schoolyards, and public spaces. The George Robert White Fund is used to support facilities owned by the Fund.

Other Funds

The City uses funds including the Street Opening Account and Surplus Property Fund to finance capital projects. Private donors also provide some funding for capital projects. These sources of capital financing are currently estimated at \$118.0 million.

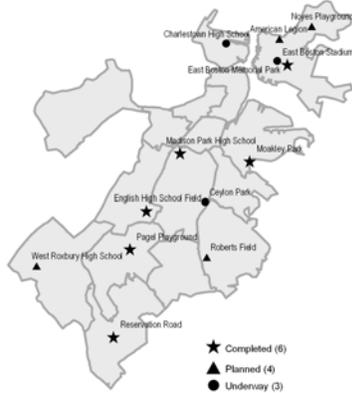
Expenditures

Capital expenditures in FY06 totaled \$103.0 million. Expenditures included \$90.8 million for general obligation bond spending and \$12.2 million from various grant programs including Chapter 90. The Holland School reopened after a \$19 million renovation was completed. Parks improvements at playlots, ball fields, and playing courts were completed. Artificial turf fields were installed at Madison Park High School and Pagel Playground. The Public Works Department began the Citywalks program, a three year \$18.3 million effort to improve sidewalks and streets across the City.

Total capital expenditures in FY07 are forecast at \$110 million. The estimate includes \$85 million for general obligation bond spending and \$25 million from various grants and other sources including Chapter 90 and the Surplus Property Fund. Major renovation work began at two police stations, the Roslindale Community Center and the Strand Theater. Site acquisition was completed for the site of a new municipal building in Dudley Square while construction began on an addition to and general renovation of Burke High School. The project includes a new branch library incorporated into a building addition and is scheduled to open by September 2008. A wide range of renovations continued in the City's school buildings including masonry repointing, upgraded fire alarms and new roofs. Finally, construction began for a new 20,000 square foot branch library in Mattapan and a new police station in Charlestown.

Total capital expenditures in FY08 are forecast at \$136 million. This estimate includes \$120 million for general obligation bond spending and \$16 million from various grants and other sources including Chapter 90.

An administrative space planning study will be completed this year which will aid in planning the design of a new City Hall. Demolition will be completed in Dudley Square on the site of the new municipal building. Site acquisition will be completed and remediation will begin on the site of a new police station in Dudley Square.



Synthetic Turf Fields

Figure 4

Park improvements include a continuation of the artificial turf program (see Figure 4) with the installation of artificial turf fields at Charlestown High School and Ceylon Park in Roxbury. In addition, renovations will be completed at twenty-four parks, ball fields and playlots. Finally, approximately 500 street trees will be planted in support of the Boston Urban Forest Initiative. Renovation work will begin at the Hyde Park Community Center this fall. In addition, pool and locker room improvements will begin at pool facilities in Jamaica Plain, East Boston, South End and Dorchester.

The Public Works and Transportation departments will continue their coordinated work improving the City's roads, sidewalks, bridges, street lights and traffic signals. A significant effort will begin this year to replace over 100 electro-mechanical traffic signal control boxes with new electronic controllers. This program will enable many intersections to be tied into the City's central traffic control center. This will allow the City to remotely adjust signal timing, improve

travel time and reduce carbon emissions. Public Works will increase its use of the Street Cut Opening account and reduce the time temporary patches remain on the City's roads. The department will also continue its program of installing new pedestrian ramps on sidewalks and bringing existing ramps up to current standards. Finally, major construction work will begin on American Legion Highway in Mattapan and the Crossroads Initiative, a \$55 million multi-year program of street improvements that will connect the many neighborhoods surrounding the Rose Kennedy Greenway, while construction will be completed at Edward Everett Square in Dorchester.

Planned G.O. expenditures for the period FY09 through FY12 are expected to remain at \$120 million annually. Future grant expenditures are estimated to total approximately \$16 million annually between FY09 and FY12. Figure 5 displays total capital

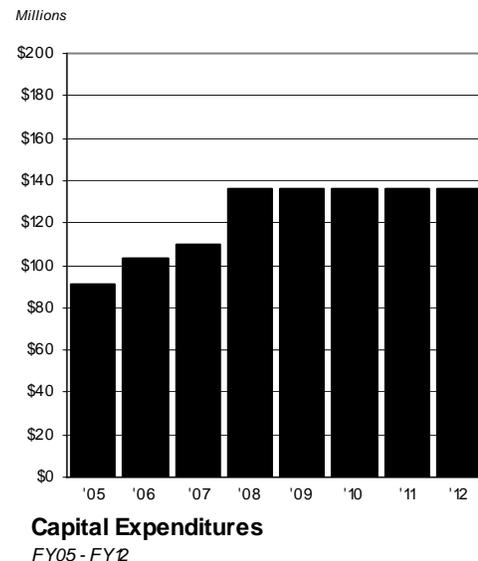


Figure 5

spending from all sources since FY05 and projected expenditures through FY12.

The City continues to aggressively pursue grant funds, maximize the use of Chapter 90 funds for road and sidewalk projects, and actively manage its projects to ensure that spending does not exceed projections and that priority projects move forward. Together, these strategies will enable the City to maintain a reasonable level of capital spending and borrowing and prudently manage its outstanding debt.

Operating Budget Impacts

Quantifying operating budget impacts related to proposed capital investments is essential to the capital budgeting process. OBM evaluates proposed projects in part based on how they impact the City's operating budget (personnel, maintenance, equipment and utilities). Increased costs are often justified through improved or expanded service delivery, or are unavoidable due to legal mandates or regulatory requirements.

The capital plan supports investments that will decrease operating expenses by reducing costs associated with emergency repairs, maintenance of old systems and energy inefficiency. For example, the Area A-1 police station renovation currently underway includes a conversion from steam to natural gas-fired boilers that will provide anticipated savings of \$45,000 annually as a result of increased system efficiency. In FY06, the Property and Construction Management Department centralized the management of two building automation and energy management systems at Boston City Hall. This centralization has reduced the energy required to operate these buildings by implementing controlled schedules for adjusting building temperatures and monitoring building conditions. A substantial portion of the capital plan is focused on these types of basic facility improvements.

The City has committed to designing new buildings that are capable of becoming LEED certified. The designs of these new buildings will incorporate both green elements and the use of durable materials intended to minimize maintenance requirements. As an example, the new Charlestown police station that will be built this year includes green design features such as high efficiency HVAC equipment, greywater harvesting for site irrigation, solar hot water heating for showers and a double solar wall on the south side of the building. The station is expected to open in FY09. The new station represents a net cost increase for maintenance and building operations since the Police Department currently operates a small temporary station in Charlestown. The net impact of FY09 staffing costs is currently under review.

The City also looks to technology improvements and enhancements to reduce costs and improve efficiency. In FY08 the MIS department will begin eliminating leased lines used for data communications as it lights up a City-owned fiber optic cable system. The estimated annual cost savings for eliminating leased

lines range from \$1.2 million to \$1.5 million in a fully implemented project, based on current bandwidth demand.

The School Department seeks to reduce its operating costs partly by consolidating school programs from leased space back into City-owned buildings. In FY07, renovation work began at the Cleveland School in Dorchester. Upon project completion in September, the Boston Harbor Academy School will relocate to the Cleveland from privately leased space, which currently costs \$350,000 per year. The School Department is also renovating two former school buildings and will once again use them for educational purposes. The Russett Road building in West Roxbury will reopen in September 2007. The Hemenway School in Hyde Park will be ready to open in September 2008. The School Department's net operating costs will increase as a result of these decisions.

The capital project to create a consolidated archive center and materials storage facility for the City of Boston Archives and Records Management Center and the Boston Public Library is also underway. In FY05 the City acquired 138,000 square feet of office and warehouse space located at Rivermoor Street in West Roxbury. This building acquisition will allow the City to consolidate its collections management operations, currently housed in multiple City-owned buildings and privately-owned locations. In the ongoing effort to centralize building operations and maintenance, the care, custody, and control of the Rivermoor building has been assigned to the Property and Construction Management Department. The building's operation and maintenance costs are currently budgeted centrally in the Property and Construction Management Department, but may be distributed to other operating departments as they begin using the renovated facility. Operation and maintenance costs will be partially offset with lease revenue generated by a non-City tenant temporarily occupying a portion of the building. Planning and design for the proposed fit-out of the Rivermoor facility is currently ongoing. Construction is expected to begin this fall. The proposed building layout will seek to achieve efficiencies by creating shared and flexible spaces incorporating new technologies for storage and retrieval of materials.

In the area of energy management and efficiency the City benefits from established relationships in the energy industry developed through the Mayor's

Advisory Committee and the creation of an Energy Management Board in FY03. The City of Boston's Integrated Energy Management Plan was finalized in FY06. This plan sets the framework for the Mayor's energy policy and identifies implementation priorities and strategies. Boston City Hall and the Boston Public Library's central library in Copley Square have undergone comprehensive energy audits which recommend a range of energy efficiency measures including lighting upgrades and recommissioning. Annual energy savings are estimated at 4 million kilowatt-hours for City Hall and 6 million kilowatt-hours at the central library. Implementation of the City Hall project began in FY07. Improvements at the central library will begin in FY08. These buildings are eligible for implementation grants from the ratepayer-funded Energy Efficiency Fund, which is administered by Boston's local electric utility company, NSTAR, and approved by the state Department of Telecommunications and Energy (DTE) and Division of Energy Resources (DOER).

In FY07 the Public Works and Transportation Departments began replacing all remaining non-compliant pedestrian signal housings to accommodate Light Emitting Diodes (LEDs). It is estimated that this capital project, subsidized with utility rebates provided by NSTAR, will save up to 1 million kilowatt hours of electricity with an estimated annual savings of \$143,000.

Investment in an enterprise-wide permitting and licensing system will improve customer service and achieve efficiencies by providing consistent data that can be shared by multiple City departments simultaneously. Beginning in FY07, the Inspectional Services Department began to bring multiple business processes online and have a central database for all departmental permitting and licensing. The longer term goal is to move all permitting and licensing functions onto the central system.

Debt Management Policies and Debt Implications of the Plan

Effective debt management ensures that the City can meet its capital infrastructure and facility needs. Debt management requires a series of decisions about the amount, timing, purposes and structure of debt issuance. Long-term debt related to capital investment has two main purposes:

- (1) It finances acquisition, construction, repair, and renovation of City-owned buildings and equipment that are necessary to provide public services; and
- (2) It finances infrastructure improvements to ensure the City's continued growth and safe roadway conditions.

The Treasury Department manages all borrowings according to the City's debt management policies. These policies address issues such as debt affordability and limitations on the level of variable rate debt the City will use. The City's goal is to rapidly repay debt, maintain a conservative level of outstanding debt, and ensure the City's continued positive financial standing with the bond market.

Key components of the debt management policies ensure that:

- combined net direct debt does not exceed 3% of taxable assessed value;
- at least 40% of the overall debt is repaid within five years and 70% within ten years;
- annual gross debt service costs do not exceed 7% of general fund expenditures;
- variable rate debt does not exceed 20% of the City's total currently outstanding bonded debt.

(Please refer to the chapter on Financial Management for further discussion of the City's financial policies and management controls.)

The City's debt service forecast assumes general obligation spending of \$120 million each year from FY08 through FY12. On March 22, 2007, the City issued \$100 million in general obligation bonds and \$85.4 million in general obligation refunding bonds. The debt tables at the end of this chapter detail the City's outstanding debt service obligations and demonstrate the City's rapid retirement of its debt.

The City's gross debt service requirement will remain under 7% of total General Fund expenditures throughout the period FY08-12 (See Figure 6).

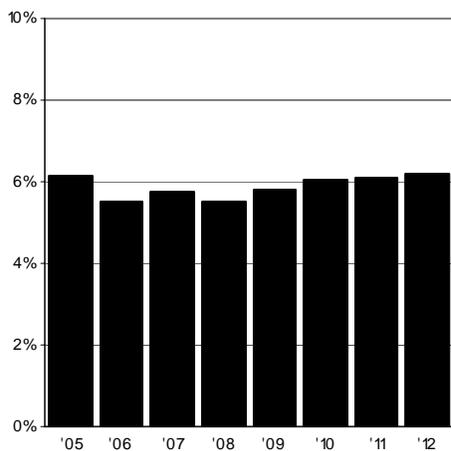
The ratio of debt service to the City's primary revenue source, the property tax levy, declined significantly in the early part of this decade. This ratio is projected to decrease in FY08 and then increase in the period FY09-FY12 (See Figure 7).

The City's current overall debt burden (net direct debt to assessed property value of \$86.52 billion) is approximately .82% as of April 1, 2007. The City's net direct debt per capita currently stands at approximately \$1,186.26 as of April 1, 2007.

Boston has been conservative about assuming long-term debt and aggressive about retiring debt expeditiously. As of April 1, 2007, the City's debt

In March 2007, Standard & Poor's Rating Services upgraded Boston's credit rating to AA+. Both Moody's Investors Service and FitchRatings affirmed the City's credit rating of Aa1 and AA, respectively. These are the highest ratings in Boston's history.

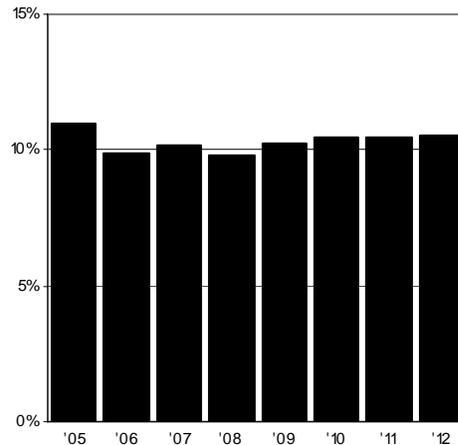
Boston has had eleven general obligation bond sales over the past decade, the most recent of which was for \$100 million on March 22, 2007. The City also has had eight general obligation refunding issues. The most recent refunding issue, on March 22, 2007, achieved significant interest rate savings.



Gross Debt Service as a Percent of Total General Fund Expenditures
FY05 - FY12

Figure 6

retirement schedule shows that 44.6% of its principal will be retired five years out, before the end of FY12 (See Figure 8).



Gross Debt Service as a Percent of the Net Property Tax Levy
FY05 - FY12

Figure 7

Capital Project Financing

Fiscal Years 2008 - 2012

	Existing Authorization	FY08 Authorization	FY09-12 Authorization	State	Federal	Other	Trust	Total
Boston Center for Youth and Families	27,382,152	8,023,000	22,581,000	0	0	0	0	\$57,986,152
Boston Redevelopment Authority	8,039,300	825,000	0	2,757,000	0	0	0	\$11,621,300
Environment Department	1,000,000	0	500,000	0	0	0	0	\$1,500,000
Fire Department	16,623,327	5,167,000	24,282,150	0	0	0	0	\$46,072,477
Library Department	27,643,122	3,780,000	31,780,000	1,180,000	0	2,155,000	0	\$66,538,122
Management Information Services	6,342,925	4,800,000	3,550,000	0	0	750,000	0	\$15,442,925
Neighborhood Development	16,679,600	2,000,000	345,000	0	0	0	0	\$19,024,600
Parks and Recreation Department	37,520,181	11,290,000	26,289,000	25,342,700	41,000,000	11,975,556	115,000	\$153,532,437
Police Department	32,678,000	9,167,000	5,950,000	0	0	0	0	\$47,795,000
Property and Construction Management Department	35,571,318	22,070,000	23,310,000	0	0	8,750,000	0	\$89,701,318
Public Health Commission	889,000	250,000	4,800,000	0	0	0	0	\$5,939,000
Public Works Department	126,185,103	25,250,000	106,849,708	181,787,771	200,362,400	81,410,000	0	\$721,844,982
School Department	113,399,447	38,337,701	108,289,400	0	0	13,000,000	0	\$273,026,548
Transportation Department	7,203,000	6,347,000	250,000	400,000	0	0	0	\$14,200,000
Total	457,156,475	137,306,701	358,776,258	211,467,471	241,362,400	118,040,556	115,000	1,524,224,861

CITY of BOSTON
DEBT SERVICE PAYMENTS on GENERAL OBLIGATION BONDS

@ April 1, 2007

- Stated in Five Year Intervals -
 (\$ in thousands)

DATE of ISSUE	AMOUNT ISSUED	@ 4/ 1/07		FY'13 through FY'17		FY'18 through FY'22		FY'23 through FY'27		@ 4/ 1/07	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
March 22, 2007	100,000	29,550	19,733	27,515	13,778	21,200	7,627	21,735	2,527	100,000	43,665
March 22, 2007 R	85,425	1,695	17,422	23,900	16,958	52,665	6,653	7,165	215	85,425	41,248
January 31, 2006	80,000	29,050	14,241	19,570	8,415	15,045	4,044	10,100	1,054	73,765	27,754
February 1, 2005 R	52,775	19,705	12,185	32,585	4,429	485	19	0	0	52,775	16,633
February 1, 2005	75,000	23,815	12,223	18,650	7,071	14,305	3,272	7,980	639	64,750	23,205
April 1, 2004 R	42,330	24,750	2,689	0	0	0	0	0	0	24,750	2,689
February 1, 2004 R	35,870	24,150	4,429	4,885	610	0	0	0	0	29,035	5,039
February 1, 2004	65,000	18,490	10,363	16,260	5,925	13,710	2,699	5,140	324	53,600	19,311
February 1, 2003 R	28,515	15,045	3,998	7,250	549	0	0	0	0	22,295	4,547
February 1, 2003	25,000	6,500	3,225	6,200	1,704	3,600	342	0	0	16,300	5,271
February 1, 2003	33,500	5,255	4,607	8,750	3,052	7,425	723	0	0	21,430	8,382
February 1, 2003	75,000	21,435	9,055	17,695	4,369	8,300	746	0	0	47,430	14,170
November 15, 2002 R	43,070	11,455	888	0	0	0	0	0	0	11,455	888
August 15, 2002 R	48,640	11,430	9,946	23,830	5,302	11,705	1,044	0	0	46,965	16,292
February 1, 2002	100,000	28,225	7,500	18,000	2,092	0	0	0	0	46,225	9,592
April 1, 2001 R	52,025	27,085	7,085	15,365	1,338	0	0	0	0	42,450	8,423
February 1, 2001	120,000	32,215	7,178	13,965	1,294	0	0	0	0	46,180	8,472
February 1, 2000	120,000	18,075	1,988	0	0	0	0	0	0	18,075	1,988
MWPAT - October 15, 1999	13,389	3,223	2,037	3,725	1,154	2,510	188	0	0	9,458	3,379
October 15, 1998	120,000	13,370	3,174	0	1,974	9,290	395	0	0	22,660	5,543
April 15, 1998	15,000	1,515	109	0	0	0	0	0	0	1,515	109
April 15, 1998 R	62,855	17,410	6,546	11,800	1,094	0	0	0	0	29,210	7,640
January 15, 1998	90,000	4,625	208	0	0	0	0	0	0	4,625	208
Totals:		388,068	160,829	269,945	81,108	160,240	27,752	52,120	4,759	870,373	274,448
			548,897	351,053	187,992				56,879		1,144,821

@ 4/1/07:

% of Total Principal and Interest Retired in 5 Years: **44.6%**

% of Total Principal and Interest Retired in 10 Years: **75.6%**

% of Total Principal and Interest Retired in 15 Years: **94.0%**

% of Total Principal and Interest Retired in 20 Years: **100.0%**

Note: R = General Obligation Refunding Issuance

Outstanding Debt by Purpose as of April 1, 2007

		Outstanding @ April 1, 2007	Percent of Total Outstanding Debt
<u>Statute:</u>			
	<u>General Purpose:</u>		
C44 s7 (13)	Acquisition of Fire or Police Boats	84,488.35	0.01
C44 s7 (20)	Acquisition of Land; Cemeteries	744,704.31	0.09
C44 s7 (21)	Architectural Services for Plans and Specifications	0.00	0.00
C44 s7 (22)	Engineering or Architectural Services	2,238,645.45	0.26
C44 s7 (25)	Acquisition of Land; Parks and Playgrounds	62,495,674.27	7.18
C44 s7 (28)	Computer Hardware	11,458,141.60	1.32
C44 s7 (29)	Computer Software	368,006.69	0.04
C44 s7 (9)	Departmental Equipment	13,447,755.21	1.55
C44 s7 (9A)	Firefighting Apparatus - Remodeling, Re-Constr.	205,310.86	0.02
C659 Acts 1986	BCH - Constr., Equipping, Furnishing	0.00	0.00
		91,042,726.74	10.46
<u>Urban Development:</u>			
C121B s20	Urban Redevelopment and Renewal	20,741,658.88	2.38
C1097 s11 Acts 1971	Economic Development and Industrial Corp.	3,247,951.39	0.37
		23,989,610.27	2.76
<u>Schools:</u>			
C645 s8 Acts 1948	School Project Loan	51,914,052.85	5.96
C642 s7 Acts 1966	Capital Improvements; Act of 1966	0.00	0.00
C642 s7A Acts 1973	Capital Improvements; Act of 1973	25,393.83	0.00
C642 s7B Acts 1991	Capital Improvements; Act of 1991	17,605,295.22	2.02
C642 s7C Acts 1996	Capital Improvements; Act of 1996	30,566,099.08	3.51
		100,110,840.98	11.50
<u>Public Buildings:</u>			
C44 s7 (3)	Construction of Buildings; Acquisition Of Land	113,976,609.30	13.10
C44 s7 (3A)	Remodeling and Extraordinary Repairs	335,472,100.20	38.54
C642 s7 Acts 1966	Capital Improvements; Act of 1966	117,659.94	0.01
C642 s7A Acts 1973	Capital Improvements; Act of 1973	5,510,709.12	0.63
C642 s7B Acts 1991	Capital Improvements; Act of 1991	48,480,599.25	5.57
C642 s7C Acts 1996	Capital Improvements; Act of 1996	31,834,961.68	3.66
		535,392,639.49	61.51
<u>Public Works:</u>			
C44 s7 (1)	Construct/Re-Construct of Surface Drains, Sewers, etc.	2,205,913.64	0.25
C44 s7 (4)	Construction and/or Re-Construction of Bridges	27,051,416.52	3.11
C44 s7 (5)	Construction of Public Ways	51,542,255.61	5.92
C44 s7 (6)	Construction of Sidewalks	12,613,600.35	1.45
C44 s7 (14)	Traffic Signal and Public Lighting Install., etc.	16,298,084.30	1.87
C44 s8 (4)	Reservoir Constr/Enlrg; Water Trmt Bldgs	124,417.28	0.01
C44 s8 (5)	Water Mains Laying, Re-Laying, Construct.	7,563.51	0.00
C44 s8 (24) C29C	Landfill; Closing, Opening, Improve. to (MWPAT)	9,994,344.48	1.15
		119,837,595.69	13.77
Grand Total =		870,373,413.17	100.00 %

CAPITAL FUND - DEBT SERVICE REQUIREMENTS - FISCAL YEARS 2006 through 2012

	Actual FY06	Projected FY07	Projected FY08	Projected FY09	Projected FY10	Projected FY11	Projected FY12
Gross Debt Service Requirements - Bonded Debt:							
Total Principal:	77,146,592	82,875,539	84,072,086	91,437,660	97,668,669	102,380,000	108,510,000
Total Interest:	38,004,780	41,681,866	42,610,908	46,114,805	48,986,640	51,109,095	52,834,800
(1) Total:	\$115,151,372	\$124,557,405	\$126,682,994	\$137,552,465	\$146,655,309	\$153,489,095	\$161,344,800
Less: Revenue Deemed Available from Related Source							
Boston Medical Center	918,855	773,544	631,895	752,601	735,912	721,834	742,398
Boston Public Health Commission	731,770	709,398	553,771	681,246	673,203	670,790	661,374
Water and Sewer Payments	0	0	0	0	0	0	0
Gardner Street Landfill Subsidy	542,030	524,894	516,522	492,351	483,701	439,687	434,163
(2) Irrigation Project	273,154	267,875	262,125	253,959	246,810	239,662	231,495
(3) 1010 Massachusetts Avenue Project	1,532,226	1,622,576	1,652,301	1,707,466	1,762,663	1,808,487	1,865,024
Accrued Interest	0	372,340	100,000	100,000	100,000	100,000	100,000
Premium	0	3,945,723	3,795,492	4,041,209	100,000	100,000	100,000
Plus: Interest on Temporary Loan Notes and Other Item							
Revenue Anticipation	0	578,980	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Cost of Issuance	218,510	500,000	500,000	500,000	500,000	500,000	500,000
(4) School B.A.N.'s	1,446,250	0	0	0	0	0	0
Total Debt Service/Budget Summary:	\$112,818,097	\$117,420,036	\$122,670,888	\$133,023,634	\$146,053,019	\$152,908,635	\$160,710,347
Additional Adjustments:							
Less:							
(4) School Construction Assistance	109,153,226	15,134,146	13,612,877	13,099,787	12,857,328	11,058,652	9,748,662
(5) Room Occupancy Excise Fund	8,268,150	8,270,113	8,268,938	8,269,363	8,270,863	8,272,663	8,272,663
Plus:							
(5) Convention Center Special Obligation Bonds	8,268,150	8,270,113	8,268,938	8,269,363	8,270,863	8,272,663	8,272,663
Total Net Debt Service Requirements:	\$3,664,871	\$102,285,890	\$109,058,011	\$119,923,847	\$133,195,691	\$141,849,983	\$150,961,685

NOTES:

- (1) FY07 - On March 22, 2007, the City issued \$100 million in General Obligation Bonds with a 20 year maturity and an average interest rate of 4.51% and issued \$85.4 million in General Obligation Refunding Bonds with a 16 year maturity and an average interest rate of 3.91%.
Assumptions:
FY08 through FY12 - Assumes General Obligation debt issuance of \$120 million per year, each with a 20 year maturity and an average interest rate of 6.0%.
Debt Service Costs will be offset by the "Fund for Parks and Recreation".
- (2) Debt Service Costs will be offset by charging City departments for the space they occupy.
- (3) Debt Service Costs will be offset by charging City departments for the space they occupy.
- (4) On February 1, 2002 and February 1, 2003, the City issued a total of \$96 million in Bond Anticipation Notes (BANs) in order to finance the construction costs of three schools: Orchard Gardens K-8, New Boston Pilot/Middle and Mildred Avenue Middle schools, which matured on February 1, 2006.
On January 30, 2006, the Massachusetts School Building Authority awarded the City \$93,689,541 to offset the payment of the BAN's debt service due on February 1, 2006.
- (5) On April 15, 2002, the City issued \$116.9 million in Special Obligation Bonds for the Convention Center with a 25 year maturity and an average interest rate of 4.83%. Pledged revenues will be dedicated to the repayment of the debt service.