

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.

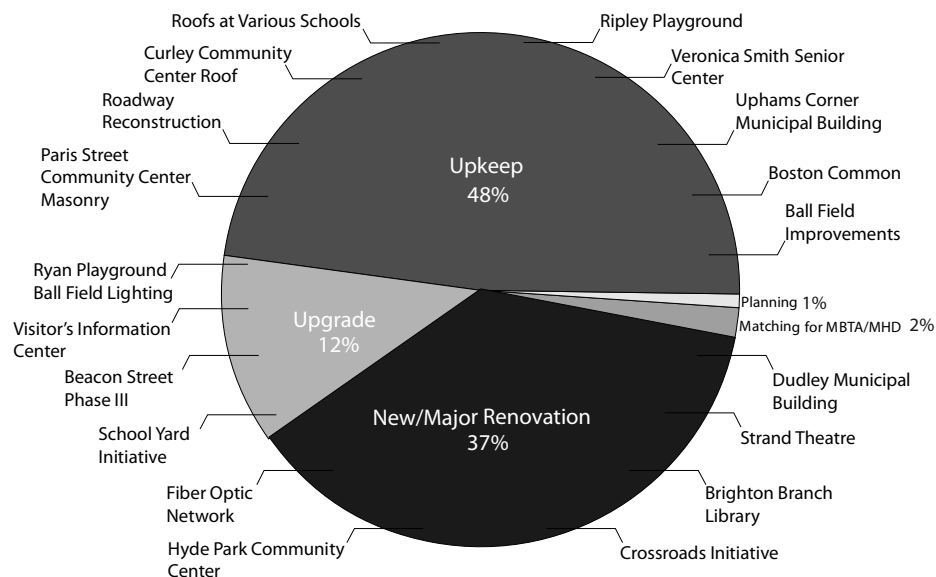
The program name "Together, We CAN" reinforces the ideas that "Cities Are Neighborhoods" and that the capital plan is a strategic tool shaped by many hands and designed to enhance the livability of a city that draws strength from its neighborhoods.

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.

FY09 Allocation Summary

Last year, the Capital Planning division began using 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 FY09 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, and street lighting repairs that ensure the City's streets and sidewalks are safe and in good condition.



A little more than a third of the FY09 allocations represent major renovations and new buildings. New facilities and rehabilitation projects for schools, libraries, parks 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 the addition of artificial turf at American Legion Playground in East Boston and capital investment in the Youth and Human Services technology initiative which will provide new tools for tracking program usage and coordination as part of the Community Learning Initiative.

Finally, about 1% of the FY09 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—37% for New/Major Rehabilitations, 12% for Upgrades, 48% for Upkeep, 1% for planning and 2% for matching roadwork—is a good balance between new and old and approximately the same as FY08. New and major renovation grew by 3% over last year due to the number of new facilities that are currently under construction. 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 FY09-FY13 Capital Plan

A new feature of the capital plan is now available online at mapping section on the City of Boston's website (www.cityofboston.gov/maps). The parks and facilities within the five-year capital plan are searchable by neighborhood, department, or status and displayed in an interactive map. In the future, we hope to add the capability to map planned roadwork and other infrastructure such as street lighting. A smaller portion of the projects cannot be mapped at

all because they are citywide, such as technology projects or planning.

In the next year, OBM plans to 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 of the FY09-FY13 Capital Plan

Invest in Infrastructure

American Legion Highway
Sullivan Square Design
Long Island Bridge Repairs
Road Resurfacing and Reconstruction
Strategic Bicycle Network

Strengthen Communities

Hyde Park Community Center
Shelburne Community Center
Draper Pool
Youth and Human Services Technology Initiative

New Grove Hall Branch Library at the Burke High School
Brighton Branch Library Renovations
New Roofs at Seven Branches
McKim Phase II D

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

Invest in Education

Burke High School Addition
Hemenway School
Roosevelt School
K-1 Renovations
Accreditation at the O'Bryant High School
School Yard Improvements

Promote Public Safety & Public Health

New Fire Apparatus
Engine 51 Renovations
New Dudley Square Police Station
Public Safety Technology Initiative

Support Neighborhood Development

Crossroads Initiative
Dorchester Avenue and Andrew Square
New Dudley Square Municipal Building
Franklin Hill roadways
Downtown Crossing Initiative
Strand Theatre Improvements

Highlights in the FY09-FY13 Capital Plan include renovations at schools, libraries and community centers, a new municipal office building in Dudley Square, improved recreation opportunities and significant investment in technology initiatives.

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 2 and 3) 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 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 must 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 374 new and continuing projects and proposes \$149.2 million in new project authorizations.

Descriptions of all 374 projects can be found in Volumes 2 and 3 of the Budget. Project descriptions include authorizations and funding sources, projected expenditures, and scope of the project.

Financing the FY09-FY13 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 61.4% 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 \$218.7 million from state programs and \$246.8 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 seven Statements of Interest. Out of the seven proposed projects, the Cleveland School was accepted to proceed to a joint feasibility study stage. Reimbursements for projects previously approved will continue on existing schedules.

For the period FY09-13 total payments from the state are estimated at \$56.0 million, not including reimbursements for the Burke High School project, which will complete construction at the Burke High School in FY09. The City is in the process of finalizing a project funding agreement with the MSBA for the Burke High School.

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, \$10.6 million in Chapter 90 funds will be provided in FY09.

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 the federal fiscal year. 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 \$121.3 million.

Expenditures

Current Fiscal Year: Total capital expenditures in FY08 are forecast at \$148 million. The estimate includes \$114 million for general obligation bond spending and \$34 million from various grants and other sources including Chapter 90.

Facilities which reopened in FY08 after major renovations included: the Roslindale Community Center, the A-1 Police Station in Downtown, the D-14 Police Station in Brighton, Peters Park in the South End, and the Kilmer School in West Roxbury. Construction was also completed at Everett Square in Dorchester, the McLaughlin Playground in Jamaica Plain, and the Mason Pool in Roxbury.

Anticipated openings late in FY08 and the first part of FY09 include: the Fire Academy training simulator on Moon Island, the Mattapan Branch Library, Ceylon Park (turf field) in Roxbury, Harambee Park in Mattapan, the Charlestown Police Station, the Hyde Park Community Center, the Hemenway School in Hyde Park, and the Burke High School with combined community center and Grove Hall branch library in Roxbury.

Major renovation work began this past fiscal year at East Boston Stadium, the City's new archive facility in

West Roxbury, the Strand Theatre in Dorchester, and various neighborhood parks.

Site acquisition for the new B-2 Police Station was completed and design began for the planned U.S. Green Building Council LEED certified new police station. Also in Dudley Square, civil engineering work was underway and site preparation began for the new municipal building.

A wide range of renovations continued in the City's school buildings, including masonry repointing, upgraded fire alarms and new roofs. Likewise, a three-year roof repair and replacement program began for seven branch libraries in FY08. In an on-going pool improvement project for the community centers, pool and locker rooms were renovated at facilities in Jamaica Plain, East Boston, the South End, and Dorchester.

Reconstruction began on Phase I of the American Legion Highway in Mattapan and will be completed during FY09. Bids were opened by the Commonwealth for the Chelsea Street Bridge in East Boston, which is a state Transportation Improvement Project.

Finally, the Public Works Department is projected to spend \$18.45 million in street and sidewalk maintenance in FY08. This work is an increase in spending over FY07 and is funded through the street cut opening account, state grants and general obligation borrowing.

Upcoming Fiscal Year: Total capital expenditures in FY09 are forecast at \$151 million. This estimate includes \$120 million for general obligation bond spending and \$31 million from various grants and other sources including Chapter 90.

Management of Information Services Division (MIS) will begin several new technology initiatives in FY09. One is a multi-year Public Safety Initiative which will entail renovating and integrating existing systems such as Computer Aided Dispatch, the Laboratory Information System, and the Incident Tracking System; and updating mobile communications to increase communication between the field and these data systems.

A second new capital project in MIS is a multi-phase technology initiative for Youth and Human Services in support of the Community Learning Initiative. The project will develop a system to track utilization of

programs and improve visibility and access to services across libraries, schools, community centers and the Public Health Commission.

Park improvements will include a continuation of the synthetic turf program with the installation of a new field at American Legion Playground in East Boston and design for turf at Roberts Playground at Dorchester High School. In addition, twenty-eight park, ball field and play lot renovations will be completed, including: Dennis Street in Roxbury, Quincy Stanley in Dorchester, Harambee in Mattapan, Union Rutherford in Charlestown, Phillips Street in Beacon Hill, Rossmore Steadman in Jamaica Plain and the Boston Common. Finally, for the second consecutive year, approximately 500 street trees will be planted in support of the Boston Urban Forest Initiative.

Construction and renovation work will begin at the Roosevelt School this summer and the Brighton Library at the middle of the fiscal year. Construction will continue at 201 Rivermoor, the City's new archive facility. Major renovations in the design phase in FY09 include: the Shelburne and Curtis Hall Community Centers, the Draper Pool, the Jamaica Plain Library, and the new Municipal Building in Dudley Square. Meanwhile, site investigation and due diligence work will continue at the new location for new City Hall on the South Boston waterfront.

The FY09-13 capital plan includes \$15 million for pedestrian ramp upgrades and repair. This will expand and accelerate the Public Works Department's program installing new pedestrian ramps on sidewalks and bringing existing ramps up to Federal standards. The City will also begin constructing a strategic network of bicycle lanes connecting existing high-volume paths in the City and improving access into downtown.

Major intersection and traffic signal construction will be completed at Four Corners in Dorchester. Design work will begin this fiscal year on improvements to Dorchester Ave. at two neighborhood nodes, Glover's Corner and Fields Corner, as well as at Andrew Square in South Boston.

New to the capital plan is a project to design improvements to the pedestrian mall in Downtown Crossing in conjunction with developers and the Downtown Crossing Economic Initiative.

FY10-FY13 Planned Expenditures: Planned G.O. expenditures for the period FY10 through FY13 are expected to remain at \$120 million annually. Future grant expenditures are estimated to total approximately \$16 million annually between FY10 and FY13. Figure 2 displays total capital spending from all sources since FY06 and projected expenditures through FY13.

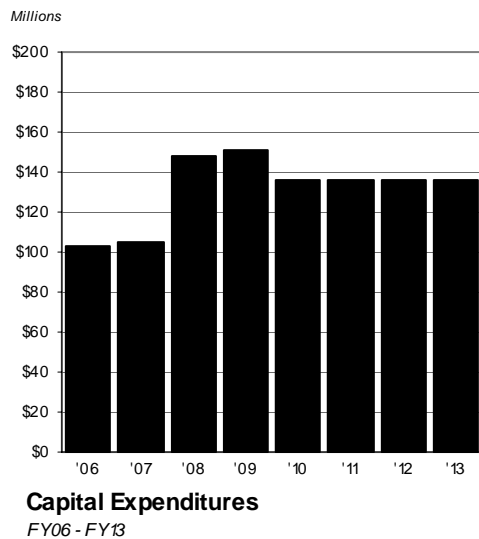


Figure 2

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.

Savings: 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 completed in FY08 includes a conversion from steam to natural gas-fired boilers that will provide anticipated savings of \$45,000 annually as a result of the increased efficiency of the natural gas system. The Strand Theatre received a five-stage gas-fired boiler in FY08 which can scale production up or down in response to demand. As a result, the Mayor's Office of Arts, Tourism and Special Events (MOATSE) which operates the Strand will see an 11% reduction in its FY09 utility appropriation. A substantial portion of the capital plan is focused on these types of basic facility improvements.

The City has committed to designing new buildings and selected major renovations to attain U.S. Green Building LEED certification. The new B-2 police station in Dudley Square began design in FY08 and will be a LEED Silver building. The addition and renovation of the Roosevelt School in Hyde Park will begin construction this summer and is a registered LEED project. The Brighton Branch library renovation will be LEED Silver for Commercial Interiors. In addition to reducing building waste and improving indoor air quality, these projects will reduce utility costs through energy efficient systems.

In the area of renewable energy, the City became one of thirteen inaugural Solar City Partners with the US Department of Energy (DOE) under the Solar America Initiative in 2007. The Partnership, called Solar Boston, is a 2-year, \$500,000 project supported by the DOE, the Massachusetts Technology Collaborative (MTC), National Grid, NSTAR, and an anonymous foundation. Studies have demonstrated that solar energy systems in Boston produce electricity at periods when utility peak is at its highest, thereby reducing strain on the electricity grid and generating significant savings. Solar power also reduces air emissions, decreases the risk of power outages, and can serve as a hedge against spiking fossil fuel prices. The goal for FY09 is to pilot the installation of solar panels at five city locations. Capital funding for this pilot is in the project titled Energy Conservation within Property and Construction Management Department section of Volume 3. The Department of Energy Resources recently supplemented the Partnership with a \$50,000 grant to analyze the feasibility of solar hot water systems at 15 City facilities, mainly pool facilities.

The School Department is aggressively pursuing capital projects to save energy and reduce operating costs for utilities. These projects include an on-going program to install energy management systems to control buildings' systems from a remote, centralized location, window replacement projects, installing green and solar roofs and exploring the installation of wind turbines.

The five-year plan provides \$25 million of window replacement projects. Due to recent changes in the Massachusetts State Building Code, these window projects inherently improve insulation and energy savings. Installation began in FY08 at Charlestown High School and the Condon School; the Agassiz, McCormack, Marshall, Mattahunt and McKinley schools are scheduled for window replacement in future years. The Energy Management System will track the reduction in energy usage at these locations.

At Brighton High School, the School Department will pilot the installation of a vegetated roof and solar panels on various sections of the multi-level roof. The change in energy usage will be monitored via the central Energy Management System. The outcome of the roof, the health of the plants and maintenance will be evaluated for several years.

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. 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 (evaluating a building's current systems' performance against original design specifications). Design has begun on the lighting control system at Boston City Hall that is estimated to save 1.2 million kilo-watt hours of electricity annually. 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).

The City also looks to technology improvements and enhancements to reduce costs and improve efficiency. In FY09, the MIS department will begin eliminating

leased lines used for data communications as it lights up a City-owned fiber optic cable system. As a result of elimination of recurring leased line costs - savings realized to date total \$76,000 annually. Ongoing savings reductions are anticipated in FY08 through FY09 while fiber optic network implementation continues. Eventually, 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 new Core Technology Infrastructure project in MIS provides for the creation of virtual servers, enterprise storage and improved network reliability. In conjunction with the Fiber Optic project, this capital investment will allow the City to consolidate data centers currently located remotely in departments. Consolidation and virtual servers will reduce the amount of hardware needed, as well as the space and energy needed to maintain the remote locations.

The capital project to create a consolidated records center and materials storage facility for the City of Boston Archives and Records Management Center and the Boston Public Library is now in construction with occupancy of the renovated facility expected in the first half of FY09. This facility allows 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 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.

Additional Costs: In first half of FY09 two new branch libraries will open their doors replacing two significantly smaller facilities. The new branches will result in the addition of ten net new positions at an approximate cost of \$295,000. In addition, \$125,000 is budgeted to enable homework assistance programs and the WriteBoston program at these libraries.

Workflow Efficiencies: 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 bringing multiple business processes online and have a central database for all departmental permitting and licensing. The next department to be brought on line will be the Boston Fire Department. The longer term goal is to move all permitting and licensing functions onto the central system.

MIS, in partnership with user departments, will design and implement a comprehensive time and attendance program to assist departments in managing personnel. This will reduce time spent by each department maintaining attendance records, improve reporting capabilities and enhance management of overtime assignments.

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.

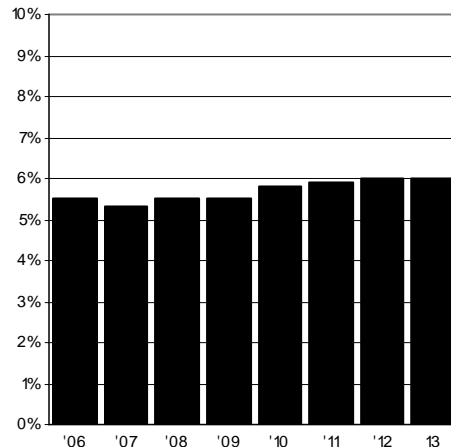
The Treasury Department manages all borrowings according to the City's debt management policies. These policies address issues such as debt affordability and limitations on the level of variable rate debt the City will use. The City's goal is to rapidly repay debt, maintain a conservative level of outstanding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



Gross Debt Service as a Percent of Total General Fund Expenditures
FY06 - FY13

Figure 3

The City's debt service forecast assumes general obligation spending of \$120 million each year from FY09 through FY13. On March 20, 2008, the City issued \$126.2 million in general obligation bonds (including \$6.2 million for the State Boston Retirement System) and \$28.2 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 FY09-13 (See Figure 3).

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 4).

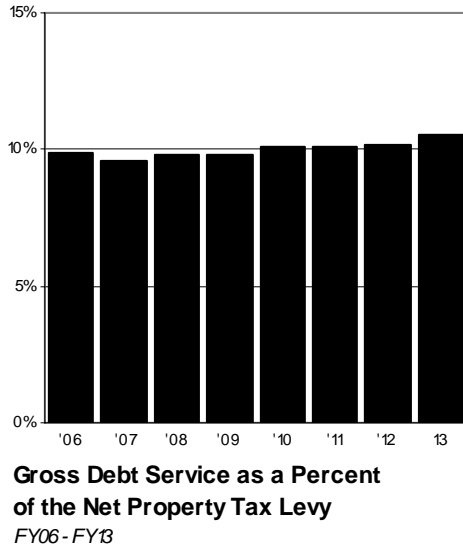


Figure 4

The City's current overall debt burden (net direct debt to assessed property value of \$90.07 billion) is approximately .92% as of April 1, 2008. The City's net direct debt per capita currently stands at approximately \$1,387.34 as of April 1, 2008.

Boston has been conservative about assuming long-term debt and aggressive about retiring debt expeditiously. As of April 1, 2008, the City's debt retirement schedule shows that 44.3% of its principal will be retired five years out, before the end of FY13 (See Figure 8).

In March 2008, FitchRatings, Moody's Investors Service and Standard & Poor's Rating Services affirmed Boston's credit rating at AA, 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 \$126.2 million on March 20, 2008. The City also has had eight general obligation refunding issues. The most recent refunding issue, on March 20, 2008, achieved significant interest rate savings.

Capital Project Financing

Fiscal Years 2009 - 2013

	Existing Authorization	FY09 Authorization	FY10-13 Authorization	State	Federal	Other	Trust	Total
Boston Center for Youth and Families	23,462,154	15,542,650	15,380,200	626,325	0	0	0	\$55,011,329
Boston Redevelopment Authority	5,334,500	0	0	6,990,643	5,050,000	1,100,000	0	\$18,475,143
Environment Department	1,000,000	0	500,000	0	0	0	0	\$1,500,000
Fire Department	20,041,327	6,460,000	29,237,150	0	0	0	0	\$55,738,477
Library Department	26,200,215	3,850,000	31,200,000	6,402,907	750,000	2,155,000	0	\$70,558,122
Management Information Services	11,027,925	11,900,000	550,000	0	0	750,000	0	\$24,227,925
Neighborhood Development	19,253,600	1,000,000	345,000	0	0	0	0	\$20,598,600
Parks and Recreation Department	39,688,353	17,257,000	21,414,000	24,671,500	40,200,000	12,005,556	115,000	\$155,351,409
Police Department	27,803,000	29,394,000	2,815,000	200,000	0	0	0	\$60,212,000
Property and Construction Management Department	46,384,957	5,275,000	23,310,000	0	0	8,750,000	0	\$83,719,957
Public Health Commission	750,000	5,550,000	2,650,000	0	0	0	0	\$8,950,000
Public Works Department	116,848,081	20,288,000	104,349,708	137,598,841	195,282,400	82,110,000	0	\$656,477,030
School Department	92,394,654	28,680,209	87,661,400	37,000,000	0	14,361,666	0	\$260,097,929
Transportation Department	11,427,198	4,000,000	23,600,000	5,220,000	5,480,000	50,000	0	\$49,777,198
Total	441,615,964	149,196,859	343,012,458	218,710,216	246,762,400	121,282,222	115,000	1,520,695,119

City of Boston
Outstanding Debt by Purpose as of April 1, 2008

		Outstanding @ April 1, 2008	Percent of Total Outstanding Debt
<u>Statute:</u>			
	<u>General Purpose:</u>		
C44 s7 (13)	Acquisition of Fire or Police Boats	\$ 38,360	0.00
C44 s7 (20)	Acquisition of Land; Cemeteries	630,858	0.07
C44 s7 (21)	Architectural Services for Plans and Specifications	22,842	0.00
C44 s7 (22)	Engineering or Architectural Services	2,532,790	0.28
C44 s7 (25)	Acquisition of Land; Parks and Playgrounds	63,029,739	6.91
C44 s7 (28)	Computer Hardware	16,021,202	1.76
C44 s7 (29)	Computer Software	880,193	0.10
C44 s7 (9)	Departmental Equipment	17,931,255	1.97
C44 s7 (9A)	Firefighting Apparatus - Remodeling, Re-Constr.	205,311	0.02
C44 s7 (3B)	Energy Conserv., Alternative Energy Improvements	1,061,163	0.12
C659 Acts 1986	BCH - Constr., Equipping, Furnishing	0	0.00
		\$ 102,353,711	11.22
<u>Urban Development:</u>			
C121B s20	Urban Redevelopment and Renewal	\$ 19,171,686	2.10
C1097 s11 Acts 1971	Economic Development and Industrial Corp.	2,901,024	0.32
		\$ 22,072,709	2.42
<u>Schools:</u>			
C645 s8 Acts 1948	School Project Loan	\$ 46,459,084	5.09
C642 s7 Acts 1966	Capital Improvements; Act of 1966	0	0.00
C642 s7A Acts 1973	Capital Improvements; Act of 1973	21,415	0.00
C642 s7B Acts 1991	Capital Improvements; Act of 1991	16,660,846	1.83
C642 s7C Acts 1996	Capital Improvements; Act of 1996	29,102,891	3.19
		\$ 92,244,236	10.11
<u>Public Buildings:</u>			
C44 s7 (3)	Construction of Buildings; Acquisition Of Land	\$ 123,450,641	13.54
C44 s7 (3A)	Remodeling and Extraordinary Repairs	376,701,536	41.30
C642 s7 Acts 1966	Capital Improvements; Act of 1966	93,598	0.01
C642 s7A Acts 1973	Capital Improvements; Act of 1973	3,807,612	0.42
C642 s7B Acts 1991	Capital Improvements; Act of 1991	44,350,922	4.86
C642 s7C Acts 1996	Capital Improvements; Act of 1996	29,794,704	3.27
		\$ 578,199,014	63.39
<u>Public Works:</u>			
C44 s7 (1)	Construct/Re-Construct of Surface Drains, Sewers, et	\$ 2,112,929	0.23
C44 s7 (4)	Construction and/or Re-Construction of Bridges	27,954,135	3.06
C44 s7 (5)	Construction of Public Ways	46,954,029	5.15
C44 s7 (6)	Construction of Sidewalks	11,510,388	1.26
C44 s7 (14)	Traffic Signal and Public Lighting Install., etc.	18,572,929	2.04
C44 s8 (4)	Reservoir Constr/Enlrg; Water Trmt Bldgs	444,268	0.05
C44 s8 (5)	Water Mains Laying, Re-Laying, Construct.	299,163	0.03
C44 s8 (24) C29C	Landfill; Closing, Opening, Improve. to (MWPAT)	9,343,817	1.02
		\$ 117,191,658	12.85
	Grand Total =	\$ 912,061,327	100.00 %

CITY of BOSTON
DEBT SERVICE PAYMENTS on GENERAL OBLIGATION BONDS

@ April 1, 2008

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

DATE of ISSUE	AMOUNT ISSUED	@ 4/ 1/08		FY'14 through FY'18		FY'19 through FY'23		FY'24 through FY'28		@ 4/ 1/08		
		FY'08 through FY'13	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	FY'08 through FY'28	Principal
March 20, 2008	126,185	\$35,980	\$31,820	\$19,524	\$27,655	\$11,966	\$30,730	\$4,760	\$126,185	\$64,586		
March 20, 2008 R	28,155	22,765	5,390	312	0	0	0	0	28,155	3,985		
March 22, 2007	100,000	28,955	26,320	12,480	21,350	6,566	17,750	1,658	94,375	39,431		
March 22, 2007 R	85,425	1,655	34,090	15,774	49,285	4,562	0	0	85,030	37,905		
January 31, 2006	80,000	26,925	18,590	7,436	14,440	3,348	7,575	635	67,530	24,394		
February 1, 2005 R	52,775	27,835	24,940	2,800	0	0	0	0	52,775	13,999		
February 1, 2005 R	75,000	22,910	17,425	6,138	13,970	2,700	5,320	319	59,625	20,420		
April 1, 2004 R	42,330	18,640	0	0	0	0	0	0	18,640	1,604		
February 1, 2004 R	35,870	18,240	4,880	366	0	0	0	0	23,120	3,587		
February 1, 2004 R	65,000	18,320	15,630	5,172	13,280	2,144	2,570	109	49,800	16,864		
February 1, 2003 R	28,515	15,865	3,725	186	0	0	0	0	19,590	3,491		
February 1, 2003 R	25,000	6,500	6,100	1,415	2,400	168	0	0	15,000	4,509		
February 1, 2003 R	33,500	5,865	9,580	2,647	5,160	365	0	0	20,605	7,376		
February 1, 2003 R	75,000	20,475	17,000	3,544	4,900	343	0	0	42,375	11,952		
November 15, 2002 R	43,070	6,295	0	0	0	0	0	0	6,295	315		
August 15, 2002 R	48,640	18,070	20,850	4,331	7,750	522	0	0	46,670	14,252		
February 1, 2002 R	100,000	27,080	13,500	1,277	0	0	0	0	40,580	7,641		
April 1, 2001 R	52,025	30,010	9,540	716	0	0	0	0	39,550	6,554		
February 1, 2001 R	29,980	5,799	9,310	652	0	0	0	0	39,290	6,451		
February 1, 2000 R	120,000	12,050	0	0	0	0	0	0	12,050	1,009		
AWPAT - October 15, 1999	13,389	3,311	3,840	947	1,695	87	0	0	8,846	2,889		
October 15, 1998	120,000	6,685	4,645	1,875	4,645	99	0	0	15,975	4,480		
Totals:		\$404,411	\$277,175	\$87,592	\$166,530	\$32,870	\$63,945	\$7,481	\$912,061	\$297,694		
				\$364,767		\$199,400		\$71,426				

@ 4/1/08:

% of Total Principal and Interest Retired in 5 Years: **44.3%**

% of Total Principal and Interest Retired in 10 Years: **74.7%**

% of Total Principal and Interest Retired in 15 Years: **93.0%**

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

Note: R = General Obligation Refunding Issuance

CAPITAL FUND - DEBT SERVICE REQUIREMENTS - FISCAL YEARS 2007 through 2013

	Actual FY07	Projected FY08	Projected FY09	Projected FY10	Projected FY11	Projected FY12	Projected FY13
<u>Gross Debt Service Requirements - Bonded Debt:</u>							
Total Principal:	82,875,539	84,072,086	88,327,660	95,093,669	100,060,000	106,445,000	110,485,000
Total Interest:	34,698,726	42,610,910	45,206,075	48,124,803	50,562,283	52,606,825	54,246,033
(1) Total:	\$117,574,265	\$126,682,996	\$133,533,735	\$143,218,472	\$150,622,283	\$159,051,825	\$164,731,033
<u>Less: Revenue Deemed Available from Related Sources:</u>							
Boston Medical Center	773,544	631,895	752,601	735,912	721,834	742,398	703,414
Boston Public Health Commission	709,398	553,771	681,246	673,203	670,790	661,374	527,203
Water and Sewer Payments	0	0	0	0	0	0	0
Gardner Street Landfill Subsidy	524,894	516,522	492,351	483,701	439,687	434,163	422,998
(2) Irrigation Project	267,875	262,125	253,959	246,810	239,662	231,495	223,246
(3) 1010 Massachusetts Avenue Project	1,622,576	1,652,301	1,707,466	1,762,663	1,808,487	1,865,024	1,927,788
Accrued Interest	372,340	0	100,000	100,000	100,000	100,000	100,000
Premium	3,940,089	3,695,492	5,914,006	5,914,006	100,000	100,000	100,000
<u>Plus: Interest on Temporary Loan Notes and Additional Items:</u>							
Revenue Anticipation	0	529,305	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Cost of Issuance	255,541	500,000	500,000	500,000	500,000	500,000	500,000
(4) Dudley Sq.. Modern. Site / Sec. 108	0	505,000	505,000	505,000	505,000	505,000	505,000
School B.A.N.'s	0	0	0	0	0	0	0
Total Debt Service/Budget Summary:	\$109,619,091	\$120,905,195	\$127,637,107	\$137,307,176	\$150,546,823	\$158,922,372	\$164,731,383
<u>Additional Adjustments:</u>							
Less:							
School Construction Assistance	15,134,146	13,711,961	13,198,866	12,956,404	11,157,748	9,847,753	8,833,043
(5) Room Occupancy Excise Fund	8,270,113	8,268,938	8,269,363	8,270,863	8,272,663	8,268,663	8,269,025
Plus:							
(5) Convention Center Special Obligation Bonds	8,270,113	8,268,938	8,269,363	8,270,863	8,272,663	8,268,663	8,269,025
Total Net Debt Service Requirements:	\$94,484,945	\$107,193,234	\$114,438,241	\$124,350,772	\$139,389,075	\$149,074,619	\$155,898,340

NOTES:

- (1) FY08 - On March 20, 2008, the City issued \$126.185 million in General Obligation Bonds with a 20 year maturity and an average interest rate of 5.0 % and issued \$28,155,000 million in General Obligation Refunding Bonds with a 7 year maturity and an average interest rate of 3.5 %.
- Assumptions:
FY09 through FY13 - Assumes General Obligation debt issuance of \$120 million per year, each with a 20 year maturity and an average interest rate of 6.0%.
- (2) Debt Service Costs will be offset by the "Fund for Parks and Recreation".
- (3) Debt Service Costs will be offset by charging City departments for the space they occupy.
- (4) Debt Service Costs are based on level principal payments over ten years; interest cost covered from other sources.
- (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.

