



Capital Asset Preservation Program Fund

The Board of Supervisors established the Capital Asset Preservation Program Fund (CAPP) in 1990 as a consistent means of planning and financing for major Loudoun County Public Schools (LCPS) and County General Government maintenance efforts. The CAPP affords the County the ability to extend the useful life of mature and aging facilities by repairing and replacing major facility components and systems.

The County uses nationally promulgated standards as guidelines for the maintenance of, and financial investment in, aging facilities. For example, the Association of Higher Education Facilities Officers recommends annual capital asset preservation funding ranges that are 1.5 to 3.0 percent of the total replacement value of an institution's physical plant. Similarly, the federal Internal Revenue Service has established a depreciation standard of 2.5 percent per year on fixed assets. The number of new facilities for the LCPS and County also influences the CAPP budget, as new facilities are added to the County's fixed asset inventory at a faster pace than the County's ability to increase funding to maintain the CAPP at optimal levels.

The CAPP is financed through local tax funding. The CAPP also receives additional revenue from surcharges collected by the Clerk of the Circuit Court on recordation taxes. This recordation tax surcharge is legally earmarked for the ongoing maintenance of Court-related facilities. Budget projections for FY 2021 through FY 2026 reflect the funding required to support capital asset preservation.

The County CAPP and the School Capital Asset Preservation Program Fund are separate funds and are separate appropriations in the Appropriations Resolution. While the programs focus on the long-term needs of the County, only the current year (FY 2021) is appropriated. The County's CAPP includes funding for long-term maintenance of general government and court facilities, as well as computer system replacements.¹

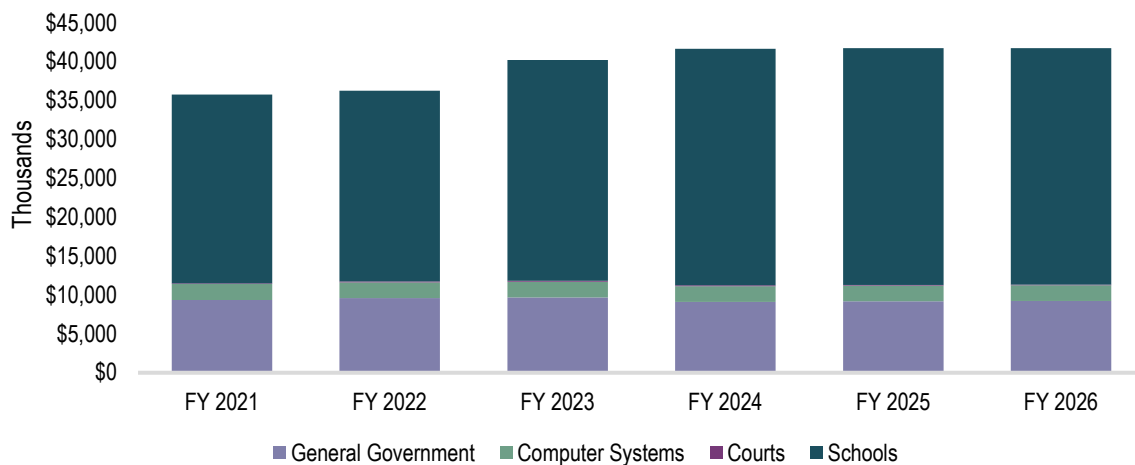
¹ In prior year Adopted Budgets, computer system replacements were displayed as a separate Computer System Replacement Fund, while still being appropriated under the CAPP Fund. Beginning with the FY 2020 Adopted Budget, these system replacements are displayed within their parent fund.



Capital Asset Preservation Program

Revenues and Expenditures¹

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | 6-Year Total |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Revenues – Transfer from General Fund | | | | | | | |
| General Government | \$9,370,000 | \$9,595,000 | \$9,680,000 | \$9,106,350 | \$9,174,241 | \$9,210,983 | \$56,136,574 |
| Computer Systems | 2,025,000 | 2,025,000 | 2,025,000 | 2,025,000 | 2,025,000 | 2,025,000 | 12,150,000 |
| Schools | 24,261,000 | 24,543,000 | 28,390,500 | 30,415,500 | 30,415,500 | 30,415,500 | 168,441,000 |
| Subtotal | \$35,656,000 | \$36,163,000 | \$40,095,500 | \$41,546,850 | \$41,614,741 | \$41,651,483 | \$236,727,574 |
| Revenues – Other Sources | | | | | | | |
| Court Recordation Fees | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 600,000 |
| Subtotal | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$600,000 |
| Total – Revenues | \$35,756,000 | \$36,263,000 | \$40,195,500 | \$41,646,850 | \$41,714,741 | \$41,751,483 | \$237,327,574 |
| Expenditures | | | | | | | |
| General Government | \$9,370,000 | \$9,595,000 | \$9,680,000 | \$9,106,350 | \$9,174,241 | \$9,210,983 | \$56,136,574 |
| Courts Maintenance | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 600,000 |
| Computer Systems | 2,025,000 | 2,025,000 | 2,025,000 | 2,025,000 | 2,025,000 | 2,025,000 | 12,150,000 |
| Subtotal – County CAPP | \$11,495,000 | \$11,720,000 | \$11,805,000 | \$11,231,350 | \$11,299,241 | \$11,335,983 | \$68,886,574 |
| Schools | \$24,261,000 | \$24,543,000 | \$28,390,500 | \$30,415,500 | \$30,415,500 | \$30,415,500 | \$168,441,000 |
| Subtotal – Schools CAPP | \$24,261,000 | \$24,543,000 | \$28,390,500 | \$30,415,500 | \$30,415,500 | \$30,415,500 | \$168,441,000 |
| Total – Expenditures | \$35,756,000 | \$36,263,000 | \$40,195,500 | \$41,646,850 | \$41,714,741 | \$41,751,483 | \$237,327,574 |



¹ Sums may not equal due to rounding.



Capital Asset Preservation Program

Expenditure Detail

Program Compared to Fixed Asset Value

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Fixed Asset Value (FAV) | | | | | | |
| General Government | \$1,728,482,336 | \$1,901,330,569 | \$2,091,463,626 | \$2,300,609,989 | \$2,530,670,988 | \$2,783,738,086 |
| Schools | 2,367,538,403 | 2,604,292,243 | 2,864,721,467 | 3,151,193,614 | 3,466,312,975 | 3,812,944,273 |
| Total Fixed Asset Value | \$4,096,020,738 | \$4,505,622,812 | \$4,956,185,093 | \$5,451,803,603 | \$5,996,983,963 | \$6,596,682,359 |
| CAPP Projects as a Percent of FAV | | | | | | |
| General Government | 0.55% | 0.51% | 0.47% | 0.40% | 0.37% | 0.33% |
| Schools | 1.02% | 0.94% | 0.99% | 0.97% | 0.88% | 0.80% |
| All CAPP Projects | 0.82% | 0.76% | 0.77% | 0.73% | 0.66% | 0.60% |

Proposed FY 2021 County CAPP

During FY 2019, the County conducted a series of building assessments to develop a long-term maintenance strategy for County facilities. These assessments resulted in a level funding plan for select General Government expenditure categories (Building, Roofing, Mechanical/Electrical and Plumbing). Current and planned appropriations for these expenditures have been updated in FY 2021 through FY 2026 and represent a long-term strategy to provide sufficient and consistent annual funding for these types of expenditures over time. The assessments also helped identify the need for establishing a contingency within the CAPP Fund. Contingency funding will be used to address needs that may be accelerated due to unforeseen circumstances.



Capital Asset Preservation Program

Program by Functional Area and Repair Category

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | 6-Year Total |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| General Government | | | | | | | |
| Building | \$2,250,000 | \$2,250,000 | \$2,250,000 | \$2,250,000 | \$2,250,000 | \$2,250,000 | \$13,500,000 |
| Mechanical/Electrical Plumbing | 950,000 | 950,000 | 900,000 | 900,000 | 900,000 | 900,000 | 5,500,000 |
| Parks/Recreation Facilities | 1,500,000 | 1,500,000 | 1,545,000 | 1,591,350 | 1,639,091 | 1,655,482 | 9,430,923 |
| Pavement/Site | 2,320,000 | 2,545,000 | 2,635,000 | 2,015,000 | 2,035,150 | 2,055,502 | 13,605,652 |
| CAPP Contingency | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 9,000,000 |
| Roofing | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 5,100,000 |
| Subtotal – General Government | \$9,370,000 | \$9,595,000 | \$9,680,000 | \$9,106,350 | \$9,174,241 | \$9,210,983 | \$56,136,574 |
| Courts | | | | | | | |
| Court Facilities Maintenance | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$600,000 |
| Subtotal – Courts | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$600,000 |
| Computer Systems | | | | | | | |
| Network Equipment | \$900,000 | \$900,000 | \$900,000 | \$900,000 | \$900,000 | \$900,000 | \$5,400,000 |
| Windows & Enterprise Servicers | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 3,000,000 |
| Enterprise Storage | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 | 320,000 | 1,920,000 |
| Application Software | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 120,000 |
| Video Conferencing | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 150,000 |
| Network Security | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 260,000 | 1,560,000 |
| Subtotal – Computer Systems | \$2,025,000 | \$2,025,000 | \$2,025,000 | \$2,025,000 | \$2,025,000 | \$2,025,000 | \$12,150,000 |
| Total – County CAPP | \$11,495,000 | \$11,720,000 | \$11,805,000 | \$11,231,350 | \$11,299,241 | \$11,335,983 | \$68,886,574 |
| Schools | | | | | | | |
| Electrical | \$1,564,250 | \$2,120,000 | \$3,585,000 | \$2,494,000 | \$2,494,000 | \$2,494,000 | \$14,751,250 |
| HVAC | 733,000 | 1,234,000 | 4,266,000 | 2,570,000 | 2,570,000 | 2,570,000 | 13,943,000 |
| Plumbing | 390,000 | 1,620,000 | 1,433,000 | 2,100,000 | 2,100,000 | 2,100,000 | 9,743,000 |
| Resurfacing | 5,274,000 | 5,701,000 | 2,233,000 | 3,027,000 | 3,027,000 | 3,027,000 | 22,289,000 |
| Roofing | 12,031,000 | 8,658,000 | 12,160,000 | 14,534,000 | 14,534,000 | 14,534,000 | 76,451,000 |
| Structure Repair | 3,637,000 | 4,804,000 | 4,213,500 | 5,190,500 | 5,190,500 | 5,190,500 | 28,226,000 |
| Windows | 631,750 | 406,000 | 500,000 | 500,000 | 500,000 | 500,000 | 3,037,750 |
| Subtotal Schools | \$24,261,000 | \$24,543,000 | \$28,390,500 | \$30,415,500 | \$30,415,500 | \$30,415,500 | \$168,441,000 |
| Total – All CAPP | \$35,756,000 | \$36,263,000 | \$40,195,500 | \$41,646,850 | \$41,714,741 | \$41,751,483 | \$237,327,574 |