



# 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 2023 through FY 2028 reflect the funding required to support capital asset preservation.

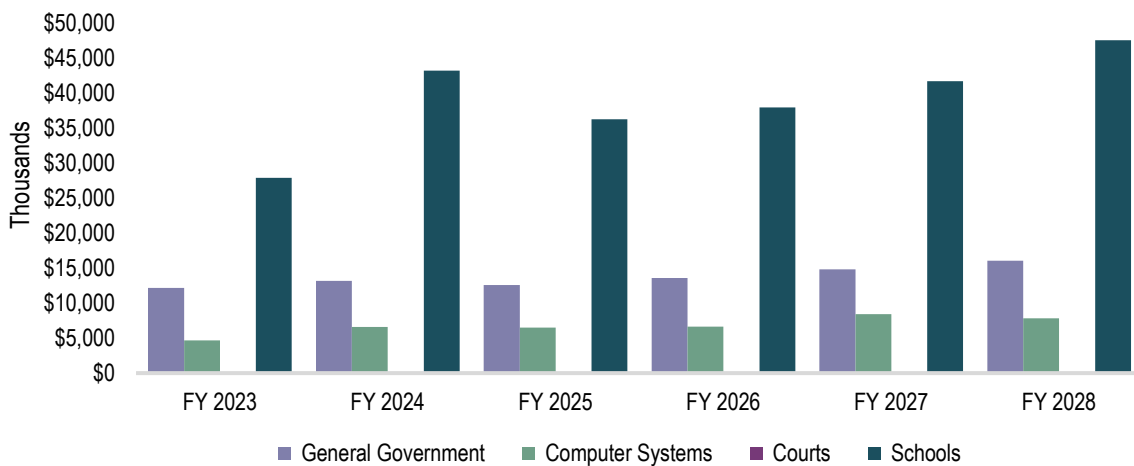
The County CAPP and the School Capital Asset Preservation Program Fund are separate funds and are separate appropriations in the Appropriations Resolution. While the programs focus on the long-term needs of the County, only the current year (FY 2024) is appropriated. The County’s CAPP includes funding for long-term maintenance of general government and court facilities, as well as computer system replacements.



## Capital Asset Preservation Program

### Revenues and Expenditures<sup>1</sup>

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	6-Year Total
<b>Revenues – Transfer from General Fund</b>							
General Government	\$12,180,000	\$13,190,000	\$12,580,150	\$13,600,502	\$14,820,502	\$16,040,502	\$82,411,656
Computer Systems	4,685,860	6,577,825	6,493,575	6,657,000	8,421,500	7,837,750	40,673,510
Schools	27,904,300	43,216,000	36,258,000	37,939,000	41,715,500	47,541,000	234,573,800
<b>Subtotal</b>	<b>\$44,770,160</b>	<b>\$62,983,825</b>	<b>\$55,331,725</b>	<b>\$58,196,502</b>	<b>\$64,957,502</b>	<b>\$71,419,252</b>	<b>\$357,658,966</b>
<b>Revenues – Other Sources</b>							
Court Recordation Fees	100,000	100,000	100,000	100,000	100,000	100,000	600,000
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$600,000</b>
<b>Total – Revenues</b>	<b>\$44,870,160</b>	<b>\$63,083,825</b>	<b>\$55,431,725</b>	<b>\$58,296,502</b>	<b>\$65,057,502</b>	<b>\$71,519,252</b>	<b>\$358,258,966</b>
<b>Expenditures</b>							
General Government	\$12,180,000	\$13,190,000	\$12,580,150	\$13,600,502	\$14,820,502	\$16,040,502	\$82,411,656
Courts Maintenance	100,000	100,000	100,000	100,000	100,000	100,000	600,000
Computer Systems	4,685,860	6,577,825	6,493,575	6,657,000	8,421,500	7,837,750	40,673,510
<b>Subtotal – County CAPP</b>	<b>\$16,965,860</b>	<b>\$19,867,825</b>	<b>\$19,173,725</b>	<b>\$20,357,502</b>	<b>\$23,342,002</b>	<b>\$23,978,252</b>	<b>\$123,685,166</b>
Schools	\$27,904,300	\$43,216,000	\$36,258,000	\$37,939,000	\$41,715,500	\$47,541,000	\$234,573,800
<b>Subtotal – Schools CAPP</b>	<b>\$27,904,300</b>	<b>\$43,216,000</b>	<b>\$36,258,000</b>	<b>\$37,939,000</b>	<b>\$41,715,500</b>	<b>\$47,541,000</b>	<b>\$234,573,800</b>
<b>Total – Expenditures</b>	<b>\$44,870,160</b>	<b>\$63,083,825</b>	<b>\$55,431,725</b>	<b>\$58,296,502</b>	<b>\$65,057,502</b>	<b>\$71,519,252</b>	<b>\$358,258,966</b>



<sup>1</sup> Sums may not equal due to rounding.



## Capital Asset Preservation Program

### Expenditure Detail

#### Program Compared to Fixed Asset Value

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>Fixed Asset Value (FAV)</b>						
General Government	\$2,021,416,518	\$2,223,558,170	\$2,445,913,987	\$2,690,505,385	\$2,959,555,924	\$3,255,511,516
Schools	2,393,810,007	2,633,191,007	2,896,510,108	3,186,161,119	3,504,777,231	3,855,254,954
<b>Total Fixed Asset Value</b>	<b>\$4,415,226,525</b>	<b>\$4,856,749,177</b>	<b>\$5,342,424,095</b>	<b>\$5,876,666,504</b>	<b>\$6,464,333,155</b>	<b>\$7,110,766,470</b>
<b>CAPP Projects as a Percent of FAV</b>						
General Government	0.61%	0.60%	0.52%	0.51%	0.50%	0.50%
Schools	1.17%	1.64%	1.25%	1.19%	1.19%	1.23%
<b>All CAPP Projects</b>	<b>0.91%</b>	<b>1.16%</b>	<b>0.92%</b>	<b>0.88%</b>	<b>0.88%</b>	<b>0.90%</b>

### Proposed FY 2024 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 2023 through FY 2028 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. In FY 2023, Mechanical/Electrical Plumbing was increased by adding \$2,000,000 a year from FY 2023 through FY 2028 in order to support a new equipment replacement initiative that replaces large mechanical equipment when it reaches its useful life expectancy.

During the FY 2023 CIP budget development process, the budget for personal computer (PC) replacements was transferred from the Department of Information and Technology’s operating budget in the General Fund into the CAPP Fund Computer Systems section to more effectively manage the program and to be more transparent about how the funds are used. The CAPP computer systems budget for network equipment, servers and server storage, security mitigation, and video conference solutions are projected to increase each year in the six-year period based on escalation, growth, and expansion of applications and their capabilities. The PC replacement budget is projected to increase due to the impacts on product availability and price increases caused by the COVID-19 pandemic.

As reflected in the CAPP summary table by program/functional area on the next page, CAPP funding for Parks, Recreation, and Community Services (PRCS) is proposed to be incrementally increased over the six-year period to bring overall CAPP, maintenance, and renovation funding (the PRCS Renovation Program) up to levels that align with the additional maintenance and renovation funding needs identified in the PRCS Master Plan as presented to and approved by the Board of Supervisors during summer 2021<sup>1</sup>.

The FY 2024 CIP budget development process included \$1,000,000 in additional contingency funds being added and board transition costs of \$130,000 which was included under Building in General Government. Board transition costs are for renovations for nine board officers and two staff offices which includes new furniture, paint, carpet, television installation, and contingency funds.

<sup>1</sup> Item 05f FGOEDC-Update from PRCS on Departmental Master Plan (June 15, 2021 Board Business Meeting)



## Capital Asset Preservation Program

### Program by Functional Area and Repair Category<sup>1</sup>

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	6-Year Total
<b>General Government</b>							
Building	\$2,250,000	\$2,380,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$13,630,000
Mechanical/Electrical Plumbing	2,900,000	2,900,000	2,900,000	2,900,000	3,000,000	3,150,000	17,750,000
Parks/Recreation Facilities	2,045,000	2,545,000	3,045,000	4,045,000	5,045,000	6,045,000	22,770,000
Pavement/Site	2,635,000	2,015,000	2,035,150	2,055,502	2,075,502	2,095,502	12,911,656
CAPP Contingency	1,500,000	2,500,000	1,500,000	1,500,000	1,500,000	1,500,000	10,000,000
Roofing	850,000	850,000	850,000	850,000	950,000	1,000,000	5,350,000
<b>Subtotal – General Government</b>	<b>\$12,180,000</b>	<b>\$13,190,000</b>	<b>\$12,580,150</b>	<b>\$13,600,502</b>	<b>\$14,820,502</b>	<b>\$16,040,502</b>	<b>\$82,411,656</b>
<b>Courts</b>							
Court Facilities Maintenance	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$600,000
<b>Subtotal – Courts</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$600,000</b>
<b>Computer Systems</b>							
Network Equipment	\$1,442,000	\$2,605,900	\$2,923,140	\$3,204,330	\$3,331,020	\$3,431,960	\$16,938,350
Servers & Server Storage	849,750	267,800	63,860	65,920	67,980	70,040	1,385,350
Security Mitigation Solutions	206,000	309,000	309,000	309,000	309,000	309,000	1,751,000
Video Conference Solutions	51,500	0	0	0	0	0	51,500
<b>Subtotal – Computer Systems</b>	<b>\$2,549,250</b>	<b>\$3,182,700</b>	<b>\$3,296,000</b>	<b>\$3,579,250</b>	<b>\$3,708,000</b>	<b>\$3,811,000</b>	<b>\$20,126,200</b>
PC Replacements	\$2,136,610	\$3,395,125	\$3,197,575	\$3,077,750	\$4,713,500	\$4,026,750	\$20,547,310
<b>Subtotal – PC Replacements</b>	<b>\$2,136,610</b>	<b>\$3,395,125</b>	<b>\$3,197,575</b>	<b>\$3,077,750</b>	<b>\$4,713,500</b>	<b>\$4,026,750</b>	<b>\$20,547,310</b>
<b>Total – County CAPP</b>	<b>\$16,965,860</b>	<b>\$19,867,825</b>	<b>\$19,173,725</b>	<b>\$20,357,502</b>	<b>\$23,342,002</b>	<b>\$23,978,252</b>	<b>\$123,685,166</b>
<b>Schools</b>							
Electrical	\$3,957,000	\$2,047,000	\$2,939,000	\$2,739,000	\$848,000	\$1,233,000	\$13,763,000
HVAC	4,526,000	13,841,000	2,435,000	1,453,000	2,912,000	3,935,000	29,102,000
Plumbing	1,657,000	3,377,000	2,645,000	2,610,000	2,112,000	3,366,000	15,767,000
Resurfacing	2,242,000	1,995,000	8,625,000	8,168,000	4,064,000	8,240,000	33,334,000
Roofing	9,940,000	12,715,000	11,952,000	15,702,000	26,776,000	25,515,000	102,600,000
Structure Repair/Windows	5,582,300	9,241,000	7,662,000	7,267,000	5,003,500	5,252,000	40,007,800
<b>Subtotal – Schools</b>	<b>\$27,904,300</b>	<b>\$43,216,000</b>	<b>\$36,258,000</b>	<b>\$37,939,000</b>	<b>\$41,715,500</b>	<b>\$47,541,000</b>	<b>\$234,573,800</b>
<b>Total – All CAPP</b>	<b>\$44,870,160</b>	<b>\$63,083,825</b>	<b>\$55,431,725</b>	<b>\$58,296,502</b>	<b>\$65,057,502</b>	<b>\$71,519,252</b>	<b>\$358,258,966</b>

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