

September 22, 2021

TO: Mayor and Members of City Council

FROM: Paula Boggs Muething, City Manager

202102824

SUBJECT: Use of Fleet Replacement Budget for West Fork Incinerator

REFERENCE DOCUMENT #202102306

City Council adopted the following Motion at its session on June 23, 2021:

WE MOVE that the City of Cincinnati allocate \$2.5 million from the Fleet Replacement funds in the capital budget to remove the West Fork Incinerator in South Cumminsville. These bonded capital dollars should be allocated from the 40% portion of the fleet replacement funds that are not allocated to police and fire vehicles.

Fleet Replacements:

The FY 2022 Approved Capital Budget includes \$10.5 million for the capital improvement program “Fleet Replacements” project. Of that, an estimated \$5.9 million or nearly 60% of the budget amount is used for public safety related vehicles. The remaining 40% is allocated to non-public safety departments, including approximately 20% to the Public Services for snowplows and garbage packers, 15% to the Parks and Recreation departments for groundskeeping equipment and replacement vehicles, and the remaining 5% for other departments’ administrative vehicles. The administrative vehicles are primarily electric vehicles that help the City green its fleet and reduce operational costs for fuel. The following table provides the breakdown of the FY 2022 Fleet Replacement Plan by department:

Department of Public Services - Fleet Services Division
FY 2022 FLEET REPLACEMENT PLAN COST * **

Dept.	Department Description	Dollars	% of Plan
0090	ETS	\$ 40,000	0.40%
0091	RCC	N/A	
0104	OES	\$ 40,300	0.40%
0135	Risk	\$ 50,000	0.50%
0190	Recreation	\$ 697,958	6.98%
0200	Parks	\$ 837,508	8.38%
0212	Buildings	\$ 59,000	0.59%
0222	Police	\$ 2,929,833	29.30%
0233	DOTE	\$ 388,525	3.89%
0248	Parking	\$ 50,000	0.50%
0251	DPS	\$ 1,938,508	19.39%
0260	Health	\$ 44,000	0.44%
0271	Fire	\$ 2,924,318	29.24%
TOTAL		\$ 9,999,950	

* Estimated 10 to 15% of all purchases will be green vehicles.

** Estimated 25% of all purchases will be with idle mitigation technologies.

NOTE 1: Difference between replacement plan \$ and budget of \$10,484,000 is the cost of make ready and upfitting vehicles after manufacture.

A reduction in funding of this size would require increases in the operating budgets of the non-public safety departments due to the increased expense of maintaining the older fleet vehicles and keeping them operational for a longer period of time. This includes increased expenses for additional parts, repair, and maintenance. The City's General Fund budget for fleet maintenance in FY 2022 includes \$8.1 million for automotive maintenance expenses. Of that amount, \$5.8 million is for Police and Fire with the remaining \$2.3 million for all other General Fund departments. For every year a vehicle is kept past its designated replacement date, operating costs increase an estimated 10% to 15% (depending on the vehicle type and its application). Therefore, additional General Fund operating budget resources would need to be identified for maintenance if the fleet replacement funds are reduced.

In addition to increased expense, by not keeping to a regular schedule of replacing vehicles when they are past their useful life, the City will realize a lesser return for the used vehicles at auction. Finally, older and outdated equipment can impact public perception of the quality of public services being delivered by the City.

West Fork Incinerator Costs:

The \$2.5 million cost to remove the West Fork Incinerator is an estimate based primarily on a hazardous materials survey conducted in 1998. However, given the age of this survey and other contingencies, additional due diligence work is needed to

affirm the actual cost of abatement and removal of the former incinerator. Until this additional due diligence is completed, the Administration cannot verify that \$2.5 million will cover the cost of completing the removal project. With that context, the primary environmental concerns identified in the 1998 survey were the following:

- The incinerator has a substantial amount of accessible and inaccessible asbestos containing materials both friable and non-friable, and
- The incinerator has a substantial amount of ash and refractory brick that, based on limited sampling and analysis, is characteristically hazardous for cadmium and lead.

The 1998 survey included an asbestos abatement cost estimate, but the estimate had cost contingencies and qualifiers in it due to several unknowns that could significantly affect the actual abatement and demolition cost range for the building. To generate the current project estimate, the City had to in-part rely on information from the City's demolition of the former Center Hill Incinerator in 2005 and on research of recent and similarly planned waste incinerator demolition projects identified in several other municipalities.

Due to the amount of time that has passed since the survey results were received, the necessity of relying on other similar project information, and the worsening structural deterioration that has occurred over time, an updated assessment of the West Fork Incinerator will be necessary to develop project specifications and better estimate costs to solicit contractor bids. A new hazardous materials survey is likely to cost approximately \$100,000 to complete.

Additionally, the Administration is currently pursuing grant opportunities for this project, which would reduce required City funding. Of particular importance is the new Ohio Development Services Agency (ODSA) "Brownfield Remediation Program" that will provide grants for site remediation throughout Ohio and was funded by a \$350 million appropriation in the recent FY 2022 State of Ohio Budget. ODSA will be promulgating rules to ensure the program is operational by the end of September 2022.

Conclusion:

Given the need for additional due diligence, the potential to secure external grant funding, and the negative operational and financial impacts from utilizing vehicles beyond targeted replacement dates, the City Administration does not recommend reducing the fleet replacement capital project for the proposed purpose.

cc: William "Billy" Weber, Assistant City Manager