



Agenda Abstract

BOARD OF COMMISSIONERS

Meeting Date: July 16, 2025
Department: Administration
Agenda Section: Regular Agenda
Public hearing: No
Date of public hearing: N/A

PRESENTER/INFORMATION CONTACT

Eric Peterson, Town Manager
Matt Efird, Assistant Town Manager
Emily Bradford, Budget Director

ITEM TO BE CONSIDERED

Subject: Appropriation of funds for emergency vehicle replacements and other costs associated with Tropical Storm Chantal, feedback from Board of Commissioners

Attachments:

1. Budget Adjustments
2. Presentation
3. Fleet Replacement Pre-Mortem Exercise
4. Early Draft After-Action Report

Summary:

In the overnight hours of Sunday, July 6, Tropical Storm Chantal dropped an estimated 10.5 inches of rain in Hillsborough and as much as 13 inches farther upstream in the Eno River watershed. This amount of rainfall, on par with previous serious events such as Hurricane Fran, occurred in a much shorter time period — leading to a rapid increase in the level of the Eno River, far exceeding the mapped 500-year floodplain. In addition to the other damages to town facilities, the Public Works facility was inundated, causing the total loss of nine vehicles. The estimated replacement cost for the lost vehicles is approximately \$2.3 million.

<u>Category</u>	<u>In Service</u>	<u>Out of Service</u>	<u>% Operational</u>
Solid Waste	2	2	50.0%
Dump Truck	1	3	25.0%
Leaf Truck	2	0	100.0%
Pickup Truck	3	2	60.0%
Brush Truck	0	2	0.0%
Bucket Truck	0	1	0.0%
Heavy Equipment	7	0	100.0%
Trailer	3	0	100.0%
Total	18	10	64.3%

Thankfully, two of the town's solid waste collection vehicles were stored off-site, as well as the leaf trucks and other smaller pieces of equipment. Durham County has loaned a brush truck through a mutual aid request, and

another has been rented out of Florida. Fleet Maintenance staff worked tirelessly in bringing several vehicles back into service, although there are risks that those vehicles will encounter failures before their planned replacement. These figures are specific to General Fund vehicles, as the current anticipated damage and replacement costs for Water and Sewer Fund vehicles are much smaller and can be managed through the normal budget process.

Due to the significant cost of these sudden and unplanned vehicle replacements, staff utilized the “pre-mortem” planning scenario to validate assumptions and risks and develop a strategy for moving forward with the fleet replacements. Details from that exercise are attached.

The planned replacements will occur over two years (fiscal years 2026 and 2027) and will utilize already budgeted or planned funding from both budget years, accumulated vehicle replacement funds and an appropriation of fund balance. The estimated impact to the town’s fund balance, depending on the level of insurance recovery, is between \$108,000 and \$1.0 million. Any insurance proceeds or other external financial assistance received will be returned to fund balance.

In addition to the budget appropriation for vehicle replacements, staff has prepared an early draft After-Action Report for the event. While still being roughed out, staff is requesting early feedback from the town board on the town’s experience during the response phase of the emergency event. A Think-Write-Share exercise and others may be used on Wednesday night to start the feedback process. This will allow a more detailed review to take place. The final results will be brought back to the board for additional feedback, questions and guidance.

Financial impacts:

This action will reduce the available fund balance by approximately \$1.07 million in Fiscal Year 2026. An additional \$233,000 will be needed in Fiscal Year 2027 beyond what is currently planned for vehicle replacements.

Staff recommendation and comments:

Staff recommends approval of the proposed budget appropriation so that vehicles can be replaced in a timely manner.

Action requested:

Staff requests the town board discuss and advise on the fleet replacement plan and the initial After-Action Report.