

**Town of Lyons, Colorado  
Board of Trustees  
BOT Workshop  
Meeting Date: 5/6/2019**

**TO: Mayor Sullivan and Members of Board of Trustees**  
**FROM: Recovery Lead Tracy Sanders**  
**DATE: May 2, 2019**  
**ITEM: Information and Discussion of the FEMA PAAP Budget Update**

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ORDINANCE  
 MOTION / RESOLUTION  
 INFORMATION

This workshop is being held to update the Board of Trustees on the Public Assistance Alternative Procedures Pilot Program (PAAP) budget. For the Town of Lyons, the PAAP program included several FEMA projects including: All parks, trails, white water features, wastewater treatment plant and rebuilding of roads and alleys. This one program is the largest of the town's projects totally over \$22 million.

The PAAP allows the applicant (Town) to rebuild within a capped budget unlike the other FEMA projects. FEMA expects that all funds will be expended and the entire scope of work to be completed. There are some options to remove small items from the scope, but we would need FEMA or State approval prior to doing so. The FEMA funding is a bit of a moving target as the FEMA funding is reduced as insurance proceeds are received. The Town is required to acquire as much insurance funds as possible.

Staff is not recommending we remove any items at this time, this is just an update to let the board know that there could be a shortfall once all pilot projects are completed. We have listed some things and options consider when reviewing the budget.

1. If the pilot program comes in over budget, we could decide not to submit a reimbursement request for labor for budgeted employees. This is approximately \$100,000. Staff has been holding this as contingency.
2. The 3<sup>rd</sup> Avenue pedestrian bridge is an estimate. It may be come in less, or may come in higher. It may be an option to not construct ped bridge. Will need check with FEMA and the State if this would be okay.
3. The estimate for additional labor for unbudgeted employees is an estimate; this may come in under or over.

4. Some contracts may come in under budget for a savings; however, at the same time some contracts can come in over budget.
5. The Town could plan on using some of the set aside to cover shortfall in order to complete the entire scope of work.
6. The current projected shortfall demonstrates approximately 1% of the total PAAP budget.
7. This budget is only for FEMA PAAP. It does not include other FEMA projects or other projects from other funding streams. A separate list of ineligible costs, overruns, etc. is being maintained.
8. Staff would recommend continuing to set aside \$200K annually for a number of years after close out is complete for any shortfalls or clawbacks that may occur.
9. Staff is not recommending any action at this time as the budget will fluctuate