

Cost Estimate Guidelines

Participatory Budgeting provides residents a hands-on opportunity to directly spend up to \$1.2 million of the City's budget for one-time projects throughout Durham. While Participatory Budgeting is an innovative approach to directly engaging residents in local government decision-making; it is important to note that PB is not an appropriate funding process for all City projects.

To assist budget delegates in proposal development and staff in vetting the proposals, project considerations are detailed below. These considerations incorporate staff and PB Steering Committee input and best practices used in other communities across the US who have implemented PB. The First Technical Review, was an initial review process is to ensure basic PB project requirements can be met. The Technical Expert Open House and Second Technical Review process is to clarify the project parameters and to ensure the project is in accordance with established procedures and policies.

PB Basic Project Requirements

1. On public property or private property; upon donation
2. One-time expenditure
3. Cost does not exceed \$800,000

1. On public property or private property; upon donation

- Projects may be ineligible if they require an easement or an encroachment agreement with a private landowner.
- City staff have discretion over project eligibility based on the project parameters, process, and time constraints of the PB process.

2. Must be a one-time expenditure

- "One-time projects" are projects with one-time expenditures that address a community need. Projects can be built on City, Durham Housing Authority, and private land, upon donation.
- "One-time projects" may include physical infrastructure, technological improvements, and community enhancements.
 - Examples of "one-time projects" include park improvements, computers for a community center, bus shelters, and bike-lanes.

- “One-time projects” may have some sort of associated operating cost. However, they do not require the City to hire additional staff for implementation. Monetary donations to individuals will not be considered.
- Before projects are put before a public vote, they must be reviewed by the City Manager, City Staff, and the Participatory Budgeting Steering Committee to ensure they meet all legal requirements.

3. Costs not to exceed

\$800,000

- Projects must be a one-time expenditure of no more than \$800,000 and should not obligate the City to direct on-going expenses above the PB allocation.
- Staff review will focus on identifying whether the PB project would create an immediate, direct, and/or on-going maintenance expense, such as monthly utility charges, changes in service delivery procedures, or maintenance contracts that cannot reasonably be absorbed within a department's existing budget.
- If other funding sources are required to accomplish the project goals, those funds must be secured prior to submission for City review and vetting.
- Projects that propose to leverage outside funding or services in conjunction with PB funds may not be eligible.
- Projects that are dependent on securing funding from future PB cycles are not eligible.

Other Review

Considerations

Compliance and coordination with other departments and established procedures and policies

- Staff will review the proposal to ensure it complies with all applicable local, state, and federal policies, procedures, and regulations.
- Proposals must not conflict or contradict existing city plans or policies, including park master plans, neighborhood plans, bike-pedestrian plans.
- Projects must not require a change in City policy in order to be implemented.
 - Examples of these types of ineligible projects could include new studies, ordinance development, zoning changes, or consultation work.
- Projects that may impact/affect a larger coordinated effort such as a previously adopted plan, citywide strategy, or require connectivity with other projects, such as traffic calming, sidewalks, and potentially trails & bike lanes, may not be well suited for PB. Staff has discretion to flag those as a "No" if they are in conflict with existing plans.
- Staff will identify if there are boards/commissions that should be informed about proposed projects (e.g. Parks & Rec commission) and work with assigned budget analyst to get this on the appropriate agenda.
- Timing – Staff will consider the timing involved in the project proposal – both the actual time it will take to complete the project itself, as well as if there are other improvements that

need to be completed before the PB project can start.

Projects must benefit the public

- Projects may not result in the private benefit of individuals or confer value to a non-City property or entity.
- Projects must be neutral with respect to religious and political views or beliefs.
- Projects cannot designate or promote neighborhoods, with the exception of city designated historic districts or heritage communities.
 - Messaging on the signs must be in accordance with policy and receive staff approval.

3 Cost Estimates

- Budget delegates should provide sufficient detail in the project proposals to aid staff with project cost estimates.
 - For example, a project proposal that simply states playground equipment is too vague to move forward in the vetting process. Budget delegates should provide examples including photos or internet links to the type of equipment requested. The proposal should include the type, number, size/dimensions, and materials for the equipment and a proposed location. If possible, contact vendors for cost estimates.
- City staff will determine if a project requires an outside contract and can assist with determining costs.
- City staff will review the cost estimates submitted by the budget delegates to ensure all aspects of cost have been identified.
- The budget worksheet in the project proposal form may help to parse out cost elements.
- City staff will add a 10% contingency to project costs for the final ballot totals.
- All PB projects will follow established City policies for Purchasing and Service Contracts.

General Notes:

- Projects must be fully eligible and approved by Departmental Staff, in consultation with the City Attorney, before being placed on the ballot.
- The City of Durham will have final discretion in determining a project's feasibility for the ballot.
- These cost estimation guidelines represent a good faith effort to make the project qualifications transparent; project parameters may be reviewed and revised based on the changing needs in the community.
- Denied or infeasible projects should include the reason(s) why and direct residents to additional information, if applicable.
- All projects and funding must be approved by City Council prior to implementation. City Council ultimately has budgetary discretion for the allocation or reallocation of project funding.
- It is important to remember not all projects are appropriate for funding through the PB process. There are other avenues for funding or providing input on funding decisions beyond Participatory Budgeting.