



New Haven Democracy Fund

"To ensure that all the citizens of New Haven have a fair and meaningful opportunity to participate in the election of mayor."
New Haven Code of General Ordinances, Chapter 2, Article XI, §2-821 • Established in 2007 • democracyfund@newhavenct.net



2022 ANNUAL REPORT

To: Mayor Justin Elicker and the New Haven Board of Alders

Date: January 31, 2023

Pursuant to Section 2-823(a) of the Democracy Fund Ordinance and Section 2 of the Democracy Fund Board Bylaws, the New Haven Democracy Fund Board issues an annual report to the Mayor and the Board of Alders, containing a statement of the financial condition and expenditures of the Fund, a summary of the Board's activities for the preceding year, and a request for appropriations for the upcoming fiscal year.

Budget Request:

The Democracy Fund Board requests an infusion of \$150,000 in appropriations from the Board of Alders and Office of the Mayor to ensure the success of the 2023 Mayoral Election and begin planning for the proposed expansion of the Fund.

Prepared by Alyson Heimer, Administrator of the New Haven Democracy Fund
Approved by the New Haven Democracy Fund Board on **February 15, 2023**.
Sergio Rodriguez, Chair

I. Statement of Financial Condition and Expenditures

The Democracy Fund began calendar year 2021 with **\$ 253,608.24**
Of which \$55,000 was held in Certificates of Deposit
The remainder was in the TD checking account

Total income to the Fund in 2022:

Overage returned from John Carlson for Mayor	+\$ 156.00
Capital infusion from the City of New Haven	+ \$ 100,000.00
TD Ameritrade	
Checking Account Interest:	+ \$ 298.88
CD Interest (Maturing January 30 2023)	+ \$ 858.06
CD Interest (Maturing July 2023)	+ \$ -
Subtotal	\$ 101,312.94

Total expenditures made by the fund in 2022: **(\$30,210.13)**

Administrator Costs: (\$27,300.00)
 Remaining Encumbrances (\$ 0.00)
 (see section I.B.1 for details)

Board Expenses: (\$ 2910.13)
Conference Related Travel and Expenses
 Airfare (\$1,109.77)
 Hotel Accommodations (\$ 1200.36)
 Conference Fees (\$ 0)
Holiday Event (\$600.00)

Total remaining and unencumbered value of Fund (December 31, 2022)
\$ 324,710.24

Where is the money held?

Financial Vehicles	
Webster Bank	\$55,858.06
TD Bank CD	\$150,000.00
TD Bank Checking Account*	\$172,650.03
Encumbrances*	
Administrator contract 2022-2023	(\$30,000.00)
Board reserve budget for 2023	(\$ 6,000.00)
Reserve for Summer Internship	(\$ 5,000.00)
Total Fund Value:	\$378,508.09

*All encumbered funds are held along with cash funds in a fluid form in the same checking account.

A. Income

1. Interest

Total Interest earned on the Webster Bank CD (closed as of January 1, 2023) was - which was earned between June 2021 and January 2023. The 2022 portion of the interest earned on the Webster bank CD was standardized as a monthly payment into the Webster Bank checking account for a total of \$395.66.

Checking account interest for 2022 totalled \$71.85.

B. Administrator Costs

Alyson C. Heimer served as the Administrator of The Fund for the entire term covered by this report. Her contract was renewed by the Board in a unanimous vote in June 2020 for the following fiscal year (see June 2020 Minutes for more information.)

In January 2021 a RFQ was released through the Purchasing Department's bidding system in search of calls for proposals for an administrator for the Fund.

1. Stipend

Expenditures from January 1, 2022 through December 31, 2022 for the services of New Haven Democracy Fund Administrator Alyson C. Heimer were as follows:

Monthly payment of \$2,275.00 for term of contract ending December 31, 2022

Total budgeted contractual services:	= \$27,300.00
Paid contractual services:	= \$27,300.00

2. Administrator Contract

The Administrator's contract was renewed with Alyson C. Heimer for an eighth time in November 2022 following an open RFQ search that yielded two candidates.

An RFQ was published on BonFire, the City's procurement website in the summer of 2022 and held open for 31 days. Two responses were reviewed and both candidates interviewed by the full Board in November 2022.

Heimer began the new RFQ at the rate of \$30,000 with an optional extension for two additional years. This RFQ covers the period starting January 2023. The Finance Department renewed the *insurance waiver* for Ms. Heimer, continuing the practice that has been used since the first Administrator, Robert Wechsler, requested a waiver in 2009.

II. Board Composition

A. Current Board

James O'Connell, William Wynn, and Sergio Rodriguez (Chair) continued to serve the Board as executive members. Aaron Goode and James Bhandary-Alexander serve as general members.

Currently, two board seats remain open. Seats can be filled by members from any political affiliation up to a total of 3 seats per political party. The maximum number of Democrats have been appointed to the board.

As of December 31, 2022, Fund Board Members were:

Chair Sergio Rodriguez (Democrat - term expiration 8/1/2022; Renewal pending)

William Wynn (Republican - term expiration 8/1/2022; Renewal pending)

James O'Connell (Republican - term expiration 3/1/2022)

Aaron Goode (Democrat - term expiration 5/1/2022)

James Bhandary-Alexander (Democrat - term expiration 4/1/2024)

We ask the Board of Alders and City Administration to please expedite the renewal of our board member's terms and place a focus on ensuring that devoted residents fill vacant seats on Boards and Commissions in 2023.

III. Summary of Board Activities

The Fund and the Board are dedicated to transparent government operations. Here are some of our substantive contributions to the New Haven community and beyond over the past year.

A. Hybrid meetings

Virtual Meetings were maintained as an option for the year with in-person meetings held in the Autumn months of 2021 and throughout 2022. This was accomplished using a purchased Zoom account. The board wanted to ensure that maximum public participation could be had throughout the year, which is why the virtual option continued. The virtual attendance option also was utilized by members occasionally during periods of illness or travel.

B. Ordinance Revision

The major focus of the Fund during the 2022 off-cycle year was to reopen the governing ordinance and make edits to be presented for approval by the Board of Alders. The Board created a sub-committee chaired by Bhandary-Alexander to examine the Ordinance in detail and work with key community partners in improving the program language.

The scope of this work extends through the entire body of Ordinance text and addresses multiple issues. Both Republican and Democratic candidates used the fund in 2021. This was the first time the program was used by a Republican candidate during the General Election and was a huge success for the Board. The widespread usage of the program highlighted some needed changes to enhance the program, remove roadblocks to usage, and clarify candidate compliance expectations.

The subcommittee welcomed input from the city, elected officials and all residents of the city. To this end the Administrator presented a draft version to the Chair of the Legislative Committee of the Board of Alders in July and then to the entire Legislative Committee at City Hall in November 2022 to gauge response and support. The latter presentation was attended by Chair Rodriguez and Board Member Goode, who helped add substantive explanations for the rationale of changes and contextually place the changes within both national and our statewide CEP models.

The Board approved and submitted a final version of the Ordinance Revision document as well as a one-page explainer to the Board of Alders and Mayor's office in December 2022. The proposed legislation was referred to the Legislative Committee and currently awaits a public hearing in the new year.

C. CPI Increases to Fund Amounts

In February 2022 the Board reviewed, and in March 2022 voted to approve changes to many of the Fund’s qualifying amounts, limits, and grant payouts. This was done in accordance with Cost of Living Adjustment: Sec. 2-831 of the ordinance.

“ - Cost of living adjustment. Beginning in 2008 and every four (4) years thereafter, the amounts of the voluntary contribution size limit, the public financing grants, the use of personal funds limit, the contribution and expenditure ceiling per election cycle, the contested election limit, the civil penalty, shall be adjusted according to four-year aggregate cost of living changes in the New Haven MSA, as shown in the Consumer Price Index for all items in the New Haven MSA. The adjustment shall be rounded to the nearest five-dollar size variation (i.e. \$25, 30, 35, 310, 315, 320) for the minimum qualifying contribution and the voluntary contribution size limit. The adjustment shall be rounded to the nearest thousand for the public financing grant, the personal funds limitation, and the contribution and expenditure ceilings (i.e. \$16,000, 17,000, 18,000, 301,000, 302,000, 303,000).”

The grant and matching funds amounts have changed as a result of the Board’s 2022 CPI increases - a requirement of the ordinance. The NHDF grant and other benchmark amounts must be adjusted to keep up with inflation.

	2019	2023	Difference
Minimum contribution	\$10	\$5	- \$5.00
Maximum contribution	\$390	\$445	+ \$55.00
Minimum matching amount	\$10	\$5	- \$5.00
Maximum matching amount	\$30	\$35	+ \$5.00
Grant	\$20,000	\$23,000	+ \$3,000
Expenditure Ceiling	\$390,000	\$445,000	+ \$55,000

The Board also voted to decrease the allowed **minimum for matching funds to \$5.00** on March 16, 2022. The purpose of this action is to maximize the impact of small dollar donors and also to be in line with the State’s Citizen’s Election Program (CEP) minimum acceptable contribution amount.

D. National Conference of Public Campaign Financing Program Administrators

Administrator Heimer and Member Goode traveled to the first ever national conference specifically for Administrators of public campaign finance programs at the municipal and state level, which was held in July 2022 in Albuquerque, NM. The conference was sponsored by the City of Albuquerque and was attended by representatives from nearly 20 programs, including the State of Connecticut's Statewide CEP director.

The one-day conference covered many topics including balancing the appropriate grant and/or matching fund amounts for modern campaigns, addressing special interest and outside spending on races, and defining measures of success for programs. The Board was then able to have substantive conversations upon returning from the conference that impacted some of the changes that were eventually made to the proposed ordinance revision. The Board also began what will likely be an on-going conversation for many years, attempting to quantify what is considered programmatic success by the Board, and by the greater New Haven Community. Thus far, the usage of the program by all candidates seeking office and by multiple public parties has been considered our success measure. In 2023 more effort may be dedicated, especially if enabled to proceed with the hiring or appointment of an intern, to researching the program's key success measures and setting benchmarks for biannual progress.

Meeting the Administrators and Executive Directors from across the country who run programs of various sizes was invaluable to increasing the network of professionals that the Fund and Board Members could call upon for advice, council, and reflection whenever necessary.

E. Legislation and Statewide Relationships

The Fund works closely with State groups to ensure lawful execution of the ordinance in advance of the new election year in 2023. COVID precautions caused mass cancellation of in-person events, conferences, training meetings, and restricted access to public buildings worldwide.

The Fund continues its positive and professional relationship with many employees of the SEEC on both the Compliance and Enforcement sides of the Department.

F. City-Wide Relationships

Local groups in the New Haven community continue to be allies, and the Board maintains active memberships or representative seats on the League of Women Voters, New Haven Votes Coalition, Republican and Democratic Town Committees, and all known advocacy groups

committed to increased voter participation in the city. If members of the community have other suggestions for groups and movements with voter participation, education, and advocacy, please inform any Board member or the Board administrator as the New Haven Democracy Fund would always seek new mutually-beneficial relationships.

The Board continues to work closely with City of New Haven Officials to ensure the Fund remains compliant with Ordinance regulations and general contract law. The Fund's checking account at TD Bank currently receives a monthly interest payment of \$9.97 in addition to the interest earned by the existing Webster Bank CD, which was rolled over early 2022. We opened a new Certificate of Deposit with \$150,000.00 this year in October to take advantage of the higher prevailing interest rates, which were around 4% for Jumbo CDs. The Board will work with the finance department to again move a portion of unencumbered funds to a higher yield financial vehicle to bear interest into the account at a prevailing rate.

IV. Future Goals of The Board

Expansion of the Program - The Fund crafted a method of participation for those running for other offices in the City of New Haven, which includes a "Democracy Fund Pledge" and code of conduct, and/or financial support. The exact details were submitted as a draft to the Legislation Committee in November 2022.

Candidate and Committee Training and Compliance - The Administrator will focus on the key aspects of program administration in 2023. This includes thorough training sessions with each candidate and treasurer before they announce participation and complete the affidavit of participation. The Administrator will also work to ensure compliance is met for each of the campaign filing deadlines and work to ensure that the SEEC's eCRIS portal remains operational for all participating candidates.

Community Engagement - The Administrator will continue to attend CMT meetings, with the main purpose of raising awareness of the fund and recruiting two new board members. This is part of the public relations work with the community that is outlined in the Administrator contract. This includes routinely updating the city's website throughout the campaign cycle with necessary documentation and updates on participation and fund usage.

Establish Success Metrics - In 2023 more effort may be dedicated, especially if enabled to proceed with the hiring or appointment of an intern, to researching the program's key success measures and setting benchmarks for biannual progress.

V. Request for Appropriations

With the success of the past election cycle, and already having two declared candidates for Mayor who intend to use the Fund, the Democracy Fund Board requests an infusion of \$150,000 in appropriations from the Board of Alders between now and Summer 2023.

The Fund last received a replenishment this year (2022) of \$100,000, which was integral to the program's success, and covered only a portion of the expenditures made in 2021 and 2022. A continued investment in the New Haven Democracy Fund renews the city's commitment to remove the appearance of corruption in our local elections, and provides a vehicle to multiply the value of small dollar local contributions to campaigns. Such measures ensure that candidates for office in New Haven spend more time communicating with each resident, no matter how much they can contribute financially to their election.

Alyson Heimer
New Haven Democracy Fund Administrator

Sergio Rodriguez
New Haven Democracy Fund Board Chair