



# 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



## ANNUAL REPORT

To: Mayor Toni Harp and the New Haven Board of Aldermen

Date: January 25, 2018

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 Aldermen, 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.

### I. Statement of Financial Condition and Expenditures

The Democracy Fund (the "Fund") began calendar year 2017 with \$298,758.00. and ended the calendar year with \$246,290.42.

In total, the Fund spent:

#### **Qualifying Campaign: Progress with Paca**

(see section I.A for details)

**Grant** \$ 19,000.00

**Matching funds** \$ 1,110.00

**Administrator Costs:** \$ 34,160.00

(see section I.B for details)

#### **Debate Costs:**

**Advertising** \$ 106.35

**Signage** \$ 180.91

**Total:** \$ 55,267.26

### A. Qualifying Candidate Expenditures

### B. Administrator Costs

Expenditures from January 1, 2017 through December 31, 2017 for the services of Fund Administrator Alyson Heimer were as follows:

Monthly payment of \$2,166.66 for September 2016 - December 2016, paid in 2017.

Monthly payment of \$2,166.66 for January 2017 - June 2017.

Monthly payment of \$2,500.00 for July 2017 - November 2017.

December 2017 will be paid in 2018.

### **C. Debate Costs**

The Fund sponsored two debates in 2017, one for the Democratic Primary, and one for the General Election -- both required by the ordinance to ensure participating candidates were in full compliance.

The first debate was held on September 5, 2017 at the Booker T. Washington School at Eld and State Streets. The Debate was moderated by the New Haven Independent and local news groups. The tenor of the debate aside, attendance was good (approx. 150 attendees). The Democracy Fund did not incur any expenses as a result of this event.

The second debate was held at Benjamin Jepson Magnet School on October 26, 2017. Attendance was low due to stormy weather and the location choice.<sup>1</sup> The Democracy Fund received earned media from local news sources including the New Haven Independent, which donated an additional \$100 worth of advertising on their site. The Fund paid a total of \$100 for social media advertising, which came from a budgeted pool for Debate expenses.

The fund also purchases a reusable large 8x4 banner with the Fund's logo for these events.

## **II. Board Vacancies**

During 2017 James O'Connell(R) joined the Board and Gerald Martin(G) officially completed his service. Sergio Rodriguez and William Wynn were both re-appointed for a new three year term.

Currently, three seats remain open. Seats can be filled by members from any political affiliation.

As of December 31, 2017, Fund board members were:

Chair Sergio Rodriguez (Democrat - term expiration 8/1/21)

William Wynn (Republican - term expiration 8/1/20)

Jack Paulishen (Democrat - term expiration 8/1/18)

James O'Connell (Republican - Term expiration 3/1/20)

The Fund will canvass its Board members whose terms expire in 2018 to determine if they will seek to extend their appointment.

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<sup>1</sup> Jepson School was chosen as a compromise location negotiated between the three active campaigns in early October. Each candidate committee was given a veto, and this resulted in a non-central school being chosen. The argument was to attempt to include periphery and underserved communities in the conversation - a major goal of the Fund.

### **III. Summary of Board Activities**

#### **A. Campaigns**

2017 was a busy year for the New Haven Democracy Fund with two candidates for Mayor choosing to use the Fund.

Candidate Marcus Paca and his campaign "Progress with Paca" qualified for matching funds before the Democratic Primary. He received both the grant and additional matching funds during the Primary. Progress with Paca received a total of \$20,110.00 from the Fund for grants and matching funds.

Following the Primary, Paca was listed as an independent on the General Election ballot along with Sarah Ganong (Working Families Party), and Incumbent Democrat, Toni Harp. Both Paca and Ganong signed pledges to raise money and follow the spending rules of the New Haven Democracy Fund for their campaigns.

Sarah Ganong and Marcus Paca both signed paperwork to participate in the Fund's grant program for the General, but neither raised the requisite \$5,000 from 200 Registered New Haven voters to qualify for the grant.

#### **B. Board Membership**

Despite much community interest in the available seats, the Board only added one member in 2017. The City Administration has placed a focus on ensuring that longer term residents fill seats on Boards and Commissions. As a result many of the interested parties were considered too potentially transient to be recommended by the Mayor or the Board of Alders.

#### **C. Public Debates**

The Fund enabled two debates to occur during the 2017 election cycle as part of the Ordinance requirement that participating candidates be given an opportunity to answer questions in a public setting. The Mayor attended the Primary Debate on September 5, 2017, but did not attend the General Election Debate on October 26, 2017.<sup>2</sup>

#### **D. Statewide Relationships**

The Fund also continued to work closely with State and Local groups to expand its profile in the New Haven community as well as stay compliant with state laws. The Fund was represented at many community events and maintains an active role in the New Haven Votes Coalition.

The Administrator attended 2017 Municipal Cycle State Elections Enforcement Commission (SEEC) Training in March 2017. The Fund continues its positive and professional relationship with many employees of the SEEC on both the Compliance and Enforcement sides of the Department. The Administrator spoke at length with the Secretary of the State about the importance of the Fund, and found a champion in Denise Merrill. The Administrator also spoke

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<sup>2</sup> Mayor Toni Harp was not a participating candidate and was therefore exempt from the debate requirement.

with many mayors about using the fund in cities and towns around the state, but program expansion will be slow due to statewide budget constraints.

The Fund also closely followed the actions of the State Legislature and the Government Administration and Elections (GAE) Committee. 2017 was a difficult year for the legislature due to many budget restrictions. As a result no changes were made to state law that would impact the Fund directly.

Governor Dannel Malloy has proposed eliminating the State's Ethics Department from the SEEC. The impact on the Fund would be indirect, but potential impacts might include slower SEEC responses and processing of candidate reports.

### **E. City Relationships**

Chair Rodriguez worked closely with the City's Finance Department to ensure the Fund remained compliant with the Ordinance. The Fund's bank balance is expected to be transferred from Wells Fargo to a new Account as the City moves its finances from that institution.

The Fund will pursue more aggressive interest yields in 2018, as required by the Ordinance, in partnership with the City's Finance Department.

The Chair is also pursuing opportunities to accept individual contributions to the Fund through both Fundraising activities and partnerships as a way to reduce the replenishment burden on the City of New Haven during the statewide budget crunch. Corporation Counsel John Rose met with the Board to discuss legality of accepting outside donations, and no conflict has been identified.

## **IV. Request for Appropriations**

The Democracy Fund Board is not requesting any appropriations at this time. The Fund received a \$200,000.00 replenishment in 2013. The Fund expects in 2017 to expend only the encumbrance for the Administrator's contract, totalling \$30,000. Unless significant external funding is acquired, Fund replenishment is projected to be necessary in 2020 at the earliest and 2022 at the latest.