



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 2019

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 2018 with \$246,290.42.

In total, the Fund spent **\$19,587.98** for the period of

Administrator Costs: \$ 17,500.00

(see section I.B for details)

Conference Costs: \$ 2,087.98

Hotel \$ 1,783.98

Travel \$ 304.00

Presentation materials Paid for out of Administrator costs

See section I.B and I.C for additional details.

CD \$125,000.00

Interest accrued

[1,678.75]

TD Bank: + \$99,202.84

Total remaining in fund: \$ 224,202.84

A. Interest

Interest earned as of December 31, 2018 on the TD Bank CD is **\$1,678.75**. The CD has a June 2019 maturity date. This date ensures that the money will be available for the 2019 election cycle, should there be a need.

B. Administrator Costs

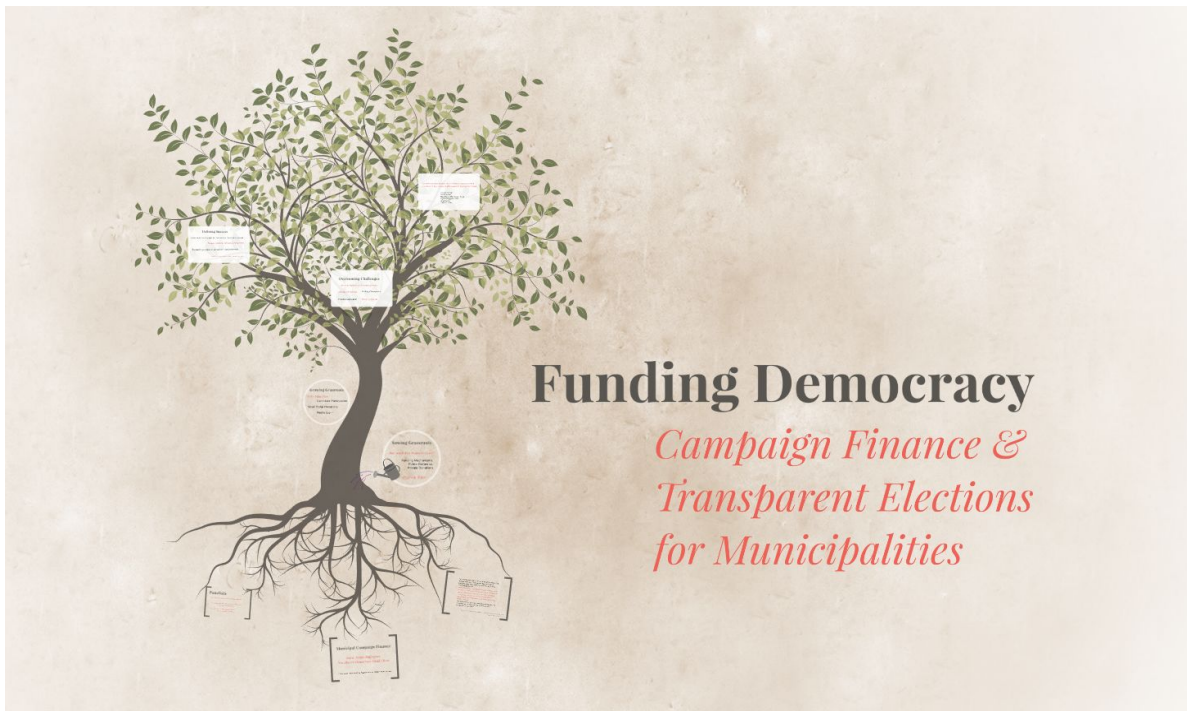
Expenditures from January 1, 2018 through December 31, 2018 for the services of New Haven Democracy Fund Administrator Alyson Heimer were as follows:

Monthly payment of \$2,500.00 for term of contract ending June 30, 2019 (6 months) = \$15,000
Monthly payment of \$2,500.00 for term of contract ending June 30, 2018 (6 months) = \$15,000
Total budgeted contractual services: = \$30,000

A \$304.00 reimbursement was issued to the Administrator as a reimbursement to cover travel costs from New Haven, CT to Washington, D.C. for the conference discussed further in I.C.

C. Conference Costs

The Fund was invited to appear on a panel about public campaign financing hosted at the National League of Cities (NLC) Headquarters in Washington, D.C. The audience was primarily municipal leaders of hispanic descent from across the country. As part of the panel we invited two former Democracy Fund candidates, Justin Elicker and Kermit Carolina, to discuss their experiences using the program. Also on the panel was Kristerfer Burnett, Councilman from Baltimore, MD and Administrator Heimer, moderator.



As organizers of the panel, NHDF covered the hotel rooms at Phoenix Park for panel participants. Mr. Burnett did not seek any reimbursement for travel nor hotel. A full breakdown of expenses can be found in Section I.

Conference Presentation: <https://prezi.com/ydhov7ybcj4n/funding-democracy>

The Conversation focused on a few key aspects of public campaign finance and methods for programmatic success: public education, types of funding mechanisms, and possible alternate sources for funds other than tax dollars. Also discussed was the legislation that had been approved in July 2018 for Baltimore, MD and was to be voted on as a referendum vote in November 2018. That measure eventually passed.

II. Board Composition

Jack Paulishen was re-appointed to a new three year term in 2018. Paulishen has been a valued member of the board for the past three years and his experience working on publicly financed campaigns is an asset to the Board. James O’Connell, William Wynn, and Sergio Rodriguez (Chair) continued to serve the Board. Of particular note in 2018 is Mr. O’Connell’s perfect attendance and dedication to sustaining quorum.

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

As of December 31, 2018, 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 9/1/21)
James O’Connell (Republican - Term expiration 3/1/20)

The Fund has requested an audit of the 2018 applications to Boards and Commissions throughout New Haven to verify the numbers of residents who indicated an interest in joining the Board, even as a second or third choice. This probe was only needed because of the retirement of a long-standing public servant, Patricia Lawlor. Lawlor was responsible for managing such applications and applicant statuses. Her retirement in 2018 was well deserved. Lawlor left a paperwork gap that is being closed in coordination with her temporary replacement, Esther Armand. The audit is expected to be completed in February 2019.

III. Summary of Board Activities

A. Campaigns

No campaigns qualified for funds in 2018 because it was not a mayoral election year and no special elections were held.

B. Board Membership

The City Administration continues to place focus on ensuring that devoted residents fill seats on Boards and Commissions. As a result many of the interested parties were considered too transient to be recommended by the Mayor to the Board of Alders in 2017.

The Board also voted to pass a measure to allow a change in the NHDF Bylaw definition of a quorum. It has been a chronic issue to maintain full membership for the seven member board. The most reasonable explanation for this is that the Democracy Fund Board Member position appeals mostly to people interested in elections, politics, campaign finance, open government and participation in local elections. It is a requirement of the board that its members are disallowed from holding public office, assisting with a potentially qualifying campaign, donating to or fundraising for mayoral candidates. Simply, the Board is truly limited to registered voters who care a lot about local politics, but who will maintain a completely private opinion about what happens in local politics. Membership will therefore continue to be a challenge.

C. Public Debates

None.

D. Statewide Relationships

The Fund works closely with State groups to ensure lawful execution of the ordinance in advance of the new election year.

The Administrator is scheduled to attend the 2019 Municipal Cycle State Elections Enforcement Commission (SEEC) Training in February 2019 and has followed the activities of the SEEC as ruling relate to campaign finance in general. 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 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

Local groups in the New Haven community continue to be allies, and the Board maintains an active representative seat on the New Haven Votes Coalition advocacy group.

Chair Rodriguez continues to closely monitor the City's Finance Department to ensure the Fund remained compliant with the Ordinance and general contracts. The Fund's bank balance was transferred from Wells Fargo to TD Bank in May 2018, and is receiving 1.1% interest. The Fund pursued more aggressive interest yields, as required by the Ordinance, in partnership with the City's Finance Department which resulted in interest payments from a \$150,000 CD held by TD Bank from June 2018 to June 2019. Payout is expected in 2019 for nearly \$1,500.

IV. Request for Appropriations

The Democracy Fund Board is not requesting any appropriations from the Board of Alders at this time. The Fund received a \$200,000.00 replenishment in 2013. The Fund expects to spend a large portion of remaining funds in 2019 as an election cycle looms. Conservative estimates would have at least one candidate use the fund, with a possibility of supporting four candidates without a need for replenishment.

Should more than four candidates use the fund in 2019 it is possible that a request for replenishment will occur in 2019. Otherwise such a request is expected for 2020.