



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 Justin Elicker and the New Haven Board of Alders

Date: January 2020

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.

I. Statement of Financial Condition and Expenditures

The Democracy Fund (the “Fund”) began calendar year 2019 with **\$222,523.25**.

In June 2019 the TD Bank CD matured and 12 months of interest earned on \$125,000 at a rate of 1.35% was returned to our general account with an additional \$2877.78.

Total income to the Fund in 2019:

City of New Haven replenishment	+\$120,000.00
Interest:	+ \$ 2,877.78

Subtotal in Fund Value 2019	\$ 225,401.03
------------------------------------	----------------------

Total expenditures made by the fund in 2019:

Administrator Costs:	(\$ 35,000.00)
(see section I.B.1 for details)	

Debate Costs:	(\$ 1,936.00)
(see section I.C for details)	

Programmatic Spending:

Grants	(\$ 20,000.00)
Matching Funds	(\$ 49,352.00)

Total remaining value of Fund (December 31, 2019) **\$239,113.03**

Where is the money?

Financial Vehicles	
Webster Bank CD	(\$55,000.00)
Encumbrances*	
Remaining Administrator 2019-2020 contract	(\$20,000.00)
Administrator contract 2020-2021	(\$30,000.00)
Board reserve budget for 2020	(\$ 5,500.00)
Cash on hand	
TD Bank Checking Account	\$128,613.03

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

A. Incomes

1. Interest

Interest earned as of December 31, 2018 on the TD Bank CD was **\$1,678.75**. An additional **\$1,199.03** was earned between January and June of 2019. The \$125,000 CD held at TD Bank had a June 2019 maturity date. This date ensured that the money would be available for the 2019 election cycle. Similar assurances were made for the CD purchased this year as well.

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 \$55,000 CD held by TD Bank from June 2018 to June 2019. Payout is expected in 2020-2021 for \$770.

The Board voted in November 2019 to set aside \$55,000 into a CD with a competitive interest rate until June 2021. That CD is held at Webster Bank at a rate of 1.4%.

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 2019 for the following fiscal year (see June 2019 Minutes for more information.)

1. Stipend

Expenditures from January 1, 2019 through December 31, 2019 for the services of New Haven Democracy Fund Administrator Alyson C. 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, 2020 (6 months) = \$15,000

Total budgeted contractual services: = **\$30,000**

2. Contract Extension

The Administrator’s contract was renewed with Alyson C. Heimer for a fifth time for the same total cost as the prior year. The \$30,000 encumbrance was reserved by The Fund in July 2019 for services to be rendered in the new Administrator's contract for July 2019 - June 2020. The Finance Department renewed the *insurance waiver* for Ms. Heimer, continuing the practice that has been used since the first Administrator, Robert Weschler requested a waiver in 2009.

C. Mayoral Debate

The following is an outline of expenses for use of the COOP main stage theater, N119, Crown Street lobby, associated hallways, restrooms etc. for a mayoral candidate debate on September 5, 2019, 6-10pm for a total of \$1436.00.

- Custodian \$48/hour for 4 hours (Total=\$192)
- Tech supervisor/tech \$100/hour (Total=\$400)
- Energy Surcharge \$40/hour (Total=\$160)
- Main Stage Rental Rate \$300/day (includes use of N119 for green room)
- Security \$96/hour (Total=384)

An additional \$500.00 was spent with the New Haven Register for online promotion of the event. The Register reported over 23,000 impressions on the ad we purchased for the front page of their website, which ran for 48 hours before the event.

The New Haven Independent kindly donated advertising space on their online platform.

Total Cost: \$1936.00

D. Candidate Disbursements

A breakdown of money given to qualifying candidates for 2019 is as follows:

Justin Elicker for Mayor	2019 Total	\$69,352
Matching Funds	April 29, 2019	\$16,180
Matching Funds	June 20, 2019	\$11,172
NHDF Grant	August 2, 2019	\$20,000
Matching Funds	August 16, 2019	\$19,060
Matching Funds	August 26, 2019	\$ 2,940

Justin Elicker was the sole qualifying candidate eligible to receive Democracy Fund dollars during the 2019 election cycle.

II. Board Composition

A. In Memoriam of Jack Paulishen

It is with great sadness that we saw the passing of Board Member John “Jack” Paulishen in 2019. Paulishen had been a valued member of the board for the past four years and his experience working on publicly financed campaigns and expertly cultivated community relationships. He was a dedicated member of the board and maintained regular attendance up to the month before he succumbed to cancer. His memory will live on in New Haven both in the Board of Education, where he worked full time, and in the historical record of the New Haven Democracy Fund, among other places. Jack was an inspiration to many, beloved by students and colleagues alike, and will always be a model citizen for our city.

B. Current Board

James O’Connell, William Wynn, and Sergio Rodriguez (Chair) continued to serve the Board.

Currently, three seats remain open. Seats can be filled by members from any political affiliation up to a total of 3 seats per political party.

As of December 31, 2019, Fund board members were:

Chair Sergio Rodriguez (Democrat - term expiration 8/1/21)
William Wynn (Republican - term expiration 8/1/20)
James O’Connell (Republican - term expiration 3/1/20)
Aaron Goode (Democrat - term expiration 5/1/2022)

A candidate of preference for the board is still in the pipeline, **Howard Blau** from the 18th Ward (the Eastern Shore/Lighthouse Point neighborhood). He comes highly recommended by his Alder and other members of the community, and we intend to push for his confirmation in 2020.

Other candidates for the New Haven Democracy Fund were proposed to the Aldermanic Affairs Committee in November 2019, but the names were withdrawn at the meeting. There was not enough notice given to attendees, or the board, about the confirmation hearings, and as a result none of the candidates were able to appear.

We ask the Board of Alders and New City Administration to place a focus on ensuring that devoted residents fill vacant seats on Boards and Commissions in 2020.

III. Summary of Board Activities

The Fund and the Board are dedicated to transparent government operations. Here are the substantive contributions to the New Haven community for the past year.

A. Campaigns

Five candidates actively campaigned for the office of Mayor in 2019.

Of those, one chose to self-fund and self-limited spending to less than \$1,000. There is a degree of uncertainty in how much money that candidate, Wendy Hamilton, ultimately spent on their campaign, but the candidate and campaign committee did not have any bearing on the “competitive election” determination.

A second candidate, Urn Pendragon, ran a self-funded effort that started as a Primary challenge and then became a General election campaign - but ultimately the candidate withdrew before appearing on the ballot. That campaign also had no impact on the “competitive election” designation.

A third candidate, Seth Poole, made an effort to collect signatures to appear on the General Election ballot. Failing to file petition paperwork on time meant the candidate, who actively raised funds and was by all accounts running for office, not a determining factor on the “competitive election” decision. He continued his pursuit of elected office as a write-in challenger.

In 2019 only two candidates were able to secure ballot access and raise over \$5,000 which triggered the “competitive election” mechanism enabling the Democracy Fund to offer funding to candidates in this election.

Mayor Toni Harp wavered between participating and not participating - but ultimately did not complete a candidate contract for use of The Fund in 2019. She obtained ballot access and showed that her campaign committee raised more than \$5,000, which triggered the “competitive election.”

B. Public Debate

2019 had a competitive Democratic Primary. The Fund worked with a variety of community partners to host a well attended and successful Mayoral Debate between (now Mayor) Justin Elicker and former Mayor Toni Harp. Approximately 350 people attended the event, held on September 5, 2019. The event was widely reported in local and state press.

The Board chose to have the event at Co-Operative Arts and Humanities Magnet High School on their main stage theater, which is managed and operated by The Shubert Theater. The decision was based on its central downtown location with accessibility from public transportation. The

administrator also persuaded local parking lots to offer a discount to debate attendees for the evening. Park New Haven also offered a \$2 discount on use of their lots for debate attendees.

C. 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 attended the 2019 Municipal Cycle State Elections Enforcement Commission (SEEC) Training in February 2019 and has followed the activities of the SEEC as rulings 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.

Administrator Heimer also attended a Freedom of Information Act training held at the West Haven Police Station in June 2019. The Board strives to maintain full compliance with FOIA guidelines as transparency of government is a key pillar in the purpose of The Fund.

The Fund also closely followed the actions of the State Legislature and the Government Administration and Elections (GAE) Committee. 2019 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.

The 2020 Legislative Session is just getting underway and it is not clear if any relevant legislation will be proposed at this time. It is the duty of the Administrator to stay abreast of state level issues. This is accomplished with the support of other statewide organizations with similar interests, including Common Cause, New Haven Votes, and champion legislators.

D. City-Level 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.

Administrator Heimer and the Board continue to work closely with the City's Finance Department to ensure the Fund remains compliant with Ordinance regulations and general contract law. The Fund's bank balance is purported to be receiving 1.1% interest while in the checking account, but there is no paper evidence of such disbursements held by the Finance Department that have been shared with the Board. The Finance Department has a requirement to pursue more aggressive interest yields than standard checking account rate, as required by Ordinance (Sec. 2-823(a)). The Board often must insist on the upholding of this commitment in partnership with the City's Finance Department. This resulted in \$2,877.78 interest payments from a \$150,000 CD held by TD Bank from June 2018 to June 2019.

III. Future Goals of The Board

The Board appreciates the increased community engagement in operations during the 2019 calendar year. The New Haven citizenry continues to push for transparent governing, which the Fund is duty-bound and honored to lead the way in sunshine management of city funds. We wish to thank the individuals who took time from their busy lives to present their ideas, concerns, and vision for the Fund both publicly and privately. Without citizen participation the fire of Democracy is all too easily snuffed out.

We held a well attended public hearing in May 2019 when portions of the Ordinance came under scrutiny. The time has come to rewrite some of the dated language in the Ordinance. The Board has set up a working group to address specific clarity concerns, creating gender-neutral references to elected positions, and updating archaic language choices (ie. Alderman).

Further, the Board seeks support from the Board of Alders and Mayoral Administration to expand the New Haven Democracy Fund to other citywide offices, including City Town Clerk, Registrar of Voters, and Board of Education Representatives. At this time there is no impetus for expanding to the Alder elections.

Please look for draft Ordinance language to be presented for approval by City Officials in 2020.

IV. Request for Appropriations

The Democracy Fund Board requests an infusion of \$250,000 in appropriations from the Board of Alders at this time. The Fund last received a replenishment in 2019 of \$120,000. The Fund expended a large portion of the funds in 2019 during the election cycle, just as the program was designed. A continued investment in the New Haven Democracy Fund will promise our city continued efforts to remove the appearance of corruption in our local elections, and provides a vehicle to multiply the value of small dollar 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 a campaign.

The New Haven Democracy Fund is working as it was designed, and desired outcomes from such a program have been seen throughout the past decade. This valuable city program can continue far into the future by appropriating a replenishment of \$130,000 before the upcoming election in 2021.