



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 31, 2021

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.

A note about 2020 and the impact of the global pandemic on the operations of the Fund: Citizens saw a seismic shift in the way the City of New Haven conducts daily business when the door closed to the public in March 2020. There were difficulties in conducting normal business as a result of changes to staffing, hours, location of work, accessibility, and other changes that resulted from the health crisis. However, a number of accommodations were approved by the Mayor and the Board of Alders allowing for more flexibility in the operation of the Democracy Fund, and broader city government.

The NHDF Board is thankful for the hard work and dedication of all city staff and elected officials during the past year. A fuller understanding of the direct impact of the Coronavirus Pandemic can be found in Section III.

I. Statement of Financial Condition and Expenditures

The Democracy Fund (the “Fund”) began calendar year 2020 with **\$222,523.25**.

Total income to the Fund in 2020:

Interest: + \$ 636.00 (CD to mature in 2021)

Subtotal in Fund Value 2020 **\$ 223,171.25**

Total expenditures made by the fund in 2020

Administrator Costs: (\$23,333.33)
(see section I.B.1 for details)

Total remaining and unencumbered value of Fund (December 31, 2019) \$ 199,837.90

Where is the money?

Financial Vehicles	
Webster Bank CD	(\$55,000.00)
Encumbrances*	
Administrator contract 2020-2021	(\$25,000.00)
Board reserve budget for 2021	(\$ 5,500.00)
Cash on hand	
TD Bank Checking Account	\$168,701.90

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

A. Income

1. Interest

Interest earned as of December 31, 2020 on the TD Bank CD was **\$636.00** which was earned between January and December of 2020. The \$55,000 CD held at TD Bank has a June 2021 maturity date. This date ensures that the money will be available for the 2021 election cycle.

The Fund continues to pursue more aggressive interest yields, as required by the Ordinance, in partnership with the City’s Finance Department. 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 2020 for the following fiscal year (see June 2020 Minutes for more information.)

1. Stipend

Expenditures from January 1, 2020 through December 31, 2020 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, 2020 (5 months) = \$12,500

Monthly payment of \$2,166.66 for term of contract ending January 31, 2021 (rolling renewal until the completion of the RFQ process for Administration of the Fund) = \$12,999.96

Total budgeted contractual services: = \$27,500.00

Paid contractual services: = \$23,333.33

Due to the COVID 19 crisis, Heimer voluntarily did not accept payment for the month of April as no business was able to be conducted.

2. Administrator Contract Expiration

The Administrator's contract was renewed with Alyson C. Heimer for a sixth time in June 2020. Heimer also agreed to a reduction in the monthly stipend as an extension of the uncertainty of how the pandemic would continue to impact the city both financially and socially. This decreased the annual stipend back to the 2017 level of \$25,000 from \$30,000.

The \$25,000 encumbrance was reserved by The Fund in July 2020 for services to be rendered in the new Administrator's contract for July 2020 - June 2021. 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.

The Finance Department was alerted by the procurement division that it is customary for all contracts with the city for administrative services to be put out for bid after five years. Heimer's contract was amended to extend month to month until the Board was able to publish a Request for Qualifications (RFQ) through the online bid site Bonfire and solicit applications. The RFQ will be actively accepting solicitations for two weeks in January 2021. The Board will then review any RFQs and appoint a new Administrator. This process is expected to take no more than 60 days.

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 serves as a general member.

Currently, three board 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, 2020, Fund Board Members were:

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

William Wynn (Republican - term expiration 8/1/21)
James O'Connell (Republican - term expiration 3/1/21)
Aaron Goode (Democrat - term expiration 5/1/2022)

While we did have a candidate for joining the Board this year, their name was withdrawn by their Alder before confirmation of the full Board of Alders could occur.

We ask the Board of Alders and City Administration to place a focus on ensuring that devoted residents of any political party fill vacant seats on Boards and Commissions in 2021.

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 over the past year.

A. Virtual Continuation of Meetings

In the Spring of 2020, City Hall closed its doors to the public and a statewide quarantine was put in place by Governor Ned Lamont. Among other restrictions, the lockdown disallowed in person meetings of more than 6 people. The Board of Alders took a significant step in allowing online meetings to be held and Board members to cast their votes virtually. The Democracy Fund purchased a professional Zoom account and continued to hold monthly public meetings online.

B. Bylaws Revision

The Board spent much of the Summer sessions reviewing the Democracy Fund bylaws. Language was made clear that members who serve on the Board may not participate in the Election of Mayor except for casting their ballot(s). In practice, that means Board Members may not endorse a candidate, contribute to a candidate, campaign committee or associated political action committee, and cannot attend partisan events hosted by the campaign (with the specific intention of disallowing attendance at any fundraisers). Board Members have always been prohibited from holding public office while seated on the Board. The section about officers, the roles of the executive board members and removal from the Board by a vote of the Board had grammatical changes.

C. 2021 Documentation

The necessary documents for the 2021 election season were prepared by the Administrator in the Autumn of 2020. These include the standard forms: Candidate Contract, Participation Affidavit Contribution Form and a Spanish version. This year we created a handout to be given to anyone

who files with the City Clerk's office filing to run for the office of Mayor. This handout includes basic information about the Democracy Fund and the qualifying thresholds for the Primary and General elections.

D. Statewide Relationships

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

Therefore, the next FOIA training will be held in the Spring of 2021 and it is expected that the Administrator will attend at least one FOIA and one SEEC training each. 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 continues its positive and professional relationship with many employees of the SEEC on both the Compliance and Enforcement sides of the Department.

E. Elections Process Changes due to COVID 19

The Fund closely follows the actions of the State Legislature and the Government Administration and Elections (GAE) Committee. 2020 saw a near complete shut down of the legislative session. Only executive orders and a few bills related to Statewide campaign finance were passed during the summer. As a result no changes were made to state law that would impact the Fund directly. The Administrator noted a few Secretary of the State driven initiatives that impacted broad use of mail-in voting, absentee ballot drop off locations, and other changes to the operation of election polling places. Campaign committees, being more reliant on online and phone communication with voters, pushed for some changes to campaign finance rules about such expenditures. Nationally there was much conversation about the use of social media platforms (Facebook, Twitter, Tiktok, etc.) and how money in politics is spent on messaging. Debate about politics in the online world and the burden of truth for sponsored advertisements and content consumed much media focus in the summer of 2020.

The 2021 Legislative Session begins in early January. 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.

F. City-Level Relationships

Local groups in the New Haven community continue to be allies, and the Board maintains an active representative seat on the League of Women Voters, New Haven Votes Coalition, Republican and Democratic Town Committees, and any advocacy group committed to increased voter participation in the city.

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 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 \$55,000 CD held by TD Bank from June 2018 to June 2019.

III. Future Goals of The Board

The Board is focused on the 2021 election cycle for the year. We request the funds needed to adequately prepare and successfully fulfil grant and matching funds requests expected in the upcoming elections (Primary and General).

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 renews 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 their election.

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 \$250,000 before the upcoming election in 2021.