



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



2013 ANNUAL REPORT

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

Date: January 23, 2014

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 hereby issues its annual report for the previous year to the Mayor and the Board of Aldermen. This 2013 Annual Report contains 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.

The Fund Board approved a draft of this report at its January 16, 2014 regular meeting.

I. Statement of Financial Condition and Expenditures

The Democracy Fund (the "Fund") began calendar year 2013 with \$287,816.15 in cash. The Fund spent \$142,427.00 in 2013, and received a \$201,286.00 in income.

The Fund ended the 2013 calendar year with \$346,675.75.

As to income, the Fund received a \$200,000.00 replenishment from the 2013-2014 fiscal year budgeting process. This was credited to the Fund in July 2013. This was the first replenishment to the Fund since 2007. The Fund also received a one-time only contribution of \$1,286.00 from Gary Holder-Winfield's campaign on September 23, 2013. The Finance Department listed as income for October 2013. The Fund Board is not requesting an appropriation for the upcoming fiscal year.

The Fund had three types of expenditures in 2013: candidate contributions, the administrator contract and debate sponsorship.

In total, the Fund spent:

Candidate Contributions:	\$111,250.00
Administrator Contract:	\$ 26,677.00
<u>Debate Sponsorship:</u>	<u>\$ 4,500.00</u>
Total:	\$142,427.00

After the refund from Gary Holder-Winfield's campaign, the Fund expended \$141,141.00 in the calendar year 2013.

A. Candidate Contributions

The Fund distributed a total of \$111,250 to all participating candidates in 2013, and received \$1,286.00 in unused campaign funds from Gary Holder-Winfield for Mayor 2013, for a total expenditure of \$109,964.00. The breakdown is as follows:

1. Justin Elicker for Mayor received:
\$ 9,840 in matching funds April 5, 2013;
\$19,000 in the contested election grant Friday, April 19, 2013;
\$ 8,600 in matching funds Friday, April 26, 2013;
\$13,500 in matching funds Friday, August 23, 2013;
\$ 3,530 in matching funds Monday, September 9, 2013;
\$54,470 in total.
2. Kermit Carolina for Mayor received:
\$ 5,530 in matching funds May 22, 2013;
\$19,000 in the contested election grant May 22, 2013;
\$ 1,020 in matching funds July 16, 2013;
\$ 5,060 in matching funds September 6, 2013;
\$30,610 in total.
3. Gary Holder-Winfield, prior to withdrawing from the race, received:
\$ 7,170 in matching funds Friday, May 17, 2013;
\$19,000 contested election grant, Friday, May 17, 2013;
\$26,170 total distributed to GHW 2013
\$(1,286) returned campaign funds from GHW 2013, 9/23/13
\$24,884 total public funds utilized by GHW 2013.

B. Administrator Contract

The Contract with Administrator Kenneth J. Krayske cost the Fund \$26,677.00:

June 2012 (training - paid in April 2013)	\$ 707.00
December 2012 (paid in January 2013)	\$ 1,477.00
January 2013 (paid in February 2013)	\$ 2,086.00
February 2013 (paid in March 2013)	\$ 2,898.00
March 2013 (paid in April 2013)	\$ 1,645.00
April 2013 (paid in May 2013)	\$ 2,849.00
May 2013 (paid in June 2013)	\$ 2,079.00
June 2013 (paid in July 2013)	\$ 1,960.00
July 2013 (paid in August 2013)	\$ 3,227.00
August 2013 (paid in September 2013)	\$ 2,898.00
September 2013 (paid in October 2013)	\$ 1,652.00
October 2013 (paid in November 2013)	\$ 1,638.00
<u>November 2013 (Paid in December 2013)</u>	<u>\$ 1,561.00</u>

Total 2013 Administrator Expenditure \$26,677.00¹

C. Debate Sponsorship

The Fund expended \$4,500 to produce a primary debate. The \$4,500 helped pay the rental fee for the use of the Long Wharf Theatre.

II. Board Vacancies

Although 2013 saw the Board achieve quorums more often than not during the election season, the Board still has high turnover of board members. Throughout 2013, the Board had multiple vacancies. The Board seated three new members, John DiManno (unaffiliated), Andrew Knott, Esq. (Republican) and Gerald Martin (Green).

Currently, two seats remain open (one Democrat and one for a Republican, Green, Unaffiliated or other party member). Yale student Jared Milfred has expressed an interest in applying for an open Democratic seat, although with the new mayor and staff transitions, it remains unclear when the City can begin filling vacant positions on any of the City's boards and commissions. The Board herein expresses its continued frustration in having appointments not made in a timely manner.

The Board of Aldermen confirmed the appointment of John DiManno on February 4, 2013, yet he resigned after he moved out of New Haven in September 2013. The Board regretted his departure. Yet Mr. DiManno's short service allowed the Board to experience its largest participation of volunteers in many years.

As of December 31, 2013, Fund board members were:

- Chair Patricia Kane (Green - term expiration 8/1/16)
- Secretary Tiana Ocasio (Democrat - term expiration 8/1/14)
- Andrew Knott (Republican - term expiration 8/1/14)
- Gerald Martin (Green - term expiration 8/1/16)
- Tyrone R. McClain (Democrat - term expiration 8/1/14)

¹ The Administrator's contract with the City of New Haven provides for a \$25,000 annual payment limit to the Administrator. However, the contract runs on a July-June fiscal year. The Administrator did not exceed this ceiling in the 2012-2013 fiscal year. For 2013-2014, as of the December invoice (paid in January 2014), the Administrator had completed 46.38 percent of his total contract. With 50 percent of the contract duration remaining for the 2013-2014 budget year, the Administrator still has 53.62 percent of his funding still available. It seems unlikely the Administrator will use all 100 percent of his funding.

Additionally, the Board specifically had to request and approve payment for the Administrator's training in June 2012 prior to becoming the Administrator. Such payment took almost a full year to process.

It should be noted that for the 2012-2013 fiscal year, the Administrator completed 324.10 out of 357 total hours available under the contract, or 90.77 percent of the total work available. This is the highest total of hours worked by a Democracy Fund administrator since the program's inception in 2006.

The Fund will canvass its Board members whose terms expire in 2014 to determine if they will return, and the Fund further hopes to fill any empty seats by the end of 2014.

III. Summary of Board Activities

In 2013, the New Haven Democracy Fund experienced its busiest year ever. The Fund has many highlights to summarize from the previous 12 months. Given the enormous number of firsts experienced by the Fund in 2013, the Fund will attempt to highlight the most important breakthroughs of the year.

The Fund received a \$200,000.00 appropriation from the City budget, reflecting the first replenishment of the Fund since the City's initial \$400,000 investment in 2006 and 2007. The large amount of participation by candidates threatened to deplete the Fund. The City responded to the challenge by appropriating \$200,000.00. Without this addition to the Fund, the standing cash balance would be about \$146,675.75, and leave the Fund well short of sufficient resources for the 2015 Mayoral election. The City's infusion of monies shows the priority the people and the political leadership in the City of New Haven placed on publicly-financed, voter-owned elections.

In the previous six years of existence, which encompassed three election cycles, the Fund had only contributed \$71,862.00 in public financing to candidates. In this 2013 mayoral primary, the Fund distributed \$111,250.00 to three different candidates, as indicated above.

This is largest number of candidates to ever collect public monies in one election. A fourth candidate, Sundiata Keitazulu, signed a contract with the Fund, but never passed the threshold of public support to collect either matching funds or the lump-sum grant. That four candidates signed contracts with the Fund represents another first.

In January 2013, when Justin Elicker announced his run for Mayor, it marked the earliest a candidate had ever signed a contract with the Fund. When Mr. Elicker's campaign qualified for Fund support in February, the Fund realized it could not even give Mr. Elicker's campaign the monies until April, when the Ordinance specifically allows it to begin distribution of public dollars. The Fund Board vigorously discussed its ability to respond to candidates quicker than the Ordinance allows. The changing nature of elections, with candidates running earlier and qualifying faster than the Ordinance anticipates, poses issues for the Board.

When Gary Holder-Winfield signed a contact with the Fund in February 2013, it marked the earliest two candidates had signed onto the Fund ever. In March 2013, the Fund made a budget presentation to the Board of Aldermen. This outreach was the first contact some aldermen ever had directly with the Board, and allowed for a nuanced debate about the particulars of the Fund's mission. This was only the second time that the Fund had met with a majority of the Board of Aldermen.

As the primary election gained steam, the Fund became part of the civic conversation about the election and New Haven's future. That a majority - four out of seven candidates – participated in public campaign financing speaks to the Fund's growing importance.

The Fund partnered with numerous media organizations (including *the New Haven Independent*, *La Voz Hispana*, the *New Haven Register*, WVIT NBC-30 television) and other local groups (New Haven Votes, etc.) to sponsor three mayoral primary debates: May 7, 2013 at Gateway Community College's cafeteria; July 16, 2013 at the Metropolitan Business Academy and August 28, 2013 at the Long Wharf Theater.

More than 200 people crowded into the cafeteria at Gateway Community College to featured seven candidates (the four participating candidates plus non-participating candidates Sen. Toni Harp, Mathew Nemerson and Henry Fernandez). *New Haven Independent* publisher and founder Paul Bass moderated this debate, which featured candidate perspectives about the role of public campaign financing. The Fund collected feedback from audience members to improve future debates.

The Fund attempted to address public concerns of parking and noise from the Gateway debate by scheduling the next debate at the Metropolitan Business Academy. More than 150 people packed into the MBA cafeteria to see this debate. This debate featured six candidates (all of the above except Mr. Nemerson). Covered by major media outlets like the *Hartford Courant*, the debate succeeded in bringing the Fund to constituents.

Yet the Fund's largest success in public outreach occurred when the Fund Board voted to spend \$4,000.00 to rent the Long Wharf Theater for the final mayoral primary debate of the four remaining candidates (Fernandez, Harp, Elicker and Carolina). The Fund leveraged its \$4,000.00 into more than \$100,000.00 in community resources to bring the final debate to every household in Connecticut.

The Fund Administrator worked with its media partners to produce the debate. WVIT NBC-30 television's news team spent countless staff hours preparing the Long Wharf Theater as a live studio. Veteran television news reporter Gerry Brooks moderated the debate, while candidates fielded questions from reporters with the *New Haven Independent*, *New Haven Register* and *La Voz Hispana*.

NBC-30's contribution of air time, if purchased, would have likely cost more than \$100,000.00 to the Fund. Long Wharf Theater printed tickets, and the Fund helped negotiate that each campaign received 50 tickets apiece, the Theater reserved 100 tickets for day of distribution, media partners each received a quantity of tickets, along with the Fund. Hundreds of people packed in the Theater to be the live studio audience.

The Fund distributed some of its tickets to area educational institutions, including Yale University, MBA, High School in the Community (“HSC”), and Amistad Academy. Based on this distribution of tickets, the Fund Administrator has since been asked to speak at HSC, Yale, and Amistad.

Throughout the primary, the Fund continue to developed a strong cooperative relationship with the City's Department of Finance. The Department of Finance responded quickly to Fund requests for monies for candidates. And before the primary, the Department of Finance demonstrated remarkable collaboration by delivering matching funds to candidates prior to the primary day.

Additionally, the Fund worked with the Board of Aldermen and the Mayor's office to streamline the nomination of candidates for the Fund Board when making quorum was an issue early in the primary season. The Board of Aldermen twice suspended its normal nomination rules because the Fund desperately needed new Board members to have a quorum to conduct election-related business.

At the close of the 2013 primary, for the final months of the year, the Fund engaged in conversations with potential partners to examine ways to use the trove of data from the 2013 primary election to provide hard statistical evidence of the Fund's efficacy. The Fund looks to demonstrate with real numbers how it is reaching its goals, and it expects that through statistical analysis of 2013 data to show exactly how the Fund is bringing more people to participate in financing of and voting in elections.

The 2013 Primary Election showed the Fund a number of shortcomings and weaknesses in the Fund Ordinance which the Fund will seek to remedy. The Fund Board is considering how it may need a constructive loss provision under Sec. 2-826(6), how to change the allocation of funds from April 1 in Sec. 2-827, and how to approach the exploratory committee/double dipping issue. Additionally, the Fund's cumbersome paperwork reporting regime can be streamlined while delivering the same level of transparency which sits at the heart of policies publicly funding campaigns.

The Fund looks forward to engaging creative solutions to streamline and make more available its data, as information transparency and disclosure remain at the heart of public campaign financing.

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 2014 to expend only the \$25,000 encumbrance for the Administrator's contract.