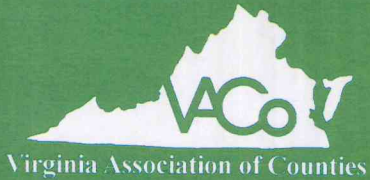


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2014 Achievement Awards

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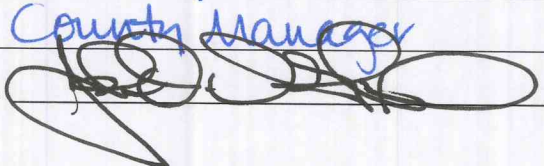
Program Information

Locality Henrico County
Program Title It's Your Decision: Meals Tax Referendum public information campaign
Program Category Communications

Contact Information

Name Steve Knockemus
Title Assistant Director
Department Public Relations & Media Services
Complete Mailing Address P.O. Box 90775; Henrico, VA; 23273-0775
Telephone # 804-501-4476 Fax # 804-501-5500
E-mail kno04@co.henrico.va.us

Signature of county administrator or chief administrative officer

Name John A. Vitthoulkas
Title County Manager
Signature 

**It's Your Decision: Meals Tax Referendum public information campaign
Henrico County
Category: Communications/2014 VACo Achievement Awards**

Overview

Henrico County launched the precedent-setting meals tax referendum public information campaign, "It's Your Decision," to inform residents and voters about the county's proposal for a 4 percent charge on prepared meals and beverages.

The campaign explained Henrico's reasoning for seeking a new revenue source, highlighted the county's history of sound fiscal management and financial stewardship, detailed how potential new revenues would be used and demonstrated the significance of the decision facing voters. The campaign invested voters with a personal stake in the referendum's outcome, linking their vote to maintaining the quality services — notably the county's premier school system — they expected as county residents.

"It's Your Decision" employed an array of communication tools to deliver that information, such as a website, social media, television programming, direct-mail brochures and news releases. It also featured an extensive public outreach effort that engaged citizens directly through more than 100 meetings.

The referendum appeared on the county ballot as part of the statewide general election on Nov. 5, 2013. Voters approved the measure, making Henrico the first Virginia county with a population greater than 200,000 to authorize a meals tax by referendum.

Problem

The effects of the nationwide recession and additional external economic conditions had created long-term stresses on Henrico County's budget and, despite a range of cost-saving measures undertaken by the county over several years, pushed the county's Board of Supervisors in April 2013 to seek a new revenue source in the form of a meals tax.

The county scheduled a referendum as part of the statewide general election on Nov. 5, 2013, in accordance with state code. Virginia law requires counties to obtain the approval of voters before enacting a

meals tax. In addition, Virginia law requires localities to provide information to residents explaining a proposed referendum. The explanation must be neutral and “shall not advocate the passage or defeat of the referendum question” (Code of Virginia, Section 58.1-3833; Code of Virginia, Section 24.2-687).

County staff developed the “It’s Your Decision” public information campaign in the context of a slow economic recovery and in a climate that did not favor any tax proposal, much less one requiring approval by popular vote. The campaign also had to sail against historical headwinds. No Virginia county with more than 200,000 residents had ever approved a meals tax by referendum. Henrico residents had voted down a county-proposed meals tax eight years earlier, in 2005.

Description and execution

“It’s Your Decision” was designed to be innovative and comprehensive, providing information to as many voters as possible in as many ways as possible. It also needed to be efficient. County staff had less than eight months to develop and implement the program.

The campaign incorporated the efforts of approximately 50 staff members working together across several county agencies, principally the County Manager’s Office and departments of Finance and Public Relations and Media Services. Staff from Henrico County Public Schools also contributed to the campaign.

The campaign’s central challenge was to describe the complex economic circumstances facing Henrico, explain the county’s reasoning for seeking new revenue, highlight the county’s long record of sound fiscal management and financial stewardship, and show residents and voters they had a stake in the outcome and that ultimately, it was their decision.

Lingering effects of the Great Recession and the tepid recovery of the local economy, especially the real estate market, had pushed Henrico’s budget to the brink. From 2009 to 2013 Henrico pared \$115 million in spending and cut nearly 650 positions from its budget. But looking beyond the 2013-14 fiscal year, the county would continue to face budget shortfalls due to stagnant real estate revenues, reduced funding from

the state and new, unfunded obligations passed to localities by the federal government and Commonwealth of Virginia.

Moving forward, balancing the budget without additional revenue would require broad-based staff layoffs or significant reductions to core services, especially education and public safety, which together account for more than 75 percent of the county's general fund spending. County officials decided to seek a new revenue source in the form of a 4 percent meals tax charged on prepared food and beverages, such as a meal in a restaurant or similar business. All revenue generated by the meals tax would be committed to the operating and capital expenses of Henrico County Public Schools.

Officials estimated the tax would generate \$18 million annually, the same amount as a 6-cent increase in the real estate tax rate. Officials considered the meals tax the better option.

A study conducted by the region's principal tourism and marketing organization indicated that at least 40 percent of a meals tax would be paid by non-Henrico residents, such as commuters, business travelers and tourists. An increase in the real estate tax would be borne entirely by county residents. Also, Henrico officials valued preserving the real estate tax rate — the lowest among Virginia's 15 largest localities — as key to the county's triple-AAA bond rating and as a critical part of the county's economic development strategy.

The initial step in sharing this information — and the first cog in the campaign — came in the form of a dedicated website. Work began on the site in early April 2013, with the goal that it be operational within six weeks. Due to time constraints, a private company was hired to design, launch and maintain the site. County staff provided the site's content.

Links from the official Henrico County website directed online traffic to the meals tax website, but it was built as an independent, separate site, with its own web address, branding, color scheme, and an appealing look that offered straightforward navigation and easy-to-access information.

Each webpage featured the site's title, "Henrico Meals Tax Facts," emphasizing its neutral, informational purpose. Each webpage also featured the campaign's brand, "It's Your Decision," either in the

front-page banner or within the text on subsequent pages. The intent was to let visitors know the site was offering factual information that would help them make a fully informed decision at the ballot box — and to give them a stake in the referendum’s outcome.

The website included six pages, each accessible through top-screen tabs. A Home page provided an overview of the meals tax, the reasoning behind its proposal and the county’s plan for committing all potential revenues to Henrico County Public Schools. Visitors to the Home page also could view several videos — produced entirely in-house by county staff — that included interviews of county and school officials and further described the proposal and how it would affect school funding and diners’ purchases in restaurants.

An Impact page described how the measure would affect individual pocketbooks and school funding and also placed the meals tax in a regional context. A Vote page provided the language of the meals tax proposal as it would appear on the ballot and included a tool to help voters find their polling place. The FAQ page gave detailed answers to common questions and reinforced information provided elsewhere throughout the site. A Media page offered visitors another chance to view the county-produced videos. The final page, Contact Us, included a dedicated email address for additional questions and provided contact information for community organizations to request a speaker through the campaign’s speakers bureau.

Each page of the site provided links to additional information, such as PDFs documenting the extensive use of the meals tax by Virginia localities and PowerPoint presentations detailing the county budget. The pages also featured numerous graphs and sidebars that simplified the message.

The website was built to be the touchstone for the public information effort — it was cited by all other components of the campaign and served as the campaign’s central resource. It was designed to be fluid and adaptable, responsive to the changing requirements of the campaign as it progressed. (**NOTE:** The website was taken down following the election but the dev site is available at <http://henricomealstaxfacts-com.wcgd-dev.com/mealstax/index.html> .)

The site was ready for launch at the end of May but was delayed to late July to coordinate timing with other components of the campaign. Its launch was announced on the Henrico County website and Twitter.

County officials recognized the website could not be the only tool in the campaign. Staff produced a two-panel flyer that was inserted in bills sent to 95,000 county utility customers in August. Staff also produced a six-panel, bi-fold brochure that was delivered via bulk-rate direct mail to all 150,000 Henrico mailing addresses in September. Both publications presented an overview of the meals tax proposal and maintained the branding and imagery established by the website.

Staff also used the Henrico Today, a quarterly tabloid print newsletter produced in-house, to complement the campaign. News stories written by staff for Henrico Today provided greater depth and detail about the meals tax proposal than did local news media coverage, directed readers to the meals tax website and offered additional information. More than 60,000 copies of each issue of Henrico Today were inserted in three area newspapers in May and August and made available to residents through other venues. It also was published on the county website and distributed by Twitter and email blast messages.

With the dedicated website operating and print materials distributed, officials launched the boots-on-the-ground component of the campaign to engage voters face to face. Staff created a speakers bureau, composed of five teams with representatives from the Department of Finance, County Manager's Office and Henrico County Public Schools. In August staff sent letters to close to 400 civic groups, neighborhood associations and other community organizations, announcing the availability of the speakers bureau for group meetings and providing scheduling information. The speakers bureau also was announced on the website and in Henrico Today.

The speaking teams presented information on the county budget and meals tax proposal before opening question-and-answer sessions. The teams took on all comers, ranging from church men's clubs and school PTA groups to restaurant associations and tea party affiliates, and conducted nearly 100 meetings between mid-August and Election Day.

The campaign's ground component also featured public meetings at Henrico County's nine high schools. Designed for all residents, these large-forum settings were promoted through Twitter, the meals tax and county websites, posters in county facilities, email blast messages and automated telephone messages, news releases and two print advertisements — the only use of paid advertising in the campaign.

The more than 100 group and public meetings were attended by a few thousand residents and generated coverage by news media, but their real value came with the person-to-person contact between county officials and voters. Even opponents of the meals tax proposal acknowledged the opportunity to address staff directly and give voice to their concerns.

The combination of high-tech and traditional tools used in "It's Your Decision" yielded a comprehensive communication effort.

Technology

The "It's Your Decision" campaign employed a range of technology networks and devices: the Internet, World Wide Web, email, email blast messaging, cable television (county PEG channels carried by Comcast and Verizon), automated telephone messaging system, Google Analytics, Facebook, Twitter.

Software included the Microsoft Office suite (Word, Excel, PowerPoint, Outlook Calendar); WordPress; Constant Contact; Adobe products (Acrobat 9 Pro, Photoshop CS6, Encore); InDesign CS5; Corel Draw; Avid Media Composer; Sorenson Squeeze; QuickTime Pro; Final Cut Pro X; Hightail; Vimeo Pro.

Hardware included Canon EOS 1Ds 35 mm camera; Epson Stylus Pro 4880 printer; HP LaserJet 4250 printer; HP Z400 Workstation; Avid ISIS 5000 server, Panasonic AG-HPX170P2 and AG-HPX500P2 video cameras; iMac computer; Dell desktop and laptop personal computers; digital slide projector and screen; flash drives; DVDs; CDs; and even a fax machine.

Cost

Henrico County spent \$64,261.60 on the “It’s Your Decision” campaign. The bulk of these capital costs came from the printing and direct mailing of brochures and for the design, launch and hosting of a dedicated website:

U.S. postage (bulk rate, direct mail brochures): \$21,905.22
 Mailing house fee: \$5,325
 Printing, 150,000 brochures (vendor): \$6,758
 Printing, 95,000 flyers (vendor): \$1,604
 Website (vendor): \$23,960
 Display advertisements (print and online): \$4,232
 U.S. postage (standard letter rate): \$329.88
 Office supplies (color printer ink, poster lamination): \$147.50

“It’s Your Decision” was developed and executed by approximately 50 county staff members performing the work as part of their regular responsibilities, so operating costs were absorbed into the county’s standard operations. Henrico County relied almost exclusively on the expertise of in-house staff for the planning, development and implementation of the campaign. The one component that was managed externally — the dedicated website — was handled through a vendor due to time constraints. County staff developed the content for the site.

“It’s Your Decision” featured several video programs produced by county staff in the professional-grade Henrico County Television studio. Another county without comparable personnel and capital resources could anticipate additional expenses if it wanted to develop and incorporate quality video programming in a similar public information campaign.

Results

The effectiveness of the “It’s Your Decision” campaign was measured at Henrico County voting precincts on Nov. 5, 2013. The meals tax referendum was included on county ballots that also featured statewide contests for governor, lieutenant governor and attorney general and district races for both houses of the Virginia General Assembly.

Election results showed that Henrico voters approved the county's meals tax proposal by a three-point margin, with 51.5 percent of voters supporting the measure and 48.5 percent opposing it. The official vote count was 52,628 to 49,646, a difference of 2,982 votes out of 102,274 cast in the referendum.

The election made Henrico the first Virginia county with a population greater than 200,000 to receive approval from its voters to implement a meals tax.

Voter approval of the meals tax proposal was one measure of the effectiveness of the "It's Your Decision" campaign, but so was the level of public interest. The meals tax referendum generated significant public discussion and received consistent, prominent coverage by local print and broadcast news media as well commentary by local bloggers and other interested parties. Campaign components such as the dedicated website and direct-mail brochure were the subjects of news stories and were regularly referenced by both supporters and opponents of the meals tax proposal.

"It's Your Decision" was countered by an organized, well-funded opposition. Opponents of the meals tax proposal distributed direct-mail flyers, produced print and online advertisements, developed websites and an animated video posted on YouTube.

The referendum invigorated local interest in the off-year election and raised the profile of the Henrico ballot. The county's registered-voter turnout rate of 51 percent was 14 points higher than the statewide rate of 37 percent.

"It's Your Decision" raised public awareness and understanding of the county's meals tax proposal. It helped Henrico residents participate in the public debate and enabled them to make an informed decision regarding a matter of communitywide significance.

Worthiness of an award

"It's Your Decision" meets VACo Achievement Awards criteria (offering an innovative solution to a problem and providing a model for other county governments) and merits recognition in the 2014 competition.

The campaign enabled Henrico County to tap a new revenue source at a critical moment. Voter approval of the meals tax referendum allowed county officials to avoid a choice between a pair of unsavory options: budget cuts that would have impacted core services or an increase in the real estate tax rate.

Information provided by the campaign facilitated public understanding of the meals tax proposal and the county's need for a new revenue source. It provided county officials solid ground for implementing new public policy.

The campaign produced measurable results — the vote tallies on Nov. 5, 2013.

The campaign used innovative communication tools such as email blasts, social media and a dedicated website. It also employed professional video production equipment and other technology to enhance the communication effort.

However, "It's Your Decision" recognized that 21st-century technology and communication tools could not carry the full weight of the campaign. A comprehensive approach was required to reach as many residents and voters as possible. Traditional communication tools such as direct mail and the many group and public meetings were essential factors in the campaign's success.

This extensive, comprehensive strategy may be the true innovation of the "It's Your Decision" campaign.