

# **WOLCOTT TOWN COUNCIL**

Regular Meeting

Tuesday December 2, 2014

Council Chambers, Wolcott Town Hall

7:30 p.m.

Page 1 of 5

## **MINUTES**

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**Note:** These are summary minutes; a tape recording of this meeting is on file in Commission Secretary's Office in Wolcott Town Hall.

Chairman Valletta called the meeting to order at 7:30 p.m. with the Pledge of Allegiance, and attendance was taken.

**MEMBERS PRESENT:** Chairman David Valletta, Vice-Chairman Gale Lanza Mastrofrancesco, Joseph Del Buono, Francis Masi, Rachel Wisler, Charles Marsella, Roger Picard, Jeffrey Slavin, and Donald Charette Sr.

**MEMBERS ABSENT:** None

**ALSO PRESENT:** Mayor Thomas G. Dunn; Linda Bruce, Municipal Finance Officer; Michael J. VanDeventer, CPA, Partner, Mahoney Sabol & Co.; Amanda L. Backhaus, CPA, Manager, Mahoney Sabol & Co.; Maura Esposito, Director of Health, Chesprocott Health District; et al.

### **APPROVAL OF MINUTES:**

▪ **Regular Meeting - November 18, 2014**

Upon **MOTION** by Roger Picard, seconded by Francis Masi, it was unanimously voted to **approve** the minutes of the Regular Meeting held on November 18, 2014.

### **TAXPAYERS' TIME: (Limited to Items on the Agenda)**

No taxpayers came forward.

### **CORRESPONDENCE (on file):**

- 1. Basic Financial Statements, Supplemental Information and Federal & State Single Audit Reports for Fiscal Year Ended June 30, 2014**
- 2. Submitted at meeting by Maura Esposito, Information related to Chesprocott Health District**

### **MAYOR'S REPORT:**

Mayor Dunn came forward and reported the following:

- Tree lightning was held Sunday night; there are less lights on the tree because it was just planted last year
- The Town-wide Christmas Party is this Friday from 4:00 p.m. until 7:00 p.m. at the Senior Center; all residents are welcome

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- They received three grants for the Senior Center; to keep exercise program going, continue with the Health Fair and a connecting grant which will enable the Town to bring speakers and services in
  - The senior buses will be parked in the new building at the Town Garage; it is still under construction; the Town Crew has been doing a lot of the prep work which will save money
  - He met with Representative Sampson and Senator Markley to review their agenda for the Council of Small Towns; they are focusing on mandates and will be testifying on the 17<sup>th</sup> with respect to new mandates that may be coming down from the DEEP
  - The audit presentation is tonight; the results were very good and he would like to thank everyone for their hard work and cooperation

A brief question and answer period was held during which the following was noted by Mayor Dunn:

- With regard to lamp on the green, the issue has been reported to CL&P

### **FINANCE OFFICER'S REPORT/TRANSFERS:**

Linda Bruce came forward and reported the following:

- They are starting the process for the refunding of certain bond issues; the resolution was approved by the Town Council at the November 18<sup>th</sup> meeting;
- The Mayor, Treasurer, and herself will be meeting with Janette Marcoux with FirstSouthwest possibly next week to discuss the particular bonds that will be part of the refunding; they will post in January of 2015 and the official statement will have minor updates
- They will have a rating call, however, this rating call should be expeditious as they were just rated and upgraded by Standard & Poor's in October
- The Standard & Poor's rating upgrade is noted on page 13 of the basic financial statements for FY 2013-2014
- There are no transfers for approval

### **SUB-COMMITTEE AND LIAISON REPORTS:**

**Sub-committee for the Walking Trail:** Mr. Charette reported that everything is moving along very well and that quite a few companies bid on the decking for the walkway.

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## MINUTES

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### UNFINISHED BUSINESS:

There was no unfinished business.

### NEW BUSINESS:

#### **1. Mahoney Sabol & Company, LLP – Presentation of Fiscal Year 2013-2014 Audit Report**

Michael VanDeventer, CPA & Partner with Mahoney Sabol & Co. and Amanda Backhaus, CPA & Manager with Mahoney Sabol & Co. came forward. Mr. VanDeventer stated that they appreciate the opportunity to provide the audit services for the town for the first time. He noted that the transition went very smoothly and they were very happy with the cooperation that they received from the employees of the Town as well as the prior auditors. Mr. VanDeventer advised that what the Council has in front of them are the Basic Financial Statements, Federal & State Single Audit Reports, and a Communications Letter. They have also prepared a presentation that they would like to review. The presentation includes all of the required communications and also other financial highlights. Mr. VanDeventer and Ms. Backhaus next proceeded to review each page of the 2014 audit results (**full presentation attached**).

The following are excerpts of the presentation:

- They have given the Town an unmodified 'clean' opinion on governmental activities, each major governmental fund, and aggregate remaining fund information
- Regarding compliance and on internal control over financial reporting, no material noncompliance of laws and regulations are reported and no significant deficiencies or material weaknesses over financial reporting are reported
- Regarding the Federal Single Audit, they have issued an unmodified 'clean' opinion on compliance over major programs with no significant deficiencies or material weaknesses over compliance reported
- Regarding the State Single Audit, they have issued an unmodified 'clean' opinion on compliance over major programs with no significant deficiencies or material weaknesses over compliance reported
- Combined ending fund balances as of June 30, 2014 totaled \$2,804,105, an increase of \$2,734,158 from the prior year
- Unassigned fund balance of the General Fund as of June 30, 2014 totaled \$3,449,415, or 6.9% of total General Fund budgetary expenditures
- They encountered no difficulties in performing the audit, no disagreements with management, and no other audit findings or issues

# WOLCOTT TOWN COUNCIL

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## MINUTES

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A question and answer period was held and discussion followed during which the following items were addressed:

- Page 3, bullet #3 of the basic financial statements was referenced – beginning net position decreased due to GASB No. 65 (**see attached**)
- GASB No. 67 - changes the way pension plans are disclosed; next year GASB No. 68 will require the Town to record the pension net liability on its government wide financial statements; the net pension liability is about \$10.5 million dollars; next year it will need to be booked as a liability which will deplete the unrestricted net position; all towns will be dealing with this and the majority will have a deficit as well
- Because of the new accounting standards, OPEB obligations will continue to grow each year, unless a trust is set up which would be a decision by the town; right now the Town pays as it goes; to actually fund this is extremely difficult due to budget restraints
- The Town's financial procedures are sound mainly due to segregation of duties
- Page 62, paragraph 2, sentence 2 – this is because only a single year financial statement is done; they don't go back to see what the impact would have been on the prior year financial statement; ultimately the adjustment is made to the opening balance (**see attached**)
- Page 9, paragraph 1 – sentence 2 & 3 – the decrease is due to the depreciation expense; there is really no way to avoid this; typically a you are going to run a decrease in your net position because of the depreciation expense (**see attached**)

## 2. Update from Chesprocott Health District

Maura Esposito, Director of Health, Chesprocott Health District came forward. Ms. Esposito advised that she took over as the Director of Chesprocott Health District back in April and added that she is here this evening to let everyone know what has been going on since then. Ms. Esposito referenced the presentation that she submitted at which time she reviewed in detail (**see attached**). She noted that they are in the process of getting all of their cars marked so that people know when they are in town. Ms. Esposito spoke about her staff, and explained what environmental health and community health entails.

She next discussed the following new initiatives that they are working on:

- Healthy homes
- Lead education; it is a law that children under the age of six are supposed to be tested twice by their pediatricians; it is not required for children to enter

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school; Wolcott has one of the lowest screenings; her job is to reach out to pediatricians and parents to educate them

- They are also educating building officials regarding contractors working in homes built prior to 1968
- They are working on linking their website to the Town of Wolcott website

A question and answer period was held and discussion followed regarding how to address the lead testing issue, food service inspections, getting more information into the Wolcott Community News and on the website, emergency preparedness, emergency drills, and protocol with respect to Anthrax and Ebola.

### **ITEMS FOR NEXT AGENDA:**

Chairman Valletta advised that the Registrars of Voters will be at the next meeting to give an update. If anyone has any items please contact the Chairman or the Secretary.

### **TAXPAYERS' TIME:**

No taxpayers came forward.

### **EXECUTIVE SESSION:**

No Executive Session was held.

### **ADJOURNMENT:**

Upon **MOTION**, by Joseph Del Buono, seconded by Charles Marsella, it was unanimously voted to **adjourn** the meeting at 8:28 p.m.

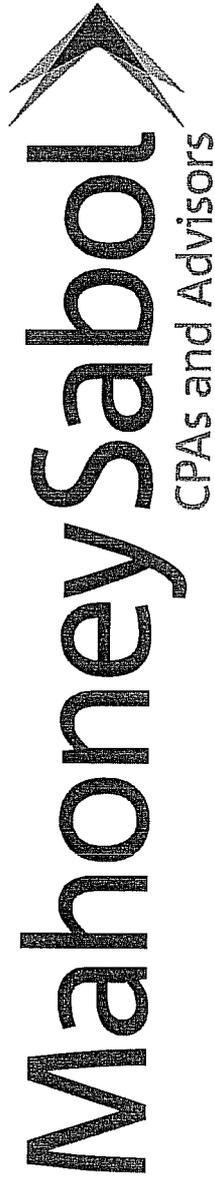
### **APPROVED:**

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Elizabeth Gaudiosi, Secretary  
**WOLCOTT TOWN COUNCIL**

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David Valletta, Chairman  
**WOLCOTT TOWN COUNCIL**



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Presentation to the Town Council  
2014 Audit Results

Town of Wolcott,  
Connecticut

Presented by:  
Michael J. VanDeventer, CPA, Partner  
Amanda L. Backhaus, CPA, Manager

December 2, 2014

## Agenda

- Scope of Work
- Auditor's Reports
- Financial Highlights
- Required Communications
- Questions

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## Scope of Work

- Financial Statement audit performed in accordance with the following:
  - Auditing standards issued by the American Institute of Certified Public Accountants
  - Government auditing standards issued by the Government Accountability Office
- Federal and State Single audits performed in accordance with the following:
  - OMB Circular A-133 compliance supplement
  - State of Connecticut, OPM Compliance Supplement to the State Single Audit Act
  - Applicable grant and contract agreements
- Agreed-upon procedures engagement required by the State of CT Department of Education on Form ED001 and related end of school year reports.

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## Auditor's Reports

- **Report on Financial Statements**
  - Unmodified "clean" opinions on the following opinion units:
    - Governmental activities
    - Each major Governmental Fund:
      - General Fund
      - Capital Improvement Fund
      - Water Assessments Fund
      - Small Cities Grant Fund
    - Aggregate remaining fund information
  
- **Report on Compliance and on Internal Control over Financial Reporting**
  - No material noncompliance of laws and regulations reported
  - No significant deficiencies or material weaknesses over financial reporting reported

**Auditor's Reports (Continued)**

- Federal Single Audit
  - Report on Compliance and on Internal Control at the Federal Award Level
    - Major Programs:
      - Child Nutrition Grant Cluster (\$330,123)
      - Special Education Grant Cluster (\$473,308)
      - Community Development Block Grant (\$328,679)
    - Unmodified “clean” opinion on compliance over major programs
    - No significant deficiencies or material weaknesses over compliance reported

**Auditor's Reports (Continued)**

- State Single Audit
  - Report on Compliance and on Internal Control at the State Financial Assistance Level
    - Major Programs:
      - Town Aid Road (\$301,987)
      - Magnet School Transportation (\$226,200)
      - Municipal Grants In-Aid (\$200,015)
      - Property Tax Relief – Totally Disabled Homeowners (\$159,974)
    - Unmodified “clean” opinion on compliance over major programs
    - No significant deficiencies or material weaknesses over compliance reported

## Financial Highlights

- Implementation of new accounting standards

- Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*

- Creation of “Deferred Inflows of Resources” and “Deferred Outflows of Resources”
    - Debt issuance costs expensed when incurred, resulting in a restatement of the Town’s opening net position in the amount of \$151,860.

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## Financial Highlights (Continued)

- Implementation of new accounting standards (Continued)
  - Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans - An amendment of GASB Statement No. 25*
    - Replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria
    - Builds upon the existing framework for financial reports of defined benefit pension plans
    - Net Pension Liability
    - Enhances note disclosures and required supplementary information

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**Financial Highlights (Continued)**

• **Government-wide Financial Highlights**

- As of June 30, 2014, the Town's assets and deferred outflows of resources exceeded its liabilities by approximately \$51 million (net position), of which approximately \$41 million represents the Town's net investment in capital assets.
- Unrestricted net position totaled approximately \$10.2 million as of June 30, 2014.
- Net position decreased \$2,236,173 during fiscal year 2014.

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**Financial Highlights (Continued)**

• **Governmental Funds Financial Highlights**

- Combined ending fund balances as of June 30, 2014 totaled \$2,804,105, an increase of \$2,734,158 from the prior year. Total fund balances consisted of the following:
  - General Fund: \$3,552,399, an increase of \$457,503 from prior year
  - Capital Improvement Fund: (\$4,719,322), an increase of \$2,920,382 from prior year
  - Water Assessment Fund: \$1,619,060, a decrease of \$88,388 from prior year
  - Small Cities Grant Fund: No fund balance, no change from the prior year
  - Other Funds: \$2,315,968, a decrease of \$555,339 from prior year

Unassigned fund balance of the General Fund as of June 30, 2014 totaled \$3,449,415, or 6.9% of total General Fund budgetary expenditures. This is sufficient to cover 1.3 months of General Fund operating expenditures.

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**Financial Highlights (Continued)**

- **General Fund – Budgetary Highlights**
  - Original and final budget provided for no use of fund balance.
  - Actual change in fund balance was an increase of \$538,053.
  - Revenues were \$498,664 more than budgeted, expenditures were \$39,341 less than budgeted.
  - No use of fund balance has been assigned for spending in the 2015 fiscal year budget.

## Required Communications

- Auditor's Responsibility under U.S. Generally Accepted Auditing Standards
- Planned Scope and Timing of the Audit
- Significant Audit Findings
  - Qualitative Aspects of Accounting Practices
    - Accounting policies selected and used are appropriate
    - Disclosures are neutral, consistent, and clear
    - Assumptions used to make significant estimates are reasonable
  - Difficulties Encountered in Performing the Audit

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**Required Communications (Continued)**

- **Significant Audit Findings (Continued)**
  - Corrected and Uncorrected Misstatements
    - Restatement (increase) of the opening net position of the Board of Education Pension Plan in the amount of \$557,457
    - Adjustment to recognize deferred school construction principal and interest payments from the State of Connecticut deemed to be both earned and available as of June 30, 2014.
  - Disagreements with Management
  - Management Representations
  - Management Consultations with Other Independent Accountants
  - Other Audit Findings or Issues

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**Questions?**

Michael J. VanDeventer, CPA, Partner

860-781-7924

[mvandeventer@mahoneysabol.com](mailto:mvandeventer@mahoneysabol.com)

Amanda L. Backhaus, CPA, Manager

860-781-7922

[abackhaus@mahoneysabol.com](mailto:abackhaus@mahoneysabol.com)

TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) *(Continued)*  
JUNE 30, 2014

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Governmental Activities**

Governmental activities decreased the Town's net position by \$2,236,173. Revenues generated by the Town increased by approximately \$2,249,574, primarily due to an increase in tax revenue and miscellaneous charges for services. The increase in revenue was offset by an increase in expenses of approximately \$3,577,205 when compared to the prior year, due to an increase in education expenses of approximately \$3,021,400.

Key elements of this increase were an increase in tax collections and miscellaneous revenue.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,804,105, an increase of \$2,734,158 in comparison with the prior year. Of this amount, a negative \$1,424,973 constitutes a deficit in the total unassigned fund balance of the Town.

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,449,415, while total fund balance was \$3,552,399. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 6.9% of total General Fund budgetary expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.3 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$457,503 during the current fiscal year.

TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2014

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As management of the Town of Wolcott (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2014.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Town exceeded its liabilities at the close of the most recent fiscal year by \$51,355,077 (net position). Of this amount, \$10,181,324 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$2,236,173 during the current fiscal year.
- Beginning net position was decreased by a restatement of \$249,685, due to the current year implementation of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities* and to make a correction of an error (*See Note N*).
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,804,105, an increase of \$2,734,158 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,449,415, or 6.9% of total General Fund budgetary expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover 1.3 months of general fund operating expenditures.
- The Town's total long-term bonded debt increased by \$3,751,379 or 10.8% during the current fiscal year due to the issuance of additional bond anticipation notes offset by scheduled repayments.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, and liabilities, with net position as the residual of these elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

TOWN OF WOLCOTT, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 JUNE 30, 2014

**NOTE N - IMPLEMENTATION OF NEW PRONOUNCEMENTS AND CORRECTIONS OF PRIOR PERIOD ERRORS**

The Town has implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities* effective July 1, 2013. GASB Statement No. 65 resulted in the reclassification of certain financial statement line items on the statement of net position and balance sheet. In addition to reclassifications to these new categories, GASB No. 65 has also resulted in an adjustment to the beginning net position of the governmental activities to expense unamortized bond issuance costs.

In addition, the beginning net positions of the governmental activities and the pension trust funds have been restated for the correction of an error. The effect of the adjustments on the prior year changes in net positions for the year ended June 30, 2013 cannot be readily determined.

As such, net position as of July 1, 2013 has been restated as follows:

	Governmental Activities	Fiduciary Funds Pension Trust Fund
Net position - beginning, as originally reported	\$ 53,840,935	\$ 23,357,642
Expense unamortized bond issuance costs	(151,860)	-
Adjustment to properly state beginning balances of depreciable capital assets	(97,825)	-
Adjustment to properly record contribution receivable as of June 30, 2013	-	557,457
Net position - beginning, as adjusted	\$ 53,591,250	\$ 23,915,099

**NOTE O - SUBSEQUENT EVENTS**

As of October 2014, the Town's credit rating was increased to a AA by Standard and Poor's Investor Services.

In October 2014, the Town issued \$6,960,000 of general obligation bonds which were used to retire a portion of previously outstanding bond anticipation notes. The general obligation bonds issued bear interest rates ranging from 2.00% to 4.00% and mature in October 2033.

In connection with the bond issuance in October 2014, the Town issued a bond anticipation note in the amount of \$13,050,000. The proceeds from this note was used to refinance the remaining bond \$9,365,000 of bond anticipation notes outstanding as of June 30, 2014 and to provide additional funding for ongoing capital projects. The bond anticipation note is due in October 2015 and bears an interest rate of 1.25%.

# Chesprocott Health District



Maura Esposito RS., MPH  
Director of Health  
December 2, 2014

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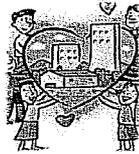
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# Chesprocott Health District



ENVIRONMENTAL  
HEALTH



COMMUNITY HEALTH



EMERGENCY  
PREPAREDNESS

CHESPROCOTT HEALTH DISTRICT 2014

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# Chesprocott Health District Staff



- Maura Esposito**  
Director of Health
- Lorraine DeNicola**  
Director of Environmental Health
- Mary Creaser**  
Sanitarian
- Alicia Hanke**  
Health Educator  
Emergency Preparedness Coordinator
- Kim Sima**  
Office Manager
- Barbara Gigliotti**  
Sanitarian



CHESPROCOTT HEALTH DISTRICT 2014

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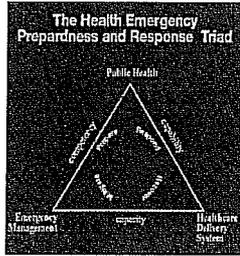
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## Public Health Preparedness Capabilities

- Biosurveillance
  - Public Health Laboratory Testing
  - Public Health Surveillance and Epidemiological Investigation
- Community Resilience
  - Community Preparedness
  - Community Recovery
- Countermeasures and Mitigation
  - Medical Countermeasure Dispensing
  - Medical Material Management and Distribution
  - Non-Pharmaceutical Interventions
  - Responder Health and Safety
- Incident Management
  - Emergency Operations Coordination
- Information Management
  - Emergency Public Information Warning
  - Information Sharing
- Surge Management
  - Fatality Management
  - Mass Care
  - Medical Surge
  - Volunteer Management



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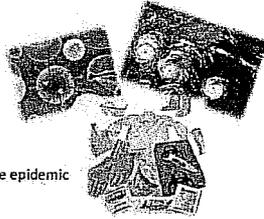
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## What is a Public Health Emergency?

Any event that has potential for significant health impacts

- Bioterrorism attack
  - Anthrax
  - Smallpox
  - Plague
- Natural disaster
- Naturally occurring infectious disease epidemic



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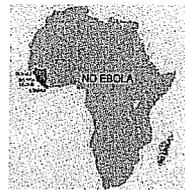
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## Ebola Perceived....



Media



Public Health

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Questions?

CHESPROCOT HEALTH DISTRICT 2014

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