



Grand Jury <grandjury@scgrandjury.org>

Response Packets - City of Capitola

1 message

Woodmansee, Chloe <cwoodmansee@ci.capitola.ca.us>
To: "grandjury@scgrandjury.org" <grandjury@scgrandjury.org>

Fri, Sep 11, 2020 at 1:45 PM

Hello,

Attached are the three required response packets approved by Capitola City Council as follows:

1. The Tangled Web: Oh, What a Mangled Web We Weave (approved by Capitola City Council on August 27, 2020)
2. Managers of Risk or Victims of Risk: Rocked by the Shocks (approved by Capitola City Council on September 10, 2020)
3. Homelessness: Big Problem, Little Progress (approved by Capitola City Council on September 10, 2020)

Hard copies will be mailed this afternoon to the Honorable Judge John Gallagher, as required. If you have any questions, please feel free to get in touch with me. Thank you!

Warmly,

Chloé Woodmansee




Interim City Clerk

City of Capitola

831.475.7300 x220



3 attachments

-  **Grand Jury Report Risk - Responses.pdf**
166K
-  **GrandJuryHomelessnessResponse_CapitolaCC_Packet.pdf**
233K
-  **grand jury reponse_website.pdf**
134K



**The 2019–2020 Santa Cruz County Civil Grand Jury
Requests that the
City Finance Director/Risk Manager of Capitola
Respond to the Findings and Recommendations
Specified in the Report Titled
Managers of Risk or Victims of Risk –
Rocked by the Shocks
by September 17, 2020**

When the response is complete, please

1. Email the completed Response Packet as a file attachment to grandjury@scgrandjury.org, and
2. Print and send a hard copy of the completed Response Packet to

The Honorable Judge John Gallagher
Santa Cruz Courthouse
701 Ocean St.
Santa Cruz, CA 95060

Instructions for Respondents

California law PC §933.05 (included [below](#)) requires the respondent to a Grand Jury report to comment on each finding and recommendation within a report. Explanations for disagreements and timeframes for further implementation or analysis must be provided. Please follow the format below when preparing the responses.

Response Format

1. For the Findings included in this Response Packet, select one of the following responses and provide the required additional information:
 - a. **AGREE** with the Finding, or
 - b. **PARTIALLY DISAGREE** with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. **DISAGREE** with the Finding and provide an explanation of the reasons therefor.
2. For the Recommendations included in this Response Packet, select one of the following actions and provide the required additional information:
 - a. **HAS BEEN IMPLEMENTED**, with a summary regarding the implemented action, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**, with a timeframe or expected date for implementation, or
 - c. **REQUIRES FURTHER ANALYSIS**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report, or
 - d. **WILL NOT BE IMPLEMENTED** because it is not warranted or is not reasonable, with an explanation therefor.

If you have questions about this response form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

F1. RISK ASSESSMENT: As the Auditor’s Office is an authoritative source of studies and assessments for the State Legislature, we find that the risk assessment methodology used by the Auditor’s Office is a valid and valuable approach to assessing financial risk for all SCC city jurisdictions and communicating that risk to stakeholders.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The City of Capitola agrees that the assessment methodology used by the Auditor’s Office is a valid and valuable data point in assessing financial risk but does not find it to be authoritative or all inclusive. It contains a set of useful data points and a way to compare across jurisdictions, but each jurisdiction has unique profiles, revenue and expenditure characteristics, and ability to change or modify those characteristics. That is not captured by this methodology. Furthermore, we find the tool to be heavily focused on pension obligations and risks. It also heavily focuses on factors that are often beyond the control of the jurisdiction, like pension assets or liabilities. It also does not include other forms of “risk” that each city faces and needs to balance, like maintenance of facilities or capital improvements, revenue mix, service needs of the community. These types of risks/ liabilities are less easily quantifiable but are known by the professionals working in their communities,

F2. RISK ASSESSMENT: All SCC Cities did not fully consider the calculated high risk indicators from the Auditor's Office and their potential impacts on city operations, services, and capital assets/infrastructure.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The City of Capitola's high-risk indicators from the SCC Grand Jury Report are Revenue Trends, Pension Obligations, Future Pension Funding, and Other Post Employment Benefits (OPEB) Funding. The City has made deliberate and concerted efforts over the past few years to stabilize Future pension contribution increases including adopting an official Financial Management policy as well as establishing both a Pension Trust as well as an OPEB Trust. Future pension obligations are always at the forefront of financial planning conversations and modeling. We again have made concerted efforts to pay down our obligation in a way that has the biggest impact during recent years, and CalPERS is always discussed in the City's budget and 5-year plan. Managing our CalPERS future obligation is also a stated strategic goal of the city council as identified in the City's annual budget. To say we do not consider the risk of this is untrue. Finally, we disagree with the auditors' assignment of a high risk to Capitola's funding of our OPEB obligations. As can be seen by the OPEB obligations indicator we have a very low OPEB obligation and annual contribution, therefore, our lack of a funding plan for this is not an indication of risk in this area.

The SCCGJ report incorrectly listed Capitola as being high risk in the areas of revenue trends and pension funding. Those areas are listed by the state controller as areas of moderate risk.

F3. RISK ASSESSMENT: The state of risk determined for all SCC Cities by the Auditor's Office in 2017 remained largely unchanged through 2019.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

F4. RISK ASSESSMENT: Pension costs contribute a higher level of financial risk to all SCC Cities than is accounted for by city documents.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

City documents report pension contributions and liabilities as required by the Governmental Accounting Standards Board (GASB). In some ways the delayed impact of losses or market shocks to City costs allow for planning time and are therefore a comparatively reduced risk, as compared to risks from natural disasters and economic recessions.

F5. RISK ASSESSMENT: Financial Risk Indicators alone are not adequate to effectively understand the risks facing all SCC Cities.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

F6. RISK ASSESSMENT: All SCC Cities do not fully identify, assess, track, and report key risk indicators that reflect the state of strategic, financial, operational, or hazard risk.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

F7. RISK ASSESSMENT: All SCC Cities do not adequately evaluate the possible interactions between risks that may inhibit or enhance the objectives of each city.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

Adequately is a subjective term. Could the City of Capitola do better, perhaps, but the City believes we are properly evaluating interactions between risks. Each year in the City's budget there is a discussion of long-term risk to the City where various factors that could affect the City are highlighted for public review and discussion. In addition, the annually required Comprehensive Annual Financial Report (CAFR) includes a mandated section that evaluates risk management as well as providing detailed information on defined benefit pension plans and other post-employment benefits.

F8. RISK ASSESSMENT: All SCC Cities either do not maintain or do not publish a report card on the state of key infrastructure that can be used to set funding priorities and manage operational and hazard risk.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The City of Capitola has completed extensive assessments of its infrastructure over many years, and is constantly evaluating and preparing for replacement of key infrastructure, including long-term capital improvement planning, financial planning for emergencies, and hazard assessment. While the City may not present these findings through a specific “report card,” we spend a significant amount of effort to inform the community about the state of our infrastructure, the projects that are being planned, and the projects that are in construction. We have received significant positive feedback from the community about our outreach and education efforts in this arena.

Local Hazard Mitigation Plan (LHMP). In addition, over the last year the City has completed a draft updated LHMP, including a very thorough risk assessment. This Risk Assessment includes (1) a description of the LHMP Planning Committee’s hazard selection process, (2) hazard descriptions of selected primary and secondary hazards, (3) hazard profiles for primary hazards, and (4) a vulnerability assessment that includes a summary of the risk primary hazards pose to the City’s built, social, and natural environment and a discussion of secondary hazards. These four sections address Element B requirements, which appear in the following Risk Assessment as headings B1–B3, described in the Federal Emergency Management (FEMA) LHMP Review Guide.

The LHMP process included extensive public outreach and participation, and the community has been kept well-informed about both the types of risks that could happen in our community, and the steps needed to reduce the impacts of those risks.

Climate Action Plan (CAP). The City Council adopted Capitola's first Climate Action Plan (CAP) on October 22, 2015. The CAP identifies strategies and actions to reduce greenhouse gas emissions (GHG) from City government operations and community activities to support the State of California's efforts to mitigate the effects of climate change. The CAP fulfills several General Plan goals and bring the City into conformance with Assembly Bill 32, Senate Bill 375, and Executive Order S-3-05. The CAP includes an inventory of existing GHG emissions, a forecast of future GHG emissions, identification of GHG reduction targets, and a list of GHG reduction measures necessary to achieve identified reduction targets.

The CAP includes actions and strategies to reduce GHG emissions generated by transportation and mobile sources, residential and non-residential energy consumption, water and wastewater treatment and conveyance, solid waste generation, and open space, parks, and agriculture.

The proposed CAP establishes a 4.9% GHG reduction target from 2010 levels by 2020 and projects an 18% reduction through implementation of various reduction strategies. The CAP further sets a 42.9% reduction target from 2010 levels by 2035 and an 81% reduction by 2050.

Transportation Infrastructure. The Department of Public Works inventories the quality of the roads each year and develops a Pavement Maintenance Index for each street. All streets are prioritized for improvements, and sealing, repair, or reconstruction projects are planned many years in advance, reducing the financial risk of having to suddenly fund major infrastructure projects. These projects reduce risk and increase safety of travelling in the community, and keep the community prepared for responding to natural disasters. Our residents are kept well-informed of these projects through newsletters and social media outreach.

Our community is well-informed about the state of critical infrastructure, and the additional measures being suggested by this report seem both redundant, burdensome, and unnecessary.

F9. RISK MANAGEMENT: Although all of the cities of SCC are preparing for increased pension costs due to current amortization schedules, they are not adequately preparing for risk associated with significant or sustained investment shortfalls in CALPERS due to economic shocks (e.g. caused by Coronavirus) or a recession.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The City of Capitola has spent several years deliberately building up reserves and making payments into the trust accounts for pension and OPEB Unfunded Actuarial Liabilities (UAL) to be better prepared for if / when we are impacted by CalPERS shock and / or other types of shocks. Our contingency reserve was established to provide a prudent level of financial resources to protect against temporary revenue shortfalls or unanticipated operating costs such as CalPERS, and/or to meet short-term cash flow needs. Furthermore, as stated above, the two-year delay in CalPERS returns and their impacts on City finances allows Cities time to plan and adjust in the case of a shock.

F10. RISK MANAGEMENT: Except for the area of hazard (i.e. loss) risk management, in all SCC Cities, there is no formal method to define, track, manage, and communicate risks at the enterprise level of SCC city government.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The annual budget is adopted through a formal, open to the public process in which various risks are communicated and discussed. The largest financial risk to the City in the unfunded actuarial pension liability which has been one of the most discussed topics over the past 10 -15 years.

F11. GOVERNANCE: All SCC Cities do not have a publicly articulated pension Unfunded Actuarial Accrued Liability (UAAL) funding policy that recognizes potential pension cost risks and community expenditure/revenue priorities.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

F12. TRANSPARENCY: All SCC Cities do not adequately meet key requirements for transparency as defined by the GFOA.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

Adequate is a subjective term. The City believes data and information is available and communicated to the public adequately.

F13. TRANSPARENCY: All SCC Cities do not provide standard and understandable reporting with regard to: Pension Costs and Associated Impacts (past, current, and projected); Service Level Performance Metrics; State of Key Infrastructure; Risk Assessments and Mitigation Plans for Finance, Operational, and Hazard Risks.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

All information and reports on the above topics are made available to the public and are reported on as required.

Recommendations

R1. By June 30, 2021: all SCC Cities should become familiar with and adopt the Auditor's Office risk assessment framework or a similar framework to assess financial risk. (F1)

HAS BEEN IMPLEMENTED – summarize what has been done

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE – summarize what will be done and the timeframe

REQUIRES FURTHER ANALYSIS – explain scope and timeframe (not to exceed six months)

WILL NOT BE IMPLEMENTED – explain why

Response explanation, summary, and timeframe:

As explained in finding F1 the City believes the State controller's assessment framework is a starting point for looking at risk but has its limits in that it is too heavily focused on pension risk and many of the reporting elements are beyond the control of the Cities. We do not believe going through this exercise annually is the best use of our extremely limited resources.

R2. By June 30, 2021: all SCC Cities should evaluate and communicate the implications of the financial risk trends indicated in the analyses calculated from the Auditor's Office methodology. (F2, F3)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

The Auditor's risk analysis very heavily focuses on reserves, pension funding and outlook, and revenue trends. We already report on, calculate and discuss these very points in every budget and Comprehensive Annual Financial Report (CAFR). Creating another platform to discuss these same indicators is not the best use of the City's extremely limited resources.

R3. By June 30, 2021: all SCC Cities should publish a standard report annually that is an understandable summary of pension risk, including a narrative on the implications of market valuation versus actuarial valuation of accrued total liabilities. (F4, F12, F13)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

Pension risk and liabilities are reported according to accounting standards each year in our CAFR, annual payments are called out in our annual budget and five-year plan. There is no need to create an additional platform to discuss these costs and liabilities. Furthermore, we believe they are better discussed within the context of the broader financial picture as they are when discussed in the CAFR and Budget.

R4. By June 30, 2021: all SCC Cities should identify a suite of risk indicators that support an integrated assessment of all risk types that can inhibit the ability of the city to meet its objectives. Enterprise Risk Management (ERM) provides an example of the risk types that should be considered. (F5, F6)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

Staffing limitations as well as resource limitations due to the COVID-19 pandemic make this impossible to implement by June 30, 2021.

R5. By June 30, 2021: all SCC Cities should adopt the practice of Bowtie Analysis, or an equivalent method, to support the understanding of risk interactions, the establishment of risk controls, and the communication of a city risk profile. (F7, F10, F12, F13)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

We do not believe that the added practice of a Bowtie analysis will enhance the City’s abilities to understand and prepare for potential risks. What is not captured by any of the reports or documents reviewed is the extent to which departments and city executives do meet and collaborate and communicate with each other to discuss and prepare for risks. We also feel that preparing multiple bowtie analysis for various risk scenarios does not help a city prepare for all situations (no one would have run a pandemic scenario prior to February 2020). Furthermore, we believe that the best preparation for many types of risk scenario is to have robust financial reserve policies and City leadership who is prepared to work collaboratively to address the situation. The City does proactively develop strategies to respond to many types of predictable risks such as fire, earthquakes or economic shocks. Working through multiple unlikely analysis scenarios can be a fun exercise but the results and prevention measures will likely be the same. Given that the outcome / preparation will be similar regardless of the scenario we do not believe this to be a useful exercise or use of staff time.

R6. By June 30, 2021: all SCC Cities should publish their own infrastructure risk report cards and any data they make available to county and state level risk assessments. (F8)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

Based on the responses given in section F8, the City believes it has adequately communicated the conditions of its critical infrastructure and associated risks through its ongoing communication efforts with the community, including the LHMP. The proposed methodology might be well-suited for a very large organization, such as the State of California, but for a small agency such as Capitola, the proposed methodology is overly burdensome and expensive, would create unnecessary bureaucracy for an already over-taxed and lean staff, would reduce resources devoted to important service needs, and would be redundant to the extensive outreach efforts already in place.

R7. By June 30, 2021: all SCC Cities should evaluate the costs and benefits of implementing an Enterprise Risk Management Framework to better integrate risk management across all types of risks (Strategic, Financial, Operational, Hazard). This could take many forms, one being a shared capability through a risk sharing Joint Powers Authority (JPA). The key will be designating clear authority and responsibility for integrated risk management. (F10)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

The City believes its' current risk management efforts is adequate to properly assess and plan for the various kinds of risks facing the City. While the City appreciates the thoughtfulness of the report, applying such an extensive and complex model to small city government would not provide enough value to justify the staff and direct costs of implementation.

The additional administrative burden and critical funding losses created by the COVID-19 pandemic leave the City with minimal resources to implement any new programs. We have already had to cut staff positions, been forced to cut critical community programming, and until we have a better understanding of the long-term economic outlook, we simply cannot afford to take on any additional programming efforts, without further cutting other important community services.

R8. By June 30, 2021: all SCC Cities should develop financial models that project the possibilities of realistic financial scenarios; and use these projections in their risk management practices. (F13)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

This is done each year as part of the budget process. Our budget process includes a 5-year projection for the general fund as well as our Capital Improvement Program. Special Revenue Funds are equally though less formally evaluated each year when developing the City's budget.

R9. By January 1, 2021: all SCC Cities should develop or adopt contingency plans for realistic negative financial performance scenarios associated with CALPERS investment shortfalls (for shock and sustained downturns). (F9)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

The City of Capitola’s contingency and emergency reserves policy includes provisions to be used in case of a CalPERS shock.

R10. By June 30, 2021: all SCC Cities should develop and publish a policy regarding control of retirement costs (pension and Other Pension Employee Benefits) and funding remedies for unexpected bills presented by CalPERS. (F11)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

Given the lack of control that Cities have over their CalPERS bills we do not believe this is an effective use of limited staff time. Cities do not control benefits offered, actuarial calculations, investment returns, investment policy, or issuance of cost of living increases to retirees, etc. As discussed above the 2-year delay in economic shocks impact on CalPERS bills gives Cities adequate time to plan and strategize for those shocks when they occur.

R11. By June 30, 2021: all SCC Cities should develop a plan to align with the Government Financial Officers Association (GFOA) Financial Transparency Initiative. This should be extended to risk management transparency. (F6, F8, F10, F12, F13)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Response explanation, summary, and timeframe:

The City of Capitola meets the GFOA standards of financial reporting and has each year for many years earned GFOA awards in excellence for the production of the CAFR and budget documents. With those documents, staff reports, council presentations, and video of council meetings where financial meetings are discussed We also have a robust public information request process where the public and do ask for more detailed information. Staff are always available to answer public questions should they arise. We believe we meet the standards requested of financial transparency. Any changes and updates we might do to increase transparency to the public we will undertake with our communities needs and interests in mind.

Penal Code §933.05

1. For Purposes of subdivision (b) of §933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
 - a. the respondent agrees with the finding,
 - b. the respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
2. For purpose of subdivision (b) of §933, as to each Grand Jury recommendation, the responding person shall report one of the following actions:
 - a. the recommendation has been implemented, with a summary regarding the implemented action,
 - b. the recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation,
 - c. the recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report, or
 - d. the recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
3. However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a County department headed by an elected officer, both the department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.
4. A Grand Jury may request a subject person or entity to come before the Grand Jury for the purpose of reading and discussing the findings of the Grand Jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.
5. During an investigation, the Grand Jury shall meet with the subject of that investigation regarding that investigation unless the court, either on its own determination or upon request of the foreperson of the Grand Jury, determines that such a meeting would be detrimental.
6. A Grand Jury shall provide to the affected agency a copy of the portion of the Grand Jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. **No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.**