



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 09/03/2019

ITEM NO: 2

DATE: August 21, 2019
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve the Town Investment Policy to Include Socially Responsible Investment Guidelines as recommended by the Council Finance Committee

RECOMMENDATION:

Approve the Town Investment Policy to include Socially Responsible Investment Guidelines as recommended by the Council Finance Committee.

BACKGROUND:

At its May 16, 2019 Town Council meeting, Council Members requested that the Council Finance Committee discuss and consider revisions to the Town Investment Policy to address socially responsible investments. On August 12, 2019, the Council Finance Committee discussed and recommended that the Town Council approve the proposed revision to the Investment Policy for consideration of socially responsible investments when appropriate.

DISCUSSION:

The Principles for Responsible Investment (PRI) is the world's leading advocate for responsible investments. The PRI is an independent organization, funded and managed by its signatories, and backed by the United Nations Environment Programme Finance Initiative and United Nations Global Compact.

Responsible investment is defined by the PRI as an approach to investing that aims to incorporate Environmental, Social and Governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns. The proposed Policy revision is intended to provide guidelines for consideration of socially responsible investments when appropriate (see Attachment 1).

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

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SUBJECT: Adopt a Resolution Establishing the FY 2019/20 Gann Appropriations Limit for
The Town of Los Gatos and Rescinding Resolution 2019-031

DATE: August 21, 2019

FISCAL IMPACT:

This action has no known fiscal impact. The Town's current investment manager considers PRI in its work for other clients and it is not expected to affect the Town's returns on investment.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Town of Los Gatos Investment Policy (redlined)