



**TOWN OF LOS GATOS
COUNCIL FINANCE COMMITTEE
REPORT**

MEETING DATE: 08/12/2019

ITEM NO: 3

DATE: August 6, 2019
TO: Council Finance Committee
FROM: Laurel Prevetti, Town Manager
SUBJECT: Discuss and Recommend to the Town Council Proposed Revisions to the Town Investment Policy to Include Socially Responsible Investment Guidelines

RECOMMENDATION:

Discuss and recommend to the Town Council Proposed Revisions to the Town Investment Policy to Include Socially Responsible Investment Guidelines

BACKGROUND:

At its May 16, 2019 meeting, Council Members requested that the Council Finance Committee discuss and recommend revisions to the Town Investment Policy to address socially responsible investments.

DISCUSSION:

The Principle of 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 preferential treatment of socially responsible investments when appropriate (see Attachment 1).

CONCLUSION:

PREPARED BY: Stephen Conway
Finance Director

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

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Refer to the Town Council the recommended revision to the Investment Policy guidelines for preferential treatment of socially responsible investments when appropriate.

COORDINATION:

This report was coordinated with the Town Manager's Office, Town Attorney's Office, and the Finance Department.

FISCAL IMPACT:

This action has no known fiscal impact.

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)