



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

MEETING DATE: 10/12/2020

ITEM NO: 2

DESK ITEM

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DATE: October 12, 2020  
TO: Council Finance Committee  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Review the Town's Operating Portfolio Investment Policy and Forward a Recommendation of Approval to the Town Council.

**REMARKS:**

A Committee Member had the following inquiries and staff's responses are provided below.

*The staff note says that the Town's Investment Policy was last reviewed by the Finance Committee in August 2019. The Committee did not review the Investment Policy at that meeting, but rather only added Socially Responsible Investment Guidelines to the Investment Policy. The Policy as a whole was not reviewed...*

Staff Response: Staff agrees that the staff report did not explicitly state "review"; however, that was the single item recommended for modification by staff for that year. In the future staff will make it clear that anytime the Investment Policy is brought to the Committee, it presents an opportunity for review.

*The Investment Policy was revised on 5/15/2018, rather than 5/15/2019 as noted in the Policy...*

Staff Response: Staff agrees that the 5/15/2019 date is incorrect and should be 5/15/2018. The Policy will be revised to reflect the correct date.

*The Policy says that all securities will be monitored by an independent third party who will provide the Town with an Environmental, Social Responsibility and Governance Rating. Can you send out this independent rating to us?*

Staff Response: Attachment 2 contains the Town of Los Gatos Insight Environmental, Social and Governance (ESG) scores as of September 30, 2020.

PREPARED BY: Stephen Conway  
Finance Director

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Reviewed by: Town Manager and Assistant Town Manager

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REMARKS (continued):

*I propose that the Investment Policy be amended to have the quarterly report also be given to the Finance Committee. This can be done by revising the first paragraph under Reporting on page A-54 to read "The report shall be submitted....at the next scheduled Town Council and Finance Committee meetings..."*

Staff Response: The Town of Los Gatos Quarterly Investment Reports which are presented to Council can be provided to the Finance Committee for its information.

Attachment (previously distributed with the Staff Report):

1. Town Investment Policy

Attachment (distributed with this Desk Item):

2. Town of Los Gatos ESG Scores – September 30, 2020