
Annual Investment Policy Review for Fiscal Year 2020-2021

City Council Meeting

March 9, 2021

Item #3.4

Presenters:

Julia H. Cooper, Director of Finance

Nikolai J. Sklaroff, Deputy Director, Debt & Treasury Management

Annual Investment Policy Review

- Policy requires that the Finance Department perform an annual review of the Policy and submit any proposed changes to the Public Safety, Finance and Strategic Support Committee for its review and subsequent consideration and approval by the entire City Council.
- Marked version of City of San Jose Investment Policy, Policy Number 1-12, is marked Exhibit A in agenda packet

Council Referral – Prohibit Fossil Fuel Investments

- On March 10, 2020, the City Council referred staff to return to Council with language for a potential amendment to Section 22 (Social Responsibility)
- Referral included a provision that “*The City shall make no new direct investments in entities that directly engage in the exploration, production, refining or marketing of fossil fuels.*”

Socially Responsible Investment Goals

Section 22 of the Investment Policy articulates the Social Responsibility Investment Goals:

- Support safe and environmentally sound practices
- Support fair labor practices
- Support equality of rights
- Promote community economic development

Proposed Investment Policy Revisions

- Amend the social responsibility language to prohibit direct investment in fossil fuels
- Increase sector limit of municipal bonds from 20% to 30%
- Extend the temporary modification on weighted average maturity to July 1, 2022
 - Council approved a temporary policy change at its September 15, 2020 meeting increasing the weighted average maturity from 2 years to 2-1/2 years through July 1, 2021.

Recommendation

Approve the City of San Jose Investment Policy,
as amended.

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