

City of Apache Junction, Arizona
Investment Policy

It is the investment policy of the City of Apache Junction to invest public funds in a manner which will maintain the safety of principal, maintain liquidity to meet cash flow needs, and provide competitive investment returns while conforming to all federal, state, and other legal requirements, primarily outlined in A.R.S. §35-323, governing the investment of public funds.

1. Authority to manage the investment program of the City is granted to the City Manager or designee and derived from the Arizona Revised Statutes (A.R.S.) §35-321 and §35-323. The final approval/recommendation for investments will be made by the City Manager or, if required, City Council.
2. This investment policy applies to all funds of the City.
3. Except for certain restricted and/or special funds, which are exempted from this policy, the City will consolidate cash and reserve balances from all funds in order to maximize investment earnings and to increase efficiencies with regard to investment management pricing, safekeeping costs, and administration costs.
4. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.
5. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
6. The primary investment objectives of the City, in order of priority are:
 - a. Safety – Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. It is understood by the City that no investment is completely free of risk.
 - b. Liquidity – The investment portfolio will remain sufficiently liquid to meet anticipated cash flow requirements.
 - c. Optimal Yield – The City will collect, deposit, and disburse all funds on a schedule that will insure optimum cash availability for investments.
7. The City may utilize the State of Arizona Local Government Investment Pool (LGIP) as all or part of its investment portfolio. The LGIP is managed by the State Board of Investment, and all investment decisions regarding investment products, exposure, maturities, etc. are made by the State Treasurer's Office.
8. All City investment/bank accounts shall be reconciled and reviewed on a monthly basis.