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# July 2020 Monthly Financial Report

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*Includes the Hermiston Urban Renewal Agency*

**Finance Department  
July 2020  
(Unaudited)**

# 2020-2021 Monthly Financial Report

## Hermiston Urban Renewal Agency (HURA)

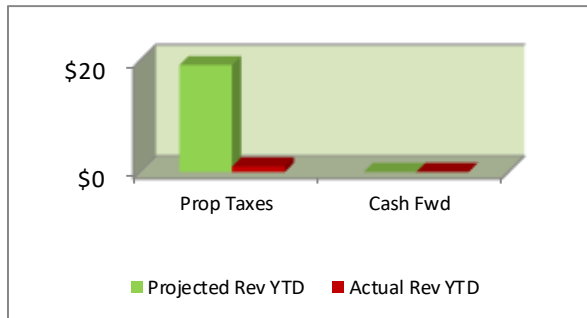
### For the Month Ending July 31, 2020

#### Resources

by Category

Through July, 2020

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 230	\$ 19	\$ 1	\$ (18)	(95%)
Cash Fwd	372	\$ -	-	-	0%
<b>Total</b>	<b>\$ 602</b>	<b>\$ 19</b>	<b>\$ 1</b>	<b>\$ (18)</b>	<b>(95%)</b>

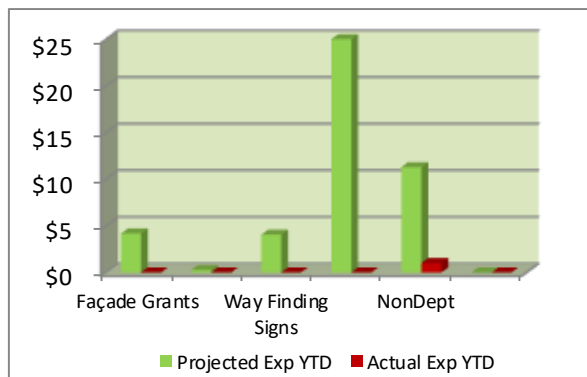
Note: variance is calculated as a percent of the projected revenue YTD.

#### Expenditures

by Character

Through July, 2020

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 50	\$ 4	\$ -	\$ 4	100%
Festival St	3	\$ 0	\$ -	\$ 0	0%
Way Finding Signs	49	4	\$ -	\$ 4	100%
Parking Improv.	300	25	\$ -	\$ 25	100%
NonDept	135	11	\$ 1	\$ 10	91%
Contingency	66	-	-	-	0%
<b>Total</b>	<b>\$ 602</b>	<b>\$ 45</b>	<b>\$ 1</b>	<b>\$ 44</b>	<b>98%</b>

Note: variance is calculated as a percent of the projected expenditures YTD.

The 2020-21 budget for the Urban Renewal Agency is \$ 602,725. This includes \$50,000 for Façade Grants, \$3,000 for the Festival Street, \$48,500 in Way Finding Signs, \$300,000 for Parking Improvements, \$26,000 for Non-Departmental, \$109,287 for Loan Repayment to the City, and \$65,938 for Contingency.

Property taxes will be under projected totals until November 2020.

# 2020-2021 Monthly Financial Report

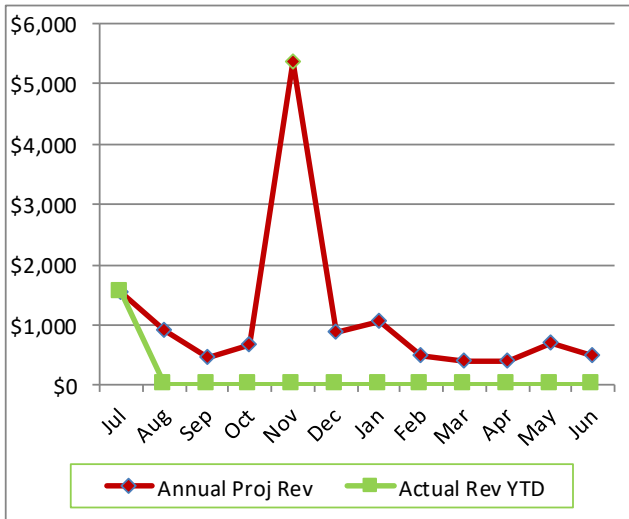
City of Hermiston, Oregon

General Fund Resources

For the Month Ending July 31, 2020

Through July, 2020

## All Resources



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	\$ 1,538	\$ 1,538	\$ 1,523	\$ (15)	(1%)
Aug	\$ 906		\$ -	\$ -	
Sep	\$ 469		\$ -	\$ -	
Oct	\$ 680		\$ -	\$ -	
Nov	\$ 5,369		\$ -	\$ -	
Dec	\$ 884		\$ -	\$ -	
Jan	\$ 1,061		\$ -	\$ -	
Feb	\$ 489		\$ -	\$ -	
Mar	\$ 403		\$ -	\$ -	
Apr	\$ 396		\$ -	\$ -	
May	\$ 682		\$ -	\$ -	
Jun	\$ 482		\$ -	\$ -	
<b>Total</b>	<b>13,359</b>	<b>1,538</b>	<b>1,523</b>	<b>(15)</b>	<b>(1%)</b>
Cash Fwd	3,272	-	-	-	0%
<b>Total</b>	<b>\$ 16,631</b>	<b>\$ 1,538</b>	<b>\$ 1,523</b>	<b>(15)</b>	<b>(1%)</b>

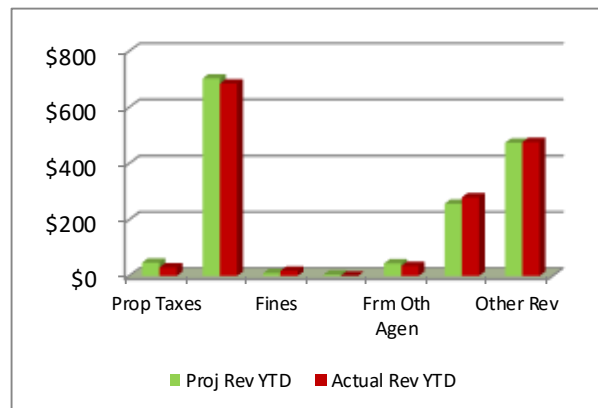
Estimated General Fund revenues for the 2020-21 fiscal year are \$13.48 million. Projected revenues through July were \$1,538,000 compared to actual revenues of \$1,523,000, a negative variance of \$15,000. This revenue "above" normal is due to transfers of 50% Overhead costs from Utility, HES, Street, and Regional Water funds as well as a transfer of HES In Lieu of Taxes.

## General Fund Revenue

by Category

Through July, 2020

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,996	\$ 47	\$ 30	\$ (18)	(37%)
Lic	\$ 1,292	\$ 702	684	(18)	(3%)
Fines	\$ 200	\$ 10	18	8	87%
Interest Rev	\$ 35	\$ 5	0	(4)	(91%)
Frms Oth Agen	\$ 725	\$ 45	35	(9)	(21%)
Svc Chgs	\$ 2,048	\$ 256	280	23	9%
Other Rev	\$ 1,572	\$ 474	476	3	1%
Cash Fwd	\$ 3,272	\$ -	-	-	0%
<b>Total</b>	<b>\$15,140</b>	<b>\$ 1,538</b>	<b>\$ 1,523</b>	<b>\$ (15)</b>	<b>(1%)</b>

Note: variance is calculated as a percent of the projected revenue YTD.

# 2020-2021 Monthly Financial Report

City of Hermiston, Oregon

General Fund Expenditures

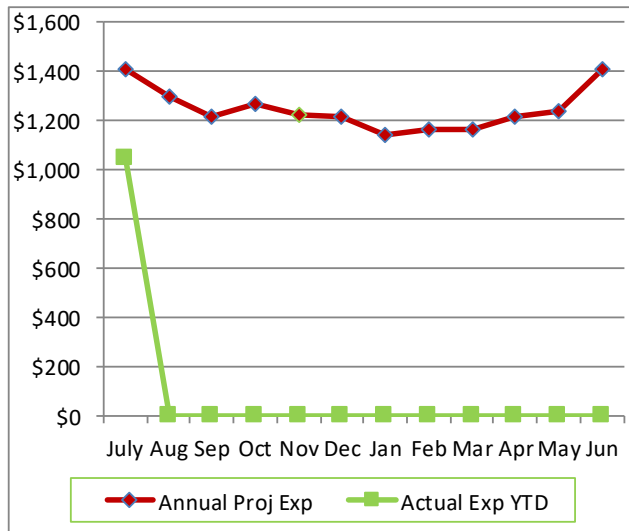
For the Month Ending July 31, 2020

## General Fund Expenditure Summary

Through July, 2020

All Requirements

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
July	\$ 1,409	\$ 1,409	\$ 1,045	\$ 364	26%
Aug	\$ 1,296	\$ -	\$ -	\$ -	0%
Sep	\$ 1,217	\$ -	\$ -	\$ -	0%
Oct	\$ 1,269	\$ -	\$ -	\$ -	0%
Nov	\$ 1,223	\$ -	\$ -	\$ -	0%
Dec	\$ 1,214	\$ -	\$ -	\$ -	0%
Jan	\$ 1,144	\$ -	\$ -	\$ -	0%
Feb	\$ 1,162	\$ -	\$ -	\$ -	0%
Mar	\$ 1,167	\$ -	\$ -	\$ -	0%
Apr	\$ 1,214	\$ -	\$ -	\$ -	0%
May	\$ 1,240	\$ -	\$ -	\$ -	0%
Jun	\$ 1,408	\$ -	\$ -	\$ -	0%
<b>Total</b>	<b>14,962</b>	<b>1,409</b>	<b>1,045</b>	<b>364</b>	<b>26%</b>
Contngcy	178	-	-	-	0%
<b>Total</b>	<b>\$ 15,140</b>	<b>\$ 1,409</b>	<b>\$ 1,045</b>	<b>\$ 364</b>	<b>26%</b>

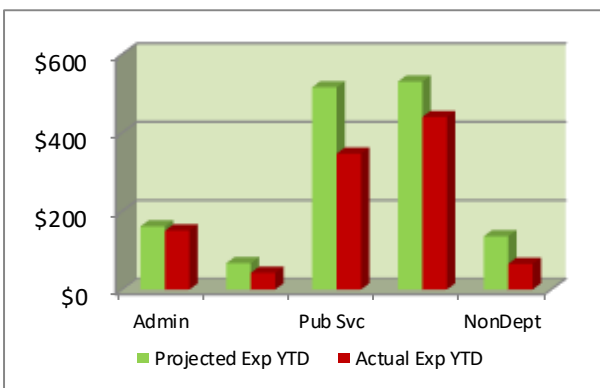
Projected General Fund expenditures at the end of July are \$1,409,000. Actual expenditures are \$1,045,000, which is \$364,000 lower than projected. Public Services has the highest savings at \$169,000, and Public Safety at \$90,000.

## General Fund Expenditures

by Consolidated Department

Through July, 2020

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 1,780	161	151	10	6%
Law	978	67	43	25	37%
Pub Svc	4,738	516	347	169	33%
Pub Safe	5,841	530	440	90	17%
NonDept	1,804	136	65	70	52%
Unapp	-	-	-	-	0%
<b>Total</b>	<b>\$15,140</b>	<b>\$ 1,409</b>	<b>\$ 1,045</b>	<b>\$ 364</b>	<b>26%</b>

**Note:** variance is calculated as a percent of the projected expenditures YTD.

# 2020-2021 Monthly Financial Report

## General Fund Expenditure Detail For the Month Ending July 31, 2020

### General Fund Expenditures by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	65,740	18,027	15,187	2,840	16%
City Manager/Planning	1,100,845	91,810	85,769	6,041	7%
Finance	613,290	51,148	49,631	1,518	3%
<b>Total Admin &amp; Finance</b>	<b>1,779,875</b>	<b>160,986</b>	<b>150,587</b>	<b>10,399</b>	<b>6%</b>
Legal	140,450	8,531	16,253	(7,722)	(91%)
Court	837,190	58,643	26,305	32,338	55%
<b>Total Dept of Law</b>	<b>977,640</b>	<b>67,174</b>	<b>42,558</b>	<b>24,616</b>	<b>37%</b>
Transportation	393,200	15,905	13,061	2,844	18%
Airport	412,775	43,100	11,741	31,359	73%
Bldg Inspection	527,770	44,016	44,758	(742)	(2%)
Parks	673,500	55,321	52,624	2,697	5%
Parks/Utility Landscaping	59,020	7,618	3,573	4,045	53%
Pool	582,195	165,244	67,917	97,327	59%
Municipal Buildings	119,060	9,930	9,953	(23)	(0%)
Library	911,055	73,325	67,191	6,134	8%
Recreation	742,470	74,661	52,342	22,320	30%
Community Center	255,995	21,350	16,614	4,736	22%
Harkenrider Center	60,520	5,047	6,878	(1,831)	(36%)
<b>Total Public Services</b>	<b>4,737,560</b>	<b>515,516</b>	<b>346,651</b>	<b>168,865</b>	<b>33%</b>
Public Safety Center	70,000	5,519	5,152	367	7%
Police Operations	5,770,585	524,483	434,642	89,841	17%
<b>Total Public Safety</b>	<b>5,840,585</b>	<b>530,002</b>	<b>439,794</b>	<b>90,209</b>	<b>17%</b>
Non-Departmental	1,626,525	135,652	65,480	70,173	52%
Unappropriated	177,635	0	0	0	0%
<b>Total Non-Dept</b>	<b>1,804,160</b>	<b>135,652</b>	<b>65,480</b>	<b>70,173</b>	<b>52%</b>
<b>Total</b>	<b>15,139,820</b>	<b>1,409,331</b>	<b>1,045,069</b>	<b>364,262</b>	<b>26%</b>

Within the Public Services category, the Pool had the greatest amount of savings dollar-wise at \$97,327 and the Airport had a savings of \$31,359.

# 2020-2021 Monthly Financial Report

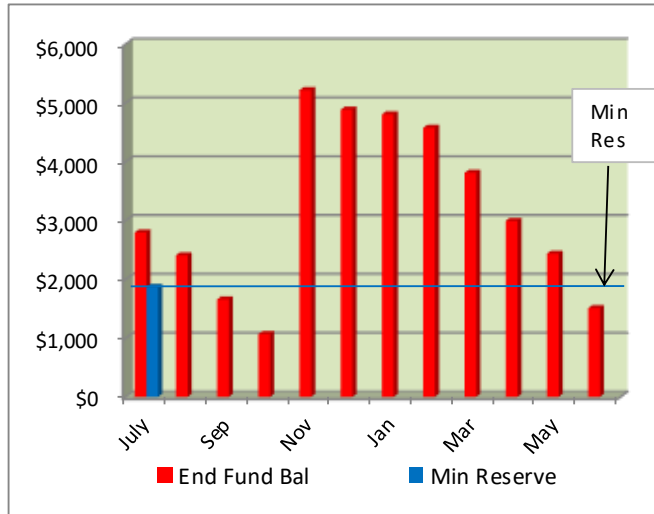
Fund Balance - General Fund  
For the Month Ending July 31, 2020

## General Fund

Through July, 2020

Ending Fund Balance

(in \$1,000)



	Begin Fund Bal	Revenue	Expense	End Fund Bal	ACT/PROJ Fund Bal
July	\$ 2,316	\$ 1,523	\$ (1,045)	\$ 2,794	ACT
Aug	\$ 2,794	\$ 906	\$ (1,296)	\$ 2,404	PROJ*
Sep	\$ 2,404	\$ 469	\$ (1,217)	\$ 1,656	PROJ*
Oct	\$ 1,656	\$ 680	\$ (1,269)	\$ 1,067	PROJ*
Nov	\$ 1,067	\$ 5,369	\$ (1,223)	\$ 5,213	PROJ*
Dec	\$ 5,213	\$ 883	\$ (1,213)	\$ 4,883	PROJ*
Jan	\$ 4,883	\$ 1,061	\$ (1,144)	\$ 4,800	PROJ*
Feb	\$ 4,800	\$ 934	\$ (1,162)	\$ 4,572	PROJ*
Mar	\$ 4,572	\$ 403	\$ (1,167)	\$ 3,808	PROJ*
Apr	\$ 3,808	\$ 396	\$ (1,214)	\$ 2,990	PROJ*
May	\$ 2,990	\$ 682	\$ (1,239)	\$ 2,433	PROJ*
June	\$ 2,433	\$ 482	\$ (1,408)	\$ 1,507	PROJ*
<b>Total</b>	<b>\$ 2,316</b>	<b>\$ 13,788</b>	<b>\$ (14,597)</b>	<b>\$ 1,507</b>	

The General Fund balance at the end of July is \$2,794,000, which is \$926,000 above the Minimum Reserve.

# 2020-2021 Monthly Financial Report

## Special Revenue Funds Report For the Month Ending July 31, 2020

### Special Revenue Funds Resources & Requirements

	2020-21 Annual Budget	Actual YTD	Remaining Budget
<b>Bonded Debt Fund</b>			
Resources	692,200	-	692,200
Expenditures	524,619	295,600	229,019
Unappropriated Balance	167,581	N/A	N/A
<b>Transient Room Tax (TRT)</b>			
Resources	831,050	179,410	651,640
Expenditures	831,050	14,800	816,250
Unappropriated Balance	-	N/A	N/A
<b>Reserve Fund</b>			
Resources	12,430,850	328,459	12,102,391
Expenditures	11,336,456	-	11,336,456
Unappropriated Balance	1,094,394	N/A	N/A
<b>Miscellaneous Special Revenue</b>			
Resources	255,000	11,830	243,170
Expenditures	255,000	11,752	243,248
Unappropriated Balance	-	N/A	N/A
<b>Christmas Express Special Revenue</b>			
Resources	40,000	-	40,000
Expenditures	35,000	-	35,000
Unappropriated Balance	5,000	N/A	N/A
<b>Law Enforcement Special Revenue</b>			
Resources	99,125	151	98,974
Expenditures	50,125	690	49,435
Unappropriated Balance	49,000	N/A	N/A
<b>Library Special Revenue</b>			
Resources	43,800	-	43,800
Expenditures	43,800	154	43,646
Unappropriated Balance	-	N/A	N/A
<b>Enterprise Zone Project Fund</b>			
Resources	2,000,000	-	2,000,000
Expenditures	2,000,000	-	2,000,000
Unappropriated Balance		N/A	N/A
<b>EOTEC Operations</b>			
Resources	659,000	500	658,500
Expenditures	659,000	39,458	619,542
Unappropriated Balance		N/A	N/A

Beginning with the 2016-17 fiscal year the City began distinguishing within the funds some part of ending fund balance as contingency and some as reserved for future expenditure. The contingency is included in appropriations while the reserve for future expenditures is unappropriated.

The City uses multiple Special Revenue funds to account for revenues that are restricted to expenditure for particular purposes. They include funds for debt service, economic development, parks and recreation, capital projects, and grants. Since these funds are not operational in nature and are used for specific purposes from year-to-year, their expenditures do not typically follow a predictable pattern so budget variances are not calculated for them.

# 2020-2021 Monthly Financial Report

## Utility and Street Funds Report For the Month Ending July 31, 2020

### Utility and Street Funds Report

#### Resources & Expenditures

	2020-21			Variance	
	Annual Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
<b>Street Fund</b>					
Resources	2,209,155	120,836	77,555	(43,281)	(36%)
Expenditures	2,159,155	179,930	137,089	42,841	24%
Contingency/Unapp Balance	50,000	N/A	N/A	N/A	N/A

<b>Utility Fund</b>					
Resources	10,101,275	811,185	909,201	98,016	12%
Expenditures	9,191,131	765,928	497,098	268,830	35%
Contingency/Unapp Balance	910,144	N/A	N/A	N/A	N/A

<b>HES Fund</b>					
Resources	11,142,265	739,947	683,262	(56,685)	(8%)
Expenditures	9,650,928	804,244	838,950	(34,706)	(4%)
Contingency/Unapp Balance	1,491,337	N/A	N/A	N/A	N/A

<b>Regional Water Fund</b>					
Resources	1,477,000	85,917	48,123	(37,794)	(44%)
Expenditures	1,158,120	96,510	64,171	32,339	34%
Contingency/Unapp Balance	318,880	N/A	N/A	N/A	N/A

The Street Fund revenue came in \$43,281 under projected amount. July revenue will come in August. Expenditures are approximately \$42,841 under projected amount.

Revenues in the Utility Fund came in at \$98,016 over projections. Expenditures came in \$268,830 under projected amount.

The HES Fund revenue came in at \$56,685 under projections. Expenditures came in \$34,706 over projections due once again to the transfer of Overhead costs to the General fund.

The Regional Water Fund revenues came in at \$37,794 under projections. Expenditures came in \$32,339 under the projected amount.



# 2020-21 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending July 31, 2020

## Capital Projects

	2020-2021 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Master Plan Project	\$ -	\$ -	\$ 300,000	\$ 313,198	95%
Ridgeway Waterline	\$ 320,000	-	\$ 320,000	\$ -	0%
Well#6 B/U Generator	\$ 320,000	-	\$ 320,000	\$ -	0%
NE Water Tank	\$ 450,000	-	\$ 4,591,575	\$ 4,463,287	99%
Well #6 Tank Interior Painting & Cathodic	\$ -	-	\$ 282,000	\$ 240,424	98%
7th St. Sewer Replacement	\$ 610,000	-	\$ 610,000	\$ -	0%
<b>Total</b>	<b>\$ 1,700,000</b>	<b>\$ -</b>	<b>\$ 6,423,575</b>	<b>\$ 5,016,909</b>	

### Airport Improvements

The City began to update the Master Plan in 2018 for an estimated \$300,000.

**July Update:** Master Plan is still under review by FAA due to an incredible amount of turnover in FAA's Seattle District Office.

### Ridgeway Waterline

This project will eliminate failing, deteriorating lines, which minimizes future repair work. It also eliminates steel pipes from the 1920's and improves public safety to ensure pipes include no lead.

**July Update:** Design engineering began in July.

### Well #6 Backup Generator

Well No. 6 is the primary well and the only well available that could provide minimal water supply to lower pressure zones in the city during a power outage. The current pump was last repaired in 1994, and the backup pump lacks the capacity to service the pressure zone. The pump covers service area including Walmart Distribution Center, Eastern Oregon Higher Education Center, Pioneer See, and EOTEC. Preventative maintenance will avoid significant inconvenience and loss of water to area businesses.

**July Update:** There was no July expenses.

### NE Water Tank

This project will develop a one-million-gallon water storage tank, install approximately 2.25 miles of new water mains, and upgrade/enhance/replace pumps. This Construction project will be funded entirely by General Fund revenues: specifically, revenues generated from Payment In-Lieu of Taxes by Lamb Weston, Inc. as a result of a Long-Term Rural Enterprise Zone exemption. Umatilla County will contribute \$500,000 per year for four years, beginning in FY 2019-20 toward this project, with the remainder coming from the City.

**July Update:** The only work remaining was for Anderson & Perry to compile record drawings for the City files. That work was completed on August 3.

### Well #6 Tank Interior Painting & Cathodic Protection

This project was originally two separate ones (W12 & W13) in the CIP, with a total estimated cost of \$282,000. It was determined to be more efficient to bid the projects together to avoid draining the tank twice & maximize engineering & mobilization. The construction portion of this work was bid in February, with seven bids received. We now anticipate the combined project to total \$262,000, even accounting for 8% in potential change orders. That will stay closer to \$240,000 if we can avoid change orders.

**July Update:** Contractors have completed the work. Waiting on final invoice.

### 7th Street Sewer Replacement

The existing sewer line lacks the capacity to provide expanding service to the Eastern Oregon Trade and Event Center and Cook Industrial Area. The replacement will allow continued development in the area. This project will replace about 1,960 feet of sanitary sewer line on SE 7th Street between E. Newport Ave. and E. Highland Ave. New polyvinyl chloride sewer pipe and precast manholes will be installed. Roadway restoration, traffic control measures, and sewage bypass will be included.

**July Update:** There was no July expenses.

**2019-2020 Monthly Financial Report**  
**City of Hermiston, Oregon**  
**Investments**  
**For the Month Ending July 31, 2020**

Rating	Par	Market Value	Cusip	Security	Coupon	Maturity
Rating	Par		Cusip	CORPORATE BONDS	Coupon	Maturity
Aa2/AA-/AA	\$ 100,000	\$ 100,454	78012GKN4	RBC	2.150	10/26/2020
A2/A-	\$ 125,000	\$ 125,444	46625HNX4	JPMorgan Chase	2.550	10/29/2020
Aa2/AA-/AA	\$ 25,000	\$ 25,118	78012KJA6	RBC	2.350	10/30/2020
A2/A-	\$ 50,000	\$ 50,639	06048wfe5	Bank of America	2.590	2/18/2021
A1/AA-	\$ 250,000	\$ 260,040	90331HPC1	US Bank	2.650	5/23/2022
A2/A-/AA-	\$ 61,000	\$ 64,692	46625HJE1	JP Morgan Chase	3.250	9/23/2022
A2/A-	\$ 125,000	\$ 129,726	06051GGK9	Bank of America	3.250	4/24/2023
Aa2/AA-	\$ 200,000	\$ 217,042	822582AX0	Shell International	3.400	8/12/2023
Aa2/A+/AA-	\$ 250,000	\$ 271,695	94988J5R4	Wells Fargo	3.550	8/14/2023
A2/A-	\$ 200,000	\$ 203,078	46625HRW2	JPMorgan Chase	1.494	10/24/2023
A2/A-	\$ 100,000	\$ 99,899	95001DAR1	Wells Fargo	1.000	1/17/2024
Aa1/AA+	\$ 250,000	\$ 270,708	037833CG3	Apple	3.000	2/9/2024
Aa2/AA/AA	\$ 240,000	\$ 263,830	931142DV2	Walmart	3.300	4/22/2024
A2/A-	\$ 100,000	\$ 98,564	06048WC99	Bank of America	2.250	9/18/2024
	<b>\$ 2,076,000</b>	<b>\$ 2,180,929</b>	<b>24.7948%</b>	<b>Max % of portfolio - 35%</b>		
Rating			Cusip	MUNICIPAL BONDS	Coupon	Maturity
/AA	\$ 75,000	\$ 78,047	67537RAS0	Oceanside CA Rev	3.250	9/1/2022
Aa3/AA	\$ 75,000	\$ 77,945	072024WN8	Bay Area CA Toll Bridge Rev	2.184	4/1/2023
Aa2/-/AA	\$ 200,000	\$ 211,752	73474TAQ3	Port of Morrow OR Trans Rev	2.179	9/1/2024
/AA	\$ 70,000	\$ 71,327	861398CH6	Stockton CA Pub Fin Wtr Rev	2.374	10/1/2024
AA2/AA-	\$ 200,000	\$ 225,034	54473ERW6	LA Cnty Ca Pub Wrks	3.737	12/1/2024
Aa2/AA+	\$ 25,000	\$ 27,293	79765DS27	SF CA City and Cnty COPS	2.851	4/1/2025
AA+	\$ 25,000	\$ 27,473	904121NE6	Umatill Cnty Ore School Dist	3.020	6/15/2025
Aa1/	\$ 125,000	\$ 127,175	9397203H9	WA St Ctfs Partn Rev COPS	1.200	7/1/2025
	<b>\$ 795,000</b>	<b>\$ 846,046</b>	<b>9.4951%</b>	<b>Max % of portfolio - 10%</b>		
Rating			Cusip	GOV'T. AGENCIES	Coupon	Maturity
- / -	\$ 75,000	\$ 74,456	88059EHG2	TVA	0.000	11/1/2021
Aaa/AA+	\$ 1,000,000	\$ 1,001,100	3133EK5T9	FFCB	Floater	11/5/2021
- / -	\$ 57,000	\$ 56,684	76116EFZ8	REFCORP	0.000	1/15/2022
NA/NA	\$ 500,000	\$ 516,725	31422BRU6	Farmer Mac	1.625	1/3/2023
Aaa/AA+	\$ 300,000	\$ 300,177	3130AJEW5	FHLB	1.100	4/6/2023
Aaa/AA+	\$ 110,000	\$ 110,825	3130AJ4G1	FHLB	1.670	8/25/2023
Aaa/AA+	\$ 100,000	\$ 100,001	3133ELZ64	FFCB	0.640	1/27/2025
	<b>\$ 2,142,000</b>	<b>\$ 2,159,968</b>	<b>25.5831%</b>	<b>Max % of portfolio - unlimited</b>		
<b>TOTAL SECURITIES</b>	<b>\$ 5,013,000</b>	<b>\$ 5,186,943</b>	<b>59.8731%</b>			
<b>CASH</b>	<b>\$ 71,666</b>		<b>0.8559%</b>	<b>LGIP RATE</b>	<b>1.00%</b>	
<b>LGIP</b>	<b>\$ 3,288,047</b>		<b>39.2710%</b>	<b>(Down from 1.3% July 23)</b>		
<b>TOTAL PORTFOLIO</b>	<b>\$ 8,372,713</b>		<b>100.0000%</b>			

The City of Hermiston has an established Investment Policy. In order to limit credit and interest rate risk, investments are diversified by security type, maturity, issuer, and call provisions. At least 25% of funds available for investing will be invested in the Local Government Investment Pool (LGIP), with a qualified depository institution, or investments maturing in less than 90 days. 50% or more of the portfolio will be invested in securities maturing in less than three years. The maximum average maturity for the portfolio shall be no more than 3 years and the maximum maturity of individual securities in the portfolio shall be no more than 5 years. No more than 75% of the portfolio may be callable. The minimum weighted average credit rating of the portfolio's investments shall be Aa/AA by Moody's and Standard & Poor's respectively.