



Ocala Investment Committee Minutes

110 SE Watula Avenue
 Ocala, FL 34471
 www.ocalafl.org

Tuesday, February 3rd, 2026

Regular Meeting

Peter Brill

1. Call to Order

Attendee Name	Title	Status	Arrived
Tammi Haslam	Budget Director	Present	
Jay A. Musleh	City Council Member	Present	
Peter Brill	Director of Finance	Present	
Anthony Webber	Fiscal Operations Manager	Present	
Marcella Hughes	Comptroller	Present	
Peter Lee	City Manager	Present	
Janice Mitchell	Assistant City Manager/Chief Financial Officer	Present	

Others present: David Siegel of Sawgrass, Leslie Weaber of PFM, Kim Maichele of Seix, Naomi Soto and Mike Valone with CapTrust, Jessica Brown Senior Accountant City of Ocala, Melissa Lamb Senior Accountant City of Ocala, and Karen Czechowicz Administrative Coordinator of the City of Ocala.

2. Introduction

1. Peter Brill

3. Minutes Approval

- a. Minutes Approval

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Peter Lee, City Manager
SECONDER:	Janice Mitchell, Chief Financial Officer
AYES:	Haslam, Musleh, Brill, Webber, Hughes

4. Reports

- a. **Seix Investment Advisors;** Kim Maichele

1. Accepted Seix Investment Advisors

Kim Maichele of Seix Investment Advisors reported a mixed environment for Treasury yield curves, characterized by a decline of 2 to 31 basis points in the 3-month to 5-year sector. The 2-year and 10-year reference points showed a steepening of 15 basis points for the quarter and 37 basis points for the full year, resulting in a positive slope of +69 bps at year-end. Market volatility was further reflected in corporate option-adjusted spreads (OAS), which widened

from +78 bps at the end of the third quarter to +80 bps by the close of 2024. Monetary policy outlooks remain a focal point; the December Summary Economic Projections (SEP) indicated a divided Federal Open Market Committee, with a median target rate of 3.375% for 2026 and 3.125% for 2027. While 11 members anticipate one or fewer rate cuts, the market has taken a more aggressive stance, pricing in 2 to 2.5 additional cuts for 2026 following the December move. Despite these shifting macroeconomic factors, the City's portfolio remains resilient with a total market value of \$55,152,084, a yield-to-maturity of 4.18%, and a strong average credit quality of Aa2, delivering a quarterly performance of 1.33%.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Jay Musleh, City Council Member
SECONDER:	Anthony Webber, Fiscal Operations Manager
AYES:	Haslam, Brill, Hughes, Lee, Mitchell

b. PFM Asset Management: Leslie Weaber

1. Accepted PFM Asset Management

Leslie Weaber with PFM Asset Management reported that while the U.S. economy maintains its resilience, recent government shutdown activity has obscured key economic data. Notably, the unemployment rate has trended higher as net new job creation approached zero, prompting the Federal Reserve to lower the target rate by 50 basis points during the fourth quarter to a range of 3.50%–3.75%. In the fixed-income market, the Treasury yield curve continued to steepen, though it remains inverted within the two-year maturity range and yields persist above historical averages; meanwhile, credit spreads widened marginally but remain near historically narrow levels. Under these conditions, the City's portfolio—which carries a duration of 1.74 years and an average credit quality of AA—reached a total market value of \$54,937,563.16, maintaining a yield at cost of 4.29% and a market yield of 3.74%. Performance for the period was robust, with market value basis earnings totaling \$627,777 (comprised of \$569,678 in earned interest and a \$58,099 increase in market value) and accrual basis earnings totaling \$623,398, supported by \$40,817 in realized gains and a \$12,903 change in amortized cost.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Janice Mitchell, Chief Financial Officer
SECONDER:	Marcella Hughes, Comptroller
AYES:	Haslam, Musleh, Brill, Webber, Lee

c. Sawgrass Asset Management; David Siegel

1. Accepted Sawgrass Asset Management

David Siegel of Sawgrass Asset Management noted that the labor force exhibited signs of weakness during the fourth quarter of 2025, specifically citing a lack of job growth as a key indicator. On the inflationary front, he presented a timeline of U.S. effective tariff rates showing that, despite some volatility, inflation has trended downward over the past year. While credit spreads underperformed during the quarter, the City's portfolio successfully outperformed its benchmark. Looking ahead, Sawgrass plans to tactically shift the portfolio by moving to an underweight position in corporate bonds—refocusing strictly on high-quality issuers with superior relative valuations—while moving to an overweight position in Mortgage-Backed Securities (MBS) to capitalize on elevated rate volatility and favorable carry opportunities.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Tammi Haslam, Budget Director
SECONDER:	Jay Musleh, City Council Member
AYES:	Brill, Webber, Hughes, Lee, Mitchell

d. CapTrust Asset Management; Mike Valone

1. Accepted CapTrust Asset Management

Mike Valone with CapTrust Asset Management provided a brief overview of the market values and cash flow summary. The beginning market value is \$182,978,152, and the ending market value is \$185,190,857 (gain \$2,173,529 and net flows \$39,177). The investment fee for the fourth quarter of 2025 is \$44,552. Investment allocations (\$378,015,608): internal accounts 51.01% and fixed income 48.99%. Furthermore, the portfolio's return rate for the quarter is 1.19% (portfolio benchmark 1.17%).

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Peter Lee, City Manager
SECONDER:	Janice Mitchell, Chief Financial Officer
AYES:	Haslam, Musleh, Brill, Webber, Hughes

5. Overview - Internal Investment Report

1. Internal Investment Report; Peter Brill

Director of Finance, Peter Brill, reported that the City will maintain its strategy of prioritizing capital preservation and liquidity by continuing to transition funds into FDIC-insured accounts. This move underscores a conservative approach to cash management, ensuring that the City's deposits remain protected under federal insurance while providing stable oversight of public funds in a shifting interest rate environment.

6. Other Matters

Director of Finance, Peter Brill, reported that a training email has been distributed regarding Continuing Professional Education (CPE). The communication included "save the dates" for upcoming mandatory training sessions, ensuring that staff are notified well in advance to meet their professional certification and compliance requirements.

7. Adjournment