



Ocala Investment Committee Minutes

Tuesday, August 5th, 2025

Regular Meeting

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

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 and Customer Service	Present	
Anthony Webber	Fiscal Operations Manager	Present	
Marcella Hughes	Accounting Manager	Present	
Peter Lee	City Manager	Present	
Janice Mitchell	Assistant City Manager/Chief Financial Officer	Absent	

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

2. Introduction

1. Peter Brill

3. Minutes Approval

a. Minutes Approval

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

4. Reports

a. PFM Asset Management: Leslie Weaber

1. Accepted PFM Asset Management

Leslie Weaber with PFM Asset Management provided a brief overview of the current market themes for the second quarter. The U.S. economy is resilient but showing signs of cooling; and the Fed remains on hold but may cut rates later this year. The treasury yields were whipsawed by the tariff announcement last quarter; and inflation remained rangebound but does not yet reflect the full impact of tariffs. The total deficit impact in regard to the Reconciliation Bill amounts to -\$3.3 trillion; and economic momentum slows amid uncertainty. The second quarter

shows steepening of the treasury yield curve and spread narrowing, which has positively impacted performance.

She provided a brief overview of the portfolios sector allocation/maximum maturity analytics and issuer diversification. The total market value of the portfolio is \$53,639,360.10, with a credit quality of AA. Market value basis earnings for three months: interest earned \$576,448, change in market value \$150,218, and total dollar return \$726,666.

Any questions?

Committee Member Jay Musleh asked how the data has impacted investors and the market. Ms. Weber explained how market changes impact decisions.

Peter Brill asked how short-term treasures affect the market. Ms. Weber explained they evaluate the weighted average maturity target to remain short-term.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Anthony Webber, Fiscal Operations Manager
SECONDER:	Tammi Haslam, Budget Director
AYES:	Musleh, Brill, Hughes, Lee

b. Sawgrass Asset Management; David Siegel

1. Accepted Sawgrass Asset Management

David Siegel of Sawgrass Asset Management discussed the portfolio's performance. The portfolios duration is 2.45 years (benchmark 2.52 years). To note, the treasury curve steepened, and spreads widened during the second quarter. Currently, the portfolio is overweight in corporate bonds, by 34% to 37%. For the quarter, the ending market value is \$73,302,151 (beginning market value \$72,225,083); considered an investment gain of \$1,077,068.

The market is pricing two 25bp Fed rate cuts before the end of year, and Fiscal policy is expected to be less accommodative going forward. The plan is to remain underweight in corporate bonds with a focus on high quality issuers with better relative valuations. Furthermore, Sawgrass Asset Management anticipates security selection will be an important driver of excess returns; and the portfolio is in compliance for the quarter.

Any questions?

Peter Brill asked if the administration is worried about stagflation. Mr. Siegel confirmed stagflation in the market is of great concern.

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

c. Seix Investment Advisors; Kim Maichele

1. Accepted Seix Investment Advisors

Kim Maichele of Seix Investment Advisors discussed the treasury yield curve during the second quarter. The overall yield shift over the quarter was smaller compared to the first quarter, particularly on the longer end of the yield curve, where the rate actually rose. The yield curve (two-year and ten-year) steepened by nearly 20 bps, as the challenged fiscal backdrop put pressure on the longer end of the yield curve. The spreads narrowed, with the corporate option-adjusted spread (OAS) ending at +83 vs +94 bps at the start of the quarter. The market value of the portfolio is \$53,480,841, and the yield-to-maturity is 4.45% (index 4.37%). The credit quality of the portfolio is AA; and the performance (gross) for the quarter is 1.42% (index 1.51%).

Any questions?

Marcella Hughes asked if they perform stress testing. David Siegel confirmed stress testing is performed.

Anthony Webber asked what the biggest economic risk is. Ms. Maichele explained how increasing growth to offset inflation impacts the economy.

Kim Maichele explained how stagflation is a huge risk to the economy.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Marcella Hughes, Accounting Manager
SECONDER:	Pete Lee, City Manager
AYES:	Haslam, Musleh, Brill, Webber

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 \$177,899,754 and the ending market value is \$180,442,273 (gain \$2,504,185). The investment fee for the second quarter of 2025 is \$43,710. Investment allocations (\$367,623,274): internal accounts 50.92% and fixed income 49.08%. Furthermore, the portfolio's return rate for the quarter is 1.43% (portfolio benchmark 1.41%).

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Anthony Webber, Fiscal Operations Manager
SECONDER:	Marcella Hughes, Accounting Manager
AYES:	Haslam, Musleh, Brill, Lee

5. Overview - Internal Investment Report

1. Internal Investment Report; Peter Brill

Peter Brill discussed the City's portfolio. The City is prioritizing safety and liquidity, which will result in changes for the next quarter. Furthermore, the City anticipates losses in the annual percentage rate, and they will be issuing pension payments. The goal is to protect liquid cash for taxpayers.

Committee Member Jay Musleh asked how negative returns impact the budget. Tammi Haslam explained how negative returns impact next year's budget. Furthermore, she confirmed the City's reserves have been funded to the minimum amount to have monies available for natural disasters.

6. Other Matters

7. Adjournment