



Ocala Investment Committee Minutes

Tuesday, August 6, 2024

Regular Meeting

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

Emory Roberts

1. Call to Order

Attendee Name	Title	Status	Arrived
Tammi Haslam	Budget Director	Present	
Jay A. Musleh	City Council Member	Present	
Peter Brill	Assistant Director of Finance and Customer Service	Present	
Emory Roberts	Director of Finance	Absent	
Marcella Hughes	Accounting Manager	Present	
Peter Lee	City Manager	Present	

Others present: David Siegel of Sawgrass was present virtually, Scott Sweeten of PFM, Kim Maichele of Seix, Mike Valone with CapTrust, Janice Mitchell CFO of the City of Ocala, Anthony Webber Fiscal Operations Supervisor of the City of Ocala, Jessica Brown Senior Accountant of the 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:	Pete Lee
SECONDER:	Tammi Haslam
AYES:	Musleh, Brill, Hughes

4. Reports

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

1. Accepted Seix Investment Advisors

Kim Maichele of Seix Investment Advisors discussed the treasury yield curves. Treasury rates increased over the second quarter with the 1–30-year area of the curve up 10-22 bps. The 2–10-year Treasury curve remains inverted by -36 bps. The Bloomberg Aggregate yield-to-worst ended in the second quarter, at 5% up from the first quarter at 4.85%, and up 4.53% compared to the fourth quarter last year. Corporate credit spreads remain tight for the second quarter.

The median Fed target rate for the end of 2024 is 5.125%, and the FOMC expectation is for one cut in 2024. Expectations for rate cuts were reduced by half to three and revised market pricing concurred with the Fed's guidance. She provided a brief overview of the City's portfolio. The portfolio generated a positive return for the quarter and underweight in corporate allocation at this time.

Any questions?

Jay Musleh asked about rate cuts. Ms. Maichele responded they are predicting a 50 bps decline.

Mike Valone requested more information about the 10 year. Ms. Maichele clarified the 10 year data. She anticipates rates will decrease, due to inflation.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Jay Musleh
SECONDER:	Tammi Haslam
AYES:	Brill, Hughes, Lee

b. PFM Asset Management; Scott Sweeten

1. Accepted PFM Asset Management

Scott Sweeten with PFM Asset Management discussed the sector allocation and max maturity analytics. The portfolio is in compliance for the quarter, with a healthy buffer. The total market value of the portfolio is \$50,315,036.83, and the credit quality is AA. The earned interest is \$515,065, which has increased over the quarters. The total dollar return is \$501,807, and the benchmark was a positive 94 bps.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Pete Lee
SECONDER:	Jay Musleh
AYES:	Haslam, Brill, Hughes

c. Sawgrass Asset Management; David Siegel

1. Accepted Sawgrass Asset Management

David Siegel of Sawgrass Asset Management discussed the portfolios performance. For the quarter, the portfolio shows positive returns and underweight in corporate bonds. The goal is to increase credit risk as spreads widen, with a focus on high-quality. He provided a brief overview of current attributes/sectors and sensitivity analysis. To note, the portfolio is in compliance for the quarter.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Tammi Haslam
SECONDER:	Jay Musleh
AYES:	Brill, Hughes, Lee

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 \$168,450,959 and the ending market value is \$169,849,629. The investment fee for the second quarter of 2024 is \$42,122. Investment allocations (\$323,570,757): internal accounts 46.13% and fixed income 53.87%. The City’s portfolio had a positive return of 81 bps.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Jay Musleh
SECONDER:	Pete Lee
AYES:	Haslam, Brill, Hughes

5. Overview - Internal Investment Report

1. Internal Investment Report; Peter Brill

Peter Brill reported on the City’s investments. At this time, the City will not be borrowing cash from the investment managers. Furthermore, the City is paying debts and pension pre-payments with liquid cash.

6. Other Matters

Peter Brill confirmed February 2025 is the matured date with Jay Musleh.

Kim Maichele and Scott Sweeten clarified weak sectors of the market with Jay Musleh.

7. Adjournment