



# Ocala Investment Committee Minutes

Tuesday, November 5th, 2024

## Regular Meeting

110 SE Watula Avenue  
 Ocala, FL 34471  
[www.ocalafl.org](http://www.ocalafl.org)

Emory Roberts

### 1. Call to Order

Attendee Name	Title	Status	Arrived
Tammi Haslam	Budget Director	Absent	
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	

Others present: David Siegel of Sawgrass, Scott Sweeten of PFM, Kim Maichele of Seix, Mike Valone with CapTrust, Janice Mitchell CFO 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

<b>RESULT:</b>	<b>ACCEPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Jay Musleh, City Council Member
<b>SECONDER:</b>	Peter Lee, City Manager
<b>AYES:</b>	Brill, Webber, Hughes

### 4. Reports

- a. **PFM Asset Management:** Scott Sweeten

#### 1. Accepted PFM Asset Management

Scott Sweeten with PFM Asset Management discussed the current market trends for the third quarter. The Fed cut the federal funds target rate by 50 basis points (bps) at the September FOMC meeting. The yield curve began to disinvert in the third quarter, as the spread between the second year and ten-year Treasury reached positive territory for the first time in over two years. Despite intra-quarter spread widening, yield spreads across most credit sectors were range bound at tight levels, reflecting the strength of the economy. Shelter inflation increased 5.2% while CPI Ex-Shelter increased 1.0% (YoY).

Personal consumption is the main driver of GDP and accounts for 69% of overall GDP. The third quarter showed yields repricing lower in anticipation of Fed cuts. Furthermore, he provided a brief overview of the portfolio's sector allocation and max maturity analytics. The market value of the portfolio is \$52,028,727, and credit quality is AA. The total net activity amounts to \$494,203, and total earnings are \$553,942. To note, the portfolio is in compliance for the quarter.

Any questions?

There were no questions from the Committee Members.

<b>RESULT:</b>	<b>ACCEPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Peter Lee, City Manager
<b>SECONDER:</b>	Jay Musleh, City Council Member
<b>AYES:</b>	Hughes, Webber

**b. Sawgrass Asset Management; David Siegel**

**1. Accepted Sawgrass Asset Management**

David Siegel of Sawgrass Asset Management discussed the portfolio's performance. For the quarter, the ending market value is \$71,284,785 (beginning market value \$69,035,704); considered an investment gain of \$2,249,081. The gross return percentage is 3.26%, and the yield to maturity is 3.99%. Furthermore, credit spreads outperformed during the third quarter. To note, the portfolio is in compliance for the quarter.

Any questions?

There were no questions from the Committee Members.

<b>RESULT:</b>	<b>ACCEPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Marcella Hughes, Accounting Manager
<b>SECONDER:</b>	Peter Lee, City Manager
<b>AYES:</b>	Musleh, Webber,

**c. Seix Investment Advisors; Kim Maichele**

**1. Accepted Seix Investment Advisors**

Kim Maichele of Seix Investment Advisors provided a macro-overview of the Bloomberg Aggregate Index YTW. The Aggregate ended the quarter with a 4.23% yield; many investors remain comfortable. Corporate credit spreads remained tight over the third quarter. The market value of the portfolio is \$52,401,767 (\$2.2 million increase), with a gross return rate of 4.32%.

The portfolio is underweight in corporates; will make up the difference in government mortgages.

The treasury allocations were reduced by 2%, and the fiscal year to date return rate is 9.97%. To note, the portfolio is in compliance for the quarter. Furthermore, the corporate debt demand from yield-buyers, coupled with M&A funding needs, have resulted in continued healthy IG new issuance. Support from continued demand from yield-buyers is offsetting reticence from total-return buyers to add to corporate bond positions at currently very tight spread levels.

Any questions?

00:42:58 Unidentified Speaker asked if housing will be disproportionately expensive in the future. Ms. Maichele responded yes; the expensive housing market will affect inflation.

<b>RESULT:</b>	<b>ACCEPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Peter Lee, City Manager
<b>SECONDER:</b>	Jay Musleh, City Council Member
<b>AYES:</b>	Hughes, 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 \$169,849,629 and the ending market value is \$175,743,414. The investment fee for the third quarter of 2024 is \$43,161. Investment allocations (\$333,170,323): internal accounts 47.36% and fixed income 52.64%. Furthermore, the portfolio’s return rate for the quarter is 3.45%.

Any questions?

There were no questions from the Committee Members.

<b>RESULT:</b>	<b>ACCEPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Marcella Hughes, Accounting Manager
<b>SECONDER:</b>	Anthony Webber, Fiscal Operations Manager
<b>AYES:</b>	Lee, Musleh

**5. Overview - Internal Investment Report**

**1. Internal Investment Report; Marcella Hughes**

Marcella Hughes reported each investment account increased for the third quarter.

**6. Other Matters**

**7. Adjournment**