



Ocala Investment Committee Minutes

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

Tuesday, February 6, 2024

Regular Meeting

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	Present	
Raymond Bachik	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 (attended virtually), Janice Mitchell CFO of the City of Ocala, Anthony Webber Fiscal Operations Supervisor of the City of Ocala, Marcella Hughes Senior Accountant of the City of Ocala, Maribel Lozada Accountant I of the City of Ocala and Karen Czechowicz Administrative Coordinator of the City of Ocala.

2. Introduction

1. Emory Roberts

3. Minutes Approval

- a. Minutes Approval

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Peter Brill, Assistant Director of Finance and Customer Service
SECONDER:	Raymond Bachik, Accounting Manager
AYES:	Haslam, Musleh, Roberts, Lee

4. Reports

- a. PFM Asset Management

1. Accepted PFM Asset Management; Scott Sweeten

Scott Sweeten with PFM Asset Management discussed current market themes. The Fed announced a rate cut of 75 bps; and the market is predicting rate cuts between 1 to 1.5 percent. Furthermore, the treasury yields are showing volatility, and the economy is doing well. The data shows consistent rates throughout year 2024, until year 2026. The Fed is comfortable allowing the employment rate to go above 4 percent.

The City's portfolio shows a significant yield spread over treasuries. The asset back securities and AAA yield spreads hold significant value in the portfolio. The fourth quarter shows very strong returns for the portfolio. The portfolio is in great shape, with a total market value of \$49 million. Currently, the credit quality of the portfolio is AA, with a positive benchmark performance for the quarter.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Peter Brill, Assistant Director of Finance and Customer Service
SECONDER:	Peter Lee, City Manager
AYES:	Haslam, Musleh, Roberts, Bachik

b. Sawgrass Asset Management; David Siegel

1. Accepted Sawgrass Asset Management

David Siegel of Sawgrass Asset Management discussed the volatility of the market. The fourth quarter shows substantial negative returns. The increased interest rates helped neutralize the portfolio, resulting in closer performance with the benchmark. Sawgrass Asset Management anticipates five or six rate cuts in year 2024. Corporate spreads continue to trend down and tighten.

The City's portfolio performed great for the quarter; quarterly return over 3%. The data shows the portfolio is underperformance in transparencies; however, shows great performance for the 3–5-year benchmark. The market value of the portfolio is over \$2 million, and the change in market value for the quarter is over \$3 million. To note, the portfolio is incompliance for the quarter.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Raymond Bachik, Accounting Manager
SECONDER:	Tammi Haslam, Budget Director
AYES:	Musleh, Brill, Roberts, Lee

c. Seix Investment Advisors; Kim Maichele

1. Accepted Seix Investment Advisors

Kim Maichele of Seix Investment Advisors discussed the fourth quarter's market performance. Seix Investment Advisors is open to lowering Fed fund rates in the future. The yield declined dramatically over the quarter. November and December showed an interest rate decline, which resulted in positive returns for the quarter. The portfolio shows a \$2 million increase for the quarter. Furthermore, the portfolio is slightly overweight in treasuries.

Any questions?

Ray Bachik asked when the Feds meet in March and Jerome Powell announces rate cuts, is the good news already in our portfolio?

Ms. Maichele commented that it may be as we've gone from 3% to 4.15% for the ten year treasury.

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Raymond Bachik, Accounting Manager
SECONDER:	Peter Brill, Assistant Director of Finance and Customer Service
AYES:	Haslam, Musleh, Roberts, Lee

d. CapTrust Asset Management; Mike Valone (Virtual)

1. Accepted

Mike Valone with CapTrust Asset Management discussed the market values and cash flow summary. The portfolios performance for the quarter: market value \$160,389,984, net investment return \$5,623,616, and ending market value \$166,049,370. He provided a brief overview of the asset allocation and investment fees. Investment allocations total \$288,119,763: internal accounts \$122,070,392 (42.37 percent), and fixed income \$166,049,370 (57.63 percent). The portfolio performed great for the quarter and received positive returns.

Any questions?

There were no questions from the Committee Members.

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Raymond Bachik, Accounting Manager
SECONDER:	Peter Brill, Assistant Director of Finance and Customer Service
AYES:	Haslam, Musleh, Roberts, Lee

5. Overview - Internal Investment Report

1. Internal Investment Report; Emory Roberts

Emory Roberts reported the Truist account balance is over \$60 million. Furthermore, \$15 million will be divided into several accounts, increasing the account balance to \$74 million. The City will be taking advantage of the short-term rates.

6. Other Matters

None

7. Adjournment

Unknown motioned to adjourn, Unknown seconded the motion, and all were in favor.