



AGENDA MEMORANDUM

Action Item for the City Council Meeting of July 22, 2025

DATE: July 22, 2025

TO: Peter Zaroni, City Manager

FROM: Sergio Villasana, Director of Finance & Procurement
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Investment Advisor Services

CAPTION:

Motion authorizing execution of a two-year professional services agreement, with two two-year options, with Hilltop Securities Asset Management, LLC, of Austin in an amount not to exceed \$240,000.00, with a potential up to \$750,000.00 if the options are exercised, for investment advisor services, with FY 2026 funding of \$120,000.00 from the General Fund, subject to approval of the annual budget.

SUMMARY:

This motion authorizes a contract with Hilltop Securities Asset Management, LLC to provide investment consulting services for an amount not to exceed \$750,000.00. These services are necessary to assist City Investment Officers, in the Finance Department, with investment decisions.

BACKGROUND AND FINDINGS:

At the February 14, 2018, City of Corpus Christi Investment Committee meeting, the Investment Committee recommended that City staff hire an investment consultant. During the past six years, Patterson & Associates, acquired by Meeder Public Funds, LLC has provided Public Funds Investment Act training to City Investment Officers, increased interest earnings on investments, and assisted in the revision of the City of Corpus Christi Investment Policy and Investment Strategies as well as three City related Corporation's investment policies and investment strategies and provided information for investment decisions. The City of Corpus Christi's Investment Policy and Investment Strategies has been certified biennially by the Government Treasurers' Organization of Texas since 2019. Additionally, Meeder Public Funds LLC is currently assisting with the depository contract solicitation and review, has kept the Investment Officers informed about market risks and opportunities, attends

quarterly Investment Committee Meetings and presents the market update, assists the City in the selection of broker/dealers, and provides monthly and quarterly investment reports.

The City of Corpus Christi and related Corporations have approximately \$1.3 billion available to be invested. The City's Investment Officers are required to follow the Public Funds Investment Act and the Investment Policy and Investment Strategies for the City of Corpus Christi and related Corporations. Annual review and adoption of the Investment Policy and Investment Strategies are required by the City Council or Corporation Board. The Investment Committee is currently made up of the City Manager, Assistant City Manager over Finance, Director of Management & Budget and two Council Members. Currently, the Investment Officers are the Director of Finance, Assistant Director of Finance, City Treasurer and Investment Analyst.

Hilltop Securities Asset Management (HSAM) is Texas based; Texas managed and focuses on Texas local governments. HSAM has 36 years' experience in working with governmental entities. HSAM will provide investment advisor services, review and recommend changes for the City's Investment Policy and City associated corporations, inform staff of market risks and opportunities, develop and implement investment strategies, make presentations to the Investment Committee or City Council for recommended investment strategies, review the Quarterly Investment Report, attend the Quarterly Investment Committee Meetings and present an economic update, review the investment procedures and propose improvements, provide general consulting services for the City's cash flow model, assist the City in the selection of broker/dealers, provide detailed monthly and quarterly investment reports, review potential investment products, review and assist in development of treasury policies and procedures, monitor collateral requirements, assist with depository contract solicitation and review proposals, and provide PFIA training. HSAM actively participates in GTOT, GFOA, GFOAT, TASB, TAC, and TML.

PROCUREMENT DETAIL:

Finance and Procurement conducted a Request for Proposal process to obtain qualified firms to assist with investment advisor services. The City received four proposals which were reviewed by a three-member evaluation committee. The Request for Proposal committee evaluated all aspects of the company's current capabilities, which accounted for 100 possible points, 40 for technical qualifications, 30 possible for interview, 20 possible for pricing, and 10 possible points for local preference. Final scores were tabulated for each firm to determine the highest-ranking firm offering the best value to the City for investment advisor services.

The City recommends the award to Hilltop Securities Asset Management, LLC. They are the vendor that submitted the most competitive proposal and received the highest overall score of 72.57 out of 100 points.

ALTERNATIVES:

City's Brokers can provide investment options; however, this would not meet the Finance Department's goal of achieving the best investment for the City. Hilltop Securities Asset

Management, LLC has access to the Bloomberg financial system that provides them with access to market availability and yield for investments. Because of the knowledge they have about the market activity, they are able to negotiate for the best price of a security.

FISCAL IMPACT:

The financial impact for the Finance Department is an amount not to exceed \$240,000.00 for the initial two-year service agreement, with options to extend for up to two additional two-year periods for an amount not to exceed \$250,000.00 for the first option term and \$260,000.00 for the second option term.

FUNDING DETAIL:

Department:	Finance Department
Fund:	1020 – General Fund
Organization/Activity:	10830 – Cash Management
Department:	59 - Finance
Project # (CIP Only):	N/A
Account:	530000 – Professional Services

RECOMMENDATION:

Staff recommends approval of this motion authorizing a two-year service agreement with two additional two year renewal options with Hilltop Securities Asset Management, LLC, for investment advisor services as presented.

LIST OF SUPPORTING DOCUMENTS:

Evaluation Matrix
Service Agreement