

# MINUTES

## HOUSTON FIRST CORPORATION

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### BOARD OF DIRECTORS MEETING

April 27, 2023 – 3:00 P.M.

Partnership Tower, 701 Avenida de las Americas, Suite 200

Houston, Texas 77010

HOUSTON FIRST BOARD ROOM

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*The Board of Directors (“Board”) of Houston First Corporation (the “Corporation” or “HFC”), a Texas local corporation created and organized by the City of Houston as a local government corporation pursuant to TEX. TRANSP. CODE ANN. §431.101 et seq. and TEX LOC. GOV’T. CODE ANN. §394.001 et seq., held a meeting at Partnership Tower, 701 Avenida de las Americas, Suite 200, Houston, Harris County, Texas 77010 on Thursday, April 27, 2023, commencing at 3:00 p.m.*

*Written notice of the meeting including the date, hour, place, and agenda for the meeting was posted in accordance with the Texas Open Meetings Act.*

*The following Board Members participated in the meeting: David Mincberg (Chair), Desrye Morgan (Vice-Chair), Sofia Adrogué, Alex Brennan-Martin, Reginald Martin, Paul Puente, Tom Segesta, Jay Zeidman, and Mayor Pro-Tem Dave Martin.*

- I. **Call to Order.** The Chairman of the Board called the meeting to order at 3:05 p.m., and a quorum was established.
- II. **Public Comments.** None
- III. **Review and approval of minutes from prior meeting.** Following a duly seconded motion, the April 6<sup>th</sup>, 2023, minutes were approved as presented. Jay Zeidman, Board Member, was not present at the time of the vote.
- IV. **Presentations, Reports, and Updates.**
  - A. **Houston First Chairman’s Report**

Chairman, David Mincberg asked Reggie Martin, Board Member, to provide an update on Houston Hospitality Alliance’s (“HHA”), previously the Greater Houston Convention and Visitors Bureau (“GHCVB”), first meeting as a new organization. Mr. Martin thanked Chairman Mincberg and HFC management members Michael Heckman, President and CEO, Jorge Franz, Senior Vice President of Tourism and Industry Relations, and Karen Williams, Senior Vice President of Finance, for supporting the GHCVB. Mr. Martin acknowledged that Tom Segesta, Board Member, started HHA, and conveyed that he planned to continue its development.

- B. Houston First President & CEO's Report  
[This item was removed from the meeting.]

V. **Board Business.**

- A. Consideration and possible approval of an agreement with South Texas Boiler Industries, LLC for the replacement of the boilers at Jones Hall for the Performing Arts.

Luther Villagomez, Chief Operating Officer, informed Board Members that the two items presented today were presented and approved by the Operations Committee on April 18<sup>th</sup>, 2023. He added that HFC's 2023 Budget included the following capital projects, which the Board approved in late 2022. Mr. Villagomez continued that this item pertained to replacing two boilers, and the next item concerned a roof overlay replacement.

John Gonzalez, Senior Vice President and General Manager, reported that Jones Hall required the replacement of both of its original boilers, which had exceeded their lifespan. Mr. Gonzalez provided that HFC's management recommended utilizing South Texas Boiler Industries, LLC ("South Texas"), a Historically Underutilized Business, to replace Jones Hall's boilers for an amount not to exceed \$650,000 plus a 15% contingency.

Paul Puente, Board Member, inquired into the project's selection process. Lisa Hargrove, General Counsel, explained that HFC procured South Texas through a Texas co-operative organization. Mr. Gonzalez added that HFC applied comparative pricing during its budget process in October or November 2022.

Alex Brennan-Martin, Board Member, assured the Board that the Operations Committee thoroughly discussed this item and approved the project based on the provided information. Correspondingly, Mr. Puente sought assurances that HFC's boiler replacement procurement process complied with standardized procurement practices. Ms. Hargrove responded by explaining that the procurement manual described several methods for procuring contractors, which included the option to procure contractors through a co-operative organization. Mr. Martin mentioned that Operations Committee Members sought a refresher on the procurement processes utilized by HFC when this item came before the Board.

Chairman Minberg asked Ms. Hargrove to speak with the Chair of the Procurement Committee to schedule a Procurement Committee meeting and invite Board Members to attend to review procurement processes.

Following a duly seconded motion, Board Members unanimously approved an agreement with South Texas Boiler Industries, LLC for the replacement of the boilers at Jones Hall for the Performing Arts.

- B. Consideration and possible approval of a Service Work Order with Cotton Commercial USA, Inc. for a roofing overlay project, inclusive of work on existing service and smoke hatches as well as smoke vents, at Jones Hall for the Performing Arts.

Mr. Gonzalez reported that Jones Hall's roof needed replacement because it exceeded its lifespan. Similarly, he added that the roof service hatch needed replacement because it inhibited access to the existing boilers and glass elevator and provided that all of Jones Hall's smoke vents required replacement. Correspondingly, Mr. Gonzalez provided a renovation cost analysis including a material cost of \$474,000, a labor cost of \$426,000, a crane usage cost of \$64,000, a smoke vent replacement cost of \$120,000, and a roof hatch replacement cost of \$70,000. He estimated the total renovation cost would be below HFC's project budget of \$1.6 million. Mr. Gonzalez urged that HFC's management recommended using Cotton Commercial USA, Inc. for this project, which shall not exceed \$1,155,000 plus a 10% contingency with a diversity participation goal of 30%.

Following a duly seconded motion, Board Members unanimously approved a Service Work Order with Cotton Commercial USA, Inc. for a roofing overlay project, inclusive of work on existing service and smoke hatches as well as smoke vents, at Jones Hall for the Performing Arts.

**VI. Adjourn.** The meeting adjourned at 3:26 p.m.