

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING
August 26, 2021– 3:00 P.M.
Partnership Tower, 701 Avenida de las Americas, Suite 200
Houston, Texas 77010
HOUSTON FIRST BOARD ROOM

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, August 26, 2021, 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 Minberg (Chair), Desrye Morgan (Vice Chair), Sofia Adrogué, Elizabeth Brock, Alex Brennan-Martin, Reginald Martin, Ryan Martin, Bobby Singh, Gerald Womack, Jay Zeidman, and Mayor Pro-Tem Dave Martin, Ex-Officio.

The Chairman of the Board called the meeting to order at 3:04 p.m. and a quorum was established.

1. **Public Comments.** Cathy Martinez, Director of SEIU Texas, addressed the HFC Board to discuss the negotiation of a new union contract with Midwest Maintenance. She then introduced a member of the janitorial staff at Wortham Theater, Ms. Olga Villegas.

Ms. Villegas spoke to the HFC Board with the aid of a translator. Ms. Villegas expressed concern for the health and safety of workers and asked for the Board’s support in ensuring proper health insurance, sick time, and compensation for workers. She also discussed the challenges faced by janitorial staff due to the COVID-19 pandemic and a reduction in hours.

Board Members thanked Ms. Villegas for her time. They also expressed their gratitude for hospitality workers and reassured her that her voice was heard.

Management discussed the terms and conditions of the janitorial services agreement with Midwest Maintenance that is due to expire in 2022.

Ms. Martinez concluded her remarks by summarizing the request of SEIU union members in establishing wages that meet economic needs and providing workers with adequate PPE and affordable healthcare.

The Chairman then moved forward with the meeting agenda and acknowledged the attendance of Vice Chair, Desrye Morgan, and Deputy Chief of Staff for Council Member David Robinson, Gareth Morgans.

2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of July 15, 2021 were approved as presented.

3. **Presentations and Reports.**

A. **Houston First Chairman Report.** The Chairman opened his report with an update on the ad hoc committee charged with developing a long-term strategy for HFC. The Chairman stated that Board Members, Ryan Martin and Jay Zeidman, have been working closely with HFC management and will make a presentation to the HFC Board by year-end. He stated that there is an issue with a downtown property owner adjacent to Discovery Green and HFC will participate in a meeting of downtown stakeholders. The Chairman then congratulated Michael Heckman on being named permanent President & CEO of HFC. He then announced that a luncheon will be held with HFC staff to be followed by a larger reception with HFC's business partners. He also announced that HFC will host the State of the City on October 13, 2021 and Board Member Elizabeth Brock will serve as Co-Chair.

Elizabeth Brock thanked the HFC Board for their support and stated that she is working tirelessly to plan an event that represents the City of Houston well.

The Chairman concluded his report by stating that the Vice Chair will lead the President & CEO evaluation process and a form has been circulated to all Board Members. He also informed the Board that a special meeting will be held to discuss the results.

Gerald Womack asked if any information regarding the goals and objectives of the President had been circulated along with the evaluation.

The Vice Chair stated that all information available had been submitted to Board Members. She then discussed the solicitation issued for engagement of an executive search firm to identify candidates for the permanent President & CEO position that was terminated before a new job description was created. The Vice Chair stated that she hopes the Board can establish goals and objectives for the President position going forward.

Mr. Womack stated that establishing clear goals for Mr. Heckman is also for his benefit and he is unsure if he can complete the evaluation without further information, which should have also been considered in the hiring process.

The Chairman confirmed that Mr. Heckman is a mayoral hire.

Council Member Dave Martin discussed past President & CEO evaluations and the evaluation of key performance indicators.

The Vice Chair stated that there will be a change in the order of the evaluation process to address the concerns discussed.

The Chairman stated that dates for the evaluation review will be circulated to all Board Members and thanked the Vice Chair for overseeing the process.

- B. HFC President & CEO Report. Michael Heckman informed the Board that HFC hosted an in-person event for hoteliers to discuss ways to improve business and over 50 hotels were represented. He explained that HFC intends to host similar events on a quarterly basis throughout the City. He then discussed the success of the Dr. Seuss Experience and the challenges faced by the team to generate new business ideas. He then asked Director of Sales, Nathan Tollett, to discuss the event.

Mr. Tollett stated that the team is experienced in moving groups from different dates after Hurricane Harvey. He said it was a tremendous effort that required much collaboration to host the Dr. Seuss experience seven days a week for three months; however, when this unique opportunity presented itself, the team answered the call and nine different departments were in direct coordination. He noted that the Dr. Seuss Experience had a total of 95,000 attendees during its run and this experience has paved the way for future opportunities at HFC facilities.

Mr. Heckman then discussed the impact of the Delta variant and the cancellation of several events, including the NRA. He then asked HFC Vice President of Business Intelligence and Market Strategy, Cindy Decker, to provide a brief update.

Ms. Decker stated that leisure demand has been down slightly and hotels have been running at 60% occupancy in August. She further explained that compared to 2019, hotel occupancy has increased during the same time frame. Additionally, she said, due to Hurricane Ida heading to Louisiana, hotel occupancy will increase as well as some business travel. She then discussed hotel occupancy figures for different areas of the City.

Holly Clapham, Chief Marketing Officer, then provided a brief communications and marketing update. Ms. Clapham stated that the communications team only had ten minutes to prepare a statement regarding the cancellation of the NRA, which made national news and was released as a syndicated message. She then explained that Marketing continues to be proactive in the promotion of staycations and leisure travel. She noted that Houston has also been featured in a number of major publications such as USA Today and Mr. Heckman will meet with the New York Times and Financial Times in the coming week. She added that the communications team is also focused on generating stories about the latest update to the bio defense system that has been deployed at George R. Brown Convention Center (GRB) and has been adopted by one-hundred hospitals.

HFC Senior Vice President and General Manager of Convention & Cultural Services, John Gonzalez, then gave an operations update. Mr. Gonzalez announced the opening of the performance season in the Theater District beginning in September and the increased health and safety measures adopted at the facilities. He then provided a high-level overview of events and stated that the GRB has hosted over fifty events with 440,000 attendees this year.

HFC Chief Operating Officer, Luther Villagomez, then discussed HFC facility readiness for hurricane season. Mr. Villagomez stated that he and his team have been in close communication with the City, Homeland Security, and the Office of Emergency Management since June, and they are prepared to deploy any flood gates as needed.

Mr. Heckman then asked HFC Vice President of Finance, Karen Williams, to give a brief update on staff retention.

Ms. Williams stated that HFC has engaged Octagon Consulting to conduct a market compensation survey with an analysis on ethnicity and gender. Ms. Williams stated that the results will be presented to the Benefits, Compensation, and Finance Committee along with the HFC Board in six weeks.

Mr. Heckman then announced that the Destinations International Advocacy Summit will be held in Houston October 26-28, 2021. Lastly, he discussed the success of the summer internship program sponsored by the Greater Houston Convention and Visitors Bureau and announced that one of the summer interns, Nedra Bell, has been hired as a full-time events coordinator.

- C. Financial Update. HFC Chief Financial Officer, Frank Wilson, began his report with several updates. He also stated that budget preparations are currently underway and he is in communications with Dr. Bill Gilmer from the University of Houston to conduct a hotel occupancy tax (HOT) forecast. He then discussed HFC revenues and expenses through July 2021. The Hilton Americas-Houston Hotel (Hotel), he noted, continues to see improvement in its finances due to increased room and parking revenues. Mr. Wilson added that the Hotel was also recognized by the Houston Chronicle as the “Best of the Best Hotel” in its second annual Best of the Best Readers’ Choice Awards.

Reginald Martin addressed staffing concerns with HFC’s food and beverage partners as performances begin to ramp up in the Theater District. Mr. Villagomez then discussed his recent communications with Levy and any potential strategies to address shortages in personnel.

Bobby Singh commended management for the success of the Dr. Seuss Experience and finding creative solutions for revenue generation in the current climate. He also congratulated the Hotel on a job well done and providing world class service. Lastly, he recognized management for putting together a great presentation.

Board Members, Sofia Adrogué and Gerald Womack, also thanked the Hotel for providing exemplary service.

4. **Board Business.**

- A. *Consideration and possible approval of the Lighting Controls Upgrade Construction Services Agreement between Houston First Corporation and Prism Electric, Inc. for a project at the George R. Brown Convention Center.*

Following a motion, the Board entered into discussion. Mitch Miszkowski, HFC Purchasing Agent, discussed the solicitation process for the selection of an electrical contractor for a project at the GRB. He stated that HFC received a total of three bids and the lowest bid was submitted by Prism Electric, Inc. He then asked HFC Development Specialist Manager, Roger Harris, to discuss the diversity participation goal under the contract.

Mr. Harris stated that he assigned a 15% diversity goal to the project based on discussions with the operations team. He went on to explain, however, that the bidder has agreed to meet a 66% diversity goal by utilizing a diverse supplier, Elect-Net, for the purchase of all equipment related to the project.

There was further discussion amongst the Board. Bobby Singh confirmed that the item was approved unanimously by the Operations Committee.

Following a motion duly seconded, the approval of a Lighting Controls Upgrade Construction Services Agreement between Houston First Corporation and Prism Electric, Inc for a project at the George R. Brown Convention Center was approved unanimously.

Following the conclusion of Board Business, Mayor Pro Tem, Dave Martin, shared Mayor Turner's idea for a legacy project and the creation of a Houston Hall of Fame dedicated to the arts. He then encouraged HFC to help facilitate the project.

The Chairman asked that Mr. Heckman and his team work together to evaluate the project.

5. **Adjournment.** The meeting was adjourned at 4:42 p.m.