

**HOUSTON FIRST CORPORATION**  
**MINUTES OF THE**  
**BENEFITS AND COMPENSATION COMMITTEE**

**MAY 17, 2016 – 12:30 P.M.**

The Benefits and Compensation Committee of Houston First Corporation (the "Corporation"), a Texas non-profit 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 in the George R. Brown, 3rd Floor Construction Conference Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Tuesday, May 17, 2016 commencing at 12:30 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 members participated in the meeting: Irma Diaz-Gonzalez, Ric Campo, C. C. Conner, Jr., Ryan Guillion, Kevin O'Brien, and Dawn Ullrich.

Chairperson Diaz-Gonzalez called the meeting to order at approximately 12:32 P.M. and a quorum was established.

1. **Public Comments.** None.
2. **Approval of Minutes.** Following a motion duly seconded, the minutes of the January 28, 2016 meeting were approved as presented.
3. **Presentations.**
  - a. 2016 Employee Survey Results – Bambi McCullough, co-founder and CEO of Chrysalis Partners, advised the Committee that the previous survey was conducted in 2013 – prior to the alignment with the Greater Houston Convention & Visitors Bureau. Further, she explained that the survey questions were comparable with other Fortune 500 companies. Overall, the survey results were very positive with 80% participation rate and an overall 93% positive response rating. She provided a comparison between Houston First and other Chrysalis Partner clients and stated that Houston First's 93% rating exceeded that of any of her other clients. Ms. McCullough then highlighted both strengths and opportunities for improvement identified from the survey. The next survey will occur in approximately 24 months. A formal rollout plan to departments is underway. Ms. McCullough concluded by congratulating each of the Board Members and Houston First's leadership.
4. **Consideration and possible adoption of an amended Compensation Philosophy.** Annette Goldberg, Vice President of Human Resources for Houston First, explained that the amended Compensation Philosophy recognizes the alignment with the Greater Houston Convention & Visitors Bureau, thus adding new incentive programs as well as a timeline for the merit and bonus programs for the CEO. Following discussion on this item, a motion was made and duly seconded to adopt the amended Compensation Philosophy as presented.

5. **Updates.**

- a. Turnover Rate: Annette Goldberg reported an average turnover rate of 3.0% at Houston First compared to the leisure and hospitality turnover rate of 6.2%. The latter rate is monitored monthly by the Department of Labor Statistics and is calculated by number of separations to the average number of employees for a 12-month period.
- b. Market Study: HFC conducted a market study in 2012 which found that 67% of employees were at or above market; and in 2015, found 42% of former GHCVB employees were at or above market. The next study will begin in the summer of 2016 for all employees. Further, Ms. Goldberg advised that the employees are receiving evaluations now to determine merit percentages.
- c. RFP Benefit Broker: Ms. Goldberg stated that Houston First has renewed the contract with Alliant through 2017.

Lisa Hargrove, Houston First's General Counsel, advised that, based on RFP responses, a new provider would be in place beginning August 1, 2016 for the 401(k), due to a better fund line-up.

- d. Succession Planning: Ms. Goldberg advised that eight out of fifteen of those in the executive group are eligible to retire. The first phase of a three phase succession planning process began in March to determine a recruitment and retention strategy. Ms. Goldberg committed to provide details at a future Committee meeting.
- e. Internships: John Rolfe provided details related to the summer internship program.

6. **Executive (closed) session pursuant to Texas Government Code Section 551.071 for the purpose of consultation with its attorneys regarding pending litigation.** As there was no one other than the Committee and relevant Houston First representatives at the Committee meeting, the Committee did not go into executive session. Lisa Hargrove briefed the Committee on pending litigation.

The meeting adjourned at approximately 1:32 P.M.

  
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Pamela Walko, Secretary