

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

April 6, 2023 – 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, April 6, 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, Elizabeth Brock, Nicki Keenan, Reginald Martin, Ryan Martin, Paul Puente, Tom Segesta, Bobby Singh, Gerald Womack, and Council Member Robert Gallegos.

- I. **Call to Order.** The Chairman of the Board called the meeting to order at 3:01 p.m., and a quorum was established.

- II. **Public Comments.**
Adan Reyes, Service Employees International Union (“SEIU”) member, addressed the Board with the assistance of Carmen Mayorga, an SEIU representative serving as translator. Mr. Reyes stated that he and his coworkers, also in attendance, thanked the Board and HFC. According to Mr. Reyes, he and his co-workers wished that Caring Commercial Cleaning, Inc. (“Caring”) valued the tenure of its employees who worked at the George R. Brown Convention Center (“GRB”), respected employee union membership, and honored union contracts and employee benefits. He also asked that he, Blanca Garcia, Veronica Dueñes, and Olga Villegas, who Caring terminated, be allowed to return to their jobs. Mr. Reyes then reiterated his thanks.

Paul Puente, Board Member, thanked the janitorial employees for having the courage to attend the meeting and communicate their situations. Similarly, Sofia Adrogué, Board Member, then thanked the attendees for their courage and highlighted her admiration for them. Correspondingly, Council Member Robert Gallegos, Board Member, thanked Mr. Reyes for fighting for his and his co-workers' benefits.

- III. **Review and approval of minutes from prior meeting.** Following a duly seconded motion, Board Members approved the meeting minutes for March 23rd, 2023, as presented. Elizabeth Brock was absent from the vote.

IV. **Board Business**

- A. **Consideration and possible approval of a Janitorial Cleaning Services Agreement between Houston First Corporation and United Maintenance Company, Inc.**

Michael Heckman, President and CEO, informed the Board that HFC terminated its contract with Caring and was prepared to recommend a new provider. Mr. Heckman reminded the Board that HFC selected Caring through a solicitation process during Fall 2022. He added that management recommended hiring the second-highest-ranked company from the initial solicitation process, saving four to six months of processing time. Mr. Heckman then explained that the janitorial service matter was discussed earlier at the Operations Committee and that the Committee unanimously approved this item. He added that he and Luther Villagomez, Chief Operating Officer, met with the CEO of United Maintenance Company, Inc. ("United"), HFC's recommended new service provider, to discuss a possible transition. Mr. Heckman highlighted that United understood the janitorial industry and had janitorial experience with large venues and convention centers across the country and in some of the largest cities in the nation. Mr. Heckman stated that United contacted SEIU to commence a meaningful dialogue, provided they were approved as the new janitorial provider, to enter into a negotiated agreement.

John Gonzalez, Senior Vice President and General Manager, reminded the Board that United ranked second during the initial solicitation process and emphasized its extensive industry experience. Mr. Gonzalez added that United was a global company based in Chicago, Illinois, with clients like Kay Bailey Hutchinson Convention Center in Dallas, Texas, Los Angeles Convention Center, O'Hare International Airport, Mandalay, and MGM Resorts. Mr. Gonzalez highlighted that the solicitation set forth a diversity goal of 33% and United proposed a goal of 38%. Mr. Gonzalez illuminated that United was a provider for the GRB when it opened in 1987 and that he and Mr. Villagomez were comfortable proceeding with United. Mr. Gonzalez added that United committed to paying employees weekly.

Ryan Martin, Board Member, announced that HFC followed procurement guidelines and conveyed his support for United. Bobby Singh, Board Member, affirmed the importance of listening to public concerns and that the Operations Committee, Board Members, and the administration listened to concerns resulting in an expeditious resolution. Mr. Singh then signaled his support for the transition. Gerald Womack, Board Member, sought assurances from HFC that United was thoroughly vetted, open to rehiring employees, and willing to honor minimum wage and previous benefits of employees. Lisa Hargrove, General Counsel, disclosed that United's potential contract mandated that it pay employees \$15.00 an hour and clarified that legally HFC could not require a vendor to hire specific employees because it would cause HFC to become liable as a joint employer. She added that HFC could not ask or require United to provide any benefits or tenure;

however, she highlighted that United assured HFC that it communicated with SEIU and past employees should be able to apply for a job. Mr. Womack also requested confirmation that United met with SEIU and agreed to rehire employees.

Reginald Martin, Board Member, sought a point of order since the Board concluded the public session. Chairman Minberg responded by allowing the answering of Mr. Womack's inquiry. Elsa Caballero, SEIU President, confirmed that SEIU communicated with United. Mr. Womack voiced his concerns about United's past issues in Chicago. Mr. Heckman stated that HFC selected United through the letter of the procurement process, which this Board approved. Council Member Gallegos thanked Mr. Heckman for investigating this matter and promptly reporting to the Board. Council Member Gallegos also stated that, in his opinion, United would not resolve the issue if it failed to rehire terminated employees.

Ryan Martin mentioned that the saving grace was there are termination rights in the instance of bad faith or any action outside of the bounds of expectation.

Mr. Puente thanked HFC for its efforts to acquire a tenured and experienced replacement janitorial company. He added that he believed HFC's actions would show future vendors' HFC's business expectations.

Following a duly seconded motion, Board Members unanimously approved a Janitorial Cleaning Services Agreement between Houston First Corporation and United Maintenance Company, Inc.

Chairman Minberg thanked Mr. Heckman, Ms. Hargrove, Mr. Villagomez, and Mr. Gonzalez for their prompt response to this complex matter. He also announced that HFC would timely provide a new date for the grand opening of Lynn Wyatt Square.

V. Adjourn. The meeting adjourned at 3:24 p.m.