

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING

May 16, 2019 – 3:00 P.M.

Partnership Tower, 701 Avenida de las Americas, Ste. 200

Houston, Texas 77010

HFC 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, Houston, Harris County, Texas, 77010, on Thursday, May 16, 2019, 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), Elizabeth Brock, Nicki Keenan, Paul Puente, Alex Brennan-Martin, Reginald Martin, Ryan Martin, Gerald Womack, Bobby Singh, Jay Zeidman, Council Member David Robinson, Ex-officio, and Council Member Dave Martin, Ex-officio.

The Chairman of the Board called the meeting to order at 3:05 p.m. and a quorum was established. Chairman Mincberg announced new Board Members, Reginald Martin and Tom Segesta, and thanked outgoing Board Members, Katy Caldwell and Jay Tatum for their service. He also recognized Council Member Robert Gallegos.

1. **Public Comments.** None.
2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of April 18, 2019 were approved as presented.
3. **Presentations and Reports.**
 - A. **Report by Houston First Chairman.** Chairman Mincberg explained in an attempt to streamline Board business, HFC is adopting a Consent Agenda. He further explained that he is open to any input regarding the new meeting structure and encouraged Board Members to attend committee meetings to participate in discussions regarding topics of interest.

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Chairman Mincberg asked that Board Members submit requests to HFC staff in writing and carbon copy Brenda Bazan. Similarly, HFC staff is instructed to report any requests made in-person or via phone to their immediate supervisor.

He also announced that the tentative date for the HFC Board Retreat will take place in June, but he will inform the Board once the dates have been finalized.

Chairman Mincberg discussed a recent event held for the African American Mayor's Association. He also congratulated staff on the tremendous success of Comicpalooza. Chairman Mincberg announced that approximately 46,000 people attended Comicpalooza representing 46 states and 16 countries, due in large part to Game of Thrones star, Emilia Clarke.

In conclusion, Chairman Mincberg informed the Board that he and Peter McStravick had the opportunity to meet with representatives of the Consumer Advisory and Innovation Board. He further explained that the goal of the meeting was to provide a candid assessment of improvements for HFC, and while they did receive some suggestions, it was very gratifying to hear the tremendous praise of the HFC team.

- B. HFC Acting CEO Update. Chairman Mincberg announced Peter McStravick will continue his role as acting President & CEO until such time Brenda Bazan returns.

Peter McStravick reported that the monthly purchase order presentation has been modified and includes two new entries.

Mr. McStravick provided a brief financial report and announced that HFC is overbudget as a matter of timing. The Hilton Americas-Houston Hotel ("Hotel") is ahead in revenues, but HFC does not anticipate this pace on growth to continue. HFC is optimistic that the Hotel will finish the year \$1 million over budget. Mr. McStravick also announced that HFC will receive a FEMA reimbursement in the next 30 days.

Mr. Gerald Womack stated that transparency is important, particularly with finances and requested that a written financial report be distributed to the Board for review prior to meetings.

Mr. McStravick continued his report with a construction update related to the Hurricane Harvey Recovery Project. According to Mr. McStravick, Wortham Theater will be substantially complete by the end of May.

He also announced that HFC intends to reduce operating expenses for the last six months of the year by 6% and has already implemented a profit improvement plan for all HFC departments. Additionally, HFC is looking into business strategies and methods to create additional revenue streams and hopes to continue the discussion at the upcoming Board retreat.

Mr. McStravick informed the Board of heightened cyber security measures due to a recent cyber theft attempt of \$3.5 million and a malware attack of computer

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systems in the Tourism Department. As a result, all employees are required to complete mandatory Cyber Security Training.

Mr. McStravick recognized Michael Heckman and his team for a tremendous job with Comicplooza.

He also announced that the Sales Department is doing well and the National Rifle Association has signed a definite agreement for 2026.

Mr. McStravick provided a brief update of the Tourism Summit and recognized Jorge Franz and the Tourism Department for a job well done.

He also informed the Board that all talking points should be addressed with either himself or Brenda as Carolyn Campbell is temporarily unavailable.

Lastly, Mr. McStravick announced that the Apollo 11 Moon Landing commemorative pins were available and programming will take place in 6-8 weeks for the 50th Anniversary Celebration.

4. **Board Business—Consent Agenda.**

A. *Consideration and possible approval of a Parking Operations & Management Services Agreement with Winpark Management LLC.*

Vice Chair, Desrye Morgan, requested that item 4A be discussed separately as the Theater and Convention District Operations Committee was unable to have a discussion because they failed to establish a quorum.

Mitch Miskowski discussed the Parking Operations & Management Services solicitation process. HFC received a total of five proposals and all five companies participated in interviews with the selection committee. The company that received the highest score was Winpark Management LLC. Mr. Miskowski discussed the value-added enhancements to the agreement that would reduce HFC's expenses. Mr. Miskowski recognized Drew Riley of Winpark Management LLC and members of his team.

Board Members asked about the diversity participation under the agreement and Roger Harris stated that he felt the 20% diversity goal set for this contract is appropriate as the previous contract goal was too high.

Bobby Singh asked HFC staff to address some of the differences that the new project team could bring to parking and management operations and Christophe Malsang explained that Winpark has better systems in place to track ticketing and potentially generate revenues for HFC parking facilities.

Council Member Dave Martin asked if the HFC Board was given an opportunity to review the scoring matrix.

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A motion was made to approve the Parking Operations & Management Services Agreement with Winpark Management LLC. The motion passed with a vote of 8 in favor. Nicki Keenan was not present for the vote.

- B. Consideration and possible approval setting a guaranteed maximum amount for DPR Construction for the Guestroom Renovation Project for the Hilton Americas Houston Hotel. [This item was taken out of turn] The motion passed unanimously on the Consent Agenda.

5. **Executive Session.**

Executive (closed) session pursuant to Texas Government Code Section 551.074 for the purpose of consultation with Houston First Counsel regarding the positions of Chief Sales and Marketing Officer, Chief Destination Officer, President, and Chief Executive Officer.

The Board entered Executive Session at 3:31 p.m. and returned at 4:08 p.m. No action was taken.

6. **Adjournment.** The official business of the Board is concluded at 4:23 p.m., but the Board Members are invited to attend a Reception immediately following on level 2 of Partnership Tower for the outgoing Board Members.