

HOUSTON FIRST CORPORATION
MINUTES OF THE
GOVERNANCE, AUDIT & FINANCE COMMITTEE
February 23, 2017

The Governance, Audit & Finance 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 at the Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas 77010, on Thursday, February 23, 2017, commencing at 10:30 a.m. Written notice of the meeting, including the date, hour, place and agenda was posted in accordance with the Texas Open Meetings Act. The following members participated in the meeting: Katy Caldwell, Alex Brennan Martin, Paul Puente, and Dawn Ullrich. John Johnson was absent. Gerald Womack and Council Member Martin were also in attendance but did not participate in the meeting.

A quorum of the Governance, Audit & Finance Committee members was not in attendance until 10:42 a.m. The presentation for Item V.A. had begun before a quorum was established.

1. **Public Comments.** None.
2. **Consideration and possible recommendation of sponsorship agreement with RCM Entertainment, L.P., d/b/a Lone Star Sports & Entertainment.** Michael Heckman explained the benefits of the Advocare Texas Kickoff and Advocare V100 Texas Bowl sponsorship, which provides an economic impact of approximately \$90+ million and 40,000-60,000 room nights. The games are played on Labor Day Weekend and in between Christmas and New Year's Day, therefore filling important need periods. Sponsorship of these games gives Houston prominent positioning, national marketing exposure and significant hospitality assets. Following discussion on this item, a motion was made and duly seconded to recommend a two-year sponsorship contract in the amounts of \$325,000 in 2017 and \$275,000 in 2018.
3. **Review and Approval of Minutes.** A motion was made and duly seconded to approve the minutes from the November 10, 2016 meeting as presented. Paul Puente was not in attendance at the time of the vote.
4. **Updates.**
 - a. January Dashboard – Brenda Bazan covered some of the salient points from the dashboard for the period ending January 31, 2017. Ms. Bazan reported that 1st Quarter 2017 Hotel Occupancy Tax ("HOT") collections were less than budgeted. Next, she stated that the decrease in Hilton metrics was not economy related, but rather resulted from the cancellation by a large convention. However, Hilton's event contract required cancellation fees that largely offset the rooms and food & beverage revenue loss. Ms. Bazan then stated that the decreases in GRB facility rental and GRB food and beverage revenue were primarily timing differences that should turn around in the next couple of months. She reminded the Committee that the new janitorial contract may require an increase to the budget and that, if necessary, the budget increase would be added to appropriate committee and board agendas for consideration and approval with the

