

# MINUTES

## HOUSTON FIRST CORPORATION

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### GOVERNANCE AND COMPENSATION COMMITTEE MEETING

May 29, 2025, beginning at 2:00 P.M.

Partnership Tower, 701 Avenida de las Americas, Suite 200

Houston, Texas 77010

CONFERENCE ROOM ONE

The Governance and Compensation Committee ("Committee") of Houston First Corporation (the "Corporation"), 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, May 29, 2025, commencing at 2:00 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 Committee Members participated in the meeting: Nicki Keenan (Chair), Jay Zeidman, and Elizabeth Brock.

- I. **Call to Order**. The meeting was called to order by Nicki Keenan (Chair). A quorum was established. Michael Heckman, President & CEO, and Paula Whitten-Doolin, General Counsel of the Corporation, were also present.
- II. **Public Comments**. None
- III. **Minutes**. Following a duly seconded motion, the minutes for December 6, 2024, January 15, 2025, and February 11, 2025, were approved as presented.
- IV. **Presentation, Reports, and Updates**.

A. **Structural Retention**

Mr. Heckman informed the Committee that the sales team bonus plan has been in place for approximately ten years and has remained consistent despite changes in other compensation structures. Ongoing challenges were noted in aligning incentives across departments, particularly between sales and non-sales teams, resulting in organizational friction and workforce stability concerns. In response, a merit-based bonus system was recently

implemented and expanded, tying eligibility to job performance, with bonuses ranging from 4% to 7%. This change was well received and extended eligibility beyond the sales team.

Mr. Heckman emphasized the organization's evolving compensation philosophy, aiming to align more closely with private-sector Destination Marketing Organizations by prioritizing performance-based rewards over tenure, within the limitations of public sector employment. The Committee highlighted the importance of using measurable metrics, managing both revenue and expenses, and tailoring benchmarks for different departments.

Mr. Heckman stated that a broader cultural shift is underway to promote accountability, objective evaluations, and recognition of high performers. As a next step, Mr. Heckman agreed to continue researching market compensation and bonus structures across comparable organizations.

**B. Rebate Policy**

Mr. Heckman informed the Committee of the need to refresh the current hotel rebate policy, including considerations around hotel tax rebates and active abatements. He referenced previous support for enabling hotels within a designated radius to qualify and noted the utilization of various funding sources.

Mr. Heckman stated that Hunden Partners has been engaged as a feasibility consultant to conduct an in-depth analysis of new convention bookings, projected room nights, and anticipated revenue projections.

He noted that the company will collect data from other markets and present findings and recommendations to help align the updated policy.

- V. Executive Session.** Ms. Keenan announced an executive (closed) session at 2:33 p.m. pursuant to Texas Government Code Section 551.074 for the purpose of deliberation regarding the performance of the Officers of the Corporation.

Committee Members and Paula Whitten-Doolin, General Counsel, remained in the room. The executive session ended at 2:58 p.m.

- VI. Adjourn.** The meeting adjourned at 2:58 p.m.