



“
THAT’S ONE SMALL STEP
FOR MAN, ONE GIANT
LEAP FOR MANKIND.

—NEIL ALDEN ARMSTRONG

CORPORATE STRATEGY
BRIEFING DOCUMENT

SEPTEMBER 2019

Houstonfirst.

LETTER FROM THE PRESIDENT & CEO



Dear colleagues,

As Houston enters a new era of elevated attention and reputation, I am cautiously optimistic about the coming year. This increased awareness is no accident. It is the result of a strong vision and a stellar team bringing it to life.

However, past circumstances have exposed us to temporary vulnerabilities. With our financial reserves significantly down, we are moving into the future carefully while we work to strengthen our financial position. While new threats outside of our control always have the potential to derail our recovery, we still have a job to do and a mission to fulfill. Although we are being prudent with our spending, we have no intention of foregoing opportunities that further our mission.

As the Destination Marketing Organization for Houston, we are employing new and creative efforts to market Houston globally while simultaneously enhancing the quality of life for Houstonians.

People from around the world are continuing to discover Houston in greater numbers than ever. A record 22.3 million visitors made their way to our city in 2018. In addition, our sales team broke the room nights booked record for the fifth year in a row and is on pace to do it yet again this year.

Many national publications, including the *New York Times*, *Condé Nast Traveler*, *National Geographic*, *Travel & Leisure*, *CNN Travel*, and *Bloomberg*, all named Houston as one of the best places to visit in 2019.

Houston First is also helping to energize the city by supporting interactive event programming. Live entertainment like Party on the Plaza, as well as partnerships with University of Houston, KHOU-TV, and Radio One have attracted thousands of people to Avenida Houston and Discovery Green so far this year.

Creative public art displays including Loop, Impulse and the 50th Lunar Landing celebration have entertained downtown office workers, suburban day trippers and out-of-town visitors alike. The area, once lifeless, is now vibrant and has become the heartbeat of downtown.

Houston First is achieving all this despite the very challenging financial situation spawned by Hurricane Harvey's devastating blow to the Theater District two years ago. Thankfully, the Wortham is up and running again, providing a home to our world-renowned opera and ballet resident companies. Unfortunately, the effects of this burden on our financial condition will linger into the future.

As we move forward, enhancing quality of life and advancing economic prosperity while promoting Houston remain the core of our mission. In order to achieve this mission, our strategic planning must prioritize restoring our financial health while meeting the needs of our organization and customers.

As future opportunities arise, we will be compelled to take a hard look at each of them and make thoughtful decisions about which to choose. One such project is TX DOT's North Houston Highway Improvement Project. When it is complete, it will eliminate physical barriers between downtown and East Downtown (EaDO) and offer an opportunity to transform the downtown experience even further.

This briefing document provides an introduction to certain elements of the 2020-2022 Strategic Plan. The foundation of the HFC corporate strategy is built upon the pillars of Organizational Excellence, Stewardship, and Enhancing the Destination. Toward those ends, we have identified nine corporate goals and 13 initiatives that will inspire the achievement of our mission and convert our strategy into action.

So, while we are fighting the financial dragons of the past, we are also laying a foundation for the future. And I am pleased to report that on both fronts we are winning. We remain committed to creating a sense of place and experiences that Houstonians will embrace and that visitors will enjoy.

I am grateful to have your support and always value your input. As you review this briefing document, I welcome your comments and suggestions. On behalf of the HFC team, it is our honor to continue serving Houston and we know it is only by working with partners like you that we can truly achieve the best for our great city.

All my best,

Brenda W. Bazan

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STRATEGIC PLAN **FRAMEWORK**

MISSION

To enhance the quality of life, advance economic prosperity and promote the Houston region.

VISION

Promote Houston as a premier global destination, building partnerships to improve the quality of life of Houstonians, and becoming a top revenue generator for the Houston region.

VALUES

Accountability
Best in Class Culture
Collaboration
Diversity & Inclusion
Employee Fulfillment
Innovation
Integrity
Passion for Houston

OUR ROLE

Houston First Corporation is the official destination marketing organization (“DMO”) for Houston. We actively promote Houston through unified, collaborative efforts with our partners. We strive to enhance the Houston experience for visitors and residents by improving the quality of life through enrichments in quality of place. We facilitate the advancement of the Houston region’s authentic products and services.

Houston First Corporation generates economic benefits and new revenues for the region through strategic development and the attraction of convention, group and leisure visitors. Our team is a leading source of information in the meetings and hospitality sectors of the Houston market. We tell the story about the great things to do, see and experience in Houston.

Strategic Areas of Focus

ORGANIZATIONAL EXCELLENCE

STEWARDSHIP

ENHANCE THE DESTINATION

Top Short-Term Strategic Initiatives

- Culture & Career Development
- Development and Partnership
- Product Brand Unity
- Revenue Growth
- Visitation Growth

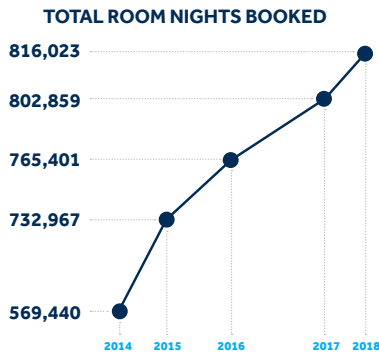
Top Long-Term Strategic Priorities

- Drive Economic Development
- Elevate Awareness of Houston’s Brand
- Flood Mitigation
- Lead the Promotion of Houston as a Premier Global Destination
- North Houston Highway Improvement Project (“NHHIP”) in regard to the Project



ORGANIZATIONAL EXCELLENCE

WE ARE CONSISTENTLY ACHIEVING THE HIGHEST STANDARDS OF OPERATION, EXECUTION AND CUSTOMER SERVICE.



MEETINGS & CONVENTIONS

Fifth consecutive year setting a new record for future meetings and conventions with 816,023 room nights booked in 2018 (43% increase over 2014)



GEORGE R. BROWN CONVENTION CENTER

EYP Architecture & Engineering Renovation/ Restoration Honors (AIA Houston Design Awards competition)



HILTON AMERICAS-HOUSTON

Hilton won the Hilton Brand Award of Excellence in 2018 (the only Hilton Property to have earned this distinction for 8 consecutive years)

37%
\$197M

COMMITMENT TO DIVERSITY

For the 6th consecutive year, exceeded corporate diversity spending goal in 2018

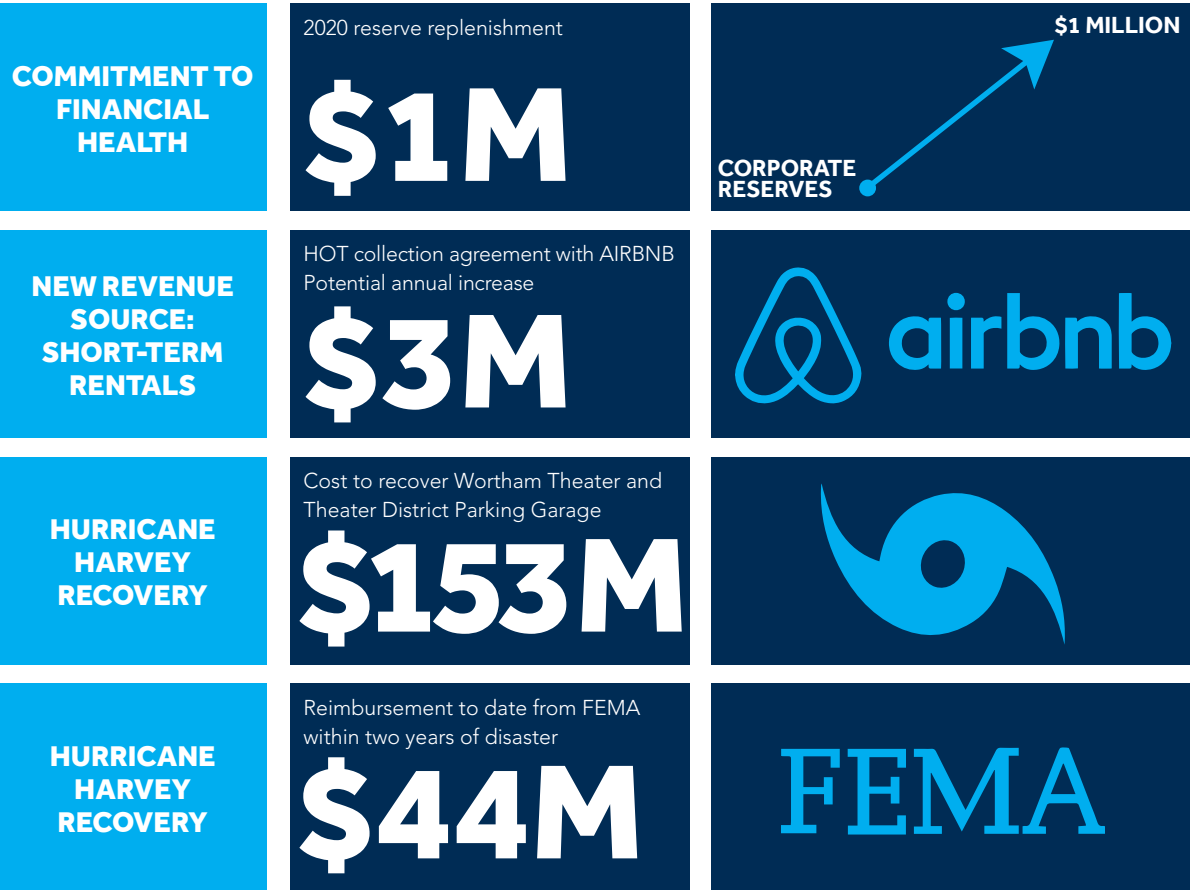
\$197 Million paid to diversity firms since program inception in 2012

STRATEGY **PILLAR**



STEWARDSHIP

WE ARE DILIGENT STEWARDS OF OUR ASSETS AND RESOURCES STRATEGICALLY APPLIED TO ENABLE THE SUCCESSFUL FULFILLMENT OF OUR MISSION.



Houston First is responsible for these assets:

- George R. Brown Convention Center
- Hilton Americas - Houston
- Jones Hall for the Performing Arts
- Jones Plaza
- Miller Outdoor Theatre
- Talento Bilingüe de Houston
- Theater District Parking
- Toyota Tundra Garage
- Wortham Theater Center
- Partnership Tower

Houston First is responsible for a myriad of events, venues and parking spaces:

2,650,000
square feet of building space

\$1.0 Billion
asset valuation of buildings

10,000
parking spaces

STRATEGY PILLAR



ENHANCE THE DESTINATION

WE ARE LEADING CATALYSTS TO ENHANCE THE HOUSTON REGION PRODUCTS, EXPERIENCES, QUALITY OF LIFE AND QUALITY OF PLACE.

HILTON GUEST ROOM RENOVATION	\$37M	
JONES PLAZA REDEVELOPMENT	\$5M	
PUBLIC SPACE PROGRAMMING- INCREASED ATTENDANCE	30% YOY	
VISITATION GROWTH	22.3M	
HOUSTON EXPERIENCE MARKETPLACE- 2018 SALES	\$136K	
50TH ANNIVERSARY LUNAR LANDING- EARNED MEDIA VALUE	\$3M	

CORPORATE STRATEGY

BUILDING VALUE FROM BOTTOM TO TOP









PILLAR	Strategy Level		Goal	Initiative	Key Performance Indicator (KPI)
	What question should each level answer?		What are the continuous improvement activities that HFC must put into action to be successful?	What actions will HFC take to achieve the goal?	How will HFC measure success?
ENHANCE THE DESTINATION	CUSTOMERS / STAKEHOLDERS	How well are we meeting the needs of customers & stakeholders through their eyes?	Improve Customer / Stakeholder Satisfaction	Visitation Growth	# of Total Annual Leisure Visitors
				Product Brand Unity	Brand Strength
				Value Proposition	TBD*
STEWARDSHIP	FINANCIAL / STEWARDSHIP	How do we maximize our capability to successfully further our mission?	Increase Financial Stability	Revenue Growth	HOT Current Revenues New Revenues Total Parking Revenues HFC Net Income Hilton Americas – Net Cash to Owner
				Net Asset Replenishment	TBD*
ORGANIZATIONAL EXCELLENCE	INTERNAL PROCESSES	How can we improve internal processes to deliver superior products & services?	Improve Communications	Interdepartmental Connection	TBD*
			Improve Organizational Processes	DMO	Sales Conversion % Rate Number of Tentative Room Nights Number of Impact Weeks Booked at GRB Number of Room Nights Booked
				Operations Enhancement	Level of Meeting Planner Satisfaction (%) Net Subsidy – Theater District Operations Number of Events Booked in Theaters
				Enhance the Houston Experience	Public Space Programming
			Strengthen HFC Strategic Position & Relationships	Stakeholder Relations	TBD*
	PEOPLE, TOOLS & TECHNOLOGY	How can we offer support to our employees through resources (i.e. people, tools & technology?)	Improve Technology & Technology Infrastructure	Cybersecurity Awareness	TBD*
			Develop One Team Identity	Corporate Brand Unity	TBD*
Improve Knowledge, Skills & Abilities			Professional Development	TBD*	

*TBD - To be determined as work is underway to identify all 2020 KPIs & related targets.

CORPORATE SCORECARD

2ND QTR
YEAR TO DATE

2ND QUARTER YEAR TO DATE

KEY PERFORMANCE INDICATOR ("KPI")	2018 ACTUAL	2019 ACTUAL	2019 TARGET	2019 VARIANCE	2019 TARGET STATUS
CUSTOMERS/STAKEHOLDERS					
▶ Current HOT Collections (Annual Target: \$91,500,000)	\$45,094,276	\$42,457,324	\$44,720,000	-5.1%	 ¹
FINANCIAL/STEWARDSHIP					
▶ Number of Room Nights Booked ² (Annual Target: 820,000)	204,254	289,767 ³	246,000	18%	
▶ Number of Sales Tentative Room Nights (Annual Target: 2,900,000)	1,492,752	1,902,883	1,450,000	31%	
▶ Number of Impact Weeks Booked at GRB Glide Path Year – 2020 ⁴	19	27	25	8%	
▶ Existing Revenue Streams - Theater District (Annual Target: \$16,222,332)	\$4,358,033	\$7,554,512	\$7,842,278	-3.7%	 ⁵
INTERNAL PROCESSES					
▶ On Target Completion Time - Hilton Guest Room Renovation (Target Completion date: 12/31/19)	N/A	30%	30%	0%	
▶ On Target Budgeting - Hilton Guest Room Renovation (Project Budget: \$37M)	N/A	\$7.6M 20%	\$7.6M 20%	0%	
▶ Flood Mitigation Measure(s) - % of Measure Implementation Phase One	N/A	15% ⁶	15%	0%	

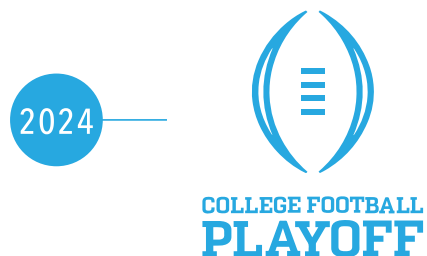
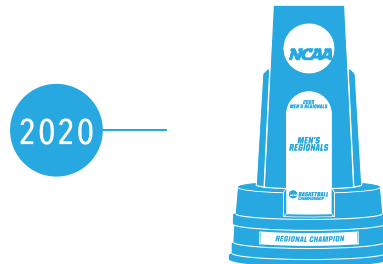
NOTES:

- Year to Date ("YTD") hotel occupancy tax ("HOT") collections came in under budget through June with a slight variance of -5.1%.
- Hotel room nights contracted during the current year for future meeting dates.
- Actual results vary as the year progresses based on a variety of factors, including, but not limited to, the size of the meeting groups booked and the timing of customers' final selection decisions. Group room nights do not book in equal monthly installments, but tend to book on a seasonal basis.
- The Sales Department has a 5-year glide path goal to reach 38 impact weeks booked in 2022 at the George R. Brown Convention Center ("GRB"). The target number for 2020 is 27 impact weeks booked at the GRB as part of the ramping up process to reach the total target of 38 by the end of 2022.
- Theater District Revenues came in under budget through June with a slight variance of -3.7%.
- Phase One is 15% complete with the balance under contract. The estimated project completion date is by April 2020.

Above Expectations	
Meets Expectations	
Target Variance < -10%	 KEY
Below Expectations	
In Progress/No Data	

KEY BOOKINGS

INDUSTRY & MAJOR EVENTS



HOUSTON ACCOLADES

HOUSTON BEST OF 2019

**Condé Nast
Traveler**
NAMED **HOUSTON**
ONE OF 19 BEST PLACES
TO GO IN 2019

The New York Times
NAMED **HOUSTON** ONE OF
52 PLACES TO GO IN 2019

OUT
NAMED **HOUSTON**
ONE OF 10 PLACES
TO GO IN 2019

**TRAVEL+
LEISURE**
NAMED **HOUSTON**
ONE OF THE 50 BEST
PLACES TO TRAVEL
IN 2019

CNN travel
NAMED **HOUSTON**
A TOP PLACE TO
TRAVEL IN 2019

AFAR
NAMED **HOUSTON**
ONE OF 25 PLACES TO
GO IN 2019

FOOD & WINE
NAMED **HOUSTON**
#2 ON "BEST FOOD
DESTINATIONS & CITIES
IN AMERICA 2019"

**NATIONAL
GEOGRAPHIC**
NAMED **HOUSTON**
IN ITS TOP TRAVEL
TRENDS FOR 2019

lonely planet
NAMED **HOUSTON**
#5 BEST VALUE IN
TRAVEL FOR 2019

skyscanner
NAMED **HOUSTON**
#4 ON "10 BEST 2019
NIGHTLIFE CITIES
IN THE U.S."

TRAVELZOO
NAMED **HOUSTON**
ONE OF 6 FAVORITE
FOOD CITIES IN U.S.

Bloomberg
NAMED **HOUSTON**
ONE OF 21 PLACES
TO GO IN 2019

tripsavvy
NAMED **HOUSTON**
THE BEST DESTINATION
FOR THE FOOD OBSESSED

FATH★M
NAMED **HOUSTON**
ONE OF THE TOP 15 PLACES
TO TRAVEL IN 2019

GO BankingRates
NAMED **HOUSTON**
ONE OF THE BEST TRAVEL
DESTINATIONS FOR
YOUR MONEY IN 2019



CY 2020 BUDGET

Houston First Corporation 2020 Budget Presentation - Detailed

Total

	2018 Actual	2019 Budget	2019 Projection	2020 Budget	2019 Proj. vs 2020 Budget Variance
426290 OTHER SERVICE CHARGES	\$ 268,525	\$ 284,950	\$ 222,417	\$ 196,400	\$ (26,017)
426420 BUILDING SPACE RENTAL FEES	\$ 44,631,407	\$ 41,132,107	\$ 42,063,815	\$ 44,093,229	\$ 2,029,414
443090 FOOD & DRINK CONCESSIONS	\$ 18,005,770	\$ 18,700,790	\$ 23,316,551	\$ 21,165,908	\$ (2,150,643)
443100 AUDIO VISUAL CONCESSIONS	\$ 831,034	\$ 662,380	\$ 750,814	\$ 613,520	\$ (137,294)
443110 UTILITY CONCESSIONS	\$ 1,598,282	\$ 1,665,986	\$ 1,747,984	\$ 1,500,200	\$ (247,784)
443140 TELEPHONE SETUP CONCESSIONS	\$ 1,182,851	\$ 1,002,893	\$ 1,061,693	\$ 1,085,216	\$ 23,523
443150 TELECOMMUNICATIONS REVENUE	\$ 169,444	\$ 205,428	\$ 137,473	\$ 206,840	\$ 69,367
443160 VENDING MACHINE CONCESSIONS	\$ 25,799	\$ 168,150	\$ 152,205	\$ 168,100	\$ 15,895
443170 RETAIL CONCESSIONS	\$ 851,251	\$ 1,002,080	\$ 1,003,015	\$ 1,201,820	\$ 198,805
443190 OTHER CONCESSION INCOME	\$ (0)				
445040 FACILITY RENTAL - EVENTS	\$ 7,065,446	\$ 6,329,854	\$ 6,678,221	\$ 6,802,564	\$ 124,343
445045 EQUIPMENT RENTAL FEES	\$ 449,738	\$ 347,505	\$ 360,825	\$ 315,738	\$ (45,087)
445050 WIFI-INTERNET USAGE FEES	\$ 1,515	\$ 1,200	\$ 1,850		\$ (1,850)
448010 CLEANING SERVICE FEES	\$ 532,142	\$ 325,000	\$ 337,122	\$ 356,975	\$ 19,853
426295 TICKETING CHARGES - TESSITURA	\$ 92,299	\$ 156,312	\$ 172,185	\$ 172,677	\$ 492
426440 PARK FACILITY USE FEES	\$ 2,513		\$ 11,627		\$ (11,627)
Venue Revenue	\$ 75,708,015	\$ 71,984,636	\$ 78,017,796	\$ 77,879,187	\$ (138,609)
467020 GARAGE PARKING REVENUE	\$ 16,604,305	\$ 19,562,493	\$ 19,249,578	\$ 21,322,271	\$ 2,072,693
468020 SURFACE PARKING REVENUE	\$ 755,926	\$ 591,777	\$ 564,034	\$ 803,948	\$ 239,914
Parking	\$ 17,360,231	\$ 20,154,270	\$ 19,813,612	\$ 22,126,219	\$ 2,312,607
476100 MISCELLANEOUS REVENUE	\$ 813,613	\$ 993,000	\$ 958,674	\$ 3,830,211	\$ 2,871,537
Miscellaneous	\$ 813,613	\$ 993,000	\$ 958,674	\$ 3,830,211	\$ 2,871,537
Operating Revenues	\$ 93,881,860	\$ 93,131,906	\$ 98,790,083	\$ 103,835,617	\$ 5,045,534
500100 SALARY BASE PAY	\$ 138,597				
501010 OVERTIME	\$ 759				
501030 BILINGUAL PAY	\$ 826				
502010 PENSION/401K/RETIREMENT PLAN	\$ 42,151				
503000 FICA/MEDICARE	\$ 15,787				
504000 HEALTH INSUR	\$ 14,095				
504010 LIFE INSUR	\$ 88				
505000 DISABILITY	\$ 205				
506000 WORKERS COMPENSATION	\$ 528				
507000 UNEMPLOYMENT	\$ 6,658				
509000 PERSONNEL SERVICES CONTRACT	\$ 26,366,560	\$ 27,434,285	\$ 26,735,007	\$ 28,563,811	\$ 1,828,804
509500 EMPLOYEE AWARDS	\$ 29				
501020 PREMIUM PAY	\$ 56,110				
504020 HEALTH INSUR - RETIREE	\$ 187,548	\$ 185,000	\$ 185,000	\$ 194,570	\$ 9,570
504030 HEALTH REIMBURSEMENT ACCT (HRA)	\$ 1,049				
509010 TEMP PERSONNEL SERV	\$ (1,933)				
Personnel	\$ 26,829,056	\$ 27,619,285	\$ 26,920,007	\$ 28,758,381	\$ 1,838,374
523000 ADVERTISING/MARKETING - GHCVB	\$ 6,008,910	\$ 4,452,470	\$ 4,496,938	\$ 4,100,000	\$ (396,938)
523010 ADVERTISING SERVICES	\$ 1,114,097	\$ 1,783,166	\$ 1,776,547	\$ 1,630,000	\$ (146,547)
523030 COMMUNITY INVESTMENTS	\$ 157,923	\$ 200,000	\$ 198,913	\$ 200,000	\$ 1,088
523050 RESEARCH				\$ 446,880	\$ 446,880
525070 CLIENT COLLATERAL	\$ 240,779	\$ 234,200	\$ 146,946	\$ 70,200	\$ (76,746)
529120 ELECTRONIC MARKETING	\$ 740,597	\$ 814,000	\$ 739,152	\$ 600,000	\$ (139,152)
529145 PUBLIC RELATIONS	\$ 647,479	\$ 637,000	\$ 634,337	\$ 425,000	\$ (209,337)
Advertising & Promotion	\$ 8,909,786	\$ 8,120,836	\$ 7,992,832	\$ 7,472,080	\$ (520,752)
525080 FAM TRIPS	\$ 273,078	\$ 285,000	\$ 220,287	\$ 250,000	\$ 29,713
525100 TRAVEL - AIRFARE	\$ 286,791	\$ 312,257	\$ 218,253	\$ 262,995	\$ 44,742
525050 REGISTRATION FEES	\$ 290,186	\$ 374,271	\$ 334,809	\$ 409,075	\$ 74,266
525090 SITE VISITS / SALES CALLS	\$ 399,616	\$ 442,000	\$ 439,503	\$ 429,000	\$ (10,503)
525095 HOSTED EVENTS	\$ 1,470,185	\$ 1,983,119	\$ 3,041,336	\$ 2,049,376	\$ (991,960)
525096 REIMBURSEMENTS - HOSTED EVENTS				\$ (1,316,944)	\$ (1,316,944)
525150 TRAVEL - ALL OTHER	\$ 852,066	\$ 769,585	\$ 681,410	\$ 728,172	\$ 46,762

CY 2020 BUDGET

Houston First Corporation 2020 Budget Presentation - Detailed

Total

	2018 Actual	2019 Budget	2019 Projection	2020 Budget	2019 Proj. vs 2020 Budget Variance
525030 CLIENT ENTERTAINMENT	\$ 135				
525060 COMPANY MEETINGS (DIRECTORS, EXECUTIVE, LOCAL)	\$ 86,041	\$ 148,550	\$ 55,712	\$ 104,100	\$ 48,388
525040 MEMBERSHIP AND PROFESSIONAL FEES	\$ 323,455	\$ 275,406	\$ 282,732	\$ 314,668	\$ 31,936
Travel, Promotion, and Events	\$ 3,981,552	\$ 4,590,188	\$ 5,274,042	\$ 3,230,442	\$ (2,043,600)
521000 BLDG MAINT - OTHER	\$ 722,270	\$ 1,154,650	\$ 1,052,404	\$ 728,487	\$ (323,917)
521010 BLDG MAINT (TDI)	\$ 5,429,276	\$ 5,748,797	\$ 5,495,745	\$ 5,884,779	\$ 389,034
521020 ERS	\$ 1,504,432	\$ 1,683,479	\$ 1,441,042	\$ 1,569,209	\$ 128,167
521040 PEST CONTROL	\$ 1,420				
521050 WINDOW WASHING CONTRACTOR	\$ 85,700	\$ 115,750	\$ 110,350	\$ 121,600	\$ 11,250
521060 LAND AND GROUND MAINT	\$ 424,872	\$ 356,339	\$ 364,141	\$ 516,400	\$ 152,259
Facility Maintenance	\$ 8,167,970	\$ 9,059,015	\$ 8,463,683	\$ 8,820,475	\$ 356,792
522800 FOOD AND BEVERAGE	\$ 12,213,156	\$ 12,860,697	\$ 15,525,476	\$ 13,945,730	\$ (1,579,746)
Food and Beverage	\$ 12,213,156	\$ 12,860,697	\$ 15,525,476	\$ 13,945,730	\$ (1,579,746)
521200 SECURITY SERVICES	\$ 4,232,930	\$ 4,845,521	\$ 4,227,703	\$ 4,485,332	\$ 257,629
Security	\$ 4,232,930	\$ 4,845,521	\$ 4,227,703	\$ 4,485,332	\$ 257,629
522000 ELECTRICITY	\$ 3,700,438	\$ 3,979,800	\$ 3,774,966	\$ 3,814,729	\$ 39,763
522020 WATER SERVICES	\$ 405,110	\$ 434,700	\$ 399,926	\$ 439,634	\$ 39,707
522025 DRAINAGE FEE CHARGEBACK	\$ 35,546	\$ 35,548	\$ 35,547	\$ 40,000	\$ 4,453
522030 SEWER SERVICES	\$ 257,678	\$ 290,700	\$ 267,194	\$ 279,535	\$ 12,341
522040 NATURAL GAS	\$ 251,537	\$ 196,270	\$ 204,645	\$ 223,575	\$ 18,930
522050 REFUSE DISPOSAL	\$ 159,906	\$ 165,200	\$ 161,628	\$ 167,418	\$ 5,790
522060 RECYCLING DISPOSAL	\$ 3,928	\$ 6,040	\$ 5,696	\$ 5,967	\$ 271
522070 VOICE/ DATA SERVICES	\$ 515,376	\$ 550,000	\$ 547,653	\$ 550,000	\$ 2,348
Utilities	\$ 5,329,519	\$ 5,658,258	\$ 5,397,256	\$ 5,520,858	\$ 123,603
522700 PARKING EXPENSE	\$ 3,332,042	\$ 3,592,880	\$ 3,327,346	\$ 3,580,316	\$ 252,970
Parking	\$ 3,332,042	\$ 3,592,880	\$ 3,327,346	\$ 3,580,316	\$ 252,970
521100 CLEANING SERVICES	\$ 5,929,670	\$ 6,646,563	\$ 6,383,168	\$ 6,936,567	\$ 553,399
Janitorial	\$ 5,929,670	\$ 6,646,563	\$ 6,383,168	\$ 6,936,567	\$ 553,399
528100 INSURANCE	\$ 2,298,372	\$ 2,319,447	\$ 4,193,199	\$ 4,683,880	\$ 490,681
Insurance	\$ 2,298,372	\$ 2,319,447	\$ 4,193,199	\$ 4,683,880	\$ 490,681
524050 REAL ESTATE SERVICES	\$ 2,493,501	\$ 57,800	\$ 25,147	\$ 5,000	\$ (20,147)
526010 LEASE EXPENSE - CEF PROPERTIES	\$ 1,449,000	\$ 1,449,000	\$ 1,449,000	\$ 1,449,000	\$ -
Lease Expense	\$ 3,942,501	\$ 1,506,800	\$ 1,474,147	\$ 1,454,000	\$ (20,147)
524020 CONSULTING SERVICES	\$ 2,645,662	\$ 3,156,960	\$ 2,965,576	\$ 2,339,950	\$ (625,626)
Consulting	\$ 2,645,662	\$ 3,156,960	\$ 2,965,576	\$ 2,339,950	\$ (625,626)
510000 CLEANING & SANITARY SUPPLIES	\$ 240,908	\$ 260,500	\$ 243,347	\$ 254,500	\$ 11,153
510010 CONSTRUCTION MATERIALS	\$ 5,626	\$ 24,000	\$ 13,930	\$ 14,500	\$ 570
510020 ELECTRICAL HARDWARE & PARTS	\$ 26,855	\$ 63,000	\$ 39,588	\$ 35,000	\$ (4,588)
510030 MECHANICAL HARDWARE & PARTS	\$ 3,541	\$ 9,000	\$ 4,255	\$ 5,000	\$ 745
510040 AUDIOVISUAL SUPPLIES	\$ 78,424	\$ 512,000	\$ 420,280	\$ 510,000	\$ 89,720
510050 COMPUTER SUPPLIES	\$ 21,215	\$ 24,000	\$ 34,263	\$ 25,000	\$ (9,263)
510060 PUBLICATIONS & PRINTED MATERIALS	\$ 16,993	\$ 28,521	\$ 16,586	\$ 23,793	\$ 7,207
510070 POSTAGE	\$ 113	\$ 2,100	\$ 805	\$ 300	\$ (505)
510080 MISCELLANEOUS OFFICE SUPPLIES	\$ 66,630	\$ 86,413	\$ 60,029	\$ 63,000	\$ 2,971
510090 MEDICAL & SURGICAL SUPPLIES	\$ 39,165	\$ 12,100	\$ 7,769	\$ 6,000	\$ (1,769)
510100 FUEL	\$ 41,716	\$ 39,700	\$ 27,549	\$ 40,375	\$ 12,826
510110 VEHICLE REPAIR & MAINTENANCE SUPPLIES	\$ 8,032	\$ 8,000	\$ 5,341	\$ 6,800	\$ 1,459
510120 CLOTHING	\$ 10,005	\$ 12,150	\$ 5,387	\$ 8,500	\$ 3,113
510130 CLIENT AMENITIES	\$ 229,814	\$ 250,000	\$ 250,487	\$ 250,000	\$ (487)
510135 FURNISHINGS	\$ 49,848	\$ 89,200	\$ 47,584	\$ 36,500	\$ (11,084)
510150 SMALL TOOLS & MINOR EQUIPMENT	\$ 8,001	\$ 15,000	\$ 14,320	\$ 11,500	\$ (2,820)
510160 MISCELLANEOUS PARTS & SUPPLIES	\$ 381,742	\$ 382,544	\$ 372,945	\$ 426,502	\$ 53,557
Supplies	\$ 1,228,628	\$ 1,818,228	\$ 1,564,464	\$ 1,717,270	\$ 152,805
524000 BANKING SERVICES	\$ 61,196	\$ 20,000	\$ 50,723	\$ 64,500	\$ 13,777
524010 BANK / CREDIT CARD FEES	\$ 342,624	\$ 383,765	\$ 383,545	\$ 400,000	\$ 16,455
524030 MANAGEMENT FEES	\$ 136,198	\$ 145,200	\$ 155,846	\$ 204,000	\$ 48,154

CY 2020 BUDGET

Houston First Corporation 2020 Budget Presentation - Detailed

Total

	2018 Actual	2019 Budget	2019 Projection	2020 Budget	2019 Proj. vs 2020 Budget Variance
524040 ARCHITECTURAL SERVICES	\$ 25,700				
524060 ENGINEERING SERVICES		\$ 5,000	\$ 2,500		\$ (2,500)
524080 ACCOUNTING AND AUDITING SERVICES	\$ 206,346	\$ 200,000	\$ 182,500	\$ 200,000	\$ 17,500
529060 MAIL/DELIVERY SERVICES	\$ 68,345	\$ 57,860	\$ 57,598	\$ 55,850	\$ (1,748)
529080 VEHICLE & MOTOR EQUIPMENT SERVICES	\$ 12,600	\$ 1,500	\$ 2,541		\$ (2,541)
529090 CONSTRUCTION SITE WORK SERVICES	\$ 176				
529100 PRINTING & REPRODUCTION SERVICES	\$ 13,330	\$ 53,700	\$ 27,609	\$ 50,750	\$ 23,141
529130 OTHER EQUIPMENT SERVICES	\$ 120,435	\$ 180,000	\$ 100,823	\$ 122,500	\$ 21,677
Fees & Services	\$ 986,949	\$ 1,047,025	\$ 963,683	\$ 1,097,600	\$ 133,917
529110 COMPUTER MAINT SERVICES	\$ 1,191,317	\$ 1,273,798	\$ 1,215,750	\$ 1,300,000	\$ 84,250
Computer Services	\$ 1,191,317	\$ 1,273,798	\$ 1,215,750	\$ 1,300,000	\$ 84,250
529020 LEGAL SERVICES	\$ 723,178	\$ 660,000	\$ 653,533	\$ 725,000	\$ 71,467
Legal Expense	\$ 723,178	\$ 660,000	\$ 653,533	\$ 725,000	\$ 71,467
525000 EDUCATION AND TRAINING	\$ 112,242	\$ 321,121	\$ 230,471	\$ 369,675	\$ 139,204
526030 CIVIC ARTS		\$ 45,000	\$ 109,658	\$ 205,000	\$ 95,342
528120 CLAIMS AND JUDGEMENTS			\$ 440,000		\$ (440,000)
529040 OFFICE EQUIPMENT RENTAL	\$ 137,120	\$ 144,650	\$ 131,558	\$ 83,196	\$ (48,362)
529050 EQUIPMENT/OTHER RENTAL	\$ 55,669	\$ 24,300	\$ 16,559	\$ 17,500	\$ 941
529150 MISCELLANEOUS OTHER SERVICES & CHARGES	\$ 297,275	\$ 331,848	\$ 261,796	\$ 537,123	\$ 275,327
899999 SUSPENSE	\$ 884				
Other	\$ 603,191	\$ 866,919	\$ 1,190,041	\$ 1,212,494	\$ 22,453
Operating Expenses	\$ 92,545,479	\$ 95,642,420	\$ 97,731,907	\$ 97,280,375	\$ (451,532)
Net Income From Operations	\$ 1,336,381	\$ (2,510,514)	\$ 1,058,175	\$ 6,555,242	\$ 5,497,067
449110 HOT - Current	\$ 87,033,457	\$ 91,500,000	\$ 86,624,329	\$ 91,500,000	\$ 4,875,671
449510 HOT - Delinquent	\$ 2,126,479	\$ 2,500,000	\$ 2,098,540	\$ 1,750,000	\$ (348,540)
Hotel Occupancy Tax (Current & Delinquent)	\$ 89,159,936	\$ 94,000,000	\$ 88,722,869	\$ 93,250,000	\$ 4,527,131
Contributions	\$ -	\$ -	\$ 490,000	\$ -	\$ (490,000)
490010 TRANSFERS FROM COH	\$ 11,062,943	\$ -	\$ -	\$ -	\$ -
Net Available Pledged Rev. Transfer	\$ 11,062,943	\$ -	\$ -	\$ -	\$ -
477000 INTEREST INCOME	\$ 1,162,597	\$ 889,995	\$ 1,489,148	\$ 994,992	\$ (494,156)
Interest Income	\$ 1,162,597	\$ 889,995	\$ 1,489,148	\$ 994,992	\$ (494,156)
Non Operating Revenue	\$ 101,385,476	\$ 94,889,995	\$ 90,702,017	\$ 94,244,992	\$ 3,542,975
523020 SPONSORSHIPS	\$ 6,426,492	\$ 6,049,720	\$ 5,924,989	\$ 728,925	\$ (5,196,064)
523025 CONTRACT OBLIGATIONS				\$ 3,892,428	\$ 3,892,428
523026 PROGRAMMING & EVENTS				\$ 3,550,000	\$ 3,550,000
Sponsorship Expense	\$ 6,426,492	\$ 6,049,720	\$ 5,924,989	\$ 8,171,353	\$ 2,246,364
528010 CONTINGENCY		\$ 2,500,000		\$ 2,500,000	\$ 2,500,000
528020 RESERVE REPLENISHMENT				\$ 1,000,000	\$ 1,000,000
Contingency	\$ -	\$ 2,500,000	\$ -	\$ 3,500,000	\$ 3,500,000
551100 CAPITAL PROJECTS	\$ 515,393	\$ 1,464,485	\$ 1,424,547	\$ 5,736,505	\$ 4,311,958
551140 NON-CAPITAL OFFICE FURN AND EQUIP	\$ 18,640				
551230 NON-CAPITAL COMPUTER EQUIPMENT	\$ 181,847	\$ 100,000	\$ 102,363	\$ 100,000	\$ (2,363)
560120 CAPITAL - BLDG AND BLDG IMPROVEMENT	\$ 1,971,833		\$ 499,265		\$ (499,265)
560130 CAPITAL - REGIONAL DEVELOPMENT	\$ 70,874				
560140 CAPITAL - FURNITURE, FIXTURE AND EQUIPMENT	\$ 298,071		\$ 142,801		\$ (142,801)
560230 CAPITAL - COM HARDWARE AND SOFTWARE			\$ 34,880		\$ (34,880)
Capital Spending	\$ 3,056,658	\$ 1,564,485	\$ 2,203,856	\$ 5,836,505	\$ 3,632,649
543000 DEBT AMORTIZATION /ISSUANCE	\$ 750		\$ 1,500,525		\$ (1,500,525)
543201 PRINCIPAL PAYMENT	\$ 21,199,356	\$ 23,287,384	\$ 23,856,969	\$ 24,331,216	\$ 474,247
543200 INTEREST EXPENSE	\$ 30,315,896	\$ 36,926,472	\$ 34,430,817	\$ 36,050,894	\$ 1,620,077
Debt Service	\$ 51,516,002	\$ 60,213,856	\$ 59,788,310	\$ 60,382,110	\$ 593,800
543500 TRANSFERS TO COH	\$ 18,571,543	\$ 19,464,009	\$ 19,265,523	\$ 19,467,991	\$ 202,468
COH Contractual Obligations	\$ 18,571,543	\$ 19,464,009	\$ 19,265,523	\$ 19,467,991	\$ 202,468

CY 2020 BUDGET

Houston First Corporation 2020 Budget Presentation - Detailed

Total

	2018 Actual	2019 Budget	2019 Projection	2020 Budget	2019 Proj. vs 2020 Budget Variance
526000 HOTEL TAX REFUNDS	\$ 2,705,745	\$ 2,250,000	\$ 2,451,343	\$ 2,425,000	\$ (26,343)
<i>Hotel Tax Refunds</i>	<i>\$ 2,705,745</i>	<i>\$ 2,250,000</i>	<i>\$ 2,451,343</i>	<i>\$ 2,425,000</i>	<i>\$ (26,343)</i>
Non Operating Expense	\$ 82,276,440	\$ 92,042,070	\$ 89,634,021	\$ 99,782,959	\$ 10,148,938
Total Revenue less Expenses	\$ 20,445,417	\$ 337,411	\$ 2,126,171	\$ 1,017,275	\$ (1,108,896)
Capital - Prior Year Carry Forward		\$ 1,315,000		\$ 10,300,277	\$ 10,300,277
Capital - Financed Projects		\$ 44,871,065	\$ 38,759,403	\$ 6,530,000	\$ (32,229,403)
Disaster Expense	\$ 58,140,925	\$ 38,274,283	\$ 34,359,242	\$ 8,801,299	\$ (25,557,943)
Approved Positions	249	231	228	230	(2)

TO INFINITY AND BEYOND...

Houston First Corporation

701 Avenida de las Americas

Houston, Texas 77010

713.853.8100

www.HoustonFirst.com