

# MINUTES

## HOUSTON FIRST CORPORATION

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### GOVERNANCE, AUDIT & FINANCE COMMITTEE

April 18, 2018

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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.TRANSF.CODE ANN. §431.101 et seq. and TEX.LOC.GOV'T.CODE ANN §394.001 et seq., held a meeting in the 2<sup>nd</sup> floor meeting room at the Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas 77010, on Wednesday, April 18, 2018, commencing at 2:00 p.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, John Johnson, Alex Brennan-Martin, Ryan Martin, and Jay Zeidman. Council Member Dave Martin and Linda Toyota were absent.

A quorum was established at 2:10 p.m.

1. **Public Comments.** None.

2. **Presentations and Reports.**

- A. **Post Construction Contract Review – J.T. Vaughn Construction, LLC.** – Odysseus Lanier, Partner; Gilbert Hopkins, Director; and Nicole Durio, Manager of the independent accounting firm of McConnell & Jones, LLP provided their findings from the final stages of their audit on construction costs associated with the construction contract between Houston First Corporation and J.T. Vaughn Construction. As a result of their findings, Houston First staff committed to revise contracts where applicable and ensure that processes and procedures are in place and monitored.

Jay Zeidman arrived at 2:19 p.m.

3. **Minutes.** Following a motion duly seconded, the minutes of December 8, 2017 and February 15, 2018 were approved as presented.

4. **Presentations and Reports (continued).**

- B. **Flood Recovery Status.** Jim Brownrigg of Turner Construction briefed the Committee on the project schedule, project budget, funding allocation, mitigation options and milestone dates, as well as proposed mitigation projects and basework mitigation items. A current mitigation log as of April 17, 2018 was handed out to Committee Members.

Roger Harris updated the Committee on the Project Manager/Architect and Manhattan Construction diversity goal status. He stated that both Turner and Harrison Kornberg are tracking to hit their diversity goals. Continued monitoring on Manhattan's Packages 4 and 5 is in place to ensure that the contractors meet Houston First's specifications.

Financial Report. Frank Wilson provided a report that covered the March 2019 financial results, restoration cost estimate and project cash flow, review of major revenues and a review of operating expenses. He also stated that HOT revenue is up in the first quarter versus budget, while expenses are down due to the closure of Wortham.

4. Updates.

- Four Houston Center – Peter McStravick provided an update on the former Greater Houston Convention & Visitors Bureau space at 4 Houston Center. He stated that the space is working well for the Houston Grand Opera and the notice of termination was extended to August 31, 2018. Revised termination costs have been requested and would be provided at the next meeting.

5. Announcements.

- Brenda Bazan provided a list of all known sponsorships through the end of 2018.
- Ms. Bazan also advised the Committee that the department listening tours had been very positive and she had received constructive suggestions. Departmental listening tours would be conducted again in approximately 18 months. A common theme included increased communication.
- Ms. Bazan invited the Committee to attend the April 20, 2018 employee event where the Employee of the Year and the Terry Beutler award would be issued.
- The Committee was informed that a memorandum went to all employees advising them of the reorganization.
- Frank Wilson stated that Deloitte would complete its report by late May and it would be included on the June Committee agenda.

The meeting adjourned at approximately 3:18 p.m.