

# MINUTES

## HOUSTON FIRST CORPORATION

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**Governance, Audit & Finance Committee**  
**April 17, 2019 – 2:00 P.M.**  
**Partnership Tower, 701 Avenida de las Americas, Ste. 200**  
**Houston, Texas 77010**  
**HFC BOARD ROOM**

*The Governance, Audit & Finance Committee ("Committee") 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., posted a meeting at Partnership Tower, 701 Avenida de las Americas, Houston, Harris County, Texas, 77010, on Wednesday, April 17, 2019, 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 were present for the meeting: Katy Caldwell (Chair), Alex Brennan-Martin, John Johnson, Linda Toyota, Ryan Martin, Jay Zeidman, and Council Member Dave Martin.*

The meeting was called to order at 2:02 p.m. and a quorum was established.

1. **Public Comments.** Pete Garcia, Executive Director for the US-Mexico Chamber of Commerce, explained that the local chamber helps to promote all the major industries of Houston such as energy, health, travel and tourism, manufacturing, and education, with a heavy focus on travel and tourism. According to Mr. Garcia, the chamber has partnered with Jorge Franz and the HFC Tourism Department, SpaceCom Comicalooza, and World Petroleum Congress.

Mr. Garcia asked the Committee for sponsorship support for the upcoming gala and would like use of the George R. Brown Convention Center as well as assistance with food-and-beverage expenses.

Mr. Garcia introduced Ms. Julie Betancor, President of the US-Mexico Chamber of Commerce. Ms. Betancor discussed her background in the hospitality industry and explained that she worked with the Greater Houston Convention Visitors Bureau years ago. She stated that she believes that the mission of the chamber and HFC are aligned, as they work together to promote Houston as a tourist destination.

Mr. Sanjay Ramabhadran, past President of the Indo-American Chamber of Commerce of Greater Houston, asked the Committee for support for the 20<sup>th</sup> anniversary of the Indo American Chamber of Commerce Gala. Mr. Ramabhadran explained that the chamber would like to roll out the red carpet for the Indian Ambassador to the U.S., who will attend

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the gala, as was done for Mayor Sylvester Turner on his recent trade mission to India. Mr. Ramabhadran stated that the gala will take place at the Hilton Americas-Houston Hotel and will have between 800-900 attendees.

Mr. Ramabhadran also discussed the growing number of Indian tourists to Houston and the importance of promoting business relations with India.

2. **Review and approval of minutes from prior meeting.** Following a motion duly seconded, the meeting minutes of February 20, 2019 were approved as presented.

3. **Presentations and Reports.**

A. **CFO Financing Update.** Frank Wilson, Chief Financial Officer, discussed bond financing. According to Mr. Wilson, HFC's bond rating will move from A- to A, which is much more favorable than HFC expected. Mr. Wilson stated it is a favorable outlook for HFC's debt.

Council Member Dave Martin asked additional information on the finance process, which Mr. Wilson further explained.

B. **CFO Report—Budget to Actual for 2019.** Mr. Wilson reported that HFC is on budget and that venue revenues are over budget due to higher than expected attendance at conventions. Mr. Wilson added that the Hilton Americas-Houston Hotel had a record month for income in March.

According to Mr. Wilson, the Hurricane Harvey recovery project is nearly complete with 70% completion in the Theater District Parking Garages and 82% completion at Wortham Theater. Mr. Wilson confirmed that all project related expenses should be paid by December 2019.

C. **2019 Strategic Plan Scorecard Update.** Susan Tucker, Director of Strategic Planning, provided an update on the new balanced scorecard method adopted by HFC. Ms. Tucker outlined the first quarter results based on the KPI's set for various strategic initiatives. Ms. Tucker reported that HFC was performing well overall and on-track to meet its performance goals.

Committee members offered feedback on the presentation and requested additional information on performance measures. Ms. Tucker welcomed all suggestions for the initial presentation and stated she will continue to refine the report.

D. **World Petroleum Congress Update.** Michael Heckman, Senior Vice President of Partnerships and Event Development, provided an update on the World Petroleum Congress ("WPC") that will be held at the George R. Brown Convention Center December 6-10, 2020. Mr. Heckman stated that the overall theme of the event is, "Innovative Energy Solutions."

Mr. Heckman provided a schedule of key milestones leading up to the main event and announced that the sponsor kick-off event and the State of the Congress had already taken place and both events were a success.

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According to Mr. Heckman, WPC has raised \$11.1 million in sponsorship dollars thus far and will likely surpass the \$15.5 million sponsorship goal. Mr. Heckman stated that he is confident HFC will not bear any financial obligation as guarantor under the agreement with WPC.

In conclusion, Mr. Heckman stated he is working closely with Roger Harris to implement a Diversity Vendor Program to provide business opportunities for minority and women-owned businesses enterprises.

## 4. Committee Business.

- A. Consideration and possible endorsement of a sponsorship submitted by the US-Mexico Chamber. Arcy Muñoz, Community Relations Manager, provided details on the 2019 Community Relations budget. She also provided demographic information noting the diversity of recipients as compared to the U.S Census.

Ms. Muñoz provided historical data on HFC's contributions to the US-Mexico Chamber Gala and announced that the request for 2019 was \$30,000.

After discussion concerning similar requests and the limited availability of funds, Ryan Martin moved that the motion be amended to reduce the sponsorship amount requested to \$5,000 to be consistent with similar sponsorships in 2019.

A motion was made for the endorsement of a sponsorship submitted by the US-Mexico Chamber in the amount of \$5,000. The motion passed unanimously.

- B. Consideration and possible endorsement of a sponsorship submitted by the Indo-American Chamber of Commerce Gala. Ms. Muñoz announced that it is the 20<sup>th</sup> anniversary of the gala and the U.S. ambassador of India will be in attendance. She further clarified that the Executive Team had previously approved a request for \$5,000, so the Committee would be voting on an additional sponsorship request of \$15,000.

Board member Bobby Singh addressed the Committee and asked the members to evaluate the sponsorship request on the basis of equity as determined by the demographic information. Additionally, Mr. Singh emphasized the importance of supporting the Indo-American community, as a major contributor to the Hilton Americas-Houston Hotel. He further clarified that the original sponsorship request was for \$20,000.

There was discussion among the Committee members about whether a motion was needed to reduce to the sponsorship amount to \$5,000 to be consistent with other requests. Ms. Katy Caldwell clarified that \$5,000 had been approved previously by the Executive Team and that the request for additional support was the only item under consideration by the Committee.

Ms. Caldwell, as Chair, asked if there was a motion. No motion was offered and there was no further discussion.

## 5. Adjournment. The meeting was adjourned at 3:20p.m.