

# HOUSTON FIRST CORPORATION

## MINUTES OF THE GOVERNANCE, AUDIT & FINANCE COMMITTEE

June 2, 2015

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 in the George R. Brown Convention Center, 3rd Floor Executive Boardroom, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Tuesday, June 2, 2015, 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 members participated in the meeting: Katy Caldwell, Lisa Anderson, Alex Brennan Martin, Winslow Jeffries and Dawn Ullrich. John Johnson was absent.

Chairperson Caldwell called the meeting to order at approximately 2:00 P.M. and a quorum was established.

1. **Public Comments.** None
2. **Review and Approval of Minutes.** A motion was made and duly seconded to approve the minutes of the May 12, 2015 meeting.
3. **Presentations.** Anne Culver, Scenic Houston, gave a presentation on the Broadway/Hobby Corridor Redevelopment Project. Her presentation included an overview of the project, essential elements, proposed budget, and redevelopment timeline.
4. **Consideration and possible recommendation of the Houston First Corporation 2014 Annual Audit.** Elaine Reyes and Scott Elliott of Deloitte & Touche attended the meeting and provided the highlights of the audit. In summary, HFC received an unqualified, or clean, opinion. There were no material misstatements, no significant changes in adopted accounting policies, no disagreement with management related to matters that are material to the consolidated financial statements and no knowledge of fraud or suspected fraud affecting the Corporation. In addition, the agreed-upon procedures report on compliance with HFC's Investment Policy was presented by Deloitte with no exceptions. Following discussion on this item, a motion was made and duly seconded to recommend the Houston First Corporation 2014 Annual Audit to the Houston First Corporation's Board of Directors for review and approval.
5. **Consideration and possible recommendation of sponsorship agreements with RCM Entertainment, L.P. d/b/a Lone Star Sports & Entertainment for the AdvoCare Texas Kickoff and AdvoCare Texas Bowl Games.** Michael Heckman gave an overview of this item and noted that this filled a need period for hotels. This sponsorship will give Houston prominent positioning, national marketing exposure and significant hospitality assets with both games. Following discussion on this item, a motion was made and duly seconded to recommend the sponsorship agreements with RCM Entertainment, L.P. to Houston First Corporation's Board of Directors for review and approval.

6. **Consideration and possible recommendation of a sponsorship agreement with Scenic Houston for the Broadway/Hobby Corridor Redevelopment Project.** Following a motion duly seconded, the Committee voted to recommend this item to Houston First Corporation's Board of Directors for review and approval.

6. **Consideration and possible recommendation of an Event Participation Agreement with the 2016 NCAA Men's Final Four Local Organizing Committee for the 2016 Men's Final Four games.** Doug Hall, of the Local Organizing Committee, was in attendance and gave an update on the benefits of the Final Four games, which include additional hotel spending, worldwide television and public relations exposure for Houston and prominent recognition of Houston First by the local organizing committee. Following discussion on this item, a motion was made and duly seconded to recommend this item to Houston First Corporation's Board of Directors for review and approval.

7. **CFO Report.** Brenda Bazan briefed the Committee on the first quarter financial reports which included explanations of variances in operating revenues, operating expenses, non-operating revenues (expenses), and net income. She also provided an update on HFC's diversity position.

In addition, Dawn Ullrich briefed the Committee on the recent flooding of the City Hall Annex garage.

The meeting adjourned at approximately 3:41 P.M.

  
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Pamela Walko, Secretary