

HOUSTON FIRST CORPORATION
MINUTES OF COMPENSATION AND BENEFITS COMMITTEE

March 25, 2013

The Compensation and Benefits 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, 3rd Floor Boardroom, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Monday March 25, 2013, commencing at 1:30 PM. 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: Deon Warner, Ric Campo, Katy Caldwell and Dawn Ullrich.

Chairperson Warner called the meeting to order at approximately 1:34 PM and a quorum was established.

1. No Public Comments
2. Approval of Minutes. After a motion duly seconded, the minutes of the October 19, 2012 meeting were approved. Katy Caldwell abstained.
2. Report from President regarding 2012 Accomplishments. Dawn Ullrich gave an overview of the 2012 year noting the items that had been achieved concerning employee relations including the completion of an employee survey that reflected positively on management and the work environment. Julie Gorte explained the proposed 2013 Merit Pay Program and the need to train managers on the new performance evaluation form, rating system, and process. Training for this is set for May 6, 2013.
4. Consideration of, and possible action on, the proposed 2013 Bonus Pay Plan. After a motion duly seconded, the committee approved the proposed 2013 Bonus Plan, noting that merit and bonus increases should be discussed by the Compensation and Benefits Committee, but as long as the amount has been approved in the annual budget there is no need to take the actual plan to the Board.
5. Employee Survey Results. Bambi McCullough of gave a brief overview of the method used in the recent employee survey and overall results that were received.

Discussion concerning the actual questions and answers were discussed and Ric Campo requested that the committee be given the complete survey results. It was agreed to have these sent by email to all committee members.

6. HAH Executive Staff. Brenda Bazan advised the Committee that as of January 1, 2013, the Hilton Americas Executive staff was added to CCSI. She explained that this was due to the Private Letter Ruling released by the IRS in 2003 stating that the HAH Executive staff would be employees of the Corporation and leased to Hilton. Hilton reimburses CCSI for wage and benefits.

7. Miscellaneous HR Updates.

a. Pension. Lisa Hargrove advised the Committee of the ongoing negotiation with the City Pension Board and the Bill which is to be heard by Committee at the State Legislature.

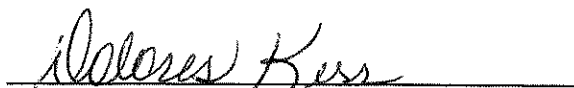
b. Training. Annette Goldberg explained the major request received from the employee survey was training. Additional training programs are in the planning stages. She informed the Committee that this had already started with the 401K training being given by One America.

c. Fresh Start. Dawn Ullrich gave a brief overview on the Fresh Start Program that was recently started for employees. The Kick -Off meeting was presented as Health Fair. Employee participation was very high and continues with monthly presentation on items such as stress management, organizational skills, weight watchers, money matters, nutrition, etc.

d. Discovery Houston. Pamela Walko gave an update on Discovery Houston's employee activities. She explained that monthly the Discovery Houston committee of about 8 to 10 members provide activities that teach interested employees about Houston.

8. Announcements. Next meeting May 2, 2013 – 11:30 AM- 1:00 PM

The meeting adjourned at approximately: 2:35 PM.



Dolores Kerr, Secretary