

HOUSTON FIRST CORPORATION

MINUTES OF THE AUDIT & FINANCE COMMITTEE

January 13, 2014

The 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.TRANS.P.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 Board Room, 1001 Avenida de las Americas, Houston, Harris County, Texas 77010, on Monday, January 13, 2014, commencing at 1:00 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, David Arpin, C.C. Conner, Jr., Desrye Morgan and Dawn Ullrich.

Chairperson Caldwell called the meeting to order at approximately 1:04 p.m. and a quorum was established.

1. **Public Comments.** None
2. **Approval of Minutes.** After a motion duly seconded, the minutes from the November 8, 2013 meeting were approved.
3. **Presentations.** None
4. **Consideration of, and possible recommendation with regard to entering into an agreement with Andy Frain Services, Inc. for security guard services for all Houston First Corporation leased facilities.** Brenda Bazan directed the committee members to the information provided relative to the bid process for security guard services. Discussion followed by all. After a motion duly seconded, the committee agreed to recommend entering into an agreement with Andy Frain Services, Inc. for security guard services to the Houston First Corporation Board of Directors.
5. **Financial Review.** Brenda Bazan gave the committee an overview of the statements of actual revenues and expenses versus the annual budget for hotel administration and leased assets. The statements were for the year-to-date period ending November 30, 2013. Desrye Morgan suggested revising the format to include footnotes or prepare a diagram that indicates how funds flow to the various Houston First-related entities.
6. **Stress Test.** Brenda Bazan provided an overview of financial position under various scenarios – baseline, mild recession, and strong recession.

7. **4th Quarter Investment Report.** Peter McStravick gave a brief overview of the investments of Houston First.

8. **Convention Services Agreements.** Peter McStravick advised the Committee that two hotels made presentations to the Hotel Committee seeking a Convention Services Agreement. These agreements provide a rebate for seven years if the project is within walking distance of the George R. Brown Convention Center and, without this agreement, the projects would not be able to be developed.

9. **Announcements.** None

10. **Upcoming meetings.** June 2, 2014. In addition, there will be a meeting in March or April 2014 to review the budget process.

The meeting adjourned at approximately 1:47 p.m.



Pamela Walko, Secretary