

**HARRIS COUNTY – HOUSTON SPORTS AUTHORITY
MINUTES OF THE BOARD OF DIRECTORS MEETING
APRIL 5, 2018**

STATE OF TEXAS }
HARRIS COUNTY – HOUSTON }
SPORTS AUTHORITY }

A meeting of the Board of Directors (the “Board”) of the Harris County – Houston Sports Authority (the “Authority”), a sports and community venue district, was held in the HFC Board/Training Room on the second floor of Partnership Tower, 701 Avenida de las Americas, Houston, Texas 77010, commencing at 10:00 a.m. on Thursday, April 5, 2018. Written notices of the meeting, including the date, hour, place and agenda for the meeting, were posted in Harris, Fort Bend and Montgomery Counties in accordance with the Texas Open Meetings Act. The following Directors participated in the meeting: Chairman J. Kent Friedman, Directors Willie Alexander, Joseph Callier, Lawrence Catuzzi, Cindy Clifford, Jess Fields, Bruce Oakley, Tom Sprague and Robert Woods. Mr. Tom Waggoner, Controller for the Authority; Ms. Kelly Sandill, Hunton Andrews Kurth LLP, Counsel for the Authority; and Mr. Trey Cash, First Southwest Company, a division of Hilltop Securities, Financial Advisors for the Authority, were also present.

Guests in attendance were: Mr. Phil Owen, Harris County Judge Emmett’s office; Mr. Steve Dorman, Harris County Commissioner Steve Radack’s office; Ms. Joanye Henderson, Harris County Commissioner Jack Cagle’s office; Ms. Tracey Prince, Houston First Corporation; Mr. Marcel Braithwaite, Houston Astros; Mr. Nef Partida, Locke Lord LLP; Mr. Fred Cuellar, Diamond Cutters International; Dr. Ignatius Okeze, Houston; and Deacon Leonard Lockett, Co-Cathedral of the Sacred Heart, Houston.

1. **Call to Order.** Recognizing that a quorum was present, Chairman Friedman called the meeting to order at approximately 10:00 a.m. Chairman Friedman then introduced Deacon Lockett, who offered the invocation. Following the invocation, the Chairman asked those present to join in observing a moment of silence for the recent passing of family members of Ms. Janis Schmees Burke, Chief Executive Officer for the Authority, and Director Laura Murillo, both of whom were unable to attend the meeting today.

2. **Discussion and possible action on resolution recognizing the reappointments to the Board of Directors of the Harris County – Houston Sports Authority of Dr. Laura G. Murillo, City Position 5; and Robert Woods, City Position 11; and the appointment to the Board of Directors of Martye M. Kendrick, City Position 4; and swearing-in ceremony relating to same.** Chairman Friedman administered the Oath of Office to Director Woods, noting that Directors Murillo and Kendrick were unable to attend today, but will be sworn in at the June 7 Board meeting.

3. **Action on resolution recognizing and commending the efforts of outgoing member of the Board of Directors of the Harris County – Houston Sports Authority of Matthew Rogers, Jr., City Position 4.** Chairman Friedman thanked Director Rogers for his years of dedicated service to the Board, and called for a motion on the resolution recognizing that service. Motion was made by Director Catuzzi, seconded by Director Callier, and passed unanimously. A video was shown which showcased many of the highlights of Director Rogers' service to the Authority. Chairman Friedman then presented an engraved crystal keepsake, along with a framed, commemorative version of the resolution, to Director Rogers, in grateful appreciation from the Authority's Board of Directors and staff.

4. **Presentation and approval of the minutes from the Board Meeting held on February 12, 2018.** Chairman Friedman presented the draft minutes from the Board meeting held on February 12, 2018, which had been previously circulated for the Board's review, and called for a motion to approve. Motion was made by Director Catuzzi, seconded by Director Fields, and passed unanimously.

5. **Chairman's Report.**

a. **Update on Astros lease extension.** Chairman Friedman was pleased to report that an extension of the Astros lease at Minute Maid Park is very close to being finalized, and the Authority looks forward to continuing its great relationship with the Astros for many more years to come. He asked Mr. Braithwaite to convey the Authority's appreciation to the Astros organization for its cooperation in bringing this to fruition.

b. **Discussion of possible pending matters at the next session of the Texas Legislature that potentially impact the operations of the Authority.** Chairman Friedman stated that the Authority continues to be vigilant in monitoring activity in the State Legislature that could have an effect on how the Authority conducts business. He noted that one of the items that will be addressed during the next legislative session is an attempt to simplify the mechanics of how the Events Trust Fund operates.

c. **Reminder that Personal Financial Statements are due to State's Ethics Commission by April 30, 2018.** Chairman Friedman reminded the Directors that Personal Financial Statements are due to the Texas Ethics Commission on or before April 30, 2018. He noted that a 60-day extension to June 30 will be granted, but only if the request is filed before April 30. Chairman Friedman reminded the Directors that failure to file timely will result in a \$500 fine. He also reminded the Directors that a copy of their Personal Financial Statement is required by statute to be sent to the Authority's offices.

6. **Chief Executive Officer's Report.**

a. **Mr. Fred Cuellar, President, Diamond Cutters International.** In Ms. Burke's absence, Chairman Friedman called upon Ms. Patti Smith, Public Relations Director for the Authority, to introduce Mr. Cuellar. She noted that the announcement of the establishment of a Houston Sports Hall of Fame was made at the inaugural Houston Sports Awards event in February, and that Mr. Cuellar's firm was called upon to design and produce the Hall of Fame rings. Mr. Cuellar brought the actual rings that had been designed and which will be given to the first three inductees – the legendary 34s – Nolan Ryan, Hakeem Olajuwon and Earl Campbell. The date for the press conference and the unveiling of rings and their presentation will be held in early June.

b. **Update on activities and sporting events.** Ms. Smith, Mr. Chris Massey, Director of Events for the Authority, and Mr. Doug Hall, Vice President of Special Projects for the Authority, gave updates on the following:

- Rockets Title Night event;
- Olympians' return to Houston from the 2018 Winter Games in PyeongChang, including USA Bobsled Team member, Houstonian Sam McGuffie, and the Nigerian Bobsled Olympic Team;
- USA BMX site visit;
- 2018 Southern Bowling Congress Annual Tournament;
- 2018 NCAA DII Women's Golf Championship;
- USA Rugby vs Rugby Scotland;
- World Cup/United Bid Committee;
- NCAA Men's Final Four bid;
- Houston Business Journal's Landmark Awards nomination for the Authority's offices; and

- Introduction of the Authority's spring interns.

Chairman Friedman thanked the staff for the update and for all of the efforts to bring these events to our community.

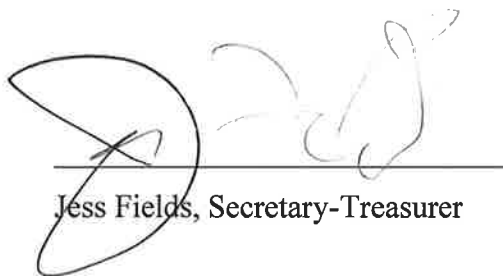
7. **Chairman Friedman announced that, pursuant to provisions of Chapter 551, Texas Government Code, the Board shall deliberate in Executive Session on the following: Consultation with attorneys on legal matters; deliberation on real estate matters; and deliberation on personnel matters.** At approximately 10:45 a.m., the Board of Directors recessed into a closed meeting to deliberate on the agenda items. Following Executive Session, the Board reconvened in open session at 11:20 a.m.

7. **Finance Committee Chairman Update.** Director Fields reported that through December, 2017, Motor Vehicle Rental Tax collections of \$25,080,015 were over budget by 4.1%; compared to 2016, they are under by \$362,410, or about 1.4%. He noted that Hotel Occupancy Tax collections of \$3,687,789 were over budget by 13.8%; compared to 2016, they are over budget by \$1,798,097, or about 6%. Director Fields noted that Stadium Revenues are under budget by 3.7% because of events cancelled due to Hurricane Harvey; Investment Income is 37% over budget; Reimbursement from the State's Events Trust Fund is under budget by 69.5% because the State is still reviewing two events from 2016 – COPA Soccer and AAU Junior Olympics; Miscellaneous Revenues are under budget by 71% because revenue from the Houston Sports Awards event was not received in 2017 as planned. He reported that Expenditures are under budget by about 16%; and Expenditures for Marketing and Sporting Events exceeded budget by \$290,056 as a result of marketing agreements with the Texans and the Rockets which were entered into after the budget was adopted.

Director Fields reported that the February 2018 financials indicate that Motor Vehicle Tax collections of \$563,855 are over budget by 16.2%; Hotel Occupancy Tax collections of \$2,159,742 are over budget by 34.2%; Investment Income is 22% over budget; and Expenditures are under budget by 13% .

8. **Adjournment.** There being no further business to come before the Board, and after motion made by Director Sprague and seconded by Director Catuzzi, the meeting was adjourned at approximately 11:25 a.m.

Adopted and approved this 7th day of June, 2018.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board