

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 Reverend William Harbison, who offered the invocation.

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 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 Directors Murillo and Martye Kendrick.

3. **Presentation and approval of the minutes from the Board Meeting held on April 5, 2018.** Chairman Friedman presented the draft minutes from the Board meeting held on April 5, 2018, which had been previously circulated for the board’s review, and called for a motion to approve. Motion was made by Director Sprague, seconded by Director Callier, and passed unanimously.

4. **Belt Harris Pechacek, LLLP to give independent auditors’ report for year 2017.** Chairman Friedman introduced Mr. Robert Belt, of the audit firm of Belt Harris Pechacek, LLLP, who gave a brief summary of the Authority’s 2017 Audit Report. Mr. Belt recognized management for their hard work in executing the plan set out by the Board, and referenced the Independent Auditor’s Report included in the Board packet provided at their seats. He reported that he was pleased to announce an unmodified opinion, which is the highest level of assurance that can be provided to the Board, that all disclosures required by Generally Accepted Accounting Principles have been included in the financial statements, and are materially correct. Chairman Friedman thanked Mr. Belt for his report, and asked if the Board’s take-away from the audit should be that the Authority’s financial matters are in good shape, and Mr. Belt confirmed that statement.

5. **Chairman's Report.**

Chairman Friedman introduced special guest, Mr. Reid Ryan, of the Houston Astros, who presented a customized World Series ring to the Authority on behalf of Mr. Jim Crane and the Astros ownership group. He expressed the Astros' appreciation of the Authority as an excellent partner and landlord of the stadium and noted its commitment to maintain it as a state-of-the-art facility for many years to come. Mr. Ryan also recognized the Authority's efforts to bring events to the city that put Houston on the world stage.

a. **Update regarding Internal Revenue Service audit request for documents relating to the Series 2014 A & C Bonds.** Chairman Friedman noted that the audit is ongoing, the Authority is cooperating fully, providing all documents requested, and a successful conclusion to this matter is expected by the Authority and its attorneys.

b. **Update of Astros lease extension.** Chairman Friedman reported that finalization of the Astros lease extension is nearing completion.

c. **Reminder to those Directors who received a 60-day extension to file their Personal Financial Statements with the Texas Ethics Commission to complete that filing no later than June 30, 2018 and provide a copy to the Authority's office.** Chairman Friedman reminded the Directors who received an extension to file that their Personal Financial Statements are now due no later than June 30. He noted that failure to file timely will result in a \$500 fine. Chairman Friedman also reminded the Directors that a copy of their Personal Financial Statement is required by law to be sent to the Authority's offices.

d. **Updated 2018 Officer and Committee list.** Chairman Friedman noted that a current list of Board Officers and Committee members was in the folder at their seats. He thanked everyone for their service on these Committees.

6. **Discussion and possible action on resolution adopting the Authority's 2018 Investment Policy and other matters related thereto.**

In Director Fields' absence, Chairman Friedman asked Mr. Waggoner to provide an update to the Directors. Mr. Waggoner stated that each year, under the Funds Investment Act, that the Authority is required to adopt an Investment Policy. He noted that the proposed 2018 Investment Policy was presented to the Finance Committee for review at its meeting on May 24. Mr. Waggoner said that the Policy was basically the same as in prior years, with the following updates:

- Section 4.02 (Training) – This section has been updated to require the Investment Officer and the County and Authority designees to attend Public Funds Investment Act training; and
- Investment Officers for the Authority are Tom Waggoner and Phil Ochoa. Emergency backup transaction approvers are Janis Burke and Edie Jeanes.

In response to a question from Director Catuzzi, Mr. Waggoner stated that the Authority is extremely satisfied with the shift from County management of the Authority's investments to an in-house platform. He noted that since the Authority has been directing the investments, there has been more than ten (10) times the return on the investments over those of the County, primarily due to close monitoring and managing of cash flow and the speed of executing orders.

Chairman Friedman stated that the Finance Committee had reviewed the proposed Investment Policy for 2018, and recommended approval by the Board. He called for a motion to adopt the Authority's Investment Policy for 2018 as presented. Motion was made by Director Catuzzi, seconded by Director Clifford, and passed unanimously.

7. Discussion and possible action on resolution approving an agreement with Harris County for the Authority's public funds investment service for a one-year period, and other matters related thereto.

Mr. Waggoner explained that in 1998, the Authority entered into an Interlocal Agreement with Harris County's Department of Financial Services for the Authority's public funds investment service. He stated that the agreement had renewed automatically each year since that time, but that Harris County requested a one-year term going forward. It is Mr. Waggoner's recommendation to renew this agreement with Harris County for an additional one-year period, with a 90-day cancellation clause. Chairman Friedman called for a motion to approve the agreement, motion was made by Director Woods, seconded by Director Sprague, and passed unanimously.

8. Chief Executive Officer's Report. Ms. Burke's report included:

- The Authority's 2017 Play-by-Play booklet was given to the Directors. Ms. Burke noted that these booklets were given out at the Houston Sports Awards event. It is a summary of the Authority's events and impact on the region in 2017.

- The Events team had recently returned from the National Association of Sports Commissions' Symposium. The NASC membership is comprised of over 800 sports commissions, event management and tourism organizations from across the country. Ms. Burke congratulated Ms. Holly Kesterson, the Authority's Senior Events Manager, who was named 'Game Changer of the Year' at the Symposium. She reported that the Authority was awarded 'Marketing Company of the Year' for the video submitted of the Houston Sports Awards.
- Ms. Burke said that the Authority was named as a finalist in the *Houston Business Journal's* 2018 Annual Landmark Awards in the 2018 Workplace Interior Category for the design and planning of its new office space.
- Photo and video updates on the following:
 - Houston Sports Hall of Fame launch
 - Rugby Scotland event at BBVA on June 16
 - BIG3 at Toyota Center w/Clyde Drexler on June 22
 - Olympic Day at Moody Park on June 23
 - U. S. Open of Football Ultimate Final at BBVA on July 19
 - College Tennis Showcase at Rice University on July 21 and 22
 - Texas Bowl Kickoff Game (Texas Tech vs. Ole Miss) at NRG on September 1
 - Mexico vs. Uruguay Soccer Match at NRG on September 7
 - NASC CEO Summit at Partnership Tower on September 18 and 19
 - Site visits and bids:
 - XFL
 - 2021 World Transplant Games
 - Men's Final Four
 - Reception at NRG on June 14
 - Presentation in Boston in July
 - Women's Final Four (site visit in July)
 - World Cup Soccer – FIFA Viewing party on June 13
 - Gold Cup – two matches for next summer at NRG and BBVA
 - DII NCAA Women's Golf Championship success

- Other activity includes:
 - Bowling building
 - USA Gymnastics Training site
 - BMX Track
 - Ongoing IRS audit

9. Discussion and review of unaudited 2018 year-to-date financials, and other matters related thereto. Before adjourning into Executive Session, Chairman Friedman asked Mr. Waggoner to present the Authority's year-to-date financials. Mr. Waggoner said that the Finance Committee reviewed these financials at its meeting on May 24. He reported that the investment earnings for the fourth quarter of 2017 totaled \$242,484, and earnings for calendar year 2017 totaled \$1,077,205. Mr. Waggoner said that investment earnings for the first quarter of 2018 were \$353,857. Mr. Waggoner said that the average portfolio bond equivalent yield was at a rate of 1.25 percent for the quarter ending December 31, 2017, and 1.69 percent for the quarter ending March 31, 2018. He stated that all investments are in compliance with the Public Funds Investment Act.

Mr. Waggoner reported 2018 year-to-date Motor Vehicle Rental Tax collections of \$8,358,528 are over budget by approximately 16.2%; and are \$428,244 over the actual 2017 numbers for the same time period, or 5.4%. He said that 2018 year-to-date Hotel Occupancy Tax collections of \$9,762,076 are over budget by approximately 17.35%; and are \$3,190,989 over the 2017 collections for the same time period, or 49%. Mr. Waggoner said that much of the increase in Hotel Occupancy Tax collections is attributable to the Astros World Series run, and some victims of Hurricane Harvey remain in hotels. He stated that Investment Income is 30% over budget; and Expenditures are under budget by approximately 25%.

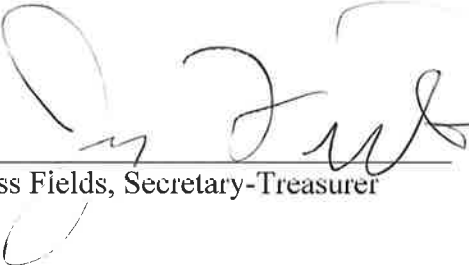
10. Chairman Friedman announced that, pursuant to provisions of Chapter 551, Texas Government Code, the Board shall deliberate in Executive Session on the following: Consultation with attorneys on legal matters; deliberation on real estate matters; and deliberation on personnel matters. At approximately 10:40 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.

11. Discussion and possible action on a License Agreement with LV4 Houston GreenStreet, L.P. for the installation of pavers and a kiosk for the Houston Sports Hall of Fame, and other matters related thereto.

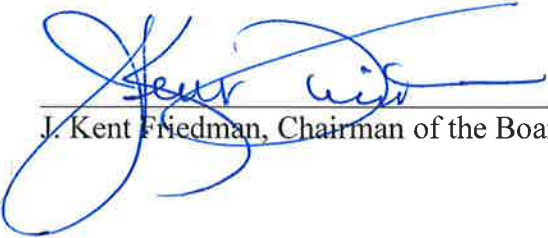
Chairman Friedman reported that the only matter to come out of Executive Session requiring further action of the Board is the approval of the execution of a License Agreement with LV4 Houston GreenStreet, L.P., for the installation of pavers and a kiosk for the Houston Sports Hall of Fame. He called for a motion to approve the agreement, motion was made by Director Sprague, seconded by Director Catuzzi, and passed unanimously.

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

Adopted and approved this 13th day of September, 2018.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board