



2. **Action on resolution recognizing the reappointment to the Board of Directors of the Harris County – Houston Sports Authority of Jess Fields, County Position 9; and swearing-in ceremony relating to same.** Chairman Friedman then administered the Oath of Office to Director Fields, and called for a motion on the resolution recognizing his reappointment. Motion was made by Director Baird, seconded by Director Sprague, and passed unanimously.

3. **Public Comments.** None.

4. **Presentation and approval of the minutes from the Board Meeting held on February 4, 2016; and the Special Board Meeting held on March 7, 2016.** Chairman Friedman presented the draft minutes from the Board meeting held on February 4, 2016, and the Special Board Meeting held on March 7, 2016, which had been previously circulated for the Board's review, and called for a motion to approve. Motion was made by Director Johnson, seconded by Director Gardner, and passed unanimously.

5. **Chairman's Report.**

a. **Ad hoc committee update relating to the general upkeep of the professional sports stadiums, and other matters related thereto.** Chairman Friedman reported that the ad hoc committee, which was formed to focus on the continuing upkeep of the stadiums, continues to move forward with the process. He said that the committee members are Directors Gardner and Sprague. Chairman Friedman noted that the Authority's staff lead on this is Mr. Doug Hall, and he asked for an update from him on this project.

Mr. Hall reported that the Astros' and Rockets' organizations have provided high-level updates in response to the Authority's requests for a summary of previous capital improvement projects, operating and maintenance plans, and future capital improvement projects, and stated that meetings will be held in two or three weeks to determine what the next steps will be going forward. He noted that this will also include determining whether an outside consultant will be brought in to give the committee an independent assessment of the state of the stadiums. Mr. Hall noted that the same process will be undertaken with BBVA Compass Stadium, but priorities have been set based on the age of the venues.

Chairman Friedman noted that the Authority appreciates the Astros' and Rockets' organizations and their willingness to work in collaboration with the Authority to ensure that the stadiums are maintained in a state-of-the-art condition.

**b. Update relating to the Authority's administrative office relocation due to the current sublease with the Greater Houston Convention & Visitors Bureau becoming obsolete with their realignment with Houston First Corporation, and other matters related thereto.**

Chairman Friedman reported that negotiations continue with Houston First as we move toward a finalization of a Lease Agreement, which is anticipated within the next few weeks.

**c. Update on status of plans for Board Retreat.** Chairman Friedman reported that plans continue for a Board Retreat that would provide an opportunity to discuss intermediate and long-term strategic plans for the future of the Authority. He noted that June 4 has been selected as the date for the workshop, but once a venue has been chosen, more information will be forthcoming.

**d. Reminder that Personal Financial Reports are due to the State's Ethics Commission by April 30, 2016; a 60-day extension to June 30 may be granted if extension request is filed by April 30, 2016.** Chairman Friedman reminded the Directors of the filing dates required by the Texas Ethics Commission, and that filings must be done electronically this year, as the State will no longer accept paper copies. Ms. Burke reminded everyone that by law, the Authority is required to maintain those Personal Financial Statements, and she asked the Directors to please provide a copy of their filing to the Authority's office.

**e. 2016 Board Committees discussion.** Chairman Friedman said that a list of the Board Committees for 2016 was in the folder at the Directors' seats, and thanked everyone for their willingness to serve – not only as a Director, but as a member of a Committee.

Chairman Friedman asked Ms. Burke to provide the Chief Executive Officer's Report.

**6. Chief Executive Officer's Report.** At Ms. Burke's request, Mr. Hall provided a summary report on the 2016 NCAA Final Four event. He noted the success of the Championship events, as well as all of the ancillary events surrounding the Final Four, which included Music Fest, Fan Fest, Final Four Friday, HISD's Read to the Final Four Program, Dribble and the Four Miler. Mr. Hall reported that the NCAA was very impressed with the strong support of the community, including the roles played by the Harris County – Houston Sports Authority, Greater Houston Partnership, Houston First, Greater Houston Convention & Visitors Bureau, Central Houston, the Super Bowl Host Committee, Metro, Houston Police Department Security, the Harris County Sheriff's Department, all of whom came together as a team to ensure a very successful event. He also complimented the University of Houston, Rice University and Texas Southern University as being great host institutions and true partners.

Ms. Burke's report continued with her report on events that had taken place since the last Board meeting in February, which included Opening Day at Minute Maid Park, the 2016 SWAC Basketball Championship at Toyota Center, and the 2016 Copa Draw to determine the teams for the three matches that will be hosted in June at NRG Stadium. She distributed the Events Calendar, which lists the dates of confirmed events, annual events in Houston, as well as pending events; a second list that includes all of the events that are being bid; and an edition of a publication from the Greater Houston Partnership that is dedicated to sports in Houston.

Other items on Ms. Burke's report included:

- Kickoff of a Women In Sports & Entertainment (WISE) chapter in Houston, which was held at Minute Maid Park; each of the teams' Presidents attended the launch event, as did several of the Authority's Board members. She said that Houston expects to become the largest chapter of WISE in the United States.
- Reception held at the home of the British Consul General, in which she and Director Callier were in attendance. She noted that Houston is exploring the possibility of building a rugby stadium that would seat five to seven thousand people and bring a professional rugby team to Houston, and Great Britain is in full support.
- Thanks and appreciation to Director Murillo for invitations to the Directors to attend the Houston Hispanic Chamber of Commerce's Annual Luncheon and Business Expo.
- During Final Four week and weekend, the Events staff was simultaneously working with a schedule that included:
  - BassMasters, World Corporate Games, and AAU Junior Olympics personnel who were in town for meetings;
  - Participating in interviews from ESPN, local radio and television stations;
  - Attending Final Four Fan Fest and promoting the NCAA DI Men's Soccer coming to BBVA Compass Stadium in December;
  - Implementing the Copa Trophy Tour;
  - Travel to Indianapolis to the Women's Final Four for a site visit in preparation for a bid on that event; and
  - the Shell Houston Open.
- Six members of the Events staff flew to Grand Rapids the morning after the Final Four to attend the National Association of Sports Commission's Annual Symposium. This is

a 750-member organization made up of sports commissions from across the country. Ms. Burke was proud to announce that the Authority's Director of Events, Mr. Chris Massey, was selected by his NASC peers to receive the Game Changer of the Year Award.

- Ms. Burke also highlighted the work of the Authority's Events Manager, Holly Kesterson, in the Legacy Program of NASC. Through silent auction items, the Program raised \$27,000, which will be used to purchase wheelchair equipment for adaptive sports in the Grand Rapids area.

**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 10:55 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 approximately 11:20 a.m.

**8. Financial Update.** Chairman Friedman called upon Director Fields, as Chairman of the Finance Committee, to provide an update to the Board.

**a. Presentation and discussion of Quarterly Investment Report and Quarterly Portfolio Compliance Report for quarter ending December 31, 2015.** Director Fields reported that the par value of the Portfolio was \$87,506,782 at the end of the quarter ending December 31, 2015. He remarked that the weighted average bond equivalent yield at cost for the quarter was .13 percent, or 13 basis points, while the average for the benchmark 1 Month Treasury Constant Yield was .08 percent. Director Fields stated that the Portfolio's weighted average bond equivalent yield for the quarter exceeded the average benchmark by four basis points, which is a good increase, percentage-wise. He reported that the Federal Reserve raised Fed Funds Rate by 25 basis points on December 16, 2015, which is the first rate increase since December 16, 2008. Director Fields said that post-FED rate hike, the Authority purchased Treasury and Agency Notes to extend weighted average maturities, diversify and lock in higher yields.

**b. Discussion and review of unaudited 2015 year-to-date financials.** Director Fields stated that the unaudited 2015 year-end financials show that Motor Vehicle Rental Tax collections are under budget by 4.5 percent; and that the Hotel Occupancy Tax collections are under budget by 7.6

percent. He reported that Expenditures are under budget, and that 2015 concluded with \$84,155,587 available for debt service and reserve/surplus accounts.

c. **Discussion and review of unaudited 2016 year-to-date financials.** Director Fields reported that the State has not yet funded the March Motor Vehicle Rental Tax transfer due to a system error in calculations. Mr. Waggoner estimated the transfer will be approximately \$2.1 million, however. Director Fields stated that the actual Hotel Occupancy Tax Revenues are under budget by 12 percent, but this does not include the impact from the 2016 Rodeo or the Men's Final Four. He said that Stadium Revenues are over budget due to the Texans' playoff game, and that Expenditures are under budget.

Chairman Friedman asked Director Fields and Mr. Waggoner if either of them had any concerns about the Authority's ability to meet its bond obligations going forward in light of the Motor Vehicle Rental Tax and Hotel Occupancy Tax collections being under budget. Mr. Waggoner stated that the 2014 restructuring of the bonds allows for six to seven years of debt service at approximately \$44 million. With the budgeted Hotel Occupancy and Motor Vehicle Rental Tax collections budgeted at \$57 million, Mr. Waggoner said that this allows for an approximate \$13 million cushion that will be monitored very closely, but at this point, the Authority is in good shape financially and in its fiduciary capacity.

d. **Discussion and possible action on resolution approving the Authority's 2016 Investment Policy; and other matters related thereto.** Director Fields reported that the Authority's Investment Policy will remain the same as the prior year's Policy with two proposed changes. One of the changes involves changing the evaluation term for new broker/dealers from an annual evaluation to at least biannually in order to allow sufficient time to fairly review competitiveness. He said that the second change would update the Policy to reflect that the depository bank, Amegy Bank, is using Federal Home Loan Bank of Des Moines for holding pledged securities.

Chairman Friedman called for a motion on the resolution approving these changes to the Investment Policy. Motion was made by Director Catuzzi, seconded by Director Gardner, and passed unanimously.

e. **Discussion and possible action on resolution approving the Authority's VALIC Retirement Plan Restatement Documents, required by the Internal Revenue Service to be adopted and filed before April 30, 2016.** Director Fields presented the retirement plan document,

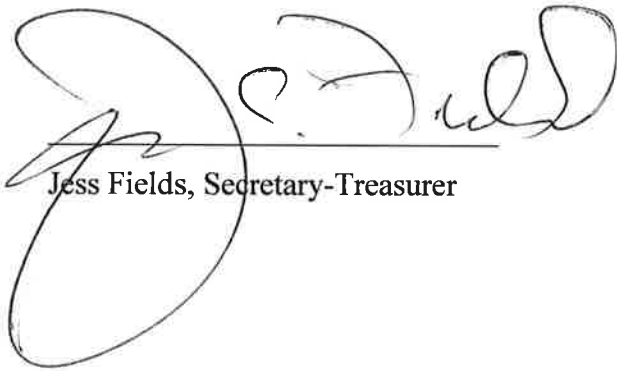
noting that it has been updated to reflect the latest IRS regulations, and is required to be approved by the governing board of the Authority. Mr. Waggoner noted that none of the Plan features had changed.

Director Fields made a motion on the resolution approving the updated Plan Documents, as required by the IRS. Motion was seconded by Director Rogers, and passed unanimously.

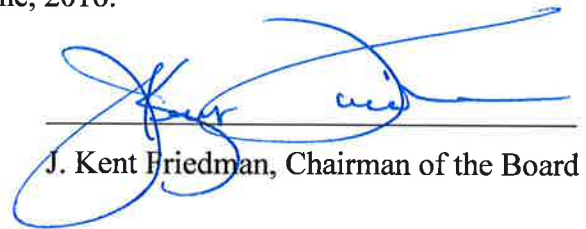
9. **Comments by Directors.**

10. **Adjournment.** There being no further business to come before the Board, and after motion made by Director Catuzzi and seconded by Director Gardner, the meeting was adjourned at approximately 11:55 a.m.

Adopted and approved this 2nd day of June, 2016.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board