NOTICE OF THE TOWN COUNCIL

TOWN COUNCIL REGULAR MEETING

February 17, 2026 at 5:30 PM

Argyle Town Hall, 308 Denton Street, Argyle, Texas

AGENDA

Notice is hereby given as required by Title 5, Chapter 551.041 of the Government Code that the Argyle Town Council will meet in a Town Council Regular Meeting on February 17, 2026, at 5:30 PM at the Argyle Town Hall, 308 Denton Street, Argyle, Texas.

ELECTED OFFICIALS AND TOWN MANAGEMENT

Ronald Schmidt, Mayor
Cynthia Hermann, Mayor Pro Tem, Place 5
Gustav Svehla, Place 1
Martin Brading, Place 2
Chad Boyd, Place 3
Casey Stewart, Place 4

Mike Sims, Town Manager
Erika McComis, Town Secretary
Brenda McDonald, Town Attorney

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

American Flag: "I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all."

Texas Flag: "Honor the Texas Flag; I pledge allegiance to thee Texas, one state under God, one and indivisible."

SPECIAL PRESENTATIONS AND ANNOUNCEMENTS
(Mayoral proclamations, presentations of awards and certificates, and other acknowledgements of significant accomplishments or service to the community.)

1. Presentation of the Annual Financial Report for the fiscal year ending September 30, 2025, by Vail and Park P.C.

EXECUTIVE SESSION

In accordance with Texas Government Code, Chapter 551, Subchapter D, the Town Council may convene in a closed session. After the Executive Session, discussion on any of the following items, any final action or vote taken will be in public.

Consultation with Attorney

§551.071(1),(2): Consultation with attorney regarding pending or anticipated litigation, or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter:

2. Interlocal Cooperation Agreement with Belmont Fresh Water Supply District No. 2 for Law Enforcement Services

Real Property

§551.072: Deliberate the purchase, exchange, lease, or value of real property:

3. Town Center District

4. Law Enforcement Center

Personnel Matters

§551.074: Personnel matters (to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee):

5. Town Council Liaison

Economic Development

§551.087: Economic Development negotiations (to discuss or deliberate commercial or financial information from a business prospect or to deliberate the offer of a financial or other incentives to a business prospect):

6. Town Center District

OPEN SESSION

In accordance with Texas Government Code, Section 551, the Town Council will reconvene into Open Session and consider action, if any, on matters discussed in Executive Session.

OPEN FORUM

This is an opportunity for the public to address the Town Council on any matter of public business, except public hearings. Any Comments related to public hearings will be heard when the specific hearing begins. Each speaker is limited to five (5) minutes; however, time limits can be adjusted by the Mayor. Any response from a member of the Council is limited to a statement of specific factual information, a recitation of existing policy, or direction to staff to place the subject on the agenda for a future Town Council meeting.

CONSENT AGENDA

Any Council member may request an item on the Consent Agenda to be taken up for individual consideration.

7. Consider approval of the January 15, 2026, Town Council Joint Workshop minutes as recorded.

8. Consider approval of the January 20, 2026, Town Council Meeting minutes as recorded.

9. Consider approval of Resolution 2026-04 authorizing continued participation with the Steering Committee of Cities served by Oncor; and authorizing the payment of ten cents ($0.10) per capita to the Steering Committee to fund regulatory and legal proceedings and activities related to Oncor Electric Delivery Company, LLC.

10. Consider approval of the 2025 racial profiling data compiled from traffic contacts made by the Argyle Police Department.

11. Consider approval of Resolution 2026-05 approving a Standby Disaster Debris Removal Services Agreement with Ceres Environmental Services, Inc., and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

12. Consider approval of Resolution 2026-06 authorizing a Standby Disaster Debris Monitoring Services Agreement with DebrisTech, LLC, and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

13. Consider approval of Resolution 2026-07 authorizing a Standby Disaster Recovery Consulting Services Agreement with Disaster Recovery Reimbursement Services, LLC, and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

14. Consider approval of Resolution 2026-08 authorizing the termination of the existing Managed Information Technology Services Agreement, approving a short-term bridge agreement for Managed Information Technology Services, and authorizing the issuance of a Request for Proposals (RFP) for Managed Information Technology Services.

ACTION ITEMS

15. Dicuss and consider Resolution 2026-09 rescinding Resolution 2024-08 previously approving an interlocal agreement between the Town of Argyle and the City of Denton for traffic signal device maintenance services at Robson Ranch Road and Landmark Trail.

16. Discuss and consider approval of Resolution 2026-03 appointing members to the Capital Improvement Advisory Committee as required by Section 395.058 of the Texas Local Government Code.

PUBLIC HEARING ITEMS

17. Hold a public hearing and consider action on a Site Plan Request (SP-25-009) with proposed variances to the Community Retail – (CR) zoning district standards, for the proposed Valley Creek Church, being on 7.45 acres of land, known as Valley Creek Church Argyle, Lot 1, Block A, in the F.W. Thorton Survey, Abstract 1244, Town of Argyle, Denton County, Texas.

DISCUSSION ITEMS

(Items in this section are for discussion purposes only. No action may be taken on items listed under this portion of the agenda, other than to provide general direction to staff or to direct staff to place such items on a future agenda for action.)

18. Discussion regarding a proposed policy for allowing public use and rental of the Town's community room.

19. Discussion on Traffic Calming Measures.

20. Discuss and review the monthly budget reports for December 2025.

COUNCIL REQUESTED ITEMS

(Council requested items are for discussion only as a means for clarification and staff guidance. No action is to be taken on items listed under this portion of the agenda, other than to provide general direction to staff or to direct staff to place such items on a future agenda for action.)

ADJOURN

NOTE: As authorized by Section 551.071 of the Texas Government Code (Consultation with Town Attorney), this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the Town Attorney on any agenda item herein.

BUDGET STATEMENT: *(Applicable to any budget or tax-related items, pursuant to Section 551.043, Government Code.)*

For an average-valued homestead property ($569,250), the Town's portion of the property tax bill in dollars for the current fiscal year (FY2025) is $1,953.16, the Town's portion of the property tax bill for the upcoming fiscal year (FY2026) for the same property if the proposed budget is adopted is estimated to be $2,036.61, and the Town's portion of the property tax bill in dollars for the upcoming fiscal year (FY2026) for the same property if a budget funded at the no-new-revenue rate under Chapter 26, Tax Code, is adopted is estimated to be $1,936.39.

CERTIFICATION

I hereby certify the above Notice of Meeting was posted on the bulletin board at Argyle Town Hall, a place convenient and readily accessible to the general public at all times, and to the Town's website in

compliance with Chapter 551, Texas Government Code, on **February 10, 2026, by 5:00 p.m.** and remained posted for at least three (3) business days preceding the scheduled time of said meeting.

Erika McComis

Town Secretary

Persons with disabilities who plan to attend this public meeting and who may need auxiliary aid or services are requested to contact the Argyle Town Hall 48 hours in advance, at 940-464-7273, and reasonable accommodations will be made for assistance.

Town of Argyle, Texas

Annual Comprehensive Financial Report
As Prepared by: Finance Department
Fiscal Year Ended
September 30, 2025

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Town of Argyle, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended September 30, 2025

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Introductory Section

For the Fiscal Year Ended
September 30, 2025

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January 23, 2026

The Honorable Mayor, Town Council Members, and the Citizens of Argyle:

Chapter 103 of the Texas Local Government Code requires a municipality to have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. This statutory requirement is addressed in the Town of Argyle Code of Ordinances, which includes the objective that the Town's financial statements provide a complete set of financial statements in conformance with generally accepted accounting principles (GAAP) and are audited in accordance with generally accepted auditing standards by a licensed certified public accountant(s). Accordingly, the basic financial statements for the Town of Argyle, Texas for the fiscal year ended September 30, 2025 are hereby issued.

The basic financial statements of the Town include all governmental activities, functions, and organizations for which it is financially accountable pursuant to, and as defined by, the Governmental Accounting Standards Board (GASB). Based on those criteria, no other governmental organizations are included in this report.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making said representations, the Town has established an internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance the financial statements will be free from material misstatements. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Vail & Park, PC, an Independent Certified Public Accountants firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town, for the fiscal year ended September 30, 2025, are free of material misstatements. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements. Based on the audit, the auditors concluded that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2025 are fairly presented in conformity with GAAP. The auditors' report is presented as the first component of the financial section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town of Argyle, located in Denton County and founded in 1881, was incorporated in 1963 and is a Type "A" General Law municipality per Texas Local Government Code. The Town occupies approximately 11 square miles and has a current population of approximately 6,800, according to estimates from the North Central Texas Council of Governments (NCTCOG). Bordered on the west by Interstate Highway 35 and having both U.S. Highway 377 and FM 407 traversing through the heart of Argyle, the Town enjoys an excellent highway corridor plan that will eventually result in various mixed-use retail/commercial developments along the corridors while retaining the Town's "signature" rural-agricultural open space.

The Town operates under the Aldermanic form of government whereby the legislative and policy-making authority for the Town rests solely with the elected governing body, consisting of the Mayor and five Aldermen (Town Council Members), serving in positions 1 through 5. The Mayor and Council Members serve two-year staggered terms and are elected on an at-large basis. As part of the governing body's legislative and policy-making authority, it must adopt an annual operating budget and tax rate, approve Town ordinances and resolutions, appoint various advisory committees, and conduct operations consistent with state law and Town Ordinances.

During FY 25 the Town transitioned from an Interim Town Administrator to Town Manager and transitioned from a Finance Director to Town Treasurer position. The Town Manager was responsible for implementing the policies and ordinances enacted by the governing body, managing the day-to-day operations of the Town, and staffing the organization. This administration also includes operations of the Argyle Municipal Development District. The Town Treasurer oversees day-to-day financial operations.

The Town of Argyle voters have approved three local option sales and use tax proposals; consequently, the Town administers a Type B Municipal Development District (1/4 cent, including the ETJ), a Crime Control and Prevention District (1/4 cent), and a Street Maintenance Sales Tax (1/2 cent). The local option sales and use tax revenue generated for these purposes are used in accordance with their respective provisions of State Law. By law, the governing body appoints a Municipal Development District (MDD) Board of Directors and a Crime Control and Prevention District (CCPD) Board of Directors for the purpose of administering these programs. The Chief of Police serves as staff liaison to CCPD board.

Services Provided

The Town of Argyle provides general administration, police services, municipal court services, development and planning services, park maintenance, street and drainage maintenance, and wastewater collection system maintenance. Solid waste collection and recycling services are contracted through Republic Waste Services.

Other Provided Services

Fire and EMS is provided by Denton County Emergency Services District Number 1 and is funded through a District-wide property tax levy. The Argyle Water Supply Corporation provides water distribution and storage throughout the Town, as well as billing and collection of sewer service fees on behalf of the Town's Wastewater Utility for the majority of the wastewater customers. The Town has also contracted with the Town of Northlake for wastewater billing and collection of sewer service fees for the portion of Argyle's wastewater customers within the Canyon Falls Municipal

Utility District No. 1. The Town contracts with both the Trinity River Authority, The Town of Flower Mound, and the City of Denton for wastewater treatment services.

Economic Conditions and Outlook

As the regional economy continues to prosper, business activity and development interest in the Town continue as well. Significant factors in the Town's economic strength and continued high taxable values are the proximity to major job centers within the Dallas-Fort Worth (DFW) Metroplex, along with the importance of DFW International Airport and the Alliance Airport which are connected by a network of major highways. Another contributing factor to the Town's economic stability is the exemplary schools located in Argyle. Argyle ISD (AISD) is a highly ranked school district which has won eleven consecutive Lone Star Cups and thirteen overall, making them the consistent number one 4A school district in Texas. Liberty Christian School, also located in Argyle, has been awarded the Overall State Championship in football by the Texas Association of Private and Parochial Schools (TAPPS) five times, including back-to-back wins in 2023 and 2024. Both schools continue to attract residents to the Town.

Within the Town Limits, an approved residential development known as Argyle Landing is planned for construction in 2026. This development consists of 198 residential lots and 2 commercial lots to be built over the next few years. Individual lots are planned to be developed beginning in mid-2026. Staff anticipates a small but consistent pace of large-lot, large home residential permit activity in future years. For example, the Knight's Ridge project approved by Council calls for 25 homes on 75 acres with an average size per home of 5,000 square feet.

Currently, there are two large master planned residential communities outside the Town's limits, but within portions of the Town of Argyle's Extra Territorial Jurisdiction (ETJ). Extraterritorial jurisdiction by statute is defined as the unincorporated area that is contiguous to the corporate boundaries of the municipality and provides only limited legal ability of a government to exercise authority beyond its normal boundaries. Construction of the first phase of Harvest, a 3,000-lot master planned residential development west of Argyle, began in November 2012 and continues a strong pace of growth, providing customers for Argyle based businesses. All single-family residential phases in Harvest have been built except for a proposed Phase 13, which could include approximately 130 residential lots. The multifamily portion of the north side of the Harvest commercial area is also under construction with an anticipated build out of 349 units.

The Harvest Commercial area, approved for construction in Fall 2022, consists of 8 commercial lots on 66.6 acres. Businesses that have opened include Chase Bank, Chick-fil-a, and McDonalds. The Tom Thumb grocery store is under construction on the site, with an expected opening date of Summer 2026. Under a series of agreements, the Harvest Commercial area provides sales taxes to the Town of Argyle.

The Town has three distinct zones for retail store development and commercial property. Heritage, at the southwest corner of IH35W and Robson Ranch, is subject to a Development Agreement covering 123 acres with plans for both medical use and big box retail. Heath, at the northwest corner of IH35W and FM407 provides ample developable space for large-scale retail, a hotel district and surrounding office, restaurant, and commercial activity. Town Center, at the east side of the intersection of FM407 and US377 provides 60 acres of Town Center development potential which is the focus of a Town Center Area Plan, on-going at this time.

Budget

The budget was developed following a comprehensive review of our financial outlook, department needs, and projected economic conditions. It reflects our commitment to sound fiscal management while ensuring that critical services and infrastructure projects are adequately funded.

The FY 2024-2025 budget process involved several stages of review, starting with department-level budget requests and continuing through workshops that allowed for a thorough evaluation of expenditure priorities. This process was guided by a focus on long-term fiscal health and ensuring alignment with Argyle's strategic goals.

The total proposed budget for FY 2024-2025 was $12,777,391, representing a -9.38% decrease over the previous year's budget. The decrease reflects the reduction of one-time purchases while providing for the growing needs of the community, particularly in the areas of infrastructure and public safety. On the revenue side, property taxes remained the Town's largest revenue source, with growth projected due to new developments and rising property values. Sales tax revenues also increased, driven by economic activity within the community.

With Argyle's continued growth, maintaining and upgrading infrastructure remains a top priority. Funding for road improvements, water and wastewater system upgrades, and stormwater management projects are found in the General Fund, Capital Improvement Fund, and Wastewater Fund. These infrastructure investments are designed to support the current population and accommodate future growth, ensuring that development remains thoughtful and sustainable.

To effectively manage these projects and ensure a high level of service, Argyle included a 2% cost-of-living adjustment (COLA) for all staff and a merit-based increase of up to 3% in the FY25 Budget. Competitive salaries in the current economic environment help the Town attract and retain skilled employees who are essential for overseeing complex infrastructure improvements. The merit-based increases recognize individual contributions, encouraging staff to perform at high levels, which is critical as Argyle expands its infrastructure to meet growing demands.

Accounting System and Budgetary Control

The Town's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable. Expenditures are recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the Town's utilities are maintained on an accrual basis.

In developing and maintaining the Town's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the Town's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The Town continues to review additional procedures to enhance the current internal controls.

The annual program of services (budget) serves as the foundation of the Town's financial planning and control. State law requires the annual budget to be adopted by the Town Council before the start of the fiscal year. The proposed budget must be filed with the Town Secretary, for public review, no later than thirty (30) days before the date set for a public hearing by the Town Council to consider adoption of the annual program of services.

Prior to adoption, the Town Manager and department directors prepare program expenditure estimates for the remainder of the current fiscal year, as well as for the upcoming fiscal year which are compared to estimates of revenue for the same periods. Adjustments are made to the program expenditure estimates as necessary to ensure the proposed program of services is presented within total estimated revenue and available beginning revenue sources.

The Town Manager is authorized to transfer budgeted amounts between line items within any fund; however, any revisions altering the total approved expenditures of any fund must be approved by the Town Council.

Budgetary control has been established at the fund level. Financial reports are produced showing budget and actual expenditures by line item and are distributed monthly to the departmental management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at the position level, and capital expenditures are monitored and controlled item by item. Revenue and expenditure budgets are reviewed monthly.

A budget-to-actual comparison for the General Fund is provided later in this report.

Debt Management

The Town funds its capital program from a combination of current revenues and capital debt. Street improvements are funded by a combination of capital debt and capital improvement fees. Annual debt service requirements for general obligation debt are well below the statutory legal limit of $1.50 per $100 assessed property value.

Cash Management

The Town utilizes its investment policy in the management of all cash. The Town's investment policy embraces current state regulations on the investment of public funds and authorizes the Town to invest in fully insured or collateralized certificates of deposit from the depository bank, direct obligations of the United States Government, obligations of an agency of the United States Government and local government investment pools. State law requires public funds deposits be collateralized. Collateral is monitored to ensure the market value of the pledged securities equals or exceeds 102% of the related deposit or investment balance. All collateral shall be subject to verification by the Town Treasurer and the Town's independent auditors.

Tax Appraisal/Collection Responsibilities

Under Texas law enacted in 1979, and subsequent revisions of the State Property Tax Code, the appraised value of taxable property in Argyle is established by the Denton County Appraisal District. The Town of Argyle and other taxing jurisdictions in Denton County provide a pro-rata share of the budgeted expenditures incurred by the Appraisal District, based on the individual levy. The Denton County Tax Assessor-Collector provides tax collection services for the Town and other taxing jurisdictions in Denton County.

Risk Management

Any municipal government is continuously exposed to risk of all kinds, including damage to public property and liability resulting from injury to persons and damage to their property. As a means of providing reasonable protection against these risks, the Town participates in the Texas Municipal League Joint Self-Insurance Fund for its property loss and liability coverage. As a member of the program, the Town is provided the most extensive protection available to Texas cities in the areas of comprehensive general liability, auto liability, losses to municipal building and contents, and for law enforcement and public officials' liability coverage.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Town. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the Mayor and Town Council members for their interest and support in planning and conducting the financial operations of the Town in a responsible and conservative manner.

Respectfully Submitted,

Mike Sims
Town Manager

Town of Argyle, Texas

List of Elected and Appointed Officials

As of September 30, 2025

Elected Officials

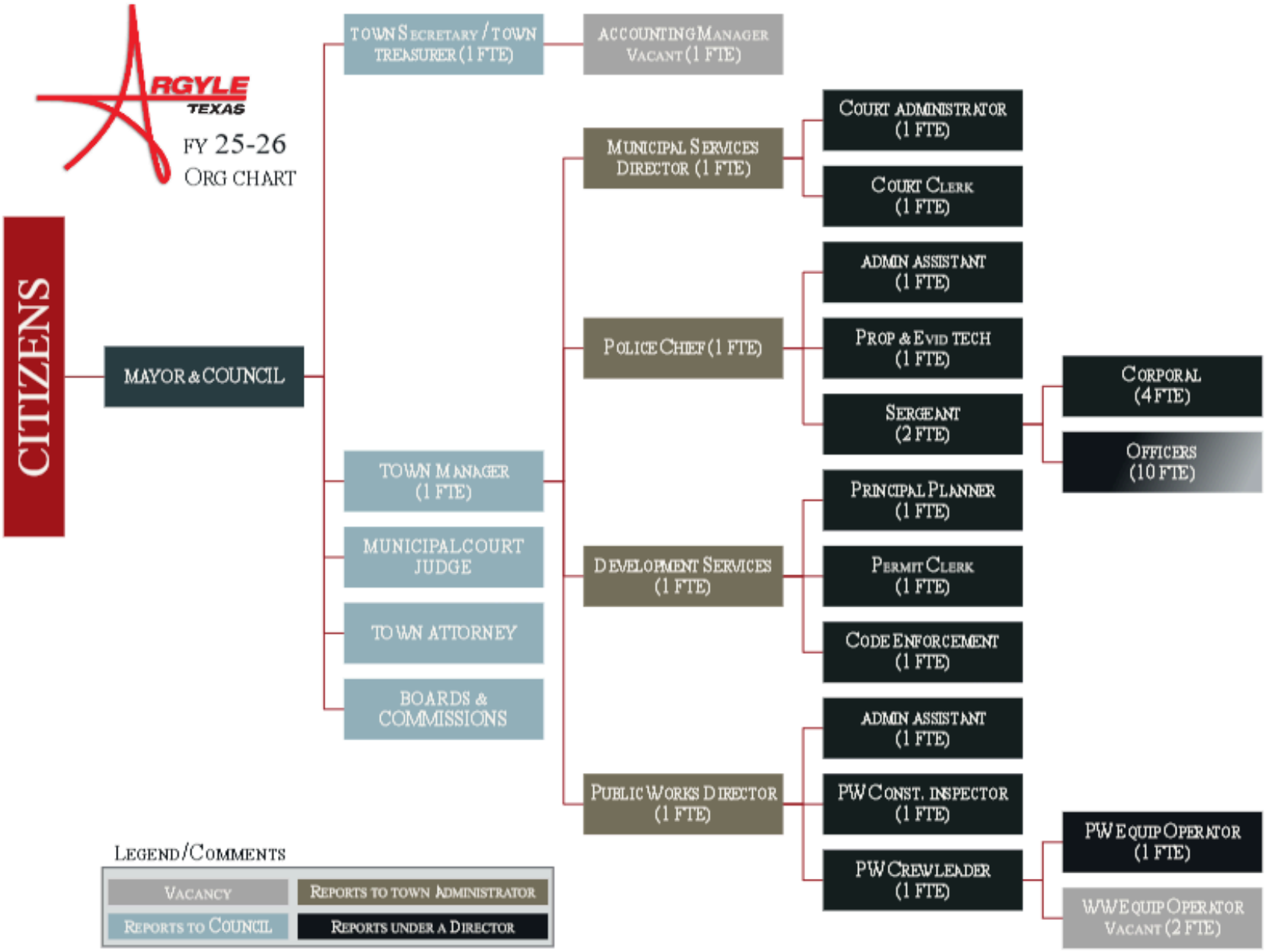
Mayor	Ronald Schmidt
Council Member – Place 1	Gustav Svehla
Council Member – Place 2	Martin Brading
Council Member – Place 3	Chad Boyd
Council Member – Place 4	Casey Stewart
Mayor Pro Tem, – Place 5	Cynthia Hermann

Appointed Officials

Town Manager	Mike Sims
Town Treasurer/Town Secretary	Erika McComis

Department Directors

Police Chief	Emmitt Jackson
Director of Community Services	Harrison Wicks
Director of Public Works	Bobby Johnston
Director of Municipal Services	Marissa Barrett


ARGYLE TEXAS
FY 25-26
ORG CHART
CITIZENS
MAYOR & COUNCIL
TOWN SECRETARY / TOWN TREASURER (1 FTE)
ACCOUNTING MANAGER VACANT (1 FTE)
TOWN MANAGER (1 FTE)
MUNICIPAL COURT JUDGE
TOWN ATTORNEY
BOARDS & COMMISSIONS
MUNICIPAL SERVICES DIRECTOR (1 FTE)
COURT ADMINISTRATOR (1 FTE)
COURT CLERK (1 FTE)
POLICE CHIEF (1 FTE)
ADMIN ASSISTANT (1 FTE)
PROP & EVID TECH (1 FTE)
SERGEANT (2 FTE)
CORPORAL (4 FTE)
OFFICERS (10 FTE)
DEVELOPMENT SERVICES (1 FTE)
PRINCIPAL PLANNER (1 FTE)
PERMIT CLERK (1 FTE)
CODE ENFORCEMENT (1 FTE)
PUBLIC WORKS DIRECTOR (1 FTE)
ADMIN ASSISTANT (1 FTE)
PW CONST. INSPECTOR (1 FTE)
PW CREW LEADER (1 FTE)
PW EQUIP OPERATOR (1 FTE)
WW EQUIP OPERATOR VACANT (2 FTE)
LEGEND/COMMENTS
VACANCY
REPORTS TO TOWN ADMINISTRATOR
REPORTS TO COUNCIL
REPORTS UNDER A DIRECTOR

Financial Section

For the Fiscal Year Ended
September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Town Council and Town Manager
Town of Argyle, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Argyle, Texas (the "Town"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Correction of an Error

As discussed in Note T, during the year ended September 30, 2025, the Town identified and corrected an error in accumulated depreciation for governmental infrastructure assets. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17–26, general fund budgetary comparison information on page 81, and pension tables on pages 82–85 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements on pages 90-96 and the budgetary comparison information for the other funds for which the Town legally adopted a budget on pages 98-108, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and non-general fund budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on pages 1-10 and the statistical section on pages 111-129 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Tom Bean, Texas

February 17, 2026

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Town of Argyle, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

Our discussion and analysis of the Town of Argyle's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the Town's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $58,330,731.
- The unrestricted net position at the close of the fiscal year is $10,250,272 and may be used to meet the Town's ongoing/unallocated obligations to citizens and creditors.
- The Town's total net position increased by $5,562,573. The increase in governmental activities of $5,555,901 is primarily due to increased sales taxes and permits. The increase in business-type activities of $6,672 is primarily due to decreased expenses.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $22,224,376. The fund balances increased overall by an amount of $6,360,850. This is primarily due to increased permit fees and sales taxes.
- At the end of the current fiscal year, the unassigned General Fund balance was $5,815,097, which was 90% of total FY25 General Fund budgeted expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and Statement of Activities. These provide information about the activities of the Town as a whole and present a long-term view of the Town's financial condition. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. Governmental fund statements tell how services were financed in short-term, as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for funding requests and the appropriations from the State. Proprietary fund financial statements report activity for the Town's wastewater operations.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosures for the government-wide statements and the fund financial statements.

Reporting the Town as a Whole – Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities

Government-wide financial statements provide an analysis of the Town's overall financial condition and operation. The primary objective of these statements is to show whether the Town's financial condition has improved or deteriorated as a result of the year's activities.

The Statement of Net Position includes all the Town's assets and liabilities (including long-term items) while the Statement of Activities includes all the revenue and expenses generated by the Town's operations during the year. Government-wide statements utilize the accrual basis of accounting, which is the same method used by most private sector companies.

All the current year's revenue and expenses are taken into account regardless of when cash is received or paid. The Town's revenue is divided into the following categories: 1) charges for services; 2) operating grants and contributions; 3) capital grants and contributions; and 4) general revenues not associated with any specific program function. All of the Town's assets are reported whether they serve the current or future years. Liabilities are also reported regardless of whether they must be paid in the current or future years.

These two statements report the Town's net position and changes in it. The Town's net position (the difference between assets and liabilities) provides one measure of the Town's financial health. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the Town however, non-financial factors should also be considered, such as changes in the Town's request for services from citizens and the condition of the Town's facilities.

In the Statement of Net Position and the Statement of Activities, the Town has two kinds of activities:

Governmental Activities – Town services such as public safety, municipal court, public works, development services and general government are reported here. Town property taxes finance approximately 30% of these activities.

Business-Type Activities - The Town uses proprietary (business-type) funds to account for its wastewater services. The services are supported by monthly charges to citizens.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds. The Town's two kinds of funds - governmental and proprietary - use different accounting approaches.

Governmental Funds – The Town reports most of its basic services in governmental funds. Governmental funds use the modified accrual basis of accounting (a method that measures the receipt and disbursement of cash and other financial assets that can be readily converted to cash) and they report balances that are available for future spending. Governmental fund statements provide a detailed short-term view of the Town's general operations and the basic services it provides. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary Funds – The Town uses proprietary (business-type) funds to account for its wastewater operations. The full-accrual basis of accounting is used for all proprietary type funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-wide Statement of Net Position

Net position serves as one useful indicator of a government's financial position. In the case of the Town, net position totaled $58,330,731 at the close of FY25. Net assets increased from the prior year's balance by $5,562,573 or 11% during fiscal year 2025. This increase is primarily a result of increased sales taxes.

Town of Argyle, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

TABLE I NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
		(as restated)				*(as restated)*
Current and other assets	$ 22,951,305	$ 17,225,615	$ 4,071,850	$ 3,818,563	$ 27,023,155	$ 21,044,178
Capital assets, net of accumulated depreciation	30,725,142	31,753,866	9,893,422	10,297,497	40,618,564	42,051,363
Total assets	53,676,447	48,979,481	13,965,272	14,116,060	67,641,719	63,095,541
Deferred outflows of resources	274,750	517,963	13,750	-	288,500	517,963
Current payables & other liabilities	603,366	1,382,279	357,175	327,785	960,541	1,710,064
LT bonds and leases payable	6,385,146	6,794,727	2,134,881	2,313,650	8,520,027	9,108,377
Total liabilities	6,988,512	8,177,006	2,492,056	2,641,435	9,480,568	10,818,441
Deferred inflows of resources	113,251	26,905	5,669	-	118,920	26,905
Net assets						
Net investment in capital aset	24,346,996	25,195,203	7,758,541	7,989,334	32,105,537	33,184,537
Restricted net assets						
Debt retirement	1,208,285	735,397	-	-	1,208,285	735,397
Capital improvements	7,490,627	4,897,676	-	1,302,194	7,490,627	6,199,870
Street maintenance	3,787,025	2,832,951	-	-	3,787,025	2,832,951
Economic development	3,383,649	1,995,107	-	-	3,383,649	1,995,107
Court security and technology	105,336	-	-	-	105,336	-
Unrestricted	6,527,516	5,637,199	3,722,756	2,183,097	10,250,272	7,820,296
Total net position	$ 46,849,434	$ 41,293,533	$ 11,481,297	$ 11,474,625	$ 58,330,731	$ 52,768,158

The Town's net investment in capital assets is 55% of the Town's total net position. This includes all capital assets, net of related debt: land, construction in progress, buildings and improvements, general infrastructure, intangibles, vehicles and equipment, leases, and wastewater system, less outstanding debt used to acquire these assets. The Town uses capital assets to provide services to the citizens they serve; consequently, these assets are not available for future spending.

An additional portion of the Town's net position 27% represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position,* $10,250,272, may be used to meet the Town's ongoing obligations to citizens and creditors.

Town of Argyle, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

Government-wide Statement of Activities

TABLE II
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:		*(as restated)*				*(as restated)*
Program revenues						
Charges for services	$ 1,726,832	$ 1,183,372	$ 2,436,895	$ 2,413,529	$ 4,163,727	$ 3,596,901
Operating grants and contributions	985,978	28,815	-	-	985,978	28,815
General revenues						
Property taxes	5,362,612	4,845,793	-	-	5,362,612	4,845,793
Sales taxes	4,235,840	3,580,700	-	-	4,235,840	3,580,700
Franchise and hotel taxes	615,008	630,996	-	-	615,008	630,996
Intergovernmental	424,836	251,021	-	-	424,836	251,021
Interest	849,945	1,064,503	170,007	177,659	1,019,952	1,242,162
Miscellaneous	115,192	234,309	-	-	115,192	234,309
Total revenues	14,316,243	11,819,509	2,606,902	2,591,188	16,923,145	14,410,697
Expenses:					-	-
General government	1,928,144	2,304,937	-	-	1,928,144	2,304,937
Public safety	2,604,455	2,466,131	-	-	2,604,455	2,466,131
Public works	2,433,835	1,413,299	-	-	2,433,835	1,413,299
Development services	1,405,208	762,433	-	-	1,405,208	762,433
Municipal court	206,536	151,550			206,536	151,550
Interest on long term debt	182,164	127,388	47,773	52,836	229,937	180,224
Wastewater utility	-	-	2,552,457	2,712,193	2,552,457	2,712,193
Total expenses	8,760,342	7,225,738	2,600,230	2,765,029	11,360,572	9,990,767
Increase (decrease) in net assets before trans	5,555,901	4,593,771	6,672	(173,841)	5,562,573	4,419,930
Net transfers	-	221,644	-	(221,644)	-	-
Increase (decrease) in net position	5,555,901	4,815,415	6,672	(395,485)	5,562,573	4,419,930
Net position - beginning, as originally stated	42,162,554	36,693,224	11,474,625	11,870,110	53,637,179	48,563,334
Prior period adjustment	(869,021)	(215,106)	-	-	(869,021)	(215,106)
Net position - beginning, as restated	41,293,533	36,478,118	11,474,625	11,870,110	52,768,158	48,348,228
Net position - ending	$ 46,849,434	$ 41,293,533	$ 11,481,297	$ 11,474,625	$ 58,330,731	$ 52,768,158

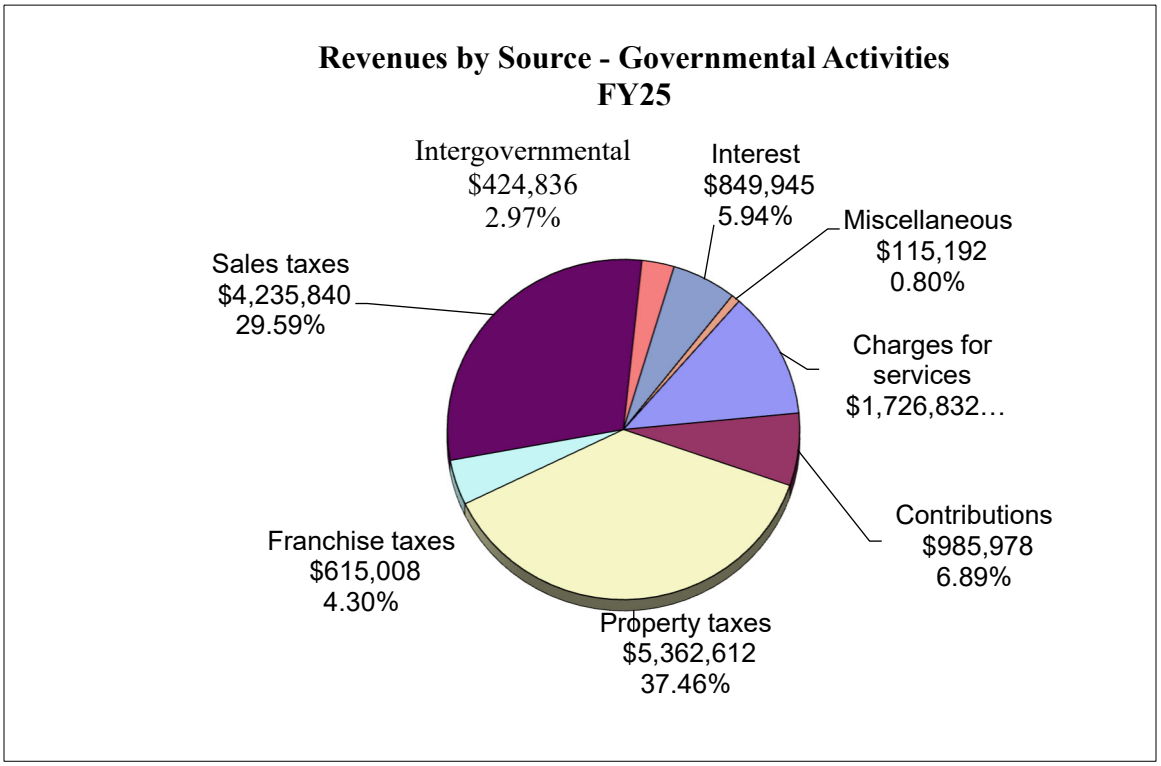
Town of Argyle, Texas

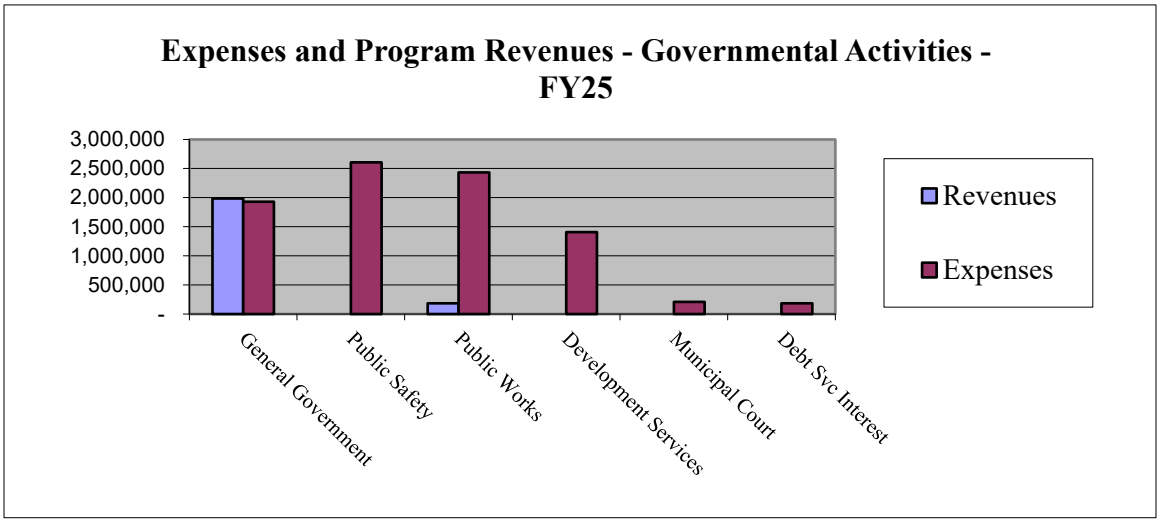
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2025

Governmental Activities

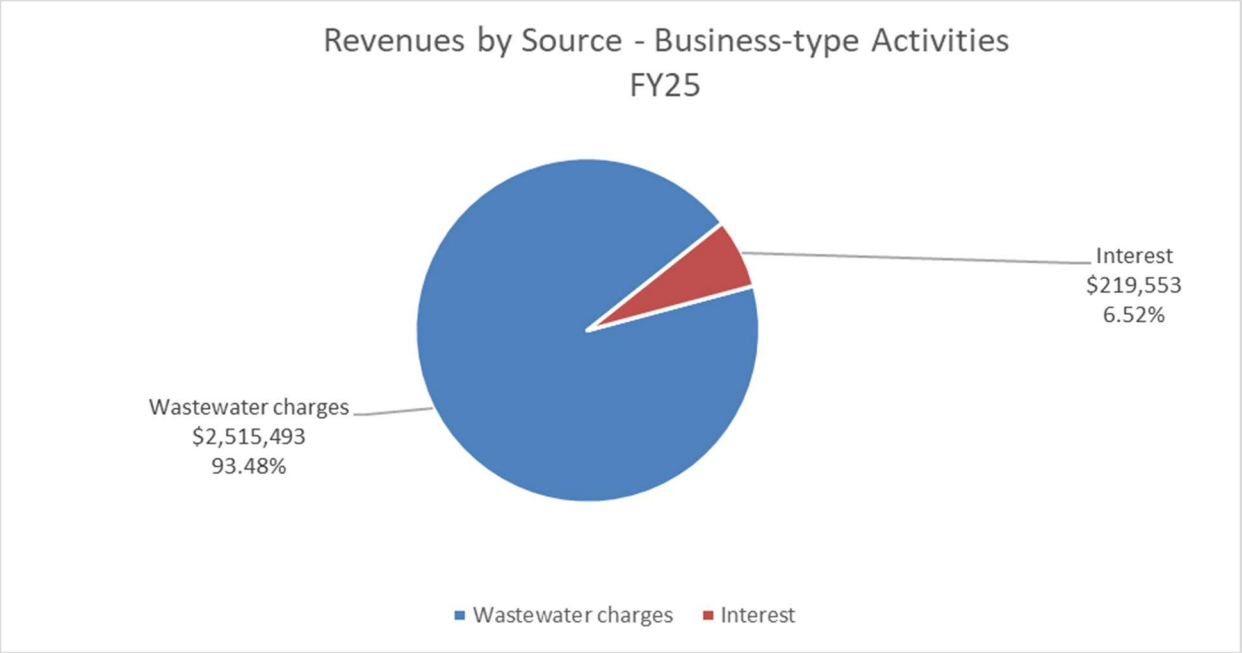
Governmental activities increased the net position of the Town by $5,555,901. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was $6,527,516 for governmental activities.

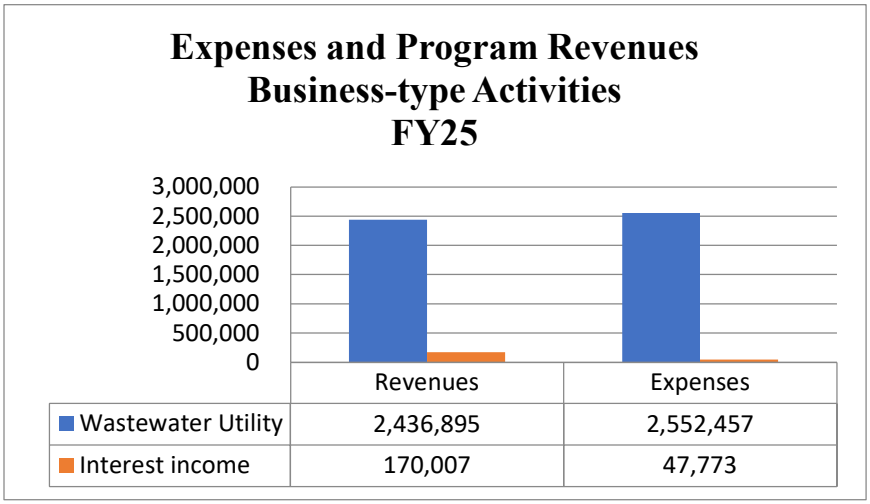




Business-type Activities

Business-type activities net position of the Town increased by $6,672.





FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the Town completed the year, its combined governmental funds, as presented in the balance sheet, reported a combined fund balance of $22,224,376. This represents an increase of $6,360,850 from the prior fiscal year.

Revenues for the Town's general fund were $9,365,526, while total expenses before transfers were $6,252,908. Other financing sources (uses) include a budgeted transfer from the General Fund of $1,389,828 to the Capital Improvements Fund. Transfers to the General Fund included $100,000 from the Street Maintenance Fund, $162,650 from nonmajor governmental funds, and $47,003 from the MDD Fund for the FY 2025.

Factors concerning the finances of the wastewater business-type fund were addressed in the previous discussion of the Town's business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

TABLE III
TOWN OF ARGYLE CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
		(as restated)				*(as restated)*
Land	$ 4,803,276	$ 4,803,277	$ -	$ -	$ 4,803,276	$ 4,803,277
Construction in progress	68,213	-	53,093	$ -	121,306	-
Buildings and improvements	1,369,616	1,553,580	-	-	1,369,616	1,553,580
Infrastructure	23,949,479	24,874,095	-	-	23,949,479	24,874,095
Intangibles	-	3,087	-	3,088	-	6,175
Vehicles and equipment	494,816	445,664	172,953	198,559	667,769	644,223
Graveyard branch collection system	-	-	271,472	288,617	271,472	288,617
Wastewater system	-	-	9,395,904	9,807,233	9,395,904	9,807,233
Leased Assets	-	5,304	-	-	-	5,304
Subscription Assets	39,742	68,859	-	-	39,742	68,859
Total	$ 30,725,142	$ 31,753,866	$ 9,893,422	$ 10,297,497	$ 40,618,564	$ 42,051,363

Governmental activities capital assets had a net decrease of $1,897,745 from FY 2024. The decrease is due to annual depreciation expense of $1,330,393.

Business-type activities capital assets had a net decrease of $404,075 from FY 2024. The decrease is a combination of additions to Construction in progress and normal capital purchases and dispositions as well as the annual depreciation expense of $457,168. See *Note H to Financial Statements* for more detailed information on capital asset activity.

Long-term Debt

TABLE IV
TOWN OF ARGYLE OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Bonds payable	$ 5,560,404	$ 6,489,804	$ 2,134,881	$ 2,308,163	$ 7,695,285	$ 8,797,967
Notes payable	785,000	-	-	-	785,000	-
Leases payable	-	5,242	-	-	-	5,242
Compensated absences	133,842	94,290	726	4,040	134,568	98,330
Subscription liability	39,742	68,859	-	-	39,742	68,859
	$ 6,518,988	$ 6,658,195	$ 2,135,607	$ 2,312,203	$ 8,654,595	$ 8,970,398

On September 30, 2025, the Town had bonds payable, leases and accrued compensated absences outstanding of $8,654,595. The decrease of $315,595 is a result of principal payments made during the year, reduced by the issuance of new debt. Debt service payments made include payment on refunded debt. See *Note J to Financial Statements* for more detailed information on long-term debt activity.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town of Argyle enters Fiscal Year 2025–2026 in a position of financial stability amid continued regional growth pressures across North Texas. While the Dallas–Fort Worth Metroplex continues to experience rapid expansion, Argyle remains committed to an intentional growth strategy that prioritizes rural character, infrastructure readiness, and long-term sustainability over rapid or speculative development. This approach continues to shape both the Town's revenue structure and expenditure priorities.

Argyle's local economy is supported by a strong residential tax base, high rates of homeownership, and a median household income well above regional and state averages. Property values have continued to grow steadily, driven primarily by residential development and rising appraisals rather than commercial intensity. At the same time, sales tax revenues have demonstrated consistent, moderate growth, reflecting the Town's strategy of attracting value-aligned businesses that serve residents without altering the community's character. This deliberate approach has produced reliable revenue growth while avoiding volatility commonly associated with high-density commercial development.

The FY 2025–2026 Budget was developed conservatively, acknowledging inflationary pressures, rising utility and infrastructure costs, and uncertainty in broader economic conditions. Revenue projections remain cautious, ensuring that ongoing operations are supported by recurring revenues rather than one-time resources. Expenditure decisions emphasize maintenance, operational clarity, and foundational services rather than expansion, allowing the Town to preserve service levels while strengthening internal processes.

The Town Council adopted a slightly reduced property tax rate for FY 2025–2026, maintaining stability for taxpayers while responsibly managing existing and planned debt obligations. As older debt obligations sunset, capacity is created to finance future capital priorities, such as Streets, Town Center and Police Department Building, without increasing the property tax rate. This approach reflects the Town's long-standing commitment to affordability, transparency, and disciplined debt management.

Strong fund balances across all major funds continue to provide resilience against economic fluctuations and flexibility for strategic investment. Rather than relying on reserves for recurring operations, the Town uses fund balance intentionally for one-time capital projects and infrastructure investments that support long-term efficiency and community benefit. This financial posture positions Argyle to navigate economic uncertainty while remaining focused on its core values of stewardship, thoughtful growth, and preservation of its rural identity.

FY 2025–2026 Budget Highlights

- Maintains a stable and slightly reduced property tax rate while supporting long-term capital planning and debt management
- Continue conservative revenue projections supported by steady residential growth and value-aligned sales tax activity
- Prioritizes infrastructure maintenance and reliability, including wastewater, drainage, and street preservation
- Advances planning and early-phase development for the Town Center and Police Department Building as a long-term civic investment
- Preserves strong fund balances across all major funds, exceeding adopted reserve policy thresholds
- Reinforces Argyle's commitment to intentional, protected, and strategic growth that preserves rural character and quality of life

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Town of Argyle, Attn: Finance Director, P.O. Box 609, Argyle, TX 76226.

Basic Financial Statements

For the Fiscal Year Ended
September 30, 2025

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Town of Argyle, Texas

STATEMENT OF NET POSITION

As of September 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	$ 8,844,477	$ 2,747,568	$ 11,592,045
Receivables (net of allowances)	1,085,016	183,958	1,268,974
Internal balances	83,520	(83,520)	-
Restricted assets:			
Cash and cash equivalents	12,723,084	1,213,074	13,936,158
Capital assets (net of acc. depreciation)			
Non-depreciable	4,871,489	53,093	4,924,582
Net depreciable capital assets	25,853,653	9,840,329	35,693,982
Net pension asset	215,208	10,770	225,978
Total Assets	53,676,447	13,965,272	67,641,719
Deferred Outflows of Resources			
Deferred outflows - pension	274,750	13,750	288,500
Total Deferred Outflows of Resources	274,750	13,750	288,500
Liabilities			
Accounts payable	270,637	193,871	464,508
Accrued liabilities	177,324	158,354	335,678
Interest payable	21,563	4,224	25,787
Compensated absences	133,842	726	134,568
Noncurrent liabilities:			
Debt due within one year	1,483,882	183,283	1,667,165
Debt due in more than one year	4,901,264	1,951,598	6,852,862
Total Liabilities	6,988,512	2,492,056	9,480,568
Deferred Inflows of Resources			
Deferred inflows - pension	113,251	5,669	118,920
Total Deferred Inflows of Resources	113,251	5,669	118,920
Net Position			
Net investment in capital assets	24,346,996	7,758,541	32,105,537
Restricted	15,974,922	-	15,974,922
Unrestricted	6,527,516	3,722,756	10,250,272
Total Net Position	$ 46,849,434	$ 11,481,297	$ 58,330,731

The accompanying notes are an integral part of this statement.

Town of Argyle, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 1,928,144	$ 997,889	$ 985,978	$ -
Streets and parks	1,128,946	181,656	-	-
Court	206,536	547,287	-	-
Public safety	2,604,455	-	-	-
Economic development	1,405,208	-	-	-
Public works	1,304,889	-	-	-
Interest and charges on long-term debt	182,164	-	-	-
Total governmental activities	8,760,342	1,726,832	985,978	-
Business-type activities:				
Water and sewer	2,600,230	2,436,895	-	-
Total business-type activities	2,600,230	2,436,895	-	-
Total primary government	$ 11,360,572	$ 4,163,727	$ 985,978	$ -

General Revenues and Transfers:	
Property taxes	
Sales taxes	
Franchise taxes	
Hotel/motel taxes	
Unrestricted investment earnings	
Other revenue	
Intergovernmental	
Total General Revenues and Transfers	
Change in Net Position	
Beginning Net Position, as originally stated	
Cumulative effect - error correction	
Beginning Net Position, as restated	
Ending Net Position	

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ 55,723		$ 55,723
(947,290)		(947,290)
340,751		340,751
(2,604,455)		(2,604,455)
(1,405,208)		(1,405,208)
(1,304,889)		(1,304,889)
(182,164)		(182,164)
(6,047,532)		(6,047,532)
-	$ (163,335)	(163,335)
-	(163,335)	(163,335)
(6,047,532)	(163,335)	(6,210,867)
5,362,612	-	5,362,612
4,235,840	-	4,235,840
611,866	-	611,866
3,142	-	3,142
849,945	170,007	1,019,952
115,192	-	115,192
424,836	-	424,836
11,603,433	170,007	11,773,440
5,555,901	6,672	5,562,573
42,143,512	11,474,625	53,618,137
(869,021)	-	(869,021)
41,293,533	11,474,625	52,768,158
$ 46,849,434	$ 11,481,297	$ 58,330,731

Town of Argyle, Texas

BALANCE SHEET
GOVERNMENTAL FUNDS
As of September 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund
Assets			
Cash and investments	$ 5,818,833	$ 1,107,076	$ 4,363,057
Receivables (net):			
Sales taxes	353,229	-	-
Franchise	192,719	-	-
Other	126,280	71	-
Property taxes	44,960	18,800	-
Due from other funds	-	221,644	-
Total Assets	6,536,021	1,347,591	4,363,057
Liabilities			
Accounts payable	202,160	-	43,460
Accrued liabilities	177,324	-	-
Due to other funds	296,480	120,506	-
Total Liabilities	675,964	120,506	43,460
Deferred Inflows of Resources			
Unavailable revenues due to property tax and other	44,960	18,800	-
Total Deferred Inflows of Resources	44,960	18,800	-
Fund Balances			
Restricted for:			
Debt service	-	1,208,285	-
Capital improvements	-	-	4,319,597
Street maintenance	-	-	-
Economic development	-	-	-
Court security and technology	-	-	-
Committed	-	-	-
Unassigned	5,815,097	-	-
Total Fund Balances	5,815,097	1,208,285	4,319,597
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 6,536,021	$ 1,347,591	$ 4,363,057

The accompanying notes are an integral part of this statement.

Street Maintenance Fund	Roadway Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 3,613,328	$ 3,171,030	$ 3,494,237	$ 21,567,561
173,697	-	175,260	702,186
-	-	-	192,719
-	-	-	126,351
-	-	-	63,760
-	-	278,862	500,506
3,787,025	3,171,030	3,948,359	23,153,083
-	-	25,017	270,637
-	-	-	177,324
-	-	-	416,986
-	-	25,017	864,947
-	-	-	63,760
-	-	-	63,760
-	-	-	1,208,285
-	3,171,030	-	7,490,627
3,787,025	-	-	3,787,025
-	-	3,383,649	3,383,649
-	-	105,336	105,336
-	-	434,357	434,357
-	-	-	5,815,097
3,787,025	3,171,030	3,923,342	22,224,376
$ 3,787,025	$ 3,171,030	$ 3,948,359	$ 23,153,083

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Town of Argyle, Texas

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of September 30, 2025

Total Fund Balances - Governmental Funds Balance Sheet	$ 22,224,376
Adjustments for the Statement of Net Position	
Capital and right to use assets used in governmental activities are not financial resources. Therefore, they are not reported in the governmental funds.	
Capital assets - non-depreciable	4,871,489
Capital assets - net depreciable	25,853,653
Other long-term assets are not available to pay for current-priod expenditures and, therefore, are deferred in the governmental funds.	
Property taxes	63,760
Some liabilities, including bonds payable, accrued interest payable, and pension and OPEB liabilities are not reported as liabilities in the governmental funds.	
Accrued interest	(21,563)
Net pension asset	215,208
Compensated absences	(133,842)
Long-term debt due in one year	(1,483,882)
Long-term debt due in more than one year	(4,901,264)
Deferred outflows (inflows) of resources, represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/expenditure)/(revenue) until then.	
Pension outflows	274,750
Pension inflows	(113,251)
Net Position of Governmental Activities	$ 46,849,434

The accompanying notes are an integral part of this statement.

Town of Argyle, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	General Fund	Debt Service Fund	Capital Improvements Fund
Revenues			
Taxes:			
Property taxes, penalties, and interest	$ 3,498,832	$ 1,463,552	-
Sales taxes	2,116,205	-	-
Franchise taxes	611,866	-	-
Licenses and permits	997,889	-	-
Contributions & grants	932,328	-	-
Interest	233,761	63,512	109,491
Fines	518,454	-	-
Intergovernmental	424,836	-	-
Other	1,840	-	1,128
Park development fees	29,515	-	-
Charges for services	-	-	-
Total Revenues	9,365,526	1,527,064	110,619
Expenditures			
Current:			
Public safety	2,367,963	-	-
Economic development	1,041,998	-	-
General government	1,422,938	1,851	-
Public works	1,156,401	-	43,601
Court	196,869	-	-
Streets	-	-	-
Parks	-	-	-
Capital outlays	51,112	-	-
Debt service:			
Principal	15,627	895,000	-
Interest and fiscal charges	-	157,325	33,720
Total Expenditures	6,252,908	1,054,176	77,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,112,618	472,888	33,298
Other Financing Sources (Uses)			
Lease proceeds	-	-	785,000
Proceeds from sale of capital assets	-	-	139,693
Transfers in	309,653	-	1,389,828
Transfers out	(1,389,828)	-	-
Total Other Financing Sources (Uses)	(1,080,175)	-	2,314,521
Net Change in Fund Balances	2,032,443	472,888	2,347,819
Beginning Fund Balances, as originally stated	3,783,751	735,397	1,971,778
Adjustments	(1,097)	-	-
Beginning fund balance, as restated	3,782,654	735,397	1,971,778
Ending Fund Balances	$ 5,815,097	$ 1,208,285	$ 4,319,597

The accompanying notes are an integral part of this statement.

Street Maintenance Fund	Roadway Impact Fees Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 367,002	$ 5,329,386
1,040,068	-	1,079,567	4,235,840
-	-	-	611,866
-	-	-	997,889
-	-	53,650	985,978
141,076	133,528	168,577	849,945
-	-	28,833	547,287
-	-	-	424,836
-	111,604	620	115,192
-	-	12,448	41,963
-	-	3,142	3,142
1,181,144	245,132	1,713,839	14,143,324
-	-	95,447	2,463,410
-	-	367,003	1,409,001
-	-	434,051	1,858,840
-	-	-	1,200,002
-	-	10,542	207,411
127,070	-	-	127,070
-	-	19,360	19,360
-	-	250,557	301,669
-	-	18,732	929,359
-	-	-	191,045
127,070	-	1,195,692	8,707,167
1,054,074	245,132	518,147	5,436,157
-	-	-	785,000
-	-	-	139,693
-	-	-	1,699,481
(100,000)	-	(209,653)	(1,699,481)
(100,000)	-	(209,653)	924,693
954,074	245,132	308,494	6,360,850
2,832,951	2,925,898	3,594,709	15,844,484
-	-	20,139	19,042
2,832,951	2,925,898	3,614,848	15,863,526
$ 3,787,025	$ 3,171,030	$ 3,923,342	$ 22,224,376

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Town of Argyle, Texas

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATE OF ACTIVITIES

For the Year Ended September 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 6,360,850
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	301,669
Depreciation and amortization expense	(1,330,393)
Governmental funds repayment of debt principal as an expenditure and proceeds of new debt as a financing source. However, in the Statement of Activities, these transactions are only considered changes in long-term debt balances. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, the amounts are deferred and amortized in the Statement of Activities.	
Long-term debt repaid in current year	929,359
Deferred charges on bond refunding	40,679
Lease proceeds	(785,000)
Amortization of bond premium	34,401
Governmental funds report some prior year tax and court revenues as income in the current year. However, in the Statement of Activities, the revenue is recognized in the year in which it is earned.	33,226
Accrued long term debt interest is not recorded in the govermental fund financials but the increase in the balance is recognized for the full accrual government-wide financial statements as interest expense.	(18,519)
Changes to accrued compensated absenses are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(39,552)
Full accrual based pension expense is not recorded in the governmental fund financials but the (increase) decrease from adjusting the City's contribution expense is realized on the government-wide financial statements.	29,181
Change in Net Position of Governmental Activities	$ 5,555,901

The accompanying notes are an integral part of this statement.

Town of Argyle, Texas

STATEMENT OF NET POSITION
PROPRIETARY FUND
As of September 30, 2025

	Wastewater Utility Funds
Assets	
Current Assets:	
Cash and investments	$ 2,747,568
Receivables (net of allowances for uncollectible):	
Accounts	183,958
Due from other funds	138,124
Total Current Assets	3,069,650
Noncurrent Assets:	
Restricted cash and cash equivalents	1,213,074
Capital assets:	
Non-depreciable	53,093
Net depreciable capital assets	9,840,329
Net pension liability	10,770
Total Noncurrent Assets	11,117,266
Total Assets	14,186,916
Deferred Outflows of Resources	
Deferred outflows - pension	13,750
Total Deferred Outflows of Resources	13,750
Liabilities	
Current Liabilities:	
Accounts payable	193,871
Accrued liabilities	158,354
Due to other funds	221,644
Accrued interest	4,224
Compensated absences	726
Current portions of long-term debt	183,283
Total Current Liabilities	762,102
Noncurrent Liabilities:	
Bonds and certificates of obligation payable (net)	1,951,598
Total Noncurrent Liabilities	1,951,598
Total Liabilities	2,713,700
Deferred Inflows of Resources	
Deferred inflows - pension	5,669
Total Deferred Inflows of Resources	5,669
Net Position	
Net investment in capital assets	7,758,541
Unrestricted	3,722,756
Total Net Position	$ 11,481,297

The accompanying notes are an integral part of this statement.

Town of Argyle, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUND

For the Year Ended September 30, 2025

	Wastewater Utility Funds
Operating Revenues	
Sewer service	$ 2,134,811
Connection and impact fees	277,451
Inspection fees	24,633
Total Operating Revenues	2,436,895
Operating Expenses	
Contract services	1,761,195
Depreciation	457,168
Personnel services	169,859
Maintenance	86,717
Utilities	39,139
Materials, supplies, and services	38,379
Total Operating Expenses	2,552,457
Operating Income (Loss)	(115,562)
Nonoperating Revenues (Expenses)	
Interest income	170,007
Interest expense	(47,773)
Total Nonoperating Revenues (Expenses)	122,234
Income before Capital Contributions and Transfers	6,672
Total Transfers	-
Change in Net Position	6,672
Beginning Net Position	11,474,625
Ending Net Position	$ 11,481,297

The accompanying notes are an integral part of this statement.

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Town of Argyle, Texas

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended September 30, 2025

	Wastewater Utility Funds
Cash Flows from Operating Activities:	
Cash Received from Customers	$ 2,625,364
Cash Payments to Suppliers for Goods and Services	(1,912,925)
Cash Payments to Employees for Services	(155,768)
Net Cash Provided (Used) by Operating Activities	556,671
Cash Flows from Non-capital and Related Financing Activities:	
Cash paid on behalf of other funds	(159,029)
Net Cash Provided (Used) by Non-Capital & Related Financing Activities	(159,029)
Cash Flows from Capital and Related Financing Activities:	
Principal and Interest Paid	(221,694)
Acquisition or Construction of Capital Assets	(53,093)
Net Cash Provided (Used) by Capital and Related Financing Activities	(274,787)
Cash Flows from Investing Activities:	
Interest received	170,007
Net Cash Provided (Used) by Non-Capital & Related Financing Activities	170,007
Net Increase (decrease) in Cash, Cash Equivalents and Restricted Cash	292,862
Cash, Cash Equivalents and Restricted Cash at Beginning of the Year	
Unrestricted Cash and Investments	2,365,586
Restricted Cash	1,302,194
	3,667,780
Cash, Cash Equivalents and Restricted Cash at End of the Year	
Unrestricted Cash and Investments	2,747,568
Restricted Cash	1,213,074
	$ 3,960,642
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	46,515
Depreciation and Amortization	457,168
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	188,469
Decrease (Increase) in Deferred Outflows of Resources	(13,750)
Increase (Decrease) in Accounts Payable	(51,372)
Increase (Decrease) in Deferred Inflows of Resources	5,669
Increase (Decrease) in Accrued Liabilities	(82,038)
Increase (Decrease) in Accrued Compensation	(4,760)
Increase (Decrease) in Net Pension Liability	10,770
Total Adjustments	510,156
Net Cash Provided (Used) by Operating Activities	$ 556,671

The accompanying notes are an integral part of this statement.

Town of Argyle, Texas

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY AGENCY FUNDS
ARGYLE PUBLIC IMPROVEMENT DISTRICTS (PID)
As of September 30, 2025

	Highlands PID	Waterbrook PID	Total Agency Funds
Assets			
Restricted cash and cash equivalents	$ 830,158	$ 2,062,410	$ 6,923,042
Total Assets	830,158	2,062,410	6,923,042
Liabilities			
Accounts payable	24,957	25,793	50,750
Long-term debt:			
Due in one year	130,000	300,000	430,000
Due in more than one year	4,860,000	11,715,000	20,605,474
Total Liabilities	5,014,957	12,040,793	21,086,224
Net Position			
Restricted for public improvement district	(4,184,799)	(9,978,383)	(14,163,182)
Total Net Position	$ (4,184,799)	$ (9,978,383)	$ (14,163,182)

The accompanying notes are an integral part of this statement.

Town of Argyle, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY AGENCY FUNDS

HASLET PUBLIC IMPROVEMENT DISTRICTS (PID)

As of September 30, 2025

	Highlands PID	Waterbrook PID	Total Agency Funds
Additions			
Assessment revenue	$ 395,742	$ 954,249	$ 1,349,991
Investment earnings	43,187	103,475	146,662
Total Additions	438,929	1,057,724	1,496,653
Deductions			
Administrative expenses	15,848	16,550	32,398
Interest expenses	260,188	632,514	892,702
Total Deductions	276,036	649,064	925,100
Change in Net Position	162,893	408,660	571,553
Beginning Net Position	(4,347,692)	(10,387,043)	(14,734,735)
Ending Net Position	$ (4,184,799)	$ (9,978,383)	$ (14,163,182)

The accompanying notes are an integral part of this statement.

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Argyle, Texas (the "Town") is a municipal corporation governed by an elected mayor and a five-member council. The Town provides the following services: public safety (police), community development, public works, municipal court, general administration, and wastewater. The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally Accepted Accounting Principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant policies of the Town are described below.

1. The Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations.

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financial accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financials statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

Blended Component Units

The Argyle Crime Control and Prevention District (the "CCPD"), which was created in fiscal year 2004, and the Argyle Municipal Development District (the "MDD") which was created in fiscal year 2021, are blended presented component units of the Town. The component units do not issue separate financial statements.

The financial statements include government-wide statements prepared on an accrual basis of accounting and fund financial statements that present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Combining statements for the non-major governmental funds are included in the supplementary section of this report. The Town capitalizes and depreciates all infrastructure assets (streets, bridges, traffic signals, etc.) on a prospective basis effective October 1, 2003.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

2. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which are comprised of funds' assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and from individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statement section of this report into two broad categories as follows:

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

GOVERNMENTAL FUND TYPES

The primary government of the Town maintains five major governmental funds that include the general fund, debt service fund, capital improvements fund, street maintenance fund, municipal development district and the roadway impact fees fund. In addition, the Town maintains nine non-major special revenue funds and one non-major capital projects fund. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital improvements fund, street maintenance fund, and the roadway impact fees fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single aggregated presentation. Individual funds data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. Funds with no balances in assets, liabilities, revenue or expenditures are excluded from reporting.

General Fund

The general fund is the general operating fund of the Town. It is used to account for all financial resources except amounts required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general-long term debt, principal, interest, and related costs. The resources of this fund are provided primarily by taxes levied by the Town (General Fund).

Capital Projects Funds

The capital projects funds are used to account for all financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds). These funds are the Capital Improvements Fund, Roadway Impact Fees Fund, and the Street Maintenance Fund. All three are major funds in the year ended September 30, 2025.

Special Revenue Funds

Special revenue funds account for revenues that are raised for a specific purpose. The primary government of the Town maintains one major special revenue fund, and eleven individual non-major special revenue funds.

These funds are the Court Technology Fund, Court Security Fund, Parkland Dedication Fund, Tree Reforestation Fund, LEOSE Training Fund, Police Seizures Fund, Police Donations Fund, Building Maintenance Fund, Hotel Occupancy Tax Fund, Capital Projects Equipment Replacement Fund, the MDD and CCPD blended component units, and Tax Increment Reinvestment Zone (TIRZ).

PROPRIETARY FUND TYPES

Wastewater Utility Funds
The proprietary fund is used to account for the operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (cost of sales and services, administrative expenses, and depreciation on capital assets) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges for sales and services or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

The primary government of the Town maintains three wastewater utility funds. These funds are the Wastewater Utility Operating Fund, Wastewater Utility CIP Fund, and the Wastewater Developments Fund.

FIDUCIARY FUND TYPES

Public Improvement District ("PID") Funds
The Town uses fiduciary funds to account for resources held for the benefit of parties outside the government. Fiduciary agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. Fiduciary agency funds are used to account for the Town's PIDs, which are the Highlands PID No. 1, and Waterbrook PID.

3. Basis of Accounting

Government-Wide Financial Statements
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary funds. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all of the eligibility requirements imposed by the provider have been met.

Fund Financial Statements
The modified accrual basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the fund financial statements. Modified accrual basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized only when payment is due.

Ad valorem, franchise and sales tax revenues recorded in the General Fund, sales taxes recorded in the Street Maintenance Fund, CCPD, and MDD, and ad valorem tax revenues recorded in the Debt Service Fund and TIRZ are recognized under the susceptible to accrual concept.

Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings or losses are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized in the accounting period in which they are earned and become measurable and expenditures in the accounting period in which they are incurred and become measurable.

4. Upcoming and Newly Implemented Accounting Pronouncements

The GASB has issued the following statements:

GASB Statement No. 101, Compensated Absences, will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. There was no effect on opening balances from implementing this Statement.

GASB issued Statement No. 102, “Certain Risk Disclosures,” that clarifies the definitions & disclosure guidance for risks due to concentration or constraint. The Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow or outflow of resources and a constraint as a limitation imposed by an external party or formal action of the government’s highest level of decision-making authority.

The Statement requires the government to assess wither a concentration or constraint makes the primary reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of substantial impact, and whether an event associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin within the 12 months after the date the financial statements are issued. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2024. The Town has determined that there is no impact from implementing this Statement.

GASB issued Statement No. 103, "Financial Reporting Model Improvements," that attempts to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement expands requirements for the management discussion & analysis, presentation of proprietary fund statement of revenues, expenses & changes in fund net position, and information related to major component units & budgetary comparisons. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2025. The Town is evaluating the impact that adoption of this Statement will have on its financial statements.

GASB issued Statement No. 104, "Disclosure of Certain Capital Assets," to clarify the disclosure requirements related to capital assets. This Statement requires separate disclosure of capital assets arising from leases, public-private & public-public partnerships & availability payment arrangements, and subscription-based information technology arrangements, and additional disclosures for capital assets held for sale. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2025. The Town is evaluating the impact that adoption of this Statement will have on its financial statements.

5. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand and demand and time deposits as well as short-term investments in State investment pools. For purposes of the statement of cash flows (proprietary fund types), the Town considers cash deposits and highly liquid investments (including restricted assets) maturing in three months or less when purchased, to be cash equivalents. All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

6. Restricted Assets

Certain bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

7. Inventory and Prepaid Items

Inventories, which are expended as they are consumed, are stated at the lower of cost or market on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. At September 30, 2025, the Town had no inventories or prepaid expenses.

8. Interfund Receivables and Payables

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the year is referred to as "amounts due to" and "amounts due from" other funds appropriately. Any residual balances outstanding between the governmental activities and proprietary-type activities are reported in the government-wide financial statements as "internal balances."

9. Property Taxes

Taxes are levied on October 1 and are due and payable at that time. Ad valorem taxes attach as an enforceable lien on property as of January 1. All unpaid taxes levied October 1 become delinquent February 1 of the following year and are subject to penalty and interest as the Town Council provides by ordinance. Property tax revenues are recognized when they become available. "Available" includes those property taxes receivable which are expected to be collected within sixty days after year-end.

Property subject to taxation consists of real property and certain personal property situated in the Town. Certain properties of religion, education and charitable organizations, as well as the federal government and the State of Texas are exempt from taxation. Additionally, certain exemptions are granted to property owners in arriving at the net assessed valuation of property subject to Town taxation.

10. Allowance for Doubtful Accounts

The Town uses the direct write-off method of recording proprietary fund bad debts, which approximates the percentage method of recording bad debts. No allowance is provided for un-collectible real property taxes, since all real property taxes will ultimately be collected when title to the property is transferred, except in rare instances in which the taxes are discharged in bankruptcy.

11. Capital Assets

Capital assets, which include property, plants, right to use lease equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are accounted for in the statement of net position, rather than governmental funds.

The Town defines capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Major outlays for capital assets and improvements are capitalized as projects are constructed. See footnote Note A 13 for depreciable lives.

12. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. The first is the deferred outflow for pension contributions resulting from GASB 68.

The second item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has a deferred inflow from the actuarial pension gain that is presented on the Statement of Net Position from GASB 68. There is only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, municipal court and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

13. Depreciation and Amortization

Property, plant, equipment, right-to-use leased assets, and infrastructure of the primary government and business-type activities are depreciated/amortized using the straight-line method over the following estimated useful lives:

Infrastructure	40 years
Buildings	15 – 20 years
Machinery and equipment	5 – 12 years
Vehicles	5 – 12 years
Right-to-use leased equipment	3 – 5 years

14. Leases

The Town is a lessee for noncancellable leases of property and equipment. The Town recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The Town recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the Town is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

15. Subscription-Based Information Technology Arrangements

The Town implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, in fiscal year 2023. The Town has two software arrangements that require recognition under GASBS No. 96. The software amortization expense is included in public safety expenditures on the Government-Wide Statement of Activities related to the Town's intangible asset of two software systems. The Town recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for these assets on the Government-Wide Statement of Net Position. The asset is included in net depreciable capital assets on the Statement and as subscription assets in Note G; the liability is included in long-term debt on the Statement and as subscription liabilities in Note K.

16. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances. The Town does not offer any other compensated time that meet the recognition criteria. The liability has been calculated based on services already provided at the rates of pay that were in force at September 30, 2025. Vacation leave of government-wide and proprietary funds are recognized as an expense and liability of those funds when the Town judges the leave to be more likely than not to be used or settled by other means in the future.

It is the Town's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the Town's governmental funds recognize accrued compensated absences when it is paid.

17. Fund Balances

In accordance with GASB No. 54, *Fund Balance in Reporting and Governmental Fund Type Definitions,* the Town classifies its fund equity into five categories:

- *Non-spendable fund balance* includes amounts that are not in a spendable form or are required to be maintained intact.
- *Restricted fund balance* includes amounts that are constrained to specific purposes by their providers or by enabling legislations.
- *Assigned fund balance* includes amounts a government intends to use for a specific purpose but are neither restricted nor committed. Assignments are made by Town management based on Town Council direction.
- *Committed fund balance* includes amounts which are constrained to specific purposes by the Town Council through an ordinance or resolution. To be reported as committed, amounts cannot be used for any other purposes unless the Town Council takes the same action to remove or change the constraint.
- *Unassigned fund balance* includes amounts that are available for any purpose. Unassigned fund balances are only reported in the general fund.

The Town’s highest level of decision-making authority is governed by the Town Council. Passage of a resolution would be required to establish, modify, or rescind a fund balance commitment. The Town Council has the authority to assign amounts to specific purposes. The Town considers restricted amounts spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Expenditures incurred for purposes for which amounts to any of the unrestricted fund balance classifications could be used are classified using the highest level of spending constraint available at the time of the expenditure. The Town Council adopted Financial Policies in FY20 and FY25 that establish a General Fund balance requirement of 120 days.

18. Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

19. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets, (2) restricted and (3) unrestricted. Net investment in capital assets represents the Town's total investment in capital assets, net of depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

18. Budgets

The Town prepares annual budgets for the general fund, special revenue funds, debt service fund, and capital projects funds on a GAAP basis in order to provide appropriate budgetary control over revenues and expenditures through comparison of actual data to budgetary data. If a change in the approved budget is required due to unforeseen circumstances, the Council may approve amendments to the budget. All annual appropriations lapse at fiscal year-end. The legal level of budgetary control is established at the fund level.

For the year ended September 30, 2025, the Court Technology Fund exceeded appropriations at the legal level of control by $5,516. Management has implemented procedures to ensure future compliance.

NOTE B – CASH AND DEPOSITS WITH FINANCIAL INSTITUTIONS

Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures* the following disclosures are presented:

Deposits

Statutes authorize the Town to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, common trust funds and other investments specifically allowed by Chapter 2256 Public Funds Investments and Chapter 2257 Collateral for Public Funds of the Government Code. The Town's funds are required to be deposited and invested under the terms of a depository contract and investments policy pursuant to state statute.

The depository bank deposits for safekeeping and trust with its agent approved pledged securities authorized by Chapter 2257 Collateral for Public Funds of the Government Code in an amount sufficient to protect Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At September 30, 2025, the Town's carrying amount of demand deposits was $25,528,203 while the bank balance also showed $24,389,788 in deposits at financial banking institutions that are members of the FDIC (Category 1). Amounts deposited in the bank, including the bank balances of the blended component units in the amounts of $1,584,288 for the Municipal Development District and $899,322 for the Crime Control Prevention District, were fully insured by the FDIC (Category 1) or collateralized at all times during the year ended September 30, 2025, and thus had no cash deposits that were exposed to custodial credit risk.

Investments

The Town also had $1,138,415 in the Texas Local Government Investment Pool (TexPool) as follows:

	Amount
Public funds investment pools:	
TexPool General fund	$ 117,539
TexPool MDD fund	945,205
TexPool Roadway Capital Improvement	503
TexPool WW Development fund	75,168
Total public investment pools	$1,138,415

Cash and cash equivalents held in the TexPool are not categorized in regard to credit risk. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State comptroller has established an advisory board composed of Participants in the TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, Standard and Poor's rated the TexPool at AAAm. To maintain the rating, weekly portfolio information must be submitted to Standard and Poors and the office of the Comptroller of Public Accounts for review. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. Deposits held by this public funds investment pool are not subject to custodial credit risk.

Total unrestricted and restricted cash and cash equivalents for the primary government is $25,528,203 on the statement of net position at September 30, 2025. Of this amount, $11,592,045 was unrestricted and available for spending at the Town's discretion.

Concentration of Credit Risk
Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. As of September 30, 2025, the Town had no investments that were exposed to concentration of credit risk.

Foreign Currency Risk
Foreign currency risk is the risk that an investment dominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. As of September 30, 2025, the Town was not exposed to foreign currency risk.

NOTE C – RECEIVABLES

Receivables as of year-end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Projects Fund	Debt Service Fund	Street Maintenance Fund	Nonmajor Governmental Funds	Wastewater Utility Funds	Total
Sales taxes	$ 353,229	$ -	$ -	$ 173,697	$ 175,260	$ -	$ 702,186
Franchise & other	318,999	-	71	-	-	-	319,070
Accounts	-	-	-	-	-	183,958	183,958
Property taxes	44,960	-	18,800	-	-	-	63,760
Municipal court	42,405	-	-	-	-	-	42,405
	759,593	-	18,871	173,697	175,260	183,958	1,311,379
Less: allowance for doubtful accounts	(42,405)	-	-	-	-	-	(42,405)
Net	$ 717,188	$ -	$ 18,871	$ 173,697	$ 175,260	$ 183,958	$ 1,268,974

NOTE D – DELINQUENT AD VALOREM TAX

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current year. At the end of the current fiscal year, the unavailable revenue reported in the governmental funds related to delinquent ad valorem taxes was $63,760.

NOTE E – PROPERTY TAX REVENUE

Ad valorem taxes (property taxes) are billed and collected by Denton County Tax Assessor Collector. For the year ended September 30, 2025, the tax rate was $0.34311 per $100 assessed valuation.

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

NOTE F - INTERFUND RECEIVABLES AND PAYABLES

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds. At September 30, 2025, interfund receivables and payables are as follow:

	Due From Other Funds	Due To Other Funds	Internal Balances
Governmental Funds:			
General	$ -	$ 296,480	
Debt Service	221,644	120,506	
Capital Projects	-	-	
Nonmajor Funds	278,862	-	
	$ 500,506	$ 416,986	$ 83,520
Proprietary Funds:			
Water and Sewer	$ 138,124	$ 221,644	
	$ 138,124	$ 221,644	$ (83,520)

NOTE G – GENERAL CAPITAL ASSETS

Capital assets used in governmental fund type operations are accounted for in the statement of net position, rather than in governmental funds. Public domain "infrastructure" general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, were capitalized prospectively starting in fiscal year 2003. The most notable capital additions in FY25 were vehicles.

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

The following is a summary of changes in capital assets for governmental activities for the year ended September 30, 2025:

	Beginning Balance *(as restated)*	Additions	Retirements & Reclasses	Ending Balance
Governmental Activities				
Capital assets not being depreciated/amortized:				
Land	$ 4,803,276	$ -	$ -	$ 4,803,276
Construction in progress	-	68,213	-	68,213
Capital assets being depreciated/amortized:				
Building and improvements	4,115,572	-	-	4,115,572
Vehicles and equipment	1,752,379	233,456	-	1,985,835
Streets and infrastructure	30,498,982	-	-	30,498,982
Intangibles	720,711	-	-	720,711
Right to use assets	24,367	-	-	24,367
Subscription assets	96,856	-	-	96,856
Totals	42,012,143	301,669	-	42,313,812
Less accumulated depreciation/amortization	(10,258,277)	(1,330,393)	-	(11,588,670)
Governmental activities capital assets, net	$ 31,753,866	$ (1,028,724)	$ -	$ 30,725,142

Depreciation for general capital assets is included as an expense for governmental activities on the statement of activities. Depreciation was allocated to each governmental function as follows:

Governmental Activities:	
General government	$ 82,685
Public Safety	157,095
Streets	904,454
Parks	78,062
Public Works	108,097
	$ 1,330,393

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

NOTE H - PROPRIETARY FUNDS PROPERTY, PLANT AND EQUIPMENT

The FY25 proprietary capital additions were related to the addition of construction in progress.

The following is a summary of the property, plant and equipment of the proprietary funds for the year ended September 30, 2025:

Business-Type Activities	Beginning		Retirements	Ending
Capital assets not being depreciated:	Balance	Additions	& Reclasses	Balance
Land	$ -	$ -	$ -	$ -
Construction in progress	-	53,093	-	53,093
Depreciable capital assets:				
Vehicles	13,240	-	-	13,240
Machinery and equipment	417,809	-	-	417,809
Wastewater collection system	12,632,484	-	-	12,632,484
Graveyard branch collection system	687,518	-	-	687,518
Intangibles	82,103	-	-	82,103
Totals	13,833,154	53,093	-	13,886,247
Less accumulated depreciation	(3,535,657)	(457,168)	-	(3,992,825)
Business-type activities capital assets, net	$ 10,297,497	$ (404,075)	$ -	$ 9,893,422

NOTE I – LEASES

Effective October 1, 2021, the Town implemented GASB Statement No. 87, Leases, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the Town initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

As of September 30, 2025, the Town has fully amortized all right to use lease assets.

NOTE J – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Town recorded arrangements for tasers & in-car cameras totaling $96,856, with $57,114 of accumulated amortization, as subscription assets in the governmental capital assets. These assets are being amortized over the lease terms of seven and five years since the related equipment will be replaced at the end of the arrangement terms and replaced with new equipment and upgraded software. There are no residual value guarantees in the arrangement provisions. The taser arrangement will end in 2026 and the cameras arrangement will end in 2027.

A summary of the principal and interest amounts for the remaining arrangements includes the following principal and interest payments:

Fiscal Year	Principal	Interest	Total
2026	$ 19,482	$ 1,590	$ 21,072
2027	20,260	810	21,070
	$ 39,742	$ 2,400	$ 42,142

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

NOTE K - LONG TERM LIABILITIES AND CONTRACTUAL OBLIGATIONS

The following is a summary of changes in long-term debt for the year ended September 30, 2025:

	Balance 9/30/2024	Additions	Retirements	Balance 9/30/2025	Due within one year
Governmental Activities					
CO Series 2019 - Street Improvements	$ 1,500,000	$ -	$ (275,000)	$ 1,225,000	$ 290,000
GO Series 2019 - Refunding Bonds	475,000	-	(95,000)	380,000	105,000
GO Series 2020 - Refunding Bonds	1,765,000	-	(235,000)	1,530,000	240,000
CO Series 2021 - Street Improvements	2,530,000	-	(290,000)	2,240,000	295,000
Tax Note Series 2025	-	785,000	-	785,000	500,000
Unamortized bond premium	219,805	-	(34,401)	185,404	34,400
Lease liabilities	5,242	-	(5,242)	-	-
Subscription liabilities	68,859	-	(29,117)	39,742	19,482
Total bonds, notes, and leases payable	6,563,906	785,000	(963,760)	6,385,146	1,483,882
Compensated absences	94,290	39,552	-	133,842	133,842
Long Term Debt	$ 6,658,196	$ 824,552	$ (963,760)	$ 6,518,988	$ 1,617,724
Business-Type Activities					
GO Series 2019 - Refunding Bonds	$ 495,000	$ -	$ (85,000)	$ 410,000	$ 95,000
CO Series 2020 - Tax & Revenue Bond	1,760,000	-	(85,000)	1,675,000	85,000
Unamortized bond premium	53,164	-	(3,283)	49,881	3,283
Total bonds and notes payable	2,308,164	-	(173,283)	2,134,881	183,283
Compensated absences	4,040	-	(3,314)	726	726
Long Term Debt	$ 2,312,204	$ -	$ (176,597)	$ 2,135,607	$ 184,009

There were no significant contracts or encumbrances at September 30, 2025.

LONG TERM DEBT OF THE GOVERNMENTAL ACTIVITIES

On January 3, 2019 the Town issued Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2019 in the amount of $2,665,000. These bonds are for construction and improvement of streets. The bonds were issued with a rate of 3.25% to 5.00% and mature on February 15, 2029. These bonds anticipate transfers from the Street Maintenance Sales Tax Fund to balance the annual debt service. As the intent was road reconstruction, the bonds are amortized over 10 years to model the increased life of the roads which creates a large annual principal payment. The principal balance as of September 30, 2025 was $1,225,000.

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

On January 3, 2019, the Town issued General Obligation Refunding Bonds, Series 2019 in the amount of $1,895,000 to refund three separate issues comprised of general long-term debt and wastewater debt. The general debt refunded is as follows: 2008 C.O.'s in the amount of $980,000 for the purchase of a church for the current Town Hall facility and the 2009 C.O.'s.in the amount of $515,000 issued to the renovate the church and police department buildings. The total general debt refund in the amount of $1,895,000 were issued with a rate of 3.00% to 4.00% rate and mature on February 15, 2030. The principal balance as of September 30, 2025 was $380,000.

On April 23, 2020, the Town issued General Obligation Refunding Bonds in the amount of $2,640,000 to refund the C.O., Series 2010. The general debt refunded in the amount of $2,590,000 for the comprehensive Town-wide street reconstruction and improvement project. The total general debt refunding in the amount of $2,640,000 were issued with a rate of 1.89% rate and mature on February 15, 2031. The principal balance as of September 30, 2025 was $1,530,000.

On November 16, 2021, the Town issued Combination Tax and Revenue Certificates of Obligation, Series 2021 in the amount of $3,085,000. These bonds are issued for construction and improvement of streets. The bonds were issued with a rate of 2.00% to 3.00% and mature on February 15, 2032. As the intent was road reconstruction and street improvement, the bonds are amortized over 10 years to model the increased life of the roads which creates a large annual principal payment. The principal balance as of September 30, 2025 was $2,240,000.

On August 18, 2025, the Town issued Town of Argyle, Texas Tax Notes, Series 2025 in the amount of $785,000. These bonds are issued for general Town expenses. The Note were issued with a rate of 3.5% and mature on February 15, 2027. The principal balance as of September 30, 2025 was $785,000.

The principal and interest requirements related to these governmental bonds and notes at September 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 1,430,000	$ 133,277	$ 1,563,277
2027	930,000	104,463	1,034,463
2028	950,000	75,141	1,025,141
2029	950,000	48,255	998,255
2030	955,000	26,885	981,885
2031-2035	945,000	16,302	961,302
	$ 6,160,000	$ 404,323	$ 6,564,323

The Town was upgraded from a bond rating of AA to AA+ with stable outlook in November 2018 by Standard & Poor's. This upgrade was predicated on fiscal years 2015, 2016, and 2017. It was conducted during the refunding process for General Obligation bonds to lower the Town's debt costs. The upgrade is a positive reflection of the Town's strong financial position resulting from conservative budgeting and management practices, strong ad valorem values, and proximity in the Dallas-Ft. Worth Metroplex.

Town employees earn one to four weeks of vacation leave, based on tenure with the Town. They are able to accrue no more than two times their annual vacation accrual rate. Town employees accumulate sick leave at the rate of one day per month with a maximum accrual of 320 hours. Vacation and compensatory time are paid upon termination of service with the Town; sick pay is not. The accrual of compensated absences for governmental activities at September 30, 2025 was $133,842.

LONG TERM DEBT OF THE WASTEWATER UTILITY FUNDS

On January 3, 2019, the Town issued General Obligation Refunding Bonds in the amount of $915,000 to refund three separate issues comprised of general long-term debt and wastewater debt. The wastewater debt refunded is as follows: 2008 C.O.'s in the amount of $565,000 for the first phase of the TRA Wastewater Line and the 2009 C.O.'s. issued in the amount of $730,000 for the second phase of the TRA Wastewater Line. The total wastewater debt refunding in the amount of $915,000 were issued with a rate of 3.00% to 4.00% and mature on February 15, 2030. The remaining principal balance on September 30, 2025, was $410,000.

On December 10, 2020, the Town issued Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2020 in the amount of $1,995,000. The proceeds will be used for constructing improvements and extensions to the Town's sanitary sewer system including the acquisition of land and rights of-way; and (ii) paying legal, fiscal, engineering, and architectural fees in connection with these projects. The bonds were issued with a rate of 2.00% to 2.125% and mature on September 30, 2041. The principal balance as of September 30, 2025, was $1,675,000.

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

The following is a summary of the Town's Proprietary Fund long-term future debt service for the fiscal year ended September 30, 2025

Fiscal Year	Principal	Interest	Total
2026	$ 180,000	$ 46,394	$ 226,394
2027	190,000	40,744	230,744
2028	205,000	34,694	239,694
2029	200,000	29,019	229,019
2030	100,000	25,494	125,494
2031-2035	520,000	96,969	616,969
2036-2040	570,000	42,178	612,178
2041-2045	120,000	1,200	121,200
	$ 2,085,000	$ 316,691	$ 2,401,691

NOTE L – RESTRICTED CASH

At September 30, 2025, the balance of the restricted cash accounts in the Governmental funds and Wastewater Utility Funds was $12,723,084 and $1,213,074, respectively.

NOTE M – LITIGATION AND CONTINGENCIES

The Town is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the Town does not expect them to have a materially adverse effect on its Basic Financial Statements.

NOTE N - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission, injuries to employees; and natural disaster. The Town purchases commercial insurance through Texas Municipal League. The Town retains no risk of loss for the following coverage types. The Town accounts for risk management issues in accordance with GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues". Settlement of claims has not exceeded coverage in the past three years.

Type of Coverage

General liability
Law enforcement liability
Automobile liability
Worker's Compensation
Cyber Liability and Breach Response
Errors and Omissions liability
Crime Coverage
Automobile Physical Damage
Real and Personal Property

NOTE O – INTERFUND TRANSFERS

Inter-fund transfers are reported in the governmental funds and proprietary fund financial statements. In the government-wide statements, inter-fund transfers are eliminated within the governmental activities column and business-type column, as appropriate. Transfers are used to (1) move revenues collected in the special revenue funds and street maintenance fund to the general fund to finance various programs in accordance with budgetary authorizations, (2) move revenues collected in the street maintenance fund to the general fund to finance various programs in accordance with budgetary authorizations, (3) move receipts restricted for debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, (4) reimburse one fund for services provided to another fund, and (5) move unrestricted General Fund revenues to Capital Improvements Fund as determined by the Council for capital projects. Interfund transfers between the primary government's funds consisted of:

	Transfers To Other Funds	Transfers From Other Funds	Net Transfers
Governmental Funds:			
General	$ 1,389,828	$ 309,653	
Debt Service	-	-	
Capital Projects	-	1,389,828	
Street Maintenance Fund	100,000	-	
Nonmajor funds	209,653	-	
	$ 1,699,481	$ 1,699,481	$ -

NOTE P – DEFINED BENEFIT PENSION PLAN

Plan Description

The Town participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at *www.tmrs.com*. All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the Town were as follows:

	Plan Year 2024
Employee deposit rate	7%
Matching ratio (Town to Employee)	2 to 1%
Years required for vesting	0.05
Retirement Eligibility (Age/Service)	60/5, 0/20
Updated Service Credit	100% Repeating Transfers
Annuity to Increase (to retirees)	70% of CPI Repeating
Supplemental Death Benefit to Active Employees	No
Supplemental Death Benefit to Retirees	No

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	51
Active employees	34
	118

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.

The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 12.50% in calendar years 2025 and 2024. The Town's contributions to TMRS for the years ended September 30, 2025 and 2024, were $384,756 and $337,405, respectively, which exceeded the required contributions.

Net Pension Liability (Asset)

The Town's Net Pension Liability or Asset (NPL or NPA) was measured as of December 31, 2024 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

Actuarial Assumptions (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (Asset).

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

Changes in the Net Pension Liability (Asset)

Changes in the net pension liability (asset) for the Town are summarized in the following table:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2023	$ 8,546,548	$ 8,410,016	$ 136,532
Changes for the year:			
Service cost	523,906	-	523,906
Interest	581,226	-	581,226
Change of benefit terms	-	-	-
Difference between expected and actual experience	(40,613)	-	(40,613)
Changes of assumptions	-	-	-
Contributions - employer	-	351,383	(351,383)
Contributions - employee	-	206,146	(206,146)
Net investment income	-	875,236	(875,236)
Benefit payments, including refunds of employee contributions	(395,498)	(395,498)	-
Administrative expense	-	(5,604)	5,604
Other changes	-	(132)	132
Net changes	$ 669,021	$ 1,031,531	$ (362,510)
Balance at 12/31/2024	$ 9,215,569	$ 9,441,547	$ (225,978)

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability (asset) of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate		
1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$1,193,765	($225,978)	($1,364,532)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at *www.tmrs.com*.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2025, the Town recognized pension expense of $313,680.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At September 30, 2025 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	$ -	$ (1,315)
Changes in actuarial assumptions	-	(9,875)
Differences between projected and actual investment earnings	-	(107,730)
Contributions subsequent to the measurement date	288,500	-
Total	$ 288,500	$ (118,920)

$288,500 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Net Deferred (Inflows) Outflows of Resources
2026	$ (777)
2027	75,722
2028	(132,353)
2029	(61,512)
2030	-
Thereafter	-
Total	$ (118,920)

NOTE Q – PUBLIC IMPROVEMENT DISTRICTS

The Town currently has two public improvement districts (PIDs). Both PID's established by the Town state the "Owner proposes that no portion of the Authorized Improvements Cost shall be apportioned to the Town; consequently, no Town property will be assessed, and the Town will not be obligated to pay any assessments levied against the Property or to pay debt service on any revenue bonds secured by assessments levied against the Property." The Town has engaged a PID Administrator for both PIDs identified below. All assessments paid, whether in full or annually with homeowner's property tax bill, flow through an account at the Town and are wired to the respective trustee hired to administer the bonds.

The Highlands of Argyle Public Improvement District No. 1 (the "Highlands PID")

On April 26, 2016, the Town passed and approved Resolution No. 2016-07 authorizing the establishment of the Highlands PID in accordance with Chapter 372, Texas Local Government Code, as amended, which authorization was effective upon publication as required by the act. The purpose of the PID is to finance the actual costs of authorized improvements that confer a special benefit on approximately 111.41 acres within the corporate limits of the Town: (1) just southwest of the Old Town area; (2) south of Old Justin Road; (3) West of U.S. Highway 377 along and adjacent to the Texas & Pacific Railroad Company; and (4) north of Harpole. The property is zoned under Ordinance No. 2015-21 adopted by the Town Council on September 22, 2015, which ordinance establishes the permitted uses of, and standards for the development of, the property.

On September 1, 2017, the Town issued the Town of Argyle, Texas Special Assessment Revenue Bonds, Series 2017 (Highlands Public Improvement District Project) (the Bonds) in the original principal amount of $5,765,000. The Bonds are being issued by the Town pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code as amended (the PID Act), and ordinance adopted by the Town Council of the Town on August 22, 2017, and an Indenture of Trust, dated September 1, 2017, entered into by and between the Town and the Trustee, U.S. Bank National Association (US Bank). The Bonds were authorized in order to finance the costs of local public infrastructure benefiting Public Improvement District No. 1.

Proceeds of the Bonds were deposited into trust accounts with US Bank for the purpose of funding improvements in the projects described above. US Bank serves as trustee, for the benefit of the bond holders, for these funds as well as any and all other property or money of every name and nature, which is, from time-to-time hereafter by delivery or in writing of any kind, conveyed, pledged, assigned or transferred to Trustee. The total bond principal outstanding for the Town of Argyle, Texas Special Revenue Bonds series 2017 (Highlands Public Improvement District Project) is $4,990,000 at September 30, 2025.

The Waterbrook of Argyle Public Improvement District (the "Waterbrook PID")

On August 23, 2016, the Town passed and approved Resolution No. 2016-22 authorizing the establishment of the Waterbrook PID in accordance with Chapter 372, Texas Local Government Code, as amended, which authorization was effective upon publication as required by the act. The purpose of the Waterbrook PID is to finance the actual costs of authorized improvements that confer a special benefit on approximately 101.350 acres within the corporate limits of the Town, located on the southeast corner of Farm to Market Road 407; along and adjacent to U.S. Highway 377; and North of Frenchtown Road. The property is zoned under Ordinance No. 2016-08 adopted by the Town Council on April 23, 2016, which ordinance establishes the permitted uses of, and standards for the development of, the property.

On January 1, 2018, the Town issued the Town of Argyle, Texas Special Assessment Revenue Bonds, Series 2018 (Waterbrook Public Improvement District Project) (the Bonds) in the original principal amount of $13,955,000. The Bonds are being issued by the Town pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code as amended (the PID Act), and ordinance adopted by the Town Council of the Town on August 22, 2017, and an Indenture of Trust, dated January 1, 2018, entered into by and between the Town and the Trustee, U.S. Bank National Association (US Bank). The Bonds were authorized in order to finance the costs of local public infrastructure benefiting Public Improvement District.

Proceeds of the Bonds were deposited into trust accounts with US Bank for the purpose of funding improvements in the projects described above. US Bank serves as trustee, for the benefit of the bond holders, for these funds as well as any and all other property or money of every name and nature, which is, from time-to-time hereafter by delivery or in writing of any kind, conveyed, pledged, assigned or transferred to Trustee. The total bond principal outstanding for the Town of Argyle, Texas Special Revenue Bonds series 2018 (Waterbrook Public Improvement District No. 1 Project) is $12,015,000 at September 30, 2025.

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

NOTE R – TAX INCREMENT REINVESTMENT ZONE

Tax Increment Reinvestment Zone (TIRZ) are special zone(s) created by the Town Council under the Texas Tax Code Chapter 311 (Tax Increment Financing Act). A TIRZ is used to finance public improvements within a defined area. These improvements are intended to promote development or redevelopment in the defined area and surrounding areas. Taxes attributable to new improvements (tax increments) are set aside in a special revenue fund to finance public improvements with the boundaries of the zone.

The Argyle Tax Increment Reinvestment Zone No. 1 Board (the "Waterbrook TIRZ") was created by the Town Council on September 27, 2016 through the adoption of Ordinance No. 2016-18. On August 9, 2016, the Council approved the Development Agreement between the Town of Argyle and Terra Manna, LLC for the Waterbrook Development located on the Southeast corner of FM 407 and US 377. The development agreement included components related to the creation of the Waterbrook PID, as well as the creation of a TIRZ which will be used to buy down the PID assessment on the project and reimburse eligible developer costs.

A portion of the real property ad valorem taxes levied by participating taxing entities and a portion of sales taxes collected in Waterbrook TIRZ are set aside for this purpose beginning with taxes levied after January 1, 2017 tax levies. The amount set aside out of the annually adopted tax levy, is based upon the appraised value each January 1st compared to the base year appraised value of property in the TIRZ as of January 1, 2016 (tax increment).

The Town engaged a TIRZ Administrator in June 2021. On March 24, 2021, the TIRZ Administrator conducted a review in coordination with the Denton County GIS/Mapping Coordinator to determine the values of the Waterbrook TIRZ since its creation. The values are summarized below:

Reinvestment Zone Number One of the Town of Argyle Historical Taxable and Incremental Values				
Year	Contribution to TIRZ Fund As of September 30	Taxable Value	Incremental Taxable Value	Town Sales Tax Collected in TIRZ
2024	2025	$ 159,241,951	$ 158,752,557	$ -
2023	2024	$ 145,564,346	$ 145,074,952	$ -
2022	2023	$ 85,595,436	$ 85,106,042	$ -
2021	2022	$ 54,515,273	$ 54,025,879	$ -
2020	2021	$ 31,356,671	$ 30,867,277	$ -
2019	2020	$ 24,524,050	$ 24,034,656	$ -
2018	2019	$ 8,686,722	$ 8,197,328	$ -
2017	2018	$ 22,100,384	$ 21,610,990	$ -

The County agreed to deposit 50% of the County's Tax Increment each year, and the Town agreed to deposit 40% of the Town's Tax Increment and 50% of the Town's $0.01 sales tax collected in the Zone each year. There has been no sales tax component as there is no commercial building to date. The Town recognized property tax portion total $367,002 ($149,123 from the I&S Fund and $217,879 from the M&O Fund) in fiscal year 2025. The Town accounts for the TIRZ as a *Special Revenue Fund.*

The funds generated within the boundary are used as follows:

From the County increment: Administration and creation costs for the Waterbrook TIRZ; reimbursement to the developer for approximately $2.4 million in sewer collection system facilities and farm to market deceleration lanes; and to pay interest on the obligation of the sewer facilities and deceleration lanes.

From the Town increment: Administration and creation costs for the Waterbrook TIRZ; to fund a reserve for the Commercial PID Credit; to fund a set amount to the Commercial Credit after Development Agreement thresholds are met; to reimburse the Developer for certain costs from Sales Tax revenues produced within the boundary.

NOTE S - FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town has two fiduciary funds: Highlands PID Agency Fund and Waterbrook PID Agency Fund. As of September 30, 2025, the Fiduciary funds have negative fund balances as the monies collected are periodically transferred to the developer or pay the Districts' bond obligations.

Town of Argyle, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2025

NOTE T - PRIOR PERIOD ADJUSTMENTS

During the fiscal year ended September 30, 2025, the Town Management adjusted the beginning fund balances for the General Fund & Municipal Development District causing prior period adjustments. The Town's Senior Citizen Organization Fund, a special revenue fund, was closed during year ended September 30, 2025 and the remaining assets and liabilities transferred into the General Fund. The Town's Economic Development Fund, a special revenue fund, was closed during year ended September 30, 2025 and the remaining assets and liabilities transferred into the Municipal Development District. Management also corrected the net position of governmental activities for $869,021 in depreciation not recorded in prior years. See the below table for the total effects on fund balance and net position.

	General Fund	Senior Citizens Organization Fund	Economic Development Corporation	Municipal Development District	Nonmajor Governmental Funds	Total Governmental Net Position
Beginning fund balance, as originally stated	$ 3,783,751	$ (1,097)	$ 23,835	$ 1,971,272	$ 3,613,751	$ 42,162,554
Prior period adjustments						
Closing Senior Citizens Fund into the General Fund	(1,097)	1,097	-	-	1,097	-
Closing Economic Development Fund into the MDD	-	-	(23,835)	42,877	19,042	19,042
Correcting under-reporting of accumulated depreciation	-	-	-	-	-	(869,021)
Total prior period adjustments	(1,097)	1,097	(23,835)	42,877	20,139	(849,979)
Beginning fund balance, as restated	$ 3,782,654	$ -	$ -	$ 2,014,149	$ 3,633,890	$ 41,312,575

NOTE U – ECONOMIC DEVELOPMENT GRANTS AND COMMITMENTS

The Argyle Municipal Development District ("MDD"), a blended component unit of the Town, administers economic development grants funded by restricted sales tax revenue to stimulate local business activity and job creation. On December 18, 2023, the MDD entered into a $100,000 grant agreement with Circle Star Brands Denton LLC and Cactus Canyon LLC Argyle to support the development of a 6,400 square-foot restaurant (Cactus Canyon) at 700 FM 407 W, Argyle, Texas. The agreement requires a $7,000,000 capital investment by the issuance of a Certificate of Occupancy (CO), $4,000,000 in annual taxable sales, and creation of 20 full-time and 40 part-time jobs within one year of CO issuance, maintained for five years.

The Town disbursed $100,000 on November 18, 2024. If performance targets are not met, the Grantee must repay $100,000 in the first year post-CO, decreasing to $20,000 in the fifth year, with joint and several liability among the Grantee's principals. Additionally, on August 22, 2024, the MDD executed a $75,000 grant agreement with Circle Star Brands LLC for a restaurant (Branded Bowls) at 125 FM 407 E, Argyle, Texas, requiring a $700,000 capital investment, $1,750,000 in annual taxable sales, and 8 full-time and 10 part-time jobs within one year of CO issuance, maintained for five years. The Town disbursed $75,000 on September 3, 2024.

On January 8, 2025, the MDD's Board approved a grant to Stable Vet Supply for $40,000. The funds were disbursed on March 17, 2025.

On February 6, 2025, the MDD's Board approved a grant to Little Joe's Farmstead for a maximum of $100,000. The funds were disbursed on June 6, 2025.

On March 6, 2025, the MDD's Board approved a grant to FAC Aesthetics for $7,500. The funds were disbursed on March 17, 2025.

Non-compliance triggers repayment of $75,000 in the first year post-CO, decreasing to $15,000 in the fifth year, with joint and several liability among the Grantee's principals.

The potential repayments for both grants represent contingent receivables, not recognized in the financial statements, as repayment is neither probable nor measurable at this time. The Town monitors compliance through annual Grantee reports.

NOTE V – CONTINGENT LIABILITY: PENDING LITIGATION

The Town is currently a defendant in a lawsuit filed by SPI Asphalt, LLC (Cause No. 24-5719-431) in the 431st Judicial District Court of Denton County, Texas. The case involves a $200,000 payment mistakenly sent to a fraudulent account due to a vendor impersonation scheme. The Town recovered approximately $18,000 and has conditional insurance coverage of $50,000, requiring a $5,000 contribution toward any settlement. SPI is seeking the original invoice amount, attorneys' fees, and court costs. The Town has denied liability and made settlement offers, which were declined. SPI has indicated a willingness to settle for a negotiated amount. Based on legal counsel's assessment, an adverse outcome is possible but not probable. Therefore, no liability has been recorded. If the Town is unsuccessful, potential exposure could be around $150,000, plus legal costs. The case is currently in the discovery period and trial scheduled for February 2, 2026.

The Town is currently a defendant in a lawsuit filed by Ruffner-Ruffner & DC Lending (Cause No. 24-10647-442) in the 442nd Judicial District Court of Denton County, Texas. The case involves the Tree Preservation Ordinance, which the plaintiffs allege violates the Texas Constitution's prohibition against retroactive laws and the Texas Private Real Property Rights Preservation Act, and is an inverse condemnation. Based on legal counsel's assessment, an adverse outcome is possible but moderately low probability. Therefore, no liability has been recorded. If the Town is unsuccessful, potential exposure could be around $1,000,000, plus legal costs. The case is currently in the discovery period and trial scheduled for June 8, 2026.

NOTE W - SUBSEQUENT EVENTS

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through the audit report date, the date the financial statements were available to be issued. Management has determined that there are no events to disclose.

Required Supplementary Information

For the Fiscal Year Ended
September 30, 2025

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Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND - BUDGET TO ACTUAL
For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Property tax, penalties, and interest	$ 3,565,045	$ 3,565,045	$ 3,498,832	$ (66,213)
Sales tax	1,956,000	1,956,000	2,116,205	160,205
Franchise Tax	494,000	494,000	611,866	117,866
Licenses and permits	443,000	630,250	997,889	367,639
Contributions & grants	382,327	889,828	932,328	42,500
Interest	220,000	220,000	233,761	13,761
Fines	375,000	375,000	518,454	143,454
Intergovernmental	184,540	184,540	424,836	240,296
Other	-	-	1,840	1,840
Park development fees	25,000	25,000	29,515	4,515
Total Revenues	7,644,912	8,339,663	9,365,526	1,025,863
Expenditures				
Current:				
Public safety	2,632,504	2,632,504	2,367,963	264,541
Economic development	823,330	1,010,580	1,041,998	(31,418)
General government	1,485,201	1,485,201	1,422,938	62,263
Public works	1,886,124	1,136,297	1,156,401	(20,104)
Court	188,595	188,595	196,869	(8,274)
Capital outlay	-	-	51,112	(51,112)
Debt service:				
Principal	-	-	15,627	(15,627)
Total Expenditures	7,015,754	6,453,177	6,252,908	200,269
Excess (Deficiency) of Revenues Over (Under) Expenditures	629,158	1,886,486	3,112,618	1,226,132
Other Financing Sources (Uses)				
Transfers in	309,653	309,653	309,653	-
Transfers out	(660,000)	(1,549,828)	(1,389,828)	160,000
Total Other Financing Sources (Uses)	(350,347)	(1,240,175)	(1,080,175)	160,000
Net Change in Fund Balances	278,811	646,311	2,032,443	$ 1,386,132
Beginning Fund Balances	3,783,751	3,783,751	3,782,654	
Ending Fund Balances	$ 4,062,562	$ 4,430,062	$ 5,815,097	

Town of Argyle, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
Last Ten Measured Years

	2024	2023	2022	2021
Total pension liability				
Service Cost	$ 523,906	$ 467,528	$ 421,015	$ 396,441
Interest (on the Total Pension Liability)	581,226	530,111	482,364	449,370
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(40,613)	104,790	80,479	(84,203)
Change of assumptions	-	(43,935)	-	-
Benefit payments, including refunds of employee contributions	(395,498)	(263,352)	(336,141)	(234,049)
Net Change in Total Pension Liability	669,021	795,142	647,717	527,559
Total Pension Liability - Beginning	8,546,548	7,751,406	7,103,689	6,576,130
Total Pension Liability - Ending (a)	$ 9,215,569	$ 8,546,548	$ 7,751,406	$ 7,103,689
Plan Fiduciary Net Position				
Contributions - Employer	351,383	323,923	329,600	325,268
Contributions - Employee	206,146	188,955	169,180	151,893
Net Investment Income	875,236	848,165	(564,999)	864,407
Benefit payments, including refunds of employee contributions	(395,498)	(263,352)	(336,141)	(234,049)
Administrative Expense	(5,604)	(5,388)	(4,876)	(3,990)
Other	(133)	(37)	5,820	25
Net Change in Plan Fiduciary Net Position	1,031,530	1,092,266	(401,416)	1,103,554
Plan Fiduciary Net Position - Beginning	8,410,017	7,317,751	7,719,167	6,615,613
Plan Fiduciary Net Position - Ending (b)	$ 9,441,547	$ 8,410,017	$ 7,317,751	$ 7,719,167
Net Pension Liability - Enging (a) - (b)	$ (225,978)	$ 136,531	$ 433,655	$ (615,478)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.45%	98.40%	94.41%	108.66%
Covered Payroll	2,944,946	2,857,018	2,416,851	2,230,263
Net Pension Liability as a Percentage of Covered Payroll	-7.67%	4.78%	17.94%	-27.60%

NOTES TO SCHEDULE:

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension liability (asset).

2020	2019	2018	2017	2016	2015
$ 378,610	$ 363,721	$ 335,209	$ 285,184	$ 256,946	$ 263,016
413,709	387,971	360,188	325,060	290,933	269,509
-	-	-	-	-	-
(86,274)	(207,859)	(76,452)	28,922	(5,180)	(58,176)
-	(4,544)	-	-	-	40,352
(139,274)	(191,590)	(251,592)	(35,956)	(66,492)	(36,849)
566,771	347,699	367,353	603,210	476,207	477,852
6,009,359	5,661,660	5,294,307	4,691,097	4,214,890	3,737,038
$ 6,576,130	$ 6,009,359	$ 5,661,660	$ 5,294,307	$ 4,691,097	$4,214,890
298,987	293,760	275,179	236,183	310,701	210,859
139,709	137,179	128,503	110,292	98,393	97,620
446,609	756,002	(146,428)	557,079	232,884	4,677
(139,274)	(191,590)	(251,592)	(35,956)	(66,492)	(36,849)
(2,884)	(4,264)	(2,825)	(2,883)	(2,627)	(2,848)
(115)	(126)	(147)	(146)	(142)	(141)
743,032	990,961	2,690	864,569	572,717	273,318
5,872,581	4,881,620	4,878,930	4,014,361	3,441,644	3,168,326
$ 6,615,613	$ 5,872,581	$ 4,881,620	$ 4,878,930	$ 4,014,361	$3,441,644
$ (39,483)	$ 136,778	$ 780,040	$ 415,377	$ 676,736	$ 773,246
100.60%	97.72%	86.22%	92.15%	85.57%	81.65%
1,995,839	1,959,706	1,835,755	1,575,602	1,405,610	1,394,570
-1.98%	6.98%	42.49%	26.36%	48.15%	55.45%

Town of Argyle, Texas

SCHEDULE OF CONTRIBUTIONS TO PENSION PLAN
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
Last Ten Fiscal Years

	2025	2024	2023	2022
Actuarially Determined Contribution	$ 366,248	$ 242,015	$ 241,646	$ 257,593
Contributions in relation to the actuarially determined contribution	366,248	342,842	357,000	387,172
Contribution deficiency (excess)	-	(100,827)	(115,354)	(129,579)
Covered payroll	$ 2,963,139	$ 2,857,018	$ 2,416,851	$ 2,416,851
Contributions as a percentage of covered payroll	12.36%	12.00%	14.77%	16.02%

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age, Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 Years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market, market value recognition method, 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes	There were no benefit changes during the year

NOTES TO SCHEDULE OF PENSION CONTRIBUTIONS:
The information in this schedule has been determined as of the Town's most recent fiscal year-end.

2021	2020	2019	2018	2017	2016
$ 262,725	$ 257,064	$ 274,441	$ 257,628	$ 251,203	$ 218,375
334,316	299,176	278,313	256,355	274,007	227,158
(71,591)	(42,112)	(3,872)	1,273	(22,804)	(8,783)
$ 2,230,263	$ 1,995,839	$ 1,959,706	$ 1,835,755	$ 1,827,930	$ 1,515,399
14.99%	14.99%	14.20%	13.96%	14.99%	14.99%

Town of Argyle, Texas

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

September 30, 2025

BUDGETARY INFORMATION

The Town follows these procedures annually in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The Town Administrator submits to the Town Council a proposed budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.

2. Prior to October 1, the budget is legally adopted through passage of an ordinance. This budget is reported as the Original Budget in the budgetary comparison schedules.

3. During the fiscal year, changes to the adopted budget may be authorized, as follows:

    a. Items requiring Town Council action – appropriation of fund balance reserves; transfers of appropriations between funds; new inter-fund loans or advances; and creation of new capital projects or increases to existing capital projects.
    b. Items delegated to the Town Administrator – appropriation balances from an expenditure account to another within a single fund.

4. Annual budgets are legally adopted and amended as required for the general, special revenue and debt service funds. Project length budgets are adopted for the capital projects funds. All budgets are adopted on a basis consistent with generally accepted accounting principles. Budgets are adopted for the proprietary funds annually only as a management tool. There are no legally mandated budgetary constraints for the proprietary funds.

5. Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.

6. The appropriated budget is prepared by fund, function and department. The Town's management may make transfers of appropriations within a fund. Transfers of appropriations between funds require the approval of the Town Council. The legal level of budgetary control is the fund level.

7. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be re-appropriated and honored during the subsequent year.

Other Supplementary Information

For the Fiscal Year Ended
September 30, 2025

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Combining Nonmajor Fund Financial Statements

For the Fiscal Year Ended
September 30, 2025

Town of Argyle, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2025

	Special Revenue Funds				
	Court Technology Fund	Court Security Fund	Parkland Dedication Fund	Tree Reforestation Fund	LEOSE Training Fund
Assets					
Cash and investments	$ 19,829	$ 85,540	$ 112,474	$ 69,793	$ 7,939
Receivables (net)	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	19,829	85,540	112,474	69,793	7,939
Liabilities					
Accounts payable	33	-	-	-	-
Total Liabilities	33	-	-	-	-
Deferred Inflows of Resources					
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Restricted for:					
Court security and technology	19,796	85,540	-	-	-
Capital improvements	-	-	-	-	-
Committed to:					
Parks	-	-	112,474	69,793	-
Equipment replacement	-	-	-	-	-
Public safety	-	-	-	-	7,939
Building maintenance	-	-	-	-	-
Total Fund Balances	19,796	85,540	112,474	69,793	7,939
Total Liabilities, Deferred Inflows, and Fund Balances	$ 19,829	$ 85,540	$ 112,474	$ 69,793	$ 7,939

Special Revenue Funds					
Police Seizures Fund	Police Donations Fund	Building Maintenance Fund	Hotel Occupancy Tax Fund	Senior Citizens Organization Fund	Economic Development Corporation
$ 18,231	$ 37,800	$ 4,900	$ 1,449	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
18,231	37,800	4,900	1,449	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,231	37,800	-	-	-	-
-	-	4,900	1,449	-	-
18,231	37,800	4,900	1,449	-	-
$ 18,231	$ 37,800	$ 4,900	$ 1,449	$ -	$ -

Town of Argyle, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS (continued)

September 30, 2025

	Special Revenue Fund	Blended Component Unit		Capital Projects	Total
	Tax Increment Reinvestment Zone (TIRZ)	Municipal Development District	Crime Control & Prevention District	Equipment Replacement Fund	Nonmajor Governmental Funds
Assets					
Cash and investments	$ 110,638	$ 2,176,185	$ 647,204	$ 202,255	$ 3,494,237
Receivables (net)	-	96,697	78,563	-	175,260
Due from other funds	278,862	-	-	-	278,862
Total Assets	389,500	2,272,882	725,767	202,255	3,948,359
Liabilities					
Accounts payable	-	2,451	2,049	20,484	25,017
Total Liabilities	-	2,451	2,049	20,484	25,017
Deferred Inflows of Resources					
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Restricted for:					
Court security and technology	-	-	-	-	105,336
Capital improvements	389,500	2,270,431	723,718	-	3,383,649
Committed to:					
Parks	-	-	-	-	182,267
Equipment replacement	-	-	-	181,771	181,771
Public safety	-	-	-	-	63,970
Building maintenance	-	-	-	-	6,349
Total Fund Balances	389,500	2,270,431	723,718	181,771	3,923,342
Total Liabilities, Deferred Inflows, and Fund Balances	$ 389,500	$ 2,272,882	$ 725,767	$ 202,255	$ 3,948,359

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Town of Argyle, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2025

	Special Revenue Funds				
Revenues	**Court Technology Fund**	**Court Security Fund**	**Parkland Dedication Fund**	**Tree Reforestation Fund**	**LEOSE Training Fund**
Sales tax	$ -	$ -	$ -	$ -	$ -
Property tax, penalties, and interest	-	-	-	-	-
Interest	787	3,303	5,142	2,890	333
Contributions	-	-	-	-	-
Fines	12,970	15,863	-	-	-
Park development	-	-	12,448	-	-
Charges for services	-	-	-	-	3,142
Miscellaneous	-	-	-	-	-
Total Revenues	13,757	19,166	17,590	2,890	3,475
Expenditures					
Current:					
Development	-	-	-	-	-
Public safety	-		-	-	1,772
General government	-	-	-	3,999	-
Parks	-	-	10,321	9,039	-
Court	10,416	126	-	-	-
Capital outlay	-	-	17,100	-	-
Debt service:					
Principal	-	-	-	-	-
Total Expenditures	10,416	126	27,421	13,038	1,772
Revenues Over Expenditures	3,341	19,040	(9,831)	(10,148)	1,703
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Net Change in Fund Balances	3,341	19,040	(9,831)	(10,148)	1,703
Beginning Fund Balances originally stated	16,455	66,500	122,305	79,941	6,236
Adjustments	-	-	-	-	-
Beginning fund balance, as restated	16,455	66,500	122,305	79,941	6,236
Ending Fund Balances	$ 19,796	$ 85,540	$ 112,474	$ 69,793	$ 7,939

Special Revenue Funds					
Police Seizures Fund	Police Donations Fund	Building Maintenance Fund	Hotel Occupancy Tax Fund	Senior Citizens Organization Fund	Economic Development Corporation
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	2,401	212	-	-	-
-	36,450	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	620	-	-
-	38,851	212	620	-	-
-	-		-	-	-
-	48,088		-	-	-
-	-		-	-	-
-	-		-	-	-
-	-		-	-	-
-	-		-	-	-
-	-		-	-	-
-	48,088	-	-	-	-
-	(9,237)	212	620	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(9,237)	212	620	-	-
18,231	47,037	4,688	829	(1,097)	23,835
-	-	-	-	1,097	(23,835)
18,231	47,037	4,688	829	-	-
$ 18,231	$ 37,800	$ 4,900	$ 1,449	$ -	$ -

Town of Argyle, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2025

	Special Revenue Fund	Blended Component Units		Capital Projects	Total
Revenues	**Tax Increment Reinvestment Zone (TIRZ)**	**Municipal Development District**	**Crime Control & Prevention District**	**Equipment Replacement Fund**	**Nonmajor Governmental Funds**
Sales tax	$ -	$ 587,870	$ 491,697	$ -	$ 1,079,567
Property tax, penalties, and interest	367,002	-	-	-	367,002
Interest	9,205	97,104	36,875	10,325	168,577
Contributions	-	-	17,200	-	53,650
Fines	-	-	-	-	28,833
Park development	-	-	-	-	12,448
Charges for services	-	-	-	-	3,142
Miscellaneous	-	-	-	-	620
Total Revenues	376,207	684,974	545,772	10,325	1,713,839
Expenditures					
Current:					
Development	367,003			-	367,003
Public safety	-	-	45,587	-	95,447
General government	-	381,689	44,084	4,279	434,051
Parks	-	-	-	-	19,360
Court	-	-	-	-	10,542
Capital outlay	-	-	162,472	70,985	250,557
Debt service:					
Principal	-	-	18,732	-	18,732
Total Expenditures	367,003	381,689	270,875	75,264	1,195,692
Revenues Over Expenditures	9,204	303,285	274,897	(64,939)	518,147
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers (out)	-	(47,003)	(162,650)	-	(209,653)
Total Other Financing Sources	-	(47,003)	(162,650)	-	(209,653)
Net Change in Fund Balances	9,204	256,282	112,247	(64,939)	308,494
Beginning Fund Balances originally stated	380,296	1,971,272	611,471	246,710	3,594,709
Adjustments	-	42,877	-	-	20,139
Beginning fund balance, as restated	380,296	2,014,149	611,471	246,710	3,614,848
Ending Fund Balances	$ 389,500	$ 2,270,431	$ 723,718	$ 181,771	$ 3,923,342

Budgetary Comparison Information

For the Fiscal Year Ended
September 30, 2025

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

STREET MAINTENANCE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Sales tax	$ 734,800	$ 734,800	$ 1,040,068	$ 305,268
Interest	75,000	75,000	141,076	66,076
Total Revenues	809,800	809,800	1,181,144	371,344
Expenditures				
Streets	570,000	570,000	127,070	442,930
Total Expenditures	570,000	570,000	127,070	442,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	239,800	239,800	1,054,074	814,274
Other Financing Sources (Uses)				
Transfers out	-	-	(100,000)	(100,000)
Total Other Financing Sources (Uses)	-	-	(100,000)	(100,000)
Net Change in Fund Balances	239,800	239,800	954,074	$ 714,274
Beginning Fund Balances, as restated	2,832,951	2,832,951	2,832,951	
Ending Fund Balances	$ 3,072,751	$ 3,072,751	$ 3,787,025	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

DEBT SERVICE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property tax	$ 1,321,592	$ 1,321,592	$ 1,463,552	$ 141,960
Interest	24,000	24,000	63,512	39,512
Total Revenues	1,345,592	1,345,592	1,527,064	181,472
Expenditures				
General government	9,250.00	9,250.00	1,851	7,399
Debt service:				
Principal	1,057,000	1,057,000	895,000	162,000
Interest	209,020	209,020	157,325	51,695
Total Expenditures	1,275,270	1,275,270	1,054,176	221,094
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,322	70,322	472,888	402,566
Other Financing Sources (Uses)				
Transfers out	(65,000)	(65,000)	-	65,000
Total Other Financing Sources (Uses)	(65,000)	(65,000)	-	65,000
Net Change in Fund Balances	5,322	5,322	472,888	$ 467,566
Beginning Fund Balances, as restated	735,397	735,397	735,397	
Ending Fund Balances	$ 740,719	$ 740,719	$ 1,208,285	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

ROADWAY IMPACT FEE FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	$ 102,500	$ 102,500	$ 133,528	$ 31,028
Other	334,539	334,539	111,604	(222,935)
Total Revenues	437,039	437,039	245,132	(191,907)
Excess (Deficiency) of Revenues Over (Under) Expenditures	437,039	437,039	245,132	(191,907)
Net Change in Fund Balances	437,039	437,039	245,132	$ (191,907)
Beginning Fund Balances, as restated	2,925,898	2,925,898	2,925,898	
Ending Fund Balances	$ 3,362,937	$ 3,362,937	$ 3,171,030	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

CAPITAL IMPROVEMENTS FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	$ 62,500	$ 62,500	$ 109,491	$ 46,991
Other	-	-	1,128	1,128
Total Revenues	62,500	62,500	110,619	48,119
Expenditures				
Public works	-	889,828	43,601	846,227
Debt service:				
Interest and fiscal charges	-	-	33,720	(33,720)
Total Expenditures	-	889,828	77,321	812,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,500	(827,328)	33,298	860,626
Other Financing Sources (Uses)				
Lease proceeds	-	-	785,000	785,000
Proceeds from sale of capital assets	-	-	139,693	139,693
Transfers out	-	-	1,389,828	1,389,828
Total Other Financing Sources (Uses)	-	-	2,314,521	2,314,521
Net Change in Fund Balances	62,500	(827,328)	2,347,819	$ 3,175,147
Beginning Fund Balances, as restated	1,971,778	1,971,778	1,971,778	
Ending Fund Balances	$ 2,034,278	$ 1,144,450	$ 4,319,597	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

MUNICIPAL DEVELOPMENT DISTRICT

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Sales tax	$ 450,000	$ 450,000	$ 587,870	$ 137,870
Interest	125,000	125,000	97,104	(27,896)
Total Revenues	575,000	575,000	684,974	109,974
Expenditures				
Economic development	509,111	509,111	381,689	127,422
Total Expenditures	509,111	509,111	381,689	127,422
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,889	65,889	303,285	237,396
Other Financing Sources (Uses)				
Transfers out	(47,003)	(47,003)	(47,003)	-
Transfers in	-	-	19,042	(19,042)
Total Other Financing Sources (Uses)	(47,003)	(47,003)	(27,961)	(19,042)
Net Change in Fund Balances	18,886	18,886	275,324	$ 218,354
Beginning Fund Balances, as restated	1,995,107	1,995,107	1,995,107	
Ending Fund Balances	$ 2,013,993	$ 2,013,993	$ 2,270,431	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

CRIME CONTROL AND PREVENTION DISTRICT

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Sales tax	$ 424,435	$ 424,435	$ 491,697	$ 67,262
Interest	42,500	42,500	36,875	(5,625)
Contributions	-	-	17,200	17,200
Total Revenues	466,935	466,935	545,772	78,837
Expenditures				
Public safety	42,943	92,117	45,587	46,530
General government	47,768	47,768	44,084	3,684
Capital outlay	177,725	177,725	162,472	15,253
Debt service:				
Principal	-	-	18,732	(18,732)
Total Expenditures	268,436	317,610	270,875	46,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	198,499	149,325	274,897	125,572
Other Financing Sources (Uses)				
Transfers out	(162,650)	(162,650)	(162,650)	-
Total Other Financing Sources (Uses)	(162,650)	(162,650)	(162,650)	-
Net Change in Fund Balances	35,849	(13,325)	112,247	$ 125,572
Beginning Fund Balances, as restated	611,471	611,471	611,471	
Ending Fund Balances	$ 647,320	$ 598,146	$ 723,718	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

COURT TECHNOLOGY FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines	$ 12,500	$ 12,500	$ 12,970	$ 470
Interest	750	750	787	37
Total Revenues	13,250	13,250	13,757	507
Expenditures				
Court	4,900	4,900	10,416	(5,516)
Total Expenditures	4,900	4,900	10,416	(5,516)
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,350	8,350	3,341	(5,009)
Net Change in Fund Balances	8,350	8,350	3,341	$ (5,009)
Beginning Fund Balances, as restated	16,455	16,455	16,455	
Ending Fund Balances	$ 24,805	$ 24,805	$ 19,796	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

COURT SECURITY FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines	$ 12,500	$ 12,500	$ 15,863	$ 3,363
Interest	2,150	2,150	3,303	1,153
Total Revenues	14,650	14,650	19,166	4,516
Expenditures				
Court	2,500	2,500	126	2,374
Total Expenditures	2,500	2,500	126	2,374
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,150	12,150	19,040	6,890
Net Change in Fund Balances	12,150	12,150	19,040	$ 6,890
Beginning Fund Balances, as restated	66,500	66,500	66,500	
Ending Fund Balances	$ 78,650	$ 78,650	$ 85,540	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

PARKLAND DEDICATION FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Park development	$ 32,519	$ 32,519	$ 12,448	$ (20,071)
Interest	24,500	24,500	5,142	(19,358)
Contributions	-	-	-	-
Total Revenues	57,019	57,019	17,590	(39,429)
Expenditures				
Parks	45,000	45,000	10,321	34,679
Capital outlay	-	-	17,100	(17,100)
Total Expenditures	45,000	45,000	27,421	17,579
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,019	12,019	(9,831)	(21,850)
Net Change in Fund Balances	12,019	12,019	(9,831)	$ (21,850)
Beginning Fund Balances, as restated	122,305	122,305	122,305	
Ending Fund Balances	$ 134,324	$ 134,324	$ 112,474	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

TREE REFORESTATION FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Interest	$ 13,500	$ 13,500	$ 2,890	$ (10,610)
Total Revenues	13,500	13,500	2,890	(10,610)
Expenditures				
Parks	-	10,150	9,039	1,111
General government	2,500	3,985	3,999	(14)
Total Expenditures	2,500	14,135	13,038	1,097
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,000	(635)	(10,148)	(9,513)
Net Change in Fund Balances	11,000	(635)	(10,148)	$ (9,513)
Beginning Fund Balances, as restated	79,941	79,941	79,941	
Ending Fund Balances	$ 90,941	$ 79,306	$ 69,793	

Town of Argyle, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

EQUIPMENT REPLACEMENT FUND

For the Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Interest	$ 9,250	$ 9,250	$ 10,325	$ 1,075
Total Revenues	9,250	9,250	10,325	1,075
Expenditures				
General government	-	-	4,279	(4,279)
Capital outlay	70,500	75,264	70,985	4,279
Total Expenditures	70,500	75,264	75,264	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,250)	(66,014)	(64,939)	1,075
Net Change in Fund Balances	(61,250)	(66,014)	(64,939)	$ 1,075
Beginning Fund Balances, as restated	246,710	246,710	246,710	
Ending Fund Balances	$ 185,460	$ 180,696	$ 181,771	

Statistical Section

For the Fiscal Year Ended
September 30, 2025

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Town of Argyle, Texas

STATISITICAL SECTION

September 30, 2025

This part of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Contents **Page**

Financial Trends 112-119

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity 121-125

These schedules contain information to help the reader asses the Town's most significant local revenue source: property tax.

Debt Capacity 127

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue in the

Demographics and Economic Information 128-129

These schedules offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place.

TOWN OF ARGYLE, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022
Governmental activities				
Net investment in capital position	$ 24,346,996	$ 26,064,224	$ 20,196,668	$ 16,157,038
Restricted	15,974,922	10,461,131	9,560,369	10,788,211
Unrestricted	6,527,516	5,637,199	7,805,208	5,748,766
Total governmental activities net assets	$ 46,849,434	$ 42,162,554	$ 37,562,245	$ 32,694,015
Business-type activities				
Net investment in capital position	$ 7,758,541	$ 7,989,333	$ 7,360,471	$ 6,626,680
Restricted	-	1,302,194	1,309,608	1,221,892
Unrestricted	3,722,756	2,412,541	3,200,031	3,144,830
Total business-type activities net assets	$ 11,481,297	$ 11,704,068	$ 11,870,110	$ 10,993,402
Primary government				
Net investment in capital position	$ 32,105,537	$ 34,053,557	$ 27,557,139	$ 22,783,718
Restricted	15,974,922	11,763,325	10,869,977	12,010,103
Unrestricted	10,250,272	8,049,740	10,982,530	8,893,595
Total primary government net assets	$ 58,330,731	$ 53,866,622	$ 49,409,646	$ 43,687,416

Source: Statement Net Position

2021	2020	2019	2018	2017	2016
17,678,131	$ 10,438,118	$ 9,411,671	$ 11,163,507	$ 5,654,315	$ 5,512,466
7,376,509	6,826,428	7,219,075	4,036,216	2,637,635	1,897,972
3,467,381	2,273,990	1,683,603	2,179,909	1,996,236	1,827,510
$ 28,522,021	$ 19,538,536	$ 18,314,349	$ 17,379,632	$ 10,288,186	$ 9,237,948
$ 6,561,242	$ 4,562,719	$ 4,510,097	$ 2,164,751	$ 1,415,460	$ 1,502,777
1,283,870	884,099	646,237	410,396	395,395	402,828
2,755,993	1,000,020	1,048,166	806,688	478,541	221,298
$ 10,601,105	$ 6,446,838	$ 6,204,500	$ 3,381,835	$ 2,289,396	$ 2,126,904
$ 24,239,373	$ 15,000,837	$ 13,921,768	$ 13,328,258	$ 7,069,775	$ 7,015,243
8,660,379	7,710,527	7,865,312	4,446,612	3,033,030	2,300,800
6,223,374	3,274,010	2,731,769	2,986,597	2,474,777	2,048,809
$ 39,123,126	$ 25,985,374	$ 24,518,849	$ 20,761,467	$ 12,577,582	$ 11,364,852

TOWN OF ARGYLE, TEXAS
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(accrual basis of accouting)
(Unaudited)

	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
General Government	$1,928,144	$2,304,937	$ 2,616,292	$ 1,892,173	$ 2,132,561
Public Safety	2,604,455	2,466,131	2,294,228	1,898,264	1,618,662
Municipal Court	206,536	151,550	126,739	67,190	136,705
Public Works	2,433,835	1,413,299	1,656,206	1,234,657	1,331,292
Development Services	1,405,208	762,433	1,005,066	872,554	900,614
Interest on Long Term Debt	182,164	127,388	(40,518)	235,119	154,933
Bond Issue Costs	-	-	-	-	-
Total governmental activities expenses	$8,760,342	$7,225,738	7,658,014	6,199,958	6,274,767
Business-type activities:					
Wastewater utility	2,600,230	2,482,750	1,760,251	1,096,415	990,746
Total business-type activities expenses	2,600,230	2,482,750	1,760,251	1,096,415	990,746
Total primary government expenses	$ 11,360,572	$ 9,708,488	$ 9,418,265	$ 7,296,373	$ 7,265,513
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	$997,889	$671,060	1,304,050	1,062,365	1,118,369
Public Safety	-	-	-	-	-
Municipal Court	849,945	399,970	324,257	220,000	309,178
Public Works	181,656	112,342	402,307	482,647	247,092
Development Services	-	-	713,551	665,842	491,378
Operating grants and contributions	985,978	28,815	44,379	14,786	12,150
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	3,015,468	1,212,187	2,788,544	2,445,640	2,178,167
Business-type activities:					
Charges for services:					
Wastewater utiltity	2,436,895	2,413,529	2,515,493	1,898,331	919,842
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	803,741	108,035	810,092
Total business-type activities program revenues	2,436,895	2,413,529	3,319,234	2,006,366	1,729,934
Total primary government program revenues	$ 5,452,363	$ 3,625,716	$ 6,107,778	$ 4,452,006	$ 3,908,101
Net (Expense) Revenue					
Governmental Activities	(5,744,874)	(6,013,551)	4,869,477	(3,754,318)	(4,096,600)
Business-type Activities	(163,335)	(69,221)	755,242	909,951	739,188
Total Primary government net expense	$ (5,908,209)	$ (6,082,772)	$ 5,624,719	$ (2,844,367)	$ (3,357,412)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property Taxes	$5,362,612	$4,845,793	4,029,355	3,663,937	3,057,351
Sales Taxes	4,235,840	3,580,700	3,200,511	2,849,949	1,892,816
Franchise Taxes	615,008	630,996	535,790	496,355	288,088
Interest	547,287	1,064,503	874,407	206,770	43,340
Intergovernmental	424,836	251,021	693,256	-	957,500
Miscellaneous	115,192	234,309	168,174	163,682	543,504
Transfers in (out)	-	221,644	236,214	545,619	412,040
Total Governmental Activities	11,300,775	10,828,966	9,737,707	7,926,312	7,194,639
Business-type Activities:					
Interest Earnings	170,007	124,823	219,553	27,965	8,057
Transfers in (out)	-	(221,644)	(236,214)	(545,619)	(412,040)
Total Business-type Activities	170,007	(96,821)	(16,661)	(517,654)	(403,983)
Total Primary Government	$ 11,470,782	$ 10,732,145	$ 9,721,046	$ 7,408,658	$ 6,790,656
Change in Net Position					
Governmental Activities	$ 5,555,901	$ 4,815,415	$ 14,607,184	$ 4,171,994	$ 3,098,039
Business-type Activities	6,672	(166,042)	738,581	392,297	335,205
Total Primary Government	$ 5,562,573	$ 4,649,373	$ 15,345,765	$ 4,564,291	$ 3,433,244

2020	2019	2018	2017	2016
$ 1,609,190	$ 1,109,901	$ 1,060,987	$ 881,297	$ 991,022
1,655,752	1,517,963	1,384,772	1,084,847	859,878
117,595	115,643	105,139	90,276	88,206
1,201,440	1,156,548	1,804,747	868,327	704,603
677,426	663,866	498,067	338,244	275,464
265,222	152,295	177,996	185,099	192,831
62,802	-	-	-	-
5,589,427	4,716,216	5,031,708	3,448,091	3,112,005
711,962	596,995	402,521	383,849	512,434
711,962	596,995	402,521	383,849	512,434
$ 6,301,389	$ 5,313,211	$ 5,434,229	$ 3,831,939	$ 3,624,439
599,078	534,491	541,127	2,562	26,827
-	-	-	664	550
211,666	264,096	337,811	309,913	289,463
239,982	67,025	44,030	173,809	100,503
356,377	265,204	150,040	420,272	307,832
37,773	20,716	14,633	45,959	60,187
-	-	4,724,210	-	1,772,418
1,444,876	1,151,532	5,811,851	953,177	2,557,781
827,203	1,014,977	662,468	422,141	404,028
-	-	-	-	-
240,114	2,529,462	812,764	92,374	1,103,911
1,067,317	3,544,439	1,475,232	514,514	1,507,939
$ 2,512,193	$ 4,695,971	$ 7,287,083	$ 1,467,692	$ 4,065,719
(4,144,551)	(3,564,684)	780,143	(2,494,913)	(554,224)
355,355	2,947,444	1,072,711	130,666	995,505
$ (3,789,196)	$ (617,240)	$ 1,852,854	$ (2,364,247)	$ 441,281
2,681,177	2,531,290	2,252,713	2,079,623	1,838,958
1,157,362	1,366,439	779,909	620,659	498,650
296,761	392,400	387,457	375,826	388,363
188,712	117,016	46,681	26,199	23,370
-	500,000	-	-	-
15,389	29,202	29,329	49,172	457
160,000	-	72,895	28,300	28,300
4,499,401	4,936,347	3,568,984	3,179,778	2,778,097
35,221	19,728	7,993	5,197	4,782
(160,000)	-	-	54,859	15,870
(124,779)	19,728	7,993	60,056	20,652
$ 4,374,622	$ 4,956,075	$ 3,576,977	$ 3,239,834	$ 2,798,750
$ 354,850	$ 1,371,663	$ 4,349,127	$ 684,865	$ 2,223,873
230,576	2,967,172	1,080,704	190,721	1,016,158
$ 585,426	$ 4,338,835	$ 5,429,831	$ 875,587	$ 3,240,031

TOWN OF ARGYLE, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022
General Fund				
Unassigned	$5,815,097	$3,783,751	$5,250,883	$4,629,507
Reserved for other *	-	-	-	-
Total general fund	$ 5,815,097	$ 3,783,751	$ 5,250,883	$ 4,629,507
All Other Governmental Funds				
Restricted for:				
Capital Projects	$ 7,490,627	$ 4,897,676	$ 4,161,757	$ 5,663,660
Debt Service	1,208,285	735,397	319,304	118,518
Street Maintenance	3,787,025	2,832,951	2,646,098	1,868,089
Economic Development	2,994,149	1,995,107	2,433,210	2,081,919
Municipal Court	105,336	82,955	65,697	46,581
Committed to:				
Equipment replacement	181,771	246,710	237,841	194,369
Community Projects	182,267	201,150	1,108,786	846,588
Building Maintenance	6,349	4,688	29,490	28,207
Police	63,970	664,744	627,487	518,128
Crime Control	-	-	-	-
TIRZ No. 1	389,500	380,296	199,561	268,740
Unassigned, reported in:				
Special revenue funds	-	-	-	-
Total all other governmental funds	$16,409,279	$12,041,674	$11,829,231	$11,634,799
Total fund balances	$ 22,224,376	$ 15,825,425	$ 17,080,114	$ 16,264,306

*Includes prepaid items, inventory and encumbrances

	2021	2020	2019	2018	2017	2016
	$4,225,261	$3,238,631	$2,334,528	$2,427,523	$2,421,514	$2,257,770
	-	-	-	-	-	-
$	4,225,261	$ 3,238,631	$ 2,334,528	$ 2,427,523	$ 2,421,514	$ 2,257,770
$	1,783,315	$2,586,202	$3,825,286	$1,259,100	$1,702,487	$964,444
	105,131	194,146	240,161	227,264	203,279	158,368
	1,633,219	1,192,594	845,541	525,155	433,253	301,846
	1,812,329	1,685,253	1,545,186	1,417,534	-	-
	43,370	-	-	-	-	-
	192,956	280,939	249,625	117,438	95,747	55,798
	614,305	-	-	-	-	-
	28,002	-	-	-	-	-
	24,422	-	-	-	-	-
	361,713	258,145	232,767	293,930	-	-
	(212,347)	147,701	12,363	-	-	-
	-	481,448	268,146	195,795	202,870	417,516
	$6,386,415	$6,826,428	$7,219,075	$4,036,216	$2,637,635	$1,897,972
$	10,611,676	$ 10,065,059	$9,553,603	$ 6,463,739	$ 5,059,149	$ 4,155,742

TOWN OF ARGYLE, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022
REVENUES:				
General Property Taxes	$5,329,386	$4,803,233	4,086,202	3,476,659
Sales Tax	4,235,840	3,580,700	3,200,511	2,849,949
Franchise Tax	615,008	630,996	535,790	496,355
Municipal court fines	518,454	399,970	324,257	207,532
Building permits & fees	997,889	644,511	1,282,430	1,062,365
Court Technology and security fees	28,833	26,549	21,610	12,468
Park development fees	41,963	112,342	402,307	389,637
Tree reforestation fee	-	-	10	93,010
Roadway impact fees	-	-	713,551	665,842
Contributions	985,978	28,815	44,379	14,786
Intergovernmental	424,836	251,021	693,256	
Interest	849,945	1,064,503	874,397	206,770
Miscellaneous	115,192	234,309	168,174	163,682
Total Revenues	14,143,324	11,776,949	12,346,874	9,639,055
EXPENDITURES:				
General Government	1,858,840	2,091,406	2,333,825	1,826,208
Municipal Court	207,411	152,017	126,575	137,461
Public Safety	2,463,410	2,451,006	2,170,993	1,856,869
Public Works	1,346,432	1,298,976	927,073	510,082
Development Services	1,409,001	757,312	1,004,813	942,825
Capital outlay:				
General Government	-	-	3,994,171	2,149,351
Public Safety	301,669	838,484	94,840	60,177
Public Works	-	254,036	-	-
Development Services	-	4,330,030	-	-
Debt Service-				
Principal Retirement	929,359	897,997	907,000	608,000
Interest and Fiscal Charges	191,045	182,020	207,989	212,396
Paying Agent Fees	-	-	-	-
Total Expenditures	8,707,167	13,253,284	11,767,279	8,303,369
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,436,157	(1,476,335)	579,595	1,335,686
OTHER FINANCING SOURCES (USES):				
Transfers In (out)	-	221,644	236,214	545,619
Bond Proceeds	785,000	-	-	3,085,000
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on refunded bonds issued	-	-	-	239,007
Insurance proceeds	-	-	-	-
Grants; Sale of Assets; Other	139,693	-	-	-
Total Other Financing Sources (Uses)	924,693	221,644	236,214	3,869,626
NET CHANGE IN FUND BALANCES	6,360,850	(1,254,691)	815,809	5,205,312
Debt service as a percentage of noncapital expenditures	12.9%	8.3%	9.5%	9.9%

2021	2020	2019	2018	2017	2016
3,063,946	3,079,983	2,689,109	2,529,268	2,210,993	2,078,389
2,255,815	1,862,040	1,394,486	1,351,975	779,909	620,659
383,904	379,701	389,770	403,452	387,457	375,826
290,373	200,059	264,096	337,811	309,913	289,463
1,118,369	599,078	534,491	541,127	420,272	307,832
18,805	11,607	-	-	-	-
154,385	72,432	65,805	44,030	35,924	39,502
92,707	167,550	-	-	-	-
491,378	356,377	265,204	150,040	173,809	100,503
12,150	37,773	20,716	14,633	1,593	-
957,500	231,220		500,000	-	-
43,340	131,457	188,712	117,016	45,528	25,045
543,504	8,726	16,609	15,152	32,349	98,389
9,426,176	7,138,003	5,828,998	6,004,504	4,397,746	3,935,607
2,070,240	1,490,572	919,358	933,021	745,971	862,148
147,220	119,872	114,723	107,836	90,034	90,757
1,638,016	1,641,321	1,435,526	1,361,263	1,051,060	952,918
549,441	684,566	647,241	1,527,011	643,910	597,900
927,412	688,519	660,702	507,221	339,088	278,259
39,960	40,003	-	-	-	-
162,147	126,741	160,455	-	-	-
2,885,120	1,136,500	1,137,436	936,423	222,168	-
65,000	17,591	-			
580,000	3,076,000	523,000	424,000	285,000	281,000
185,047	297,745	135,353	178,096	185,994	193,718
-	62,802	-	-	4,011	750
9,249,603	9,382,232	5,733,794	5,974,871	3,567,235	3,257,449
176,573	(2,244,229)	95,204	29,633	830,511	678,158
412,040	115,686	160,000	-	72,895	28,300
-	2,640,000	2,665,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	105,000	-	-	-
-	-	64,660	-	-	-
-	-	-	-	-	-
412,040	2,755,686	2,994,660	-	72,895	28,300
588,613	511,457	3,089,864	29,633	903,407	706,458
14.3%	16.9%	14.3%	12.0%	14.2%	14.6%

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TOWN OF ARGYLE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended Sept. 30,	Estimated Market Value		Less:	Total Taxable	Total Direct	Total Estimated	Assessed Value as
	Real Property	Personal Property	Tax-Exempt Property	Assesed Value	Tax Rate	Actual Taxable Value	Percentage of Actual Value
2016	752,600,191	16,731,535	$ (234,750,736)	$ 534,580,990	0.39750	$ 769,331,726	69.49%
2017	859,238,792	25,376,149	$ (265,181,610)	$ 619,433,331	0.39750	884,614,941	70.02%
2018	937,110,132	27,296,385	$ (289,997,239)	$ 674,409,278	0.39750	964,406,517	69.93%
2019	1,018,124,893	25,130,610	$ (298,026,581)	$ 745,228,922	0.39750	1,043,255,503	71.43%
2020	1,108,722,796	28,638,589	$ (325,883,352)	$ 811,478,033	0.39750	1,137,361,385	71.35%
2021	1,220,202,315	32,354,989	$ (339,299,930)	$ 913,257,374	0.37819	1,252,557,304	72.91%
2022	1,216,172,065	29,670,434	$ (342,649,702)	$ 903,192,797	0.37048	1,245,842,489	72.50%
2023	1,557,690,015	27,163,364	$ (520,513,968)	$ 1,064,339,411	0.36535	1,584,853,379	67.16%
2024	2,320,141,796	36,179,627	$ (786,706,421)	$ 1,569,615,002	0.34311	2,356,321,423	66.61%
2025	2,284,327,298	37,690,101	$ 781,505,543	$ 1,540,511,856	0.34311	2,322,017,399	66.61%

Source: Denton County Central Appraisal District

TOWN OF ARGYLE, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Years
(Unaudited)

	2025	2024	2023	2022
Direct Rates:				
	0.241942	0.246157	0.263677	0.298610
	0.101169	0.096954	0.101670	0.079583
Total Direct Rate	**0.343111**	**0.343111**	**0.365347**	**0.378193**
Overlapping Rates:				
Argyle Independent School District	1.17270	1.20990	1.21220	1.39760
Denton County	0.18787	0.18949	0.21754	0.23309
Argyle Emergency Services District	0.06000	0.06000	0.08028	0.09333
Total Rate	**1.76368**	**1.80250**	**1.87537**	**2.10221**

Tax rates per $100 of assessed valuation
Source: Denton County Central Appraisal District and Town records

Note 1: The Town's basic property tax rate may be increased only by a majority vote of the Town's residents. Rates for debt service are set based on each year's requirements.

2021	2020	2019	2018	2017	2016
0.30210	0.30011	0.30110	0.30110	0.30445	0.31945
0.09541	0.09739	0.09739	0.09739	0.09305	0.07805
0.3975	**0.3975**	**0.39849**	**0.39849**	**0.3975**	**0.3975**
1.40000	1.50800	1.58050	1.57005	1.57005	1.57005
0.22499	0.22528	0.22557	0.23781	0.24841	0.27220
0.10000	0.09982	0.09982	0.09982	0.10000	0.10000
2.12249	**2.23060**	**2.30438**	**2.30617**	**2.31596**	**2.33975**

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TOWN OF ARGYLE, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year
(Unaudited)

	Fiscal Year 2025		
Property Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Town Taxable Assessed Value**
Series VII, A Series of Henry Property Development LLC	$ 8,711,057	1	0.39%
US Trinity Holdings	8,224,635	2	0.37%
Waterbrook of Argyle LLC	7,584,176	3	0.34%
D.R. Horton-Texas, LTD	6,095,297	4	0.27%
CDI Evans LLC	5,800,000	5	0.26%
Dynamic Color Images Inc	4,834,264	6	0.22%
CDI Old Justin LLC	4,759,233	7	0.21%
4C Blue Angel Ranch PK LLC	4,413,726	8	0.20%
Schields Family Holdings - Argyle LLC	4,342,471	9	0.19%
Critz, John Martin & Courtney Layne	4,155,189	10	0.19%
Total	$ 58,920,048		2.63%
Total Assessed Value:	$ 2,239,083,980		100%

Source: Tax Office
Note: Property is assessed as of January 1 and certified to the Town by July 25 for taxable values.

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TOWN OF ARGYLE, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	General Bonded Debt Outstanding: Certificates of Obligation	General Bonded Debt Outstanding: Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2016	418,000	4,715,000	5,133,000	0.96%	1,344
2017	363,000	4,485,000	4,848,000	0.78%	1,237
2018	304,000	4,120,000	4,424,000	0.66%	1,095
2019	1,151,000	5,435,000	6,586,000	0.91%	1,579
2020	3,650,000	2,500,000	6,150,000	0.76%	1,427
2021	3,305,000	4,260,000	7,565,000	0.83%	1,639
2022	3,602,000	7,025,000	10,627,000	1.18%	1,594
2023	3,145,000	6,415,000	9,560,000	0.90%	1,709
2024	2,735,000	5,790,000	8,525,000	0.54%	1,354
2025	2,320,000	5,140,000	7,460,000	0.48%	1,185

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) See Assessed Value and Estimated Actual Value of Taxable Property Table on the previous page for property value data.

TOWN OF ARGYLE, TEXAS
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Years
(Unaudited)

Function/Program	2025	2024	2023	2022
General Government and Administration	8.00	7.75	6.50	6.50
Development Services	4.00	4.00	4.00	4.00
Public Safety	19.00	19.00	18.00	15.00
Public Works - Streets	3.90	3.90	6.10	5.10
Wastewater	3.10	3.60	2.40	2.40
Total	38.00	38.25	37.00	33.00

Source: Various Town departments.

2021	2020	2019	2018	2017	2016
6.90	5.75	6.00	5.50	5.00	6.00
4.00	3.75	3.50	3.00	2.00	1.00
14.00	14.00	13.50	11.00	11.00	9.50
6.10	7.10	5.60	5.50	5.50	4.50
2.40	1.90	1.40	1.50	1.50	2.50
33.40	32.50	30.00	26.50	25.00	23.50

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Consent Agenda	February 17, 2026

PRESENTER:

Erika McComis, Town Secretary

ITEM DESCRIPTION:

Consider approval of the January 15, 2026, Town Council Joint Workshop minutes as recorded.

BACKGROUND INFORMATION:

The minutes of the Town Council Joint Workshop are recorded by the Town Secretary and presented to the Council for approval.

FISCAL IMPACT:

☒ Not Applicable
☐ Proposed Expenditure:
☐ General Ledger Code:
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☐ Financial Review Completed by:

LEGAL REVIEW:

Not applicable.

ATTACHMENTS:

A. Minutes

RECOMMENDED MOTION AND/OR ACTION:

Motion to approve the minutes of the Town Council of Argyle as recorded.

JANUARY 15, 2026

JOINT WORKSHOP OF THE TOWN COUNCIL, PLANNING AND ZONING COMMISSION AND COMPREHENSIVE PLAN ADVISORY COMMITTEE OF THE TOWN OF ARGYLE, TEXAS, HELD ON THIS DATE WITH THE FOLLOWING MEMBERS PRESENT:

TOWN COUNCIL	
MAYOR	RONALD SCHMIDT
COUNCIL MEMBER PLACE 1	GUSTAV SVEHLA
COUNCIL MEMBER PLACE 2	MARTIN BRADING
~~COUNCIL MEMBER PLACE 3~~	~~CHAD BOYD~~
~~COUNCIL MEMBER PLACE 4~~	~~CASEY STEWART~~
MAYOR PRO TEM, PLACE 5	CYNTHIA HERMANN
PLANNING AND ZONING COMMISSION	
CHAIRPERSON	PAUL KULA
VICE-CHAIR	DAVID SNELL
MEMBER PLACE 2	JODY JOHNSON
MEMBER PLACE 3	MATT NELSON
MEMBER PLACE 4	MARILYN LEWIS
MEMBER PLACE 6	KENTON MIERSMA
MEMBER PLACE 7	MICHAEL UDOVIC
COMPREHENSIVE PLAN ADVISORY COMMITTEE	
MEMBER PLACE 1	ART HOLBROOK
MEMBER PLACE 2	BRIDGET BRANDON
MEMBER PLACE 3	CORY ROLLINS
MEMBER PLACE 4	JOAN DELASHAW
MEMBER PLACE 5	JOHN ADAMS
MEMBER PLACE 6	JOHN CRITZ
MEMBER PLACE 7	MICHAEL UDOVIC
MEMBER PLACE 8	VICTOR MANTA
MEMBER PLACE 9	RYAN TURNER
TOWN MANAGER	MIKE SIMS
TOWN SECRETARY/TOWN TREASURER	ERIKA MCCOMIS
COMMUNITY DEVELOPMENT DIRECTOR	HARRISON WICKS

CALL MEETING TO ORDER

Mayor Schmidt called the meeting to order at 6:08 p.m.

DISCUSSION ITEMS

(Items in this section are for discussion purposes only. No action may be taken on items listed under this portion of the agenda, other than to provide general direction to staff or to direct staff to place such items on a future agenda for action.)

1. Discuss the Town Center District and FM 407 small area plan.

   Mr. Sims introduced representatives from GFF to those in attendance. He further went through the presentation overview of the current land that the town owns in the area and the ideology of having a main street within the area.

   Mayor Schmidt addressed those in attendance with his concerns and the importance of preserving trees within the area.

ADJOURN

There being no further business, Mayor Schmidt adjourned the meeting at 8:19 p.m.

_____
Ronald Schmidt, Mayor

_____
Erika McComis, Town Secretary

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Consent Agenda	February 17, 2026

PRESENTER:

Erika McComis, Town Secretary

ITEM DESCRIPTION:

Consider approval of the January 20, 2026, Town Council Meeting minutes as recorded.

BACKGROUND INFORMATION:

The minutes of the Town Council Meeting are recorded by the Town Secretary and presented to the Council for approval.

FISCAL IMPACT:

☒ Not Applicable
☐ Proposed Expenditure:
☐ General Ledger Code:
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☐ Financial Review Completed by:

LEGAL REVIEW:

Not applicable.

ATTACHMENTS:

A. Minutes

RECOMMENDED MOTION AND/OR ACTION:

Motion to approve the minutes of the Town Council of Argyle as recorded.

JANUARY 20, 2026

REGULAR TOWN COUNCIL MEETING OF THE TOWN OF ARGYLE, TEXAS, HELD ON THIS DATE WITH THE FOLLOWING MEMBERS PRESENT:

MAYOR	RONALD SCHMIDT
COUNCIL MEMBER PLACE 1	GUSTAV SVEHLA
COUNCIL MEMBER PLACE 2	MARTIN BRADING
COUNCIL MEMBER PLACE 3	CHAD BOYD
COUNCIL MEMBER PLACE 4	CASEY STEWART
MAYOR PRO TEM, PLACE 5	CYNTHIA HERMANN
TOWN ATTORNEY	BRENDA MCDONALD
TOWN MANAGER	MIKE SIMS
TOWN SECRETARY	ERIKA MCCOMIS

CALL MEETING TO ORDER
Mayor Schmidt called the meeting to order at 5:33 p.m.

OPEN FORUM
This is an opportunity for the public to address the Town Council on any matter, except public hearings.

No speakers.

CONSENT AGENDA
Any Council member may request an item on the Consent Agenda to be taken up for individual consideration.

1. Consider approval of the December 15, 2025, Town Council Meeting minutes as recorded.

APPROVED

Mayor Pro Tem Hermann moved to approve the consent agenda as presented. Councilmember Boyd seconded the motion. The motion passed 5-0.

DISCUSSION ITEMS

(Items in this section are for discussion purposes only. No action may be taken on items listed under this portion of the agenda, other than to provide general direction to staff or to direct staff to place such items on a future agenda for action.)

2. Discussion on Marketing Initiatives, Community Outreach, and Event Partnerships.

3. Discuss and review the monthly budget reports for November 2025.

PUBLIC HEARING

4. Hold a public hearing and consider action on Ordinance 2026-07 vacating, abandoning, and closing the unimproved public alley right-of-way lying between Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 18, Block 9, of the Original Town of Argyle addition, Town of Argyle, Denton County, Texas and declaring that said land is unnecessary for the use by the public as a public thoroughfare.

   Harrison Wicks presented.

   Public Hearing opened at 6:30 p.m.

   Public Hearing closed at 6:31 p.m.

   APPROVED

   Councilmember Stewart to approve Ordinance 2026-07. Councilmember Brading seconded the motion. The motion passed 5-0.

ACTION ITEMS

5. Discuss and consider Ordinance 2026-01 calling the May 2, 2026, Town Council General Election and authorizing a Joint Election Agreement with other Denton County Political Subdivisions and a contract for Election Services with Denton County Elections.

   APPROVED

   Councilmember Boyd moved to approve Ordinance 2026-01 as presented. Councilmember Svehla seconded the motion. The motion passed 5-0.

6. Discuss and consider Ordinance 2026-02 ordering a Special Election to be held on May 2, 2026, in the Town of Argyle for the purpose of reauthorizing a one-half of one percent Sales and Use Tax to continue providing for the Maintenance and Repair of Municipal Streets within the Town of Argyle.

   APPROVED

   Councilmember Svehla moved to approve Ordinance 2026-02. Councilmember Boyd seconded the motion. The motion passed 5-0.

7. Discuss and consider Ordinance 2026-03 calling a Special Election to be held on May 2, 2026, for the purpose of submitting to the voters of the town a proposition to change the term of office for members of the Town Council from two (2) years to three (3) years and establishing a staggered election schedule beginning in 2027.

APPROVED

Mayor Pro Tem Hermann moved to approve Ordinance 2026-03. Councilmember Svehla seconded the motion. The motion passed 5-0.

8. Discuss and consider Ordinance 2026-06 amending the Code of Ordinances Chapter 12, Traffic Vehicles, Article 12.02 Speed Limits, by amending the list of school zones to include one additional school zone along FM 407 West and one additional school zone along Crawford Road.

APPROVED

Councilmember Brading moved to approve Ordinance 2026-06. Councilmember Stewart seconded the motion. The motion passed 5-0.

9. Discuss and consider Resolution 2026-02 awarding a bid on building relocation services for the train depot building located on the Marsden Tract to Town-owned property on Front Street to Denton County Housemovers, for a base bid amount of $25,600 and authorizing the Town Manager to negotiate a contract and the Mayor to execute the same on behalf of the Town.

APPROVED

Councilmember Svehla moved to approve Resolution 2026-02. Councilmember Stewart seconded the motion. The motion passed 5-0.

10. Discuss and consider Ordinance 2026-05 amending the Town of Argyle Fiscal Year 2025-2026 official budget, adopted by Ordinance 2025-35, appropriating $811,275.52 from the unappropriated balance of the Street Maintenance Sales Tax Fund for enhancements to the construction and widening of US 377 from Crawford Road South to the Argyle Town limits.

APPROVED

Councilmember Brading moved to approve Ordinance 2026-05. Councilmember Svehla seconded the motion. The motion passed 5-0.

11. Discuss and consider adoption of Ordinance 2026-04 amending the Town of Argyle Fiscal Year 2025-2026 official budget, adopted by Ordinance 2025-35, appropriating $72,000 from the unappropriated balance of the Court Security Fund for the purpose of providing various security improvements at Town Hall.

APPROVED

Councilmember Stewart moved to approve Ordinance 2026-04. Councilmember Boyd seconded the motion. The motion passed 5-0.

12. Discuss and consider Resolution 2026-01 authorizing the Town Manager to issue a Request for Qualifications (RFQ) for Owner's Representation Services and establishing the use of the Construction Manager at Risk (CMAR) procurement and

project delivery method as authorized under Texas Local Government Code Chapter 2269 for use on the Police Department Building project.

APPROVED

Mayor Pro Tem Hermann moved to approve Resolution 2026-01. Councilmember Boyd seconded the motion. The motion passed 5-0.

13. Discuss and consider Ordinance 2026-08 amending Article 1.05 Boards and Commissions and adding Division 4 Parks Board.

APPROVED

Mayor Pro Tem Hermann moved to approve Ordinance 2026-08. Councilmember Boyd seconded the motion. The motion passed 5-0.

14. Consider approval of Resolution 2026-03 appointing members to the Capital Improvement Advisory Committee as required by Section 395.058 of the Texas Local Government Code.

TABLED

Councilmember Stewart moved to table the item until the February 17, 2026, regular Town Council meeting. Councilmember Svehla seconded the motion. The motion passed 5-0.

EXECUTIVE SESSION

At 8:38 p.m., the Town Council adjourned into executive session PURSUANT TO TEXAS GOVERNMENT CODE, ANNOTATED, CHAPTER 551, SUBCHAPTER D:

Consultation with Attorney
§551.071(1),(2): Consultation with attorney regarding pending or anticipated litigation, or a settlement offer; or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter:

15. Proposed boundary swap with Town of Flower Mound

Real Property
§551.072: Deliberate the purchase, exchange, lease, or value of real property:

16. Town Center District

17. Law Enforcement Center Facility

Personnel Matters
§551.074: Personnel matters (to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee):

18. Town Manager Six Month Performance Discussion

Economic Development

§551.087: Economic Development negotiations (to discuss or deliberate commercial or financial information from a business prospect or to deliberate the offer of a financial or other incentives to a business prospect):

19. Town Center District

Councilmember Boyd left executive session at 8:50 p.m.

OPEN SESSION

At 9:53 p.m., the Town Council reconvened into open session. No Action was taken during the executive session.

ADJOURN

There being no further business, Mayor Schmidt adjourned the meeting at 9:55 p.m.

_____
Ronald Schmidt, Mayor

_____
Erika McComis, Town Secretary

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Consent Agenda	February 17, 2026

PRESENTER:

Erika McComis, Town Secretary/Treasurer

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Consider approval of Resolution 2026-04 authorizing continued participation with the Steering Committee of Cities served by Oncor; and authorizing the payment of ten cents ($0.10) per capita to the Steering Committee to fund regulatory and legal proceedings and activities related to Oncor Electric Delivery Company, LLC.

BACKGROUND INFORMATION:

Purpose of the Resolution

The Town of Argyle is a member of a 174-member city coalition known as the Steering Committee of Cities Served by Oncor (Steering Committee). The resolution approves the assessment of a ten cent ($0.10) per capita fee to fund the activities of the Steering Committee.

Why this Resolution is Necessary

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric distribution rates and services within the town. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility

Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for over three decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

FISCAL IMPACT:

☐ Not Applicable
☒ Proposed Expenditure: $585.90
☒ General Ledger Code: 100-5-110-3120
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☒ Financial Review Completed by: Erika McComis

LEGAL REVIEW:

Not applicable.

ATTACHMENTS:

Resolution

RECOMMENDED MOTION AND/OR ACTION:

Move to adopt Resolution 2026-04 as presented.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF TEN CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.

WHEREAS, the Town of Argyle is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the Town; and

WHEREAS, the Steering Committee of Cities Served By Oncor (Steering Committee) has historically intervened in Oncor rate proceedings and electric utility-related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, and legislative activity, affecting transmission and distribution utility rates; and

WHEREAS, the Town is a member of the Steering Committee; and

WHEREAS, the Steering Committee functions under the direction of an Executive Committee which sets an annual budget and directs interventions before state and federal agencies, courts, and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and

WHEREAS, the Steering Committee at its December 2025 meeting set a budget for 2026 that compels an assessment of ten cents ($0.10) per capita; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

I.

That the Town is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the Town of Argyle and protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the Town limits.

II.

The Town is further authorized to pay its assessment to the Steering Committee of ten cents ($0.10) per capita based on the population figures for the Town shown in the latest TML Directory of Town officials.

III.

A copy of this Resolution and the assessment payment check made payable to *"Steering Committee of Cities Served by Oncor"* shall be sent to Brandi Stigler, Steering Committee of Cities Served by Oncor, c/o Town Attorney's Office, Mail Stop 63-0300, 101 S. Mesquite St., Suite 300, Arlington, Texas 76010.

PRESENTED AND PASSED on this the 17th day of February, 2026, by the Town Council of the Town of Argyle, Texas.

_____
Ronald Schmidt
Mayor

ATTEST:

_____
Erika McComis
Town Secretary

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Consent Agenda	February 17, 2026

PRESENTER:

Emmitt Jackson, Chief of Police

ITEM DESCRIPTION:

Consider approval of the 2025 racial profiling data compiled from traffic contacts made by the Argyle Police Department.

BACKGROUND INFORMATION:

Texas Code of Criminal Procedure, Article 2.134, requires that a local law enforcement agency shall compile and analyze racial profiling data and submit a report to the Texas Commission on Law Enforcement (TCOLE) and to the governing body of the municipality served by the agency. The Argyle Police Department has submitted its racial profiling report to TCOLE and is now presenting that report to Town Council.

FISCAL IMPACT:

☒ Not Applicable
☐ Proposed Expenditure:
☐ General Ledger Code:
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☐ Financial Review Completed by:

LEGAL REVIEW:

Not applicable.

ATTACHMENTS:

2025 Racial Profiling Comprehensive Analysis
2025 Racial Profiling Power Point Presentation

RECOMMENDED MOTION AND/OR ACTION:

None

Racial Profiling Analysis Report

ARGYLE POLICE DEPT.

01. Total Traffic Stops:	7698	
02. Location of Stop:		
a. City Street	5695	73.98%
b. US Highway	904	11.74%
c. County Road	283	3.68%
d. State Highway	799	10.38%
e. Private Property or Other	17	0.22%
03. Was Race known prior to Stop:		
a. NO	7678	99.74%
b. YES	20	0.26%
04. Race or Ethnicity:		
a. Alaska/ Native American/ Indian	53	0.69%
b. Asian/ Pacific Islander	639	8.30%
c. Black	868	11.28%
d. White	4569	59.35%
e. Hispanic/ Latino	1569	20.38%
05. Gender:		
a. Female	2766	35.93%
i. Alaska/ Native American/ Indian	12	0.16%
ii. Asian/ Pacific Islander	170	2.21%
iii. Black	341	4.43%
iv. White	1838	23.88%
v. Hispanic/ Latino	405	5.26%
b. Male	4932	64.07%
i. Alaska/ Native American/ Indian	41	0.53%
ii. Asian/ Pacific Islander	469	6.09%
iii. Black	527	6.85%
iv. White	2731	35.48%
v. Hispanic/ Latino	1164	15.12%
06. Reason for Stop:		
a. Violation of Law	306	3.98%
i. Alaska/ Native American/ Indian	6	1.96%
ii. Asian/ Pacific Islander	7	2.29%

Racial Profiling Analysis Report

iii. Black	37	12.09%
iv. White	109	35.62%
v. Hispanic/ Latino	147	48.04%
b. Pre-Existing Knowledge	43	0.56%
i. Alaska/ Native American/ Indian	1	2.33%
ii. Asian/ Pacific Islander	5	11.63%
iii. Black	3	6.98%
iv. White	27	62.79%
v. Hispanic/ Latino	7	16.28%
c. Moving Traffic Violation	4735	61.51%
i. Alaska/ Native American/ Indian	31	0.65%
ii. Asian/ Pacific Islander	465	9.82%
iii. Black	494	10.43%
iv. White	2842	60.02%
v. Hispanic/ Latino	903	19.07%
d. Vehicle Traffic Violation	2614	33.96%
i. Alaska/ Native American/ Indian	15	0.57%
ii. Asian/ Pacific Islander	162	6.20%
iii. Black	334	12.78%
iv. White	1591	60.86%
v. Hispanic/ Latino	512	19.59%
07. Was a Search Conducted:		
a. NO	7639	99.23%
i. Alaska/ Native American/ Indian	52	0.68%
ii. Asian/ Pacific Islander	637	8.34%
iii. Black	848	11.10%
iv. White	4552	59.59%
v. Hispanic/ Latino	1550	20.29%
b. YES	59	0.77%
i. Alaska/ Native American/ Indian	1	1.69%
ii. Asian/ Pacific Islander	2	3.39%
iii. Black	20	33.90%
iv. White	17	28.81%
v. Hispanic/ Latino	19	32.20%
08. Reason for Search:		
a. Consent	11	0.14%

Racial Profiling Analysis Report

i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	2	18.18%
iv. White	5	45.45%
v. Hispanic/ Latino	4	36.36%
b. Contraband in Plain View	3	0.04%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	0	0.00%
iv. White	1	33.33%
v. Hispanic/ Latino	2	66.67%
c. Probable Cause	34	0.44%
ii. Alaska/ Native American/ Indian	1	2.94%
i. Asian/ Pacific Islander	1	2.94%
iii. Black	15	44.12%
iv. White	8	23.53%
v. Hispanic/ Latino	9	26.47%
d. Inventory	5	0.06%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	1	20.00%
iii. Black	0	0.00%
iv. White	3	60.00%
v. Hispanic/ Latino	1	20.00%
e. Incident to Arrest	6	0.08%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	3	50.00%
iv. White	0	0.00%
v. Hispanic/ Latino	3	50.00%
09. Was Contraband Discovered:		
YES	28	0.36%
i. Alaska/ Native American/ Indian	1	3.57%
Finding resulted in arrest - YES	1	
Finding resulted in arrest - NO	0	
ii. Asian/ Pacific Islander	1	3.57%
Finding resulted in arrest - YES	0	
Finding resulted in arrest - NO	1	
iii. Black	9	32.14%

Racial Profiling Analysis Report

Finding resulted in arrest - YES	1	
Finding resulted in arrest - NO	8	
iv. White	9	32.14%
Finding resulted in arrest - YES	3	
Finding resulted in arrest - NO	6	
v. Hispanic/ Latino	8	28.57%
Finding resulted in arrest - YES	0	
Finding resulted in arrest - NO	8	
b. NO	31	0.40%
i. Alaska/ Native American/ Indian	0	0.00%
i. Asian/ Pacific Islander	1	3.23%
iii. Black	11	35.48%
iv. White	8	25.81%
v. Hispanic/ Latino	11	35.48%
10. Description of Contraband:		
a. Drugs	16	0.21%
i. Alaska/ Native American/ Indian	1	6.25%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	5	31.25%
iv. White	6	37.50%
v. Hispanic/ Latino	4	25.00%
b. Currency	0	0.00%
i. Alaska/ Native American/ Indian	0	
ii. Asian/ Pacific Islander	0	
iii. Black	0	
iv. White	0	
v. Hispanic/ Latino	0	
c. Weapons	1	0.01%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	1	100.00%
iv. White	0	0.00%
v. Hispanic/ Latino	0	0.00%
d. Alcohol	9	0.12%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	3	33.33%
iv. White	2	22.22%

Racial Profiling Analysis Report

v. Hispanic/ Latino	4	44.44%
e. Stolen Property	0	0.00%
i. Alaska/ Native American/ Indian	0	
ii. Asian/ Pacific Islander	0	
iii. Black	0	
iv. White	0	
v. Hispanic/ Latino	0	
f. Other	5	0.06%
i. Alaska/ Native American/ Indian	0	0.00%
i. Asian/ Pacific Islander	1	20.00%
iii. Black	2	40.00%
iv. White	2	40.00%
v. Hispanic/ Latino	0	0.00%
11. Result of Stop:		
a. Verbal Warning	3034	39.41%
i. Alaska/ Native American/ Indian	20	0.66%
ii. Asian/ Pacific Islander	230	7.58%
iii. Black	355	11.70%
iv. White	1946	64.14%
v. Hispanic/ Latino	483	15.92%
b. Written Warning	689	8.95%
i. Alaska/ Native American/ Indian	5	0.73%
ii. Asian/ Pacific Islander	28	4.06%
iii. Black	72	10.45%
iv. White	507	73.58%
v. Hispanic/ Latino	77	11.18%
c. Citation	3951	51.33%
i. Alaska/ Native American/ Indian	27	0.68%
ii. Asian/ Pacific Islander	380	9.62%
iii. Black	434	10.98%
iv. White	2105	53.28%
v. Hispanic/ Latino	1005	25.44%
d. Written Warning and Arrest	4	0.05%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	2	50.00%
iv. White	2	50.00%
v. Hispanic/ Latino	0	0.00%

Racial Profiling Analysis Report

e. Citation and Arrest	8	0.10%
i. Alaska/ Native American/ Indian	1	12.50%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	1	12.50%
iv. White	4	50.00%
v. Hispanic/ Latino	2	25.00%
f. Arrest	12	0.16%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	1	8.33%
iii. Black	4	33.33%
iv. White	5	41.67%
v. Hispanic/ Latino	2	16.67%

12. Arrest Based On:		
a. Violation of Penal Code	8	0.10%
i. Alaska/ Native American/ Indian	1	12.50%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	1	12.50%
iv. White	5	62.50%
v. Hispanic/ Latino	1	12.50%
b. Violation of Traffic Law	0	0.00%
i. Alaska/ Native American/ Indian	0	
ii. Asian/ Pacific Islander	0	
iii. Black	0	
iv. White	0	
v. Hispanic/ Latino	0	
c. Violation of City Ordinance	0	0.00%
i. Alaska/ Native American/ Indian	0	
ii. Asian/ Pacific Islander	0	
iii. Black	0	
iv. White	0	
v. Hispanic/ Latino	0	
d. Outstanding Warrant	16	0.21%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	1	6.25%
iii. Black	6	37.50%
iv. White	6	37.50%
v. Hispanic/ Latino	3	18.75%

Racial Profiling Analysis Report

13. Was Physical Force Used:		
a. NO	7695	99.96%
i. Alaska/ Native American/ Indian	53	0.69%
ii. Asian/ Pacific Islander	639	8.30%
iii. Black	868	11.28%
iv. White	4566	59.34%
v. Hispanic/ Latino	1569	20.39%
b. YES	3	0.04%
i. Alaska/ Native American/ Indian	0	0.00%
ii. Asian/ Pacific Islander	0	0.00%
iii. Black	0	0.00%
iv. White	3	100.00%
v. Hispanic/ Latino	0	0.00%
b 1. YES: Physical Force Resulting in Bodily Injury to Suspect	0	0.00%
b 2. YES: Physical Force Resulting in Bodily Injury to Officer	0	0.00%
b 3. YES: Physical Force Resulting in Bodily Injury to Both	2	66.67%

14. Total Number of Racial Profiling Complaints Received:	0

REPORT DATE COMPILED 01/14/2026

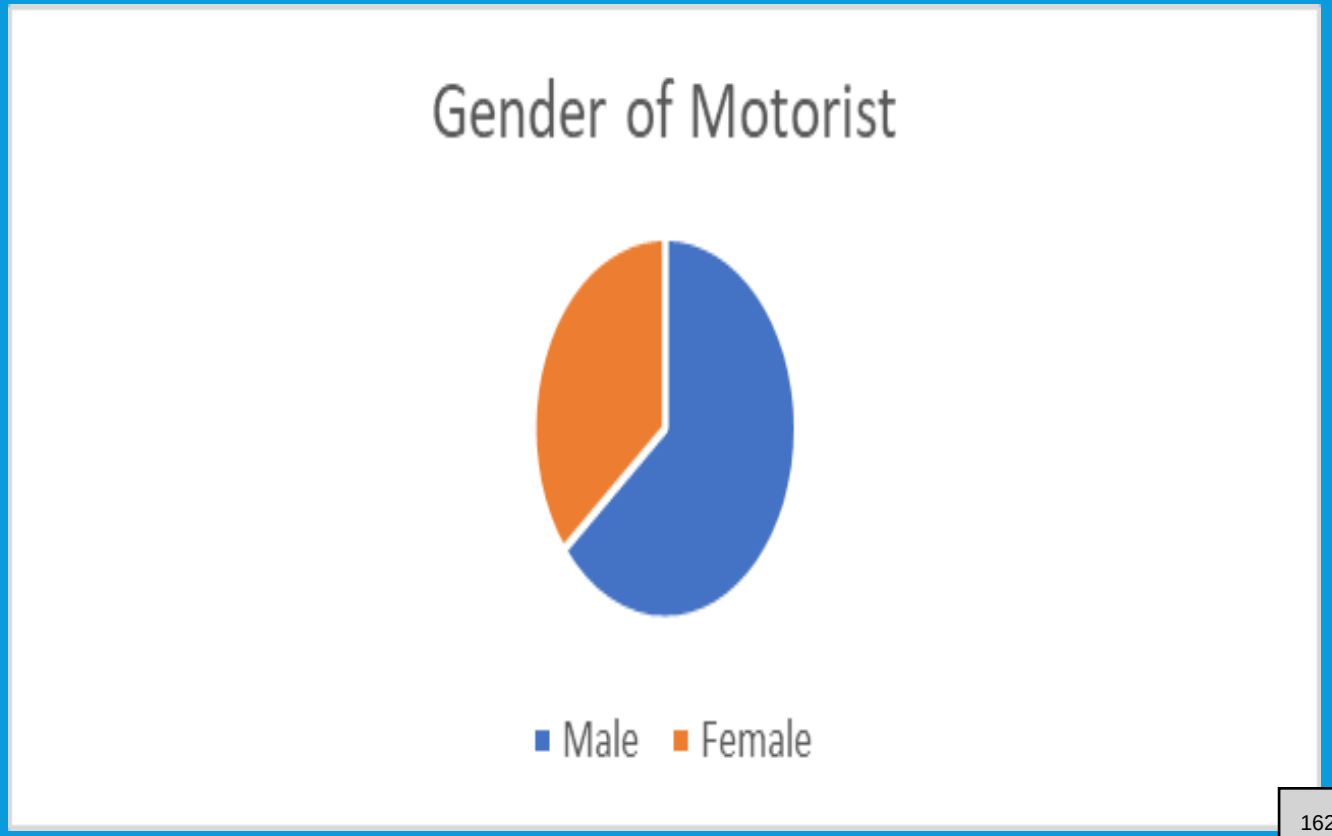
ARGYLE POLICE DEPARTMENT

RACIAL PROFILING REPORT 2025

Data Compiled by Emmitt Jackson

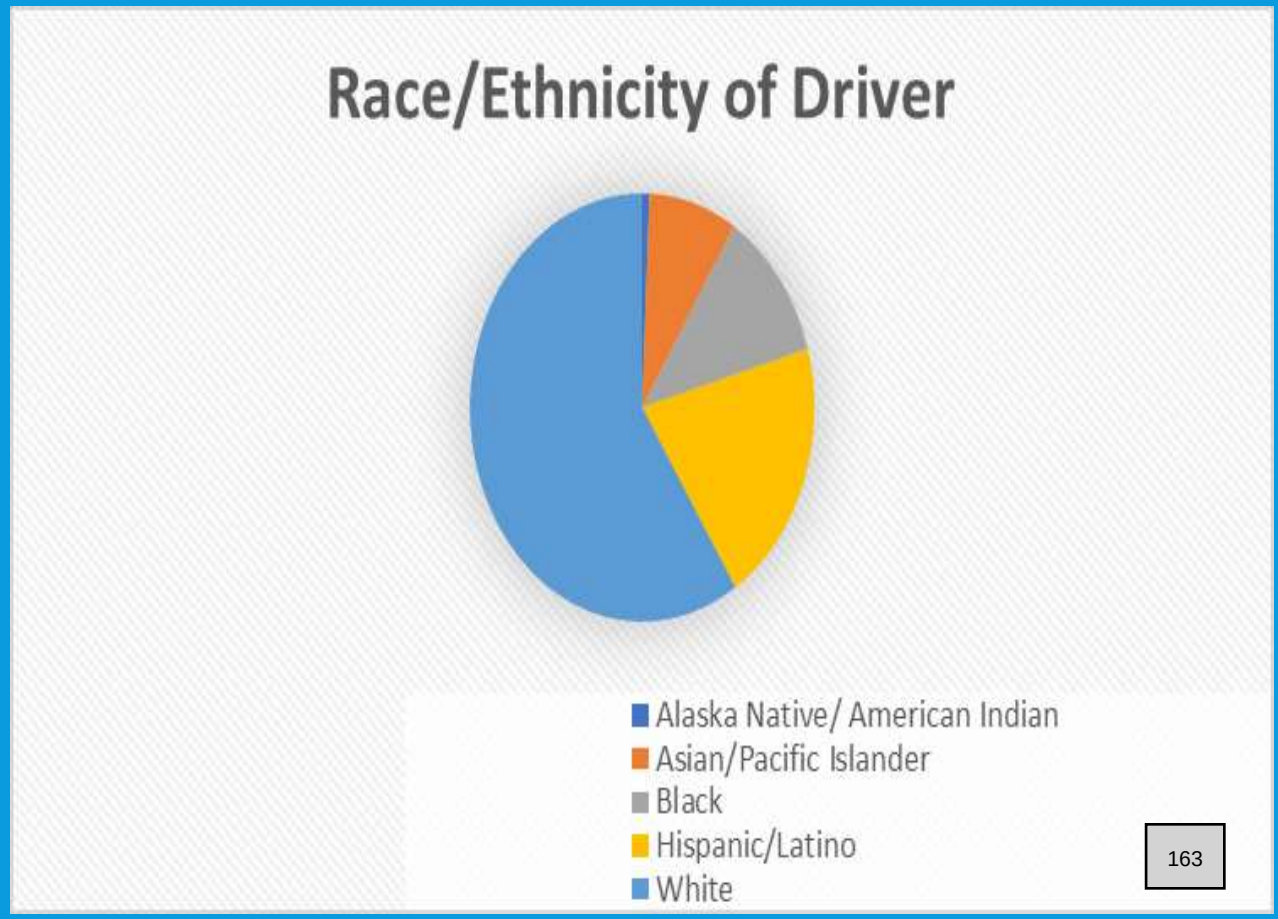
BREAKDOWN OF STOPS

- **Total Stops: 7,698**
- **Male: 4,932**
- **Female: 2,766**



BREAKDOWN OF STOPS

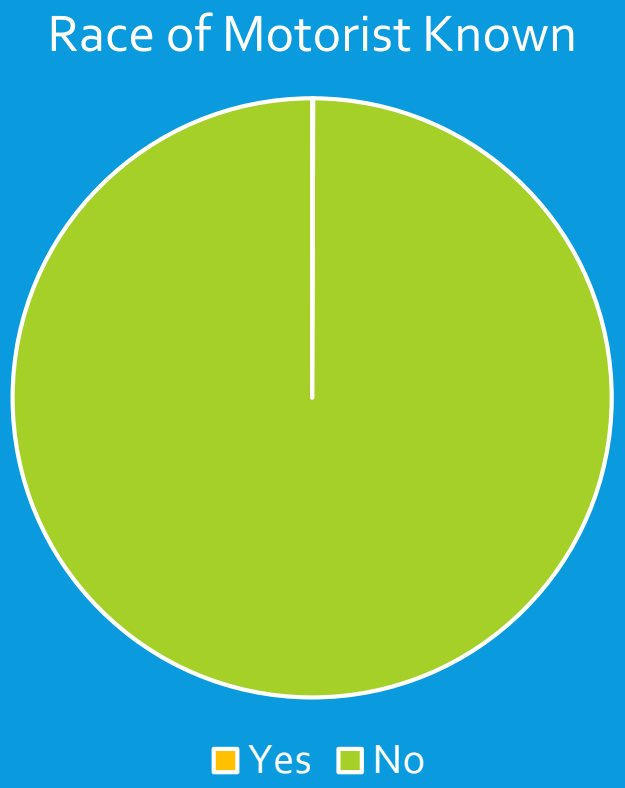
- **Total Stops: 7,698**
- **Black: 868 (11.28%)**
- **Asian/Pacific Islander: 639 (8.30%)**
- **White: 4,569 (59.35%)**
- **Hispanic/Latino: 1,569 (20.38%)**
- **Alaska Native/American Indian: 53 (0.69%)**



BREAKDOWN OF STOPS

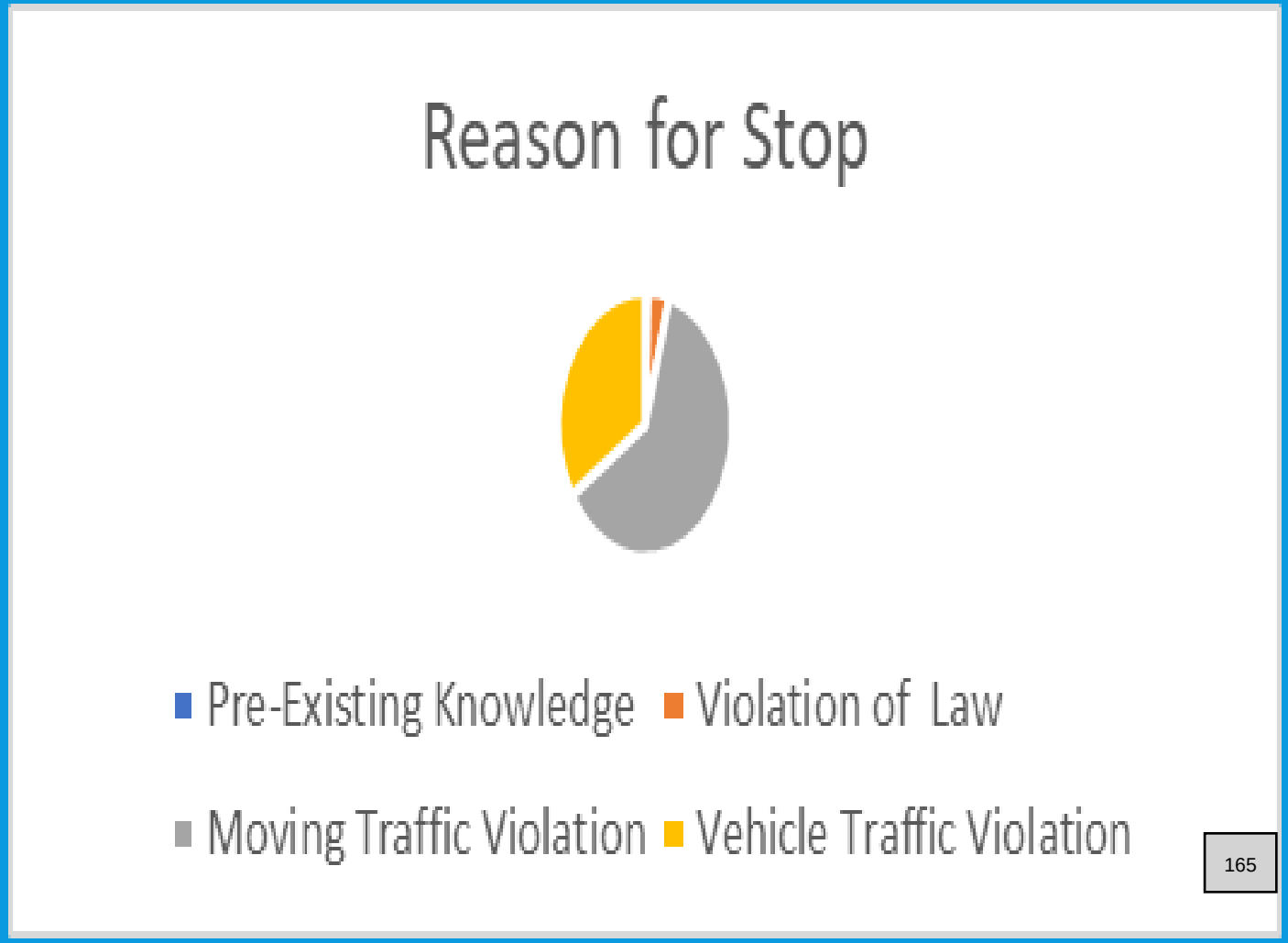
Race or Ethnicity Known Prior To Stop?

- **Yes: 20 (0.26%)**
- **No: 7,678 (99.74%)**



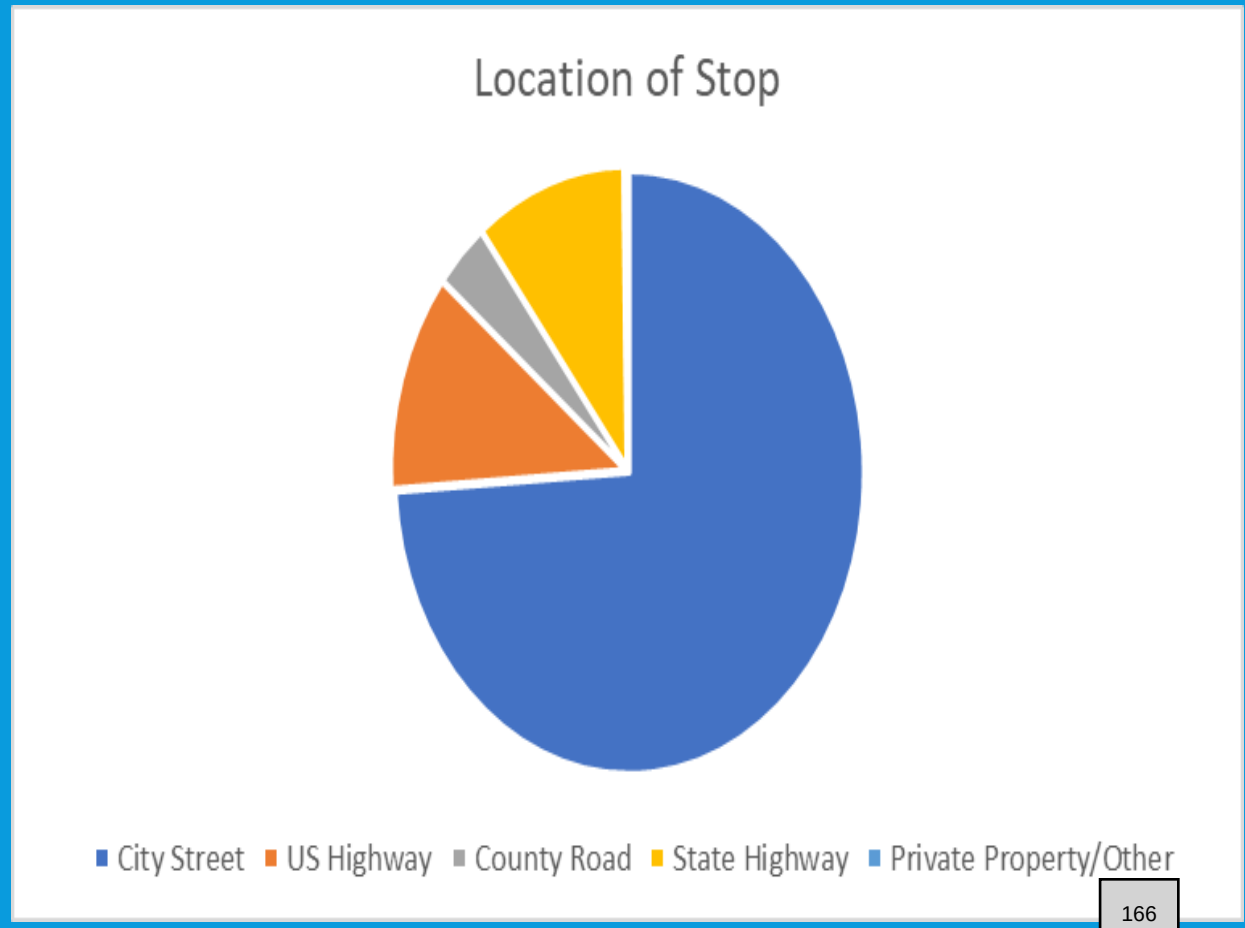
BREAKDOWN OF STOPS

- **Reason for Stop:**
- **Violation of Law: 306**
- **Pre-Existing Knowledge: 43**
- **Moving Traffic Violation: 4,735**
- **Vehicle Traffic Violation: 2,614**



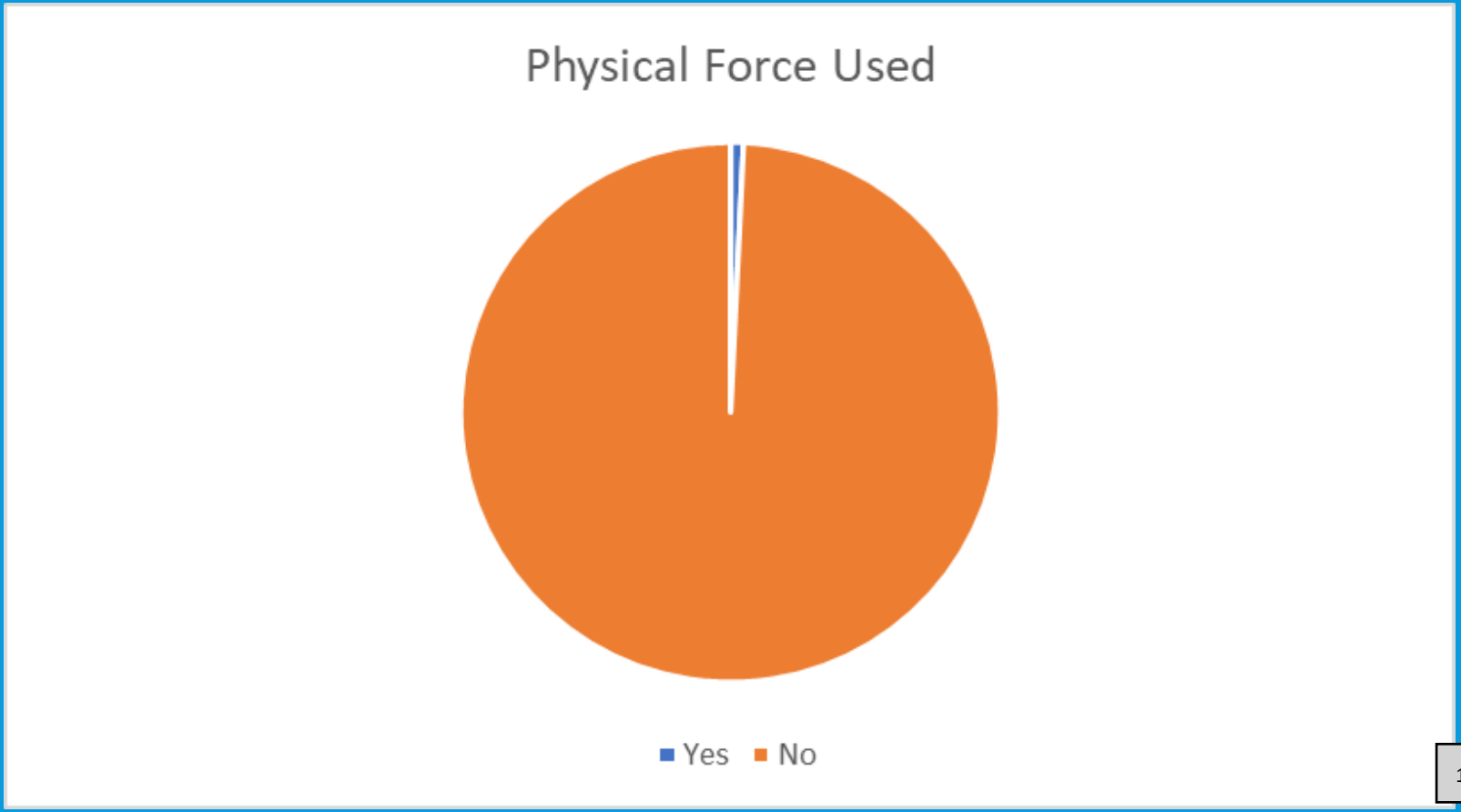
BREAKDOWN OF STOPS

- **Location of Stop:**
- **City Street: 5,695 (73.98%)**
- **US Highway: 904 (11.74%)**
- **State Highway: 799 (10.38%)**
- **County Road: 283 (3.68%)**
- **Private Property or Other: 17 (0.22%)**



BREAKDOWN OF STOPS

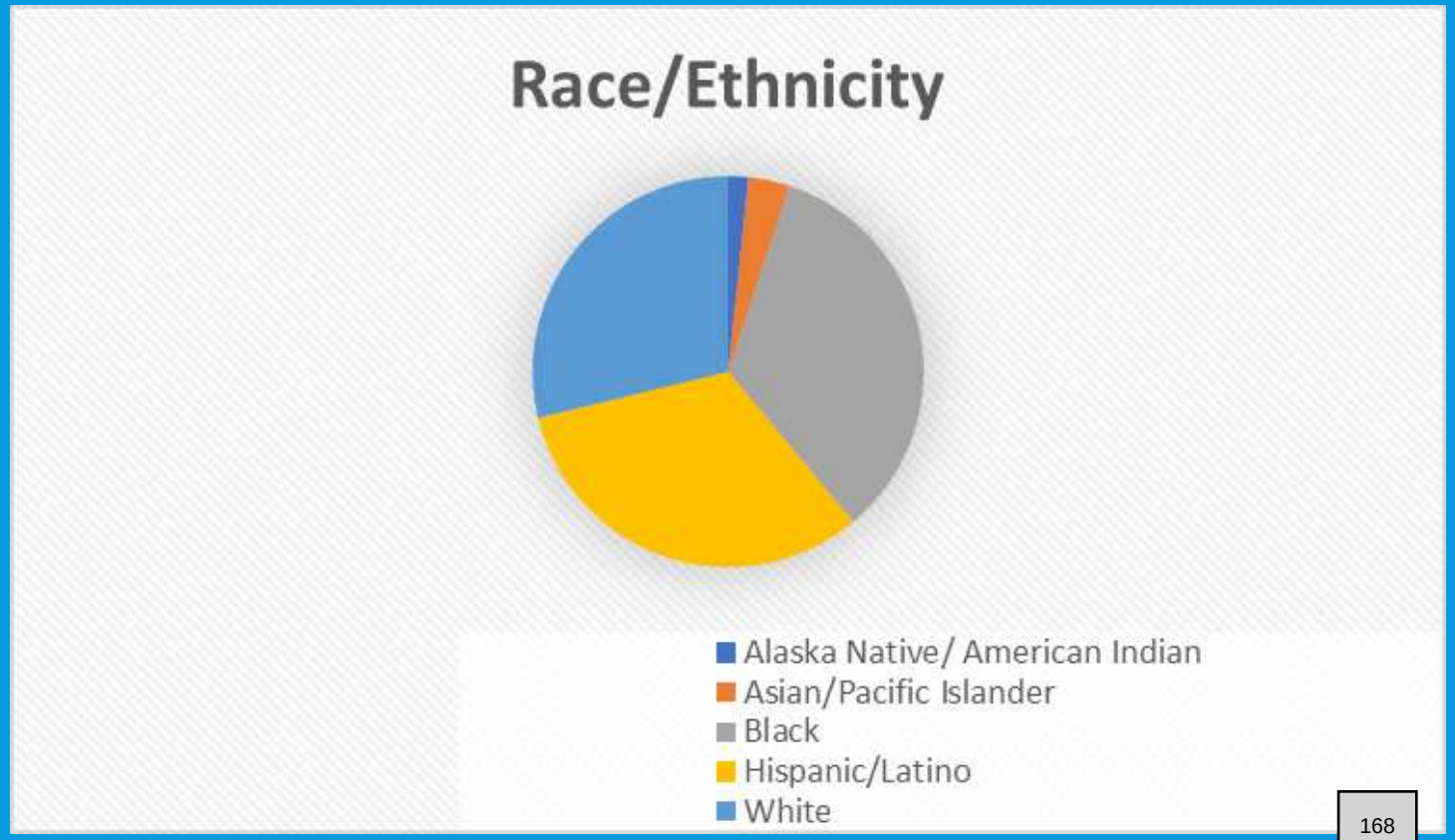
- **Search Conducted:**
- **Yes: 59**
- **No: 7,639**



BREAKDOWN OF SEARCHES

Race of Person Searched

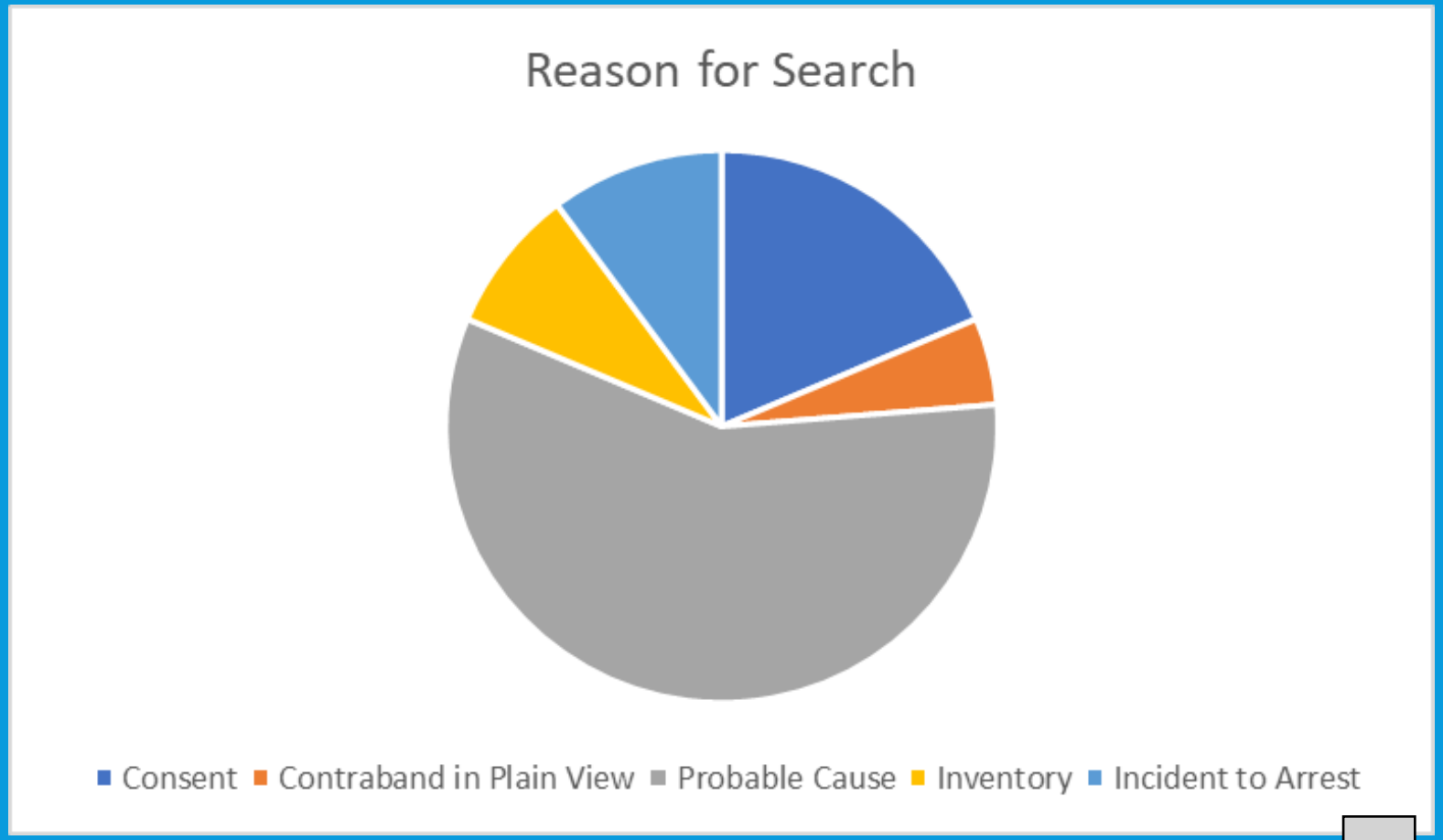
- **Black: 20 (33.90%)**
- **Asian/Pacific Islander: 2 (3.39%)**
- **White: 17 (28.810%)**
- **Hispanic/Latino: 19 (32.20%)**
- **Alaska/American Indian: 1 (1.69%)**



BREAKDOWN OF SEARCHES

Reason for Search

- **Consent: 11**
- **Contraband in Plain View: 3**
- **Probable Cause: 34**
- **Inventory: 5**
- **Incident To Arrest: 6**

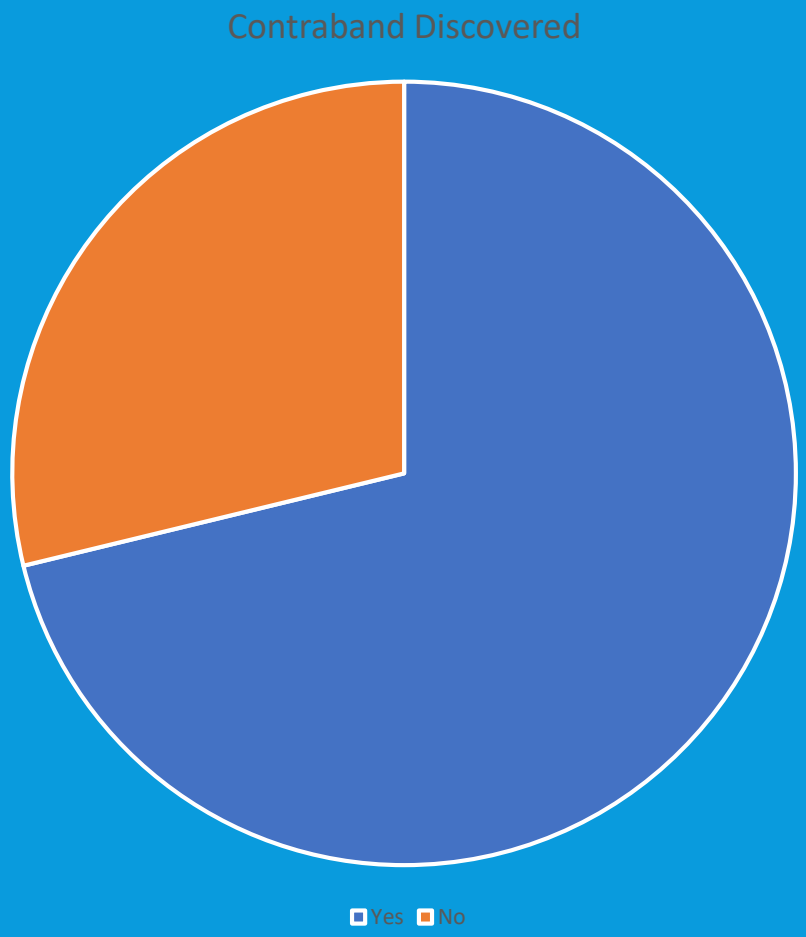


BREAKDOWN OF SEARCHES

Contraband Discovered?

- **Yes: 28 (0.36%)**
- **No: 31 (0.41%)**

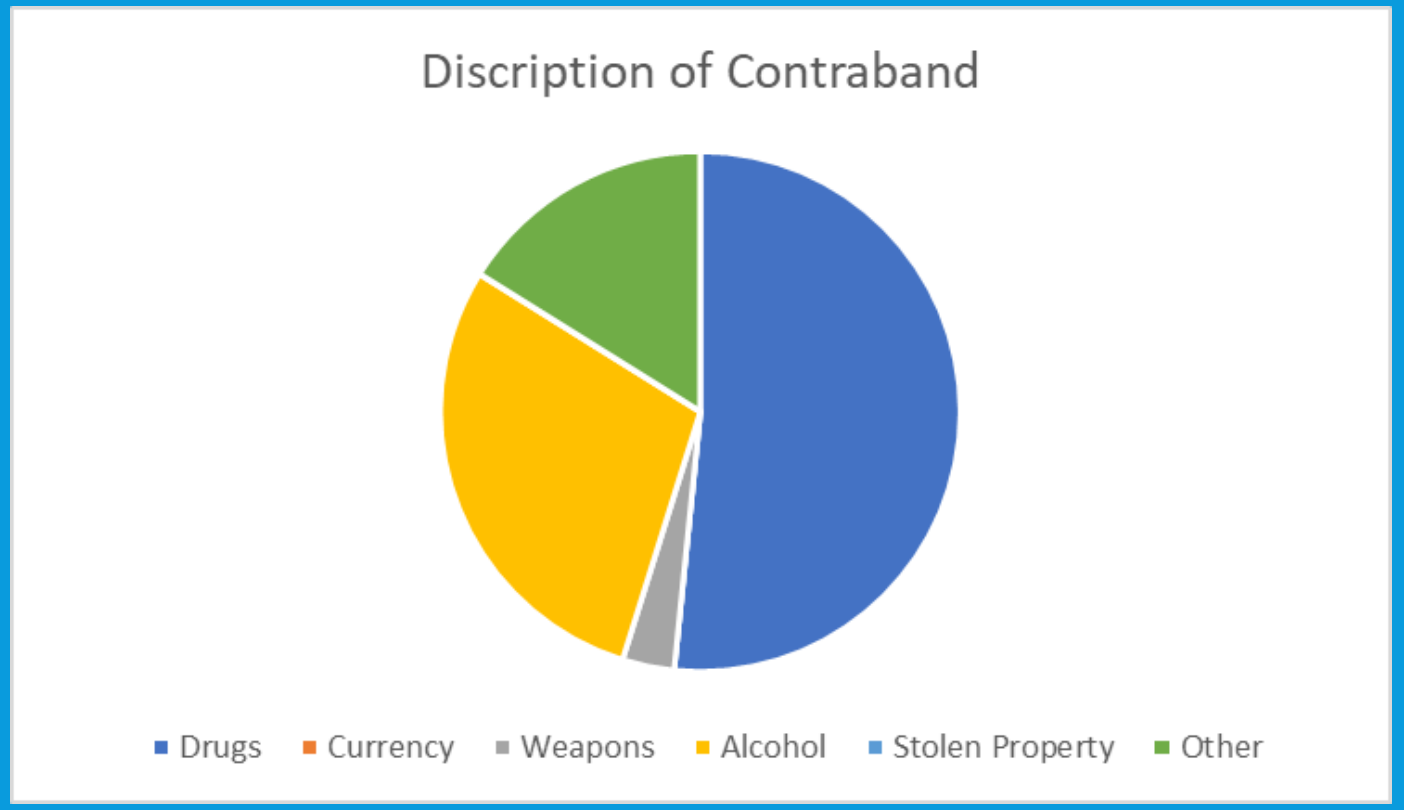
(Based on the 0.77% of stops where a search was conducted)



BREAKDOWN OF SEARCHES

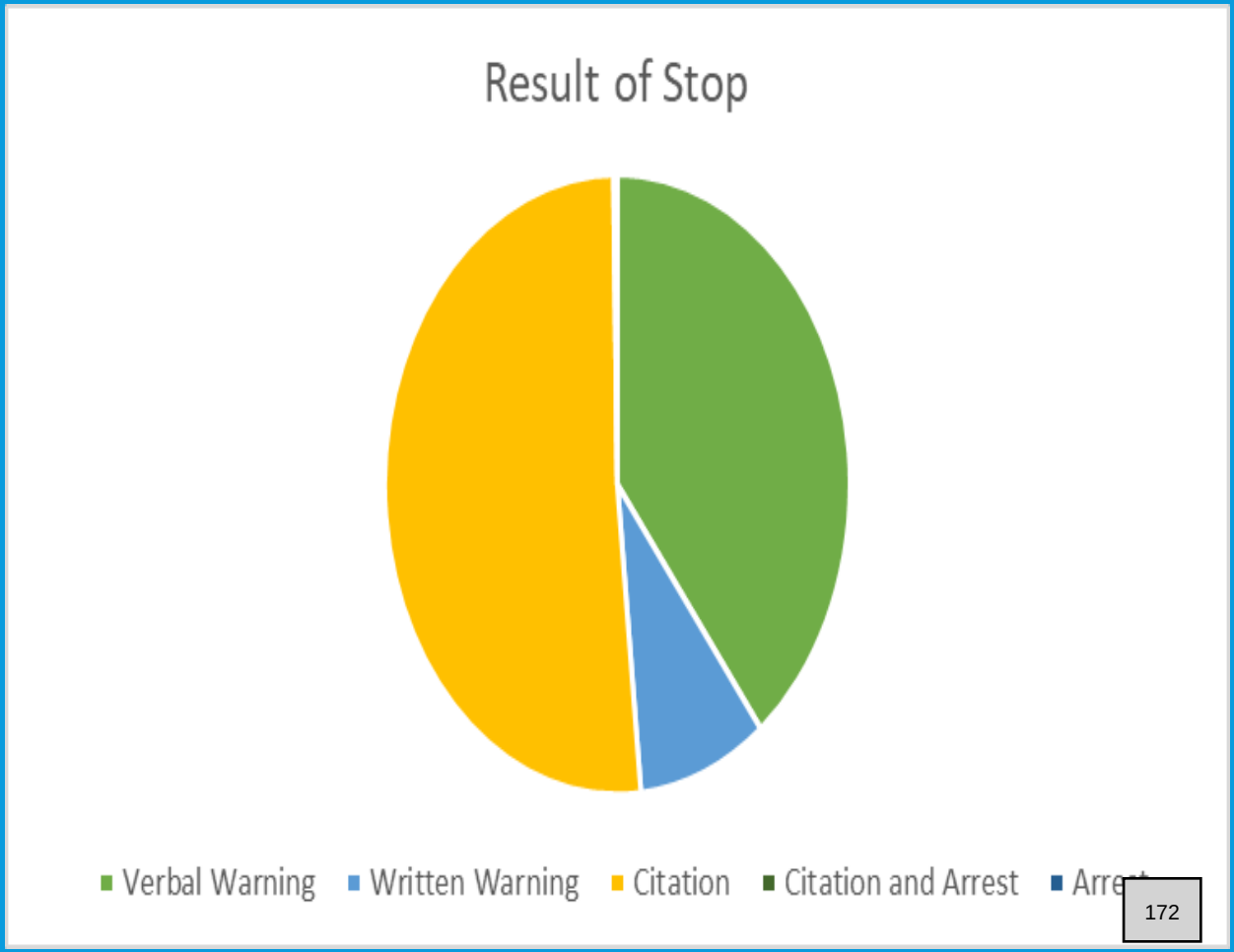
Description of Contraband Discovered

- **Drugs: 16**
- **Currency 0**
- **Alcohol: 9**
- **Weapons: 1**
- **Stolen Property 0**
- **Other: 5**



RESULT OF STOP

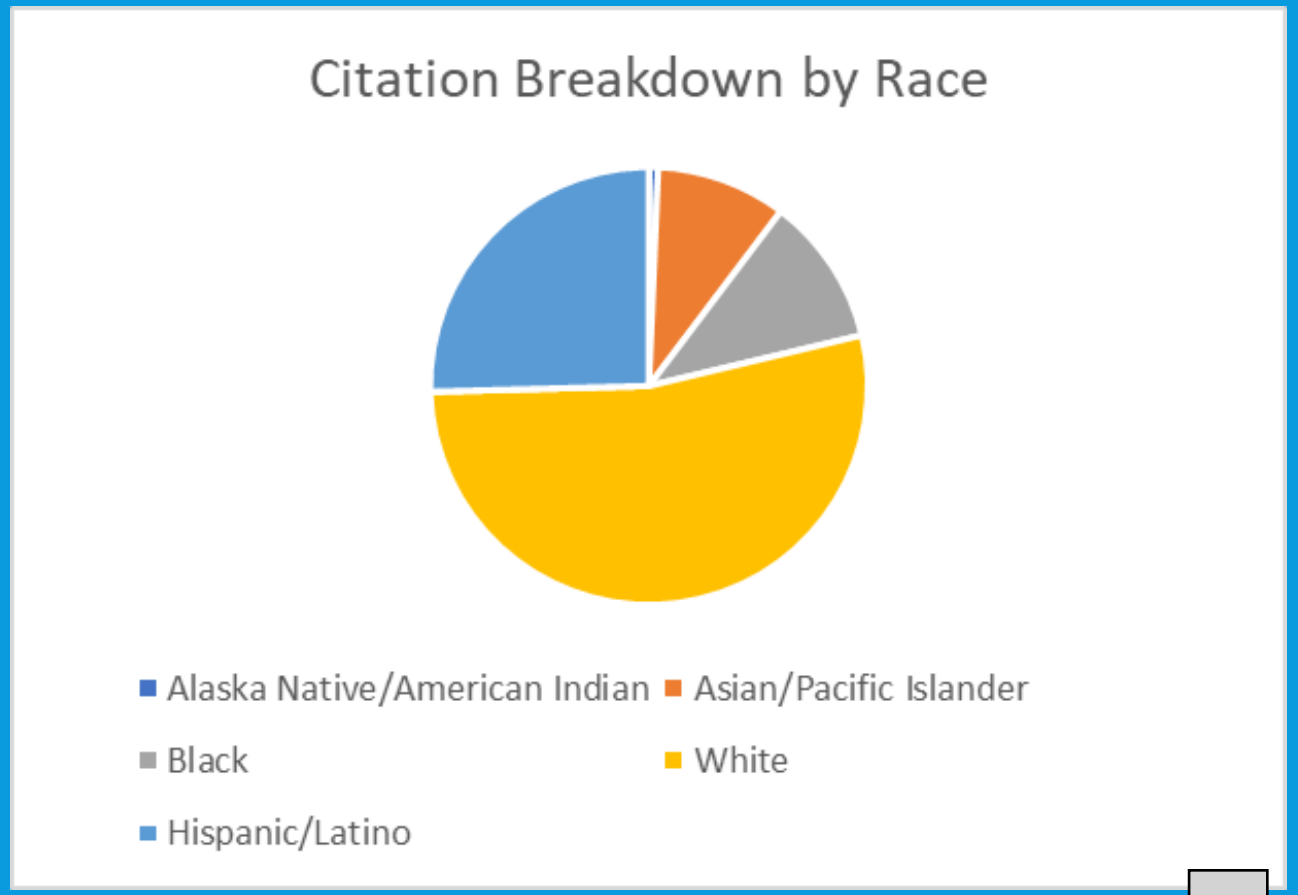
- **Verbal Warning: 3034 (39.41%)**
- **Written Warning: 689 (8.95%)**
- **Citation: 3,951 (51.33%)**
- **Citation and Arrest: 8 (0.10%)**
- **Written Warning and Arrest: 4 (0.05%)**
- **Arrest: 12 (0.16%)**



RESULT OF STOP

Citation

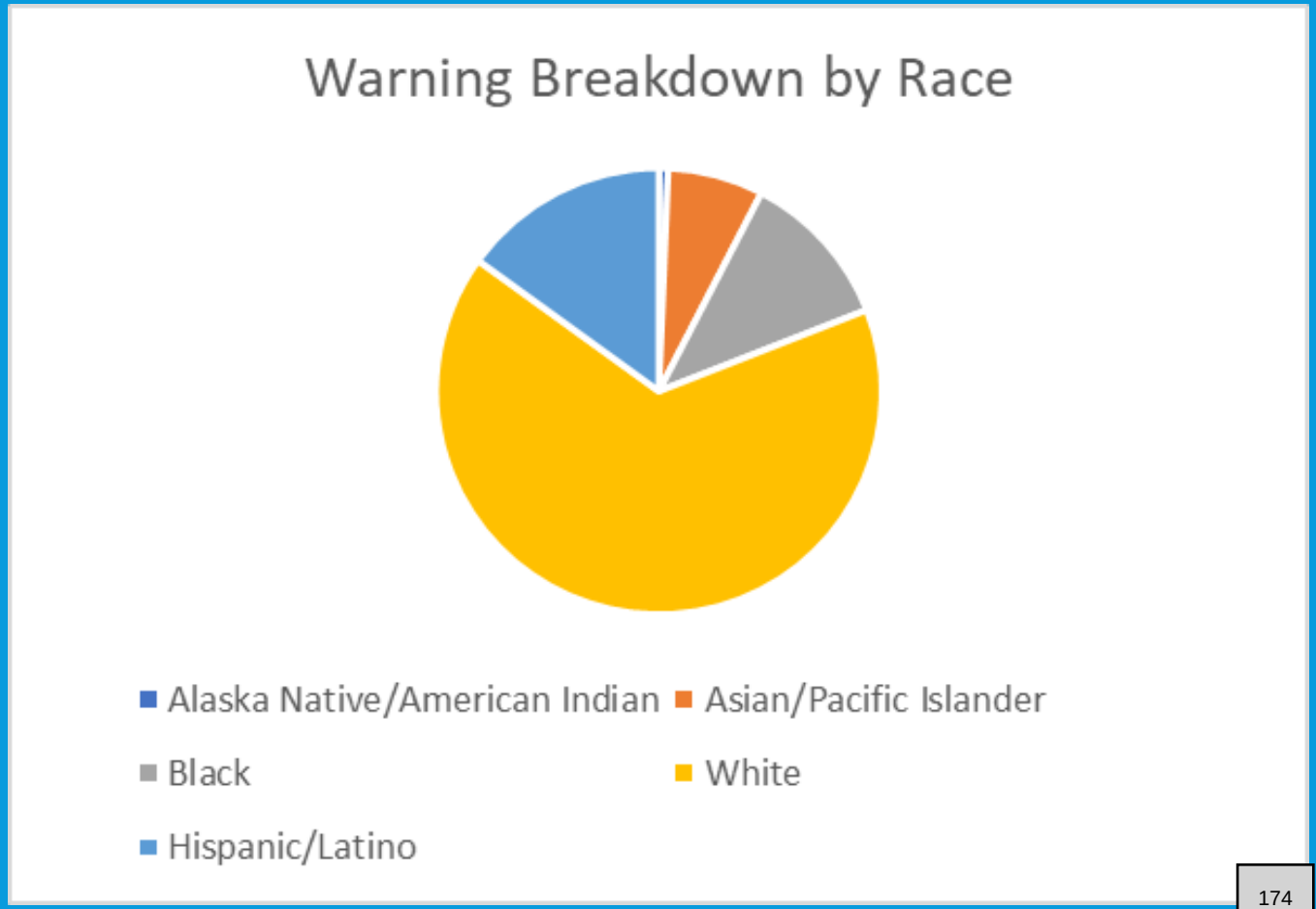
- **Black: 434 (10.98%)**
- **Asian/Pacific Islander: 380 (9.62%)**
- **White: 2,105 (53.28%)**
- **Hispanic/Latino: 1,005 (25.44%)**
- **Alaska/American Indian: 27 (0.68%)**



RESULT OF STOP

Warning (Verbal and Written)

- **Black: 427**
- **Asian/Pacific Islander: 258**
- **White: 2453**
- **Hispanic/Latino: 560**
- **Alaska/American Indian: 25**



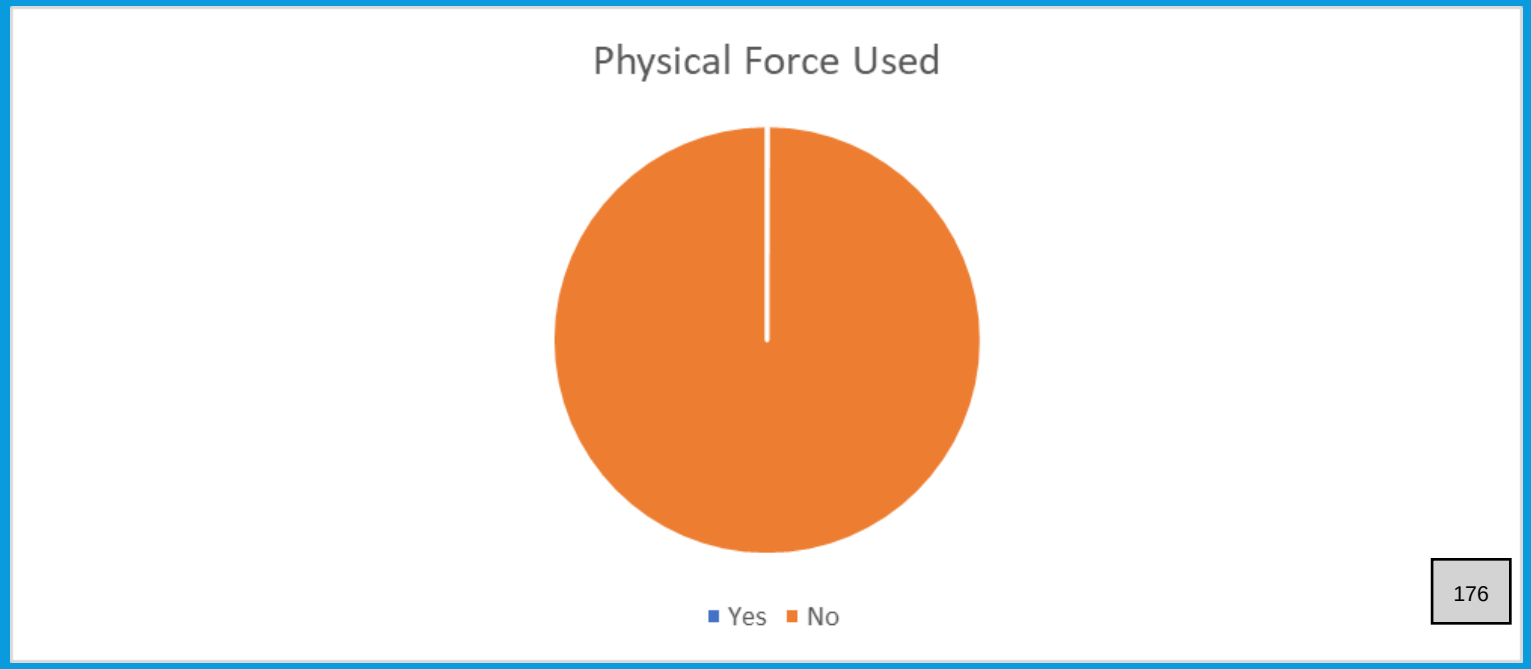
REASON FOR ARREST

Total Arrests: 25

- **Violation of Penal Code: 8**
- **Violation of Traffic Law: 0**
- **Violation of City Ordinance: 0**
- **Outstanding Warrant: 16**

PHYSICAL FORCE USED DURING TRAFFIC STOP

- **Yes: 3 (0.04%)**
- **No: 7,695 (99.96%)**



NUMBER OF CITIZEN COMPLAINTS OF RACIAL PROFILING RECEIVED BY ARGYLE POLICE DEPARTMENT

0

Mayor and Council Agenda Item Memorandum

ITEM TYPE
Consent Agenda

MEETING DATE:
February 17, 2026

PRESENTER:

Mike Sims, Town Manager

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Consider approval of Resolution 2026-05 approving a Standby Disaster Debris Removal Services Agreement with Ceres Environmental Services, Inc. and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

BACKGROUND INFORMATION:

The Town of Argyle periodically experiences severe weather events, including tornadoes, flooding, and other natural or man-made disasters, which may generate significant debris within public rights-of-way and on public property. In preparation for these events, the Town solicited proposals to establish standby disaster recovery contracts that can be activated quickly following an emergency.

On November 25, 2025, the Town issued Request for Proposals No. 2025-07A – Post Disaster Debris Removal Services seeking qualified firms to provide debris removal, hauling, reduction, and disposal services on an as-needed basis. The resulting agreement is a standby contract only and does not obligate the Town to utilize services unless a written Notice to Proceed is issued following a disaster event.

Proposals were received from the following firms by the December 22, 2025 deadline:

- TFR Enterprises, Inc., Leander, Texas
- DRC Emergency Services, LLC, Galveston, Texas

•Ceres Environmental Services, Inc., Houston, Texas
•Looks Great Services of MS, Inc., Cedar Hill, Texas

Following staff evaluation, the two highest-ranked firms, TFR Enterprises, Inc. and Ceres Environmental Services, Inc., were invited to participate in interviews held on January 29, 2026. Interviews focused on experience with FEMA-eligible debris operations, mobilization capabilities, coordination with debris monitoring and disaster recovery consulting services, and capacity to respond to multiple concurrent disaster events.

Based on proposal evaluations and interview results, staff recommends approval of a Standby Disaster Debris Removal Services Agreement with Ceres Environmental Services, Inc. The agreement requires coordination with the Town's awarded debris monitoring firm and disaster recovery consulting services as part of the Town's integrated disaster recovery "trio" approach, ensuring proper documentation, oversight, and FEMA compliance.

Approval of this agreement strengthens the Town's emergency preparedness and provides a qualified, experienced contractor that can be activated rapidly when needed.

FISCAL IMPACT:

☐ Not Applicable

☒ Proposed Expenditure: This is a standby agreement only. No expenditures will occur unless the contract is activated by issuance of a Notice to Proceed following a disaster event. Any costs incurred would be event-specific and subject to Council-approved appropriations and potential state or federal reimbursement.

☐ General Ledger Code:

☐ Proposed Revenue:

☐ Budget Amendment Required: No

☐ Financial Review Completed by:

LEGAL REVIEW:

The Town Manager reviewed this item.

ATTACHMENTS:

A. Resolution
B. Exhibit A - Standby Disaster Debris Removal Services Agreement
C. Exhibit B - Ceres Environmental Proposal and Cost Worksheet
D. RFP 2025-007A Respondents
E. RFP 2025-007A Document

RECOMMENDED MOTION AND/OR ACTION:

Move to approve the Standby Disaster Debris Removal Services Agreement with Ceres Environmental Services, Inc. and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

TOWN OF ARGYLE, TEXAS
RESOLUTION NO. 2026-05

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS, APPROVING A STANDBY DISASTER DEBRIS REMOVAL SERVICES AGREEMENT WITH CERES ENVIRONMENTAL SERVICES, INC.; AUTHORIZING THE TOWN MANAGER TO NEGOTIATE FINAL TERMS CONSISTENT WITH THE AGREEMENT; AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND RELATED DOCUMENTS.

WHEREAS, the Town of Argyle ("Town") desires to be prepared to respond efficiently and effectively to natural or man-made disasters that may generate significant debris within the Town's jurisdiction; and

WHEREAS, the Town issued Request for Proposals No. 2025-07A seeking qualified firms to provide standby post-disaster debris removal services, to be activated only upon issuance of a written Notice to Proceed; and

WHEREAS, Ceres Environmental Services, Inc. ("Ceres") submitted a proposal demonstrating the qualifications, experience, capacity, and resources necessary to provide post-disaster debris removal, hauling, reduction, and disposal services in compliance with applicable federal, state, and local requirements; and

WHEREAS, the Town Council finds that entering into a standby agreement with Ceres will enhance the Town's emergency preparedness and ability to coordinate post-disaster recovery efforts; and

WHEREAS, the Town utilizes a coordinated Disaster Recovery "Trio" model, consisting of (i) debris hauling and management services, (ii) independent debris monitoring services, and (iii) disaster recovery and grant consulting services, and the Agreement requires coordination among these service providers; and

WHEREAS, the Town Council finds that approval of the Standby Disaster Debris Removal Services Agreement with Ceres is in the best interest of the residents of the Town of Argyle.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

Section 1. That the findings set forth above are hereby found to be true and correct and are incorporated herein by reference.

Section 2. That the Standby Disaster Debris Removal Services Agreement between the Town of Argyle and Ceres Environmental Services, Inc. is hereby approved in substantially the form attached as Exhibit A, together with associated exhibits and documents referenced therein.

Section 3. That the Town Manager is hereby authorized to negotiate final, non-material terms of the Agreement consistent with the approved form and the Town's Request for Proposals No. 2025-07A.

Section 4. That the Mayor is hereby authorized to execute the Agreement and any related documents necessary to effectuate the intent of this Resolution.

Section 5. That this Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE THIS THE 17th DAY OF FEBRUARY 2026.

APPROVED:

_____
Ronald Schmidt, Mayor

ATTEST:

_____
Erika McComis, Town Secretary

2025-07A DISASTER RECOVERY OPENING

	BID Respondent	Date Submitted	Contact Name	Email	Phone	Address	City	State	Zip
1	TFR Enterprises, Inc.	12/19/25 11:05 AM	Tiffany Jean	tiffany@tfrinc.com	+1 (512) 260-3322	601 Leander Drive	Leander	Texas	78641
2	DRC Emergency Services, LLC	12/19/25 11:47 AM	Kristy Fuentes	kfuentes@drcusa.com	+1 (888) 721-4372	6702 Broadway Street	Galveston	Texas	77554
3	Ceres Environmental Services, Inc.	12/22/25 10:37 AM	Tia Laurie, Corporate Secretary	contact@ceresenv.com	+1 (800) 218-4424	9625 Windfern Road	Houston	Texas	77064
4	Looks Great Services of MS, Inc	12/22/25 11:17 AM	Sean Simons	seansimons@looksgreatservices.com	+1 (214) 315-7053	1129 S CEDAR HILL RD	Cedar Hill	Texas	75104

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Consent Agenda	February 17, 2026

PRESENTER:

Mike Sims, Town Manager

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Consider approval of Resolution 2026-06 authorizing a Standby Disaster Debris Monitoring Services Agreement with DebrisTech, LLC, and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

BACKGROUND INFORMATION:

The Town of Argyle periodically experiences severe weather events, including tornadoes, flooding, and other natural or man-made disasters, which may generate significant debris within public rights-of-way and on public property. Effective debris recovery following a disaster requires not only debris removal services, but also independent monitoring and documentation to ensure operational oversight and compliance with state and federal reimbursement requirements.

On November 25, 2025, the Town issued Request for Proposals No. 2025-07B – Disaster Recovery Debris Monitoring Services seeking qualified firms to provide independent debris monitoring, documentation, and compliance services on a standby, as-needed basis. The resulting agreement is a standby contract only and does not obligate the Town to utilize services unless a written Notice to Proceed is issued following a disaster event.

Proposals were received from the following firms by the December 22, 2025 deadline:

- DebrisTech, LLC, Picayune, Mississippi
- HaloRRS, Springfield, Missouri

Following staff review of proposals, DebrisTech, LLC was selected for an interview, which was conducted on Wednesday, January 28, 2026. The interview focused on experience with Federal Emergency Management Agency (FEMA)–eligible debris monitoring operations, staffing and mobilization capabilities, data collection and documentation systems, and the ability to coordinate with the Town's debris removal contractor and disaster recovery consulting services.

Based on proposal evaluation and interview results, staff recommends approval of a Standby Disaster Debris Monitoring Services Agreement with DebrisTech, LLC. The agreement requires coordination with the Town's awarded debris removal contractor and disaster recovery consulting firm as part of the Town's integrated disaster recovery "trio" approach, ensuring appropriate oversight, documentation, and FEMA compliance during post-disaster recovery operations.

Approval of this agreement strengthens the Town's emergency preparedness and provides a qualified, experienced contractor that can be activated rapidly when needed.

FISCAL IMPACT:

☐ Not Applicable

☒ Proposed Expenditure: This is a standby agreement only. No expenditures will occur unless the contract is activated by issuance of a Notice to Proceed following a disaster event. Any costs incurred would be event-specific and subject to Council-approved appropriations and potential state or federal reimbursement.

☐ General Ledger Code:

☐ Proposed Revenue:

☐ Budget Amendment Required: No

☐ Financial Review Completed by:

LEGAL REVIEW:

The Town Manager reviewed this item.

ATTACHMENTS:

A. Resolution
B. Exhibit A - Standby Disaster Debris Removal Services Agreement
C. Exhibit B - DebrisTech Proposal and Cost Worksheet
D. RFP 2025-007B Respondents
E. RFP 2025-007B Document

RECOMMENDED MOTION AND/OR ACTION:

Move to approve the Standby Disaster Debris Monitoring Services Agreement with DebrisTech, LLC, and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

TOWN OF ARGYLE, TEXAS
RESOLUTION NO. 2026-06

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS, APPROVING A STANDBY DISASTER DEBRIS MONITORING SERVICES AGREEMENT WITH DEBRISTECH, LLC; AUTHORIZING THE TOWN MANAGER TO NEGOTIATE FINAL TERMS CONSISTENT WITH THE AGREEMENT; AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND RELATED DOCUMENTS.

WHEREAS, the Town of Argyle ("Town") desires to be prepared to respond efficiently and effectively to natural or man-made disasters that may generate significant debris within the Town's jurisdiction; and

WHEREAS, the Town issued Request for Proposals No. 2025-07B seeking qualified firms to provide standby post-disaster debris monitoring services, to be activated only upon issuance of a written Notice to Proceed; and

WHEREAS, DebrisTech, LLC ("DebrisTech") submitted a proposal demonstrating the qualifications, experience, and capacity necessary to provide independent debris monitoring, documentation, and compliance services in accordance with applicable federal, state, and local requirements; and

WHEREAS, the Town Council finds that entering into a standby agreement with DebrisTech will enhance the Town's emergency preparedness and ensure appropriate oversight, documentation, and compliance during post-disaster debris recovery operations; and

WHEREAS, the Town utilizes a coordinated Disaster Recovery "Trio" model, consisting of (i) debris hauling and management services, (ii) independent debris monitoring services, and (iii) disaster recovery and grant consulting services, and the Agreement requires coordination among these service providers; and

WHEREAS, the Town Council finds that approval of the Standby Disaster Debris Monitoring Services Agreement with DebrisTech is in the best interest of the residents of the Town of Argyle.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

Section 1. That the findings set forth above are hereby found to be true and correct and are incorporated herein by reference.

Section 2. That the Standby Disaster Debris Monitoring Services Agreement between the Town of Argyle and DebrisTech, LLC is hereby

approved in substantially the form attached as Exhibit A, together with associated exhibits and documents referenced therein.

Section 3. That the Town Manager is hereby authorized to negotiate final, non-material terms of the Agreement consistent with the approved form and the Town's Request for Proposals No. 2025-07B.

Section 4. That the Mayor is hereby authorized to execute the Agreement and any related documents necessary to effectuate the intent of this Resolution.

Section 5. That this Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE THIS THE ___ DAY OF _____ 2026.

APPROVED:

_____
Ronald Schmidt, Mayor

ATTEST:

_____
Erika McComis, Town Secretary

2025-07B DISASTER RECOVERY OPENING

	BID Respondent	Date Submitted	Contact Name	Email	Phone	Address	City	State	Zip
1	DebrisTech, LLC	12/19/25 10:28 AM	Josh Daffern	jdaffern@debristech.com	+1 (601) 658-9598	923 Goodyear Blvd	Picayune	Mississippi	39466
2	HaloRRS	12/21/25 5:38 PM	CJ Huff	cj@halorrs.com	+1 (417) 434-8311	405 N Jefferson Ste 1015	Springfield	Missouri	65806

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Consent Agenda	February 17, 2026

PRESENTER:

Mike Sims, Town Manager

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Consider approval of Resolution 2026-07 authorizing a Standby Disaster Recovery Consulting Services Agreement with Disaster Recovery Reimbursement Services, LLC, and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

BACKGROUND INFORMATION:

The Town of Argyle periodically experiences severe weather events, including tornadoes, flooding, and other natural or man-made disasters, which may require coordinated disaster recovery efforts and compliance with state and federal reimbursement programs. Effective disaster recovery extends beyond physical response activities and includes eligibility determinations, documentation, reimbursement requests, audits, and closeout activities associated with disaster declarations.

On November 25, 2025, the Town issued Request for Proposals No. 2025-07C – Disaster Recovery Consulting Services seeking qualified firms to provide professional disaster recovery consulting and reimbursement support services on a standby, as-needed basis. The resulting agreement is a standby contract only and does not obligate the Town to utilize services unless a written Notice to Proceed is issued following a disaster event.

Proposals were received from the following three firms by the December 22, 2025 deadline:

- Del Sol Consulting, Inc., Mandeville, Louisiana
- HaloRRS, Springfield, Missouri
- Disaster Recovery and Resiliency Solutions, LLC, Brenham, Texas

Following staff evaluation of proposals, Disaster Recovery and Resiliency Solutions, LLC, doing business as Disaster Recovery Reimbursement Services (DRRS), was invited to participate in an interview, which was conducted on Tuesday, January 27, 2026. The interview focused on experience with Federal Emergency Management Agency (FEMA) Public Assistance programs, reimbursement and audit support, staffing capacity, disaster recovery strategy, and the ability to coordinate with the Town's debris removal contractor and debris monitoring firm.

Based on proposal evaluation and interview results, staff recommends approval of a Standby Disaster Recovery Consulting Services Agreement with Disaster Recovery Reimbursement Services, LLC. The agreement requires coordination with the Town's awarded debris hauling contractor and debris monitoring firm as part of the Town's integrated disaster recovery "trio" approach, ensuring consistent documentation, eligibility compliance, and reimbursement support.

Approval of this agreement enhances the Town's emergency preparedness and establishes a qualified disaster recovery consulting partner that may be activated when needed to support post-disaster reimbursement and compliance efforts.

FISCAL IMPACT:

☐ Not Applicable

☒ Proposed Expenditure: This is a standby agreement only. No expenditures will occur unless the contract is activated by issuance of a Notice to Proceed following a disaster event. Any costs incurred would be event-specific and subject to Council-approved appropriations and potential state or federal reimbursement.

☐ General Ledger Code:

☐ Proposed Revenue:

☐ Budget Amendment Required: No

☐ Financial Review Completed by:

LEGAL REVIEW:

The Town Manager reviewed this item.

ATTACHMENTS:

A. Resolution
B. Exhibit A - Standby Disaster Debris Removal Services Agreement
C. Exhibit B - DRRS Proposal and Cost Worksheet
D. RFP 2025-007C Respondents
E. RFP 2025-007C Document

RECOMMENDED MOTION AND/OR ACTION:

Move to approve the Standby Disaster Recovery Consulting Services Agreement with Disaster Recovery Reimbursement Services, LLC, and authorization for the Town Manager to negotiate final terms consistent with the agreement; and authorization for the Mayor to execute the agreement and related documents on behalf of the Town of Argyle.

TOWN OF ARGYLE, TEXAS
RESOLUTION NO. 2026-07

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS, APPROVING A STANDBY DISASTER RECOVERY CONSULTING SERVICES AGREEMENT WITH DISASTER RECOVERY REIMBURSEMENT SERVICES, LLC; AUTHORIZING THE TOWN MANAGER TO NEGOTIATE FINAL TERMS CONSISTENT WITH THE AGREEMENT; AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND RELATED DOCUMENTS.

WHEREAS, the Town of Argyle ("Town") desires to be prepared to respond efficiently and effectively to natural or man-made disasters that may impact the Town and require coordinated disaster recovery and reimbursement efforts; and

WHEREAS, the Town issued Request for Proposals No. 2025-07C seeking qualified firms to provide standby disaster recovery consulting services, to be activated only upon issuance of a written Notice to Proceed; and

WHEREAS, Disaster Recovery Reimbursement Services, LLC ("DRRS") submitted a proposal demonstrating the qualifications, experience, and capacity necessary to provide professional disaster recovery consulting, reimbursement support, and advisory services in accordance with applicable federal, state, and local requirements; and

WHEREAS, the Town Council finds that entering into a standby agreement with DRRS will enhance the Town's emergency preparedness and support compliance with state and federal disaster recovery and reimbursement programs; and

WHEREAS, the Town utilizes a coordinated Disaster Recovery "Trio" model, consisting of (i) debris hauling and management services, (ii) independent debris monitoring services, and (iii) disaster recovery and grant consulting services, and the Agreement requires coordination among these service providers; and

WHEREAS, the Town Council finds that approval of the Standby Disaster Recovery Consulting Services Agreement with DRRS is in the best interest of the residents of the Town of Argyle.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

Section 1. That the findings set forth above are hereby found to be true and correct and are incorporated herein by reference.

Section 2. That the Standby Disaster Recovery Consulting Services Agreement between the Town of Argyle and Disaster Recovery Reimbursement Services, LLC is hereby approved in substantially the form attached as Exhibit A, together with associated exhibits and documents referenced therein.

Section 3. That the Town Manager is hereby authorized to negotiate final, non-material terms of the Agreement consistent with the approved form and the Town's Request for Proposals No. 2025-07C.

Section 4. That the Mayor is hereby authorized to execute the Agreement and any related documents necessary to effectuate the intent of this Resolution.

Section 5. That this Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, THIS THE 17th DAY OF FEBRUARY 2026.

APPROVED:

_____

Ronald Schmidt, Mayor

ATTEST:

_____

Erika McComis, Town Secretary

2025-07C DISASTER RECOVERY OPENING

	BID Respondent	Date Submitted	Contact Name	Email	Phone	Address	City	State	Zip
1	Del Sol Consulting, Inc.	12/19/25 10:01 AM	Melissa Barclay	melissa.barclay@delsol-consulting.com	+1 (225) 324-3384	101 BROOKSIDE DR	MANDEVILLE	Louisiana	70471
2	HaloRRS	12/21/25 5:13 PM	CJ Huff	cj@halorrs.com	+1 (417) 434-8311	405 N Jefferson Ste 1015	Springfield	Missouri	65806
3	Disaster Recovery and Resiliency Solutions, LLC	12/22/25 11:24 AM	Sean Osborne	sosborne@drrsgrants.com	+1 (225) 328-5186	613 Kerr Street	Brenham	Texas	77833

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Consent Agenda	February 17, 2026

PRESENTER:

Mike Sims, Town Manager

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Consider approval of Resolution 2026-08 authorizing the termination of the existing Managed Information Technology Services Agreement, approving a short-term bridge agreement for Managed Information Technology Services, and authorizing the issuance of a Request for Proposals (RFP) for Managed Information Technology Services.

BACKGROUND INFORMATION:

The Town of Argyle relies on managed information technology services to support daily municipal operations, cybersecurity, data integrity, continuity of services, and compliance with evolving regulatory and security standards. These services support core functions including financial systems, municipal court operations, public safety technology, customer service systems, internal communications, and remote access capabilities.

The Town's current managed information technology services provider is The Fulcrum Group, Inc., under a Master Services Agreement originally executed in 2020. Section 7(a) of the agreement allows the Town to terminate the agreement without cause upon thirty (30) days' written notice. The Town Manager has provided written notice of termination, with an effective termination date of March 23, 2026.

The Town intends to solicit Managed Information Technology Services through a formal Request for Proposals (RFP) process in order to conduct a competitive, transparent evaluation of qualified service providers and ensure continued alignment with the Town's

operational needs, cybersecurity expectations, service delivery models, and industry best practices.

To ensure continuity of critical technology services during the procurement process and to support an orderly transition, staff recommends approval of a short-term bridge agreement with the current provider. The proposed bridge agreement is a temporary, standalone agreement, limited in scope and duration, and does not constitute a renewal or extension of the existing Master Services Agreement.

Authorization to issue the RFP does not obligate the Town to select or change providers. Following completion of the RFP process, staff will return to Town Council with a recommendation for consideration, including proposed contract terms and pricing, prior to any award or execution of a successor agreement.

FISCAL IMPACT:

☐ Not Applicable

☒ Proposed Expenditure: Issuance of the RFP does not create a financial obligation. Services provided under the short-term bridge agreement will be compensated at current contract rates. Any proposed long-term agreement resulting from the RFP process will be presented to Town Council for consideration and approval.

☐ General Ledger Code:

☐ Proposed Revenue:

☐ Budget Amendment Required: No

☐ Financial Review Completed by:

LEGAL REVIEW:

Not applicable.

ATTACHMENTS:

A. Resolution 2026-08
B. Draft RFP 2026-002 & Cost Worksheet
C. Draft RFP 2026-002 Schedule
D. Previously Approved Agreement with The Fulcrum Group
E. Termination of Master Services Agreement with Fulcrum
F. Short-Term Bridge Agreement with Fulcrum

RECOMMENDED MOTION AND/OR ACTION:

Move to approve the resolution authorizing the termination of the existing Managed Information Technology Services Agreement, approving a short-term bridge agreement for Managed Information Technology Services, and authorizing the Town Manager to issue a Request for Proposals for Managed Information Technology Services.

TOWN OF ARGYLE, TEXAS
RESOLUTION NO. 2026-08

A RESOLUTION AUTHORIZING THE TERMINATION OF THE EXISTING MANAGED INFORMATION TECHNOLOGY SERVICES AGREEMENT, APPROVING A SHORT-TERM BRIDGE AGREEMENT, AND AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR MANAGED INFORMATION TECHNOLOGY SERVICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Argyle, Texas (the "Town") entered into a Master Services Agreement for Managed Information Technology Services with The Fulcrum Group, Inc. (the "Provider") in 2020; and

WHEREAS, Section 7(a) of the Master Services Agreement allows the Town to terminate the agreement without cause upon thirty (30) days' written notice; and

WHEREAS, the Town Manager has provided written notice of termination of the Master Services Agreement, with an effective termination date of March 23, 2026; and

WHEREAS, the Town intends to solicit Managed Information Technology Services through a formal Request for Proposals process in order to evaluate service delivery models, cybersecurity capabilities, and overall value to the Town; and

WHEREAS, to ensure continuity of critical technology services during the procurement process and to support an orderly transition, the Town desires to enter into a short-term bridge agreement with the current provider; and

WHEREAS, the proposed Short-Term Bridge Services Agreement is a temporary, standalone agreement, does not constitute a renewal or extension of the Master Services Agreement, and is limited in scope and duration; and

WHEREAS, the Town Council finds that termination of the existing agreement and approval of a short-term bridge agreement is in the best interest of the Town and supports continuity of municipal operations.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

Section 1. That the findings set forth above are hereby found to be true and correct and are incorporated herein by reference.

Section 2. The termination of the Master Services Agreement for Managed Information Technology Services with The Fulcrum Group, Inc., effective March 23, 2026, is hereby authorized and ratified.

Section 3. The Town Council hereby approves the Short-Term Bridge Services Agreement for Managed Information Technology Services between the Town of Argyle and The Fulcrum Group, Inc., for the limited purpose of maintaining continuity of services during the Town's procurement process.

Section 4. That the Mayor is authorized to execute the Short-Term Bridge Services Agreement and any non-substantive administrative documents necessary to effectuate the intent of this resolution.

Section 5. That the Town Manager is authorized to issue a Request for Proposals for Managed Information Technology Services in accordance with applicable law and Town procurement policies.

Section 5. That this Resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE THIS THE 17TH DAY OF FEBRUARY 2026.

APPROVED:

_____

Ronald Schmidt, Mayor

ATTEST:

_____

Erika McComis, Town Secretary

TOWN OF ARGYLE

308 DENTON STREET EAST
ARGYLE, TX 76226
PHONE: 940-464-7273

RFP Announcement
The Town of Argyle ("Town") announces a REQUEST FOR PROPOSALS ("RFP") for Managed IT, Cybersecurity, and Technology Advisory Services as specified in the attached pages, until Wednesday, March 18, 2026 at 2:00 PM CST. Late submissions will not be accepted.

Term
This is a three (3) year contract with two (2) optional annual renewals.

Pre-Proposal Meeting
The Town will not host a pre-proposal meeting for this solicitation.

Interview(s)
The Town reserves the option to elect to host interviews for the top candidates if necessary. Please ensure your firm will be able to have a representative present for in-person interviews on either Wednesday, April 1, 2026, or Thursday, April 2, 2026. Candidates will be notified by Friday, March 27, 2026, if the Town intends to interview.

Deadline for Questions
The deadline for all questions is Friday, March 4, 2026 at 5:00 PM CST. All questions must be issued in writing to purchasing@argyletx.com and include the RFP number in the subject. Questions will not be answered over the phone. An addendum with response(s) to question(s) will be posted by end of business Monday, March 9, 2026.

Public Opening
The public opening will be conducted virtually. Submittals will be opened immediately following the RFP deadline. As this is a Request for Proposals (RFP) and not a competitive sealed bid, only the names of the responding firms will be read aloud at the public opening. No evaluation, scoring, or discussion of proposal contents will occur at that time. All proposals will be reviewed and evaluated in accordance with the evaluation criteria and process outlined in this RFP.

Meeting Link:

Meeting ID:

Meeting Password:

Addenda
Any interpretations, corrections, or changes to this RFP document and specifications will be made by addenda. Respondents must acknowledge receipt of all addenda in the "Vendor Acknowledgment Form" that is included in this packet.

I. INTRODUCTION

A. OVERVIEW OF THE TOWN OF ARGYLE

The Town of Argyle, Texas ("Town") is a General Law Type A municipality located in Denton County. The Town provides municipal services to residents, businesses, and visitors and relies on secure, reliable, and responsive technology systems to support public safety operations, financial management, utility and municipal services, public records, communications, and day-to-day staff productivity.

The Town's technology environment includes a combination of end-user devices, on-premises and/or hosted infrastructure, network and wireless systems, cloud services, business applications, public-facing systems, and cybersecurity controls. The Town also maintains obligations for the protection of sensitive information, continuity of operations, and timely service restoration after incidents, outages, or disruptive events. The Town currently outsources IT services and the current firm providing these services is eligible to compete in this procurement process.

B. PURPOSE AND INTENT

The purpose of this Request for Proposals is to solicit sealed proposals from qualified firms to provide Managed IT Services, Cybersecurity Services, and Technology Advisory (vCIO/vCTO) Services to the Town.

The Town's intent is to select a partner that can deliver a stable, secure, and well-governed technology program aligned with municipal best practices, including proactive maintenance, responsive support, strong cybersecurity hygiene, risk reduction, and strategic planning. The Town expects the selected firm to operate as an extension of Town staff, providing professional guidance, documented processes, measurable service levels, and clear accountability.

This RFP may result in the award of one contract to a single firm. The Town may also, at its sole discretion, award multiple contracts if doing so is determined to be in the Town's best interest. Nothing in this RFP shall be construed as a guarantee of work. The Town does not commit to any minimum volume of services or expenditures.

II. SCOPE OF WORK/SERVICES

The selected firm shall provide comprehensive services in three integrated areas: (1) Managed IT Services, (2) Cybersecurity Services, and (3) Technology Advisory Services. The Town expects the firm to propose an approach that improves reliability, reduces risk, increases visibility into the health of systems, and supports Town leadership with actionable information.

A. Transition Period

The Town anticipates entering into a defined transition period prior to full operational service delivery. Upon contract execution, the Town will establish a Transition Start Date, during which the selected firm shall work cooperatively with the Town's current service provider and Town staff to plan, coordinate, and prepare for a seamless transition of services.

1) During the transition period, the selected firm shall perform onboarding, discovery, documentation review, knowledge transfer, access validation, and stabilization activities necessary to ensure continuity of operations and minimize service disruption. The selected firm shall not assume full day-to-day operational responsibility during this period unless expressly authorized in writing by the Town.

2) Following completion of the transition and onboarding activities, the Town will establish a Primary Service Delivery Start Date, after which the selected firm shall assume full responsibility for day-to-day managed IT, cybersecurity, and technology advisory services in accordance with this agreement.

3) The proposer shall describe its recommended transition timeline, key milestones, staffing approach during transition, and any assumptions related to coordination with the incumbent provider. Any costs associated with transition services shall be clearly identified and separated from ongoing operational costs in the pricing proposal.

B. Managed IT Services (Core Requirements)

The selected firm shall provide ongoing management, monitoring, and support for the Town's technology environment. Services shall include, at minimum, the following functional outcomes:

1) The firm shall deliver help desk and end-user support that is responsive, professional, and documented. The Town expects a structured support model that includes intake, triage, escalation, and closure communication. Support shall cover common productivity and municipal business applications, endpoint devices, printers and peripherals, authentication and access issues, and day-to-day troubleshooting. The firm shall describe how it will provide remote support and how onsite support will be provided when required.

2) The firm shall provide infrastructure and network management to support stable operations. This includes proactive monitoring, alerting, and maintenance of core systems such as networking equipment, firewalls, wireless systems, switches, servers (if applicable), virtual environments (if applicable), backups, and connectivity health. The firm shall maintain current network documentation, diagrams, inventories, configurations (as allowed), and change records.

3) The firm shall provide endpoint and device management, including standardized configuration, patching, and lifecycle management. The Town expects consistent patch management for operating systems and common applications, structured onboarding/offboarding support, and a documented process for hardware refresh planning and asset tracking.

4) The firm shall provide vendor management and coordination, serving as the Town's primary technical liaison for internet providers, telecom/VoIP vendors, software providers, hosted service providers, and technology contractors, as needed. The Town expects the firm to coordinate support tickets, oversee troubleshooting, and assist with renewals, procurement recommendations, and service evaluations.

5) The firm shall provide backup and recovery support and continuity capabilities suitable for municipal operations. The firm shall be responsible for managing, monitoring, and testing backup solutions, documenting recovery procedures, and supporting restoration events. The Town

expects routine verification that backups are functioning and that recovery objectives are realistic and tested. The firm shall provide a high level of customer service with regular on-site visits, digital means to access customer service and phone support. All firms are expected to provide a customer service protocol recommendation in their response, identifying proposed specific measurable standards for a range of customer service metrics.

C. Cybersecurity Services (Core Requirements)

1) The selected firm shall provide cybersecurity services that meaningfully reduce risk, improve detection and response readiness, and support governance and compliance expectations typical of municipalities. Cybersecurity services shall be integrated with Managed IT operations so that security is not treated as a separate or reactive function. The firm will establish a protocol for setting resolution timeframe expectations and clear communication regarding support projects that will require extended timelines.

2) At a minimum, the firm shall provide a cybersecurity program baseline aligned to a recognized framework such as the NIST Cybersecurity Framework (CSF) and/or CIS Critical Security Controls. The firm shall describe how it will assess maturity, prioritize improvements, and measure progress over time.

3) The firm shall implement and manage security monitoring and protection, which should include endpoint protection (e.g., EDR), threat monitoring/alerting, vulnerability management, patch verification, privileged access controls, secure configuration standards, and identity protections such as MFA best practices. The Town expects the firm to describe its security tool stack approach and how tool licensing is handled (included vs. separate).

4) The firm shall provide risk and vulnerability management, including routine vulnerability scanning, prioritization, remediation guidance, and validation. The firm shall describe how remediation is tracked, how exceptions are managed, and how the Town will be informed of high-risk

findings.

5) The firm shall provide incident response readiness and support, including a documented incident response plan and coordination support during cybersecurity events. The firm shall include proposed timelines for incident notification, containment, eradication, recovery, and post-incident reporting. The Town expects defined escalation procedures and a clear chain of command for urgent decisions.

6) The firm shall provide security awareness and user education, including a structured program such as training, simulated phishing (if offered), and practical guidance to reduce user-driven risk. The Town expects the firm to propose a cadence and reporting method for participation and outcomes.

D. Technology Advisory Services (vCIO / vCTO)

1) The selected firm shall provide strategic and governance-oriented technology advisory services suitable for municipal leadership. These advisory services shall translate technical topics into clear, actionable information, support budgeting and planning, and promote stable operations through documented standards.

2) Within 90 days of the Primary Service Delivery Start Date, the firm shall provide a multi-year technology roadmap that aligns technology priorities with Town operational needs, budgeting timelines, cybersecurity risk reduction, and lifecycle planning. The Town expects a practical roadmap that includes replacement cycles, platform modernization recommendations, and risk-based security improvements. The firm shall provide regular, annual updates to this technology roadmap document prior to the Town's annual budget development cycle.

3) The firm shall provide budget support and forecasting, including predictable recurring costs, planned capital replacements, and cost-benefit narratives that help Town leadership make informed decisions. The Town prefers transparent pricing, clear separation of one-time versus

recurring costs, and clear assumptions.

4) The firm shall provide policy and standards support, including assistance in maintaining core technology policies (acceptable use, remote access, password/MFA standards, incident response, backup/recovery expectations, and data handling). The Town expects written, maintainable documentation that reflects practical operations.

E. Implementation / Transition (Onboarding Requirements)

1) If selected, the firm shall support a structured transition and onboarding process. The firm shall describe how it will assume responsibility from the current support model, validate the environment, stabilize critical items early, and establish baseline documentation.

2) The Town expects a transition plan that includes discovery, inventory, credential and access management practices, documentation collection and validation, and an early-stage stabilization plan. The Town also expects transparent communication regarding risks discovered during transition and a prioritized plan for remediation.

F. Optional Services (May Be Proposed)
Firms may propose optional or add-on services commonly used by municipalities, such as advanced SOC services, SIEM management, penetration testing, compliance readiness, digital forensics support, disaster recovery planning, tabletop exercises, application administration, and specialized support for public safety-related systems. Optional services should be clearly identified as optional, priced separately, and described in a way that allows the Town to evaluate value and fit.

G. Service Levels, Reporting, and Performance Management
The Town expects the firm to propose measurable service levels and clear reporting. At a minimum, the firm shall provide regular reporting that addresses ticket volume and aging, response and resolution performance, recurring issues and root causes, patch and vulnerability status, backup health, security incidents and alerts, and notable risks requiring management attention.

III. MINIMUM QUALIFICATIONS

A. LICENSING/CERTIFICATIONS

The proposing firm shall be legally authorized to do business in the State of Texas. The proposal shall identify relevant professional licenses, certifications, and credentials held by the firm and by key personnel proposed to support the Town, and shall describe how ongoing training and continuing education are maintained.

The Town prefers firms that demonstrate maturity in managed IT service delivery, cybersecurity, and municipal operations through recognized industry credentials and practices. Beneficial certifications may include those related to IT service management, information security, networking, cloud platforms, and cybersecurity governance (such as ITIL-aligned practices, vendor-neutral security certifications, and major cloud platform certifications). No single certification is required as a condition of responsiveness unless explicitly stated elsewhere in this RFP.

Because the Town's technology environment may include systems, networks, or data associated with public safety, municipal court, or criminal justice functions, the Town prefers firms that have personnel experienced in supporting CJIS-impacted environments. Respondents shall describe their familiarity with applicable CJIS Security Policy requirements, including access controls, data handling, security awareness, and incident response expectations.

If access to CJIS-regulated systems or information is required as part of the services, the selected firm shall be capable of providing staff who can successfully complete CJIS background checks, required CJIS security awareness training, and any other credentialing or compliance requirements imposed by the Town or the applicable criminal justice agency. CJIS compliance or clearance is not required at the time of proposal submission but must be achieved and maintained prior to any CJIS access.

B. MUNICIAL EXPERIENCE

The proposing firm shall demonstrate experience providing managed IT and cybersecurity services for public sector or similarly regulated environments. The Town prefers experience supporting municipal organizations with multiple departments and public safety or other high-availability needs. Proposals shall describe relevant comparable clients and outcomes, not merely years in

business.

C. COMPLIANCE WITH APPLICABLE LAWS
The proposing firm shall comply with all applicable federal and Texas laws, regulations, and standards relevant to the services provided. This includes, but is not limited to, compliance with the Texas Public Information Act as it relates to information exchanged with the Town, and any applicable data protection obligations.

D. INSURANCE & LEGAL ELIGIBILITY
The proposing firm shall be able to meet the Town's insurance requirements, including professional liability and cybersecurity-related coverage as applicable to the services. The proposing firm shall disclose any conflicts of interest that could impair performance. The proposing firm shall not be suspended, debarred, or otherwise ineligible to contract with governmental entities.

IV. SUBMISSION INSTRUCTIONS

A. FORMAT

1) Proposals shall be submitted electronically in a non-editable format (PDF preferred). The Town prefers a single consolidated PDF that includes all required content and forms. Proposals should be organized in the order presented in the *Proposal Content Requirements* Section and written clearly for both technical reviewers and non-technical decision-makers.

2) Proposals shall not exceed fifty (50) pages, excluding the cover page, table of contents, divider or tab pages, and required forms or attachments.

3) Proposals must be received no later than the due date and time stated on the cover page. Submissions will be date and time-stamped upon submission, and respondents will receive an automated message confirming the Town has received their submission. Respondents are urged to start their submission process early.

4) SUBMISSION LINK: [insert link]

5) The Town appreciates your time and effort in preparing a response to this RFP. Please note that to be considered, all proposals must be received by the deadline shown above. Late submissions may be rejected at the Town's sole discretion. The Town's timekeeping shall govern the deadline.

B. QUESTIONS, ADDENDA, AND COMMUNICATIONS
All questions shall be submitted in writing to the Town's designated point of contact by the deadline shown in the Schedule of Events. Verbal responses are not binding. Official responses and any changes to the RFP will be issued by written addendum. Respondents are responsible for monitoring for addenda and acknowledging receipt.

To maintain fairness and the integrity of the procurement process, respondents shall not contact Town Council members, selection committee members, or Town staff outside the designated contact channels regarding this solicitation. The Town may deem such contact a violation of the procurement process and may reject the proposal at the Town's sole discretion.

C. PUBLIC INFORMATION ACT
(TEXAS GOVERNMENT CODE CHAPTER 552)

The Town is subject to the Texas Public Information Act ("PIA"). Proposals and related documents submitted to the Town may be subject to disclosure unless an applicable exception applies.

1) If you consider any portion of your proposal to be privileged or confidential by statute or judicial decision, including trade secrets and commercial or financial information, please clearly identify those portions as "CONFIDENTIAL". Proposals will be opened in a manner that avoids disclosure of the contents to competing offerors and keeps the proposals secret during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for inspection. Tex. Loc. Govt. Code 252.049(b)

2) The Town will honor your notations of trade secrets and confidential information and decline to release such information initially, but please note that the final determination of whether a particular portion of your proposal is in fact a trade secret or commercial or financial information that may be withheld from public inspection will be made by the Texas Attorney General or a court of competent jurisdiction.

3) In the event a public information request is received for a portion of your proposal that you have marked as being confidential information, you will be notified of such request and you will be required to justify your legal position in writing to the Texas Attorney General pursuant to Section 552.305 of the Government Code. In the event that it is determined by opinion or order of the Texas Attorney General or a court of competent jurisdiction that such information is in fact not privileged and confidential under

Section 552.110 of the Government Code and Section 252.049 of the Local Government Code, then such information will be made available to the requester.

4) Marking your entire proposal CONFIDENTIAL/PROPRIETARY is not in conformance with the Texas Open Records Act.

D. PROPOSAL CONTENT REQUIREMENTS

1) FIRM PROFILE
Proposals shall include the following content and shall be presented in complete narrative form to allow evaluation of competence, fit, and approach.

2) EXPERIENCE & SAMPLE PROJECTS
The proposal shall describe experience delivering services similar to those requested, with emphasis on municipalities or comparable public sector organizations. The proposal shall provide at least three examples of comparable engagements and describe outcomes achieved, such as improved uptime, reduced incident rates, strengthened cybersecurity posture, or stabilized operations.

3) PROJECT TEAM & RESUMES
The proposal shall identify the core team that will support the Town, including roles, responsibilities, relevant experience, and availability. Resumes shall be included for key personnel. Failure to provide confirmation of sufficient staff who can meet CJIS security requirements, including background checks, shall result in the proposal being deemed non-responsive. The proposal shall describe how support is staffed after hours, how escalation works, and whether the firm uses subcontractors for any portion of the services.

4) APPROACH TO DELIVERY
The proposal shall describe the firm's service delivery model, including how tickets are handled, how proactive maintenance is conducted, how documentation is maintained, and how onsite support is provided. The proposal shall explain how cybersecurity is integrated into day-to-day operations and how the firm prioritizes risk reduction without disrupting municipal productivity. The

proposal shall also describe the firm's tool strategy and whether tools are included, required, or optional.

5) SERVICE LEVELS AND REPORTING
The proposal shall describe proposed customer service levels for response and resolution and how performance is measured. The proposal shall describe the cadence and format of reporting and provide examples of monthly or quarterly reporting formats if available.

6) PRICING AND COST STRUCTURE
All costs shall be provided in U.S. dollars. Respondents shall complete all sections of the Pricing Proposal Form. Any assumptions, exclusions, or conditions affecting pricing shall be clearly identified in the proposal narrative. Failure to complete this pricing form shall result in the proposal being deemed non-responsive.

7) REFERENCES
The proposal shall include references from at least three clients, preferably municipalities or comparable public sector entities, that can speak to service quality, responsiveness, and cybersecurity competence.

8) REQUIRED FORMS (SEE SECTION VII.)
The proposal shall include all completed and signed forms listed in Section VII. Failure to submit required forms may cause the proposal to be deemed non-responsive.

V. EVALUATION & SELECTION CRITERIA

A. CRITERIA

The Town intends to evaluate proposals based on a best-value approach, considering the criteria listed below:

CRITERIA	MAX POINTS
FIRM QUALIFICATIONS & MUNICIPAL EXPERIENCE This category evaluates the proposer's overall qualifications, stability, and demonstrated experience providing managed IT and cybersecurity services in municipal or comparable public-sector environments. Consideration should be given to the firm's understanding of local government operations, regulatory obligations, and service expectations, as well as the relevance and quality of comparable projects and client references.	10
MANAGED IT SERVICE DELIVERY APPROACH This category evaluates the proposer's approach to delivering managed IT services, including overall customer service, help desk operations, infrastructure and endpoint management, proactive monitoring, documentation practices, and service continuity. Proposals should demonstrate a structured, repeatable service model with clear escalation paths, service level expectations, and accountability mechanisms appropriate for a municipal environment.	30
CYBERSECURITY PROGRAM & CJIS READINESS This category evaluates the proposer's cybersecurity capabilities, including alignment with recognized security frameworks, threat monitoring and response practices, vulnerability management, and incident response readiness. Consideration should also be given to the proposer's familiarity and skill level with CJIS-impacted environments.	15
TECHNOLOGY ADVISORY & STRATEGIC PLANNING (vCIO / vCTO) This category evaluates the proposer's ability to provide technology advisory services that support governance, budgeting, and long-term planning. Proposals should demonstrate the ability to translate technical issues into clear recommendations for Town leadership, support budget development and lifecycle planning, and provide practical roadmaps aligned with municipal priorities.	15
IMPLEMENTATION, TRANSITION & ONGOING SUPPORT This category evaluates the proposer's plan for onboarding, transition from the current support model, and early-stage stabilization. Consideration should be given to the proposer's approach to knowledge transfer, documentation validation, risk identification during transition, and ongoing communication with Town staff.	10
Cost Proposal & Overall Value This category evaluates the reasonableness, transparency, and predictability of the proposer's cost structure in relation to the services offered. Consideration should be given to clarity of pricing assumptions, separation of recurring and one-time costs, and the overall value provided to the Town rather than lowest cost alone.	20
TOTAL	**100**

B. The Town reserves the right to request clarifications, conduct interviews, and request best and final offers (BAFO) if deemed in the Town's best interest. The Town may also verify references and may consider past performance with the Town or other governmental entities. Once each proposal has been reviewed and scored, the Town may at its sole discretion: choose to interview one (1) or more Respondent(s); begin contract negotiations without conducting interviews; or reject any and all proposals and re-bid this project.

C. The Town will recommend an award of one (1) or more Respondent(s) whose proposal offers a Best Value to the Town.
   1) Award Recommendations are approved by the Town Council. Town Council meeting information is available on the Town of Argyle website: www.argyletx.com.
   2) To obtain a list of respondents to this solicitation, please contact the Town Secretary's Office between the hours of 8:00 a.m. and 5:00 p.m. at townsecretary@argyletx.com. Town Council approves all award recommendations. Council typically meets on the third Monday of each month.

D. SCHEDULE OF EVENTS
   The anticipated procurement schedule is provided below. The Town may revise the schedule by addendum as needed.

EVENT	**DATE**
RFP POSTED	FEBRUARY 21, 2026
DEADLINE FOR QUESTIONS	MARCH 4, 2026
PROPOSALS DUE	MARCH 18, 2026
EVALUATION & OPTIONAL INTERVIEWS	MARCH/APRIL
AWARD RECOMMENDATION TO COUNCIL	APRIL 20, 2026

VI. TERMS & CONDITIONS

A. RIGHT TO ACCEPT/REJECT
The Town reserves the right to accept or reject any or all proposals, in whole or in part, to waive informalities and minor irregularities, and to request additional information from any proposer. The Town's decision shall be made in the Town's best interest.

B. CANCEL RFP
The Town reserves the right to cancel this RFP at any time for any reason. Cancellation shall not create liability to the Town.

C. NO REIMBURSEMENT OF COSTS
All costs incurred by respondants in preparing and submitting proposals, participating in interviews, or negotiating the contract shall be borne solely by the proposer.

D. LOBBY PROHIBITION (CONE OF SILENCE)
To preserve the integrity of the procurement process, respondants shall not lobby, influence, or attempt to influence Town Council members or Town staff outside the established communication process for this solicitation. The Town may reject a proposal if it determines that a proposer violated this requirement.

E. NO COMMITMENT UNTIL CONTRACT EXECUTION
This RFP does not constitute an offer to contract. No proposer shall have any legal right to work, compensation, or reimbursement until a contract is fully executed by the Town in accordance with Town requirements. Any work performed prior to contract execution is at the proposer's risk and shall not be compensated unless expressly authorized in writing by the Town.

F. SCOPE FLEXIBILITY/NO MINIMUM GUARANTEE
The Town does not guarantee a minimum amount of work. The Town reserves the right to modify service quantities, priorities, and scope components to meet operational needs and budget constraints.

G. DATA OWNERSHIP, CONFIDENTIALITY, AND SECURITY
All Town data remains the property of the Town. The selected firm shall protect Town data and shall use Town data only for purposes of performing services under the contract. The selected firm shall implement administrative, technical, and physical safeguards

appropriate for municipal environments and shall not disclose Town information except as authorized by the Town or required by law.

The selected firm shall notify the Town promptly of any suspected or confirmed security incident involving Town systems or data. The proposal shall state the firm's proposed notification timeline and response procedures, including escalation contacts and reporting expectations.

H. SUBCONTRACTORS
If subcontractors are proposed, the proposer shall disclose the subcontractor's role and shall remain responsible for subcontractor performance. Subcontractors shall be subject to the same confidentiality and security expectations as the primary contractor.

I. GOVERNING LAW AND VENUE
The contract shall be governed by the laws of the State of Texas. Venue shall lie in a court of competent jurisdiction in Denton County, Texas, unless otherwise required by law.

J. PROTEST PROCEDURE
Any protest related to this procurement shall be submitted in writing to the Town's designated procurement contact within a reasonable period following the event giving rise to the protest, and in any case, prior to contract execution. The Town may require additional information to evaluate any protest. The Town's determination shall be final.

VII. ATTACHMENTS

The following exhibits are included with this RFP and shall be completed and submitted as required. Where a draft contract is provided, it is intended to communicate the Town's standard terms and expectations. Respondents may submit requested redlines in accordance with the submission instructions.

A. EXHIBIT A – VENDOR STATEMENT OF AGREEMENT
    1) W9 FORM
    2) CIQ FORM
    3) ADDENDA ACKNOWLEDGEMENT
B. EXHIBIT B – DRAFT CONTRACT/AGREEMENT
C. EXHIBIT C – NON-COLLUSION STATEMENT
D. EXHIBIT D – DAVIS BACON ACT AND COPELAND ANTI-KICKBACK ACT
E. EXHIBIT E – HUB VEDOR STATUS
F. EXHIBIT F – TEXAS' REQUIRED CONTRACT / PURCHASE ORDER TERMS & CONDITIONS
G. Environment Overview

The following information is provided to assist respondents in developing cost proposals. Information is provided for planning purposes only and does not constitute a warranty or guarantee of scope, quantities, or configuration. Respondents are responsible for validating assumptions as part of their proposed approach.

1) How many employees does the Town currently have?
   The Town currently employs approximately 37 full-time employees and 2 part-time or seasonal employees. Staffing levels may fluctuate based on operational needs, seasonal programs, and Council-approved positions. We also have approximately 30 Council and Board members who would only need email access, no devices.

2) How many departments does the Town operate?
   The Town operates approximately 6 departments, which include Administration, Finance, Municipal Court, Public Works (Wastewater, Parks, Streets, & Drainage), Planning & Development, Police, and other support or operational functions.

3) How many technology users should be assumed for pricing?
   Respondents should assume approximately 40-45 named users requiring day-to-day IT support. This includes staff

requiring access to Town systems, email, line-of-business applications, and standard productivity tools.

4) How many devices are currently supported?
   The Town currently utilizes an estimated 50 endpoint devices, including desktops, laptops, and mobile devices. Respondents should describe how pricing adjusts for increases or decreases in users or devices over time.

5) What is the Town's primary technology environment?
   The Town primarily operates within a cloud-based productivity environment, with core systems supported through a combination of cloud services and limited on-premises infrastructure.
   - Key components may include:
     - Microsoft 365 (email, collaboration, identity)
     - Line-of-business applications for: Finance, Court, Permitting, and Public Safety
     - Network and security infrastructure supporting Town facilities and remote access
     - Respondents should describe how their service model supports hybrid and cloud-first municipal environments.

6) Does the Town have on-premises servers or data centers?
   The Town currently has [limited / no / some] on-premises server infrastructure. Respondents should describe how their proposed services address both cloud-hosted and any on-premises systems, including monitoring, backups, and recovery.

7) Are public safety or CJIS-impacted systems involved?
   Certain Town systems or network segments may support public safety, municipal court, or criminal justice functions. Not all vendor staff will require CJIS access. However, respondents should assume that CJIS awareness and compliance readiness may be required for specific roles or activities. If CJIS access is required, the selected firm must be capable of providing staff who can complete CJIS background checks and training prior to accessing CJIS-regulated systems or data.

8) What hours of support are expected?
   The Town expects standard business hours support for most

services, with defined escalation and response procedures for critical issues outside normal hours.

- Respondents should clearly identify:
    - Standard support hours, after-hours and emergency support availability, any additional costs associated with extended coverage.

9) How is onsite support expected to be handled?
The Town anticipates that most support will be provided remotely, with onsite support provided as needed for issues that cannot be resolved remotely. Respondents should describe: Frequency assumptions for onsite support, whether onsite support is included or billed separately, and response expectations for urgent onsite needs.

10) What level of cybersecurity maturity does the Town expect?
The Town expects a cybersecurity program aligned with recognized frameworks such as the NIST Cybersecurity Framework or CIS Critical Security Controls. Respondents should assume responsibility for integrating cybersecurity into daily operations, including monitoring, patching, vulnerability management, and incident response readiness.

11) What reporting and visibility does the Town expect?
The Town expects regular reporting that provides visibility into system health, ticket trends, cybersecurity posture, and emerging risks. Respondents should assume monthly operational reporting and periodic strategic or executive-level summaries.

12) Will the selected firm be responsible for vendor coordination?
Yes. The selected firm is expected to serve as the Town's primary technical liaison with technology vendors and service providers, including coordination of support issues, troubleshooting, and renewal or replacement recommendations.

13) Is there an existing IT provider?
The Town currently utilizes Fulcrum Group Inc., as a third-party provider for some or all IT support services. Respondents should assume a structured transition period

and include onboarding and stabilization activities in their proposals.

14) Will the Town provide detailed inventories prior to award?
Detailed inventories may be provided to the selected firm during onboarding. Respondents should base pricing on the estimates provided in this RFP and clearly state any assumptions.

15) How should growth or changes be handled in pricing?
Respondents should describe how pricing scales with changes in staffing levels, device counts, or service scope, including any thresholds, minimums, or pricing adjustments.

16) Are there any known upcoming technology initiatives
The Town anticipates ongoing initiatives related to paper-lite process improvements, cybersecurity enhancement, system modernization, lifecycle replacement, and improved governance and documentation. Respondents should describe how their services support evolving municipal needs over time.

17) What should respondents do if assumptions materially affect pricing?
Respondents shall clearly document all pricing assumptions in their proposals. If assumptions materially affect pricing or service delivery, respondents should identify those assumptions explicitly so the Town can evaluate comparability.

TOWN OF ARGYLE INSURANCE REQUIREMENTS

The successful proposer ("Contractor") shall procure and maintain, at its own expense, insurance of the types and in the minimum amounts specified below for the duration of the contract and any renewal terms. All insurance shall be issued by insurers licensed to do business in the State of Texas and acceptable to the Town of Argyle.

I. Commercial General Liability Insurance

A. Limits

The Contractor shall maintain Commercial General Liability ("CGL") insurance with limits of not less than:

1) $1,000,000 per occurrence
2) $2,000,000 general aggregate
3) $2,000,000 products/completed operations aggregate
4) $1,000,000 personal and advertising injury per person or organization

B. Coverage Requirements

1) CGL coverage shall be written on an ISO occurrence form, including CG 00 01 04/13 or a substitute form providing equivalent coverage. Coverage shall include liability arising from premises, operations, independent contractors, products/completed operations, and personal and advertising injury. Any exclusion or limitation for explosion, collapse, or underground (XCU) hazards shall not apply to the services performed under this agreement.
2) The Town of Argyle, its officers, officials, employees, and agents shall be included as Additional Insureds on the CGL policy using ISO endorsements CG 20 10 04/13 and CG 20 37 04/13, or endorsements providing equivalent coverage. Coverage for the Additional Insureds shall be at least as broad as that provided to the named insured and shall apply on a primary and non-contributory basis before any other insurance or self-insurance maintained by the Town.
3) The general aggregate limit shall be endorsed to apply separately to this contract. The Contractor shall maintain completed operations coverage for a period consistent with the applicable statute of repose following completion or termination of services.

II. Automobile Liability

A. The Contractor shall maintain Business Automobile Liability insurance with limits of not less than $1,000,000 per accident for bodily injury and property damage. Coverage shall apply to all owned, leased, hired, and non-owned vehicles used in the performance of services under the agreement.

III. Worker's Compensation and Employers Liability

A. The Contractor shall maintain statutory Workers' Compensation insurance for all persons performing work under this agreement, as required by the laws of the State of Texas.

The Contractor shall also maintain Employers' Liability insurance with limits of not less than:

1) $1,000,000 each accident
2) $1,000,000 each employee for bodily injury by disease
3) $1,000,000 policy limit for bodily injury by disease

Alternative Workers' Compensation programs are not permitted unless expressly approved in writing by the Town.

IV. Cyber Liability / Network Security Insurance

A. Given the nature of the services, the Contractor shall maintain Cyber Liability / Network Security insurance with limits of not less than $1,000,000 per claim and $1,000,000 aggregate. Coverage shall include, at a minimum, claims arising from data breaches, network security failures, unauthorized access, privacy violations, incident response costs, notification expenses, credit monitoring, and regulatory defense where applicable.

V. Additional Insurance Requirements

A. Waiver of Subrogation

The Contractor waives all rights of recovery against the Town, its officers, officials, employees, and agents for damages to the extent such damages are covered by insurance maintained pursuant to this agreement.

B. Subcontractors

The Contractor shall require all subcontractors and sub-subcontractors to maintain insurance meeting the requirements of this agreement and shall be responsible for verifying such coverage.

C. Cancellation and Notice
Each policy required shall be endorsed to provide the Town with at least twenty (20) days' prior written notice of cancellation, non-renewal, or material modification. The Town reserves the right to request certified copies of any insurance policy.

D. Insurer Qualifications
All insurers shall maintain a rating of A-VIII or better as rated by A.M. Best Company and shall be authorized to transact insurance business in the State of Texas.

E. Certificates of Insurance
Prior to commencement of services, the Contractor shall provide the Town with a Certificate of Insurance in a form acceptable under the Texas Insurance Code, evidencing the required coverages and endorsements. Updated certificates and endorsements shall be provided not less than two (2) weeks prior to expiration of any required policy.

F. Minimum Requirements
The insurance requirements set forth herein represent the minimum coverage required. Depending on the nature of the services, the Town reserves the right to require additional coverage or higher limits.

G. No Limitation of Liability
The procurement of insurance shall not be construed as limiting the Contractor's liability or obligations under the agreement. The Contractor remains responsible for assessing its own risks and maintaining any additional coverage deemed appropriate.

Pricing Proposal Instructions

Complete all applicable tabs. Do not alter the structure.
All costs shall be provided in U.S. dollars.
Recurring costs should be annualized where requested.

Service Item	Pricing Unit	Unit Cost
Help Desk & End-User Support		
Endpoint & Device Management		
Network & Infrastructure Management		
Patch Management & Monitoring		
Vendor Coordination & Management		
Backup Monitoring & Recovery Support		
Subtotal		

Estimated Monthly Cost	Estimated Annual Cost
$ -	$ -

Service Item	Pricing Unit	Unit Cost
Security Monitoring / EDR		
Vulnerability Scanning & Management		
Identity & Access Security (MFA)		
Incident Detection & Response Support		
Security Awareness Training		
CJIS-Related Controls (if applicable)		
Subtotal		

Estimated Monthly Cost	Estimated Annual Cost
$ -	$ -

Service Item	Pricing Unit	Unit Cost
Technology Roadmap Development		
Budget Planning & Forecasting Support		
Policy & Standards Support		
Executive / Leadership Meetings		
Subtotal		

Estimated Annual Cost	
$	-

Service Item	One-Time Cost
Discovery & Environment Assessment	
Documentation & Inventory Validation	
Credential & Access Transition	
Stabilization & Early Remediation	
Knowledge Transfer & Closeout	
Total One-Time Cost	**$ -**

Optional Service	Pricing Unit	Unit Cost
Advanced SOC Services		
SIEM Management		
Penetration Testing		
Digital Forensics / IR		
Disaster Recovery Planning		
Other (Specify)		

Role	Hourly Rate
Help Desk Technician	
Systems Engineer	
Network Engineer	
Security Analyst	
vCIO / vCTO	

Cost Category	Annual Cost
Managed IT Services	$ -
Cybersecurity Services	$ -
Technology Advisory Services	$ -
Total Annual Recurring Cost	**$ -**
One-Time Implementation Cost	$ -
Sub-Total	**$ -**
Optional Services	$ -
TOTAL	**$ -**

BID SCHEDULE 2026-002 MANAGED IT SERVICES

January 2026 - February 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
18	19	20	21	22	23	24
25	26	27	28	29	30	31
February 1	2	3	4	5	6	7
8	9	10	11	12	13	14

2026-002 BID SCHEDULE MANAGED IT SERVICES

Council Back Up Due

2026-002 BID SCHEDULE MANAGED IT SERVICES

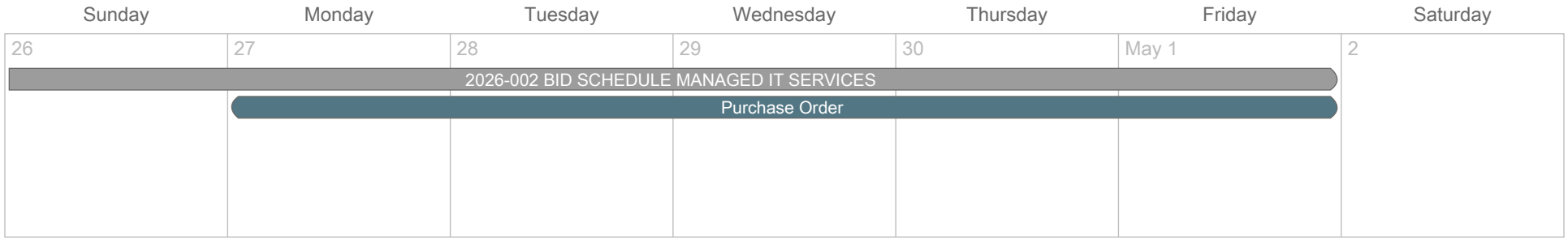
February 2026 - March 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
15	16	17	18	19	20	21
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
	Council Presentation for					
22	23	24	25	26	27	28
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
			Advertisement			
March 1	2	3	4	5	6	7
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
	Minimum Advertisement Period					
			Question Deadline			
8	9	10	11	12	13	14
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
	Minimum Advertisement Period					
	Question Response Due					
15	16	17	18	19	20	21
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
	Minimum Advertisement Period		Evaluations			
			BID Opening			

March 2026 - April 2026

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
22	23	24	25	26	27	28
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
	Evaluations		Interview & Contract Negotiations			
29	30	31	April 1	2	3	4
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
	Interview & Contract Negotiations					
5	6	7	8	9	10	11
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
	Interview & Contract Negotiations			Council Back Up Due		
12	13	14	15	16	17	18
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
19	20	21	22	23	24	25
	2026-002 BID SCHEDULE MANAGED IT SERVICES					
	Sign Documents					
	Council Presentation for					

April 2026 - May 2026



THE FULCRUM GROUP
One Technology Solution: Yours

THE FULCRUM GROUP, INC.
MASTER SERVICES AGREEMENT

This Master Services Agreement (this "Agreement") is between **The Fulcrum Group, Inc.** with offices at 5751 Kroger Drive, Suite 279, Fort Worth, Texas 76244 ("**us**", "**our**", "**we**" or "**Fulcrum**"), and the **Town of Argyle, Texas,** the entity whose authorized signatory and contact information appear in the signature block of this Agreement ("**you**", "**your**" or "**Client**"). This Agreement will be effective as of the latest date of the signatures of the parties below (the "Effective Date").

1) **SCOPE OF SERVICES; SOW.** This Agreement governs all of the services that we perform for you (collectively, the "Services"). The Services will be described in one or more statements of work or SPOT Managed IT Services Agreement that we provide to you (each, a "SOW"), and once you and we mutually agree to a SOW (either by signing it or by electronic acceptance), the SOW will become a part of, and governed under, the terms of this Agreement. If there is a material difference between the language in a SOW and the language in this Agreement, then the language of the SOW will control, except in situations involving warranties, limitations of liability or termination of this Agreement. Under those limited circumstances, the terms of this Agreement will control unless the SOW expressly states that it is overriding the conflicting provisions of this Agreement. The initial SOW is attached hereto as "Exhibit A".

2) **GENERAL REQUIREMENTS.**

a) *System Configuration.* For the purposes of this Agreement, "System" means, collectively, any computer network, computer system, peripheral or device installed, maintained, monitored or operated by Fulcrum pursuant to this Agreement. Our fees are based upon the configuration of your System as of the effective date of the applicable SOW. If the System configuration changes for any reason, then we may adjust the scope of services and/or the fees charged to you under the applicable SOW to accommodate those changes, with prior notice to and approval by Client.

b) *Requirements.* At all times, all software on the System must be genuine and licensed, and you agree to provide us with proof of such licensing upon our request. If Client agrees to implement certain minimum hardware or software requirements in a SOW ("Minimum Requirements"), Client agrees to do so as an ongoing requirement of Fulcrum providing its Services to you.

c) *Maintenance; Updates.* If patches and other software-related maintenance updates ("Updates") are to be provided by Fulcrum under a SOW, Fulcrum will install the Updates only if Fulcrum has determined, in its reasonable discretion, that the Updates will be compatible with the particular configuration of the System and materially beneficial to the features or functionality of the applicable software or hardware. Fulcrum will not be responsible for any downtime or losses arising from or related to the installation or use of any Update, provided that the Update was installed in accordance with the manufacturer's or applicable vendor's instructions. Upon Client request, updates will be scheduled outside of Client's normal business hours.

d) *Third Party Support.* If, in Fulcrum's discretion, a hardware or software issue requires vendor or OEM support, Fulcrum may contact the vendor or OEM (as applicable) on your behalf and pass through to you, without markup, all fees and costs incurred in that process. If such fees or costs are anticipated in advance or exceed $75, Fulcrum will obtain your permission before incurring such expenses on your behalf unless exigent circumstances require otherwise.

e) *Insurance.* If you are supplied with Fulcrum Equipment, to the extent required by law, you agree to acquire and maintain, at your sole cost, insurance for the full replacement value of that equipment. Fulcrum shall be listed as an additional insured on any policy acquired and maintained by you hereunder, and the policy shall not be canceled or modified during the term of the applicable SOW without prior notification to Fulcrum. Upon Fulcrum's request, you agree to provide proof of insurance to Fulcrum, including proof of payment of any applicable premiums or other amounts due thereunder.

f) *Advice; Instructions.* From time to time, we may provide you with specific advice and directions related to our provision of the Services or the maintenance or administration of the System. (For illustrative purposes, such advice or directions may include installing cooling mechanisms or environmental controls in a server room, increasing the System's server or hard drive capacity, replacing obsolete equipment, etc.). Client agrees to work with Fulcrum to follow and implement directions, as reasonably recommended by Fulcrum, related to the Services which, depending on the situation, may require you to make additional purchases or investments in the System or the environment in which the System is maintained, at your sole cost, and subject to applicable law and Client procedures. If Client fails to follow or reasonably implement Fulcrum's advice and Fulcrum has notified Client that failure to do so will render part or all of the Services economically or technically unreasonable in Fulcrum's discretion, then Fulcrum may terminate the applicable SOW for cause by providing a 30-day advance notice of termination to you.

g) *Prioritization.* Unless otherwise stated in a SOW, all Services will be performed on a schedule, and in a prioritized manner, as determined by Fulcrum, taking into consideration Client's normal business hours.

h) *Authorized Contact(s).* You understand and agree that Fulcrum will be entitled to rely on any directions or consent provided to Fulcrum by any of your Authorized Contacts, as indicated in an applicable SOW. If no Authorized Contact is identified in an applicable SOW, then your Authorized Contact will be the person(s) (i) who signed this Agreement, and/or (ii) who signed the applicable SOW. If you desire to change your Authorized Contact(s), please notify Fulcrum of such changes in writing which, unless exigent circumstances are stated in the notice, will take effect three (3) business days thereafter.

3) **FEES; PAYMENT.** You agree to pay the fees described in each SOW.

a) *Schedule.* Service plans and/or maintenance plans will be invoiced in advance of the calendar month in which the services are to be provided to you.

b) *Nonpayment.* Fees that remain unpaid for more than thirty (30) days after Client's receipt of the invoice will be subject to interest on the unpaid amount(s) until and including the date payment is received, at the lower of either 1.5% per month or the maximum allowable rate of interest permitted by applicable law. Fulcrum reserves the right, but not the obligation, to suspend part or all of the Services with prior notice to you in the event that any portion of undisputed fees are not timely received by Fulcrum. Notice of disputes related to fees must be received by us within sixty (60) days after the applicable Service is rendered or the date on which you pay an invoice, whichever is later. A re-connect fee may be charged to you in the event that Fulcrum suspends the Services due to your nonpayment. Time is of the essence in the performance of all payment obligations by you.

4) **ACCESS.** You hereby grant to Fulcrum the right to monitor, diagnose, manipulate, communicate with, retrieve information from, and otherwise access the System for the purpose of enabling Fulcrum to provide the Services under this Agreement. It is your responsibility to secure, at your own cost and prior to the commencement of any Services, any necessary rights of entry, licenses, permits or other permissions necessary for Fulcrum to provide Services to the System and, if applicable, at your designated premises. Fulcrum will advise Client as to any necessary rights of entry, licenses, permits or other permissions necessary for Fulcrum to provide the Services to Client, to the extent knowledgeable.

5) **LIMITED WARRANTIES; LIMITATIONS OF LIABILITY.**

a) *Hardware / Software Purchased Through Fulcrum.* Unless otherwise stated in a SOW, all hardware, software, peripherals or accessories purchased through Fulcrum ("Third Party Products") are nonrefundable once the applicable

purchase order is placed in Fulcrum's queue for delivery. All warranties (if any) and service level commitments (if any) for the Third-Party Products will be assigned and/or transferred to you.

b) *Warranty Application.* Notwithstanding any provision to the contrary in this Agreement, any warranty provided by Fulcrum shall be deemed null and void if the applicable hardware or product is (i) altered, modified or repaired by persons other than Fulcrum or persons approved or designated by Fulcrum, including, without limitation, the installation of any attachments, features, or devices not supplied or approved by Fulcrum; (ii) misused, abused, or not operated in accordance with the specifications of Fulcrum or the applicable manufacturer or creator of the hardware or product, or, (iii) subjected to improper site preparation or maintenance by persons other than Fulcrum or persons approved or designated by Fulcrum.

c) ***Liability Limitations.*** **This paragraph limits the liabilities arising under this Agreement or any SOW, and is a bargained-for and material part of this Agreement.** In no event shall either party be liable for any indirect, special, exemplary, consequential or punitive damages, or for lost revenue, loss of profits (except for fees due and owing to Fulcrum), savings, or other indirect or contingent event-based economic loss arising out of or in connection with this Agreement, any SOW, or the Services, or for any loss or interruption of data, technology or services, or for any breach hereof or for any damages caused by any delay in furnishing Services under this Agreement or any SOW, even if a party has been advised of the possibility of such damages. Except for your payment obligations and each party's indemnification obligations described in this Agreement, a responsible party's ("Responsible Party's") aggregate liability to the other party ("Aggrieved Party") for damages from any and all claims or causes whatsoever, and regardless of the form of any such action(s), that arise from or relate to this Agreement (collectively, "Claims"), whether in contract, tort or negligence, shall be limited solely to the amount of the Aggrieved Party's actual and direct damages, not to exceed the amount of fees paid by you to Fulcrum for the specific Service upon which the applicable claim(s) is/are based during the two (2) year period immediately prior to the date on which the cause of action accrued. The foregoing limitation shall not apply to the extent that the Claims are caused by a Responsible Party's willful or intentional misconduct, or gross negligence. Similarly, a Responsible Party's liability obligation shall be reduced to the extent that a Claim is caused by, or the result of, the Aggrieved Party's willful or intentional misconduct, or gross negligence.

6) **INDEMNIFICATION. To the extent permitted by law, and without waiving any immunities or defenses otherwise available against third parties, each party** agrees to indemnify, defend and hold the other party harmless from and against any and all losses, damages, costs, expenses or liabilities, including reasonable attorneys' fees, (collectively, "Damages") that arise from, or are related to, the party's breach of this Agreement, or which relate to any act or omission undertaken or caused by the indemnifying party. The foregoing indemnification obligation includes Damages arising out of any alleged infringement of copyrights, patent rights and/or the unauthorized or unlicensed use of any material, property or other work in connection with the performance of the Services. The indemnifying party will have the right, but not the obligation, to control the intake, defense and disposition of any claim or cause of action for which indemnity may be sought under this section. No claim for which indemnity is sought by a party will be settled without that party's prior written consent, which shall not be unreasonably delayed or withheld.

7) **TERM; TERMINATION.** This Agreement will begin as of the latest date of the signatures of the parties below and will continue until terminated as described in this Section (the "Term"). The termination of one SOW shall not, by itself, cause the termination of (or otherwise impact) the status or progress of any other SOW between the parties.

a) *Termination Without Cause.* Unless otherwise agreed by the parties in writing, no party will terminate a SOW without cause prior to the SOW's natural expiration date except in accord with this paragraph. If you terminate a SOW without cause, then you will be responsible for paying all work performed and expenses incurred by Fulcrum through the date of termination. Notwithstanding the foregoing, either party may terminate this Agreement without penalty upon thirty (30) days' notice.

b) *Termination For Cause*. In the event that one party (a "Defaulting Party") commits a material breach under a SOW or under this Agreement, the non-Defaulting Party will have the right, but not the obligation, to terminate immediately this Agreement or the relevant SOW (a "For Cause" termination) provided that (i) the non-Defaulting Party has notified the Defaulting Party of the specific details of the breach in writing, and (ii) the Defaulting Party has not cured the default within thirty (30) days following receipt of written notice of breach from the non-Defaulting Party. Upon termination, Client will only be responsible for paying for those Services that were properly delivered and accepted by Client up to the effective date of termination.

c) *Client Activity As A Basis for Termination*. In the event that any Client-supplied equipment, hardware or software, or any action undertaken by you, causes the System or any part of the System to malfunction or requires remediation by Fulcrum on three (3) occasions or more ("System Malfunction"), and you fail to remedy, repair or replace the System Malfunction as directed by Fulcrum (or you fail to cease the activity causing the System Malfunction, as applicable), then Fulcrum will have the right, upon ten (10) days prior written notice to you, to terminate this Agreement or the applicable SOW For Cause or amend the applicable SOW to eliminate from coverage any System Malfunction or any equipment or software causing the System Malfunction.

d) *Consent.* You and we may mutually consent, in writing, to terminate a SOW or this Agreement at any time.

e) *Equipment / Software Removal*. Upon termination of this Agreement for any reason, you will schedule a time for Fulcrum to have access, during normal business hours, to your premises or any other locations at which Fulcrum-owned equipment or software (collectively, "Fulcrum Equipment") is located to enable Fulcrum to remove all Fulcrum Equipment from the premises. If you fail or refuse to grant Fulcrum access as described herein, or if any of the Fulcrum Equipment is missing, broken or damaged (normal wear and tear excepted) or any of Fulcrum-supplied software is missing, Fulcrum will invoice you for the full replacement value of any and all missing or damaged items. Prior to issuing said invoice to Client, Fulcrum will provide written notification to Client of said Fulcrum Equipment to be invoiced. Upon receipt of said notice, Client will have thirty (30) days to locate the Fulcrum Equipment and arrange for pick up by Fulcrum.

f) *Transition; Deletion of Data.* In the event that you request Fulcrum's assistance to transition to a new service provider, Fulcrum will provide such assistance if (i) all fees due and owing to Fulcrum are paid to Fulcrum in full prior to Fulcrum providing its assistance to you, and (ii) you agree to pay Fulcrum its then-current hourly rate for such assistance, with up-front amounts to be paid to Fulcrum as may be required by Fulcrum. For the purposes of clarity, it is understood and agreed that the retrieval and provision of passwords, log files, administrative server information, or conversion of data are transition services, and are subject to the preceding requirements. **Unless otherwise expressly stated in a SOW or otherwise required by law, Fulcrum will have no obligation to store or maintain any Client data in Fulcrum's possession or control beyond thirty (30) calendar days following the termination of this Agreement. Before disposing of any Client data, Fulcrum will provide written notice to Client if its intent to do so and will work with Client to return any Client data requested by Client.** Fulcrum is not responsible for any and all claims, costs, fees, or expenses incurred by either party that arise from, or are related to, Fulcrum's deletion of your data beyond the time frames described in this Section 7(f).

8) **RESPONSE; REPORTING.**

a) *Response*. Fulcrum warrants and represents that Fulcrum will provide the Services, and respond to any notification received by Fulcrum of any error, outage, alarm or alert pertaining to the System, in the manner and within the time period(s) designated in an applicable SOW ("Response Time"), except for (i) those periods of time covered under the Onboarding Exception (defined below), or (ii) periods of delay caused by Client-Side Downtime (defined below), or (iii) periods in which Fulcrum is required to suspend the Services to protect the security or integrity of your System or Fulcrum's equipment or network, or (iv) delays caused by a force majeure event.

i) Scheduled Downtime. For the purposes of this Agreement, Scheduled Downtime will mean those hours, as determined by Fulcrum but which will not occur between the hours of 8 AM and 5:30 PM CST (or CDT, as applicable), Monday through Friday without your authorization or unless exigent circumstances exist, during which time Fulcrum will perform scheduled maintenance or adjustments to its network. Fulcrum will use its best efforts to provide you with at least twenty-four (24) hours of notice prior to scheduling Scheduled Downtime.

ii) Client-Side Downtime. Fulcrum will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by your actions or omissions ("Client-Side Downtime).

iii) Remedies; Limitations. Except for the Onboarding Exception, if Fulcrum fails to meet its service level commitment in a given calendar month and if, under such circumstances, Fulcrum's failure is not due to your activities, omissions, or inactivity, then Fulcrum will issue you a pro-rated credit in an amount equal to the period of time of the outage and/or service failure. If Fulcrum fails to issue such credit, any requests for credit must be made by you no later than forty-five (45) days after you either (i) report the outage or service failure to Fulcrum, or (ii) if applicable, receive a monthly report showing the outage and/or failure. The remedies contained in this paragraph are in lieu of (and are to the exclusion of) any and all other remedies that might otherwise be available to you for Fulcrum's failure to meet any service level commitment during the term of this Agreement.

b) *Onboarding Exception.* You acknowledge and agree that for the first thirty (30) days following the commencement date of the first SOW issued after the Effective Date of this Agreement, the Response Time commitments described in this Agreement will not apply to Fulcrum, it being understood that there may be unanticipated downtime or delays due to Fulcrum's initial startup activities with you (the "Onboarding Exception").

9) **CONFIDENTIALITY**.

a) *Defined.* For the purposes of this Agreement, Confidential Information means any and all non-public information provided to Fulcrum by you, including but not limited to your customer data, customer lists, internal documents, and related information. Confidential Information will not include information that: (i) has become part of the public domain through no act or omission of Fulcrum, (ii) was developed independently by Fulcrum, or (iii) is or was lawfully and independently provided to Fulcrum prior to disclosure by you, from a third party who is not and was not subject to an obligation of confidentiality or otherwise prohibited from transmitting such information.

b) *Use.* Fulcrum will keep your Confidential Information confidential, and will not use or disclose such information to any third party for any purpose except (i) as expressly authorized by you in writing, or (ii) as needed to fulfill Fulcrum's obligations under this Agreement. If Fulcrum is required to disclose the Confidential Information to any third party as described in part (ii) of the preceding sentence, then Fulcrum will ensure that such third party is required, by written agreement, to keep the information confidential under terms that are at least as restrictive as those stated in this Section 9.

c) *Due Care.* Fulcrum will exercise the same degree of care with respect to the Confidential Information it receives from you as Fulcrum normally takes to safeguard and preserve its own confidential and proprietary information, which in all cases will be at least a commercially reasonable level of care.

d) *Compelled Disclosure.* If Fulcrum is legally compelled (whether by deposition, interrogatory, request for documents, subpoena, civil investigation, demand or similar process) to disclose any of the Confidential Information, Fulcrum will immediately notify you in writing of such requirement so that you may seek a protective order or other appropriate remedy and/or waive Fulcrum's compliance with the provisions of this Section 9. Fulcrum will use its best

efforts, at your expense, to obtain or assist you in obtaining any such protective order. Failing the entry of a protective order or the receipt of a waiver hereunder, Fulcrum may disclose, without liability hereunder, that portion (and only that portion) of the Confidential Information that Fulcrum has been advised by written opinion of counsel reasonably acceptable to Fulcrum that it is legally compelled to disclose.

10) **THIRD PARTY SERVICES.**

a) *EULAs.* Portions of the Services may require you to accept the terms of one or more third party end user license agreements ("EULAs"). EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in this Agreement. You agree to be bound by the terms of such EULAs, and will look only to the applicable third party provider for the enforcement of the terms of such EULAs. If, while providing the Services, Fulcrum is required to comply with a third party EULA and the third party EULA is modified or amended, Fulcrum reserves the right to modify or amend any applicable SOW with you to ensure Fulcrum's continued compliance with the terms of the third party EULA.

b) *Data Loss.* Under no circumstances will Fulcrum be responsible for any data lost, corrupted or rendered unreadable due to (i) any third party communication and/or transmissions errors or related failures, (ii) equipment failures (including but not limited to silent hardware corruption-related issues), or (iii) Fulcrum's failure to backup or secure data from portions of the System that were not expressly designated by you in the applicable SOW as requiring backup or recovery services. Fulcrum will use its best efforts to assist Client in recovering any lost data, at Client's request, at which time a SOW will be issued for Client's approval.

c) *BYOD.* You hereby represent and warrant that Fulcrum is authorized to provide the Services to all devices, peripherals and/or computer processing units, including mobile devices (such as notebook computers, smart phones and tablet computers) that (i) are connected to the System, and (ii) have been designated by you to receive the Services, regardless of whether such device(s) are owned, leased or otherwise controlled by you. Unless otherwise stated in a SOW, devices will not receive or benefit from the Services while the devices are detached from or unconnected to the System.

11) **OWNERSHIP.** Each party is, and will remain, the owner and/or licensor of all works of authorship, patents, trademarks, copyrights and other intellectual property owned or licensed by such party ("Intellectual Property"), and nothing in this Agreement or any SOW shall be deemed to convey or grant any ownership rights in one party's Intellectual Property to the other party.

12) **MEDIATION.** Each party agrees that should a dispute arise between the parties under this Agreement, and if negotiations and other discussion fail, the dispute will first be submitted to mediation. Both parties agree to conduct any mediation in good faith and make reasonable efforts to resolve any dispute in mediation. Said mediation to occur in Denton County, Texas. Should mediation fail, exclusive venue for the adjudication of any dispute in connection with this Agreement shall lie in a state or federal court in Denton County, Texas.

13) **MISCELLANEOUS.**

a) *Assignment.* Neither this Agreement nor any SOW may be assigned or transferred by a party without the prior written consent of the other party. This Agreement will be binding upon and inure to the benefit of the parties hereto, their legal representatives, and permitted successors and assigns. Notwithstanding the foregoing, Fulcrum may assign its rights and obligations hereunder to a successor in ownership in connection with any merger, consolidation, or sale of substantially all of the assets of the business of Fulcrum, or any other transaction in which ownership of more than fifty percent (50%) of Fulcrum's voting securities are transferred; provided, however, that such assignee expressly assumes Fulcrum's obligations hereunder.

b) *Amendment.* No amendment or modification of this Agreement or any SOW will be valid or binding upon the parties unless such amendment or modification is originated in writing, specifically refers to this Agreement, and is accepted in writing by both parties to this Agreement.

c) *Time Limitations.* The parties mutually agree that any action for any matter arising out of this Agreement or any SOW (except for issues of nonpayment by Client) must be commenced within two (2) years after the cause of action accrues or the action is forever barred.

d) *Severability.* If any provision hereof or any SOW is declared invalid by a court of competent jurisdiction, such provision will be ineffective only to the extent of such invalidity, illegibility or unenforceability so that the remainder of that provision and all remaining provisions of this Agreement or any SOW will be valid and enforceable to the fullest extent permitted by applicable law.

e) *Other Terms.* Neither party will be bound by any terms or conditions printed on any purchase order, invoice, memorandum, or other written communication between the parties unless such terms or conditions are incorporated into a duly executed SOW.

f) *No Waiver.* The failure of either party to enforce or insist upon compliance with any of the terms and conditions of this Agreement, the temporary or recurring waiver of any term or condition of this Agreement, or the granting of an extension of the time for performance, will not constitute an Agreement to waive such terms with respect to any other occurrences.

g) *Merger.* This Agreement, together with any and all SOWs, sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings related to the Services, and no representation, promise, inducement or statement of intention has been made by either party which is not embodied herein. Any document that is not expressly and specifically incorporated into this Agreement or SOW will act only to provide illustrations or descriptions of Services to be provided, and will not act to modify this Agreement or provide binding contractual language between the parties. Neither party will be bound by any agents' or employees' representations, promises or inducements not explicitly set forth herein.

h) *Force Majeure.* Neither party will be liable to the other party for delays or failures to perform obligations under this Agreement or any SOW because of circumstances beyond the party's reasonable control. Such circumstances include, but will not be limited to, any intentional or negligent act committed by either party, or any acts or omissions of any governmental authority, natural disaster, act of a public enemy, acts of terrorism, riot, sabotage, disputes or differences with workmen, power failure, communications delays/outages, delays in transportation or deliveries of supplies or materials, cyberwarfare, cyberterrorism, or hacking, malware or virus-related incidents that circumvent then-current anti-virus or anti-malware software, and acts of God.

i) *Non-Solicitation.* You acknowledge and agree that during the term of this Agreement and for a period of one (1) year following the termination of this Agreement, you will not, individually or in conjunction with others, directly or indirectly solicit, induce or influence any of Fulcrum's employees or subcontractors to discontinue or reduce the scope of their business relationship with Fulcrum, or recruit, solicit or otherwise influence any employee or agent of Fulcrum to discontinue such employment or agency relationship with Fulcrum. In the event that you violate the terms of the restrictive covenants in this Section 12(i), you acknowledge and agree that the damages to Fulcrum would be difficult or impracticable to determine, and you agree that in such event, as Fulcrum's sole and exclusive remedy therefore, you will pay Fulcrum as liquidated damages and not as a penalty an amount equal to twenty-five percent (25%) percent of that employee or subcontractor's first year of base salary with you (including any signing bonus). In addition to and

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Client Initials

without limitation of the foregoing, any solicitation or attempted solicitation for employment directed to any of Fulcrum's employees by you will be deemed to be a material breach of this Agreement, in which event Fulcrum shall have the right, but not the obligation, to terminate this Agreement or any then-current SOW immediately For Cause.

j) *Survival.* The provisions contained in this Agreement that by their context are intended to survive termination or expiration of this Agreement will survive.

k) *Insurance.* Fulcrum and you will each maintain, at each party's own expense, all insurance reasonably required in connection with this Agreement or any SOW, including but not limited to, workers compensation and general liability. Fulcrum agrees to maintain a general liability policy with a limit not less than $1,000,000 per occurrence. All of the insurance policies described herein will not be canceled, materially changed or renewal refused until at least thirty (30) calendar days written notice has been given to the other party by certified mail.

l) *Governing Law; Venue.* This Agreement and any SOW will be governed by, and construed according to, the laws of the state of Texas. The parties hereby irrevocably consent to the exclusive jurisdiction and venue of the state courts in Denton County, Texas, for any and all claims and causes of action arising from or related to this Agreement.

m) *No Third Party Beneficiaries.* The Parties have entered into this Agreement solely for their own benefit. They intend no third party to be able to rely upon or enforce this Agreement or any part of this Agreement.

n) *Usage in Trade.* It is understood and agreed that no usage of trade or other regular practice or method of dealing between the parties to this Agreement will be used to modify, interpret, supplement, or alter in any manner the terms of this Agreement.

o) *Business Day.* If any time period set forth in this Agreement expires on a day other than a business day in Denton County, Texas, such period will be extended to and through the next succeeding business day in Denton County, Texas.

p) *Notices; Writing Requirement.* Where notice is required to be provided to a party under this Agreement, such notice may be sent by U.S. mail, overnight courier, fax or email as follows: notice will be deemed delivered three (3) business days after being deposited in the United States Mail, first class mail, certified or return receipt requested, postage prepaid, or one (1) day following delivery when sent by FedEx or other overnight courier, or one (1) day after notice is delivered by fax or email. Notice sent by email will be sufficient only if (i) the sender emails the notice to the last known email address of the recipient, and (ii) the sender includes itself in the "cc" portion of the email and preserves the email until such time that it is acknowledged by the recipient. Notwithstanding the foregoing, any notice regarding (a) any alleged breach of this Agreement, or (b) any request for indemnification, or (c) any notice of termination of this Agreement or any SOW, must be delivered by U.S. mail. All electronic documents and communications between the parties will satisfy any "writing" requirement under this Agreement.

q) *Independent Contractor.* Fulcrum is an independent contractor, and neither party is an employee, partner or joint venturer of the other.

r) *Subcontractors.* Generally, Fulcrum does not utilize subcontractors; however, should Fulcrum elect to subcontract a portion of the Services, Fulcrum shall guarantee all work performed by any Fulcrum-designated subcontractor as if Fulcrum performed the subcontracted work itself.

s) *Data Access/Storage*. Depending on the Service provided, a portion of your data may occasionally be accessed or stored on secure servers located outside of the United States. You agree to notify us in the event that your company requires us to modify our standard access or storage procedures.

t) *Attorneys' Fees.* If either party is required to bring an action in court to enforce the terms of this Agreement, the awarded party shall be entitled to reasonable attorneys' fees and costs incurred at all stages of the action, including without limitation, at trial and appeal.

u) *Counterparts.* The parties may sign and deliver this Agreement and any SOW in any number of counterparts, each of which will be deemed an original and all of which, when taken together, will be deemed to be one agreement. Each party may sign and deliver this Agreement (or any SOW) electronically (e.g., by digital signature and/or electronic reproduction of a handwritten signature), and the receiving party will be entitled to rely upon the apparent integrity and authenticity of the other party's signature for all purposes.

[SIGNATURE PAGE TO FOLLOW]

THE FULCRUM GROUP
One Technology Solution: Yours

THE FULCRUM GROUP, INC.
MASTER SERVICES AGREEMENT

AGREED AND ACCEPTED:

THE FULCRUM GROUP, INC.

By: _____

Print Name / Position:

_____

Date: _____

TOWN OF ARGYLE, TEXAS

By: _____

Print Name / Position:

Mayor Donald Moser

Contact Information:

Town of Argyle
P.O. Box 609
Argyle, TX 76226

Date: 02-12-2020

Exhibit A

SPOT Managed Network Services Agreement

This Statement of Work ("SOW") is governed under the Master Services Agreement (the "Agreement") between The Fulcrum Group, Inc. ("Fulcrum"), and the Town of Argyle, Texas, whose authorized signatory appear in the signature block of this SOW ("Client"), below. Capitalized terms in this SOW will have the same meaning as those in the Agreement, unless otherwise indicated below.

Scope of Services

The following services (collectively, "Services") will be provided to Client:

Description of SPOT Managed IT Services

SPOT Managed IT Services is a group of fixed rate services designed to provide computer network management and maintenance to Client organization. The service is billed per listed user and requires a partnership with Client to gather onboarding information.

Items and Services included in this agreement:

1. Service Desk and Remote Level 1 Technical Support Services- Fulcrum will answer incoming technical support phone calls and log ticket with details of support needs. Fulcrum technical resources will remotely attempt to remediate incoming PC and standard application issues, basic connectivity and other needs using our service platform. Fulcrum Service Desk Hours of operation are Monday through Friday, 5am to 8pm, excluding holidays.
2. 24x7 Critical On-Call Support – Fulcrum will provide 24x7x365 on-call support for Critical Network Support issues reported outside the Fulcrum Service Desk hours of operation. A Fulcrum on-call engineer will respond and begin working on Critical Network issues within 2 hours of support request.
3. Level 2 and 3 Technical Support Escalation- More complex Technical Support issues will be escalated to Level 2 or higher Fulcrum resources for remote remediation. Should the issue be unresolvable remotely or require hands-on, Fulcrum will dispatch a resource onsite to correct need or issue. A Fulcrum resource will be designated as your Primary Engineer to be primarily responsible for documentation and technical design of your site.
4. Fractional Chief Information Officer (CIO) Services- Client will be assigned a Fractional CIO as your advocate within Fulcrum to ensure understanding of your environment and advising you on your technology, from a business perspective. The Fractional CIO understands technology and learns your business to help ensure alignment between the two.
5. STAR Technology Standards Review- In addition to Technical Support, Fulcrum will provide to Client a Proactive Services STAR visit at least once per quarter.
   a. Proactive Services Engineer completes 400+ point checklist of technology standards.
   b. Once the checklist is complete, the Fractional CIO will review against Client's business goals and industry best practices to make recommendations on technology improvements.

6. Quarterly Strategy Reviews – Fulcrum Fractional CIO will conduct a Quarterly Strategy Review with Client executive leadership. The goal is to align technology standards with business goals. Deliverables include a Technology Roadmap and Business Alignment Report.
7. IT Vendor Management – Fulcrum will become a liaison to Client's Third Party IT Vendors, including but not limited to Internet Service Providers, Software Vendors, Copier/Managed Print Vendors, and other Third Party Vendors.
8. Delivery of Service Platform- Fulcrum will deploy and configure their proprietary Service Platform to facilitate trouble ticket tracking, remote control, network monitoring and track documentation. When tickets are completed, Client ticket contacts will receive a Customer Service Survey score to measure Fulcrum quality.
   a. Ticket tracking- All service requests first require the creation of a ticket to gather details and to assign the appropriate resource. Fulcrum resources note time spent, ticket details including testing and resolution steps in tickets.
   b. Network Monitoring and Alerting- Fulcrum will use their platform to monitor Client network and gather details for the support of Client's network, including status, basic asset tracking, performance trends and reporting.
   c. Remote control- Fulcrum will configure software to facilitate audited access to Client systems to aid in remote resolution of issues and needs.
   d. System Documentation- Fulcrum will gather and maintain details on administrator and system passwords, configurations and network maps in our service platform for purposes of technical support.
   e. Patch Management- Fulcrum will conduct up to monthly patching of workstation and server operating systems during Client established maintenance windows. Fulcrum is responsible for providing a list of Microsoft operating system patches each month to Client.
   f. Antivirus & DNS Protection Software for PCs, Laptops, and Servers – Fulcrum will provide centrally managed antivirus and DNS protection software for all Client PCs, Laptops, and Servers.
   g. End User Security Awareness Training – Fulcrum will provide Client's employees with access to online web training for end user security awareness training.

For more specific examples of included technical services and common frequencies, please refer to Schedule B to this SOW.

Term; Termination

The Services will commence, and billing will begin, on the date on which the Services are implemented and operational, which will be March 1st, 2020 ("Commencement Date").

The Services will continue for a term of three (3) years from the Commencement Date. **During the First Year of the Services, the Services may be terminated by the Client upon sixty (60) days written notice, with no cause required. After the expiration of the initial three-year term, this SOW will automatically renew for one (1) year terms, unless Client requests termination of the SOW at least 60 days in advance of the expiration of the initial term. During any auto renewal term, Client may terminate the Services upon sixty (60) days written notice, with no cause required.**

Assumptions / Minimum Requirements / Exclusions

The scheduling, fees and provision of the Services are based upon the following assumptions and minimum requirements to ensure the suitability of the existing environment:

In order for Client's existing environment to qualify for Fulcrum's Managed Services, the following requirements must be met:

- Client management will help ensure Client user involvement with Fulcrum on tickets or support issues in a timely fashion. We will reach out via email and phone calls 3 times each. If no contact or response from ticket contact is made, we will close the ticket.
- All supported PCs, Laptops, Workstations, and Servers with Microsoft Windows Operating Systems must be running a supported version of Microsoft Windows Server or Desktop Operating System (currently Windows 2012 Server or later, or Windows 10 Professional or later), and have all of the latest (approved by software vendors) Microsoft Service Packs and Critical Updates installed. Typically, this is no more than 1 generation behind the current shipping Microsoft Windows Server or Desktop OS. See Microsoft's official End of Support/Life Cycle policy at https://support.microsoft.com/en-us/hub/4095338/microsoft-lifecycle-policy.
- All Server and Desktop Software must be Genuine, Licensed and Vendor-Supported.
- The environment must have a currently licensed, Vendor-Supported Server-based Backup Solution that can be monitored and send notifications on job failures and successes.
- The environment must have a currently licensed, Vendor-Supported Hardware Firewall between the Internal Network and the Internet.
- All Wireless data traffic in the environment must be securely encrypted.
- All Guest Wireless access should be separated from Client's private network.
- There must be an outside static IP addresses assigned to a network device utilizing Network Address Translation (NAT) for public facing resources.

Exclusions. The following services are expressly excluded under this SOW:

- Onsite Support at any location located further than 50 miles from Fulcrum's office in Fort Worth, TX.
- Onsite Support without attempted remote resolution. Fulcrum will always attempt remote resolution of Technical Support needs and issues BEFORE dispatching a resource onsite. Client may request an Onsite Service call at an additional charge using current Fulcrum posted rates. After-hours rates may also apply.
- All IT Moves/Adds/Changes- SPOT Managed IT Fixed fee per user services are for day to day maintenance of existing IT environment. New projects or major changes would need to be scoped out for delivery at a fee outside the scope of this document.
- Security monitoring for compliance is not included as part of network monitoring.
- Customization of third-party applications, or programming of any kind.
- SQL Database Administration, SQL query or development of any kind.
- Website design, maintenance, development and similar needs.
- Data/voice wiring or cabling services of any kind.
- Classroom or one-on-one training.
- Battery backup replacement.
- Equipment relocation.
- The cost to bring the System up to the Minimum Requirements (unless otherwise noted in "Scope of Services" above).
- The cost of repairs to hardware or any supported equipment or software, or the costs to acquire parts or equipment, or shipping charges of any kind.
- The cost of any Software, Licensing, or Software Renewal or Upgrade Fees of any kind.
- Required maintenance, support, and warranty agreements for the client's supported hardware and software
- The cost of any 3rd Party Vendor or Manufacturer Support or Incident Fees of any kind.
- Failure due to acts of God, building modifications, power failures or other adverse environmental conditions or factors.
- Service and repair made necessary by the alteration or modification of equipment other than that authorized by Fulcrum, including alterations, software installations or modifications of equipment made by Client's employees or anyone other than Fulcrum.
- Maintenance of Applications software packages, whether acquired from Fulcrum or any other source unless as specified in Appendix B.

Maintenance Window. Client must work with Fulcrum for the Establishment of a Maintenance Window for patching and updates:

In order for network environments to operate predictably, organizations establish Maintenance Window(s), or a period of time designated in advance during which preventive maintenance may be performed to maintain higher levels of reliability and performance. Client must work with Fulcrum to establish a regular window for these service improvement activities to allow proper reliability.

Authorized Contact(s)

In addition to the signatories to this SOW, the following person(s) shall be an Authorized Contact for Client:

- Name: Erika McComis
  Contact Information: emccomis@argyletx.com 940-271-4262
- Name: _____
  Contact Information: _____

Service Levels

The Services will be provided on a 24x7x365 basis, with Live Answer telephone support through the Fulcrum Service Desk 5am to 8pm Monday through Friday, and Fulcrum 24x7x365 on-call support for Critical Network Support issues reported outside the Fulcrum Service Desk hours of operation. Fulcrum will respond to Service Desk and Level 1 problems, errors or interruptions in the provision of the Services in the timeframe(s) described below.

Trouble / Severity	SPOT Managed Service Plan*	A La Carte / Services not Covered by a Plan
Critical problem: Service not available (all users and functions unavailable)	Remediation efforts will begin within two (2) hours after notification.	Best efforts.
Significant degradation of service (large number of users or business critical functions affected)	Remediation efforts will begin within four (4) business hours after notification.	Best efforts.
Limited degradation of service (limited number of users or functions affected, business process can continue).	Remediation efforts will begin within eight (8) business hours after notification.	Best efforts.
Small service degradation (business process can continue, one user affected).	Remediation efforts will begin within two (2) business days after notification.	Best efforts.

* All time frames are calculated as of the time that Fulcrum is notified of the applicable issue / problem by Client -through emailing helpdesk@fulcrumgroup.net, by telephone at 817-898-1277 or Fulcrum's designated support portal. Notifications received in any manner other than described herein may result in a delay in the provision of remediation efforts.

Fees

The fees for the Services will be invoiced to Client as follows:

See attached quote TFGQ10142 with additional details on pricing.

Client must pay Fulcrum for all services and charges that become due and payable to Fulcrum through the effective date of termination for the annual contract. **The net recurring fee per month will be paid in advance by Client via Automatic Clearing House (ACH) or Electronic Funds Transfer (ETF) on a Monthly basis, due on the first day of each month.**

To initiate the engagement, Fulcrum requires a **one-time SPOT Managed IT Services onboarding fee, as specified in quote TFGQ10142** for onboarding discovery and cover ramp up costs via check, Automatic Clearing House (ACH) or Electronic Funds Transfer (ETF). Once the fee is collected, Fulcrum will begin executing the onboarding project plan for the gathering of Client technical support data and Fulcrum support platform implementation, prior to service delivery.

It is understood that any and all Services requested by Client that fall outside of the terms of this Agreement will be considered Projects or Time and Materials Services, and will be quoted and billed as separate, individual Services.

In the event that the client adds new users that they wish to be covered under this Agreement, or additional services are added, an additional charge will be added to the monthly fee charged under this Agreement. Should client headcount drop 10% or more from current levels, Fulcrum will likewise reduce monthly fees with no additional charges.

Service Rate Increases. Fees for this engagement are based on current market rates and ready access to qualified resources.

Should adjustments or modifications be required that increase the monthly fees for services rendered under this Agreement, such increases will not exceed 10% of the then existing monthly fees due under this Agreement and shall be effective thirty (30) days after Fulcrum has given Client written notice of such increase(s) prior to contract renewal. Fulcrum agrees to keep per user pricing levels at the same price for the first (1st) 2 years of this agreement.

Rates for services outside the scope of this agreement. Please refer to Schedule C for a list of normal rate structure.

Additional Terms

Additional terms, if any, are attached as Schedule A to this SOW.

THE FULCRUM GROUP, INC.	Client: Town of Argyle
Date:	Date: 02-10-2020
Signature:	Signature:
Print Name / Position:	Print Name/Position: Mayor Donald Moser

SCHEDULE A

Additional Provisions

Maintenance Services

Unless otherwise provided in this SOW, maintenance services will be applied in accordance with the recommended practices of the managed services industry. Client understands and agrees that maintenance services are not intended to be, and will not be, a warranty or guaranty of the functionality of any particular device, or a service plan for the repair or remediation of any particular managed hardware or software. Repair and/or device remediation services are not covered under Fulcrum's maintenance service plan and shall be provided on an hourly basis to Client.

Monitoring Services; Alert Services

Unless otherwise indicated in this SOW, all monitoring and alert-type services are limited to detection and notification functionalities only. These functionalities are guided by Client-designated policies, which may be modified by Client as necessary or desired from time to time. Initially, the policies will be set to a baseline standard as determined by Fulcrum; however, Client is advised to establish and/or modify the policies that correspond to Client's specific monitoring and notification needs.

Anti-Virus; Anti-Malware

Fulcrum's anti-virus / anti-malware solution will generally protect the Client's system from becoming infected with new viruses and malware ("Viruses"); however, Viruses that exist on the Client's system at the time that the security solution is implemented may not be capable of being removed without additional services, for which a charge may be incurred.

Any security solution may be circumvented and/or rendered ineffective if a user purposely or intentionally downloads or installs malware (such as a rootkit) onto the user's system. Client is strongly advised to refrain from downloading files that are sent by unknown users, and/or users or files whose origination cannot be verified. Fulcrum does not warrant or guarantee that all Viruses and malware will be capable of being removed, or that all forms of Viruses and malware will be timely detected or removed.

In order to improve security awareness, you agree that Fulcrum or its designated third party affiliate may transfer information about the results of processed files, information used for URL reputation determination, security risk tracking, and statistics for protection against spam and malware. Any information obtained in this manner does not and will not contain any personal or confidential information.

Hosted Exchange / Email

Client is solely responsible for the security, confidentiality and integrity of all email, and the content of all email, received, transmitted or stored through the hosted email service ("Hosted Email").

Client shall not upload, post, transmit or distribute (or permit any of its authorized users of the Hosted Email to upload, post, transmit or distribute) any prohibited content, which is generally content that (i) is obscene, illegal, or intended to advocate or induce the violation of any law, rule or regulation, or (ii) violates the intellectual property rights or privacy rights of any third party, or (iii) mischaracterizes you, and/or is intended to create a false identity or to otherwise attempt to

mislead any person as to the identity or origin of any communication, or (iv) interferes or disrupts the services provided by Fulcrum or the services of any third party, or (v) contains viruses, Trojan horses or any other malicious code or programs.

In addition, Client shall not use the Hosted Email for the purpose of sending unsolicited commercial electronic messages ("SPAM") in violation of any federal or state law.

Fulcrum reserves the right, but not the obligation, to suspend Client's access to the Hosted Email and/or all transactions occurring under Client's Hosted Email account if Fulcrum believes, in its discretion, that Client's email account is being used in an improper or illegal manner.

SPAM / Junk Mail Filtering

Fulcrum's service provides email scanning for incoming unsolicited commercial email. Using proprietary algorithms and other technologies, the service scans incoming email for designated keywords, attachments and known blacklisted sites, and filters the email accordingly. From time to time the service may filter email that is not SPAM or junk mail or may block email from legitimate sources. Client is advised to periodically search the filtered email folder to ensure that relevant emails are not being filtered improperly and will notify Fulcrum in the event that the SPAM filter settings require adjustment.

Patch Management

Fulcrum shall keep all managed equipment and software current with critical patches and updates ("Patches") as such Patches are released generally by the manufacturers of the applicable hardware or software. Patches and updates are developed by third party vendors and, on rare occasions, may make the System, or portions of the System, unstable, or cause the managed equipment or software to fail to operate properly even when the Patches are installed correctly. Fulcrum shall not be responsible for any downtime or losses arising from or related to the installation or use of any Patch, provided that the Patch was installed in accordance with manufacturer's instructions. Fulcrum reserves the right, but not the obligation, to refrain from installing a Patch if Fulcrum is aware of technical problems caused by a Patch, or believes that a Patch may make the System, or any portion of the System, unstable.

Backup (BDR) Services

Fulcrum's backup and disaster recovery ("BDR") solution uses industry-recognized products and software to help ensure the security and integrity of Client's data. However, Client understands and agrees that all data transmitted over the Internet may be subject to malware and computer contaminants such as viruses, worms and Trojan horses, as well as attempts by unauthorized users, such as hackers, to access or damage Client's data. Neither Fulcrum nor its designated affiliates will be responsible for the outcome or results of such activities. Data recovery time will depend on the speed and reliability of Client's Internet connection.

BDR services require a reliable, always-connected Internet solution. Internet and telecommunications outages will prevent the BDR services from operating correctly. In addition, all computer hardware is prone to failure due to equipment malfunction, telecommunication-related issues, etc., for which Fulcrum shall not be responsible. Client is strongly advised to use data verification functionality (if available) to ensure the integrity of Client's stored data. Client is further advised to take all verification errors seriously and agrees to contact Fulcrum immediately if verification errors are repetitive and/or cannot be remedied.

Due to technology limitations, all computer hardware, including communications equipment, network servers and related equipment, has an error transaction rate that can be minimized, but not eliminated. As such, Client understands and agrees that any data sent to or stored by Fulcrum may become corrupted or lost due to communication or hardware-related failures. Fulcrum cannot and does not warrant that such data corruption or loss will be avoided. **Client is strongly advised to keep a backup of all of stored data to mitigate against the unintentional loss of data.**

Unless otherwise expressly stated in this SOW, BDR services do not permit archiving or retrieval of prior document or file versions; only the latest version of a stored document or file is recoverable.

Procurement

Equipment and software procured by Fulcrum on Client's behalf ("Procured Equipment") may be covered by one or more manufacturer warranties, which will be passed through to Client to the greatest extent possible. By procuring equipment or software for Client, Fulcrum does not make any warranties or representations regarding the quality, integrity or usefulness of the Procured Equipment. Certain equipment or software, once purchased, may be not be returnable or, in certain cases, may be subject to third party return policies and/or re-stocking fees, all of which shall be Client's responsibility in the event that a return of the Procured Equipment is requested.

Fulcrum is not a warranty service or repair center. Fulcrum will facilitate the return or warranty repair of Procured Equipment; however, Client understands and agrees that the return or warranty repair of Procured Equipment is governed by the terms of the warranties (if any) governing the applicable Procured Equipment.

Quarterly Strategy Review; IT Strategic Planning

Suggestions and advice rendered to Client are provided in accordance with relevant industry practices, based on Client's specific needs. By suggesting a particular service or solution, Fulcrum is not endorsing any particular manufacturer or service provider. Fulcrum is not a warranty service or repair center and does not warrant or guarantee the performance of any third party service or solution.

Fractional CIO Services

The advice and suggestions provided by the Fractional CIO will be for Client's informational and/or educational purposes only. The Fractional CIO will not hold an actual director or officer position with Client, and the Fractional CIO will neither hold nor maintain any fiduciary realtionship or position with Client. Under no circumstances shall Client list or place the Fractional CIO on Client's corproate records or accounts. At all times the Fractional CIO will be an independent contractor of Client.

Diagnostic / Auditing Services

Any diagnostic or auditing services performed by Fulcrum may require Fulcrum to install a small amount of code ("Diagnostic Code") on one or more of the devices attached to the System. The Diagnostic Code is deleted in its entirety after the testing process concludes. No personal information or personal data will be reviewed or copied by Fulcrum at any time during the testing process. No files will be erased, modified, opened, reviewed or copied at any time during the testing process. The Diagnostic Code will not install or create any disabling device, or any backdoor or hidden entryway into the System. The results of the diagnostic testing will be kept confidential by Fulcrum.

You grant Fulcrum permission to access the System for the purpose of conducting the diagnostic testing. The testing process is for diagnostic purposes only. The process is not intended, and will not be used, to correct any problem or error in the System. Fulcrum does not warrant or represent that the testing process will result in any particular outcome, or that any particular issue, hardware or software configuration will be correctly detected or identified.

Sample Policies, Procedures.

From time to time, Fulcrum may provide Client with sample (*i.e.*, template) policies and procedures for use in connection with Client's business ("Sample Policies"). The Sample Policies are for Client's informational use only, and do not constitute or comprise legal or professional advice. The Sample Policies are not intended to be a substitute for the advice of competent counsel. Client should seek the advice of competent legal counsel prior to using the Sample Policies, in part or in whole, in any transaction. Fulcrum does not warrant or guaranty that the Sample Policies are complete, accurate, or suitable for Client's specific needs, or that Client will reduce or avoid liability by utilizing the Sample Policies in its business operations.

Software Development – Use of Open Source Code

The software developed for Client hereunder will include open source code; however, unless otherwise expressly noted in this SOW, the inclusion of the open source code will not impose any additional fees, costs, or usage restrictions on Client. Client is instructed, however, to refrain from separating or isolating the open source code from the software, since the use of certain open source code, in isolation or in conjunction with third party materials or code, may trigger additional licensing or usage restrictions for which Fulcrum shall not be responsible.

Service Desk

Service Desk support is provided between the hours of 5 AM and 8 PM CST, Monday through Friday, and are unavailable (except for emergency services, as described below) on weekends, non-business hours and Fulcrum-recognized holidays. Service Desk support is provided via email or telephone; onsite support will be subject to additional charges.

Service Desk support is provided on a first-come, first-serve basis with prioritized accommodations for urgent or critical-type issues as determined by Fulcrum.

Service Desk support will be provided in accordance with the following table:

Category of Issue	Time to Respond	Time to Resolve
Critical / Urgent (*i.e.*, total outage; corporate-wide impact; issue prevents or significantly degrades all or substantially all of Client's workflow, and no workaround is available.)	Within 15 minutes after notice of the issue is received by Fulcrum.	Highest priority; Fulcrum will endeavor to resolve critical issues within four (4) hours after remediation activities begin. Parts will be shipped via next business day air (as applicable).
Moderate (*i.e.*, partial outage impacting Client's workflow; System performance is degraded below normal acceptable levels; workaround is available.)	Within 30 minutes after notice of the issue is received by Fulcrum.	Fulcrum will endeavor to resolve moderate issues within one (1) business day following the business day on which the issue is received by Fulcrum.
Minor (*i.e.*, no substantial degradation of performance; inconveniences experienced by users; workaround is available.)	Within four (4) hours after notice of the issue is received by Fulcrum.	Fulcrum will endeavor to resolve on an "as-available" basis on the next business day.

Service Desk support provided outside of Fulcrum's normal support hours will be billed to Client at the hourly rate of time and a half of the standard rates listed in Schedule C (minimums apply).

Penetration Testing; Vulnerability Assessment

Client understands and agrees that security devices, alarms or other security measures, both physical and virtual, may be tripped or activated during the penetration testing process, despite Fulcrum's efforts to avoid such occurrences. Client shall be responsible for notifying any monitoring company and all law enforcement authorities of the potential for "false alarms" due to the provision of the penetration testing services and shall take all steps necessary to ensure that false alarms are not reported or treated as "real alarms" or credible threats against any person, place or property. Some alarms and advanced security measures, when activated, may cause the partial or complete shutdown of the Client's System, causing substantial downtime and/or delay to Client's business activities. Fulcrum shall not be responsible for any claims, costs, fees or expenses incurred by Client that arise or result from (i) any response to the penetration testing services by any monitoring company or law enforcement authorities, or (ii) the partial or complete shutdown of Client's System by any alarm or security monitoring device.

IaaS

Client shall use all Fulcrum-hosted equipment and hardware (collectively, "Infrastructure") for Client's internal business purposes only. Client shall not sublease, sublicense, rent or otherwise make the Infrastructure available to any third party without Fulcrum's prior written consent. Client agrees to refrain from using the Infrastructure in a manner that unreasonably or materially interferes with Fulcrum's other hosted equipment or hardware, or in a manner that disrupts or which is likely to disrupt the services that Fulcrum provides to its other clientele. Notwithstanding any provision to the contrary, Fulcrum reserves the right to throttle or suspend Client's access and/or use of the Infrastructure if Fulcrum believes, in its sole but reasonable judgment, that Client's use of the Infrastructure is violating, or is likely to violate, the foregoing terms or any other provision on the Agreement, with advance written notice to Client of such violation.

Data Replication

If Client purchases any services that involve data replication at a geographically diverse site, then the following applies to Client's use of that service: The rate by which the data at the primary site can be transferred to the secondary site will vary depending on the amount and type of data, constraints inherent in Client Hosted System, and fluctuations in bandwidth availability. Therefore, at any given time, the secondary site may not be completely up to date. In the event of a failover to the secondary site, the data that has not yet completed the transfer from the primary site will be lost. Fulcrum may provide Client with some guidelines on latency times based on its understanding of Client's data and system constraints, but these guidelines are not guarantying.

Domain Name Services

If Client registers, renews or transfers a domain name through Fulcrum, Fulcrum will submit the request to its domain name services provider (the "Registrar") on Client's behalf. Fulcrum's sole responsibility is to submit the request to the Registrar. Fulcrum is not responsible for any errors, omissions or failures of the Registrar. Client's use of domain name services is subject to the applicable legal terms of the Registrar. Client is responsible for closing any account with any prior reseller of or registrar for the requested domain name, and Client is responsible for responding to any inquiries sent to Client by the Registrar.

Unsupported Configuration Elements Or Services

If Client requests a configuration element (hardware or software) or hosting service in a manner that is not customary at Fulcrum, or that is in "end of life" or "end of support" status, Fulcrum may designate the element or service as "unsupported," "non-standard," "best efforts," "reasonable endeavor," "one-off," "EOL," "end of support," or with like term in the service description (an "Unsupported Service"). Fulcrum makes no representation or warranty whatsoever regarding any Unsupported Service, and Client agrees that Fulcrum will not be liable to Client for any loss or damage arising from the provision of an Unsupported Service, as long has Fulcrum has provided written to notice to Client that the requested service is an Unsupported Service prior to performing the service. Deployment and service level guaranties shall not apply to any Unsupported Service.

IP Addresses

Any IP addresses provided to Client by Fulcrum during the term of the agreement are managed by Fulcrum and Fulcrum will retain these IP addresses after termination of the agreement, meaning that they may not be transferred or utilized by Client after termination of the agreement without the written consent of Fulcrum.

SCHEDULE B

Examples of Included Services

General

Description	*Frequency*	*Included?*
Document software and hardware changes	via monitoring	YES
Take incoming service requests (via phone, email, alerts) and gather details to determine Service Levels and assign properly	Daily	YES
Review incoming ticket dashboards and prioritize remediation	Daily	YES
Route tickets requiring third party vendor support or involvement	Daily	YES
Escalate tickets requiring onsite, Level 2, Level 3 support	Daily	YES
Network Administrator Amber Walks, backup reviews,	Daily	YES
Review Client Surveys for Continual Service Improvement	Monthly	YES
Review system reports of performance trends, recurring alerts	Monthly	YES
Servers		
Description	*Frequency*	*Included?*
Network Administrator Amber Walks, backup reviews,	Daily	YES
Check print queues	via monitoring	YES
Monitor all Server services	via monitoring	YES
Review server up/down status	via monitoring	YES
Check event log of every server and identify any potential issues	via monitoring	YES
Monitor hard drive free space on server	via monitoring	YES
Alert Client to dangerous conditions -Memory running low -Hard drive showing sign of failure -Hard drive running out of disk space -Controllers losing interrupts -Network Cards report unusual collision activity	via monitoring	YES
Educate and correct user errors (deleted files, corrupted files, etc.)	via monitoring	YES
Office 365/Exchange Server user/mailbox management	As needed	YES
Monitor Active Directory replication	As needed	YES
Change and/or reset passwords	As needed	YES
SQL server services running	As needed	YES
Reboot servers if needed	As needed	YES
Maintenance window server maintenance	As needed	YES
Install supported software upgrades (with third-party support)	As needed	YES
Set up and maintain groups (accounting, admin, printers, sales, warehouse, etc.)	As needed	YES
Keep Patches and Hotfixes current at levels approved by client's designated point of contact.	Monthly	YES
Determine logical directory structure, Implement, MAP, and detail	Quarterly	YES

Network, Devices and Services		
Description	***Frequency***	***Included?***
Manage Desktops	Ongoing	YES
Manage Printers, Infrastructure and Other Networked Devices	Ongoing	YES
Route Network Printer and Copier issues to service vendors	Ongoing	YES
Create inventory of assets on local area network	Ongoing	YES
Route Internet or phone issues to carrier to resolve	As Needed	YES
Apply critical and security Operating System patches	Monthly	YES
Report on network availability during period	Quarterly	YES
Check switches, routers, firewalls status (available for SNMP manageable devices only)	via monitoring	YES
Performance Monitoring/Capacity Planning	via monitoring	YES
Check website up/down status	via monitoring	YES
Applications		
Description	***Frequency***	***Included?***
Assist with Microsoft Office user questions/needs	As needed	YES
Ensure Microsoft Office Applications are functioning as designed	As needed	YES
Ensure Microsoft ActiveSync Applications are functioning as designed	As needed	YES
Provide limited support for 3rd party applications (requires support contract with 3rd party software company)	As needed	YES
Install minor supported software applications	As needed	YES
Monitor access to critical application websites	via monitoring	YES
Identify installed applications on Client servers and desktops	via monitoring	YES
Security		
Description	***Frequency***	***Included?***
Create new accounts, disable/delete old accounts per Client templates and policies	As needed	YES
Confirm that antivirus virus definition auto updates have occurred	As needed	YES
Create new directories, shares and security groups, manage account policies	As needed	YES
Permissions and file system management	As needed	YES
Set up new users including login restrictions, passwords, security, applications	As needed	YES
Comply with HIPAA and alert Client management to any suspected breaches for Client Intrusion Response	Immediately	YES
Review AD user accounts for invalid admin, old passwords	Monthly	YES
Set up and change security for users and applications	Ongoing	YES
Look for excessive security permissions and logon attempt errors	via monitoring	YES

SCHEDULE C

Standard Rates for Out of Scope Services

Billable Rates for IT projects and break/fix IT support outside of the scope of this SOW:

$225 Security Consulting/Network Architect

$195 Level 3/Subject Matter Expert

$175 Level 2 Senior Network Engineer

$150 Level 1 Field Engineer

$125 Help Desk (Remote Only)

$95 Cabling Technician

Travel expenses will be billed for any on-site work for locations more than 50 miles outside the radius of The Fulcrum Group office. Fulcrum will notify Client in advance if requested on-site work is more than 50 miles outside the radius of The Fulcrum Group office prior to performing the work.

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THE FULCRUM GROUP
One Technology Solution: Yours

THE FULCRUM GROUP, INC.
MASTER SERVICES AGREEMENT

This Master Services Agreement (this "Agreement") is between **The Fulcrum Group, Inc.** with offices at 5751 Kroger Drive, Suite 279, Fort Worth, Texas 76244 ("**us**", "**our**", "**we**" or "**Fulcrum**"), and the **Town of Argyle**, **Texas,** the entity whose authorized signatory and contact information appear in the signature block of this Agreement ("**you**", "**your**" or "**Client**"). This Agreement will be effective as of the latest date of the signatures of the parties below (the "Effective Date").

1) **SCOPE OF SERVICES; SOW.** This Agreement governs all of the services that we perform for you (collectively, the "Services"). The Services will be described in one or more statements of work or SPOT Managed IT Services Agreement that we provide to you (each, a "SOW"), and once you and we mutually agree to a SOW (either by signing it or by electronic acceptance), the SOW will become a part of, and governed under, the terms of this Agreement. If there is a material difference between the language in a SOW and the language in this Agreement, then the language of the SOW will control, except in situations involving warranties, limitations of liability or termination of this Agreement. Under those limited circumstances, the terms of this Agreement will control unless the SOW expressly states that it is overriding the conflicting provisions of this Agreement. The initial SOW is attached hereto as "Exhibit A".

2) **GENERAL REQUIREMENTS.**

a) *System Configuration.* For the purposes of this Agreement, "System" means, collectively, any computer network, computer system, peripheral or device installed, maintained, monitored or operated by Fulcrum pursuant to this Agreement. Our fees are based upon the configuration of your System as of the effective date of the applicable SOW. If the System configuration changes for any reason, then we may adjust the scope of services and/or the fees charged to you under the applicable SOW to accommodate those changes, with prior notice to and approval by Client.

b) *Requirements*. At all times, all software on the System must be genuine and licensed, and you agree to provide us with proof of such licensing upon our request. If Client agrees to implement certain minimum hardware or software requirements in a SOW ("Minimum Requirements"), Client agrees to do so as an ongoing requirement of Fulcrum providing its Services to you.

c) *Maintenance; Updates.* If patches and other software-related maintenance updates ("Updates") are to be provided by Fulcrum under a SOW, Fulcrum will install the Updates only if Fulcrum has determined, in its reasonable discretion, that the Updates will be compatible with the particular configuration of the System and materially beneficial to the features or functionality of the applicable software or hardware. Fulcrum will not be responsible for any downtime or losses arising from or related to the installation or use of any Update, provided that the Update was installed in accordance with the manufacturer's or applicable vendor's instructions. Upon Client request, updates will be scheduled outside of Client's normal business hours.

d) *Third Party Support*. If, in Fulcrum's discretion, a hardware or software issue requires vendor or OEM support, Fulcrum may contact the vendor or OEM (as applicable) on your behalf and pass through to you, without markup, all fees and costs incurred in that process. If such fees or costs are anticipated in advance or exceed $75, Fulcrum will obtain your permission before incurring such expenses on your behalf unless exigent circumstances require otherwise.

e) *Insurance*. If you are supplied with Fulcrum Equipment, to the extent required by law, you agree to acquire and maintain, at your sole cost, insurance for the full replacement value of that equipment. Fulcrum shall be listed as an additional insured on any policy acquired and maintained by you hereunder, and the policy shall not be canceled or modified during the term of the applicable SOW without prior notification to Fulcrum. Upon Fulcrum's request, you agree to provide proof of insurance to Fulcrum, including proof of payment of any applicable premiums or other amounts due thereunder.

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f) *Advice; Instructions.* From time to time, we may provide you with specific advice and directions related to our provision of the Services or the maintenance or administration of the System. (For illustrative purposes, such advice or directions may include installing cooling mechanisms or environmental controls in a server room, increasing the System's server or hard drive capacity, replacing obsolete equipment, etc.). Client agrees to work with Fulcrum to follow and implement directions, as reasonably recommended by Fulcrum, related to the Services which, depending on the situation, may require you to make additional purchases or investments in the System or the environment in which the System is maintained, at your sole cost, and subject to applicable law and Client procedures. If Client fails to follow or reasonably implement Fulcrum's advice and Fulcrum has notified Client that failure to do so will render part or all of the Services economically or technically unreasonable in Fulcrum's discretion, then Fulcrum may terminate the applicable SOW for cause by providing a 30-day advance notice of termination to you.

g) *Prioritization.* Unless otherwise stated in a SOW, all Services will be performed on a schedule, and in a prioritized manner, as determined by Fulcrum, taking into consideration Client's normal business hours.

h) *Authorized Contact(s).* You understand and agree that Fulcrum will be entitled to rely on any directions or consent provided to Fulcrum by any of your Authorized Contacts, as indicated in an applicable SOW. If no Authorized Contact is identified in an applicable SOW, then your Authorized Contact will be the person(s) (i) who signed this Agreement, and/or (ii) who signed the applicable SOW. If you desire to change your Authorized Contact(s), please notify Fulcrum of such changes in writing which, unless exigent circumstances are stated in the notice, will take effect three (3) business days thereafter.

3) **FEES; PAYMENT.** You agree to pay the fees described in each SOW.

a) *Schedule*. Service plans and/or maintenance plans will be invoiced in advance of the calendar month in which the services are to be provided to you.

b) *Nonpayment*. Fees that remain unpaid for more than thirty (30) days after Client's receipt of the invoice will be subject to interest on the unpaid amount(s) until and including the date payment is received, at the lower of either 1.5% per month or the maximum allowable rate of interest permitted by applicable law. Fulcrum reserves the right, but not the obligation, to suspend part or all of the Services with prior notice to you in the event that any portion of undisputed fees are not timely received by Fulcrum. Notice of disputes related to fees must be received by us within sixty (60) days after the applicable Service is rendered or the date on which you pay an invoice, whichever is later. A re-connect fee may be charged to you in the event that Fulcrum suspends the Services due to your nonpayment. Time is of the essence in the performance of all payment obligations by you.

4) **ACCESS**. You hereby grant to Fulcrum the right to monitor, diagnose, manipulate, communicate with, retrieve information from, and otherwise access the System for the purpose of enabling Fulcrum to provide the Services under this Agreement. It is your responsibility to secure, at your own cost and prior to the commencement of any Services, any necessary rights of entry, licenses, permits or other permissions necessary for Fulcrum to provide Services to the System and, if applicable, at your designated premises. Fulcrum will advise Client as to any necessary rights of entry, licenses, permits or other permissions necessary for Fulcrum to provide the Services to Client, to the extent knowledgeable.

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5) **LIMITED WARRANTIES; LIMITATIONS OF LIABILITY.**

a) *Hardware / Software Purchased Through Fulcrum*. Unless otherwise stated in a SOW, all hardware, software, peripherals or accessories purchased through Fulcrum ("Third Party Products") are nonrefundable once the applicable purchase order is placed in Fulcrum's queue for delivery. All warranties (if any) and service level commitments (if any) for the Third-Party Products will be assigned and/or transferred to you.

b) *Warranty Application*. Notwithstanding any provision to the contrary in this Agreement, any warranty provided by Fulcrum shall be deemed null and void if the applicable hardware or product is (i) altered, modified or repaired by persons other than Fulcrum or persons approved or designated by Fulcrum, including, without limitation, the installation of any attachments, features, or devices not supplied or approved by Fulcrum; (ii) misused, abused, or not operated in accordance with the specifications of Fulcrum or the applicable manufacturer or creator of the hardware or product, or, (iii) subjected to improper site preparation or maintenance by persons other than Fulcrum or persons approved or designated by Fulcrum.

c) ***Liability Limitations***. **This paragraph limits the liabilities arising under this Agreement or any SOW, and is a bargained-for and material part of this Agreement**. In no event shall either party be liable for any indirect, special, exemplary, consequential or punitive damages, or for lost revenue, loss of profits (except for fees due and owing to Fulcrum), savings, or other indirect or contingent event-based economic loss arising out of or in connection with this Agreement, any SOW, or the Services, or for any loss or interruption of data, technology or services, or for any breach hereof or for any damages caused by any delay in furnishing Services under this Agreement or any SOW, even if a party has been advised of the possibility of such damages. Except for your payment obligations and each party's indemnification obligations described in this Agreement, a responsible party's ("Responsible Party's") aggregate liability to the other party ("Aggrieved Party") for damages from any and all claims or causes whatsoever, and regardless of the form of any such action(s), that arise from or relate to this Agreement (collectively, "Claims"), whether in contract, tort or negligence, shall be limited solely to the amount of the Aggrieved Party's actual and direct damages, not to exceed the amount of fees paid by you to Fulcrum for the specific Service upon which the applicable claim(s) is/are based during the two (2) year period immediately prior to the date on which the cause of action accrued. The foregoing limitation shall not apply to the extent that the Claims are caused by a Responsible Party's willful or intentional misconduct, or gross negligence. Similarly, a Responsible Party's liability obligation shall be reduced to the extent that a Claim is caused by, or the result of, the Aggrieved Party's willful or intentional misconduct, or gross negligence.

6) **INDEMNIFICATION. To the extent permitted by law, and without waiving any immunities or defenses otherwise available against third parties, each party** agrees to indemnify, defend and hold the other party harmless from and against any and all losses, damages, costs, expenses or liabilities, including reasonable attorneys' fees, (collectively, "Damages") that arise from, or are related to, the party's breach of this Agreement, or which relate to any act or omission undertaken or caused by the indemnifying party. The foregoing indemnification obligation includes Damages arising out of any alleged infringement of copyrights, patent rights and/or the unauthorized or unlicensed use of any material, property or other work in connection with the performance of the Services. The indemnifying party will have the right, but not the obligation, to control the intake, defense and disposition of any claim or cause of action for which indemnity may be sought under this section. No claim for which indemnity is sought by a party will be settled without that party's prior written consent, which shall not be unreasonably delayed or withheld.

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7) **TERM; TERMINATION.** This Agreement will begin as of the latest date of the signatures of the parties below and will continue until terminated as described in this Section (the "Term"). The termination of one SOW shall not, by itself, cause the termination of (or otherwise impact) the status or progress of any other SOW between the parties.

a) *Termination Without Cause.* Unless otherwise agreed by the parties in writing, no party will terminate a SOW without cause prior to the SOW's natural expiration date except in accord with this paragraph. If you terminate a SOW without cause, then you will be responsible for paying all work performed and expenses incurred by Fulcrum through the date of termination. Notwithstanding the foregoing, either party may terminate this Agreement without penalty upon sixty (60) days' notice.

b) *Termination For Cause*. In the event that one party (a "Defaulting Party") commits a material breach under a SOW or under this Agreement, the non-Defaulting Party will have the right, but not the obligation, to terminate immediately this Agreement or the relevant SOW (a "For Cause" termination) provided that (i) the non-Defaulting Party has notified the Defaulting Party of the specific details of the breach in writing, and (ii) the Defaulting Party has not cured the default within thirty (30) days following receipt of written notice of breach from the non-Defaulting Party. Upon termination, Client will only be responsible for paying for those Services that were properly delivered and accepted by Client up to the effective date of termination.

c) *Client Activity As A Basis for Termination*. In the event that any Client-supplied equipment, hardware or software, or any action undertaken by you, causes the System or any part of the System to malfunction or requires remediation by Fulcrum on three (3) occasions or more ("System Malfunction"), and you fail to remedy, repair or replace the System Malfunction as directed by Fulcrum (or you fail to cease the activity causing the System Malfunction, as applicable), then Fulcrum will have the right, upon ten (10) days prior written notice to you, to terminate this Agreement or the applicable SOW For Cause or amend the applicable SOW to eliminate from coverage any System Malfunction or any equipment or software causing the System Malfunction.

d) *Consent.* You and we may mutually consent, in writing, to terminate a SOW or this Agreement at any time.

e) *Equipment / Software Removal*. Upon termination of this Agreement for any reason, you will schedule a time for Fulcrum to have access, during normal business hours, to your premises or any other locations at which Fulcrum-owned equipment or software (collectively, "Fulcrum Equipment") is located to enable Fulcrum to remove all Fulcrum Equipment from the premises. If you fail or refuse to grant Fulcrum access as described herein, or if any of the Fulcrum Equipment is missing, broken or damaged (normal wear and tear excepted) or any of Fulcrum-supplied software is missing, Fulcrum will invoice you for the full replacement value of any and all missing or damaged items. Prior to issuing said invoice to Client, Fulcrum will provide written notification to Client of said Fulcrum Equipment to be invoiced. Upon receipt of said notice, Client will have thirty (30) days to locate the Fulcrum Equipment and arrange for pick up by Fulcrum.

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f) *Transition; Deletion of Data.* In the event that you request Fulcrum's assistance to transition to a new service provider, Fulcrum will provide such assistance if (i) all fees due and owing to Fulcrum are paid to Fulcrum in full prior to Fulcrum providing its assistance to you, and (ii) you agree to pay Fulcrum its then-current hourly rate for such assistance, with up-front amounts to be paid to Fulcrum as may be required by Fulcrum. For the purposes of clarity, it is understood and agreed that the retrieval and provision of passwords, log files, administrative server information, or conversion of data are transition services, and are subject to the preceding requirements. **Unless otherwise expressly stated in a SOW or otherwise required by law, Fulcrum will have no obligation to store or maintain any Client data in Fulcrum's possession or control beyond thirty (30) calendar days following the termination of this Agreement. Before disposing of any Client data, Fulcrum will provide written notice to Client if its intent to do so and will work with Client to return any Client data requested by Client.** Fulcrum is not responsible for any and all claims, costs, fees, or expenses incurred by either party that arise from, or are related to, Fulcrum's deletion of your data beyond the time frames described in this Section 7(f).

8) **RESPONSE; REPORTING.**

a) *Response*. Fulcrum warrants and represents that Fulcrum will provide the Services, and respond to any notification received by Fulcrum of any error, outage, alarm or alert pertaining to the System, in the manner and within the time period(s) designated in an applicable SOW ("Response Time"), except for (i) those periods of time covered under the Onboarding Exception (defined below), or (ii) periods of delay caused by Client-Side Downtime (defined below), or (iii) periods in which Fulcrum is required to suspend the Services to protect the security or integrity of your System or Fulcrum's equipment or network, or (iv) delays caused by a force majeure event.

i) Scheduled Downtime. For the purposes of this Agreement, Scheduled Downtime will mean those hours, as determined by Fulcrum but which will not occur between the hours of 8 AM and 5:30 PM CST (or CDT, as applicable), Monday through Friday without your authorization or unless exigent circumstances exist, during which time Fulcrum will perform scheduled maintenance or adjustments to its network. Fulcrum will use its best efforts to provide you with at least twenty-four (24) hours of notice prior to scheduling Scheduled Downtime.

ii) Client-Side Downtime. Fulcrum will not be responsible under any circumstances for any delays or deficiencies in the provision of, or access to, the Services to the extent that such delays or deficiencies are caused by your actions or omissions ("Client-Side Downtime).

iii) Remedies; Limitations. Except for the Onboarding Exception, if Fulcrum fails to meet its service level commitment in a given calendar month and if, under such circumstances, Fulcrum's failure is not due to your activities, omissions, or inactivity, then Fulcrum will issue you a pro-rated credit in an amount equal to the period of time of the outage and/or service failure. If Fulcrum fails to issue such credit, any requests for credit must be made by you no later than forty-five (45) days after you either (i) report the outage or service failure to Fulcrum, or (ii) if applicable, receive a monthly report showing the outage and/or failure. The remedies contained in this paragraph are in lieu of (and are to the exclusion of) any and all other remedies that might otherwise be available to you for Fulcrum's failure to meet any service level commitment during the term of this Agreement.

b) *Onboarding Exception.* You acknowledge and agree that for the first thirty (30) days following the commencement date of the first SOW issued after the Effective Date of this Agreement, the Response Time commitments described in this Agreement will not apply to Fulcrum, it being understood that there may be unanticipated downtime or delays due to Fulcrum's initial startup activities with you (the "Onboarding Exception").

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9) **CONFIDENTIALITY**.

a) *Defined.* For the purposes of this Agreement, Confidential Information means any and all non-public information provided to Fulcrum by you, including but not limited to your customer data, customer lists, internal documents, and related information. Confidential Information will not include information that: (i) has become part of the public domain through no act or omission of Fulcrum, (ii) was developed independently by Fulcrum, or (iii) is or was lawfully and independently provided to Fulcrum prior to disclosure by you, from a third party who is not and was not subject to an obligation of confidentiality or otherwise prohibited from transmitting such information.

b) *Use.* Fulcrum will keep your Confidential Information confidential, and will not use or disclose such information to any third party for any purpose except (i) as expressly authorized by you in writing, or (ii) as needed to fulfill Fulcrum's obligations under this Agreement. If Fulcrum is required to disclose the Confidential Information to any third party as described in part (ii) of the preceding sentence, then Fulcrum will ensure that such third party is required, by written agreement, to keep the information confidential under terms that are at least as restrictive as those stated in this Section 9.

c) *Due Care.* Fulcrum will exercise the same degree of care with respect to the Confidential Information it receives from you as Fulcrum normally takes to safeguard and preserve its own confidential and proprietary information, which in all cases will be at least a commercially reasonable level of care.

d) *Compelled Disclosure.* If Fulcrum is legally compelled (whether by deposition, interrogatory, request for documents, subpoena, civil investigation, demand or similar process) to disclose any of the Confidential Information, Fulcrum will immediately notify you in writing of such requirement so that you may seek a protective order or other appropriate remedy and/or waive Fulcrum's compliance with the provisions of this Section 9. Fulcrum will use its best efforts, at your expense, to obtain or assist you in obtaining any such protective order. Failing the entry of a protective order or the receipt of a waiver hereunder, Fulcrum may disclose, without liability hereunder, that portion (and only that portion) of the Confidential Information that Fulcrum has been advised by written opinion of counsel reasonably acceptable to Fulcrum that it is legally compelled to disclose.

10) **THIRD PARTY SERVICES.**

a) *EULAs*. Portions of the Services may require you to accept the terms of one or more third party end user license agreements ("EULAs"). EULAs may contain service levels, warranties and/or liability limitations that are different than those contained in this Agreement. You agree to be bound by the terms of such EULAs, and will look only to the applicable third party provider for the enforcement of the terms of such EULAs. If, while providing the Services, Fulcrum is required to comply with a third party EULA and the third party EULA is modified or amended, Fulcrum reserves the right to modify or amend any applicable SOW with you to ensure Fulcrum's continued compliance with the terms of the third party EULA.

b) *Data Loss*. Under no circumstances will Fulcrum be responsible for any data lost, corrupted or rendered unreadable due to (i) any third party communication and/or transmissions errors or related failures, (ii) equipment failures (including but not limited to silent hardware corruption-related issues), or (iii) Fulcrum's failure to backup or secure data from portions of the System that were not expressly designated by you in the applicable SOW as requiring backup or recovery services. Fulcrum will use its best efforts to assist Client in recovering any lost data, at Client's request, at which time a SOW will be issued for Client's approval.

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c) *BYOD.* You hereby represent and warrant that Fulcrum is authorized to provide the Services to all devices, peripherals and/or computer processing units, including mobile devices (such as notebook computers, smart phones and tablet computers) that (i) are connected to the System, and (ii) have been designated by you to receive the Services, regardless of whether such device(s) are owned, leased or otherwise controlled by you. Unless otherwise stated in a SOW, devices will not receive or benefit from the Services while the devices are detached from or unconnected to the System.

11) **OWNERSHIP.** Each party is, and will remain, the owner and/or licensor of all works of authorship, patents, trademarks, copyrights and other intellectual property owned or licensed by such party ("Intellectual Property"), and nothing in this Agreement or any SOW shall be deemed to convey or grant any ownership rights in one party's Intellectual Property to the other party.

12) **MEDIATION.** Each party agrees that should a dispute arise between the parties under this Agreement, and if negotiations and other discussion fail, the dispute will first be submitted to mediation. Both parties agree to conduct any mediation in good faith and make reasonable efforts to resolve any dispute in mediation. Said mediation to occur in Denton County, Texas. Should mediation fail, exclusive venue for the adjudication of any dispute in connection with this Agreement shall lie in a state or federal court in Denton County, Texas.

13) **MISCELLANEOUS**.

a) *Assignment.* Neither this Agreement nor any SOW may be assigned or transferred by a party without the prior written consent of the other party. This Agreement will be binding upon and inure to the benefit of the parties hereto, their legal representatives, and permitted successors and assigns. Notwithstanding the foregoing, Fulcrum may assign its rights and obligations hereunder to a successor in ownership in connection with any merger, consolidation, or sale of substantially all of the assets of the business of Fulcrum, or any other transaction in which ownership of more than fifty percent (50%) of Fulcrum's voting securities are transferred; provided, however, that such assignee expressly assumes Fulcrum's obligations hereunder.

b) *Amendment*. No amendment or modification of this Agreement or any SOW will be valid or binding upon the parties unless such amendment or modification is originated in writing, specifically refers to this Agreement, and is accepted in writing by both parties to this Agreement.

c) *Time Limitations.* The parties mutually agree that any action for any matter arising out of this Agreement or any SOW (except for issues of nonpayment by Client) must be commenced within two (2) years after the cause of action accrues or the action is forever barred.

d) *Severability*. If any provision hereof or any SOW is declared invalid by a court of competent jurisdiction, such provision will be ineffective only to the extent of such invalidity, illegibility or unenforceability so that the remainder of that provision and all remaining provisions of this Agreement or any SOW will be valid and enforceable to the fullest extent permitted by applicable law.

e) *Other Terms*. Neither party will be bound by any terms or conditions printed on any purchase order, invoice, memorandum, or other written communication between the parties unless such terms or conditions are incorporated into a duly executed SOW.

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f) *No Waiver.* The failure of either party to enforce or insist upon compliance with any of the terms and conditions of this Agreement, the temporary or recurring waiver of any term or condition of this Agreement, or the granting of an extension of the time for performance, will not constitute an Agreement to waive such terms with respect to any other occurrences.

g) *Merger.* This Agreement, together with any and all SOWs, sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings related to the Services, and no representation, promise, inducement or statement of intention has been made by either party which is not embodied herein. Any document that is not expressly and specifically incorporated into this Agreement or SOW will act only to provide illustrations or descriptions of Services to be provided, and will not act to modify this Agreement or provide binding contractual language between the parties. Neither party will be bound by any agents' or employees' representations, promises or inducements not explicitly set forth herein.

h) *Force Majeure.* Neither party will be liable to the other party for delays or failures to perform obligations under this Agreement or any SOW because of circumstances beyond the party's reasonable control. Such circumstances include, but will not be limited to, any intentional or negligent act committed by either party, or any acts or omissions of any governmental authority, natural disaster, act of a public enemy, acts of terrorism, riot, sabotage, disputes or differences with workmen, power failure, communications delays/outages, delays in transportation or deliveries of supplies or materials, cyberwarfare, cyberterrorism, or hacking, malware or virus-related incidents that circumvent then-current anti-virus or anti-malware software, and acts of God.

i) *Non-Solicitation.* You acknowledge and agree that during the term of this Agreement and for a period of one (1) year following the termination of this Agreement, you will not, individually or in conjunction with others, directly or indirectly solicit, induce or influence any of Fulcrum's employees or subcontractors to discontinue or reduce the scope of their business relationship with Fulcrum, or recruit, solicit or otherwise influence any employee or agent of Fulcrum to discontinue such employment or agency relationship with Fulcrum. In the event that you violate the terms of the restrictive covenants in this Section 12(i), you acknowledge and agree that the damages to Fulcrum would be difficult or impracticable to determine, and you agree that in such event, as Fulcrum's sole and exclusive remedy therefore, you will pay Fulcrum as liquidated damages and not as a penalty an amount equal to twenty-five percent (25%) percent of that employee or subcontractor's first year of base salary with you (including any signing bonus). In addition to and without limitation of the foregoing, any solicitation or attempted solicitation for employment directed to any of Fulcrum's employees by you will be deemed to be a material breach of this Agreement, in which event Fulcrum shall have the right, but not the obligation, to terminate this Agreement or any then-current SOW immediately For Cause.

j) *Survival.* The provisions contained in this Agreement that by their context are intended to survive termination or expiration of this Agreement will survive.

k) *Insurance.* Fulcrum and you will each maintain, at each party's own expense, all insurance reasonably required in connection with this Agreement or any SOW, including but not limited to, workers compensation and general liability. Fulcrum agrees to maintain a general liability policy with a limit not less than $1,000,000 per occurrence. All of the insurance policies described herein will not be canceled, materially changed or renewal refused until at least thirty (30) calendar days written notice has been given to the other party by certified mail.

l) *Governing Law; Venue.* This Agreement and any SOW will be governed by, and construed according to, the laws of the state of Texas. The parties hereby irrevocably consent to the exclusive jurisdiction and venue of the state courts in Denton County, Texas, for any and all claims and causes of action arising from or related to this Agreement.

m) *No Third Party Beneficiaries.* The Parties have entered into this Agreement solely for their own benefit. They intend no third party to be able to rely upon or enforce this Agreement or any part of this Agreement.

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n) *Usage in Trade.* It is understood and agreed that no usage of trade or other regular practice or method of dealing between the parties to this Agreement will be used to modify, interpret, supplement, or alter in any manner the terms of this Agreement.

o) *Business Day.* If any time period set forth in this Agreement expires on a day other than a business day in Denton County, Texas, such period will be extended to and through the next succeeding business day in Denton County, Texas.

p) *Notices; Writing Requirement.* Where notice is required to be provided to a party under this Agreement, such notice may be sent by U.S. mail, overnight courier, fax or email as follows: notice will be deemed delivered three (3) business days after being deposited in the United States Mail, first class mail, certified or return receipt requested, postage prepaid, or one (1) day following delivery when sent by FedEx or other overnight courier, or one (1) day after notice is delivered by fax or email. Notice sent by email will be sufficient only if (i) the sender emails the notice to the last known email address of the recipient, and (ii) the sender includes itself in the "cc" portion of the email and preserves the email until such time that it is acknowledged by the recipient. Notwithstanding the foregoing, any notice regarding (a) any alleged breach of this Agreement, or (b) any request for indemnification, or (c) any notice of termination of this Agreement or any SOW, must be delivered by U.S. mail. All electronic documents and communications between the parties will satisfy any "writing" requirement under this Agreement.

q) *Independent Contractor.* Fulcrum is an independent contractor, and neither party is an employee, partner or joint venturer of the other.

r) *Subcontractors.* Generally, Fulcrum does not utilize subcontractors; however, should Fulcrum elect to subcontract a portion of the Services, Fulcrum shall guarantee all work performed by any Fulcrum-designated subcontractor as if Fulcrum performed the subcontracted work itself.

s) *Data Access/Storage*. Depending on the Service provided, a portion of your data may occasionally be accessed or stored on secure servers located outside of the United States. You agree to notify us in the event that your company requires us to modify our standard access or storage procedures.

t) *Attorneys' Fees.* If either party is required to bring an action in court to enforce the terms of this Agreement, the awarded party shall be entitled to reasonable attorneys' fees and costs incurred at all stages of the action, including without limitation, at trial and appeal.

u) *Counterparts.* The parties may sign and deliver this Agreement and any SOW in any number of counterparts, each of which will be deemed an original and all of which, when taken together, will be deemed to be one agreement. Each party may sign and deliver this Agreement (or any SOW) electronically (e.g., by digital signature and/or electronic reproduction of a handwritten signature), and the receiving party will be entitled to rely upon the apparent integrity and authenticity of the other party's signature for all purposes.

[SIGNATURE PAGE TO FOLLOW]

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THE FULCRUM GROUP
One Technology Solution: Yours

THE FULCRUM GROUP, INC.
MASTER SERVICES AGREEMENT

AGREED AND ACCEPTED:

THE FULCRUM GROUP, INC.

By: DocuSigned by: David Johnson 848AA5C693794F7...

Print Name / Position:
David Johnson VP Sales & Marketing

Date: 2/12/2020 | 4:42 PM CST

TOWN OF ARGYLE, TEXAS

By: DocuSigned by: Donald Moser 955B36A489154B0...

Print Name / Position:
Donald Moser Mayor

Contact Information:
Donald Moser
emccomis@argyletx.com
mayor@argyletx.com

Date: 2/12/2020 | 4:45 PM CST

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THE FULCRUM GROUP
One Technology Solution: Yours

THE FULCRUM GROUP, INC.
STATEMENT OF WORK

Exhibit A

SPOT Managed Network Services Agreement

This Statement of Work ("SOW") is governed under the Master Services Agreement (the "Agreement") between The Fulcrum Group, Inc. ("Fulcrum"), and the Town of Argyle, Texas, whose authorized signatory appear in the signature block of this SOW ("Client"), below. Capitalized terms in this SOW will have the same meaning as those in the Agreement, unless otherwise indicated below.

Scope of Services

The following services (collectively, "Services") will be provided to Client:

Description of SPOT Managed IT Services

SPOT Managed IT Services is a group of fixed rate services designed to provide computer network management and maintenance to Client organization. The service is billed per listed user and requires a partnership with Client to gather onboarding information.

Items and Services included in this agreement:

1. Service Desk and Remote Level 1 Technical Support Services- Fulcrum will answer incoming technical support phone calls and log ticket with details of support needs. Fulcrum technical resources will remotely attempt to remediate incoming PC and standard application issues, basic connectivity and other needs using our service platform. Fulcrum Service Desk Hours of operation are Monday through Friday, 6am to 6pm, excluding holidays.
2. 24x7 Critical On-Call Support – Fulcrum will provide 24x7x365 on-call support for Critical Network Support issues reported outside the Fulcrum Service Desk hours of operation. A Fulcrum on-call engineer will respond and begin working on Critical Network issues within 2 hours of support request.
3. Level 2 and 3 Technical Support Escalation- More complex Technical Support issues will be escalated to Level 2 or higher Fulcrum resources for remote remediation. Should the issue be unresolvable remotely or require hands-on, Fulcrum will dispatch a resource onsite to correct need or issue. A Fulcrum resource will be designated as your Primary Engineer to be primarily responsible for documentation and technical design of your site.
4. Fractional Chief Information Officer (CIO) Services- Client will be assigned a Fractional CIO as your advocate within Fulcrum to ensure understanding of your environment and advising you on your technology, from a business perspective. The Fractional CIO understands technology and learns your business to help ensure alignment between the two.
5. STAR Technology Standards Review- In addition to Technical Support, Fulcrum will provide to Client a Proactive Services STAR visit at least once per quarter.
   a. Proactive Services Engineer completes 400+ point checklist of technology standards.
   b. Once the checklist is complete, the Fractional CIO will review against Client's business goals and industry best practices to make recommendations on technology improvements.

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6. Quarterly Strategy Reviews – Fulcrum Fractional CIO will conduct a Quarterly Strategy Review with Client executive leadership. The goal is to align technology standards with business goals. Deliverables include a Technology Roadmap and Business Alignment Report.
7. IT Vendor Management – Fulcrum will become a liaison to Client's Third Party IT Vendors, including but not limited to Internet Service Providers, Software Vendors, Copier/Managed Print Vendors, and other Third Party Vendors.
8. Delivery of Service Platform- Fulcrum will deploy and configure their proprietary Service Platform to facilitate trouble ticket tracking, remote control, network monitoring and track documentation. When tickets are completed, Client ticket contacts will receive a Customer Service Survey score to measure Fulcrum quality.
   a. Ticket tracking- All service requests first require the creation of a ticket to gather details and to assign the appropriate resource. Fulcrum resources note time spent, ticket details including testing and resolution steps in tickets.
   b. Network Monitoring and Alerting- Fulcrum will use their platform to monitor Client network and gather details for the support of Client's network, including status, basic asset tracking, performance trends and reporting.
   c. Remote control- Fulcrum will configure software to facilitate audited access to Client systems to aid in remote resolution of issues and needs.
   d. System Documentation- Fulcrum will gather and maintain details on administrator and system passwords, configurations and network maps in our service platform for purposes of technical support.
   e. Patch Management- Fulcrum will conduct up to monthly patching of workstation and server operating systems during Client established maintenance windows. Fulcrum is responsible for providing a list of Microsoft operating system patches each month to Client.
   f. Antivirus & DNS Protection Software for PCs, Laptops, and Servers – Fulcrum will provide centrally managed antivirus and DNS protection software for all Client PCs, Laptops, and Servers.
   g. End User Security Awareness Training – Fulcrum will provide Client's employees with access to online web training for end user security awareness training.

For more specific examples of included technical services and common frequencies, please refer to Schedule B to this SOW.

Term; Termination

The Services will commence, and billing will begin, on the date on which the Services are implemented and operational, which will be March 1st, 2020 ("Commencement Date").

The Services will continue for a term of three (3) years from the Commencement Date. **During the First Year of the Services, the Services may be terminated by the Client upon sixty (60) days written notice, with no cause required. After the expiration of the initial three-year term, this SOW will automatically renew for one (1) year terms, unless Client requests termination of the SOW at least 60 days in advance of the expiration of the initial term. During any auto renewal term, Client may terminate the Services upon sixty (60) days written notice, with no cause required.**

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Assumptions / Minimum Requirements / Exclusions

The scheduling, fees and provision of the Services are based upon the following assumptions and minimum requirements to ensure the suitability of the existing environment:

In order for Client's existing environment to qualify for Fulcrum's Managed Services, the following requirements must be met:

- Client management will help ensure Client user involvement with Fulcrum on tickets or support issues in a timely fashion. We will reach out via email and phone calls 3 times each. If no contact or response from ticket contact is made, we will close the ticket.
- All supported PCs, Laptops, Workstations, and Servers with Microsoft Windows Operating Systems must be running a supported version of Microsoft Windows Server or Desktop Operating System (currently Windows 2012 Server or later, or Windows 10 Professional or later), and have all of the latest (approved by software vendors) Microsoft Service Packs and Critical Updates installed. Typically, this is no more than 1 generation behind the current shipping Microsoft Windows Server or Desktop OS. See Microsoft's official End of Support/Life Cycle policy at https://support.microsoft.com/en-us/hub/4095338/microsoft-lifecycle-policy.
- All Server and Desktop Software must be Genuine, Licensed and Vendor-Supported.
- The environment must have a currently licensed, Vendor-Supported Server-based Backup Solution that can be monitored and send notifications on job failures and successes.
- The environment must have a currently licensed, Vendor-Supported Hardware Firewall between the Internal Network and the Internet.
- All Wireless data traffic in the environment must be securely encrypted.
- All Guest Wireless access should be separated from Client's private network.
- There must be an outside static IP addresses assigned to a network device utilizing Network Address Translation (NAT) for public facing resources.

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Exclusions. The following services are expressly excluded under this SOW:

- Onsite Support at any location located further than 50 miles from Fulcrum's office in Fort Worth, TX.
- Onsite Support without attempted remote resolution. Fulcrum will always attempt remote resolution of Technical Support needs and issues BEFORE dispatching a resource onsite. Client may request an Onsite Service call at an additional charge using current Fulcrum posted rates. After-hours rates may also apply.
- All IT Moves/Adds/Changes- SPOT Managed IT Fixed fee per user services are for day to day maintenance of existing IT environment. New projects or major changes would need to be scoped out for delivery at a fee outside the scope of this document.
- Security monitoring for compliance is not included as part of network monitoring.
- Customization of third-party applications, or programming of any kind.
- SQL Database Administration, SQL query or development of any kind.
- Website design, maintenance, development and similar needs.
- Data/voice wiring or cabling services of any kind.
- Classroom or one-on-one training.
- Battery backup replacement.
- Equipment relocation.
- The cost to bring the System up to the Minimum Requirements (unless otherwise noted in "Scope of Services" above).
- The cost of repairs to hardware or any supported equipment or software, or the costs to acquire parts or equipment, or shipping charges of any kind.
- The cost of any Software, Licensing, or Software Renewal or Upgrade Fees of any kind.
- Required maintenance, support, and warranty agreements for the client's supported hardware and software
- The cost of any 3rd Party Vendor or Manufacturer Support or Incident Fees of any kind.
- Failure due to acts of God, building modifications, power failures or other adverse environmental conditions or factors.
- Service and repair made necessary by the alteration or modification of equipment other than that authorized by Fulcrum, including alterations, software installations or modifications of equipment made by Client's employees or anyone other than Fulcrum.
- Maintenance of Applications software packages, whether acquired from Fulcrum or any other source unless as specified in Appendix B.

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Maintenance Window. Client must work with Fulcrum for the Establishment of a Maintenance Window for patching and updates:

> In order for network environments to operate predictably, organizations establish Maintenance Window(s), or a period of time designated in advance during which preventive maintenance may be performed to maintain higher levels of reliability and performance. Client must work with Fulcrum to establish a regular window for these service improvement activities to allow proper reliability.

Authorized Contact(s)

In addition to the signatories to this SOW, the following person(s) shall be an Authorized Contact for Client:

- Name: Erika McComis
  Contact Information: 940-271-4262 or emccomis@argyletx.com
- Name: Aimee Hewitt
  Contact Information: 940-464-7273 or ahewitt@argyletx.com

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Service Levels

The Services will be provided on a 24x7x365 basis, with Live Answer telephone support through the Fulcrum Service Desk 6am to 6pm Monday through Friday, and Fulcrum 24x7x365 on-call support for Critical Network Support issues reported outside the Fulcrum Service Desk hours of operation. Fulcrum will respond to Service Desk and Level 1 problems, errors or interruptions in the provision of the Services in the timeframe(s) described below.

Trouble / Severity	SPOT Managed Service Plan*	A La Carte / Services not Covered by a Plan
Critical problem: Service not available (all users and functions unavailable)	Remediation efforts will begin within two (2) hours after notification.	Best efforts.
Significant degradation of service (large number of users or business critical functions affected)	Remediation efforts will begin within four (4) business hours after notification.	Best efforts.
Limited degradation of service (limited number of users or functions affected, business process can continue).	Remediation efforts will begin within eight (8) business hours after notification.	Best efforts.
Small service degradation (business process can continue, one user affected).	Remediation efforts will begin within two (2) business days after notification.	Best efforts.

* All time frames are calculated as of the time that Fulcrum is notified of the applicable issue / problem by Client -through emailing helpdesk@fulcrumgroup.net, by telephone at 817-898-1277 or Fulcrum's designated support portal. Notifications received in any manner other than described herein may result in a delay in the provision of remediation efforts.

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Fees

The fees for the Services will be invoiced to Client as follows:

See attached quote TFGQ10142 with additional details on pricing.

Client must pay Fulcrum for all services and charges that become due and payable to Fulcrum through the effective date of termination for the annual contract. **The net recurring fee per month will be paid in advance by Client via Automatic Clearing House (ACH) or Electronic Funds Transfer (ETF) on a Monthly basis, due on the first day of each month.**

To initiate the engagement, Fulcrum requires a **one-time SPOT Managed IT Services onboarding fee, as specified in quote TFGQ10142** for onboarding discovery and cover ramp up costs via check, Automatic Clearing House (ACH) or Electronic Funds Transfer (ETF). Once the fee is collected, Fulcrum will begin executing the onboarding project plan for the gathering of Client technical support data and Fulcrum support platform implementation, prior to service delivery.

It is understood that any and all Services requested by Client that fall outside of the terms of this Agreement will be considered Projects or Time and Materials Services, and will be quoted and billed as separate, individual Services.

In the event that the client adds new users that they wish to be covered under this Agreement, or additional services are added, an additional charge will be added to the monthly fee charged under this Agreement. Should client headcount drop 10% or more from current levels, Fulcrum will likewise reduce monthly fees with no additional charges.

Service Rate Increases. Fees for this engagement are based on current market rates and ready access to qualified resources.

Should adjustments or modifications be required that increase the monthly fees for services rendered under this Agreement, such increases will not exceed 10% of the then existing monthly fees due under this Agreement and shall be effective thirty (30) days after Fulcrum has given Client written notice of such increase(s) prior to contract renewal. Fulcrum agrees to keep per user pricing levels at the same price for the first (1st) 2 years of this agreement.

Rates for services outside the scope of this agreement. Please refer to Schedule C for a list of normal rate structure.

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THE FULCRUM GROUP
One Technology Solution: Yours

THE FULCRUM GROUP, INC.
STATEMENT OF WORK

Additional Terms

Additional terms, if any, are attached as Schedule A to this SOW.

THE FULCRUM GROUP, INC.	**Client**: Town of Argyle
Date: 2/12/2020 | 4:42 PM CST	Date: 2/12/2020 | 4:45 PM CST
Signature: DocuSigned by: David Johnson 848AA5C693794F7...	Signature: DocuSigned by: Donald Moser 955B36A489154B0...
Print Name / Position: David Johnson VP Sales & Marketing	Print Name/Position: Donald Moser Mayor

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SCHEDULE A

Additional Provisions

Maintenance Services

Unless otherwise provided in this SOW, maintenance services will be applied in accordance with the recommended practices of the managed services industry. Client understands and agrees that maintenance services are not intended to be, and will not be, a warranty or guaranty of the functionality of any particular device, or a service plan for the repair or remediation of any particular managed hardware or software. Repair and/or device remediation services are not covered under Fulcrum's maintenance service plan and shall be provided on an hourly basis to Client.

Monitoring Services; Alert Services

Unless otherwise indicated in this SOW, all monitoring and alert-type services are limited to detection and notification functionalities only. These functionalities are guided by Client-designated policies, which may be modified by Client as necessary or desired from time to time. Initially, the policies will be set to a baseline standard as determined by Fulcrum; however, Client is advised to establish and/or modify the policies that correspond to Client's specific monitoring and notification needs.

Anti-Virus; Anti-Malware

Fulcrum's anti-virus / anti-malware solution will generally protect the Client's system from becoming infected with new viruses and malware ("Viruses"); however, Viruses that exist on the Client's system at the time that the security solution is implemented may not be capable of being removed without additional services, for which a charge may be incurred.

Any security solution may be circumvented and/or rendered ineffective if a user purposely or intentionally downloads or installs malware (such as a rootkit) onto the user's system. Client is strongly advised to refrain from downloading files that are sent by unknown users, and/or users or files whose origination cannot be verified. Fulcrum does not warrant or guarantee that all Viruses and malware will be capable of being removed, or that all forms of Viruses and malware will be timely detected or removed.

In order to improve security awareness, you agree that Fulcrum or its designated third party affiliate may transfer information about the results of processed files, information used for URL reputation determination, security risk tracking, and statistics for protection against spam and malware. Any information obtained in this manner does not and will not contain any personal or confidential information.

Hosted Exchange / Email

Client is solely responsible for the security, confidentiality and integrity of all email, and the content of all email, received, transmitted or stored through the hosted email service ("Hosted Email").

Client shall not upload, post, transmit or distribute (or permit any of its authorized users of the Hosted Email to upload, post, transmit or distribute) any prohibited content, which is generally content that (i) is obscene, illegal, or intended to advocate or induce the violation of any law, rule or regulation, or (ii) violates the intellectual property rights or privacy rights of any third party, or (iii) mischaracterizes you, and/or is intended to create a false identity or to otherwise attempt to

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mislead any person as to the identity or origin of any communication, or (iv) interferes or disrupts the services provided by Fulcrum or the services of any third party, or (v) contains viruses, Trojan horses or any other malicious code or programs.

In addition, Client shall not use the Hosted Email for the purpose of sending unsolicited commercial electronic messages ("SPAM") in violation of any federal or state law.

Fulcrum reserves the right, but not the obligation, to suspend Client's access to the Hosted Email and/or all transactions occurring under Client's Hosted Email account if Fulcrum believes, in its discretion, that Client's email account is being used in an improper or illegal manner.

SPAM / Junk Mail Filtering

Fulcrum's service provides email scanning for incoming unsolicited commercial email. Using proprietary algorithms and other technologies, the service scans incoming email for designated keywords, attachments and known blacklisted sites, and filters the email accordingly. From time to time the service may filter email that is not SPAM or junk mail or may block email from legitimate sources. Client is advised to periodically search the filtered email folder to ensure that relevant emails are not being filtered improperly and will notify Fulcrum in the event that the SPAM filter settings require adjustment.

Patch Management

Fulcrum shall keep all managed equipment and software current with critical patches and updates ("Patches") as such Patches are released generally by the manufacturers of the applicable hardware or software. Patches and updates are developed by third party vendors and, on rare occasions, may make the System, or portions of the System, unstable, or cause the managed equipment or software to fail to operate properly even when the Patches are installed correctly. Fulcrum shall not be responsible for any downtime or losses arising from or related to the installation or use of any Patch, provided that the Patch was installed in accordance with manufacturer's instructions. Fulcrum reserves the right, but not the obligation, to refrain from installing a Patch if Fulcrum is aware of technical problems caused by a Patch, or believes that a Patch may make the System, or any portion of the System, unstable.

Backup (BDR) Services

Fulcrum's backup and disaster recovery ("BDR") solution uses industry-recognized products and software to help ensure the security and integrity of Client's data. However, Client understands and agrees that all data transmitted over the Internet may be subject to malware and computer contaminants such as viruses, worms and Trojan horses, as well as attempts by unauthorized users, such as hackers, to access or damage Client's data. Neither Fulcrum nor its designated affiliates will be responsible for the outcome or results of such activities. Data recovery time will depend on the speed and reliability of Client's Internet connection.

BDR services require a reliable, always-connected Internet solution. Internet and telecommunications outages will prevent the BDR services from operating correctly. In addition, all computer hardware is prone to failure due to equipment malfunction, telecommunication-related issues, etc., for which Fulcrum shall not be responsible. Client is strongly advised to use data verification functionality (if available) to ensure the integrity of Client's stored data. Client is further advised to take all verification errors seriously and agrees to contact Fulcrum immediately if verification errors are repetitive and/or cannot be remedied.

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Due to technology limitations, all computer hardware, including communications equipment, network servers and related equipment, has an error transaction rate that can be minimized, but not eliminated. As such, Client understands and agrees that any data sent to or stored by Fulcrum may become corrupted or lost due to communication or hardware-related failures. Fulcrum cannot and does not warrant that such data corruption or loss will be avoided. **Client is strongly advised to keep a backup of all of stored data to mitigate against the unintentional loss of data.**

Unless otherwise expressly stated in this SOW, BDR services do not permit archiving or retrieval of prior document or file versions; only the latest version of a stored document or file is recoverable.

Procurement

Equipment and software procured by Fulcrum on Client's behalf ("Procured Equipment") may be covered by one or more manufacturer warranties, which will be passed through to Client to the greatest extent possible. By procuring equipment or software for Client, Fulcrum does not make any warranties or representations regarding the quality, integrity or usefulness of the Procured Equipment. Certain equipment or software, once purchased, may be not be returnable or, in certain cases, may be subject to third party return policies and/or re-stocking fees, all of which shall be Client's responsibility in the event that a return of the Procured Equipment is requested.

Fulcrum is not a warranty service or repair center. Fulcrum will facilitate the return or warranty repair of Procured Equipment; however, Client understands and agrees that the return or warranty repair of Procured Equipment is governed by the terms of the warranties (if any) governing the applicable Procured Equipment.

Quarterly Strategy Review; IT Strategic Planning

Suggestions and advice rendered to Client are provided in accordance with relevant industry practices, based on Client's specific needs. By suggesting a particular service or solution, Fulcrum is not endorsing any particular manufacturer or service provider. Fulcrum is not a warranty service or repair center and does not warrant or guarantee the performance of any third party service or solution.

Fractional CIO Services

The advice and suggestions provided by the Fractional CIO will be for Client's informational and/or educational purposes only. The Fractional CIO will not hold an actual director or officer position with Client, and the Fractional CIO will neither hold nor maintain any fiduciary realtionship or position with Client. Under no circumstances shall Client list or place the Fractional CIO on Client's corproate records or accounts. At all times the Fractional CIO will be an independent contractor of Client.

Diagnostic / Auditing Services

Any diagnostic or auditing services performed by Fulcrum may require Fulcrum to install a small amount of code ("Diagnostic Code") on one or more of the devices attached to the System. The Diagnostic Code is deleted in its entirety after the testing process concludes. No personal information or personal data will be reviewed or copied by Fulcrum at any time during the testing process. No files will be erased, modified, opened, reviewed or copied at any time during the testing process. The Diagnostic Code will not install or create any disabling device, or any backdoor or hidden entryway into the System. The results of the diagnostic testing will be kept confidential by Fulcrum.

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You grant Fulcrum permission to access the System for the purpose of conducting the diagnostic testing. The testing process is for diagnostic purposes only. The process is not intended, and will not be used, to correct any problem or error in the System. Fulcrum does not warrant or represent that the testing process will result in any particular outcome, or that any particular issue, hardware or software configuration will be correctly detected or identified.

Sample Policies, Procedures.

From time to time, Fulcrum may provide Client with sample (*i.e.*, template) policies and procedures for use in connection with Client's business ("Sample Policies"). The Sample Policies are for Client's informational use only, and do not constitute or comprise legal or professional advice. The Sample Policies are not intended to be a substitute for the advice of competent counsel. Client should seek the advice of competent legal counsel prior to using the Sample Policies, in part or in whole, in any transaction. Fulcrum does not warrant or guaranty that the Sample Policies are complete, accurate, or suitable for Client's specific needs, or that Client will reduce or avoid liability by utilizing the Sample Policies in its business operations.

Software Development – Use of Open Source Code

The software developed for Client hereunder will include open source code; however, unless otherwise expressly noted in this SOW, the inclusion of the open source code will not impose any additional fees, costs, or usage restrictions on Client. Client is instructed, however, to refrain from separating or isolating the open source code from the software, since the use of certain open source code, in isolation or in conjunction with third party materials or code, may trigger additional licensing or usage restrictions for which Fulcrum shall not be responsible.

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Service Desk

Service Desk support is provided between the hours of 6 AM and 6 PM CST, Monday through Friday, and are unavailable (except for emergency services, as described below) on weekends, non-business hours and Fulcrum-recognized holidays. Service Desk support is provided via email or telephone; onsite support will be subject to additional charges.

Service Desk support is provided on a first-come, first-serve basis with prioritized accommodations for urgent or critical-type issues as determined by Fulcrum.

Service Desk support will be provided in accordance with the following table:

Category of Issue	Time to Respond	Time to Resolve
Critical / Urgent (*i.e.*, total outage; corporate-wide impact; issue prevents or significantly degrades all or substantially all of Client's workflow, and no workaround is available.)	Within 15 minutes after notice of the issue is received by Fulcrum.	Highest priority; Fulcrum will endeavor to resolve critical issues within four (4) hours after remediation activities begin. Parts will be shipped via next business day air (as applicable).
Moderate (*i.e.*, partial outage impacting Client's workflow; System performance is degraded below normal acceptable levels; workaround is available.)	Within 30 minutes after notice of the issue is received by Fulcrum.	Fulcrum will endeavor to resolve moderate issues within one (1) business day following the business day on which the issue is received by Fulcrum.
Minor (*i.e.*, no substantial degradation of performance; inconveniences experienced by users; workaround is available.)	Within four (4) hours after notice of the issue is received by Fulcrum.	Fulcrum will endeavor to resolve on an "as-available" basis on the next business day.

Service Desk support provided outside of Fulcrum's normal support hours will be billed to Client at the hourly rate of time and a half of the standard rates listed in Schedule C (minimums apply).

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Penetration Testing; Vulnerability Assessment

Client understands and agrees that security devices, alarms or other security measures, both physical and virtual, may be tripped or activated during the penetration testing process, despite Fulcrum's efforts to avoid such occurrences. Client shall be responsible for notifying any monitoring company and all law enforcement authorities of the potential for "false alarms" due to the provision of the penetration testing services and shall take all steps necessary to ensure that false alarms are not reported or treated as "real alarms" or credible threats against any person, place or property. Some alarms and advanced security measures, when activated, may cause the partial or complete shutdown of the Client's System, causing substantial downtime and/or delay to Client's business activities. Fulcrum shall not be responsible for any claims, costs, fees or expenses incurred by Client that arise or result from (i) any response to the penetration testing services by any monitoring company or law enforcement authorities, or (ii) the partial or complete shutdown of Client's System by any alarm or security monitoring device.

IaaS

Client shall use all Fulcrum-hosted equipment and hardware (collectively, "Infrastructure") for Client's internal business purposes only. Client shall not sublease, sublicense, rent or otherwise make the Infrastructure available to any third party without Fulcrum's prior written consent. Client agrees to refrain from using the Infrastructure in a manner that unreasonably or materially interferes with Fulcrum's other hosted equipment or hardware, or in a manner that disrupts or which is likely to disrupt the services that Fulcrum provides to its other clientele. Notwithstanding any provision to the contrary, Fulcrum reserves the right to throttle or suspend Client's access and/or use of the Infrastructure if Fulcrum believes, in its sole but reasonable judgment, that Client's use of the Infrastructure is violating, or is likely to violate, the foregoing terms or any other provision on the Agreement, with advance written notice to Client of such violation.

Data Replication

If Client purchases any services that involve data replication at a geographically diverse site, then the following applies to Client's use of that service: The rate by which the data at the primary site can be transferred to the secondary site will vary depending on the amount and type of data, constraints inherent in Client Hosted System, and fluctuations in bandwidth availability. Therefore, at any given time, the secondary site may not be completely up to date. In the event of a failover to the secondary site, the data that has not yet completed the transfer from the primary site will be lost. Fulcrum may provide Client with some guidelines on latency times based on its understanding of Client's data and system constraints, but these guidelines are not guarantying.

Domain Name Services

If Client registers, renews or transfers a domain name through Fulcrum, Fulcrum will submit the request to its domain name services provider (the "Registrar") on Client's behalf. Fulcrum's sole responsibility is to submit the request to the Registrar. Fulcrum is not responsible for any errors, omissions or failures of the Registrar. Client's use of domain name services is subject to the applicable legal terms of the Registrar. Client is responsible for closing any account with any prior reseller of or registrar for the requested domain name, and Client is responsible for responding to any inquiries sent to Client by the Registrar.

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Unsupported Configuration Elements Or Services

If Client requests a configuration element (hardware or software) or hosting service in a manner that is not customary at Fulcrum, or that is in "end of life" or "end of support" status, Fulcrum may designate the element or service as "unsupported," "non-standard," "best efforts," "reasonable endeavor," "one-off," "EOL," "end of support," or with like term in the service description (an "Unsupported Service"). Fulcrum makes no representation or warranty whatsoever regarding any Unsupported Service, and Client agrees that Fulcrum will not be liable to Client for any loss or damage arising from the provision of an Unsupported Service, as long has Fulcrum has provided written to notice to Client that the requested service is an Unsupported Service prior to performing the service. Deployment and service level guaranties shall not apply to any Unsupported Service.

IP Addresses

Any IP addresses provided to Client by Fulcrum during the term of the agreement are managed by Fulcrum and Fulcrum will retain these IP addresses after termination of the agreement, meaning that they may not be transferred or utilized by Client after termination of the agreement without the written consent of Fulcrum.

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SCHEDULE B

Examples of Included Services

General

Description	*Frequency*	*Included?*
Document software and hardware changes	via monitoring	YES
Take incoming service requests (via phone, email, alerts) and gather details to determine Service Levels and assign properly	Daily	YES
Review incoming ticket dashboards and prioritize remediation	Daily	YES
Route tickets requiring third party vendor support or involvement	Daily	YES
Escalate tickets requiring onsite, Level 2, Level 3 support	Daily	YES
Network Administrator Amber Walks, backup reviews,	Daily	YES
Review Client Surveys for Continual Service Improvement	Monthly	YES
Review system reports of performance trends, recurring alerts	Monthly	YES
Servers		
Description	*Frequency*	*Included?*
Network Administrator Amber Walks, backup reviews,	Daily	YES
Check print queues	via monitoring	YES
Monitor all Server services	via monitoring	YES
Review server up/down status	via monitoring	YES
Check event log of every server and identify any potential issues	via monitoring	YES
Monitor hard drive free space on server	via monitoring	YES
Alert Client to dangerous conditions -Memory running low -Hard drive showing sign of failure -Hard drive running out of disk space -Controllers losing interrupts -Network Cards report unusual collision activity	via monitoring	YES
Educate and correct user errors (deleted files, corrupted files, etc.)	via monitoring	YES
Office 365/Exchange Server user/mailbox management	As needed	YES
Monitor Active Directory replication	As needed	YES
Change and/or reset passwords	As needed	YES
SQL server services running	As needed	YES
Reboot servers if needed	As needed	YES
Maintenance window server maintenance	As needed	YES
Install supported software upgrades (with third-party support)	As needed	YES
Set up and maintain groups (accounting, admin, printers, sales, warehouse, etc.)	As needed	YES
Keep Patches and Hotfixes current at levels approved by client's designated point of contact.	Monthly	YES
Determine logical directory structure, Implement, MAP, and detail	Quarterly	YES

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Network, Devices and Services		
Description	***Frequency***	***Included?***
Manage Desktops	Ongoing	YES
Manage Printers, Infrastructure and Other Networked Devices	Ongoing	YES
Route Network Printer and Copier issues to service vendors	Ongoing	YES
Create inventory of assets on local area network	Ongoing	YES
Route Internet or phone issues to carrier to resolve	As Needed	YES
Apply critical and security Operating System patches	Monthly	YES
Report on network availability during period	Quarterly	YES
Check switches, routers, firewalls status (available for SNMP manageable devices only)	via monitoring	YES
Performance Monitoring/Capacity Planning	via monitoring	YES
Check website up/down status	via monitoring	YES
Applications		
Description	***Frequency***	***Included?***
Assist with Microsoft Office user questions/needs	As needed	YES
Ensure Microsoft Office Applications are functioning as designed	As needed	YES
Ensure Microsoft ActiveSync Applications are functioning as designed	As needed	YES
Provide limited support for 3rd party applications (requires support contract with 3rd party software company)	As needed	YES
Install minor supported software applications	As needed	YES
Monitor access to critical application websites	via monitoring	YES
Identify installed applications on Client servers and desktops	via monitoring	YES
Security		
Description	***Frequency***	***Included?***
Create new accounts, disable/delete old accounts per Client templates and policies	As needed	YES
Confirm that antivirus virus definition auto updates have occurred	As needed	YES
Create new directories, shares and security groups, manage account policies	As needed	YES
Permissions and file system management	As needed	YES
Set up new users including login restrictions, passwords, security, applications	As needed	YES
Comply with HIPAA and alert Client management to any suspected breaches for Client Intrusion Response	Immediately	YES
Review AD user accounts for invalid admin, old passwords	Monthly	YES
Set up and change security for users and applications	Ongoing	YES
Look for excessive security permissions and logon attempt errors	via monitoring	YES

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SCHEDULE C

Standard Rates for Out of Scope Services

Billable Rates for IT projects and break/fix IT support outside of the scope of this SOW:

$225 Security Consulting/Network Architect

$195 Level 3/Subject Matter Expert

$175 Level 2 Senior Network Engineer

$150 Level 1 Field Engineer

$125 Help Desk (Remote Only)

$95 Cabling Technician

Travel expenses will be billed for any on-site work for locations more than 50 miles outside the radius of The Fulcrum Group office. Fulcrum will notify Client in advance if requested on-site work is more than 50 miles outside the radius of The Fulcrum Group office prior to performing the work.

DocuSign Envelope ID: C6531709-32A3-49C5-820B-5FF42023A57B

QUOTE

5751 Kroger Dr. - Suite 279 - Fort Worth - TX - 76244

Phone: 817-337-0300 - Fax: 817-337-0313 - Email: sales@fulcrumgroup.net

Date	Quote #
02/12/20	TFGQ10142

Terms	Rep
	JKramer

Sold To: Town of Argyle
Erika McComis
308 Denton St
PO Box 609
Argyle, TX 76226
United States

Phone: (940) 464-7273
Email: emccomis@argyletx.com

Ship To: Town of Argyle
Erika McComis
308 Denton St
PO Box 609
Argyle, TX 76226
United States

Phone: (940) 464-7273
Email: emccomis@argyletx.com

QTY	DESCRIPTION	UNIT PRICE	EXT. PRICE
	SPOT Managed IT Services Monthly Recurring Expenses		
26	SPOT Managed IT Services - Per User support and maintenance, named users in ticketing system - 25 - 50 Users - Outsourced Day to Day IT operations, including - STAR Power Proactive Services Visits - checking IT standards continuously, ensuring technology is aligned with business goals - Fractional CIO consulting, to keep your IT in line with your practice goals and help drive transformation - Quarterly Strategy Reviews, aligning business goals keeping an eye on the future through IT budgets and Technology Roadmaps - 24x7 Service Desk access - reactive phone and remote support for IT issues response to SPOT Network Monitoring auto generated tickets - IT Vendor management - coordinating, communicating, and managing IT vendors - SPOT Network Management Platform - SPOT Network Monitoring - real-time alerting, reporting, auto ticket generation, and IT asset reporting/management - Automated Windows patching with reporting - SPOT Connect Remote Control - allows Fulcrum staff to remote into computers for IT support - SPOT Online Documentation System - web-based portal for tracking IT documentation - Webroot SecureAnywhere Antivirus and DNS Protection - virus/malware and malicious website protection for all computers and servers - SPOT Email Filtering - inbound/outbound email filtering and virus/malware protection - SPOT Shield End User Security Awareness Training	$189.00	$4,914.00
26	SPOT Managed IT Services monthly discount for the first year of the contract	-$60.00	-$1,560.00
3	SPOT Managed IT Services - Per User support and maintenance, named users in ticketing system - 25 - 50 Users - Low Use IT Users (Public Works)	$75.00	$225.00
1	SPOT Protect Backup & Disaster Recovery - Unlimited Backup Agents (servers and workstations) and inifite cloud backups/retention - MONTHLY RECURRING COST	$1,688.70	$1,688.70
	SPOT Managed IT Monthy Recurring Expenses SubTotal		$5,267.70

QTY	DESCRIPTION	UNIT PRICE	EXT.
	Note: Above monthly rate is for the remainder of fiscal year 2020. Fiscal Year 2021 will be at a rate of $5787.70 (based on the rate of $149 per user)		
	SPOT Managed IT Services & SPOT Protect Backup & Disaster Recovery One-Time Expenses		
1	SPOT Disaster and recovery appliance Dual CPU 18TB of storage 64GB of ram Allows for quicker recovery of server outages with on site hardware and full disaster recovery with unlimited off site storage of images Discount on local recovery appliance based on 3 year service contract	$12,984.40	$12,984.40
1	SPOT Managed IT Services Onboarding - Implement SPOT Management Platform, create initial System Documentation and IT Gap Assessment.	$5,759.00	$5,759.00
	One-Time Expenses SubTotal		$18,743.40
	Recurring services payment available via ACH or preapproved credit card transaction due on first day or month prior to service delivery period		

SubTotal	$24,011.10
Sales Tax	$0.00
Shipping	$0.00
Total	**$24,011.10**

PRICES ARE VALID FOR 30 DAYS FROM THE DATE OF THIS QUOTE.
PRICES BASED UPON PURCHASE OF ENTIRE SOLUTION, PARTIAL PROJECTS MAY REQUIRE ADDITIONAL CHARGES.
SOLUTIONS OVER $10,000 THAT ARE NOT PAID IN FULL AND IN ADVANCE MAY BE SUBJECT TO A CREDIT CHECK. IF LEASING OPTIONS ARE INCLUDED, THESE ARE STRICTLY AN ESTIMATE OF THE LEASE PAYMENTS. FINAL LEASE PAYMENTS WILL BE NEGOTIATED DIRECTLY WITH THE LEASING COMPANY. LEASING QUOTES DO NOT INCLUDE SALES TAX, IF APPLICABLE.

LEASE PAYMENT OPTIONS

[ ] Credit Card Purchase (purchase amount $24,011.10)
[ ] Check Purchase (purchase amount $24,011.10)

Quote Accepted By

DocuSigned by:
Donald Moser
955B36A489154B0...

Acceptance Date

2/12/2020 | 4:45 PM CST FGQ10142

DocuSign Envelope ID: C6531709-32A3-49C5-820B-5FF42023A57B

Want all the technology benefits today, but don't have the capital?
Ask about our Leasing Programs and other special financing options.

1. The Fulcrum Group specifically disclaims any and all warranties, express or implied, including but not limited to, any implied warranties or with regard to any licensed products.
2. Customer agrees to make payment in full to The Fulcrum Group at 5751 Kroger Dr, Suite 279, Fort Worth, Tarrant County, Texas 76244, for all amounts due according to The Fulcrum Group's invoice(s). Customer further agrees to pay The Fulcrum Group, as interest, an amount equal to 1.5% per month or the maximum provided by law, whichever is less, for invoice amounts that are past due. Should Customer default in any such payment(s), The Fulcrum Group will have the right to declare all invoice amounts owed by Customer immediately due and payable. In the event that The Fulcrum Group commences any collection action(s), or otherwise seeks to enforce its rights under this agreement, Customer agrees to pay on demand any and all reasonable attorney fees, court costs and other expenses incurred by The Fulcrum Group, whether or not suit is filed.
3. Title to all equipment that TFG sells to its customers shall not pass to Customer until such equipment is fully paid for. If Customer fails to pay TFG the unpaid balance that Customer owes TFG for any equipment, Customer agrees that TFG shall have the right to take possession of such equipment. Customers whose accounts are sixty (60) days or more past due will be required to execute and deliver to TFG a Promissory Note, containing terms acceptable to TFG. If Customer fails to pay TFG the unpaid principal and accrued interest on such Promissory Note, Customer agrees that TFG shall have the right to take possession of such equipment.
4. Customer agrees that all sales that The Fulcrum Group makes to Customer and all services that The Fulcrum Group performs on behalf of Customer will be governed by the terms and conditions set forth herein unless The Fulcrum Group and Customer have executed a separate written agreement that specifically supersedes said terms and conditions.
5. In no event shall The Fulcrum Group be held liable to Customer for any indirect, special, incidental or consequential damages of any kind whatsoever, arising out of any sales that The Fulcrum Group makes to Customer or any services that The Fulcrum Group renders on behalf of Customer, including, without limitation, loss of profits or revenue, loss of use of equipment, lost data, costs of substitute equipment, or other costs. Furthermore, The Fulcrum Group will not be liable to Customer for breach of warranty, express or implied, including, without limitation any warranties of merchantability or fitness, nor for negligence with respect to any sales that The Fulcrum Group makes to Customer or services that The Fulcrum Group renders on behalf of Customer.
6. This Proposal shall become effective upon the date that The Fulcrum Group receives written acceptance of this Proposal.
7. The terms and conditions set out herein constitute the entire agreement between The Fulcrum Group and Customer with respect to the subject matter hereof, and the terms and condition set forth herein shall prevail should there be any variance between said terms and conditions and the terms and conditions of any order submitted by Customer to The Fulcrum Group.
8. No waiver, supplement, amendment, alteration, or modification of this Proposal shall be binding upon The Fulcrum Group unless it is approved in writing by The Fulcrum Group and Customer.
9. This Proposal is performable in Tarrant County, Texas, and shall be construed under and governed by the laws of the State of Texas. Venue of any action brought by The Fulcrum Group or Customer, arising out of the terms and provisions set out herein, shall be brought exclusively in Tarrant County, Texas.

TERMINATION OF MASTER SERVICES AGREEMENT

Town of Argyle · 308 Denton Street East · Argyle, TX · 76226

Date: February 21, 2026

Via Certified U.S. Mail

The Fulcrum Group, Inc.
5751 Kroger Drive, Suite 279
Fort Worth, Texas 76244

Attn: Authorized Representative

Re: Termination of Master Services Agreement

Dear [Fulcrum Representative]:

Pursuant to Section 7(a) of the Master Services Agreement between The Fulcrum Group, Inc. ("Fulcrum") and the Town of Argyle, Texas (the "Town"), the Town hereby provides written notice of its election to terminate the Master Services Agreement without cause, effective thirty (30) days from the date of this notice, which shall be March 23, 2026.

This notice is provided in accordance with the Agreement's notice provisions and is intended to formally terminate the Master Services Agreement and any services governed thereunder, subject to the transition provisions outlined below.

The Town intends to solicit Managed IT Services through a formal Request for Proposals process and will be issuing an RFP on February 21, 2026. Fulcrum will be invited to participate in that process on the same basis as all other respondents.

To ensure continuity of critical technology services and an orderly procurement and transition process, the Town anticipates entering into a separate, short-term bridge agreement with Fulcrum for a period of sixty (60) days, at current contract rates, commencing upon termination of the Master Services Agreement. This bridge agreement will be documented separately in writing and will not constitute a renewal or extension of the Master Services Agreement.

Additionally, the Town anticipates requesting reasonable transition assistance, if necessary, consistent with the terms of the Agreement, to support either

continuation of services under a newly awarded contract or transition to a successor firm.

The Town appreciates Fulcrum's continued cooperation and professionalism during this process. Please direct any questions regarding this notice to my office.

Sincerely,

Mike Sims
Town Manager
Town of Argyle

SHORT-TERM BRIDGE SERVICES AGREEMENT
Managed IT Services

This Short-Term Bridge Services Agreement ("Bridge Agreement") is entered into by and between The Town of Argyle, Texas ("Town") and The Fulcrum Group, Inc. ("Provider"), effective March 24, 2026.

I. Purpose

The purpose of this Bridge Agreement is to ensure continuity of Managed IT Services while the Town completes a formal Request for Proposals ("RFP") process and executes a successor agreement.

II. Term

This Bridge Agreement shall commence on March 24, 2026, and shall automatically expire on May 22, 2026 (the "Bridge Term"), unless earlier terminated as provided herein. No renewal or extension shall occur unless expressly agreed to in writing by both parties.

III. Scope of Services

A. During the Bridge Term, Provider shall continue to provide substantially the same Managed IT Services currently being provided to the Town immediately prior to termination of the Master Services Agreement, including helpdesk support, monitoring, security services, and on-call support.

B. No new services, projects, or material scope expansions shall be undertaken unless authorized in writing by the Town.

IV. Compensation

Services provided under this Bridge Agreement shall be compensated at current contract rates, with invoicing and payment terms consistent with prior practice unless otherwise agreed in writing.

V. Transition Assistance

Provider agrees to reasonably cooperate with the Town and any successor service provider to support an orderly transition of services,

including the transfer of documentation, credentials, system information, and other materials necessary for continuity of operations. Transition assistance outside the scope of normal managed services may be billed at Provider's then-current hourly rates, subject to Town approval.

VI. Independent Agreement

This Bridge Agreement is a temporary, standalone agreement and does not constitute a renewal, extension, or continuation of the terminated Master Services Agreement or any Statement of Work thereunder.

VII. Termination

Either party may terminate this Bridge Agreement for convenience upon ten (10) days' written notice. In the event of termination, the Town shall compensate Provider for services properly rendered through the effective termination date.

VIII. Governing Law

This Bridge Agreement shall be governed by and construed in accordance with the laws of the State of Texas, with venue in Denton County, Texas.

TOWN OF ARGYLE, TEXAS	THE FULCRUM GROUP, INC.
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Action Item	February 17, 2026

PRESENTER:

Mike Sims, Town Manager

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Dicuss and consider Resolution 2026-09 rescinding Resolution 2024-08 previously approving an interlocal agreement between the Town of Argyle and the City of Denton for traffic signal device maintenance services at Robson Ranch Road and Landmark Trail.

BACKGROUND INFORMATION:

As part of the Hunter Ranch development in the City of Denton, the Developer, Hillwood Communities is building a traffic signal for the intersection located at Robson Ranch Road and Landmark Trail, which is an intersection located in both the Town of Argyle and the City of Denton.

Based on discussions between both municipalities in early 2024, the interlocal agreement main purpose was to designate the maintenance responsibility for the signal to the City of Denton. At that time, staff encouraged Hillwood and the Heritage tract property owner/developer, DF Denton Fund 28 LTD, to meet to ensure the location of the signal would not pose any issues with the Heritage Tract development.

Since the time Resolution 2024-08 was approved by Town Council on March 18, 2024, the Heritage Tract Planned Development has been approved and the current layout of the traffic signal on the south side of the intersection in the Town of Argyle is insufficiently wide to accommodate the right-of-way approved as part of the Heritage development.

Town staff recommends rescinding Resolution 2024-08 in order for the Town of Argyle and City of Denton time to research this intersection and come to a new agreement that meets the needs of both organizations and developments.

FISCAL IMPACT:

☒ Not Applicable
☐ Proposed Expenditure:
☐ General Ledger Code:
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☐ Financial Review Completed by:

LEGAL REVIEW:

The Town Manager reviewed this item.

ATTACHMENTS:

A. Resolution 2026-09
B. Resolution 2024-08

RECOMMENDED MOTION AND/OR ACTION:

Move to adopt Resolution 2026-09 rescinding Resolution 2024-08 previously approving an interlocal agreement between the Town of Argyle and the City of Denton for traffic signal device maintenance services at Robson Ranch Road and Landmark Trail.

TOWN OF ARGYLE, TEXAS
RESOLUTION NO. 2026-09

A RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS, RESCINDING RESOLUTION 2024-08 PREVIOUSLY APPROVING AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF DENTON FOR TRAFFIC SIGNAL DEVICE MAINTENANCE SERVICES AT ROBSON RANCH ROAD AND LANDMARK TRAIL.

WHEREAS, the Town of Argyle desires to rescind Resolution 2024-08 previously approving an interlocal cooperation agreement with the City of Denton for traffic signal device maintenance services at Robson Ranch Road and Landmark Trail; and

WHEREAS, since the time Resolution 2024-08 was approved by Town Council on March 18, 2024, the Heritage Tract Planned Development was approved by Town Council on March 17, 2025; and

WHEREAS, the current layout of the traffic signal on the south side of the intersection of Robson Ranch Road and Landmark Trail in the Town of Argyle is insufficiently wide to accommodate the right-of-way approved as part of the Heritage Tract Planned Development; and

WHEREAS, the Town of Argyle and City of Denton must research this intersection and come to a new agreement that meets the needs of both organizations and developments.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

Section 1. The facts and recitals set forth in the preamble of this resolution are hereby found to be true and correct.

Section 2. The Town Council of the Town of Argyle, Texas, approves to rescind Resolution 2024-08 in its entirety, which is referred to as “Exhibit—**A**.”

Section 3. This resolution shall become effective immediately upon passage, and it is so resolved.

PASSED AND APPROVED THIS THE 17th DAY OF FEBRUARY 2026.

APPROVED:

_____

Ronald Schmidt, Mayor

ATTEST:

_____

Erika McComis, Town Secretary

EXHIBIT A

TOWN OF ARGYLE, TEXAS
RESOLUTION NO. 2024-08

A RESOLUTION BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS, APPROVING AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF DENTON FOR TRAFFIC SIGNAL DEVICE MAINTENANCE SERVICES AT ROBSON RANCH ROAD AND LANDMARK TRAIL.

WHEREAS, the Town of Argyle desires to approve an interlocal cooperation agreement with the City of Denton for traffic signal device maintenance services at Robson Ranch Road and Landmark Trail.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

Section 1. The facts and recitals set forth in the preamble of this resolution are hereby found to be true and correct.

Section 2. The Town Council of the Town of Argyle, Texas, approves the attached interlocal cooperation agreement with the City of Denton, which is referred to as "Exhibit—**A**."

Section 3. This resolution shall become effective immediately upon passage, and it is so resolved.

PASSED AND APPROVED THIS THE 18th DAY OF MARCH 2024.

APPROVED:

Rick Bradford, Mayor

ATTEST:

TOWN OF ARGYLE ★ STATE OF TEXAS ★

Candi Smith, Town Secretary

Docusign Envelope ID: D3E03F57-6B6D-4A39-9EC4-34531455C266

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

INTERLOCAL COOPERATION AGREEMENT BETWEEN THE TOWN OF ARGYLE AND THE CITY OF DENTON FOR TRAFFIC SIGNAL DEVICE MAINTENANCE SERVICES

THIS AGREEMENT is made, entered into and executed by and between The Town of Argyle, Texas, a general law type-A municipality, hereinafter "Argyle"; and the City of Denton, Texas, a home rule municipal corporation, hereinafter "Denton" or "the City." Argyle and the City are collectively referred to herein as "the Parties."

WHEREAS, Hillwood Communities, hereinafter, "the Developer" is developing a single-family residential subdivision, hereinafter, Hunter Ranch Development, which is located primarily in the City of Denton; and

WHEREAS, the Developer performed a traffic impact analysis for traffic generated by the Hunter Ranch Development (the "TIA"); and

WHEREAS, the TIA report determined that a traffic signal is warranted for the intersection located at Robson Ranch Road and Landmark Trail, which is an intersection located in both the Town of Argyle and the City of Denton; and

WHEREAS, Argyle determined not to install or operate a traffic signal due to the population of Argyle at the location; and

WHEREAS, Argyle and the City mutually desire to enter into this Agreement for the purpose of establishing City's ongoing maintenance of an actuated traffic signal device consisting of two traffic signal poles and related appurtenances to be located at the intersection of Robson Ranch Road and Landmark Trail in the Town of Argyle as described and depicted on the Traffic Signal Plan (TS23-0001) attached hereto and incorporated herein as Exhibit A, hereinafter "the Traffic Signal" and;

WHEREAS, the Developer is responsible for the engineering design, funding, construction and final acceptance by City of the Traffic Signal, pursuant to the recommendation of the TIA where a traffic signal is to be installed after 500 homes have been sold and occupied; and

WHEREAS, The Developer is required to submit civil engineering construction plans for review, approval, and inspection by the City, and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code Chapter 791, hereinafter "the Act," provides authorization for a local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act, and Argyle and the City hereby mutually agree to be subject to the provisions of the Act; and

WHEREAS, the City has reviewed and approved the plans for the Traffic Signal. Upon final acceptance of the Traffic signal by Denton, the City will maintain the Traffic Signal in accordance with its standard policies and procedures for traffic safety.

NOW, THEREFORE, this Agreement is hereby made and entered into by Argyle and the City upon stated herein:

WITNESSETH:

I.

Pursuant to Texas Local Government Code §791.011, Argyle and the City hereby enter into this Agreement to maintain the Traffic Signal. The purpose of this Agreement is to provide a governmental function or service that the City is authorized to perform.

II.

Argyle and the City hereby agree Argyle shall have all access necessary at the intersection including in the right of way, and the City will be responsible for maintenance of the Traffic Signal located within the municipal limits of the Town of Argyle. Argyle is not responsible for any contribution toward the design, construction, and maintenance of the Traffic Signal located within the municipal limits of the Town of Argyle.

III.

The City will manage the engineering plan review, inspections, and maintenance services of the Traffic Signal and shall have all legal responsibility and liability for operation of the signal, including the part of the signal located in Argyle.

IV.

This agreement may be terminated in whole, or in part, by Argyle or the City upon thirty days written notice to the other party. In the event of termination by the Argyle, Argyle will be responsible for the improvements, maintenance, or repairs of the traffic signal located in Argyle municipal limits. In the event of termination by the City, Argyle may remove that portion of the signal located within the town limits of Argyle.

V.

This agreement represents the entire integrated agreement between Argyle and the City and supersedes all prior negotiations, representations, and/or agreements, either oral or written. This Agreement may be amended only by written instrument signed by both of the Parties. Notices shall be directed as follows:

For City: Honorable Gerard Hudspeth, Mayor
City of Denton, Texas
215 East McKinney Street
Denton, Texas 76201

Copy To: Lauren Thoden, City Secretary
Mack Reinwand, City Attorney
City of Denton, Texas
215 East McKinney Street
Denton, Texas 76201

For City: Honorable Rick Bradford, Mayor
Town of Argyle, Texas
308 Denton Street
Denton, Texas 76226

Copy To: Candi Smith, Town Secretary
Town of Argyle, Texas
308 Denton Street
Denton, Texas 76226

VI.

The covenants, terms, and conditions herein are to be construed under the laws of the State of Texas and are performable by the Parties in the City of Denton, Texas. The Parties mutually agree that venue for any obligation arising from this Agreement shall lie in the City of Denton, Texas.

VII.

Argyle agrees and understands that the Argyle, its employees, servants, agents or representatives shall at no time represent themselves to be employees, servants, agents or representatives of the City.

The City agrees and understands that the City, its employees, servants, agents, or representatives shall at no time represent themselves to be employees, servants, agents or representatives of Argyle.

VIII.

This Agreement is not intended to extend the liability of the Parties beyond that provided for by law. Neither Argyle nor the City waive, nor shall be deemed to have hereby waived, any immunity or defense that would otherwise be available to it against claims made by third parties.

IX.

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the Parties hereto that the remaining portions shall remain valid and in full force and effect to the fullest extent possible.

X.

The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto, and each party hereby certifies to the other that any necessary resolutions extending said authority have been duly passed and are now in full force and effect.

XI.

This Agreement becomes effective when signed by the last party whose signing makes the respective agreement fully executed, and the term of this Agreement is for the life of the Traffic Signal beginning on the date of execution of this Agreement and continuing until terminated as provided herein by either Party.

Executed this 3rd day of December, 2024.

TOWN OF ARGYLE, TEXAS
308 Denton Street
Argyle, Texas 76226

By: _____
Honorable Rick Bradford
Town of Argyle, Texas
Acting by the authority
of the Town of Argyle, Texas

ATTEST:

By: _____
Town Secretary

CITY OF DENTON, TEXAS
215 E. McKinney Street
Denton, Texas 76201

By: DocuSigned by: Sara Hensley 5236DB296270423...
Sarah Hensley
City Manager
City of Denton, Texas

ATTEST:

By: DocuSigned by: Lauren Thoden D09D09CAD33D487...
City Secretary

Docusign Envelope ID: D3E03F57-6B6D-4A39-9EC4-34531455C266

EXHIBIT A: Traffic Signal

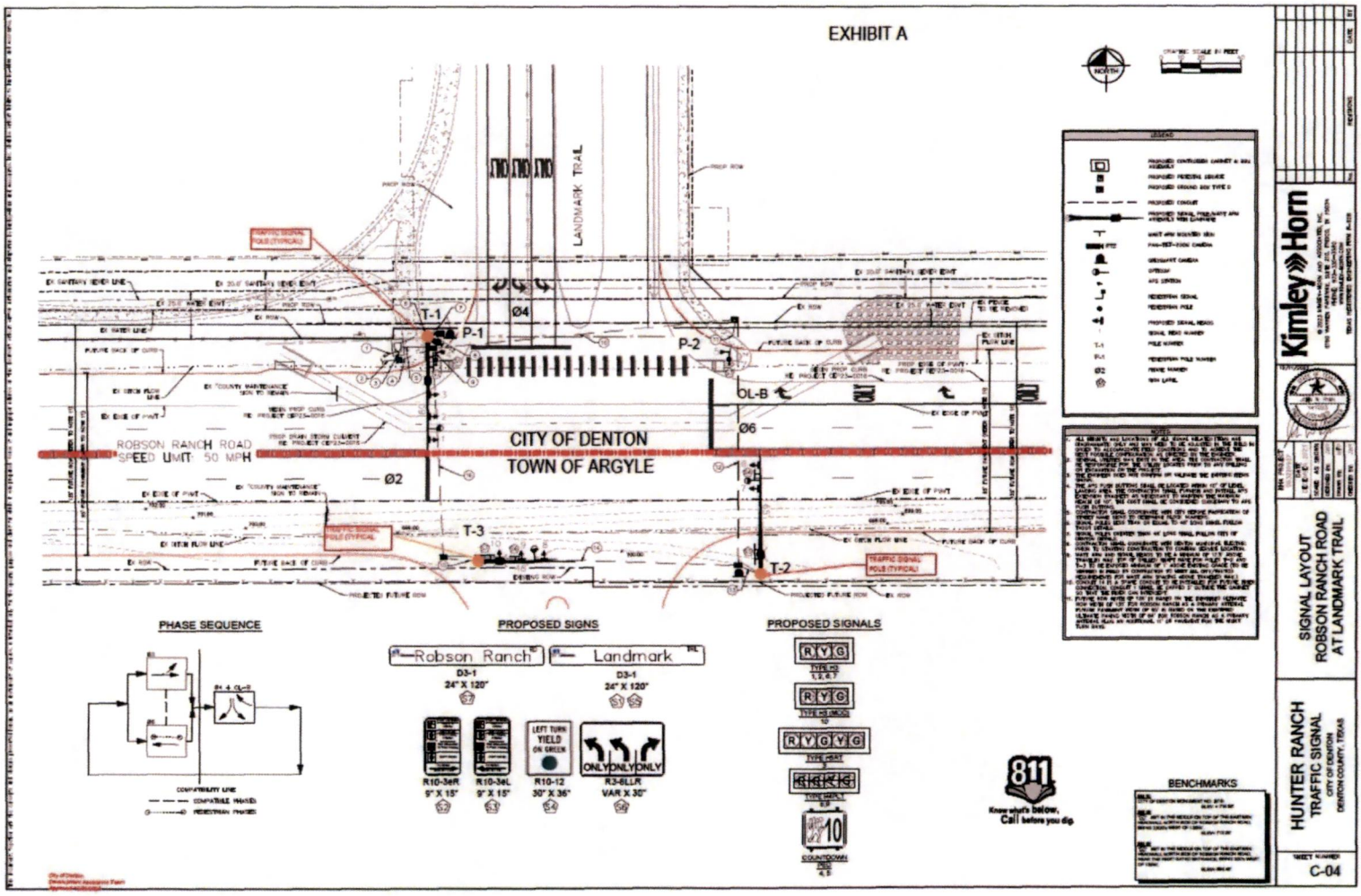


Exhibit B

DRAFT 90%

CIVIL CONSTRUCTION PLANS
TRAFFIC SIGNAL
FOR

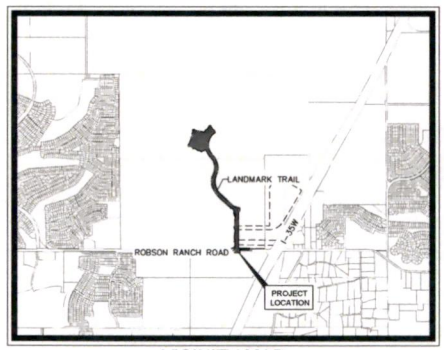
HUNTER RANCH TRAFFIC SIGNAL
ROBSON RANCH ROAD AT LANDMARK TRAIL

CITY OF DENTON, DENTON COUNTY, TEXAS

CITY PROJECT NO. TS23-0001

ENGINEER
Kimley»Horn
6160 WARREN PKWY
SUITE 210
FRISCO, TEXAS 75034
TEL. (972) 770-1300
CONTACT: KEVIN J. KANE, P.E.
SECONDARY CONTACT: JOHN W. RYAN, P.E.
STATE OF TEXAS
REGISTRATION NO. F-928

OWNER/DEVELOPER
HR 3200 LP
3000 TURTLE CREEK BLVD
DALLAS, TX 75219
TEL. (972) 201-2932
CONTACT: ANDREW PIEPER



VICINITY MAP
SCALE 1" = 2,000'

811 Know what's below. Call before you dig.

C-01

HUNTER RANCH - TRAFFIC SIGNAL
KHA PROJECT NO. 063226937
CIVIL CONSTRUCTION PLANS

This document, together with the concepts and designs presented herein, as an instrument of service, is intended only for the specific purpose and client for which it was prepared. Reuse of and improper reliance on this document without written authorization and adaptation by Kimley-Horn and Associates, Inc. shall be without liability to Kimley-Horn and Associates, Inc.

SHEET INDEX

SHEET NO	DESCRIPTION
C-01	COVER SHEET
C-02	SHEET INDEX
C-03	QUANTITY SUMMARY
C-04	SIGNAL LAYOUT
C-05	SIGNAL CHARTS
C-06	STRIPING PLAN
C-07	TS-FD
C-08	ED-1
C-9	ED-3
C-10	ED-4
C-11	ED-5
C-12	ED-6
C-13	ED-8
C-14	ED-9
C-15	TS-CF-12
C-16	LUM-A
C-17	MA-C
C-18	MA-C-ILSN
C-19	MA-D-12(DAL)
C-20	MA-DPD
C-21	WZ-BTS-1
C-22	WZ-BTS-2
C-23	SIGNAL HEAD DETAIL (DAL)
C-24	PED HEAD DETAIL (DAL)
C-25	BBU (SHEET 1 OF 3) (DAL)
C-26	BBU (SHEET 2 OF 3) (DAL)
C-27	BBU (SHEET 3 OF 3) (DAL)
C-28	SMA-80(1) - 12 (DAL)
C-29	SMA-80(2) - 12 (DAL)
C-30	LMA(1) - 12 (DAL)
C-31	LMA(2) - 12 (DAL)
C-32	LMA(3) - 12 (DAL)
C-33	LMA(4) - 12 (DAL)
C-34	LMA(5) - 12 (DAL)
C-35	COD-TS (1 OF 2)
C-36	COD-TS (2 OF 2)

Plotted By:Mahjabin, Rema Date:August 14, 2023 05:26:22pm File Path:K:\FWL-Civil\063226937-Hunter Ranch\Cad\Phase 4\1\PlanSheets\Traffic\Signal\SIG-Traffic Signal Quantities.dwg
This document, together with the concepts and designs presented herein, as an instrument of service, is intended only for the specific purpose and client for which it was prepared. Reuse of and improper reliance on this document without written authorization and adaptation by Kimley-Horn and Associates, Inc. shall be without liability to Kimley-Horn and Associates, Inc.

Kimley»Horn
© 2023 KIMLEY-HORN AND ASSOCIATES, INC.
6160 WARREN PARKWAY, SUITE 210, FRISCO, TX 75034
PHONE: 972-335-3580
WWW.KIMLEY-HORN.COM
TEXAS REGISTERED ENGINEERING FIRM F-928

No.	REVISIONS	DATE	BY

PRELIMINARY
FOR REVIEW ONLY
Not for construction or permit purposes.
Kimley»Horn
Engineer: JOHN W. SITTER
P.E. No. 121100 Date: 8/14/2023

KHA PROJECT
063226937
DATE
MAY 2023
SCALE: AS SHOWN
DESIGNED BY: JWR
DRAWN BY: MFP
CHECKED BY: JWR

HUNTER RANCH
TRAFFIC SIGNAL
CITY OF DENTON
DENTON COUNTY, TEXAS

SHEET INDEX

SHEET NUMBER
C-02

ROBSON RANCH RD AT LANDMARK TRAIL		
Item Description	**Total Quantity**	**Unit**
170 001 - Mobilization	1	LS
2605 001 - Furnish and Install Electrical Service	1	EA
2605.009 - 2/C 12 AWG Multi-Conductor Cable	240	LF
2605 013 - 5/C 14 AWG Multi-Conductor Cable	305	LF
2605.014 - 7/C 14 AWG Multi-Conductor Cable	205	LF
2605 016 - 10/C 14 AWG Multi-Conductor Cable	220	LF
2605.017 - 20/C 14 AWG Multi-Conductor Cable	480	LF
2605 038 - NO 6 Insulated Condr	20	LF
2605.039 - NO 8 Insulated Condr	1020	LF
2605 044 - NO 6 Bare Elec Condr	705	LF
2605 991 - 2" CONDT PVC SCH 40(RISER)	200	LF
2605.992 - 2" CONDT PVC SCH 40 (T)	230	LF
2605 054 - 3" CONDT PVC SCH 40(T)	280	LF
2605.055 - 3" CONDT PVC SCH 40(B)	395	LF
2605 068 - Ground Box Type D, w/ Apron	5	EA
3217.025 - 24" SLD Pvmt Marking HAE (W)	120	LF
3441 001 - 3-Sect Signal Head Assmbly	4	EA
3441.002 - 4-Sect Signal Head Assmbly	2	EA
3441 003 - 5-Sect Signal Head Assmbly	2	EA
3441 003 - Ped Signal Head Assmbly	2	EA
3441.010 - Accessible Pedestrian Pushbutton Station	2	EA
3441.023 - Furnish/Install Model 722 Preemption Detector	3	EA
3441.026 - Furnish/Install Preemption Cable	685	LF
3441 029 - Furnish/Install BBU System EXT Mounted	1	EA
3441.034 - Furnish and Install 10'-14' Ped Pole Assmbly	2	EA
3441.057 - Furnish and Install Signal Pole - Vertical Mast Arm Pole w/ Lum Vertical Pole (48' Arm)	1	EA
3441 063 - Furnish and Install Signal Pole - Vertical Mast Arm Pole w/ Lum Vertical Pole (60' Arm)	1	EA
3441 065 - Furnish and Install Signal Pole - Vertical Mast Arm Pole w/ Lum Vertical Pole (65' Arm)	1	EA
3441.145 - Drilled Shaft Foundation (24 Inch)	12	LF
3441 147 - Drilled Shaft Foundation (36 Inch)	13	LF
3441.148 - Drilled Shaft Foundation (48 Inch)	44	LF
3441 152 - Furnish and Install Traffic Signal Controller Cabinet Assembly	1	EA
3441.156 - LED Lighting Fixture (250 watt)	3	EA
3441 157 - Furnish and Install PTZ Camera	1	EA
3441.161 - PTZ Camera Cable	60	LF
3441 179 - Furnish and Install Mast Arm or Signal Pole Mounted Sign	7	EA
3471.001 - Traffic Control	3	MO
9999.001 - Gridsmart Detection System (2 Cameras)	1	EA
9999 002 - Gridsmart Cable (CAT 5)	410	LF

Plotted By:Mingwei, Sierra Date:August 14, 2023 05:26:22pm File Path:K:\FRI_Dal\083229837-Hunter Ranch\Cad\Phase A1\PlanSheets\TrafficSignalSet\C-Traffic Signal Quantities.dwg
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No.	REVISIONS	DATE	BY

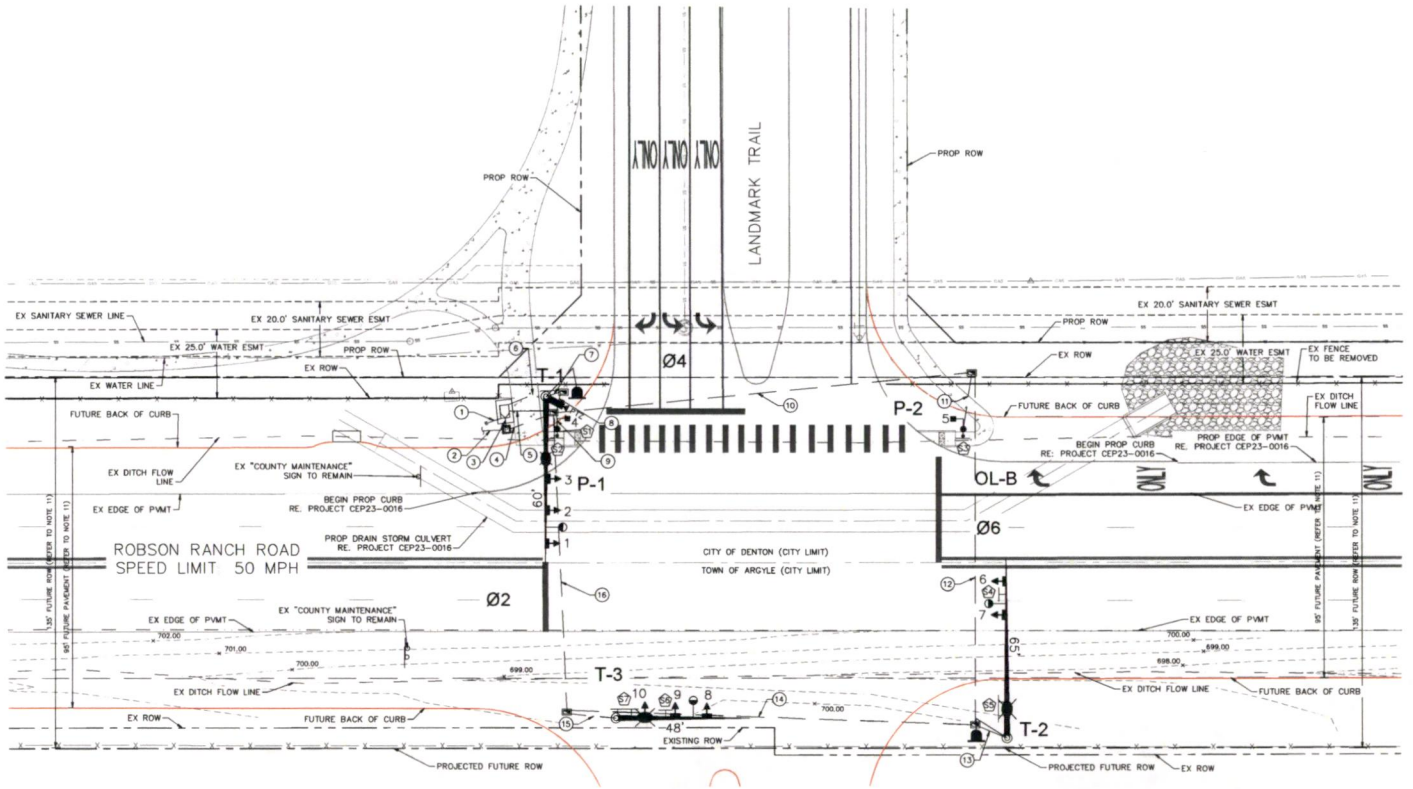
PRELIMINARY
Kimley»Horn
Engineer: JOHN W. BYRD
P.E. No. 141000 Date: 8/14/2023

KHA PROJECT 083229837
DATE: MAY 2023
SCALE: AS SHOWN
DESIGNED BY: JWR
DRAWN BY: MTP
CHECKED BY: JWR

QUANTITY SUMMARY

HUNTER RANCH
TRAFFIC SIGNAL
CITY OF DENTON
DENTON COUNTY, TEXAS

SHEET NUMBER
C-03



NORTH

GRAPHIC SCALE IN FEET
0 10 20 40

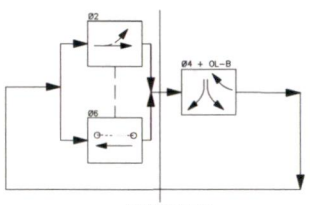
LEGEND

- PROPOSED CONTROLLER CABINET & BBU ASSEMBLY
- PROPOSED PEDESTAL SERVICE
- PROPOSED GROUND BOX TYPE D
- PROPOSED CONDUIT
- PROPOSED SIGNAL POLE/MAST ARM ASSEMBLY WITH LUMINAIRE
- MAST ARM MOUNTED SIGN
- PTZ PAN-TILT-ZOOM CAMERA
- GRIDSMART CAMERA
- OPTICOM
- APS STATION
- PEDESTRIAN SIGNAL
- PEDESTRIAN POLE
- PROPOSED SIGNAL HEADS
- 1 SIGNAL HEAD NUMBER
- T-1 POLE NUMBER
- P-1 PEDESTRIAN POLE NUMBER
- Ø2 PHASE NUMBER
- S1 SIGN LABEL

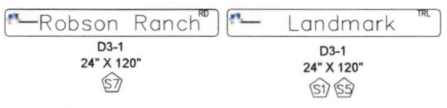
NOTES

1. ALL HEIGHTS AND LOCATIONS OF ALL SIGNAL RELATED ITEMS ARE DIAGRAMMATIC ONLY AND MAY NEED TO BE ADJUSTED IN THE FIELD IN ORDER TO ACCOMMODATE FIELD CONDITIONS AND TO ACHIEVE THE BEST POSSIBLE CONFIGURATION AS DIRECTED BY THE ENGINEER.
2. SEVERAL UTILITIES MAY EXIST IN THE AREA. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE UTILITY LOCATES PRIOR TO ANY DRILLING OR EXCAVATION ON THE PROJECT.
3. THE ENGINEER DOES NOT CONFIRM OR VALIDATE THE EXISTING ITEMS SHOWN.
4. THE APS PUSH BUTTONS SHALL BE LOCATED WITHIN 10" OF LEVEL LANDING AREA. THE CONTRACTOR SHALL FURNISH AND INSTALL APS EXTENSION BRACKETS AS NECESSARY TO MAINTAIN THE MAXIMUM REACH OF 10". THE COST SHALL BE CONSIDERED SUBSIDIARY TO APS PUSH BUTTONS.
5. CONTRACTOR SHALL COORDINATE WITH CITY BEFORE FABRICATION OF STREET NAME SIGNS TO DETERMINE BLOCK NUMBERS.
6. SIGNAL POLES LESS THAN OR EQUAL TO 45' LONG SHALL FOLLOW TXDOT DETAILS.
7. SIGNAL POLES GREATER THAN 48' LONG SHALL FOLLOW CITY OF DENTON DETAILS.
8. CONTRACTOR SHALL COORDINATE WITH DENTON MUNICIPAL ELECTRIC PRIOR TO STARTING CONSTRUCTION TO CONFIRM SERVICE LOCATION.
9. MAST ARM AND SIGNAL HEADS TO BE A MINIMUM OF 17.5' ABOVE TRAVELED WAY. TOP OF DRILLED SHAFT BASE FOR POLES T-2 AND T-3 TO BE EXPOSED MINIMUM OF 1' ABOVE EXISTING GRADE (TO BE VERIFIED IN FIELD BY CONTRACTOR TO MEET ALL CITY/TMUTCD REQUIREMENTS FOR MAST ARM SPACING ABOVE TRAVELED WAY.)
10. CONDUIT 14 IS A SPARE CONDUIT TO BE INSTALLED FOR FUTURE FIBER CONNECTION. CONDUIT 1 SHALL BE CAPPED 5' OUTSIDE THE CABINET SO THAT THE FIBER CAN INTERCEPT.
11. FUTURE ROW WIDTH OF 135' IS BASED ON THE IDENTIFIED ULTIMATE ROW WIDTH OF 135' FOR ROBSON RANCH AS A PRIMARY ARTERIAL FUTURE PAVEMENT WIDTH OF 95' IS BASED ON THE IDENTIFIED ULTIMATE PAVING WIDTH OF 84' FOR ROBSON RANCH AS A PRIMARY ARTERIAL PLUS AN ADDITIONAL 11' OF PAVEMENT FOR THE RIGHT TURN BAYS.

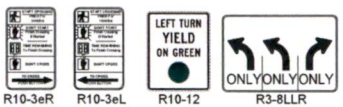
PHASE SEQUENCE



PROPOSED SIGNS

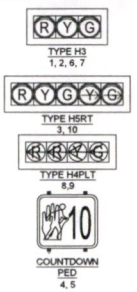


D3-1 24" X 120" (S7)
D3-1 24" X 120" (S1, S5)



R10-3eR 9" X 15" (S2)
R10-3eL 9" X 15" (S3)
R10-12 30" X 36" (S4)
R3-8LLR VAR X 30" (S6)

PROPOSED SIGNALS



811 Know what's below. Call before you dig.

BENCHMARKS

BM 56
CITY OF DENTON MONUMENT NO. 2015,
ELEV. = 718.56'

BM 66
"X" SET IN THE MIDDLE ON TOP OF THE EASTERN HEADWALL NORTH SIDE OF ROBSON RANCH ROAD, BEING 2,820± WEST OF I-35W
ELEV= 712.26'

BM 55
"X" SET IN THE MIDDLE ON TOP OF THE EASTERN HEADWALL NORTH SIDE OF ROBSON RANCH ROAD, NEAR THE FIRST GATED ENTRANCE, BEING 300± WEST OF I-35W
ELEV= 694.48'

Kimley»Horn

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TEXAS REGISTERED ENGINEERING FIRM F-928

NO.	REVISIONS	DATE	BY

PRELIMINARY
FOR REVIEW ONLY
Not for construction or permit purposes
Kimley»Horn
Engineer: JUSTIN M. KEYES
P.E. No. 142522 Date: 8/14/2023

KHA PROJECT 063228937
TX REG. F-928
MAY 2023
SCALE: AS SHOWN
DESIGNED BY: JMR
DRAWN BY: MPP
CHECKED BY: JMR

SIGNAL LAYOUT
ROBSON RANCH ROAD AT LANDMARK TRAIL

HUNTER RANCH
TRAFFIC SIGNAL
CITY OF DENTON
DENTON COUNTY, TEXAS

SHEET NUMBER
C-04

Plotted By: Mendiola, Sierra Date: August 14, 2023 05:28:12pm File Path: K:\FW_Civil\063228937-Hunter Ranch\2Civil\Phase A1\PlanSheets\TrafficSignalSet\TRAFFIC SIGNAL LAYOUT.dwg
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CONDUIT AND CABLE CHART
WIRE SIZE AND TYPE

RUN NO.	CONDUIT STATUS	ITEM 2605 CONDUIT: 2" PVC SCH 40 (RISER)* QTY	2" PVC SCH 40 (RISER)* Len	2" PVC (TRENCHED) QTY	2" PVC (TRENCHED) Len	3" PVC (TRENCHED) QTY	3" PVC (TRENCHED) Len	3" PVC (BORED) QTY	3" PVC (BORED) Len	CABLE STATUS	ITEM 2605 ELECTRICAL CONDUCTORS: NO. 6 XHHW WIRE QTY	NO. 6 XHHW WIRE Len	NO. 6 BARE WIRE QTY	NO. 6 BARE WIRE Len	NO. 8 XHHW WIRE QTY	NO. 8 XHHW WIRE Len	ITEM 2605 TRAFFIC SIGNAL CABLES: TY C 2 CNDR NO. 12 QTY	TY C 2 CNDR NO. 12 Len	TY A 5 CNDR NO. 14 QTY	TY A 5 CNDR NO. 14 Len	TY A 7 CNDR NO. 14 QTY	TY A 7 CNDR NO. 14 Len	TY A 10 CNDR NO. 14 QTY	TY A 10 CNDR NO. 14 Len	TY A 20 CNDR NO. 14 QTY	TY A 20 CNDR NO. 14 Len	OPTICOM CABLE QTY	OPTICOM CABLE Len	PTZ CABLE QTY	PTZ CABLE Len	CAT 5 ETHERNET CABLE (GRIDSMART CABLE) QTY	CAT 5 ETHERNET CABLE (GRIDSMART CABLE) Len	TOTAL LENGTH OF RUN	RUN NO.
1	I					1	10			I			1	10																				10	1
2	I	1	15	1	200					I	TO BE INSTALLED BY DENTON MUNICIPAL ELECTRIC																								200	2
3	I			1	10					I	2	20	1	10																				10	3
4	I			1	20					I			1	20	2	40																		20	4
5	I					1	20			I			1	20			1	20							1	20	2	40	2	40						5
6	I					1	25			I			1	25			1	25							1	25	1	25	1	25	2	50	25	6
7	I					1	10			I			1	10	4	40									1	10	1	10	1	10	1	10	10	7
8	I					1	10			I			1	10	4	40																	10	8
9	I					1	10			I			1	10			1	10							1	10							10	9
10	I							1	155	I			1	155			1	155							1	155					1	155	155	10
11	I					1	10			I			1	10			1	10							1	10							10	11
12	I							1	130	I			1	130																	1	130	130	12
13	I					1	15			I			1	15	2	30									1	15	1	15			1	15	15	13
14	I					1	150			I			1	150	2	300									1	150	1	150					150	14
15	I					1	20			I			1	20	4	80									1	20	1	20					20	15
16	I							1	110	I			1	110	2	220									2	220	2	220					110	16
SUBTOTAL			15		230		280		395			20		705		750		220		0		0		220		480		480		35		360		
T-1	I									I						90				150		55						75		25		25	VARIES	T-1
T-2	I									I						90				155								75				25	VARIES	T-2
T-3	I									I						90						150						55					VARIES	T-3
P-1	I									I								10															VARIES	P-1
P-2	I									I								10															VARIES	P-2
SUBTOTAL			0		0		0		0			0		0		270		20		305		205		0		0		205		25		50		
TOTAL			15		230		280		395			20		705		1020		240		305		205		220		480		685		60		410		

CONDUIT STATUS: I=INSTALL, E=EXISTING; P=WIRE TO BE INSTALLED INSIDE STEEL POLE; A=ABANDON; REM=REMOVE AND SALVAGE

T-# = REFERS TO WIRING WITHIN THE SIGNAL POLE AND MAST ARM.

P-# = REFERS TO WIRING WITHIN THE PEDESTRIAN POLE.

* THE CONTRACTOR SHALL INSTALL A 2" SCH 80 PVC CONDUIT FROM THE POINT OF DELIVERTY TO THE PEDESTAL METER. POWER PROVIDER WILL INSTALL THE ELECTRICAL CONDUCTORS FROM THE POINT TO DELIVERY TO THE PEDESTAL METER.

SIGNAL HEAD AND POLE PLACEMENT (FT)

POLE NUMBER	STATUS	A (FT)	B (FT)	C (FT)	D (FT)	E (FT)	F (FT)	G (FT)	H (FT)	I (FT)	NO. OF HEADS (EA)*	ITEM 3441.023 EMERGENCY PREEMPTION (EA)	LUM	DRILLED SHAFT LENGTH (FT): 24" DIA SUB TO ITEM 3441.145	36" DIA TYPE A ITEM 3441.147	48" DIA TYPE A ITEM 3441.148	FDN TYPE WIND ZONE 80 MPH
T-1	I	28	30	12	12	-	60	-	20	30	3	1	Y	-	-	22	48-A
T-2	I	39	45	12	-	-	65	-	20	30	2	1	Y			22	48-A
T-3	I	32	10	11	13	-	48	-	20	30	3	1	Y	-	13		36-A
P-1	I	PEDESTRIAN POLE SIGNAL						10	-	-	-	-	-	6	-	-	24-A
P-2	I	PEDESTRIAN POLE SIGNAL						10	-	-	-	-	-	6	-	-	24-A
											TOTAL	3		12	13	44	

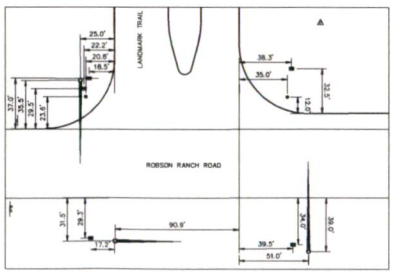
SIGNAL POLE STATUS- I=INSTALL; E=EXISTING; REM=REMOVE, F=INSTALL IN FUTURE PHASE

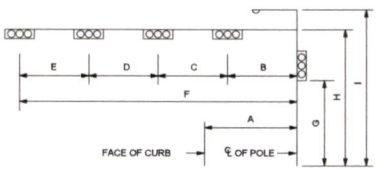
* - DOES NOT INCLUDE VERTICAL SIDEMOUNT SIGNAL HEADS OR PEDESTRIAN SIGNAL HEADS

ELECTRICAL SERVICE DATA

ELECTRICAL SERVICE NO.	ELECTRICAL SERVICE DESCRIPTION: SEE ED(S) & (6)-14	SERVICE CONDUIT SIZE**	SERVICE CONDUCTORS NO./SIZE	SAFETY SWITCH AMPS	MAIN CIRCUIT BREAKER POLE/AMP	TWO-POLE CONTACTOR AMPS	PANELBD./ LOADCENTER AMP RATING	CIRCUIT NO.	BRANCH CIRCUIT BREAKER POLE/AMPS	BRANCH CIRCUIT AMPS	KVA LOAD
1	TY D 120/240 060 (NS)SS(E)PS(U)	2"	3/#6	N/A	2P/60	N/A	100	T.S. LIGHTING	1P/50 2P/15	40 4	5.8

** - VERIFY SERVICE CONDUIT SIZE WITH UTILITY. SIZE MAY CHANGE DUE TO THE UTILITY METER REQUIREMENTS. ENSURE CONDUIT SIZE MEETS THE NATIOHNAL ELECTRICAL CODE





APS MESSAGE CHART

POLE LOCATION	PEDESTRIAN MOVEMENT	FUNCTIONS	SPEECH MESSAGE/SOUND DETAILS
P-1	PHASE	BUTTON PUSH ON DW	WAIT
		EXTENDED BUTTON PUSH	WAIT TO CROSS LANDMARK TRAIL AT ROBSON RANCH ROAD
		LOCATOR TONE	SLOW TICK
		WALK INDICATION	RAPID TICK
P-2	PHASE	BUTTON PUSH ON DW	WAIT
		EXTENDED BUTTON PUSH	WAIT TO CROSS LANDMARK TRAIL AT ROBSON RANCH ROAD
		LOCATOR TONE	SLOW TICK
		WALK INDICATION	RAPID TICK

SIGNAL HEADS (ITEM 3441)

SIGNAL HEAD NUMBER	SIGNAL HEAD TYPE	STATUS	12" LED SIGNAL HEAD INDICATION: BACK PLATE 3 SEC EA	BACK PLATE 4 SEC EA	BACK PLATE 5 SEC EA	LED SIGNAL LAMPS GA EA	LED SIGNAL LAMPS G EA	LED SIGNAL LAMPS YA EA	LED SIGNAL LAMPS Y EA	LED SIGNAL LAMPS RA EA	LED SIGNAL LAMPS R EA	PED SIGN SEC (LED) (COUNTDOWN) EA
1	H3	I	1				1		1		1	
2	H3	I	1				1		1		1	
3	H5RT	I			1	1→	1	1→	1		1	
4	PED	I										1
5	PED	I										1
6	H3	I	1				1		1		1	
7	H3	I	1				1		1		1	
8	H4PLT	I		1		←1		←1		←2		
9	H4PLT	I		1		←1		←1		←2	1	
10	H5RT	I			1	1→	1	1→	1		1	
		TOTAL (NEW)	4	2	2	4	6	4	6	4	7	2

STATUS: I = INSTALL, E = EXISTING; REM = EXISTING TO BE RMEOVED; REL = RELOCATE

SIGNS SUMMARY

SIGN *	SIGN TYPE	SIGN LEGEND	STATUS	SUPPORT	SIGN DIMENSION (in x in)
S1	D3-1	LANDMARK TRL	I	T-1	24"X120"
S2	R10-3eR	PED PUSH BUTTON	I	P-1	9"X15"
S3	R10-3eL	PED PUSH BUTTON	I	P-2	9"X15"
S4	R10-12	LEFT TURN YIELD ON GREEN	I	T-2	30'X36"
S5	D3-1	LANDMARK TRL	I	T-2	24"X120"
S6	R3-8LLR	LANE GEOMETRY (LEFT, LEFT, RIGHT)	I	T-3	VARX30"
S7	D3-1	ROBSON RANCH RD	I	T-3	24" X 120"

STATUS: I = INSTALL; E = EXISTING; REL = EXISTING TO BE RELOCATED

*- ALL SIGNS ARE TO BE PROVIDED BY THE CONTRACTOR. THE CONTRACTOR SHALL PROVIDE SIGN PROOF TO THE CITY FOR APPROVAL. PRIOR TO FABRICATION, THE CONTRACTOR SHALL CONFIRM BLOCK NUMBERS FOR ALL STREET NAME SIGNS WITH THE CITY

CABLE TERMINATION CHART

COND. NO	CONDUCTOR COLOR	CABLE 1 20 CNDR. FROM T-1 TO CNTRL.	CABLE 2 10 CNDR. FROM P-1 TO CNTRL.	CABLE 3 10 CNDR. FROM P-2 TO CNTRL.	CABLE 4 20 CNDR. FROM T-2 TO CNTRL.	CABLE 5 20 CNDR. FROM T-3 TO CNTRL.
1	BLACK	SPARE	SPARE	SPARE	SPARE	SPARE
2	WHITE	SIG COMMON	SIG COMMON	SIG COMMON	SIG COMMON	SIG COMMON
3	RED	SH 1, 2, 3 - Ø6 R	SPARE	SPARE	SH 6, 7 - Ø2 R	SH 10 - Ø4 R
4	GREEN	SH 1, 2, 3 - Ø6 G	SPARE	SPARE	SH 6, 7 - Ø2 G	SH 10 - Ø4 G
5	ORANGE	SH 1, 2, 3 - Ø6 Y	SPARE	SPARE	SH 6, 7 - Ø2 Y	SH 10 - Ø4 Y
6	BLUE	SPARE	SH 4 - Ø6 DW	SH 5 - Ø6 DW	SPARE	SPARE
7	WHITE/BLACK	SPARE	SH 4 - Ø6 W	SH 5 - Ø6 W	SPARE	SPARE
8	RED/BLACK	SPARE	SPARE	SPARE	SPARE	SPARE
9	GREEN/BLACK	SPARE	SPARE	SPARE	SPARE	SPARE
10	ORANGE/BLACK	SPARE	SPARE	SPARE	SPARE	SPARE
11	BLUE/BLACK	SPARE			SPARE	SPARE
12	BLACK/WHITE	SPARE			SPARE	SPARE
13	RED/WHITE	SPARE			SPARE	SH 8,9 - Ø4 R (LT ARW)
14	GREEN/WHITE	SPARE			SPARE	SH 8,9 - Ø4 G (LT ARW)
15	BLUE/WHITE	SPARE			SPARE	SH 8,9 - Ø4 Y (LT ARW)
16	BLACK/RED	SPARE			SPARE	SPARE
17	WHITE/RED	SH 3 - OL-B G (RT ARW)			SPARE	SH 10 - Ø4 G (RT ARW)
18	ORANGE/RED	SH 3 - OL-B Y (RT ARW)			SPARE	SH 10 - Ø4 Y (RT ARW)
19	BLUE/RED	SPARE			SPARE	SPARE
20	RED/GREEN	SPARE			SPARE	SPARE

*NOTE. HOME RUN 2 CONDR. TO ALL POLES WITH PED HEADS FOR PED CALL

GROUND BOX SUMMARY

ITEM NO	DESCRIPTION	UNIT	QUANTITY
0624	GROUND BOX TY C (162911) W/ APRON	EA	5

Kimley»Horn
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TEXAS REGISTERED ENGINEERING FIRM F-928

PRELIMINARY
FOR REVIEW ONLY
Not for construction or permit purposes.
Kimley»Horn
Engineer: JUSTIN SLOTEN
P.E. No. 147021 Date: 8/24/2023

KHA PROJECT 063228937
DATE: MAY 2023
SCALE: AS SHOWN
DESIGNED BY: JWR
DRAWN BY: MPP
CHECKED BY: JWR

SIGNAL CHARTS

HUNTER RANCH
TRAFFIC SIGNAL
CITY OF DENTON
DENTON COUNTY, TEXAS

SHEET NUMBER
C-05

NO.	REVISIONS	DATE	BY

Plotted By: MeriDeBo, Sierra Date: August 14, 2023 05:28:29pm File Path: K:\FW_Dal\063228937-Hunter Ranch\Cad\Phase A1\PlanSheets\Traffic\Signal\Sht\SIGNAL CHARTS.dwg
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Plotted By: Marquez, Sarra Date: August 14, 2023 05:29:58pm File Path: K:\FRI_Civil\063226937-Hunter Ranch\Cad\Phase A1\PlanSheets\TrafficSignalSet\C-Striping Plan.dwg
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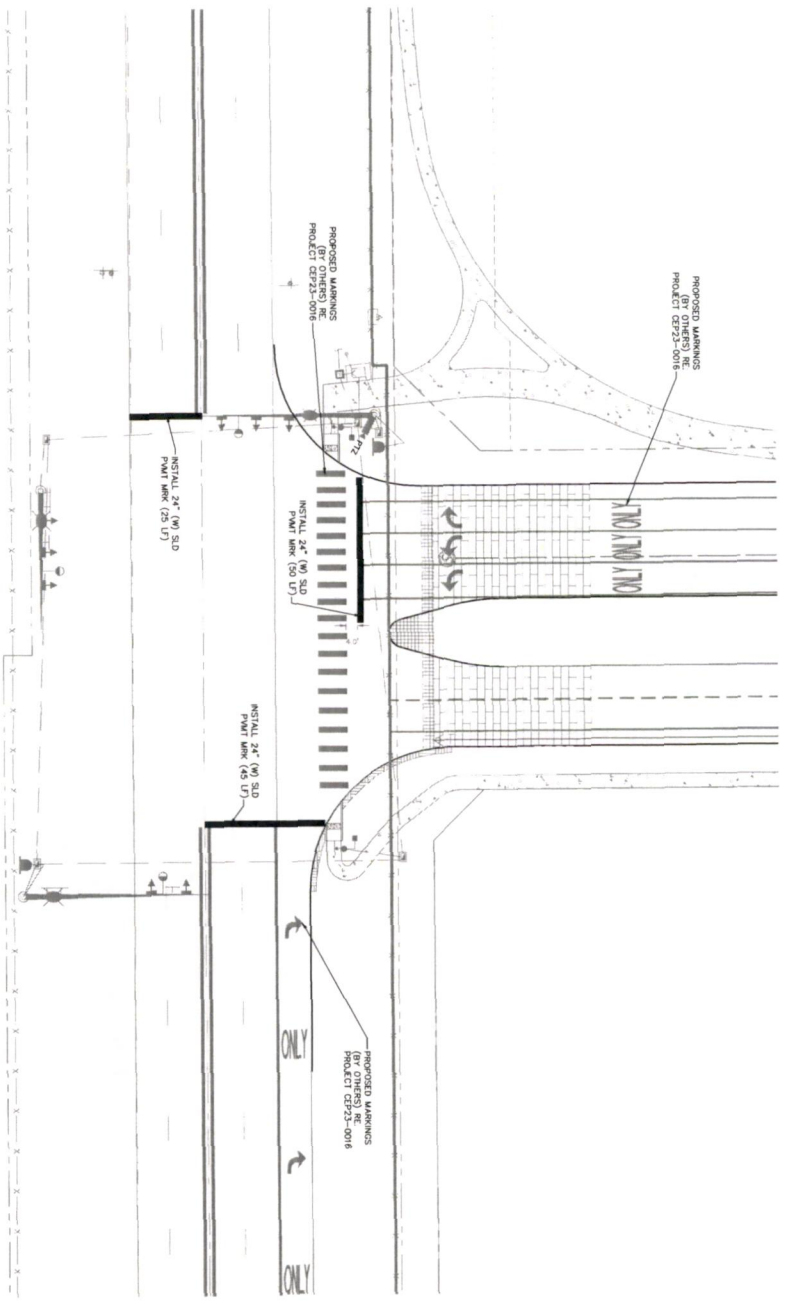


BENCHMARKS

BM #1
CITY OF DENTON MONUMENT NO. 3715
ELEV = 715.84'
LOCATED ON THE NORTHEAST CORNER OF THE INTERSECTION OF HILLCREST AND NORTH SIDE OF ROBINSON RANCH ROAD, BEING 2.00'S WEST OF A 5/8" IRON ROD FOUND.
ELEV= 717.28'

BM #2
CUT "X" SET IN THE MIDDLE ON TOP OF THE EASTERN HEADWALL OF A CULVERT LOCATED ON THE NORTHSIDE OF ROBINSON RANCH ROAD, BEING THE FIRST GATED ENTRANCE BEING 330'± WEST OF FARM
ELEV= 694.49'

NORTH AMERICA VERTICAL DATUM 1988 (NAVD 88)

SHEET NUMBER C-06	HUNTER RANCH PHASE 1A CITY OF DENTON DENTON COUNTY, TEXAS	STRIPING PLAN	KHA PROJECT 063226937 DATE AUGUST 2023 SCALE: AS SHOWN DESIGNED BY: JRH DRAWN BY: CHECKED BY: AJF	PRELIMINARY	Kimley»Horn © 2023 KIMLEY-HORN AND ASSOCIATES, INC. 6160 WARREN PARKWAY SUITE 210, FRISCO, TX 75034 PHONE: 972-335-3580 WWW.KIMLEY-HORN.COM TEXAS REGISTERED ENGINEERING FIRM F-928	No.	REVISIONS DATE BY

DISCLAIMER: The use of this standard is governed by the "Texas Engineering Practice Act". No warranty of any kind is made by the Texas Department of Transportation for any purpose whatsoever. TxDOT disclaims responsibility for the conversion of this standard to other formats or for incorrect results or damages resulting from its use.

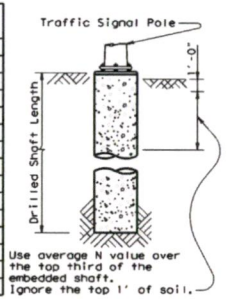
DATE:
FILE:

FOUNDATION DESIGN TABLE

FDN TYPE	DRILLED SHAFT DIA	REINFORCING STEEL		EMBEDDED DRILLED SHAFT LENGTH-ft (4), (5), (6)			ANCHOR BOLT DESIGN (1)				FOUNDATION DESIGN LOAD (2)		TYPICAL APPLICATION
		VERT BARS	SPIRAL & PITCH	TEXAS CONE PENETROMETER N Blows/ft 10	15	40	ANCHOR BOLT DIA	Fy (ksi)	BOLT CIR DIA	ANCHOR TYPE	MOMENT K-ft	SHEAR Kips	
24-A	24"	4- #5	#2 at 12"	5.7	5.3	4.5	¾"	36	12 ¾"	1	10	1	Pedestal pole, pedestal mounted controller.
30-A	30"	8- #9	#3 at 6"	11.3	10.3	8.0	1 ½"	55	17"	2	87	3	Mast arm assembly. (see Selection Table)
36-A	36"	10- #9	#3 at 6"	13.2	12.0	9.4	1 ¾"	55	19"	2	131	5	Mast arm assembly. (see Selection Table) 30' strain pole with or without luminaire.
36-B	36"	12- #9	#3 at 6"	15.2	13.6	10.4	2"	55	21"	2	190	7	Mast arm assembly. (see Selection Table) Strain pole taller than 30' & strain pole with mast arm
42-A	42"	14- #9	#3 at 6"	17.4	15.6	11.9	2 ¼"	55	23"	2	271	9	Mast arm assembly. (see Selection Table)

FOUNDATION SELECTION TABLE FOR STANDARD MAST ARM PLUS ILSN SUPPORT ASSEMBLIES (ft)

		FDN 30-A	FDN 36-A	FDN 36-B	FDN 42-A
80 MPH DESIGN WIND SPEED	MAX SINGLE ARM LENGTH	32'	48'		
	MAXIMUM DOUBLE ARM LENGTH COMBINATIONS	24' X 24'			
		28' X 28'			
		32' X 28'	32' X 32'		
			36' X 36'		
			40' X 36'		
			44' X 28'	44' X 36'	
100 MPH DESIGN WIND SPEED	MAX SINGLE ARM LENGTH		36'	44'	
	MAXIMUM DOUBLE ARM LENGTH COMBINATIONS		24' X 24'		
			28' X 28'		
			32' X 24'	32' X 32'	
				36' X 36'	
				40' x24'	40' X 36'
					44' x 36'



NOTES:

1. Anchor bolt design develops the foundation capacity given under Foundation Design Loads.
2. Foundation Design Loads are the allowable moments and shears at the base of the structure.
3. Foundations may be listed separately or grouped according to similarity of location and type. Quantities are for the Contractor's information only.
4. Field Penetrometer readings at a depth of approximately 3 to 5 feet may be used to adjust shaft lengths.
5. If rock is encountered, the Drilled Shaft shall extend a minimum of two diameters into solid rock.
6. Decimal lengths in Design Table are to allow interpolation for other penetrometer values. Round to nearest foot for entry into Summary Table.

ANCHOR BOLT & TEMPLATE SIZES

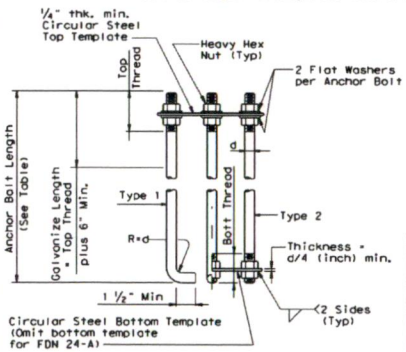
BOLT DIA IN.	(7) BOLT LENGTH	TOP THREAD	BOTTOM THREAD	BOLT CIRCLE	R2	R1
¾"	1'-6"	3"	—	12 ¾"	7 ⅛"	5 ⅝"
1 ½"	3'-4"	6"	4"	17"	10"	7"
1 ¾"	3'-10"	7"	4 ½"	19"	11 ¼"	7 ¾"
2"	4'-3"	8"	5"	21"	12 ½"	8 ½"
2 ¼"	4'-9"	9"	5 ½"	23"	13 ¾"	9 ¼"

(7) Min dimensions given, longer bolts are acceptable.

FOUNDATION SUMMARY TABLE (3)

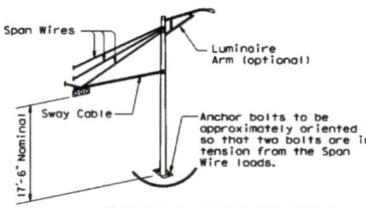
LOCATION IDENTIFICATION	AVG. N BLOW /ft.	FDN TYPE	NO. EA	DRILLED SHAFT LENGTH (6) (FEET) 24-A	30-A	36-A	36-B	42-A
T-3	10	36-A	1		13			
P-1	10	24-A	1	6				
P-2	10	24-A	1	6				
TOTAL DRILLED SHAFT LENGTHS				12	13			

EXAMPLE:
1. For 80mph design wind speed, foundation 30-A can support up to a 32' arm with another arm up to 28'
2. For 100mph design wind speed, foundation 36-A can support a single 36' mast arm.

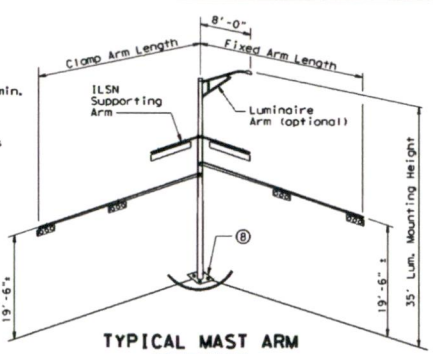


HOOKED ANCHOR (TYPE 1) NUT ANCHOR (TYPE 2)

ANCHOR BOLT ASSEMBLY

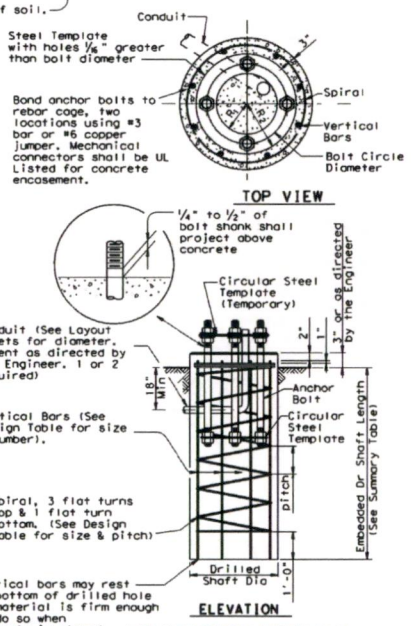


TYPICAL STRAIN POLE ASSEMBLY



⑧ Orient anchor bolts orthogonal with the fixed arm direction to ensure that two bolts are in tension under dead load.

TYPICAL MAST ARM ASSEMBLY



FOUNDATION DETAILS

GENERAL NOTES:

Design conforms to 1994 AASHTO Standard Specifications for Structural Supports for Highway Signs, Luminaires and Traffic Signals and interim revisions thereto.

Reinforcing steel shall conform to Item 440, "Reinforcing Steel".

Concrete shall be Class "C".

Threads for anchor bolts and nuts shall be rolled or cut threads of 8UN series up to 2" in diameter or UNC series for all sizes. Bolts and nuts shall have Class 2A and 2B fit tolerances. Galvanized nuts shall be tapped after galvanizing.

Anchor bolts that are larger than 1" in diameter shall conform to "alloy steel" or "medium-strength mild steel" per Item 449, "Anchor Bolts". Anchor bolts that are 1" in diameter or less shall conform to ASTM A36. Galvanize a minimum of the top end thread length plus 6" for all anchor bolts unless otherwise noted. Exposed washers and exposed nuts shall be galvanized. All galvanizing shall be in accordance with Item 445, "Galvanizing".

Templates and embedded nuts need not be galvanized. Lubricate and tighten anchor bolts when erecting the structure in accordance with Item 449, "Anchor Bolts".

PRELIMINARY
Kimley»Horn
NOTE: SEAL IS FOR QUANTITIES ONLY

Texas Department of Transportation
Traffic Operations Division

TRAFFIC SIGNAL POLE FOUNDATION

TS-FD-12

©TxDOT August 1995	DW: MS	CK: JSY	DW: MAD/MMF	CK: JSY/TEB
REVISIONS	CONT	SECT	JOB	HIGHWAY
	DIST	COUNTY		SHEET NO. C-07

128

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Action Item	February 17, 2026

PRESENTER:

Erika McComis, Town Secretary

ITEM DESCRIPTION:

Consider approval of Resolution 2026-03 appointing members to the Capital Improvement Advisory Committee as required by Section 395.058 of the Texas Local Government Code.

BACKGROUND INFORMATION:

Chapter 395 of the Texas Local Government Code requires a municipality to appoint a Capital Improvements Advisory Committee prior to adopting land use assumptions, a capital improvements plan, or an impact fee ordinance. The committee is established to serve in an advisory capacity and to assist the Town throughout the impact fee adoption process.

State law requires the committee to be composed of not less than five members, with at least fifty percent of the membership representing the real estate, development, or building industries and not employed by a governmental entity. The committee's responsibilities include advising on the proposed land use assumptions, reviewing and providing written comments on the capital improvements plan, monitoring implementation of the plan, and filing reports regarding progress and any perceived inequities in the application of the impact fees.

This resolution appoints members to the Capital Improvements Advisory Committee in compliance with Section 395.058 of the Texas Local Government Code. The committee will serve for the duration of the impact fee adoption process and will conclude its work once the Town Council has adopted the land use assumptions, capital improvements plan, and impact fee ordinance, and the committee has fulfilled its statutory duties.

Approval of this resolution allows the Town to proceed with the required advisory process and maintains compliance with state law prior to consideration of an impact fee ordinance.

FISCAL IMPACT:

☒ Not Applicable
☐ Proposed Expenditure:
☐ General Ledger Code:
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☐ Financial Review Completed by:

LEGAL REVIEW:

Not applicable.

ATTACHMENTS:

Resolution

RECOMMENDED MOTION AND/OR ACTION:

Move to approve the resolution for appointments as presented.

TOWN OF ARGYLE, TEXAS
RESOLUTION NO. 2026-03

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS APPOINTING MEMBERS TO THE CAPITAL IMPROVEMENT ADVISORY COMMITTEE AS REQUIRED BY SECTION 395.058 OF THE TEXAS LOCAL GOVERNMENT CODE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Argyle, Texas, is authorized to adopt land use assumptions, a capital improvements plan, and impact fees pursuant to Chapter 395 of the Texas Local Government Code; and

WHEREAS, Section 395.058 of the Texas Local Government Code requires the Town to appoint a Capital Improvements Advisory Committee to serve in an advisory capacity with respect to land use assumptions, the capital improvements plan, and the impact fee program; and

WHEREAS, the Capital Improvements Advisory Committee must be composed of not less than five members, appointed by a majority vote of the Town Council, with not less than fifty percent of the membership representing the real estate, development, or building industries and not employed by a governmental entity; and

WHEREAS, the Town Council desires to appoint qualified individuals to serve on the Capital Improvements Advisory Committee in compliance with state law.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

SECTION 1. That the following members are hereby appointed to the Capital Improvement Advisory Committee:

`

NAME	REPRESENTATION
_____	Development/Real Estate
_____	Development/Real Estate
_____	Development/Real Estate
_____	Development/Real Estate
_____	At-Large/Community Member
_____	At-Large/Community Member
_____	At-Large/Community Member

SECTION 2. The Capital Improvements Advisory Committee shall serve in an advisory capacity as provided by Section 395.058 of the Texas Local Government Code, including advising and assisting the Town in adopting land use assumptions, reviewing and monitoring the capital improvements plan, filing required reports, and advising on updates or revisions to the impact fee program.

SECTION 3. The members appointed herein shall serve at the will of the Town Council and shall continue to serve until the adoption of the impact fee ordinance pursuant to Chapter 395 of the Texas Local Government Code and the completion of the advisory committee's duties under Section 395.058, Texas Local Government Code.

SECTION 4. That this Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED this the 17th day of February 2026.

Town of Argyle, Texas

Ronald Schmidt, Mayor

ATTEST:

Erika McComis, Town Secretary

Mayor and Council Agenda Item Memorandum

ITEM TYPE
Public Hearing Item

MEETING DATE:
February 17, 2026

PRESENTER:

Harrison Wicks, Director of Community Development

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Hold a public hearing and consider action on a Site Plan Request (SP-25-009) with proposed variances to the Community Retail – (CR) zoning district standards, for the proposed Valley Creek Church, being on 7.45 acres of land, known as Valley Creek Church Argyle, Lot 1, Block A, in the F.W. Thorton Survey, Abstract 1244, Town of Argyle, Denton County, Texas.

BACKGROUND INFORMATION:

Existing Condition of Property:
The property is zoned Community Retail (CR), and fronts on FM 407 and Gateway Blvd. The site is currently an unimproved open pasture.

Adjacent Existing Land Uses and Zoning:

North: TXDOT FM 407 Right-of-Way
South: Undeveloped parcel of land zoned CR - Community Retail owned by Valley Creek
East: Gateway Blvd and Gateway Business Park Industrial Buildings in Argyle ETJ
West: Floodplain and parcel of land zoned CR - Community Retail with the Fast Lane Car Wash

Background:
Valley Creek Church previously received approval from Town Council for this site plan application on April 20, 2020, with the following variance and condition:

- A variance to have the Type E buffer yard along FM 407 situated further than 10' off the property line
- A condition allowing for a five-year window in which the applicant shall place $17,600 in escrow to be drawn on through the approved five-year window, for forty-four future trees to be planted on the property. Originally this was for the purpose of planting street trees once the road improvement projects on Gateway Blvd. and FM 407 were completed. The applicant was required to plant 44 street trees total (20 along FM 407 and 24 along Gateway Blvd). Market rate for a 3" tree was $400 in 2020, equaling $17,600.

After site plan approval, Valley Creek Church moved forward with construction plan review. The construction plans were approved by the Town Engineer on April 30, 2020. Ultimately, the Valley Creek Church leadership decided to pause the project before beginning construction on the site due to the Covid-19 pandemic.

According to the Town Development Standards, Section 14.3.25-2.I Site Plan, a site plan expires if there is no progress benchmark after 6 months. Since this project was paused for longer than 6 months, the property owner is required to submit a new application.

Development Review Analysis:
The applicant, McAdams, on behalf of the owner, Valley Creek Church, has requested a Site Plan for the construction of an approximately 35,724 sq. ft. church to be located in the F.W. Thornton Survey, Abstract Number 1244. The property is situated on the south side of FM 407 and is west of Gateway Blvd. This Site Plan application is for the development of Lot 1, Block A, Valley Creek Church Argyle for the construction of their Argyle Campus. The Site Plan for Valley Creek Church consists of the construction of the church, the parking lot and required landscaping. The subject property is zoned Community Retail (CR) and allows churches as a permitted use.

Consistency with the CR (Community Retail) Zoning:
Town staff and the Development Review Committee have reviewed the Site Plan Application and have determined that the applicant has demonstrated compliance with all minimum requirements of the CR Zoning Regulations and the Town Development Standards (TDS) in regard to lot coverage, fire lane provisions, interior landscaping, building articulation, drainage, and utilities.

Area Regulations:
The proposed Site Plan meets all the minimum area regulations of the CR Zoning District. The CR Zoning District has a minimum front yard setback of twenty-five feet (25'), side yard setbacks of twenty feet (20') and rear yard setbacks of twenty feet (20'). The proposed church meets all required setbacks of the TDS. The church is setback 513' from the front property line, 25' from Gateway Blvd, and 70' from the rear property line.

Parking:
Per the TDS, churches are required to provide one (1) parking space for every three (3) available seats. The Valley Creek Church will seat 750 people and is required to provide 250 parking spaces onsite. The applicant is proposing to provide 378 parking spaces

onsite at the time of construction and has planned a second phase of parking behind the building should it be needed. Phase 2 of the parking area consists of an additional 85 parking spaces.

The CR Zoning district requires parking areas with greater than fifty (50) spaces be divided into separate areas by landscaped areas or walkways. The CR Zoning District also requires developments of more than one (1) acre provide a pedestrian circulation plan. The circulation plan shall provide raised walkways in the parking lot area that connects to the entrances of proposed buildings (Section 14.3.44-4 F. (5) On-Site Circulation). The applicant has complied with the on-site circulation requirements and has provided a landscaped perimeter to the parking lot with two (2) landscaped areas with a walkway connecting the parking lot to the main entrance of the church.

Tree Preservation:
There are no protected trees on this site.

Landscaping:
The minimum landscaping coverage required for the site is 25%. The required amount of landscaping is 68,824.8 sq. ft. and the provided landscaping 78,370.39 sq. ft. The project is required to provide a Type D landscape buffer along the front property line along FM 407 and the east property line along Gateway Blvd is a Type E landscape buffer.

For the frontage along FM 407, the Type D buffer yard is 10 feet wide and consists of four (4) canopy trees, five (5) understory trees and eighteen (18) shrubs per one hundred linear feet (100'). With 526 Linear Feet, below is an analysis of what is required versus what is provided:

REQUIRED: MINIMUM 10 FT WIDTH
PROVIDED: MINIMUM 10 FT WIDTH

REQUIRED: 21 CANOPY TREES [526 LF / 100 LF (X 4)]
PROVIDED: 24 CANOPY TREES

REQUIRED: 26 UNDERSTORY TREES [526 LF / 100 LF (X 5)]
PROVIDED: 30 UNDERSTORY TREES

REQUIRED: 95 SHRUBS [526 LF / 100 LF (X 18)]
PROVIDED: 108 SHRUBS

For the frontage along Gateway Blvd, the Type E buffer yard is 50 feet wide and consists of four (4) canopy trees, eight (8) understory trees and twelve (12) shrubs per one hundred linear feet (100'). With 655 Linear Feet, below is an analysis of what is required versus what is provided:

REQUIRED: MINIMUM 50 FT WIDTH
PROVIDED: MINIMUM 10 FT WIDTH

REQUIRED: 26 CANOPY TREES [655 LF / 100 LF (X 4)]
PROVIDED: 26 CANOPY TREES

REQUIRED: 52 UNDERSTORY TREES [655 LF / 100 LF (X 8)]
PROVIDED: 43 UNDERSTORY TREES

REQUIRED: 79 SHRUBS [655 LF / 100 LF (X 12)]
PROVIDED: 123 SHRUBS

The applicant has provided the full Type D landscape buffer as required by the TDS along the FM 407 frontage. The applicant is requesting a variance to the Type E Buffer Yard along Gateway Blvd, due to the reduced width and reducing the number of understory trees by 9.

The applicant has submitted a narrative explaining their request to and circumstances that have led up to the decision to propose the variance.

The TDS requires projects that have a parking lot situated between the main structure and a public-right-of-way to include perimeter trees as part of their landscape plan in order to add additional screening to the site (Section 14.3.67-6 K.2). The applicant has complied with the perimeter landscape requirements along FM 407 and Gateway Blvd.

Standards for off-street parking require a minimum of ten (10) percent of gross parking areas be devoted to living landscape. The applicant is required to provide 17,358 sq. ft. of interior landscape and is proposing 17,654 sq. ft. The applicant has provided landscaped planting islands with overstory trees within the parking areas to relieve paving as required by the TDS.

14.3.67-6.L Landscaping Requirements for Non-vehicular Open Space of the TDS requires developments within the CR Zoning District to plant additional overstory trees in non-vehicular open space. The Site Plan has less than thirty percent of vehicular open space on site and is required to plant five (5) overstory trees. The applicant has complied with this requirement.

Design Standards
The applicant has submitted a building elevation that is in compliance with the design standards as outlined in the CR Zoning District. The building consists of painted tilt-wall panels with seasoned wood accents, metal awnings and metal parapet caps. Due to Texas HB 2439, the Town may not regulate building materials provided they are an approved material of an International Building Code. The front elevation of the building consists of an open outdoor terrace, a large powder-coated entry feature, additional landscaping and windows to create points of interest. The CR Zoning district requires for every 80 feet (80’) of a wall visible from a public street or a residentially zoned property, there be a change in the building footprint measuring a minimum of three feet (3’). The applicant has provided the appropriate footprint offsets.

Signage
The applicant intends to have signage as part of the site but has not yet submitted a sign package to be approved by the Town. The signage demonstrated on the building elevations is conceptual at this time. Prior to the installation of signage, the applicant will be required to submit a sign package demonstrating compliance with Article IV-Sign Regulations of the TDS.

Infrastructure Adequacy:
Water utilities and sanitary sewer are available to this site with sufficient capacity to serve the development. If approved, full civil construction plans for pavement, drainage, water and sanitary sewer are required for submission during the permitting and construction plan review.

Drainage Analysis:
The Town Engineer and Hydraulic Engineer have reviewed the flood study and drainage plans and have determined that compliance with all drainage requirements of the Town Developments Standards can be achieved at the time of construction plan review. A detailed engineering review of the drainage and grading plans will be conducted by the Town Engineer at the time of construction plan review.

Property Owner Notifications:
Letters were sent out to surrounding property owners within 200’ of the subject property pursuant to the Texas Local Government Code, Subsection 211.006(d), and a notice sign was posted on the subject property. Staff have received four (4) letters in favor of the project from nearby property owners.

P&Z Recommendation:
During their meeting on February 4, 2026, the P&Z Commission recommended approval of the proposed Site Plan with the following variances and conditions:

Variances
1. A variance request to the 50-foot landscape buffer requirement along Gateway Blvd to 10-foot.

2. A variance request to the 20-foot parking stall depth requirement to 18-foot.

3. A variance request to the 8-foot back-to-back landscape island width requirement for the northern most landscape islands to 6-foot back-to-back.

Conditions

A. That the applicant remove the northern most 28 parking spaces and increase the landscape buffer along FM 407 W to 28 feet in width and add a 3 foot berm in the same area.

B. That the applicant meet the Town's lighting and glare standards per Section 14.3.76.

Currently the light poles proposed in the photometric plan are 27' 6" in height, however the Town requires parking area lighting fixtures shall not exceed 25 feet in height. Also, the types of lighting shall be full cutoff shielded and downcast fixtures.

FISCAL IMPACT:

☒ Not Applicable
☐ Proposed Expenditure:
☐ General Ledger Code:
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☐ Financial Review Completed by:

LEGAL REVIEW:

The Town Manager reviewed this item.

ATTACHMENTS:

Exhibit A – Site Plan Variance Request Letters
Exhibit B – Site Plans
Exhibit C – Landscape Plan
Exhibit D – Tree Survey
Exhibit E – Photometric Plan
Exhibit F – Elevations
Exhibit G – Renderings
Exhibit H – Trip Generation Form

RECOMMENDED MOTION AND/OR ACTION:

Move to approve Site Plan Request (SP-25-009) for the Valley Creek Church with the following variances and conditions:

Variances
1. A variance request to the 50-foot landscape buffer requirement along Gateway Blvd to 10-foot.

2. A variance request to the 20-foot parking stall depth requirement to 18-foot.

3. A variance request to the 8-foot back-to-back landscape island width requirement for the northern most landscape islands to 6-foot back-to-back.

Conditions

A. That the applicant remove the northern most 28 parking spaces and increase the landscape buffer along FM 407 W to 28 feet in width and add a 3 foot berm in the same area.

B. That the applicant meet the Town’s lighting and glare standards per Section 14.3.76.

EXHIBIT A

MCADAMS
4400 State Highway 121
Suite 800
Lewisville, TX 75056
972. 436. 9712

December 02, 2025

Town of Argyle
Planning & Development Department
308 Denton Street East
Argyle, Texas 76226
hwicks@argyletx.com
940. 464. 7273

RE: Letter of Intent – Valley Creek Church - Site Plan Submittal
Properties: Lot 1 and Lot 2, Block A Valley Creek Church Argyle Variance Request

Dear Mr. Wicks,

On behalf of Valley Creek Church, we respectfully submit this Site Plan of the previously approved Site Plan for the property located at the southwest corner of FM 407 and Gateway Boulevard in the Town of Argyle. The original Site Plan and Construction Plans were approved by the Town of Argyle in May of 2020; however, that approval has expired due to the two-year timeframe to commence construction. Since the original approval, we understand that there have been improvements made to surrounding infrastructure and changes to the Town of Argyle Ordinance. These changes include:

- Gateway Blvd widening and improvements.
- FM 407 right-of-way acquisition and planned improvements by TxDOT.
- Updates to the Town of Argyle Code of Ordinances, including the requirement for a 50-foot landscape buffer along Gateway Boulevard.

The Plat for the subject property was filed March 24, 2022, which dedicated fifteen (15) feet of right-of-way for Gateway Blvd. The proposed development remains consistent with the original intent—a 35,724 square foot church with associated site improvements, parking, and landscaping. As part of this resubmittal, we are providing:

- Previously approved Site Plan and Construction Plans.
- Approved Valley Creek Church Argyle Downstream Assessment indicating stormwater detention is not required.
- Approved Argyle Landing Downstream Assessment and Flood Study indicating stormwater detention is not required.
- Exhibits illustrating changes along Gateway Boulevard and FM 407, including:
  - Site and Paving Exhibit
  - Landscape Plan Exhibit
  - Aerial Tree Survey Exhibit
  - ROW Dedication and Landscape Buffer Exhibit
- Trip Generation Form
- FM 407 Plan and Profile indicating approval and incorporation of drive access onto FM 407.

Due to the updated Town of Argyle Ordinance and TxDOT right of way acquisition, the previously approved Site Plan and Construction Plans require some adjustments and variance requests. These adjustments and variance requests are depicted on the provided exhibits. These include:

- A variance request for both Lot 1 and Lot 2 of Valley Creek Church Argyle to the 50-foot landscape buffer requirement along Gateway Blvd to 10-foot.
  - At the time of original approval, the landscape buffer requirement was 10 feet.
- A variance request for both Lot 1 and Lot 2 of Valley Creek Church Argyle to the 20-foot parking stall depth requirement to 18-foot
  - 18-foot was originally approved and a retaining wall adjacent to Gateway Blvd is being installed along the eastern bay of parking.
- A variance request for Lot 1 of Valley Creek Church Argyle to the 8-foot back to back landscape island width requirement for the northern most landscape islands to 6-foot back to back.
  - The TxDOT acquisition along FM 407 required the adjustment/shifting of the parking in the southerly direction. The 8-foot back to back would require the removal of eight (8) additional parking spaces.

We appreciate the Town's consideration of this resubmittal and look forward to working collaboratively with staff, Planning & Zoning Commission, and Town Council to consider compliance with current standards while maintaining the integrity of the original design.

Please do not hesitate to contact us with any questions or requests for additional information.

Sincerely,
McAdams

Justin Lansdowne, PE, CFM | Senior Project Manager, Civil / Site Design
jlansdowne@mcadamsco.com | 940. 390. 0355

Town of Argyle representatives, November 30, 2025

My name is Brad Lanham and I serve as the Executive Pastor of Operations at Valley Creek Church. We are in the process of resubmitting for a project that was originally approved by the Town of Argyle and Town Council in 2019 for construction our church site at the SE corner of FM 407 and Gateway Blvd. Since that time we have been made aware of some new Town regulations that impact our project significantly, both logistically and financially. As such, we would like to appeal to the reasonability of the Town of Argyle to approve our site as originally submitted based on the following supporting reasons:

1) Valley Creek has already spent over $200,000 on this project to get it to this point, and we would be forfeiting all of that work, time and expense
2) Valley Creek would have to redesign the property and would end of using more of our land than originally designed, and that has a cost to it as well
3) Valley Creek has already given the Town of Argyle almost ½ acre **at no cost** for Gateway Blvd's expansion and was required to yield to TxDOT almost 1½ acres for the widening of FM 407, so have had to give up almost 2 acres of our property already
4) A 50' landscape buffer is asking for over an additional acre of land from us that could also not be developed, which has an additional cost to it
5) A 50' landscape buffer would require us to totally redesign the layout of the plat because the building could no longer go where we currently have it and it would eliminate a significant amount of parking that we know we will need, again adding significant cost and time to this project
6) The property to the south of us also was approved by the Town of Argyle for a much smaller landscape buffer - very close to the landscape buffer we are asking for in our plans
7) The properties on the east side of Gateway Blvd are in the ETJ and do not require a 50' landscape buffer

I could go on, but these are some of the reasons I would like to highlight for the Town's consideration of a variance to the 50' landscape buffer and acceptance of the originally designed and Town approved plat. Thank you for your consideration of our request.

Sincerely,

_____

Brad Lanham – Executive Pastor of Operations
Valley Creek Church, 5800 Long Prairie Rd., Flower Mound, TX 75028 cell- 972-358-1000

EXHIBIT B

CONSTRUCTION PLANS
for
VALLEY CREEK CHURCH

LOT 1, BLOCK A
VALLEY CREEK CHURCH ARGYLE
32.148 Acres
Zoned CR

in the
F.W. THORNTON SURVEY, ABSTRACT NO. 1244
TOWN OF ARGYLE
DENTON COUNTY, TEXAS
JANUARY 2026

INDEX OF DOCUMENTS

01 PREVIOUSLY APPROVED SITE PLAN & CONSTRUCTION PLANS

01.1 - Valley Creek Church 5th Submittal Construction Plans

01.2 - Approval Letter From TNP

02 APPROVED FLOOD STUDY & DSA

02.1 - DSA-FS Argyle Landing

02.2 - CLOMR Argyle Landing

02.3 - Appendix A

02.4 - Appendix B

02.5 - Appendix C

02.6 - Appendix D

02.7 - Appendix E

02.8 - Appendix F

03 CURRENT EXHIBITS

03.1 - VCR25002 Cover Sheet

03.2 - VCR25002 Pedestrian Connectivity Exhibit

03.3 - VCR25002 Photometric Plan

03.4 - VCR25002 ROW Dedication & Landscape Buffer Exhibit

03.5 - VCR25002 Site & Paving Exhibit

03.6 - VCR25002 Flood Limits Exhibit

04 TRIP GENERATION FORM

04.1 - Valley Creek Church Trip Generation Form

05 TXDOT PLAN SHOWING FM407 CONNECTION

05.1 - pg 155 DAL Denton CSJ 1310-01-050 Prelim review - 95 PLANS

06 LETTERS

06.1 - Valley Creek Church Argyle - Response to Comments

06.2 - Valley Creek Church - Letter of Intent

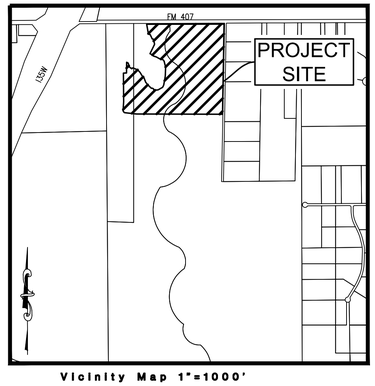
06.3 - 2026-1-20 - Valley Creek Church - 3rd Submittal - McAdams -BKV Road Relocation Agreement Indemnification

06.4 - Site Plan Submittal Checklist

06.5 - Town of Argyle_Valley Creek Church Letter 11.30.25

07 SURVEY

07.1 - 15019 SIGNED SURVEY PLAT, 32.148 ACRE TRACT 2019-08-13



Vicinity Map 1"=1000'

OWNER/DEVELOPER
VALLEY CREEK CHURCH
6101 MORRISS RD
FLOWER MOUND, TX 75028
Contact: BRAD LANHAM

The John R. McAdams Company, Inc.
4400 State Highway 121, Suite 800
Lewisville, Texas 75056

phone 972. 436. 9712
fax 972. 436. 9715
TBPE: F-19762
TBPELS: F-10194440

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VALLEY CREEK CHURCH
Lot 1, Block A
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F.W. THORNTON SURVEY, ABSTRACT NO. 1244
TOWN OF ARGYLE
DENTON COUNTY, TEXAS

COVER SHEET

PRELIMINARY PLANS

THIS DOCUMENT IS FOR INTERIM REVIEW AND IS NOT INTENDED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
THE JOHN R. MCADAMS COMPANY, INC.
TBPE: 19762
JUSTIN L. LANSDOWNE,
P.E. #121990
DATE 1/20/2026

Drawn By: TD
Date: 01/20/2026
Scale: N.T.S.
Revisions:

VCR-25002

C

CONSTRUCTION PLANS

VALLEY CREEK CHURCH

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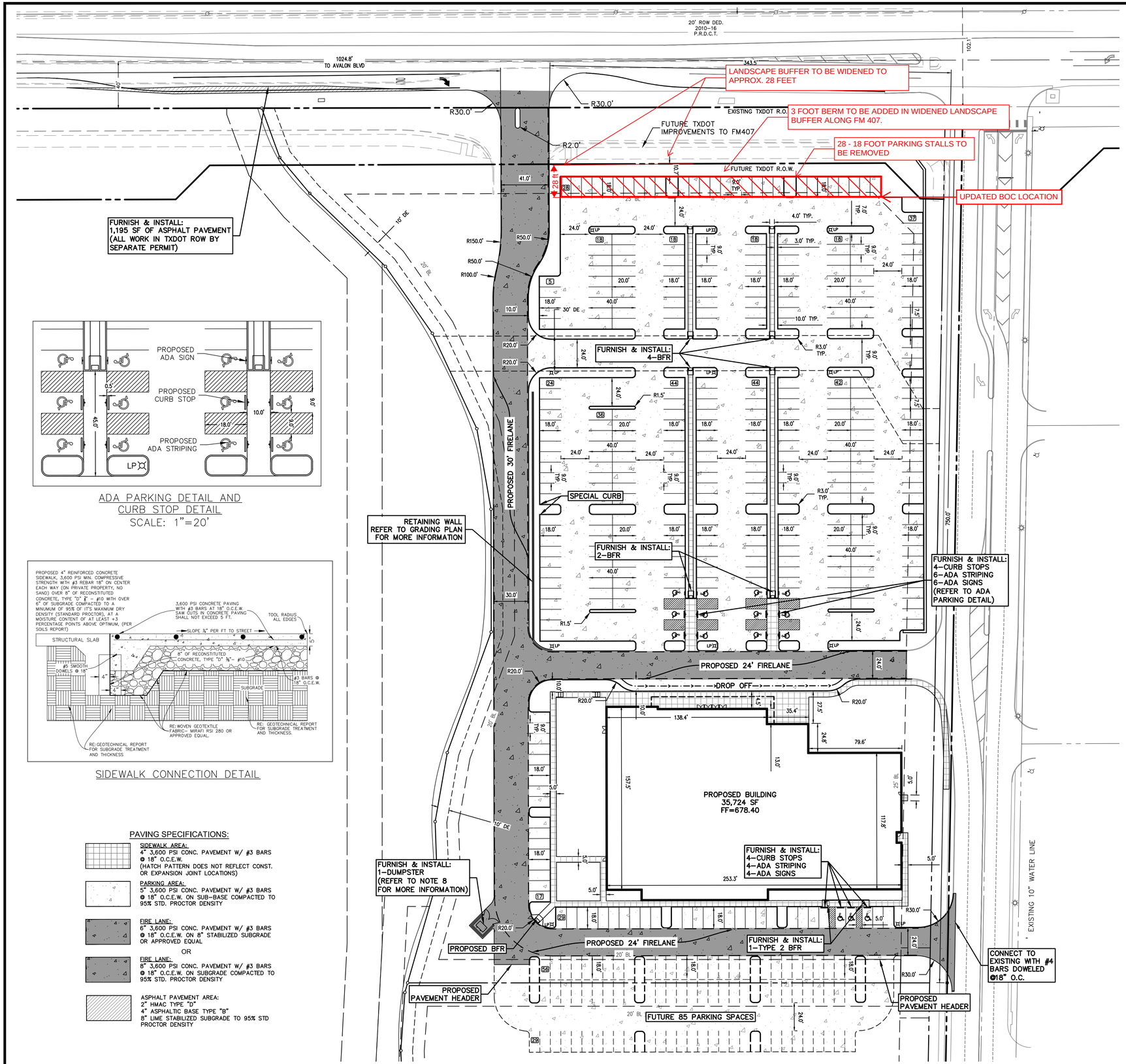

ADA PARKING DETAIL AND CURB STOP DETAIL
SCALE: 1"=20'

SIDEWALK CONNECTION DETAIL

PAVING SPECIFICATIONS:

SIDEWALK AREA:
4" 3,600 PSI CONC. PAVEMENT W/ #3 BARS @ 18" O.C.E.W.
(HATCH PATTERN DOES NOT REFLECT CONST. OR EXPANSION JOINT LOCATIONS)

PARKING AREA:
5" 3,600 PSI CONC. PAVEMENT W/ #3 BARS @ 18" O.C.E.W. ON SUB-BASE COMPACTED TO 95% STD. PROCTOR DENSITY

FIRE LANE:
6" 3,600 PSI CONC. PAVEMENT W/ #3 BARS @ 18" O.C.E.W. ON 8" STABILIZED SUBGRADE OR APPROVED EQUAL

OR

FIRE LANE:
8" 3,600 PSI CONC. PAVEMENT W/ #3 BARS @ 18" O.C.E.W. ON SUBGRADE COMPACTED TO 95% STD. PROCTOR DENSITY

ASPHALT PAVEMENT AREA:
2" HMAC TYPE "D"
4" ASPHALTIC BASE TYPE "B"
8" LIME STABILIZED SUBGRADE TO 95% STD PROCTOR DENSITY

40 0 40 80 120 Feet
SCALE: 1"=40'

TBM #1 – LOCATED ON A CURB INLET ON THE EAST SIDE OF GATEWAY BLVD APPROXIMATELY 280 FEET NORTHWEST OF THE NORTHEASTERN MOST PROPERTY CORNER OF THIS PROJECT. ELEV. 683.72

TBM #2 – LOCATED ON A CURB INLET ON THE SOUTH SIDE OF FM407 APPROXIMATELY 261 FEET WEST OF THE NORTHWESTERN MOST PROPERTY CORNER OF THIS PROJECT. ELEV. 666.25

GENERAL NOTES

1. ALL DIMENSIONS ARE TO FACE OF CURB UNLESS OTHERWISE NOTED.
2. ALL RADII ARE 3.0' UNLESS OTHERWISE NOTED.
3. THE CONTRACTOR SHALL FIELD VERIFY LOCATIONS AND DEPTH OF EXISTING UTILITIES PRIOR TO START OF CONSTRUCTION AND TAKES RISK OF UNKNOWN CONDITIONS.
4. THE PAVING CONTRACTOR SHALL NOT PLACE PERMANENT PAVEMENT UNTIL SLEEVING FOR UTILITIES HAS BEEN INSTALLED. IT SHALL BE THE PAVING CONTRACTOR'S RESPONSIBILITY TO ENSURE ALL SLEEVING IS INSTALLED PRIOR TO PLACING PERMANENT PAVEMENT. THE CONTRACTOR SHALL MAKE CERTAIN THAT ALL PERMITS AND APPROVALS HAVE BEEN OBTAINED.
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14. RETAINING WALLS GREATER THAN 3' IN HEIGHT EXPOSED ARE TO BE DESIGNED BY A STRUCTURAL ENGINEER.

SITE DATA TABLE	
GROSS SITE AREA	7.746 AC
NET SITE AREA	6.320 AC
ZONING	CR
PROPOSED USE	CHURCH
NUMBER OF SEATS IN AUDITORIUM	750 SEATS
IMPERVIOUS AREA	229,778 SF; 5.27 AC; 68.1%
PERVIOUS AREA	107,636 SF; 2.47 AC; 31.9%
PARKING SUMMARY	
750 SEATS IN MAIN AUDITORIUM (1:3 SEATS)	250 SPACES
REQUIRED TOTAL	250 SPACES
ACCESSIBLE PARKING	3 SPACES (STANDARD)
	12 SPACES (VAN ACCESSIBLE)
TOTAL PROVIDED PARKING (INCLUDING ADA)	378 SPACES
TOTAL FUTURE PARKING	85 SPACES
BUILDING SUMMARY	
BUILDING HEIGHT	33'– 4 7/8"

OWNER/DEVELOPER
VALLEY CREEK CHURCH
6101 MORRISS RD
FLOWER MOUND, TX 75028
Contact: BRAD LANHAM

The John R. McAdams Company, Inc.
4400 State Highway 121, Suite 800
Lewisville, Texas 75056
phone 972. 436. 9712
fax 972. 436. 9715
TBPE: F-19762
TBPELS: F-10194440
McADAMS

VALLEY CREEK CHURCH
Lot 1, Block A
VALLEY CREEK CHURCH ARGYLE
32.148 Acres
in the
F.W. THORNTON SURVEY, ABSTRACT NO. 1244
TOWN OF ARGYLE
DENTON COUNTY, TEXAS

SITE & PAVING EXHIBIT

PRELIMINARY PLANS

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THE JOHN R. MCADAMS COMPANY, INC.
TBPE: 19762
JUSTIN L. LANSDOWNE, P.E. #121990
DATE 11/18/2025

Drawn By: TD
Date: 11/18/2025
Scale: 1"=40'
Revisions:

VCR-25002

E1

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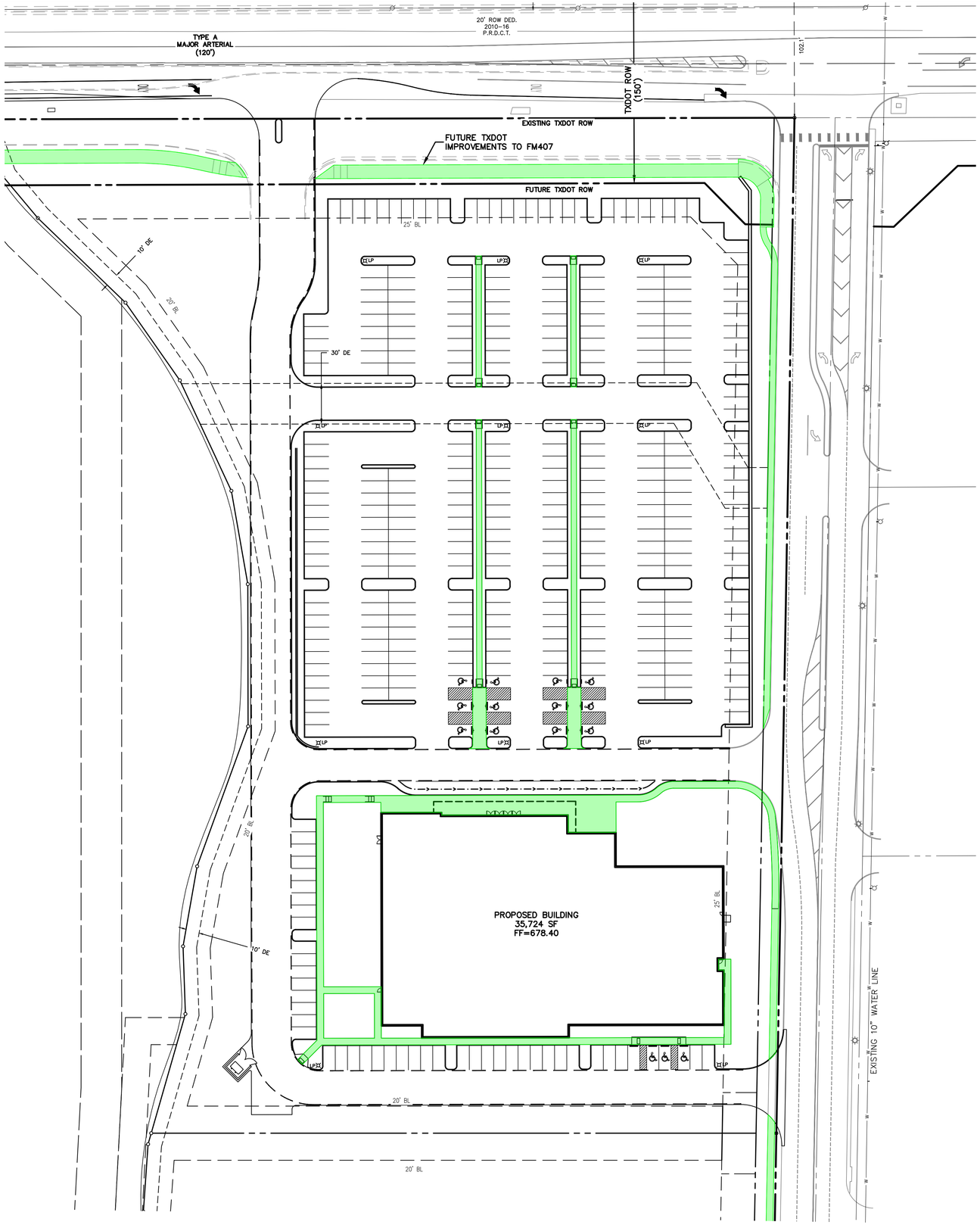

40 0 40 80 120 Feet

SCALE: 1"=40'

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VALLEY CREEK CHURCH

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DENTON COUNTY, TEXAS

PEDESTRIAN CONNECTIVITY EXHIBIT

PRELIMINARY PLANS

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THE JOHN R. MCADAMS COMPANY, INC.
TBPE: 19762
JUSTIN L. LANSDOWNE, P.E. #121990
DATE 1/20/2026

Drawn By: TD
Date: 01/20/2026
Scale: 1"=40'
Revisions:

VCR-25002

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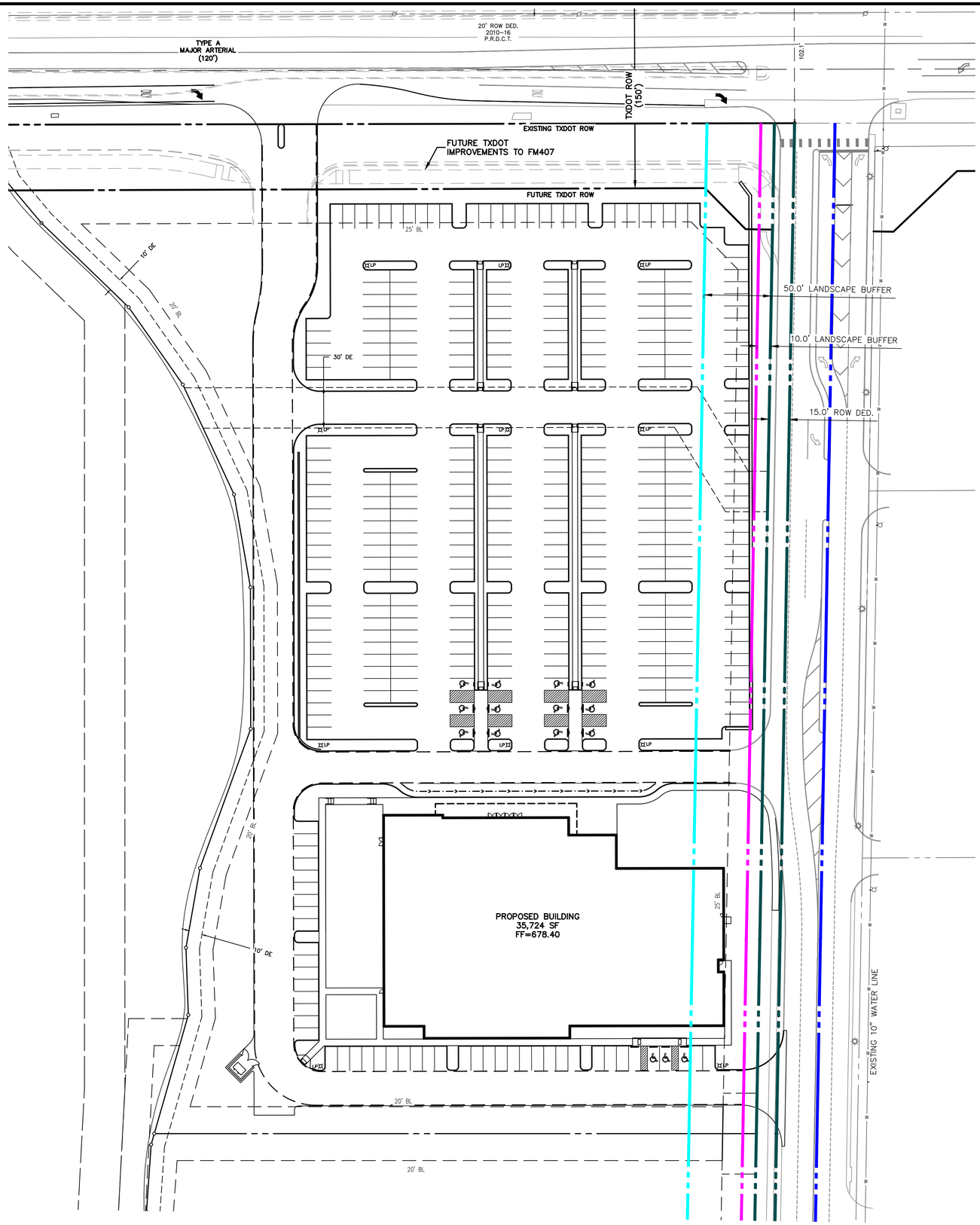

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VALLEY CREEK CHURCH

VALLEY CREEK CHURCH
Lot 1, Block A
VALLEY CREEK CHURCH ARGYLE
32.148 Acres
in the
F.W.THORNTON SURVEY, ABSTRACT NO. 1244
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ROW DEDICATION & LANDSCAPE BUFFER EXHIBIT

PRELIMINARY PLANS

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THE JOHN R. MCADAMS COMPANY, INC.
TBPE: 19762
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DATE 1/20/2026

Drawn By: TD
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Revisions:

VCR-25002

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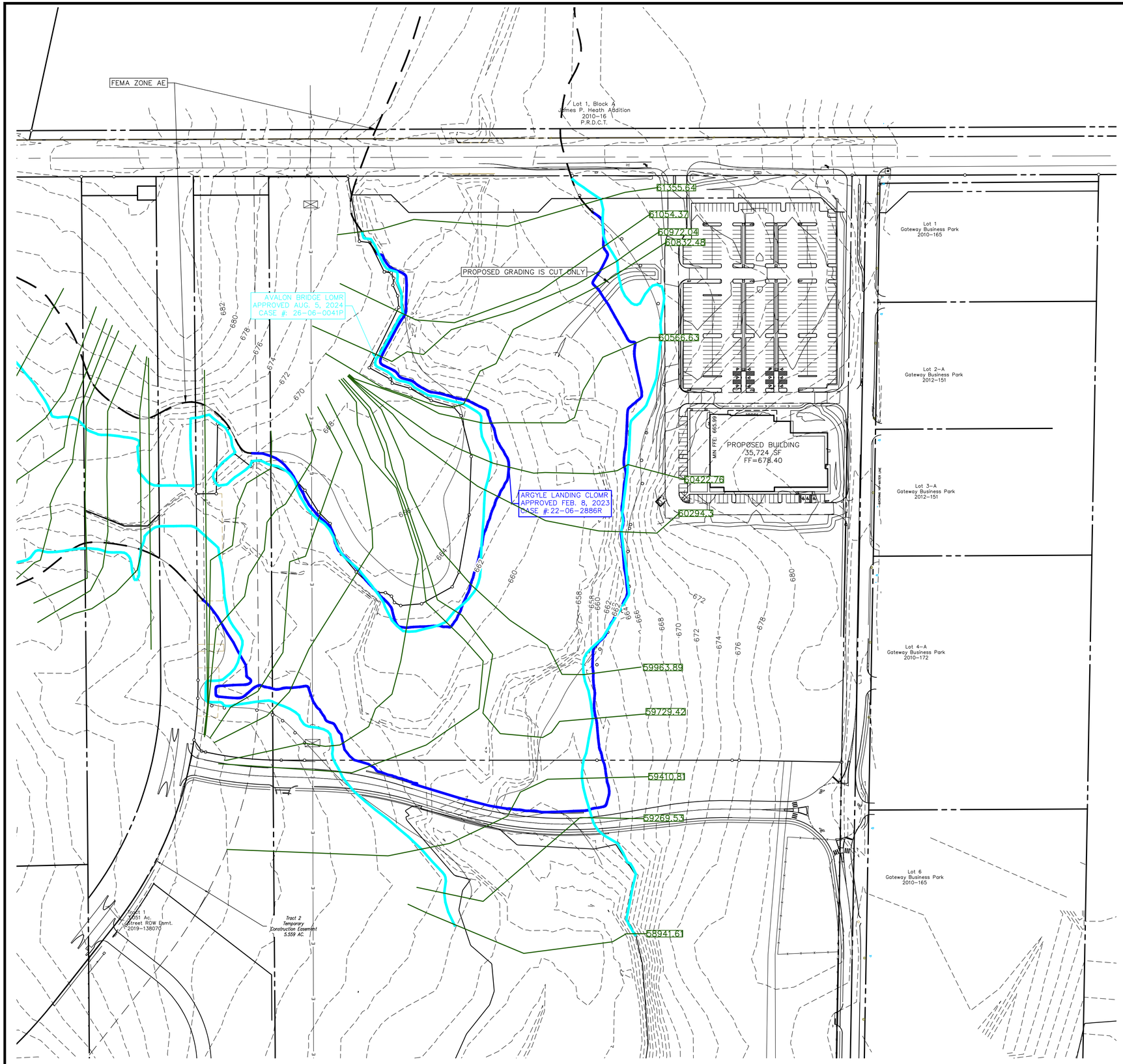

100 0 100 200 300 Feet

SCALE: 1"=100'

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SUMMARY OF 100 YEAR HYDRAULIC RESULTS

EXISTING RIVER	EXISTING RIVER STATION (FT)	100 YR BASE FLOOD ELEVATION
GRAHAM BRANCH	61355.64	666.81
GRAHAM BRANCH	61054.37	665.86
GRAHAM BRANCH	60972.04	665.81
GRAHAM BRANCH	60832.48	665.33
GRAHAM BRANCH	60566.63	664.99
GRAHAM BRANCH	60422.76	664.30
GRAHAM BRANCH	60294.30	663.98
GRAHAM BRANCH	59963.89	661.60
GRAHAM BRANCH	59729.42	661.46
GRAHAM BRANCH	59410.81	659.88
GRAHAM BRANCH	59269.53	659.62
GRAHAM BRANCH	58941.61	658.19

* 100-YEAR BASE FLOOD ELEVATION TAKEN FROM APPENDIX I OF THE AVALON BRIDGE LOMR

OWNER/DEVELOPER
VALLEY CREEK CHURCH
6101 MORRISS RD
FLOWER MOUND, TX 75028
Contact: BRAD LANHAM

The John R. McAdams Company, Inc.
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McADAMS

VALLEY CREEK CHURCH

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Lot 1, Block A
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32.148 Acres
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F.W. THORNTON SURVEY, ABSTRACT NO. 1244
TOWN OF ARGYLE
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FLOOD LIMITS EXHIBIT

PRELIMINARY PLANS

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THE JOHN R. MCADAMS COMPANY, INC.
TBPE: 19762
JUSTIN L. LANSDOWNE,
P.E. #121990
DATE 1/20/2026

Drawn By: MK
Date: 01/20/2026
Scale: 1"=100'
Revisions:

VCR-25002

E1

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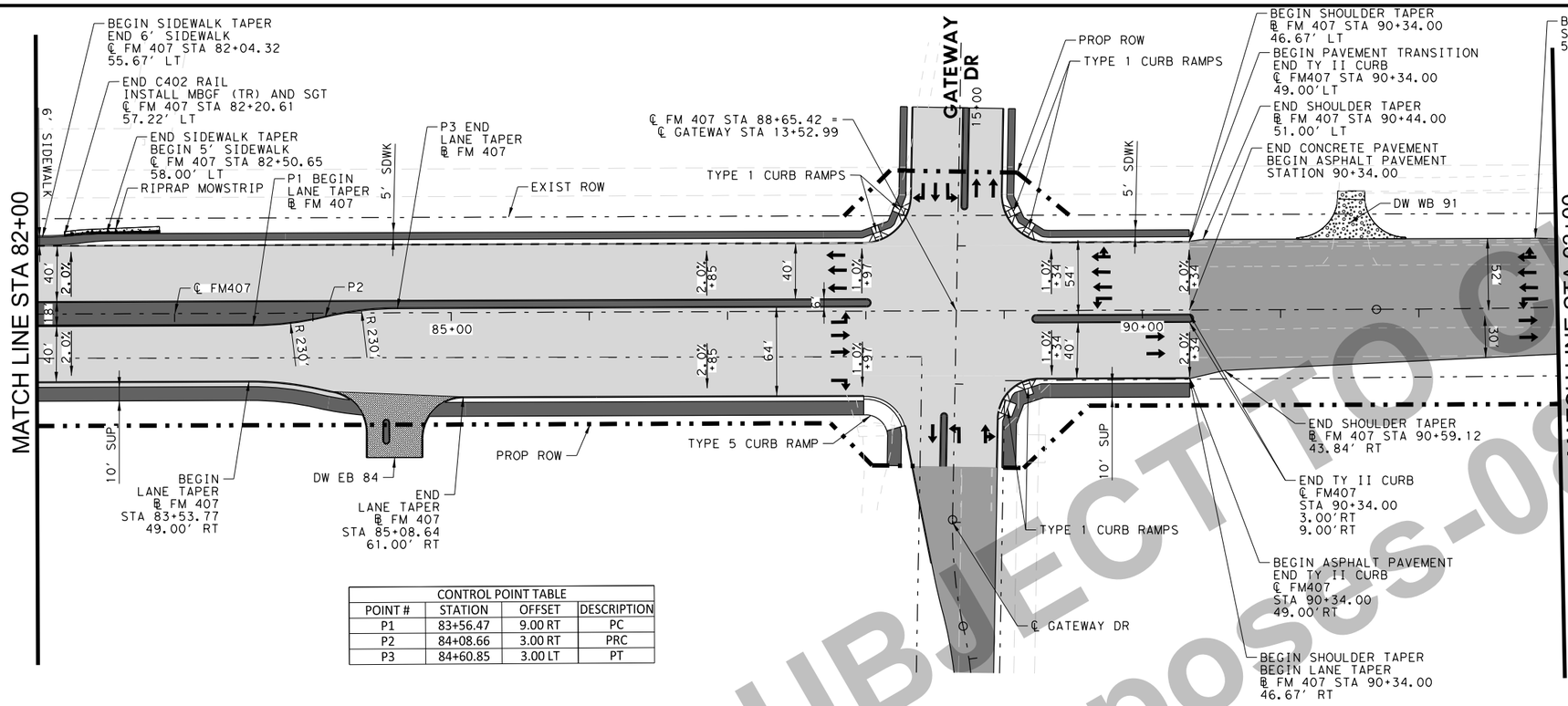
Item 17.

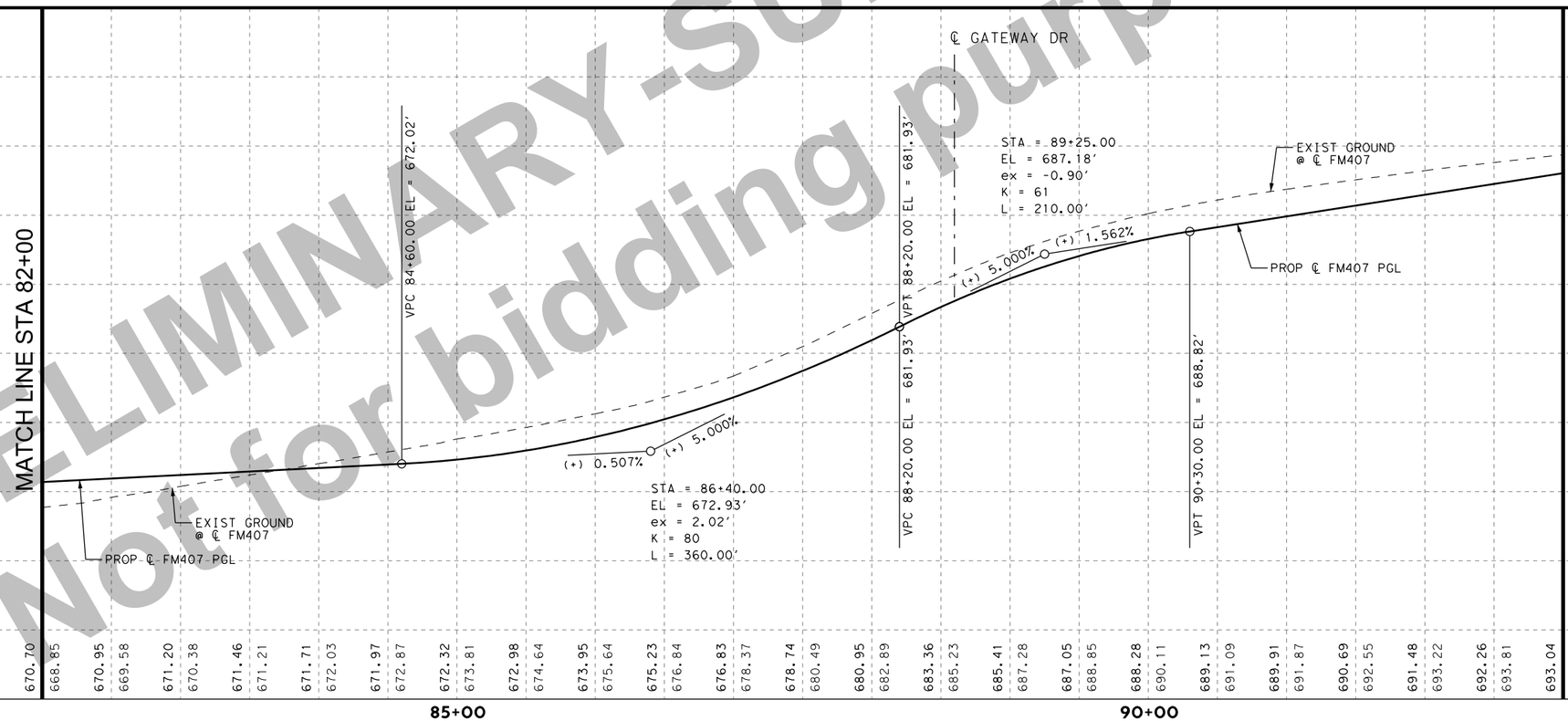


CONTROL POINT TABLE			
POINT #	STATION	OFFSET	DESCRIPTION
P1	83+56.47	9.00 RT	PC
P2	84+08.66	3.00 RT	PRC
P3	84+60.85	3.00 LT	PT

HORIZONTAL
50 0 50 100
VERTICAL
5 0 5 10
SCALE IN FEET

LEGEND
- EXIST TRAFFIC LANE
- PROP TRAFFIC LANE
- EXIST ROW
- PROP ROW
- PROP CONCRETE PAVEMENT
- PROP ASPHALT PAVEMENT
- PROPOSED CONCRETE RIP RAP
- PROPOSED SDWK/SUP/MEDIAN
- PROPOSED DRIVEWAY
- MBGF

NOTES
1. SEE HORIZONTAL CONTROL SHEETS FOR ADDITIONAL DETAILED INFORMATION.
2. ALL DIMENSIONS ARE TO FACE OF CURB OR RAIL, UNLESS NOTED OTHERWISE.
3. REFER TO RETAINING WALL AND BRIDGE PLANS FOR RAIL LOCATIONS AND QUANTITIES.
4. REFER TO PAVING SLOPE TRANSITION TABLES FOR SUPERELEVATION INFORMATION.
5. FOR MEDIANS AT INTERSECTIONS PLEASE SEE THE GRADING PLAN SHEETS FOR MORE INFORMATION.



PRELIMINARY-SUBJECT TO CHANGE
Not for bidding purposes-08/05/24

95% SUBMITTAL
FOR INTERIM REVIEW ONLY. NOT FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.
RESPONSIBLE ENGINEER:
Bartlett & West Inc.
TBPE F-6499
Santiago Soto JR., P.E.
TEXAS LICENSE NO. 134181
8/5/2024

Texas Department of Transportation

Bartlett&West
9330 LBJ FREEWAY, STE 1150 - DALLAS, TX 75243
PHONE 888-200-6464
TBPE FIRM REGISTRATION NO. 6499

FM 407

PLAN & PROFILE
FM 407
STA 82+00 TO STA 93+00.00

SCALE: H: 1"=100' V: 1"=10' SHEET 8 OF 9

FED.RD. DIV. NO.	STATE	PROJECT NO.			HIGHWAY NO.
6	TEXAS	SEE TITLE SHEET			
STATE DISTRICT	COUNTY	CONTROL NO.	SECTION NO.	JOB NO.	339
DAL	DENTON	1310	01	050	

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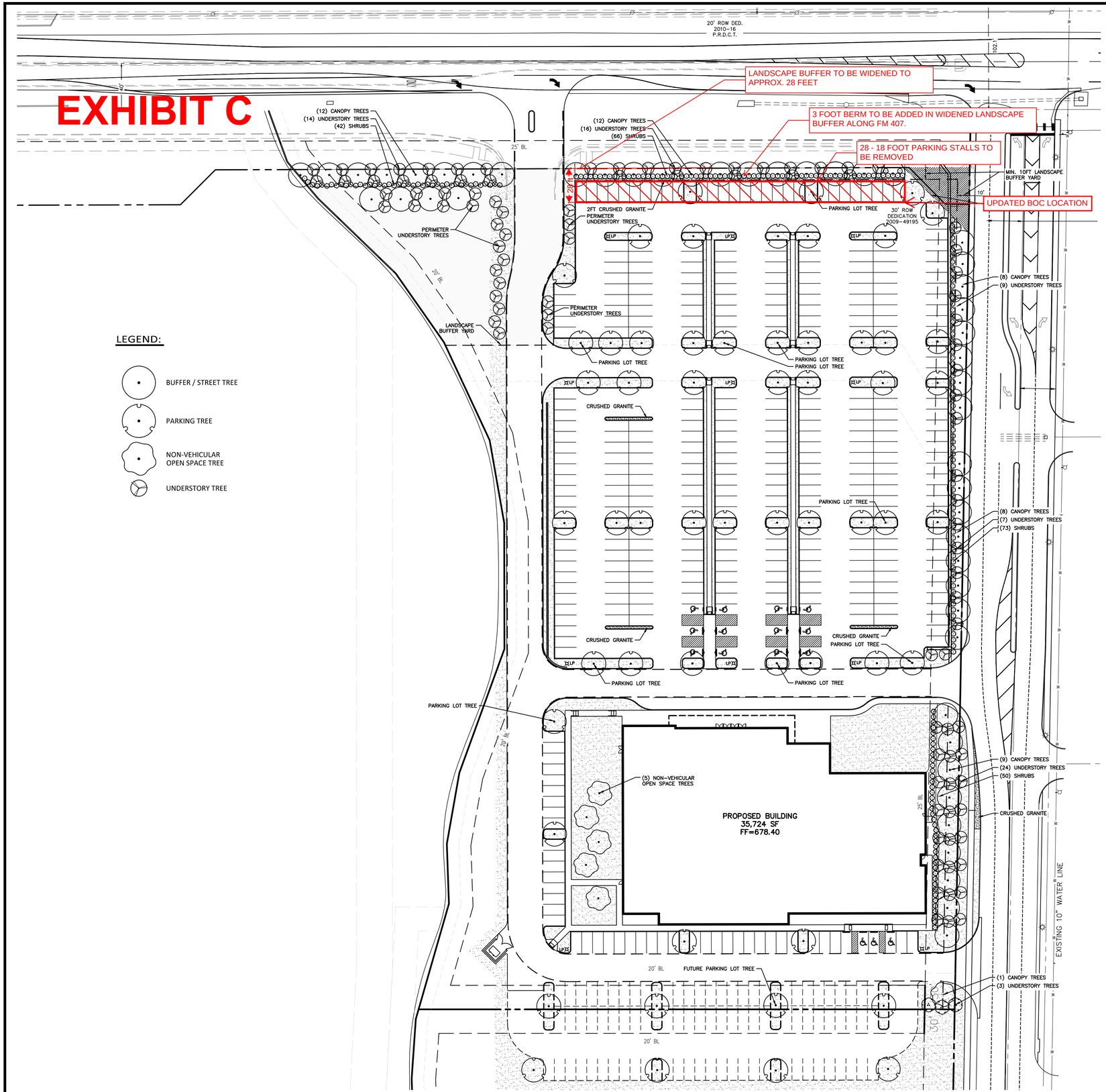
EXHIBIT C



LEGEND:

- BUFFER / STREET TREE
- PARKING TREE
- NON-VEHICULAR OPEN SPACE TREE
- UNDERSTORY TREE

40 0 40 80 120 Feet

SCALE: 1"=40'

TBM #1 – LOCATED ON A CURB INLET ON THE EAST SIDE OF GATEWAY BLVD APPROXIMATELY 280 FEET NORTHWEST OF THE NORTHEASTERN MOST PROPERTY CORNER OF THIS PROJECT. ELEV. 683.72

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LANDSCAPE CALCULATIONS - TOWN OF ARGYLE

LANDSCAPE REQUIREMENT SUMMARY:

LANDSCAPE COVERAGE 6.320 AC NET AREA

LANDSCAPE COVERAGE REQUIRED FOR COMMERCIAL RETAIL (CR) = 25% OR 0.25 LANDSCAPING AREA.

LANDSCAPE COVERAGE:
REQUIRED: = 1.58 AC OR 68,824.80 SF [6.32 AC X 25%]
PROVIDED: = 78,370.39 SF TOTAL LANDSCAPE AREA

STREET TREES

(1) CANOPY TREE PER 30 LF OF FRONTAGE ALONG FM 407 AND GATEWAY DRIVE.

FM 407, STREET TREES:

REQUIRED: = 18 STREET TREES [526 LF / 30 LF (X 1)]
PROVIDED: = 24 STREET TREES

GATEWAY DRIVE, STREET TREES:

REQUIRED: = 22 STREET TREES [655 LF / 30 LF (X 1)]
PROVIDED: = 28 STREET TREES

BUFFER YARDS

FM 407, BUFFER 'D': MINIMUM 10 FT WIDTH, 526 LF

REQUIRED: = MINIMUM 10 FT WIDTH
PROVIDED: = MINIMUM 10 FT WIDTH

REQUIRED: = 24 CANOPY TREES [526 LF / 100 LF (X 4)]
PROVIDED: = 24 CANOPY TREES

REQUIRED: = 30 UNDERSTORY TREES [526 LF / 100 LF (X 5)]
PROVIDED: = 30 UNDERSTORY TREES

REQUIRED: = 108 SHRUBS [526 LF / 100 LF (X 18)]
PROVIDED: = 108 SHRUBS

GATEWAY DRIVE, BUFFER 'E': MINIMUM 50 FT WIDTH, 655 LF

REQUIRED: = MINIMUM 50 FT WIDTH
PROVIDED: = MINIMUM 10 FT WIDTH

REQUIRED: = 28 CANOPY TREES [655 LF / 100 LF (X 4)]
PROVIDED: = 26 CANOPY TREES

REQUIRED: = 56 UNDERSTORY TREES [655 LF / 100 LF (X 8)]
PROVIDED: = 40 UNDERSTORY TREES

REQUIRED: = 84 SHRUBS [655 LF / 100 LF (X 12)]
PROVIDED: = 123 SHRUBS

INTERIOR LANDSCAPING PARKING LOT AREA 173,583 SF / 3.98 AC

AT LEAST 10% OF THE GROSS PARKING AREA SHALL BE PERVIOUS LANDSCAPED AREA.

INTERIOR LANDSCAPE:
REQUIRED: = 17,358 SF [173,583 SF X 10%]
PROVIDED: = 17,654 SF

AT LEAST (1) TREE PLANTED WITHIN THE PARINGS AREA PER 400 SF OF REQUIRED INTERIOR LANDSCAPE AREA. PLANTER ISLANDS SHALL BE AT LEAST 16 SF WITH MINIMUM WIDTH OF 8 FT FROM BACK OF CURB OR 9 FT FROM EDGE OF PAVEMENT TO EDGE OF PAVEMENT. PLANTER ISLANDS ARE TO BE SPACED NO FURTHER THEN (12) PARKING SPACES FOR PARKING LOT/TRACTS IN ORDER TO PRESERVE EXISTING TREES IN INTERIOR PARKING AREAS. PROTECT INTERIOR LANDSCAPE WITH APPROPRIATE WHEEL STOPS OR CURBS.

INTERIOR TREES:
REQUIRED: = 44 PARKING TREES [17,358 SF / 400 SF]
PROVIDED: = 48 PARKING TREES

PERIMETER LANDSCAPING

PERIMETER LANDSCAPE REQUIRES (1) OVERSTORY TREE PER 30 LF OF FRONTAGE, (3) UNDERSTORY TREES PER 30 LF OF FRONTAGE, AND A CURVILINEAR BERM MEASURING A MINIMUM OF (3) FT IN HEIGHT OR A HEDGE ROW CREATING A SOLID VEGETATIVE SCREEN AT MATURITY OF THE PLANT MATERIALS. PLANT MATERIALS AS REQUIRED FOR THE MANDATORY BUFFER YARDS REQUIRED UNDER SECTION 14.3.67-6 MAY BE COUNTED TOWARD THE PERIMETER LANDSCAPE REQUIREMENTS SPECIFIED HEREIN:

FM 407, 460 LF OF FRONTAGE

REQUIRED: = 18 CANOPY TREES [526 LF / 30 LF (X 1)]
PROVIDED: = 24 CANOPY TREES

REQUIRED: = 53 UNDERSTORY TREES [526 LF / 30 LF (X 3)]
PROVIDED: = 53 UNDERSTORY TREES

REQUIRED: = SOLID ROW OF SHRUBS
PROVIDED: = SOLID ROW OF SHRUBS

GATEWAY DRIVE, 702 LF OF FRONTAGE

REQUIRED: = 22 CANOPY TREES [655 LF / 30 LF (X 1)]
PROVIDED: = 28 CANOPY TREES

REQUIRED: = 66 UNDERSTORY TREES [714 LF / 30 LF (X 3)]
PROVIDED: = 40 UNDERSTORY TREES

REQUIRED: = SOLID ROW OF SHRUBS
PROVIDED: = SOLID ROW OF SHRUBS

OPEN SPACE LANDSCAPE

CANOPY TREES SHALL BE PLANTED IN NON-VEHICULAR OPEN SPACE TO MEET THE FOLLOWING CRITERIA. PERCENTAGE OF VEHICULAR OPEN SPACE THAT IS LESS THAN 30% OF SITE = (1) TREE PER 2,500 SF OF NON-VEHICULAR OPEN SPACE.

OPEN SPACE LANDSCAPE:
REQUIRED: = 6% [17,654 SF OF VEHICULAR OPEN SPACE]
= 5 OPEN SPACE TREES [12,350 SF OF NON-VEHICULAR OPEN SPACE / 2,500 SF]

PROVIDED: = 5 OPEN SPACE TREES

NOTE: ALL REQUIRED LANDSCAPE SHALL BE 100% WATERED BY UNDERGROUND AUTOMATIC IRRIGATION SYSTEM. IRRIGATION SYSTEM SHALL HAVE A FREEZE SENSOR. CONTRACTOR TO ENSURE THAT ALL EXISTING IRRIGATION IS OPERABLE, RESTORED AND MEETS ALL OF TCEQ REQUIREMENTS. ANY NEW IRRIGATION WILL BE ADDED TO EXISTING SYSTEM IF APPLICABLE.

OWNER/DEVELOPER
VALLEY CREEK CHURCH
6101 MORRISS RD
FLOWER MOUND, TX 75028
Contact: BRAD LANHAM

The John R. McAdams Company, Inc.
4400 State Highway 121, Suite 800
Lewisville, Texas 75056
phone 972. 436. 9712
fax 972. 436. 9715
TBPE: F-19762
TBPELS: F-10194440
McADAMS

VALLEY CREEK CHURCH
Lot 1, Block A
VALLEY CREEK CHURCH ARGYLE
32.148 Acres
in the
F.W. THORNTON SURVEY, ABSTRACT NO. 1244
TOWN OF ARGYLE
DENTON COUNTY, TEXAS

LANDSCAPE EXHIBIT

REGISTERED LANDSCAPE ARCHITECT
MEGAN A. HATCHELL
3516
STATE OF TEXAS
NOT FOR CONSTRUCTION

Drawn By: MH
Date: 11/20/2025
Scale: 1"=40'
Revisions:

VCR-25002

LS1

File: Z:\Drive\Projects\VCR\VCR25002\04-Production\Engineering\Sheets\VCR25002-LS1
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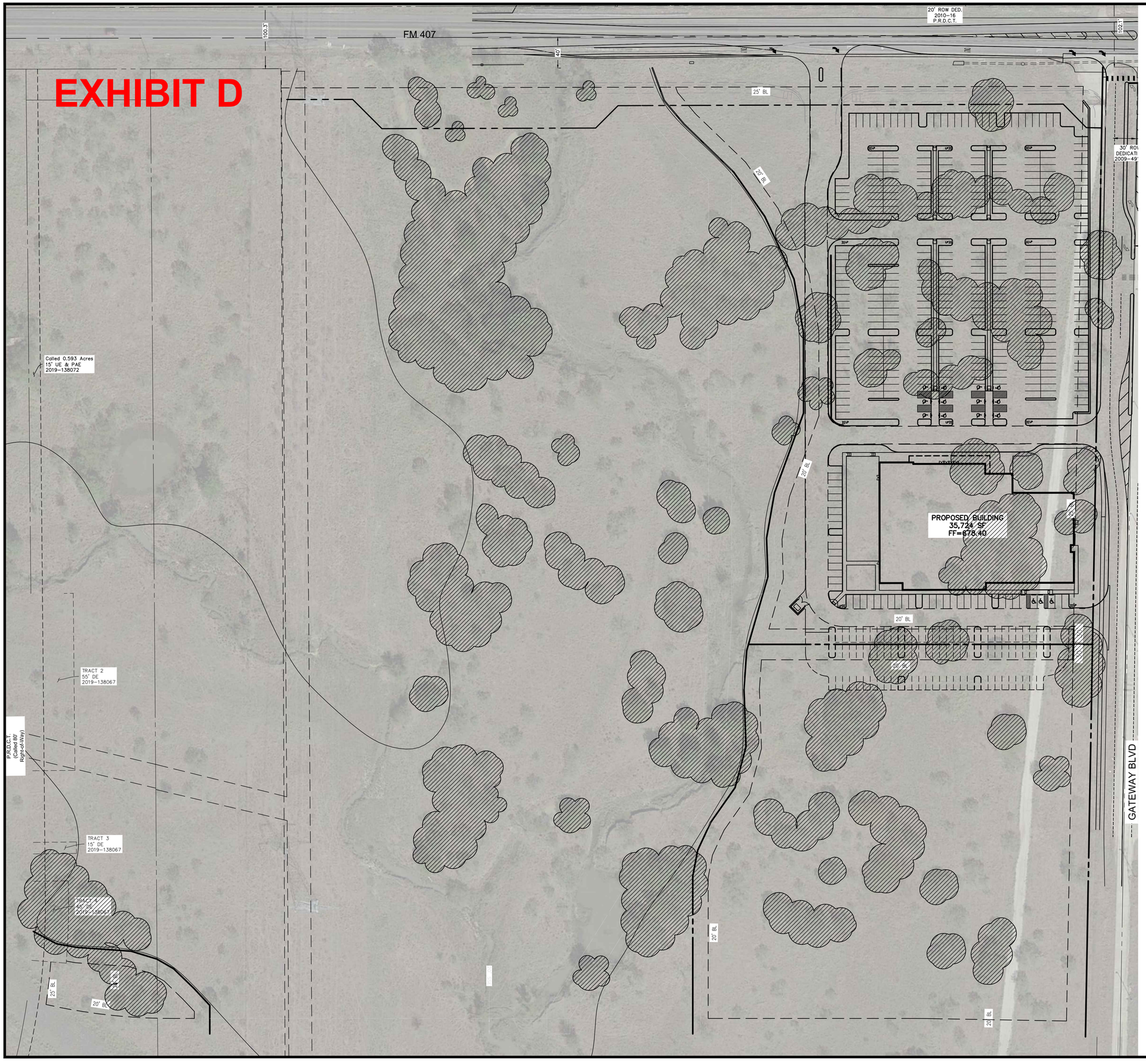
EXHIBIT D



60 0 60 120 180 Feet

SCALE: 1"=60'

TBM #1 – LOCATED ON A CURB INLET ON THE EAST SIDE OF GATEWAY BLVD APPROXIMATELY 280 FEET NORTHWEST OF THE NORTHEASTERN MOST PROPERTY CORNER OF THIS PROJECT. ELEV. 683.72

TBM #2 – LOCATED ON A CURB INLET ON THE SOUTH SIDE OF FM407 APPROXIMATELY 261 FEET WEST OF THE NORTHWESTERN MOST PROPERTY CORNER OF THIS PROJECT. ELEV. 666.25

LEGEND:

EXISTING TREE CANOPY

GENERAL NOTES:

1. THERE ARE NO PROTECTED TREES IN THIS AREA.

OWNER/DEVELOPER
VALLEY CREEK CHURCH
6101 MORRISS RD
FLOWER MOUND, TX 75028
Contact: BRAD LANHAM

The John R. McAdams Company, Inc.
4400 State Highway 121, Suite 800
Lewisville, Texas 75056
phone 972. 436. 9712
fax 972. 436. 9715
TBPE: F-19762
TBPELS: F-10194440
McADAMS

VALLEY CREEK CHURCH

VALLEY CREEK CHURCH
Lot 1, Block A
VALLEY CREEK CHURCH ARGYLE
32.148 Acres
in the
F.W. THORNTON SURVEY, ABSTRACT NO. 1244
TOWN OF ARGYLE
DENTON COUNTY, TEXAS

TREE SURVEY EXHIBIT

REGISTERED LANDSCAPE ARCHITECT
MEGAN A. HATCHER
3516
STATE OF TEXAS
NOT FOR CONSTRUCTION

Drawn By: MH
Date: 11/20/2025
Scale: 1"=60'
Revisions:

VCR-25002

TS

File: Z:\Drive\Projects\VCR\VCR25002\Art-Production\Engineering\Sheets\VCR25002-TSI
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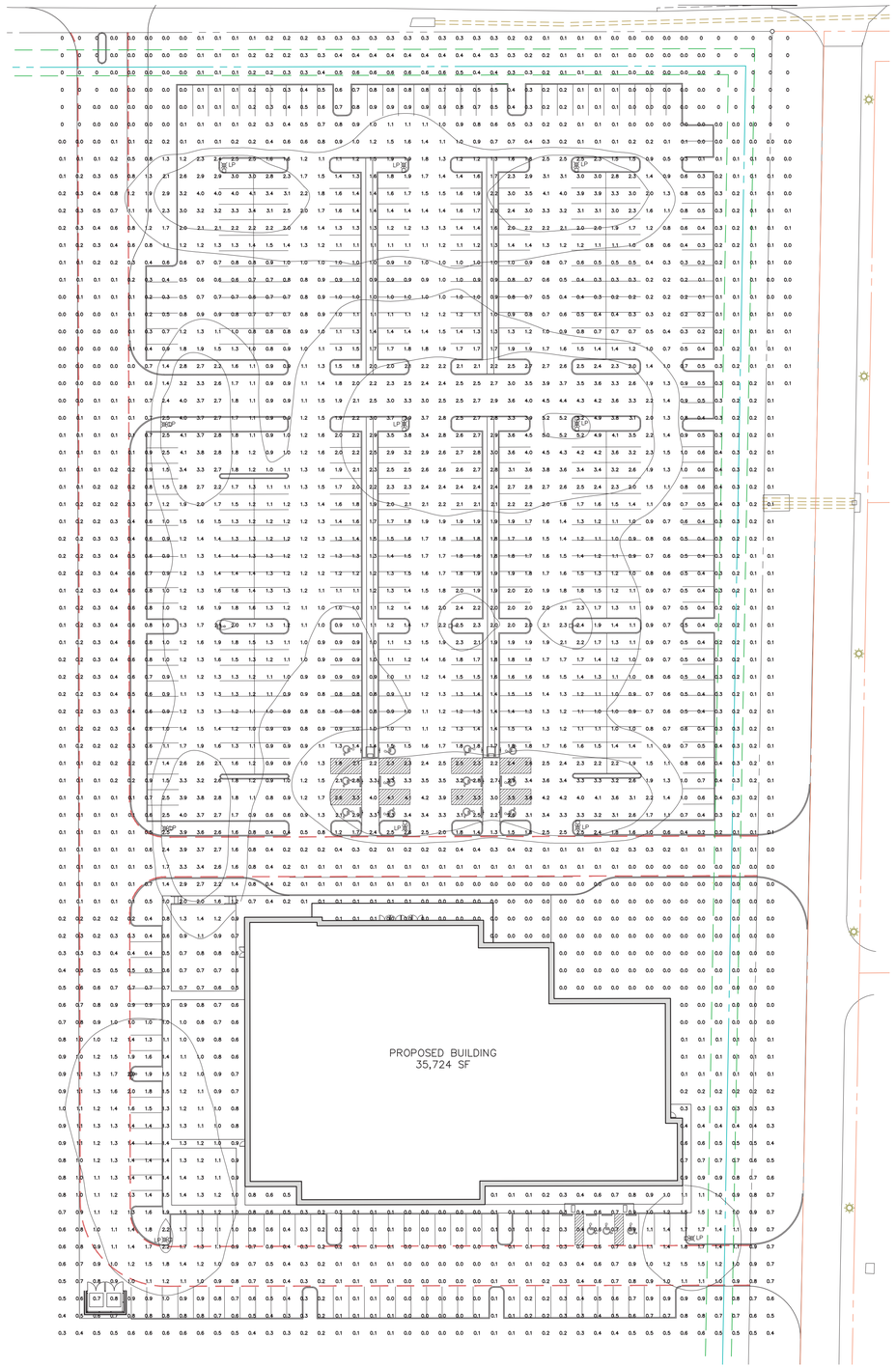
EXHIBIT E



GENERAL PHOTOMETRIC SCHEDULE

AVERAGE FOOT-CANDLES	0.97
MAXIMUM FOOT-CANDLES	5.2
MINIMUM FOOT-CANDLES	0.0
MINIMUM TO MAXIMUM FC RATIO	0.00
MAXIMUM TO MINIMUM FC RATIO	2281.87
AVERAGE TO MINIMUM FC RATIO	424.70

LUMINAIRE SCHEDULE

CALLOUT	SYMBOL	LAMP	DESCRIPTION	BALLAST	MOUNTING	MODEL	VOLTS	NOTE 1	QUANTITY	DEFAULT ELEVATION
LP-1		(1) LED	DSX1 LED P6 40K BLC MVOLT	DIMMING	POLE	Lithonia Lighting, DSX1 LED P6 40K BLC MVOLT	120V 1P 2W	LED DRIVER,	8	27'-6"
LP-2		(1) LED	DSX1 LED P6 40K T5W MVOLT	DIMMING	POLE	Lithonia Lighting, DSX1 LED P6 40K T5W MVOLT	120V 1P 2W	LED DRIVER,	5	27'-6"

ELECTRICAL - PHOTOMETRIC/SITE LIGHTING PLAN

RCS Enterprises, LP
Engineering & Inspection Services
400 N. Allen Dr. Suite #205
Allen, Texas 75013
(972) 727-8572
www.rcsenterprises.net

PROJECT:
SYNC ARCH & CONST.
VALLEY CREEK CHURCH
ARGYLE CAMPUS
ARGYLE, TX 76226

DRAFT

J. MARK MONTGOMERY
REGISTERED PROFESSIONAL
ENGINEER STATE OF TEXAS –
NO. 90427
RCS ENTERPRISES, LP F-2071

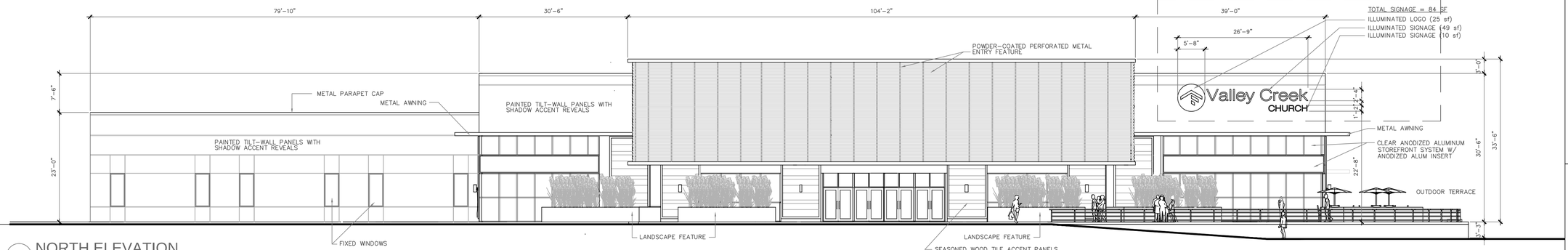
REVISION HISTORY

NO.	DATE	DESCRIPTION

ISSUE DATE: 02/24/2020
DRAWN BY: RF
SCALE: N.T.S.
24x36

SHEET NUMBER:
E1.2

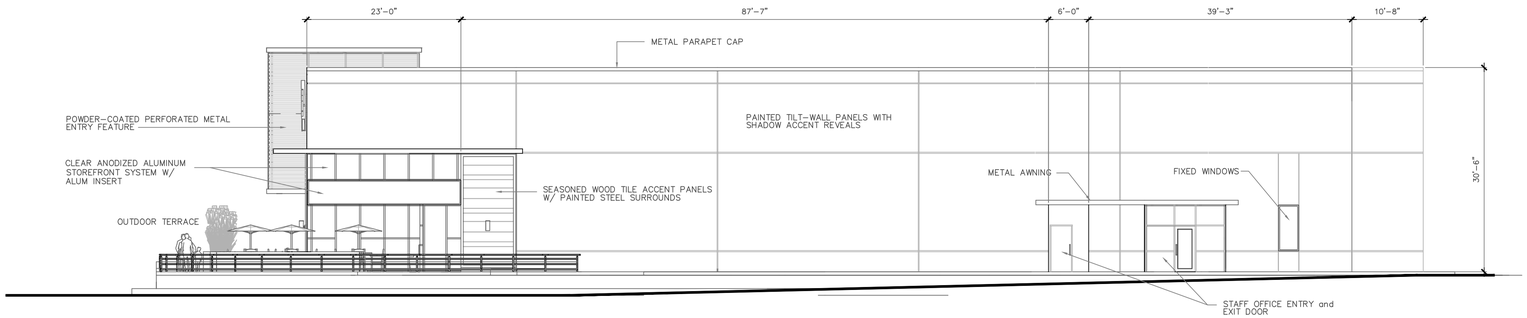
EXHIBIT F



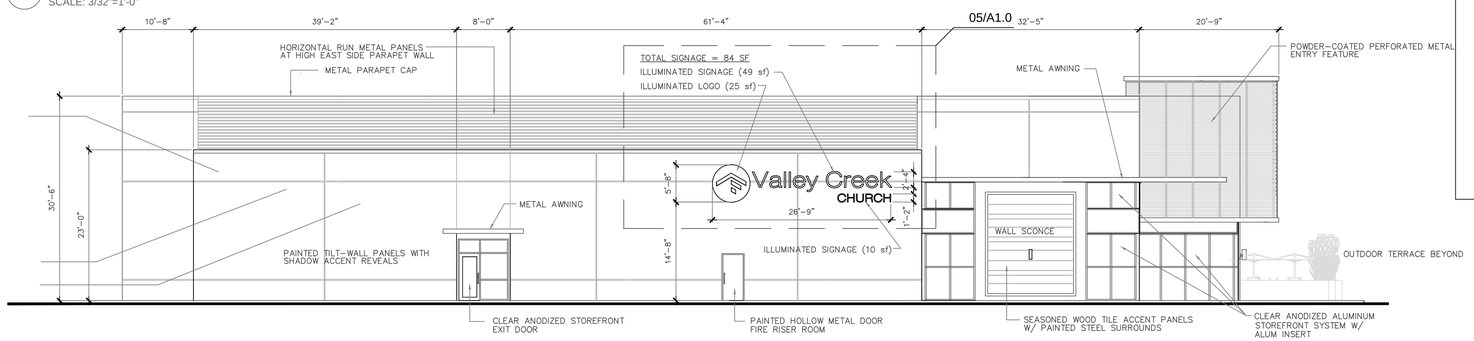
01 NORTH ELEVATION
SCALE: 3/32"=1'-0"

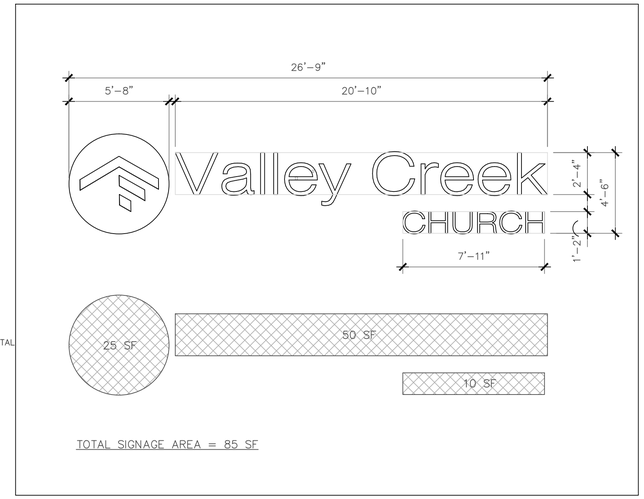
NOTE:
PRELIMINARY ELEVATIONS ARE BASED ON TILT-WALL CONSTRUCTION WITH EXTERIOR GRADE PAINT WITH TEXTURE ADDITIVE. PRICE ALTERNATE

PRICE ALTERNATE CONSTRUCTION:
PRE-ENGINEERED STEEL FRAME WITH METAL STUD & SHEATHED EXTERIOR WALLS WITH PAINTED STUCCO FINISH



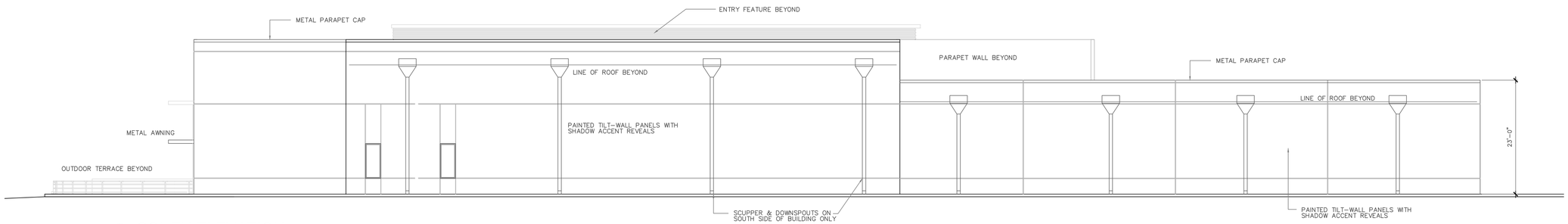
02 WEST ELEVATION
SCALE: 3/32"=1'-0"





05 SIGNAGE ENLARGED ELEVATION
SCALE: 1/4"=1'-0"

03 EAST ELEVATION
SCALE: 3/32"=1'-0"



04 SOUTH ELEVATION
SCALE: 3/32"=1'-0"

PRELIMINARY ELEVATIONS

Sync
Architecture & Construction, LLC

100 Lake Trail Drive
Suite 101
Double Oak, TX 75077

(972) 415-1737
rob@syncac.com

VALLEY CREEK CHURCH
LOT 1, BLOCK A
VALLEY CREEK CHURCH ARGYLE
32.148 ACRES
in the F.W. THORNTON SURVEY, ABSTRACT NO. 1244
TOWN of ARGYLE / DENTON COUNTY, TEXAS

REVISIONS

No.	DATE	NOTES

ORIG. ISSUE DATE: 02/24/2020

EXTERIOR ELEVATIONS

A1.0

Sheet Number

01 VIEW FROM NORTH
F.M.407 SIDE

02 VIEW FROM EAST
GATEWAY BOULEVARD SIDE

PRELIMINARY RENDERINGS

Sync
Architecture & Construction, LLC

100 Lake Trail Drive
Suite 101
Double Oak, TX 75077

(972) 415-1737
rob@syncac.com

VALLEY CREEK CHURCH

LOT 1, BLOCK A
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TOWN of ARGYLE / DENTON COUNTY, TEXAS

REVISIONS

No.	DATE	NOTES

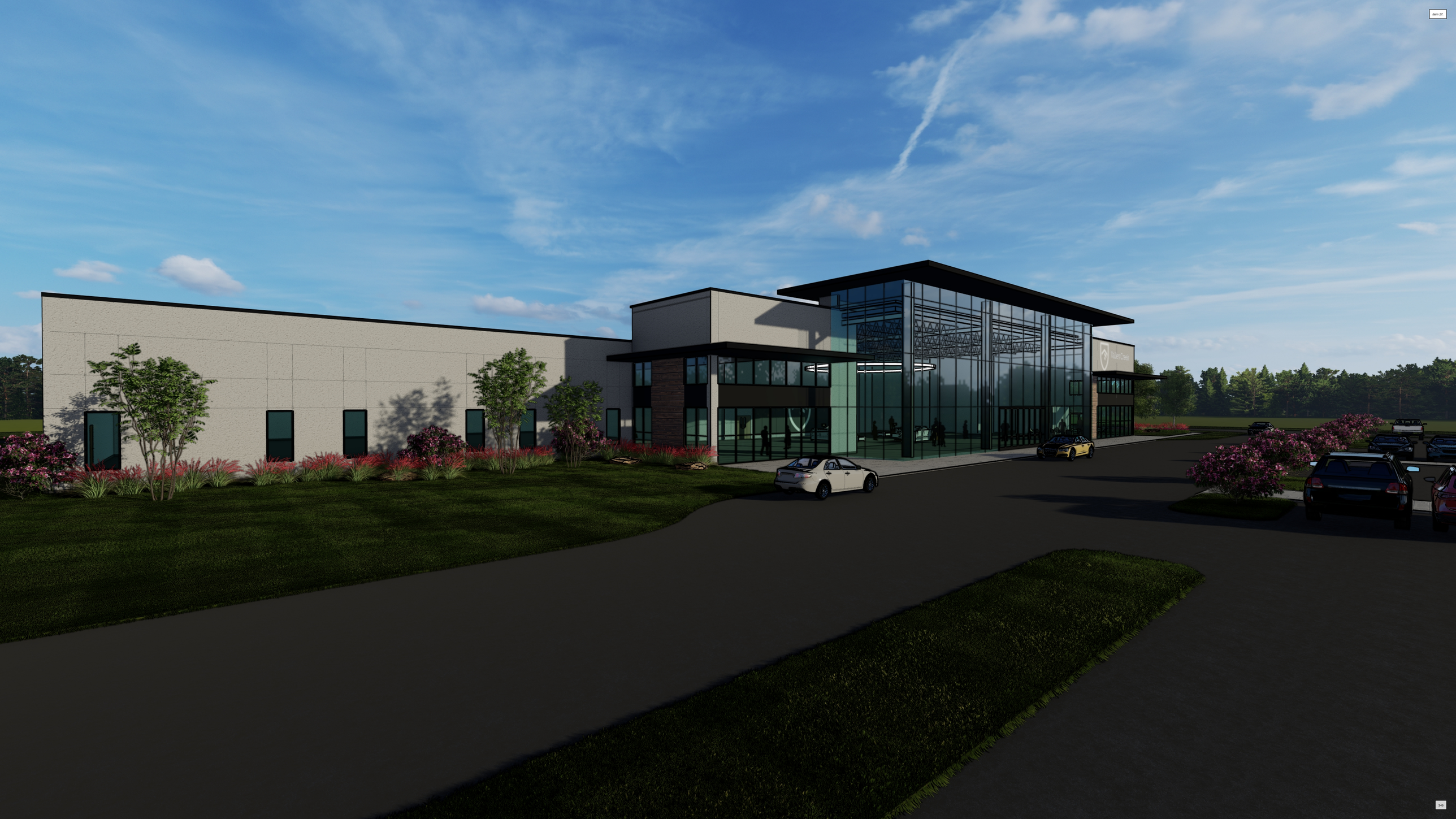
ORIG. ISSUE DATE: 02/24/2020

EXTERIOR RENDERINGS

A2.0

Sheet Number

EXHIBIT G



Valley Creek

EXHIBIT H

Institute of Transportation Engineers

Trip Generation Data Form (Part 1)

Land Use/Building Type:[1] Church	ITE Land Use Code: 560
Source:	Source No. (*ITE use only*):
Name of Development: Valley Creek Church Argyle	Day of the Week:
City: Argyle State/Province: TX Zip/Postal Code: 76226	Day: 30 Month: 10 Year: 2025
Country: United Stated of America	Metropolitan Area: DFW

1. For fast-food land use, please specify if hamburger- or nonhamburger-based.

Location Within Area:

☐ (1) CBD ☐ (3) Suburban (Non-CBD) ☐ (5) Rural
☐ (2) Urban (Non-CBD) ☐ (4) Suburban CBD ☐ (6) Freeway Interchange Area (Rural)
☐ (7) Not Given

Detailed Description of Development:[3]

Independent Variable: (include data for as many as possible)[2]	Actual	Estimated		Actual	Estimated
_____ (1) Employees (#)	☐	☐	378 (9) Parking Spaces (% occupied: _____)	☑	☐
_____ (2) Persons (#)	☐	☐	_____ (10) Beds (% occupied: _____)	☐	☐
_____ (3) Total Units (#) (indicate unit:_____)	☐	☐	750 (11) Seats (#)	☑	☐
_____ (4) Occupied Units (#) (indicate unit:_____)	☐	☐	_____ (12) Servicing Positions/Vehicle Fueling Positions	☐	☐
35,724 (5) Gross Floor Area (gross sq. ft.) (% of development occupied _____)	☑	☐	_____ (13) Shopping Center % Out-parcels/pads	☐	☐
_____ (6) Net Rentable Area (sq. ft.)	☐	☐	_____ (14) A.M. Peak Hour Volume of Adjacent Street Traffic	☐	☐
_____ (7) Gross Leasable Area (sq. ft.) (% of development occupied _____)	☐	☐	_____ (15) P.M. Peak Hour Volume of Adjacent Street Traffic	☐	☐
			_____ (16) Other _____	☐	☐
7.75 (8) Total Acres (% developed: _____)	☑	☐	_____ (17) Other _____	☐	☐

2. Definitions for several independent variables can be found in the *Trip Generation,* Second Edition, *User's Guide* Glossary.

3. Please provide all pertinent information to describe the subject project, including the presence of bicycle/pedestrian facilities. To report bicycle/pedestrian volumes, please refer to Part 4 of this data form.

Other Data:

Vehicle Occupancy (#):
_____ A.M. _____ P.M. _____ 24-hour %
Percent by Transit:
_____ A.M. % _____ P.M. % _____ 24-hour %
Percent by Carpool/Vanpool:
_____ A.M. % _____ P.M. % _____ 24-hour %

Employees by Shift:

First Shift:	Start Time _____	End Time _____	Employees (#) _____
Second Shift:	Start Time _____	End Time _____	Employees (#) _____
Third Shift:	Start Time _____	End Time _____	Employees (#) _____

Parking Cost on Site: Hourly _____ Daily _____

Transportation Demand Management (TDM) Information:

At the time of this study, was there a TDM program (that may have impacted the trip generation characteristics of this site) underway?

☐ No
☐ Yes (If yes, please check appropriate box/boxes, describe the nature of the TDM program(s) and provide a source for any studies that may help quantify this impact. Attach additional sheets if necessary)

☐ (1) Transit Service
☐ (2) Carpool Programs
☐ (3) Vanpool Programs
☐ (4) Bicycle/Pedestrian Facilities and Site Improvements
☐ (5) Employer Support Measures
☐ (6) Preferential HOV Treatments
☐ (7) Transit and Ridesharing Incentives
☐ (8) Parking Supply and Pricing Management
☐ (9) Tolls and Congestion Pricing
☐ (10) Variable Work Hours/Compressed Work Weeks
☐ (11) Telecommuting
☐ (12) Other _____

Please Complete Form on Other Side

Institute of Transportation Engineers

Trip Generation Data Form (Part 2)

Summary of Driveway Volumes ***(All = All Vehicles Counted, Including Trucks; Trucks = Heavy Duty Trucks and Buses)***

	Average Weekday (M-F)						Saturday						Sunday					
	Enter		Exit		Total		Enter		Exit		Total		Enter		Exit		Total	
	All	Trucks	All	Trucks	All	Trucks	All	Trucks	All	Trucks	All	Trucks	All	Trucks	All	Trucks	All	Trucks
24-Hour Volume	163		163		326		186		186		372		655		655		1,310	
A.M. Peak Hour of Adjacent[1] Street Traffic (7 – 9) Time *(ex.: 7:15 - 8:15)*:	13		8		21													
P.M. Peak Hour of Adjacent[1] Street Traffic (4 – 6) Time:	10		11		21													
A.M. Peak Hour Generator[2] Time:	18		14		32													
P.M. Peak Hour Generator[2] Time:	19		16		35													
Peak Hour Generator[3] Time (Weekend):							90		37		127		211		211		422	

[1.] **Highest hourly volume between 7 a.m. and 9 a.m. (4 p.m. and 6 p.m.). Please specify the peak hour.**
[2.] **Highest hourly volume during the a.m. or p.m. period. Please specify the peak hour.**
[3.] **Highest hourly volume during the entire day. Please specify the peak hour.**
Please refer to the *Trip Generation User's Guide* for full definition of terms.

Hourly Driveway Volumes- Average Weekday (M-F)

A.M. Period	Enter		Exit		Total		Mid-Day Period	Enter		Exit		Total		P.M. Period	Enter		Exit		Total	
	All	Trucks	All	Trucks	All	Trucks		All	Trucks	All	Trucks	All	Trucks		All	Trucks	All	Trucks	All	Trucks
6:00-7:00							11:00-12:00							3:00-4:00						
6:15-7:15							11:15-12:15							3:15-4:15						
6:30-7:30							11:30-12:30							3:30-4:30						
6:45-7:45							11:45-12:45							3:45-4:45						
7:00-8:00							12:00-1:00							4:00-5:00						
7:15-8:15							12:15-1:15							4:15-5:15						
7:30-8:30							12:30-1:30							4:30-5:30						
7:45-8:45							12:45-1:45							4:45-5:45						
8:00-9:00							1:00-2:00							5:00-6:00						

❑**Check if Part 3, 4 and/or additional information is attached.**

Survey conducted by: Name: _____

Organization: _____

Address: _____

City/State/Zip: _____

Telephone #: _____ Fax #: _____ E-mail: _____

Please return to: Institute of Transportation Engineers
Technical Projects Division
1627 Eye Street, NW, Suite 600
Washington, DC 20006 USA
Telephone: +1 202-785-0060
Fax: +1 202-785-0609
ITE on the Web: www.ite.org

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Discussion Item	February 17, 2026

PRESENTER:

Mike Sims, Town Manager

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Discussion on a proposed update to the Community Room Rental Policy for the Town Hall Community Room and direction from Town Council regarding policy framework, priorities, and next steps.

BACKGROUND INFORMATION:

The Town Hall Community Room was originally made available for public use following the renovation of Town Hall, with a Community Room Reservation Policy adopted by Town Council on September 14, 2010, through Resolution No. 2010-57. The original policy established reservation procedures, fee schedules, security deposits, alcohol-related requirements, cancellation timelines, and operational rules governing use of the Community Room, kitchen, and related facilities.

Over time, the 2010 policy has become outdated and increasingly difficult to administer. The policy reflects operational practices, risk assumptions, and facility conditions that no longer fully align with current Town standards, modern reservation practices, or contemporary risk management expectations. Additionally, the policy is highly prescriptive and operational in nature, limiting administrative flexibility and clarity for users.

Staff has prepared a draft Community Room Rental Policy intended to modernize and streamline the Town's approach to use of the Community Room. The draft policy focuses on clearly defining permitted and prohibited uses, establishing priority of use categories, clarifying insurance and indemnification expectations, and standardizing rental fees

through an adopted appendix. The intent of the draft policy is to ensure equitable access, protect public assets, limit municipal liability, and provide a clearer, more transparent framework for both staff and potential renters.

This item is presented for discussion and Council input only. The proposed policy is not being recommended for adoption at this time, and the Community Room would not be available for rental under the draft policy until certain facility updates and improvements are completed, particularly within the kitchen and Community Room areas. These updates are necessary to ensure the space meets safety, operational, and risk management standards prior to any public rental use.

Council discussion at this meeting is intended to provide feedback on the overall policy direction, priorities for use, fee philosophy, and any policy considerations Council would like staff to incorporate before returning with a finalized policy and implementation timeline..

FISCAL IMPACT:

☒ Not Applicable
☐ Proposed Expenditure:
☐ General Ledger Code:
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☐ Financial Review Completed by:

LEGAL REVIEW:

Not applicable.

ATTACHMENTS:

A.Draft Rental Policy Agreement.

RECOMMENDED MOTION AND/OR ACTION:

No action is required as this item is for informational purposes only.

COMMUNITY ROOM RENTAL POLICY

PURPOSE

This policy governs the use of the Community Room located at Town Hall and is intended to ensure safe, equitable, and appropriate use of Town facilities while protecting public assets and limiting municipal liability. The Town of Argyle makes the Community Room available for limited public use when such use supports civic, educational, or community-oriented purposes and does not interfere with municipal operations. Use of the facility is a privilege, not a right.

I. Facility Description
   A. The Community Room consists of:
      1. Large open meeting space
      2. Access to a shared kitchen for warming and light food preparation
      3. Access to public restrooms.
   B. Use does not include exclusive access to Town Hall or non-public areas.

II. Priority of Use
   A. Priority shall be given in the following order:
      1. Town-sponsored events
      2. Residents (citizens within the Town's Corporate Limits)
      3. Argyle-based non-profits
      4. No rental to non-Town of Argyle people or entities
   B. All uses are subject to availability and approval.

III. Permitted and Prohibited Uses
   A. Permitted uses include:
      1. Meetings
      2. Trainings
      3. Civic gatherings.
   B. Prohibited uses include:
      1. Political fundraising
      2. Commercial sales
      3. Gambling
      4. Hazardous activities
      5. Unapproved alcohol.

IV. Fees and Charges
   A. Rental fees, deposits, and cleaning charges are established in Appendix A – Community Room Fee Schedule.

V. Discounts and Waivers
   A. Reduced rates may be offered for non-profit organizations and schools.
   B. Fee waivers may be approved by the Town Manager or designee when a clear public purpose is served.

VI. Insurance and Risk
- A. The Town may require proof of liability insurance depending on the nature of the event.
- B. The Town assumes no responsibility for injury, loss, or damage to persons or property.

VII. Indemnification and Hold Harmless
- A. To the fullest extent permitted by Texas law, the renter agrees to defend, indemnify, and hold harmless the Town of Argyle, its officials, employees, and agents from claims arising from use of the facility, except to the extent caused by the sole negligence or willful misconduct of the Town.

VIII. Kitchen Use
- A. Kitchen use is limited to warming and serving food.
- B. No commercial cooking or specialized equipment is permitted.
- C. Renters must clean all kitchen areas after use.

IX. Security and Conduct
- A. A responsible adult (over the age of 21) must be present at all times.
- B. The Town reserves the right to terminate any event for safety concerns or policy violations.

X. Setup, Cleanup, and Time Limits
- A. Rental time includes setup and cleanup.
- B. All furniture must be returned to its original configuration.

XI. Alcohol
- A. Alcohol is prohibited unless expressly approved and governed by a separate Alcohol Use Addendum.

XII. Cancellations
- A. Cancellation and refund terms are established administratively by the Town.

XIII. Administration
- A. The Town Manager or designee is authorized to administer, interpret, and enforce this policy.

APPENDIX A: COMMUNITY ROOM FEE SCHEDULE

This Fee Schedule is adopted as an appendix to the Community Room Rental Policy.

Fees may be updated administratively by the Town Manager or designee, as authorized by Council.

Rental Rates

	Half-Day (Up to 4 hours)	Full-Day (Up to 8 Hours)
Town Sponsored or Co-sponsored	NA	NA
Argyle Resident	$50.00	$100.00
Verified Town of Argyle Based 501(c)(3) Non-Profit Organizations	$50.00	$100.00

Additional Fees

- Refundable Security and Excess Cleaning Deposit: $350.00
- Standard Cleaning Fee (required): $75.00
- Excessive Cleaning or Damage: Actual cost, including staff time

APPENDIX B: COMMUNITY ROOM ALCOHOL USE ADDENDUM

This Alcohol Use Addendum applies only when alcohol service is specifically approved in writing by the Town Manager or designee. Approval is not guaranteed and may be revoked at any time.

I. Conditions of Approval
   A. Alcohol service must comply with all applicable Texas Alcoholic Beverage Code requirements. Including requirements for security.
   B. Alcohol may not be sold. No admission fees or donations tied to alcohol service are permitted.
   C. Alcohol must be served by a licensed and insured bartender or caterer, if required by the Town.
   D. Proof of liquor liability insurance naming the Town of Argyle as an additional insured may be required.
   E. Alcohol service must end at least thirty (30) minutes prior to the end of the event.
   F. No alcohol may be removed from the premises.

II. Responsibility and Liability
   A. The Renter assumes full responsibility for the conduct of all attendees and for compliance with this Addendum.
   B. Any violation may result in immediate termination of the event and forfeiture of fees and deposits.

III. Acknowledgment
   A. By signing below, the Renter acknowledges and agrees to all conditions of this Alcohol Use Addendum.

Renter	**Town of Argyle**
Signature	Signature
Printed Name	Printed Name
Date	Date

TOWN OF ARGYLE, TEXAS
RESOLUTION NO. 2010-57

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS APPROVING THE TOWN OF ARGYLE TOWN HALL COMMUNITY ROOM RESERVATION POLICY.

WHEREAS, the newly renovated Town Hall includes a Community Room and kitchen facilities; and

WHEREAS, it is the desire and intention of the Town Council to make certain provisions whereby citizens and organizations may schedule the use of said facilities; and

WHEREAS, it has been deemed to be in the best interest of the citizens of the Town of Argyle that a policy be established governing the use and operation of the aforementioned facilities.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ARGYLE, TEXAS:

Section 1. THAT, the above findings are hereby found to be true and correct and are incorporated herein in their entirety.

Section 2. THAT, the Town Council of the Town of Argyle hereby approves the Town Hall Community Room Reservation Policy, attached hereto as EXHIBIT "A".

AND IT IS SO RESOLVED.

PASSED AND APPROVED this the 14TH day of September, 2010.

TOWN OF ARGYLE, TEXAS

BY: _____
Greg Landrum, Mayor

ATTEST: _____
Codi Delcambre, Town Secretary

TOWN OF ARGYLE STATE OF TEXAS

Approved as to Form and Legality: _____
Matthew C. G. Boyle, Town Attorney

Town of Argyle
Town Hall Community Room
Reservation Policy

308 Denton Street
Argyle, Texas 76226
940.464.7273
www.argyletx.com

GENERAL RESERVATION INFORMATION

APPROVED: September 14, 2010

- Community Room and Kitchen are available for reservation from 6:00 a.m. to 12:00 Midnight, Sunday through Saturday. South Parking Area may be reserved from 5:00 p.m. Friday to 10:00 p.m. Sunday. Town Hall is locked at 12:00 Midnight; therefore, event and clean-up must be completed by 12:00 Midnight.
- ALL reservations must be made in person at Town of Argyle Town Hall during regular operating hours. Availability may be determined by telephone; however, reservations will only be accepted in person and payment must accompany the completed and signed Reservation Form. Reservation Forms are available for download at the Town of Argyle website or in person at Town Hall.
- All reservations must be booked and paid at least two weeks in advance.
- Payment of a security deposit of $50 and reservation fee must be made in full at time of booking. (Reservations are not confirmed or scheduled until a Reservation Form is complete and full payment of deposit and reservation fee is received.) If alcohol is served, a security deposit of $125 is required and must accompany the reservation fee at the time of reservation. The security deposit is fully refundable within 30 days of date of reservation, providing there are no damages to the premises and all policies have been followed. (See below for fee schedule.)
- CANCELLATION POLICY - A written cancellation notice, signed by the applicant, must be received at least thirty (30) days prior to the scheduled event in order for user to receive a full refund of the reservation fee and security deposit, less a $25 service charge. Fifty percent (50%) of the reservation fee and security deposit, less a $25 service charge, shall be refunded for any cancellation 14-29 days prior to scheduled event. Cancellation made less than 14 days in advance of the scheduled event forfeits the entire reservation fee and security deposit.
- Reservation fee includes set-up and clean-up of rental space. Extra set-up and clean-up time required by user must be included in reservation period when scheduling reservation time. All trash must be taken to the facility's outdoor solid waste dumpster location and placed inside the solid waste container.
- Community Room rental includes available chairs and tables. All tables are rectangular.
- Community Room maximum occupancy - 175

Reservation Fees and Charges

Town Hall Community Room

Regular Hours Rate (8 AM to 5 PM, M-F)
$ 90.00 (Minimum 2 hour reservation)
$ 25.00 each additional hour

After Regular Hours, Weekends & Holidays
$114.00 (minimum 2 hour reservation)
$ 25.00 each additional hour

Community Room ONLY without furnishings/equipment
$ 25.00 (Minimum 2 hour reservation)
$ 10.00 each additional hour

Recurring Events/Activities (Minimum 1 time per week and minimum 3 times per month)
$15.00 per hour

Kitchen, accompanied with Community Room reservation only

Resident/Non Resident Rate
Kitchen $25.00 flat fee

Reservation Fees and Charges
(Continued)

South Concrete Parking Area

After Regular Hours, Weekends & Holidays
$ 55.00 per hour, includes staff and available furnishings

Town Hall Community Room (After Regular Hours, Weekends & Holidays) With Alcohol

$ 1140.00 (10-hour Minimum Charge)
$ 114.00 each additional hour

Alcohol shall only be served between hours of 12:00 Noon and 12:00 Midnight
A minimum of 1 security personnel is included (If Town determines additional security is needed, user will be charged $45.00 per hour per additional security personnel.)

South Concrete Parking Area (After Regular Hours, Weekends & Holidays) With Alcohol

$ 1000.00 (10-hour Minimum Charge)
$ 100.00 each additional hour

Alcohol shall only be served between hours of 12:00 Noon and 12:00 Midnight
A minimum of 1 security personnel is included (If Town determines additional security is needed, user will be charged $45.00 per hour per additional security personnel.)

This section shall remain blank

ORIGINAL DOCUMENT

TOWN OF ARGYLE

Council Action: (Y/N) Ord./Res. No. 2010.57

Date Approved: 9.14.10

Mayor and Council Agenda Item Memorandum

ITEM TYPE	MEETING DATE:
Discussion Item	February 17, 2026

PRESENTER:

Mike Sims, Town Manager

REQUESTED BY:

N/A

ITEM DESCRIPTION:

Discussion on Traffic Calming Measures

BACKGROUND INFORMATION:

This item is to present traffic calming measures that could be incorporated into the Town's Thoroughfare Plan update that is currently underway by engineering firm Kimley Horn.

This effort is happening in tandem with updates to the Town's impact fee ordinance, capital improvement master plan, and audit of the Town's previous impact fee ordinance passed in 2020.

FISCAL IMPACT:

☒ Not Applicable
☐ Proposed Expenditure:
☐ General Ledger Code:
☐ Proposed Revenue:
☐ Budget Amendment Required: No
☐ Financial Review Completed by:

LEGAL REVIEW:

The Town Manager reviewed this item.

ATTACHMENTS:

Exhibit A - Traffic Calming Presentation

RECOMMENDED MOTION AND/OR ACTION:

No action is required as this item is for informational purposes only.

T-Plan, Impact Fees and Traffic Calming Study

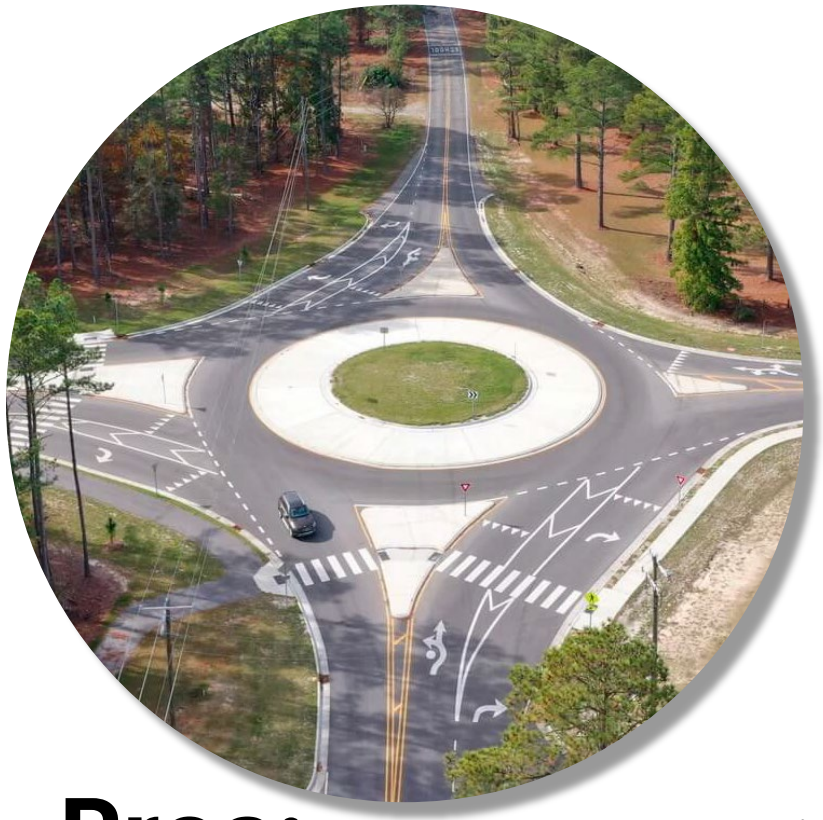
Planning Study and Ordinance Update Now Underway

A thoroughfare plan and impact fees that preserve and enhance rural country lanes while providing a vision for traffic calming and mobility solutions

Traffic Calming Toolbox

1. Traffic Circle
2. Raised Center Median
3. Chicane
4. Bulb-Outs, Chokers, or Curb-Extensions
5. Visual Narrowing
6. Speed Cushions
7. Speed Feedback Signs
8. Striping
9. Closures

Kimley»Horn
Expect More. Experience Better.



Tool 1: Traffic Circle

Traffic circles are raised islands constructed at intersections. They are typically landscaped with ground cover, bushes, and trees. Traffic circles require drivers to slow to a speed that allows them to comfortably maneuver around them.

Pros:

1. Reduces speed at intersection approach
2. Reduces vehicles conflicts at intersection
3. Provides equal access to intersection for all drivers
4. Does not restrict access to residents
5. When landscaped, traffic circles improve the appearance of a street

Cons:

1. On-street parking is prohibited within a min. of 30-ft from the intersection
2. May not reduce cut-through traffic
3. Will increase emergency response time
4. Can restrict access for trucks and longer school buses
5. Maintenance responsibility, if landscaped

Kimley»Horn
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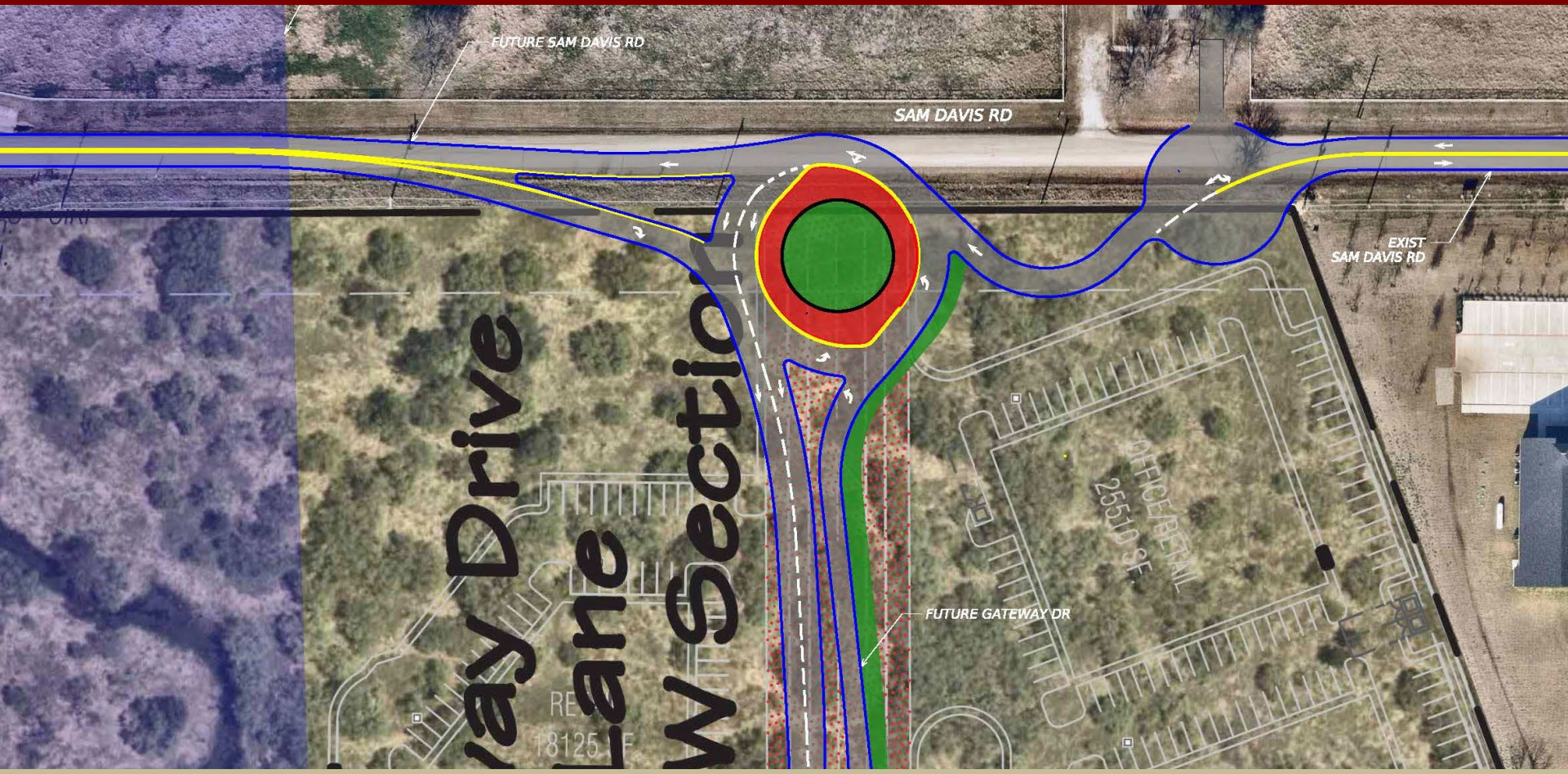
Limited Access Traffic Circle



Preliminary Heath Tract Example
Intersection of Gateway and Sam Davis

Tool 2: Raised Center Median

Raised Center Medians are raised islands constructed in a street. They are typically landscaped with ground cover, bushes, and trees or paved with decorative pavers. They create narrowed lanes and encourage motorists to slow through the narrow section.

Pros:

1. Reduces lane width and vehicular speed
2. Provides aesthetic visual break-up on long straight roads
3. Provides a visual cue to motorists that they are entering a neighborhood

Cons:

1. On-street parking must be prohibited
2. Maintenance responsibility, if landscaped
3. May have little or no impact on cut-through traffic

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Tool 3: Chicane

A chicane is a series of two or more staggered curb extensions on alternating sides of the roadway. They are usually landscaped with ground cover, bushes, and trees. Horizontal deflection encourages motorists to slow through the chicane. Small raised island may be added.

Pros:

1. Reduces motorist speed
2. Does not restrict access to residents
3. Minimal impact to emergency vehicles
4. Reduces cross distance for pedestrians
5. Can be aesthetically pleasing, if landscaped

Cons:

1. Curbside parking must be prohibited
2. Maintenance responsibility, if landscaped
3. May have little or no impact on cut-through traffic

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Tool 4: Bulb-Outs, Chokers, or Curb-Extensions

Street physically narrowed to expand sidewalks and landscaped areas; possibly adding medians, on-street parking, etc. These measures narrow the pavement by widening the sidewalk area at strategic locations. They provide shorter pedestrian crossing distances and provide protection to the beginning of a parking lane.

Pros:

1. Minor inconvenience to drivers, with minimal inconvenience to traffic
2. Good for pedestrians due to shorter crossing distance
3. Provides space for landscaping
4. Slows traffic without affecting emergency response time
5. Effective when used in a series

Cons:

1. Double lane narrowing not very effective at reduced speeds or diverting through-traffic
2. Only partially effective as a visual obstruction
3. Unfriendly to cyclists unless designed to accommodate them
4. Conflict between passing opposing drivers could create problems

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Tool 5: Visual Narrowing

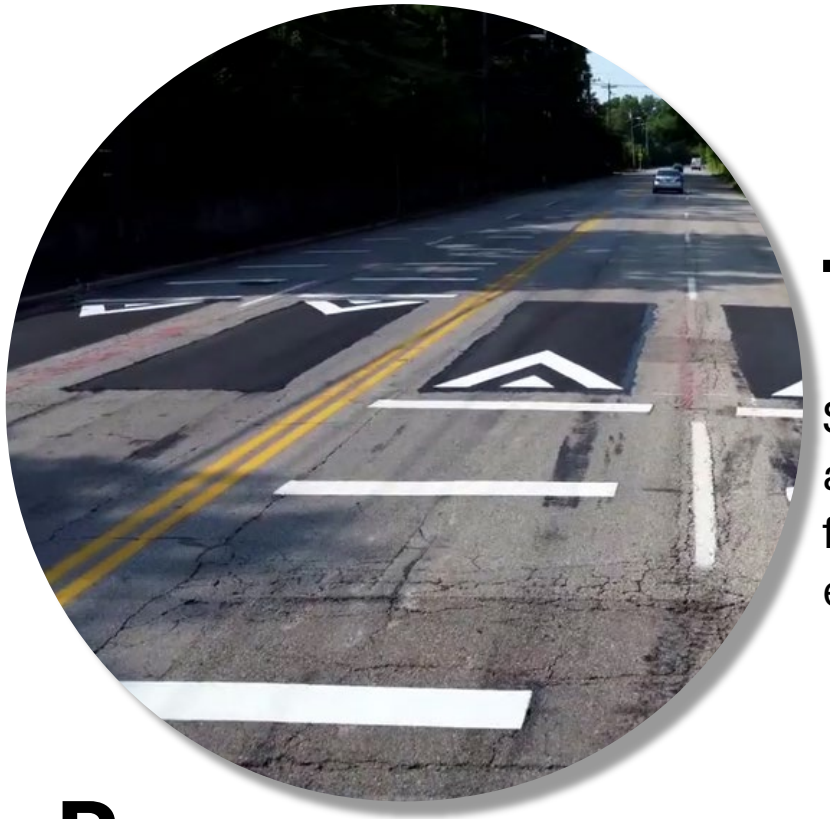
Visual narrowing techniques utilize either physical objects, vertical street elements, or pavement markings to communicate to the driver a perceived narrowing of their anticipated path of permissible travel to reduce operating speeds. Trees help visually narrow the street. The visual narrowing effect is more pronounced the closer the trees are to the edge of the travel way for vehicles

Pros:

1. Trees create a natural visual wall
2. Can be a low-cost, highly effective solution compared to some engineered traffic calming devices
3. May offer environmental benefits and aesthetic value
4. May create a safer, more pleasant environment for walking and biking

Cons:

1. Initial planting and establishment may be costly
2. Requires time for maturity
3. Overgrown trees can block sightlines
4. May requires ongoing care such as watering, pruning, potential removal
5. Needs sufficient right-of-way for tree pits and canopy, potentially competing with utility lines or sidewalks



Tool 6: Speed Cushions

Speed cushions consist of two raised areas placed laterally across a roadway with gaps in between. They are seen as favorable over speed humps, because these gaps allow for emergency vehicles to pass through at normal speeds

Pros:

1. Minimal impact on emergency response times
2. low cost to construct
3. Lowers traffic volumes by an average of 20%

Cons:

1. Does not slow down large commercial vehicles or motorcycles
2. Passenger vehicles may try to steer around them

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Tool 7: Speed Feedback Signs

Dynamic speed feedback signs alert drivers that they are speeding and create a sense of being monitored to the driver. The feedback may be the driver's actual speed, a message such as "slow down," or activation of some warning device.

Pros:

1. Easy to implement and low cost to construct
2. Can be portable and temporary

Cons:

1. Not always a long-term solution
2. Some drivers use it to test the limits on their speed, rather than slow down

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Speed Feedback Signs

2025 Acquired and Deployed Five Current Locations

Tool 8: Striping

Striping as a traffic calming technique can help reduce the driver's perceived width of the roadway. The striping alternatives can consist of adding the following: centerline stripe, edge lines, striped median, striped choker or chicane, and psycho-perceptive striping.

Pros:

1. Does not reduce emergency response time
2. Allow for greater flexibility to meet future changes
3. Can be implemented quickly and are less costly to construct
4. Provides opportunity for multimodal street design (e.g. bike lanes, on-street parking)

Cons:

1. Some limitations in speed reduction
2. Less effective when speeds are already low
3. Requires frequent maintenance, doesn't last forever

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Tool 9: Closures

Half or full road closures as a form of traffic calming are done by installing physical barriers that either cut off one or both directions of traffic. Full-street closures usually leave open space for pedestrians and bicyclists; they are sometimes called cul-de-sacs, dead-ends, or mini-parks.

Pros:

1. Can be used to assist in crime prevention
2. Can be applied with and without bicycle facilities and on roads with on-street parking
3. Can improve pedestrian crossing safety
4. Both closure types can be designed to allow emergency vehicle access with removable barriers

Cons:

1. Potential legal concerns
2. May result in traffic diverting to other local streets
3. No significant impact on vehicle speeds beyond the closed block
4. Concerns regarding street network connectivity and capacity

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Overall Schedule (Roadways)

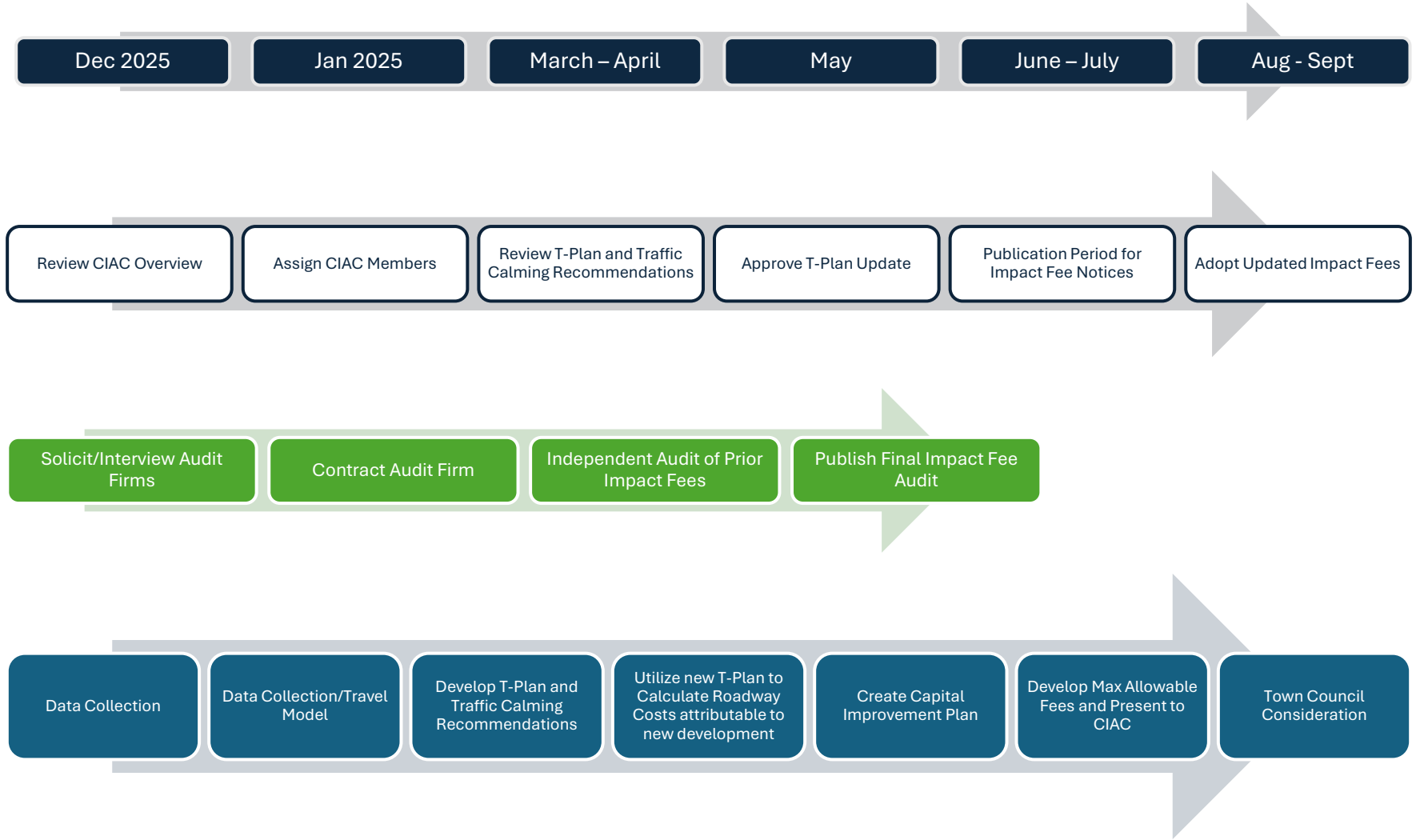
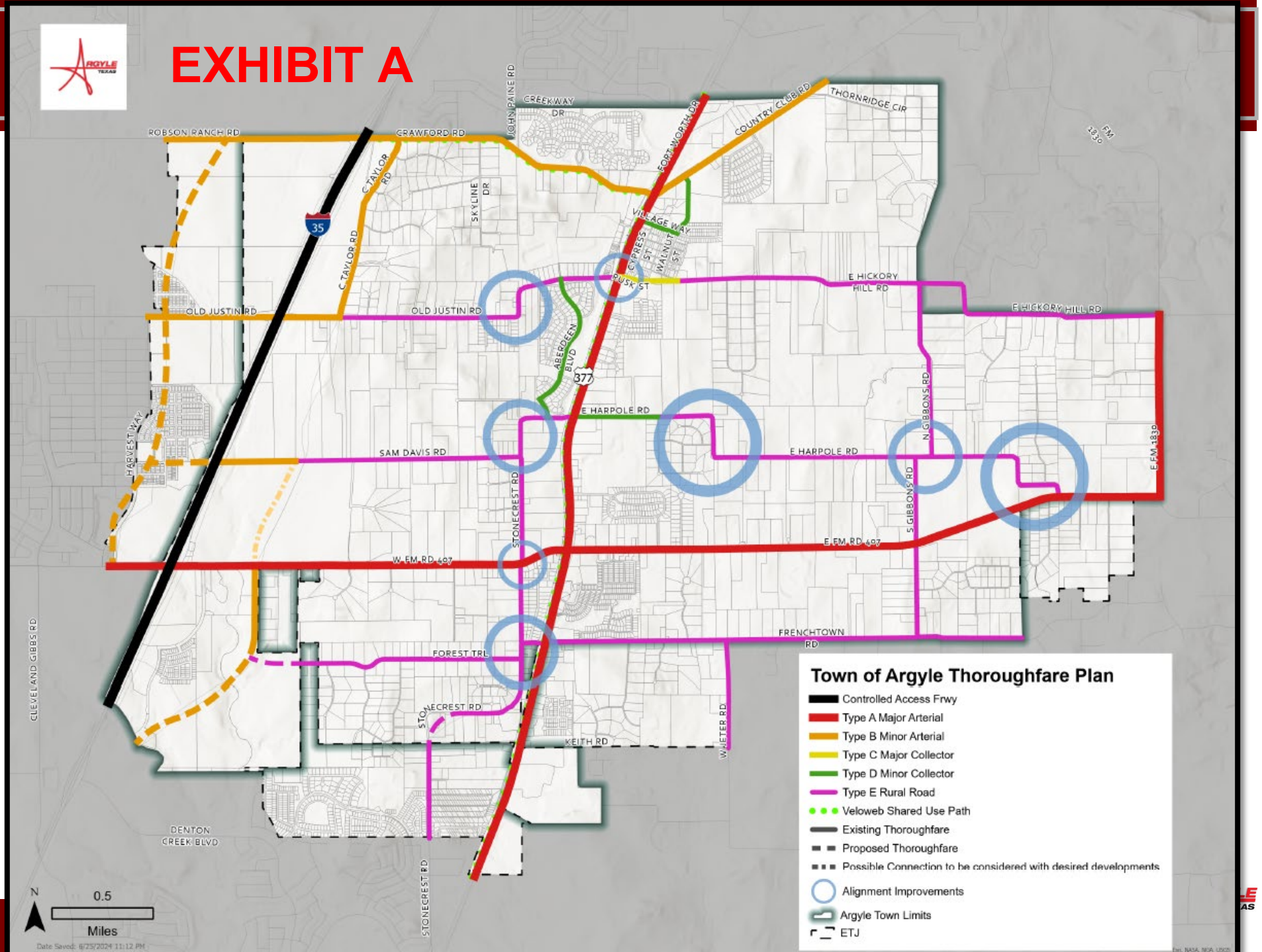


EXHIBIT A


ROBSON RANCH RD
CRAWFORD RD
JOHN PAINE RD
CREEKWAY DR
FORT WORTH DR
COUNTRY CLUB RD
THORNRIDGE CIR
FM 1830
C TAYLOR RD
SKYLINE DR
35
VILLAGE WAY
CYPRESS ST
WALNUT ST
PUSK ST
E HICKORY HILL RD
OLD JUSTIN RD
ABERDEEN BLVD
377
HARVEST WAY
E HARPOLE RD
SAM DAVIS RD
N GIBBONS RD
S GIBBONS RD
E FM 1830
STONECREST RD
W FM 407
E FM 407
FRENCHTOWN RD
FOREST TRL
CLEVELAND GIBBS RD
KEITH RD
WHETER RD
DENTON CREEK BLVD
N
0.5
Miles
Town of Argyle Thoroughfare Plan
Controlled Access Frwy
Type A Major Arterial
Type B Minor Arterial
Type C Major Collector
Type D Minor Collector
Type E Rural Road
Veloweb Shared Use Path
Existing Thoroughfare
Proposed Thoroughfare
Possible Connection to be considered with desired developments
Alignment Improvements
Argyle Town Limits
ETJ

FINANCIAL REPORT
FY 25-26 DECEMBER 2025

Town of Argyle · P.O. Box 609 · Argyle, TX · 76226

Introduction

This Financial Report provides an overview of revenues and expenditures for FY 25-26. This report covers activity through December 2025, the third month of the current fiscal year (25% of the fiscal year). This report was prepared on 02/05/2026.

GENERAL FUND

Key Revenues:

- Ad Valorem – Collected 44% of budgeted property taxes through December.
- Sales Tax – Collections for the first quarter reached 25% of the annual budget, aligning precisely with projected expectations.
- Development- Revenues were 35% of annual budget. Most of the revenue collected was for a 35W 407 zoning fee.
- Police Revenue- Revenues were 34% of annual budget attributable to policing agreement in Harvest area.

Department Expenditures:

- Overall, total first-quarter general expenditures are closely aligned with the approved budget.
- Town Council (39% of budget)- Belmont audit fees were paid in October.
- Finance (41% of budget)- Currently over budget due to prior period payments owed to a vendor.
- Animal Control (38% of budget)– One-time yearly equipment fee paid in October.
- Non-Departmental (39% of budget)- Payment of FY26 property and liability insurance in October.

SPECIAL REVENUE FUNDS

- Municipal Development District fund has collected 28% of its budgeted sales tax.
- Crime Control and Prevention District fund has collected 25% of sales tax revenues and has spent 13% of its services and capital budget.
- Street Maintenance Fund has collected 27% of sales tax revenue and has spent a minimal amount on capital projects to date.

CAPITAL IMPROVEMENT FUND

YTD total expenses are 9% of total budget, with 11% in drainage projects and 20% in building projects. The current estimated fund balance is $4.1 million.

UTILITY FUND

Revenues are 29% of total budget. Expenses for the utility operations are 23%. The Harvest Subdivision refunds began in April 2025. The balance owed to customers was $127,185 at the end of December 2025. This is the last month the Town is accepting reimbursement requests.

Town of Argyle Financial Dashboard

Fiscal Year Overview: **FY26**
Period Ending: **12/31/2025**
25% of the fiscal year

General Fund

Revenue Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Ad Valorem Taxes	4,102,733	1,726,042	1,813,796	44%
Sales Tax	2,317,000	216,533	570,069	25%
Franchise Tax	602,392	113,995	114,882	19%
Municipal Court	418,300	40,885	122,348	29%
Permits & Registrations	50,000	4,403	12,345	25%
Construction Permits	253,900	13,636	39,584	16%
Development	25,000	2,400	8,862	35%
Police Revenues	260,123	71,963	87,619	34%
Interest Revenues	217,500	17,806	46,571	21%
Other Revenues	25,000	269	1,858	7%
Sale of Assets	-	31,805	31,805	0%
Transfers In	342,100	-	-	0%
Total Revenue	8,614,048	2,239,737	2,849,739	33%

Expenditure Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Town Council	72,680	3,065	28,064	39%
Administration	498,521	53,734	127,324	26%
Town Secretary	232,645	31,242	59,432	26%
Communications/Marketing	114,000	9,275	29,105	26%
Finance	303,351	81,876	124,575	41%
Municipal Court	188,595	24,227	58,411	31%
Information Technology	257,300	10,066	45,876	18%
Police Services	2,723,218	293,348	739,882	27%
Animal Control	37,500	3,249	14,080	38%
Development Services	370,413	24,917	82,826	22%
Development Inspections	546,095	24,314	59,811	11%
Streets & Drainage	549,448	36,138	97,926	18%
Parks and Recreation	262,060	5,415	18,692	7%
Non-Departmental	381,723	27,741	150,569	39%
Transfers Out	1,356,763	-	-	0%
Total Expenditures	7,894,312	628,608	1,636,572	21%

Surplus (Deficit)	**719,736**	**1,611,129**	**1,213,168**

Fund Balance Summary			
Fund Balance 09.30.25 Unaudited	5,815,094	5,815,094	5,815,094
Surplus or Deficit (from above)	719,736	1,611,129	1,213,168
Estimated Fund Balance	6,534,830	7,426,223	7,028,262

Town of Argyle Financial Dashboard

Fiscal Year Overview: **FY26**
Period Ending: **12/31/2025**
25% of the fiscal year

Municipal Development District (MDD)

Revenue Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Sales Tax	550,000	59,390	156,087	28%
Interest Revenues	55,000	8,812	26,099	47%
Total Revenue	605,000	68,203	182,186	30%

Expenditure Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Supplies	2,500	-	259	10%
Contracted Services	150,050	6,420	19,618	13%
Economic Incentive Grants	300,000	-	-	0%
Transfers Out	492,100	-	-	0%
Total Expenditures	944,650	6,420	19,877	2%

Surplus (Deficit)	**(339,650)**	**61,783**	**162,310**

Fund Balance Summary			
Fund Balance 09.30.25 Unaudited	2,270,432	2,270,432	2,270,432
Surplus or Deficit (from above)	(339,650)	61,783	162,310
Estimated Fund Balance	1,930,782	2,332,215	2,432,742

Town of Argyle Financial Dashboard

Fiscal Year Overview: **FY26**
Period Ending: **12/31/2025**
25% of the fiscal year

Crime Control & Prevention District (CCPD)

Revenue Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Sales Tax	511,875	49,723	128,286	25%
Interest Revenues	17,000	3,273	9,414	55%
Transfers In	12,500	-	-	0%
Total Revenue	541,375	52,996	137,700	25%

Expenditure Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Contracted Services	32,809	-	858	3%
Capital Outlay	241,712	-	36,159	15%
Transfers Out	495,000	-	-	0%
Total Expenditures	769,521	-	37,017	5%

Surplus (Deficit)	**(228,146)**	**52,996**	**100,683**

Fund Balance Summary			
Fund Balance 09.30.25 Unaudited	723,719	723,719	723,719
Surplus or Deficit (from above)	(228,146)	52,996	100,683
Estimated Fund Balance	495,573	776,715	824,401

Town of Argyle Financial Dashboard

Fiscal Year Overview: **FY26**
Period Ending: **12/31/2025**
25% of the fiscal year

Street Maintenance

Revenue Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Sales Tax	1,023,750	106,658	280,198	27%
Interest Revenues	78,000	11,673	35,399	45%
Total Revenue	1,101,750	118,330	315,597	29%

Expenditure Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Contracted Services	100,000	-	-	0%
Capital Outlay	1,936,000	-	5,629	0%
Transfer Out	115,000	-	-	0%
Total Expenditures	2,151,000	-	5,629	0%

Surplus (Deficit)	**(1,049,250)**	**118,330**	**309,969**

Fund Balance Summary			
Fund Balance 09.30.25 Unaudited	3,787,025	3,787,025	3,787,025
Surplus or Deficit (from above)	(1,049,250)	118,330	309,969
Estimated Fund Balance	2,737,775	3,905,355	4,096,994

Town of Argyle Financial Dashboard

Fiscal Year Overview: **FY26**
Period Ending: **12/31/2025**
25% of the fiscal year

Capital Improvement Fund

Revenue Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Interest Revenues	141,000	12,928	40,964	29%
Other Revenues	750,000	-	-	0%
Donations	250,000	-	-	0%
Transfers In	1,954,761	-	-	0%
Total Revenue	3,095,761	12,928	40,964	1%

Expenditure Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Contracted Services	1,625,000	20,565	141,501	9%
Parks	250,000	-	-	0%
Building Improvements	190,000	16,545	37,945	20%
Drainage Improvements	600,000	22,703	66,163	11%
Total Expenditures	2,665,000	59,813	245,610	9%

Surplus (Deficit)	**430,761**	**(46,885)**	**(204,646)**

Fund Balance Summary			
Fund Balance 09.30.25 Unaudited	4,363,057	4,363,057	4,363,057
Surplus or Deficit (from above)	430,761	(46,885)	(204,646)
Estimated Fund Balance	4,793,818	4,316,172	4,158,411

Town of Argyle Financial Dashboard

Fiscal Year Overview: **FY26**
Period Ending: **12/31/2025**
25% of the fiscal year

Wastewater Operating Fund

Revenue Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Sewer System Revenues	2,415,000	359,952	699,590	29%
Interest Revenues	87,000	9,699	29,984	34%
Sale of Assets	-	-	4,500	0%
Total Revenue	2,502,000	369,651	734,074	29%

Expenditure Summary	Budget	Dec 2025 Actuals	YTD Actuals	% of Budget
Personnel	299,708	20,449	60,130	20%
Supplies	13,900	1,232	2,438	18%
Contracted Services	1,636,033	191,719	323,226	20%
Repair & Maintenance	194,000	47	2,153	1%
Capital Outlay	400,000	191,766	207,916	52%
Transfers Out	430,744	-	-	0%
Total Expenditures	2,974,385	405,213	595,864	20%

Surplus (Deficit)	**(472,385)**	**(35,562)**	**138,211**

Fund Balance Summary			
Fund Balance 09.30.25 Unaudited	2,315,707	2,315,707	2,315,707
Surplus or Deficit (from above)	(472,385)	(35,562)	138,211
Estimated Fund Balance	1,843,322	2,280,145	2,453,918

Harvest Subdivision Tracker	
Audit identified liability	229,664
Paid through December 31, 2025	(102,479)
Net Amount Due	127,185

Town of Argyle Financial Dashboard

Fiscal Year Overview: **FY26**
Period Ending: **12/31/2025**

Bank Deposits Yield: 3.81%
TexPool Yield: 3.85%

Cash Balances

Funds	Cash Balances	Investment Balances	Total	YTD Interest Earned
General Fund (Consolidated)	4,862,659	118,763	4,981,422	43,882
General Fund (Premium Trust Tax)	1,874,679	-	1,874,679	2,689
Waterbrook TIRZ	111,720	-	111,720	1,082
Municipal Development District	1,388,637	955,051	2,343,688	26,099
Crime Control & Prevention District	745,838	-	745,838	9,414
Street Maintenance	3,923,297	-	3,923,297	35,399
Building Maintenance	4,947	-	4,947	47
Court Technology	23,847	-	23,847	209
Court Security	91,081	-	91,081	843
Parkland	114,557	-	114,557	1,084
Tree Reforestation	69,437	-	69,437	663
LEOSE Funds	8,015	-	8,015	76
Police Seizure	18,931	-	18,931	-
Police Donations	39,475	-	39,475	374
Hotel Occupancy Tax	2,012	-	2,012	-
Capital Improvements Fund	4,208,525	-	4,208,525	40,964
Roadway Impact Fees	3,203,807	508	3,204,315	30,401
Equipment Replacement	183,579	-	183,579	1,808
Interest & Sinking	1,883,167	-	1,883,167	19,279
Wastewater Operating	2,999,289	-	2,999,289	29,984
Wastewater Development	993,578	75,951	1,069,530	10,441
	$ 26,751,075	**$ 1,150,274**	**$ 27,901,349**	**$ 254,737**