



**RICHLAND HILLS CITY COUNCIL  
REGULAR MEETING AGENDA  
JUNE 22, 2026  
CITY HALL, 3200 DIANA DRIVE**

The Work Session and Regular Session are open to the public. If Executive Session is required, it will be held in the Council Conference Room, and is closed to the public. Please note that although the Council will generally consider the items on the agenda in the order shown below, they may elect to re-order items in order to accommodate the needs of the Council, city staff, presenters, or the public generally. Therefore, members of the public interested in any agenda item are encouraged to be in attendance at the start of the meeting.

**1. CALL MEETING TO ORDER - 5:30 P.M.**

**2. WORK SESSION**

- A. Discuss Items Listed On Tonight's City Council Agenda. No Action Will Be Taken And Each Item Will Be Considered During The Regular Session.
- B. Financial Update
- C. Discuss Information Technology Infrastructure Replacement Options, Including The Meter 7-Year Managed Infrastructure Option, The Fortinet Purchase Option, The Dell Server And Storage Equipment Purchase, And Related Tax Note Reimbursement Resolution.
- D. 5-Year Capital Improvement Plan - Project List Development

**3. EXECUTIVE SESSION**

Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.

- A. Deliberation Regarding Commercial Or Financial Information Received From Or The Offer Of A Financial Or Other Incentive Made To A Business Prospect Seeking To Locate, Stay Or Expand In Or Near The Territory Of The City And With Which The City Is Conducting Economic Development Negotiations Pursuant To Section 551.087
  - 1. Economic Development Project #26-05 Former TRE Richland Hills Station

- B. Reconvene Into Open Session For Possible Action Resulting From Any Items Posted And Legally Discussed In Executive Session.

**4. REGULAR SESSION - IMMEDIATELY FOLLOWING EXECUTIVE SESSION BUT NO EARLIER THAN 6:30 P.M.**

- A. Call Meeting To Order
- B. Invocation And Pledges Of Allegiance

**5. CITIZEN COMMENTS**

Citizens in attendance at the meeting who have signed a card to speak to the City Council will also be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the city staff and City Council members are prevented from discussion of the subject and may respond only with statements of factual information or existing city policy. Citizens will have three (3) minutes to address City Council. Public comment will not be taken on items that the City Council has previously considered in a public hearing.

- A. Citizen Appearances/Public Comments

**6. CONSENT AGENDA**

All items listed below are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items unless a Councilmember or citizen so requests, in which event the item will be removed from the consent agenda and considered in its normal sequence. Approval of the consent agenda authorizes the City Manager to implement each item in accordance with staff recommendations.

- A. Approve Minutes From The June 8, 2026 City Council Regular Meeting

**7. NEW BUSINESS**

- A. Resolution - A Resolution Of The City Council Of The City Of Richland Hills, Texas, Adopting A Capital Improvement Plan Infrastructure Prioritization Framework; Establishing Objective Criteria For Evaluating And Prioritizing Capital Projects; Directing The City Manager Or Designee To Use The Framework In Developing The City'S FY2027–FY2031 Capital Improvement Plan; Providing That Adoption Of The Framework Does Not Authorize Any Specific Project, Appropriation, Contract, Debt Issuance, Or Expenditure; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.
- B. Resolution - A Resolution Of The City Council Of The City Of Richland Hills, Texas, Authorizing Implementation Of A Seven-Year Meter Network Premium Subscription Offering For City Network Infrastructure Services In An Amount Not To Exceed \$43,763 Annually; Authorizing The City Manager To Execute The Master Services Agreement, Any Addenda, Order Forms, Statements Of Work, Cooperative Purchasing Documents, And Related Agreements After Final Review And Approval As To Form By The City Attorney; Providing That Future-Year Obligations Are Subject To

Annual Appropriation By The City Council And Applicable Texas Law; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

- C. Resolution - A Resolution Approving The Purchase Of Fortinet Network Infrastructure Equipment And Related Implementation Services Through Todoverde; Authorizing The City Manager Or Designee To Execute Purchase Orders, Agreements, And Related Documents; Authorizing A Budget Adjustment And Expenditure Of Oil And Gas Fund Reserves In An Amount Not To Exceed \$210,000; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.
- D. Resolution - A Resolution Declaring The City'S Official Intent To Reimburse Certain General Fund Expenditures For The Purchase Of Dell Servers, Dell Storage Equipment, Software, Licensing, Migration Services, And Related Information Technology Equipment And Implementation Services From The Proceeds Of Future Tax Notes; Authorizing Related Recordkeeping And Administrative Actions; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.
- E. Resolution - A Resolution Approving The Purchase Of Dell Servers, Storage Equipment, Software, Licensing, Migration Services, And Related Information Technology Equipment And Implementation Services In An Amount Not To Exceed \$500,000; Authorizing Payment From The General Fund; Authorizing Any Necessary Budget Adjustment; Authorizing The City Manager Or Designee To Execute Purchase Orders, Agreements, And Related Documents; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

## **8. REPORTS & DISCUSSIONS**

- A. May Department Reports
- B. Major Project Updates - Park Restrooms And Street Projects
- C. Permitting And Inspection Services Strategic Discussion.

## **9. COUNCIL COMMENTS & COMMUNITY INTEREST ITEMS**

- information regarding holiday schedules;
- honorary recognitions of city officials, employees, or other citizens;
- reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by a city official or city employee; and
- announcements involving imminent public health and safety threats to the city

## **10. ADJOURNMENT**

### **CERTIFICATE**

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the official bulletin board at the Richland Hills City Hall, 3200 Diana Drive, Richland Hills, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted by the following date and time: Monday, June 15, 2026, by 6:00 p.m., and remained so posted at least three business days before said meeting convened, pursuant to the Texas Government Code, Chapter 551.

*Lisa Boyd*

Lisa Boyd  
City Secretary



**ACCESSIBILITY STATEMENT**

The Facility is wheelchair accessible. If you plan to attend this public meeting and have a disability that requires special arrangements, please notify the City Secretary 48 hours in advance at (817) 616-3810 and reasonable accommodations will be made to assist you.

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: Jason Moore, City Manager

Date: June 22, 2026

Subject: FY2027 Financial Update – Conservative Revenue Forecast and Budget Planning  
Baseline

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## **Agenda Item:**

Financial Update

## **Background Information:**

The purpose of this work session item is to provide City Council with a conservative revenue forecast for FY2027 before staff presents the expenditure side of the proposed budget next month.

This discussion is intended to establish the revenue framework for the FY2027 budget. Council has already provided direction that staff should use conservative revenue assumptions. As a result, this update is not intended to seek direction on whether to use optimistic, moderate, or conservative projections. Instead, staff is presenting the conservative revenue baseline that will be used to determine how much recurring revenue is available to fund operations, transfers, capital needs, and other budget priorities.

The expenditure side of the FY2027 budget will be presented separately. This revenue update is intended to help Council understand the size of the available revenue base and where the City's primary financial pressure points are likely to occur.

## Summary of FY2027 Conservative Revenue Assumptions

For FY2027 budget development, staff recommends using the following conservative

assumptions for the City’s two largest General Fund revenue sources:

Revenue Source	FY2027 Conservative Planning Amount
General Fund Property Tax	\$4,000,000
General Fund Sales Tax	\$3,500,000
<b>Total Major General Fund Revenues</b>	<b>\$7,500,000</b>

These two revenue sources represent the core recurring revenue base available to support General Fund operations. While other revenues such as franchise fees, municipal court revenue, permits, charges for service, investment income, and reimbursements will also be included in the FY2027 budget, property tax and sales tax are the two primary drivers of the City’s overall operating capacity.

Property Tax Revenue Assumption

Staff recommends using **\$4,000,000** as the conservative FY2027 General Fund property tax revenue assumption.

This amount generally holds the City close to the current budgeted property tax level and does not assume a significant increase from preliminary appraisal growth. While preliminary values indicate that the tax base remains strong, certified values have not yet been finalized, and the final tax rate calculation will be affected by exemptions, appraisal protests, tax ceilings, the no-new-revenue rate, the voter-approval rate, and the final allocation between M&O and I&S.

This conservative property tax assumption also recognizes the policy issue that Council may face during the FY2027 budget process: whether to operate within current recurring revenue, draw down fund balance toward the City’s minimum reserve level, or consider asking voters to

approve additional property tax capacity.

For planning purposes, the recommended FY2027 General Fund property tax number is:

**FY2027 Conservative General Fund Property Tax Revenue: \$4,000,000**

When the TIRZ is dissolved as previously discussed, the General Fund revenue picture becomes cleaner because that transfer would no longer reduce the General Fund’s available property tax revenue.

**Sales Tax Revenue Assumption**

Staff recommends using **\$3,500,000** as the conservative FY2027 General Fund sales tax revenue assumption.

The FY2026 adopted General Fund sales tax budget is \$4,900,000. However, current year-end projections indicate that actual FY2026 General Fund sales tax collections may be closer to the \$3.48 million to \$3.57 million range, depending on final monthly collections.

Because Council has directed staff to use conservative assumptions, staff recommends using the low end of the current FY2026 projection as the FY2027 baseline rather than assuming a rebound to the adopted FY2026 budget.

For planning purposes, the recommended FY2027 General Fund sales tax number is:

**FY2027 Conservative General Fund Sales Tax Revenue: \$3,500,000**

This represents an approximate \$1.4 million reduction from the FY2026 adopted General Fund sales tax budget.

**Dedicated Sales Tax Funds**

The same conservative approach should also be applied to the City’s dedicated sales tax funds. Based on the current forecast, staff recommends using the following FY2027 planning assumptions:

Fund FY2027 Conservative Sales Tax Assumption

Richland Hills Development Corporation / Type B\$870,000

Road and Street Fund \$1,306,000

CCPD Fund \$1,500,000

These assumptions are important because the sales tax decline is not limited to the General Fund. It also affects the City’s ability to fund economic development, street maintenance, capital projects, and public safety-related activities through dedicated funds.

Financial Planning Impact

The key takeaway for FY2027 is that the City should plan around approximately **\$7.5 million** in combined General Fund property tax and sales tax revenue.

That amount is materially lower than the revenue level implied by the FY2026 adopted budget. The primary driver is the sales tax shortfall. Even if property tax remains stable, it does not fully offset the reduction in sales tax revenue.

This means the FY2027 budget will likely require Council to evaluate one or more of the following options:

- 1. Reduce or defer recurring expenditures;
- 2. Limit new programs, staffing, equipment, and service expansions;
- 3. Use fund balance for one-time or transitional costs;
- 4. Draw fund balance closer to the City’s 90-day reserve threshold;
- 5. Consider whether a higher property tax rate should be submitted to voters;
- 6. Delay certain capital needs unless a dedicated funding source is identified.

Fund Balance Consideration

One option available to Council is to use existing fund balance as a short-term bridge. This could allow the City to maintain services while preparing for a future tax-rate election or while waiting to determine whether sales tax collections stabilize.

However, fund balance should not be treated as a permanent solution for recurring operating costs. Drawing fund balance closer to the City's 90-day reserve level may be reasonable as a short-term strategy, but it would reduce the City's financial flexibility and should be paired with a longer-term plan.

If Council chooses to use fund balance in FY2027, staff recommends clearly separating:

- One-time uses of fund balance;
- Transitional uses of fund balance;
- Recurring costs that will require an ongoing revenue source.

#### Key Budget Message

The FY2027 budget should be developed around the following conservative revenue reality:

**City Council should plan for approximately \$4.0 million in General Fund property tax revenue and \$3.5 million in General Fund sales tax revenue, for a combined major revenue base of approximately \$7.5 million.**

This revenue base will be used to frame next month's expenditure discussion. At that time, staff will show how current service levels, personnel, transfers, capital needs, and policy priorities compare against available recurring revenue.

#### Staff Recommendation

Staff recommends using the following FY2027 conservative revenue assumptions for budget development:

Revenue Source	Recommended FY2027 Budget Assumption
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General Fund Property Tax \$4,000,000

General Fund Sales Tax \$3,500,000

RHDC / Type B Sales Tax \$870,000

Road and Street Sales Tax \$1,306,000

CCPD Sales Tax \$1,500,000

No formal action is required during this work session. This item is provided as a financial update and as the revenue foundation for the FY2027 budget discussion.

**Financial Considerations:**

**Legal Review:**

**Board/Citizen Input:**

**Attachments:**

- 1. Sales Tax Net Payment Trend
- 2. Sales Tax Trend - Tarrant County

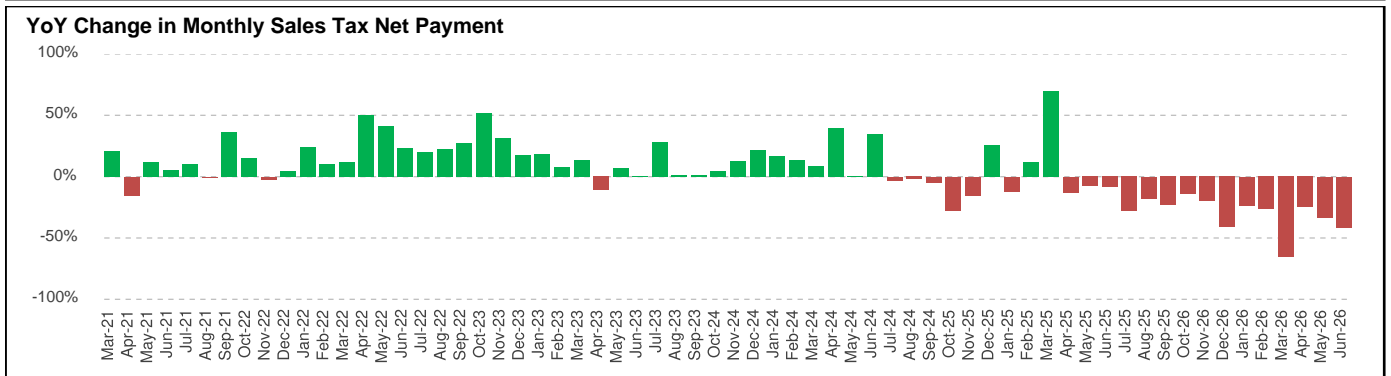
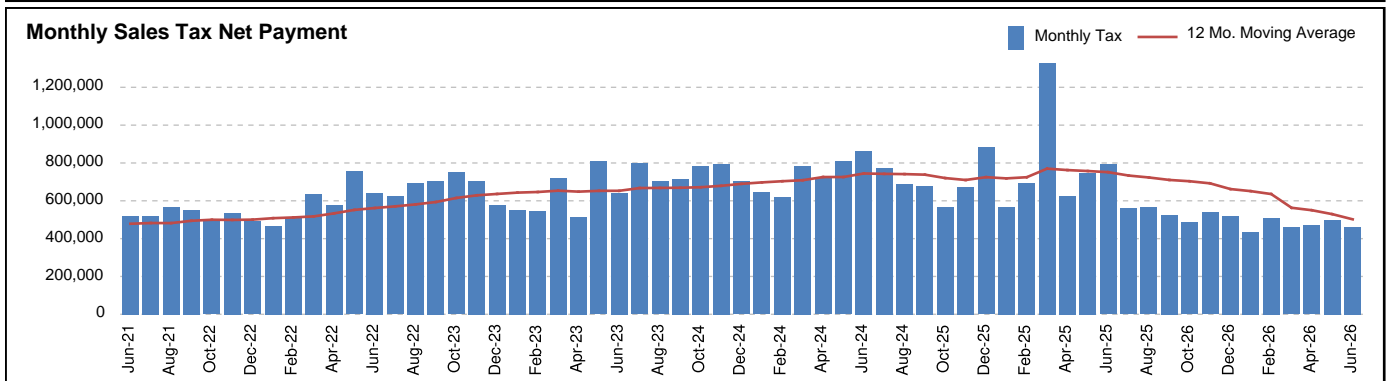
**Council Action Requested:**

No Action at this time.

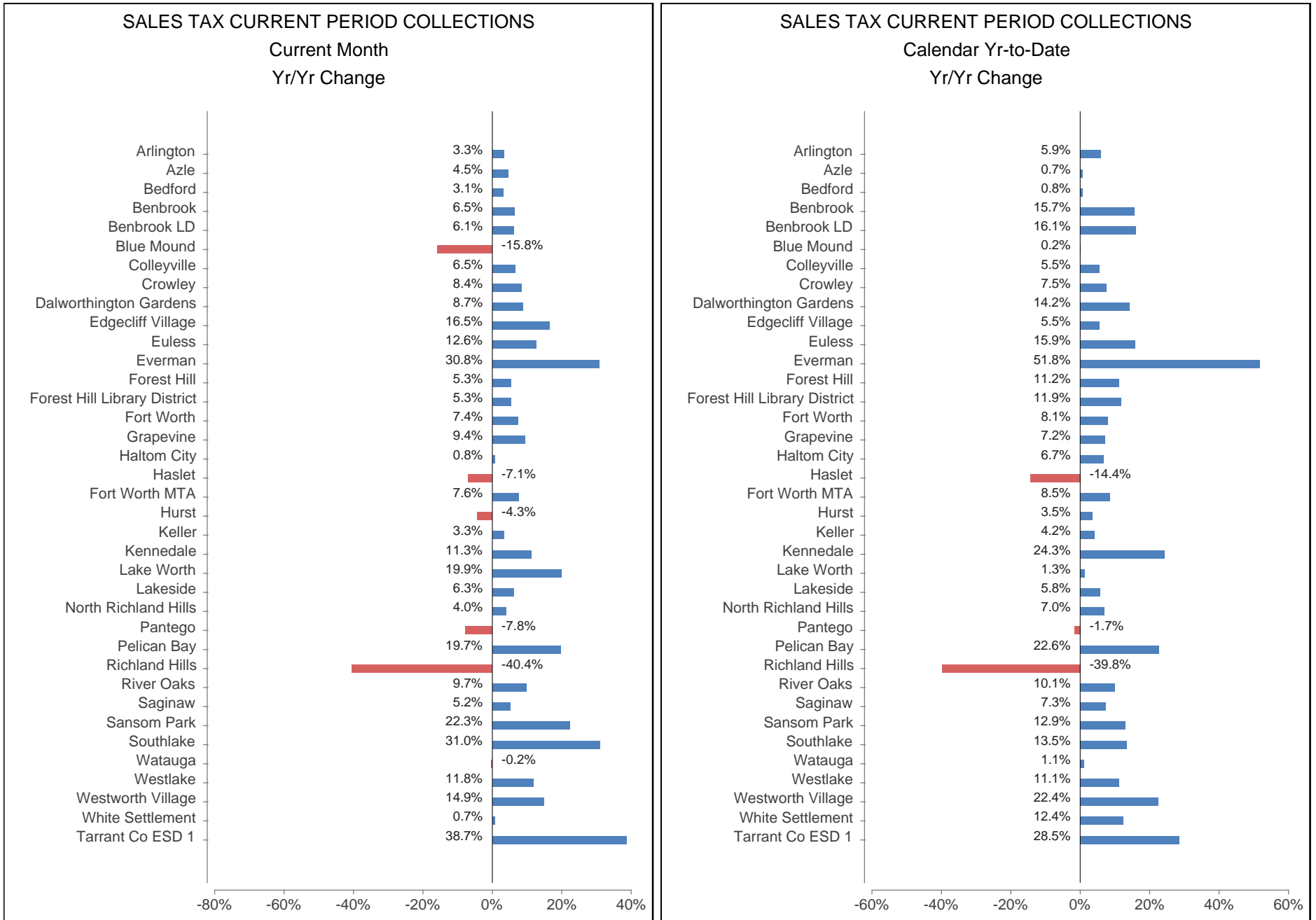
### Richland Hills - Sales Tax Net Payment Trend

	FISCAL YEAR				
	2022	2023	2024	2025	2026
Oct	\$ 495,590	\$ 750,493	\$ 783,881	\$ 567,744	\$ 486,238
Nov	\$ 536,584	\$ 703,461	\$ 793,609	\$ 671,905	\$ 537,583
Dec	\$ 490,305	\$ 578,285	\$ 702,624	\$ 881,161	\$ 519,174
Jan	\$ 465,785	\$ 551,552	\$ 643,752	\$ 566,676	\$ 434,301
Feb	\$ 507,480	\$ 546,406	\$ 619,315	\$ 693,811	\$ 509,303
Mar	\$ 636,102	\$ 720,199	\$ 784,444	\$ 1,329,267	\$ 457,982
Apr	\$ 577,488	\$ 515,198	\$ 716,903	\$ 624,399	\$ 469,255
May	\$ 754,580	\$ 807,052	\$ 808,449	\$ 748,483	\$ 499,577
Jun	\$ 640,071	\$ 640,726	\$ 864,649	\$ 791,907	\$ 462,907
Jul	\$ 621,900	\$ 797,203	\$ 772,848	\$ 558,518	
Aug	\$ 694,337	\$ 703,129	\$ 688,139	\$ 564,895	
Sep	\$ 704,423	\$ 714,662	\$ 679,629	\$ 523,908	
<b>YEAR</b>	<b>\$ 7,124,644</b>	<b>\$ 8,028,366</b>	<b>\$ 8,858,243</b>	<b>\$ 8,522,674</b>	<b>\$ 4,376,320</b>
<b>YoY Change</b>		<b>12.7%</b>	<b>10.3%</b>	<b>-3.8%</b>	<b>na</b>

Change: FY '26/'25			
Month		Year-to-Date	
\$	%	\$	YTD %
\$ (81,506)	-14.4%	\$ (81,506)	-14.4%
\$ (134,322)	-20.0%	\$ (215,828)	-17.4%
\$ (361,987)	-41.1%	\$ (577,814)	-27.2%
\$ (132,375)	-23.4%	\$ (710,190)	-26.4%
\$ (184,508)	-26.6%	\$ (894,698)	-26.5%
\$ (871,285)	-65.5%	\$ (1,765,983)	-37.5%
\$ (155,143)	-24.8%	\$ (1,921,126)	-36.0%
\$ (248,906)	-33.3%	\$ (2,170,032)	-35.7%
\$ (329,000)	-41.5%	\$ (2,499,033)	-36.3%



SALES TAX TREND  
TARRANT COUNTY  
Jun-26



# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: Jason Moore, City Manager

Date: June 22, 2026

Subject: Work Session Discussion Regarding Information Technology Infrastructure  
Replacement Options

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## **Agenda Item:**

Discuss Information Technology Infrastructure Replacement Options, Including the Meter 7-Year Managed Infrastructure Option, the Fortinet Purchase Option, the Dell Server and Storage Equipment Purchase, and Related Tax Note Reimbursement Resolution.

## **Background Information:**

The City has been evaluating options to replace and modernize critical information technology infrastructure that supports municipal operations, cybersecurity, data storage, network reliability, wireless connectivity, backup, continuity of operations, and service delivery across City departments.

The City's current technology environment includes aging network, server, storage, and wireless infrastructure that requires replacement to preserve system reliability, cybersecurity, vendor supportability, and long-term operational continuity. These systems support daily City operations, including public safety, finance, utility billing, permitting, records management, library, parks, administration, communications, and other municipal services.

The purpose of this work session is to provide Council with an overall summary of the City's IT infrastructure needs, review the available replacement options, and prepare Council for related New Business items later in the meeting.

Staff’s recommendation is to proceed with the Fortinet network infrastructure purchase through TodoVerde under TIPS Contract #230504, rather than proceed with the Meter managed infrastructure option. Staff also recommends proceeding with the Dell server and storage refresh, which is necessary regardless of which network option Council selects.

The major components for Council discussion are:

- 1. Fortinet Network Infrastructure Purchase — Recommended
- 2. Dell Server and Storage Refresh — Recommended and Needed Regardless of Network Option
- 3. Meter Managed Infrastructure Alternative — Not Recommended at This Time
- 4. Tax Note and Reimbursement Resolution Considerations

**Discussion:**

**Fortinet Network Infrastructure Purchase**

The Fortinet option is a traditional purchase model under which the City would purchase the network infrastructure equipment and related implementation services, with the City owning the equipment directly. The quote includes Fortinet firewalls, core switches, access switches, Wi-Fi 7 access points, fiber optics for redundancy, installation, engineering, configuration, re-IP work, wireless setup, and related services.

The Fortinet quote totals \$208,398.99 and identifies TIPS Contract #230504. The quote includes the following major components:

- City Firewalls and 5-Year Maintenance
- City Core Switches and 5-Year Maintenance
- City Access Switches and 5-Year Maintenance
- City Wi-Fi 7 Access Points, Switches, and 5-Year Maintenance
- Connectivity Fiber Optics with Redundancy

## Installation, Engineering, Re-IP Space, Wireless Setup, and Related Services

Staff recommends the Fortinet purchase option because it provides the City with direct ownership of the network infrastructure, a defined capital cost, and a clear five-year maintenance/support structure. This option also allows the City to continue using the City's existing IT support relationship with TodoVerde for procurement, installation, configuration, support coordination, and lifecycle planning.

From a financial and operational standpoint, the Fortinet option provides a more traditional public-sector procurement model and avoids creating a long-term recurring managed network payment for this portion of the infrastructure. While the City will still need to plan for future replacement, maintenance, licensing, and support costs, staff believes the Fortinet option provides the most cost-effective and locally manageable approach for the City at this time.

### **Dell Server and Storage Refresh**

Separate from the Fortinet network infrastructure purchase, the City must replace server and storage infrastructure. This need exists regardless of whether the City proceeds with Fortinet or Meter for the network infrastructure.

The Dell server and storage quote totals \$388,451.74 and includes server and storage hardware, Dell storage array and server standup, server migration from VMware to Hyper-V, engineering support, Level 1 data technician support, Windows Server 2025 Datacenter licensing, project management, and related implementation services.

The quote includes the following major components:

Server and Storage Hardware: \$335,180.72

Dell Storage Array and Server Standup: \$23,050.62

Server Migration from VMware to Hyper-V: \$30,220.40

Total Project Cost: \$388,451.74

The server and storage quote also identifies TIPS Contract #230504, subject to final confirmation by staff and legal review.

The server and storage infrastructure is expected to have an estimated useful life of approximately ten years. Because this equipment is a long-lived capital asset, staff recommends

discussing the server/storage refresh together with the Fortinet network infrastructure purchase as part of a potential tax note financing package with an approximate seven-year repayment schedule.

### **Meter Managed Infrastructure Alternative**

The Meter option provides a managed infrastructure approach for the City's network environment. Under this model, Meter would provide network hardware, software, installation, testing, support, maintenance, upgrades, network management, dashboard visibility, and related services under a recurring annual agreement.

Based on the updated and accurate square footage of City facilities, the Meter 7-year agreement would cost \$43,763 per year. This model has some advantages, including no up-front capital expenditure for the network infrastructure, predictable recurring costs, integrated vendor management, and ongoing support.

However, staff does not recommend the Meter option at this time. The Fortinet purchase option provides direct City ownership of the equipment, avoids a recurring managed network payment, maintains compatibility with the City's existing IT support structure, and provides a lower-cost path for addressing the City's immediate network infrastructure needs.

The Meter option remains a useful comparison point for Council because it demonstrates the difference between a managed service model and a traditional purchase model. However, staff recommends proceeding with the Fortinet purchase through TodoVerde under the TIPS contract.

### **Tax Note and Reimbursement Resolution Considerations**

Staff recommends discussing the Fortinet network infrastructure purchase and Dell server/storage refresh together when evaluating potential tax note financing. The Fortinet purchase is \$208,398.99, and the Dell server/storage refresh is \$388,451.74, for a combined project cost of \$596,850.73.

Staff anticipates discussing a seven-year tax note structure because the infrastructure is long-lived technology equipment, with the server and storage equipment expected to have an estimated useful life of approximately ten years. A seven-year repayment schedule would allow the City to spread the cost over a period that is shorter than the expected useful life of the core

equipment.

A reimbursement resolution is included as a separate New Business item. The current reimbursement resolution preserves the City's ability to reimburse the General Fund from future tax note proceeds for eligible expenditures up to \$500,000. The reimbursement resolution does not issue debt and does not obligate the City to issue tax notes. Rather, it declares the City's official intent to reimburse itself for eligible expenditures initially paid from the General Fund if Council later approves tax notes.

Because the combined Fortinet and Dell server/storage purchases total \$596,850.73, the current \$500,000 reimbursement resolution would not allow the City to reimburse the full combined amount from future tax note proceeds. Unless the reimbursement resolution is revised to a higher amount, the City would only be able to reimburse itself up to \$500,000. The remaining amount, estimated at up to \$96,850.73, would need to be cash-funded from another available source.

One available source is Oil and Gas Fund cash savings. The City has available Oil and Gas Fund capacity because the City stopped the Safe Routes to School design work. Staff may recommend using those cash savings to cover the amount above the reimbursement resolution limit, or alternatively, Council may consider whether the reimbursement resolution should be adjusted to reflect the full combined cost of the Fortinet network infrastructure and Dell server/storage refresh.

**Work Session Purpose:**

The work session is intended to give Council a complete overview before the New Business items are considered. Staff is seeking Council discussion and general consensus regarding the recommended Fortinet purchase option, the required Dell server/storage refresh, and the preferred approach for cash funding and future tax note reimbursement.

**Summary of Decision Points:**

The major decision points are as follows:

First, Council should determine whether it supports staff's recommendation to proceed with the Fortinet purchase option for network infrastructure through TodoVerde under TIPS Contract

#230504.

Second, Council should consider the Dell server and storage refresh, which is needed regardless of the selected network infrastructure option.

Third, Council should discuss whether the Fortinet network infrastructure purchase and Dell server/storage refresh should be considered together as part of a future seven-year tax note financing package.

Fourth, Council should consider the current reimbursement resolution limit of \$500,000. Because the combined project cost is \$596,850.73, Council should understand that the City may only reimburse itself up to \$500,000 unless the reimbursement resolution is revised. The remaining amount may be cash-funded using available Oil and Gas Fund savings, including savings available because the Safe Routes to School design work was stopped. If Council wishes to increase to cover the full amount, that will need to be made as part of your motion during the New Business Section of the Meeting.

**Financial Considerations:**

The Fortinet network infrastructure purchase totals \$208,398.99. Staff recommends authorization in an amount not to exceed \$208,398.99.

The Dell server and storage refresh totals \$388,451.74. Staff recommends authorization in an amount not to exceed \$388,451.74.

The combined quoted cost of the Fortinet network infrastructure purchase and Dell server/storage refresh is \$596,850.73.

The current reimbursement resolution is limited to \$500,000. If Council approves the reimbursement resolution as drafted, the City may reimburse the General Fund from future tax note proceeds for eligible expenditures up to \$500,000. The remaining amount, estimated at up to \$96,850.73, would need to be cash-funded unless Council directs staff to revise the reimbursement resolution or financing approach.

Staff believes the Fortinet purchase option, combined with the Dell server/storage refresh, provides the City with direct ownership, predictable capital costs, a manageable support structure, and a practical path for long-term technology replacement planning. The combination

of future tax notes and available Oil and Gas Fund savings provides a viable funding strategy while preserving General Fund flexibility.

**Procurement Considerations:**

Both the Fortinet network infrastructure quote and the Dell server/storage quote identify TIPS Contract #230504. Staff will confirm cooperative purchasing documentation, procurement compliance, final quote terms, and purchasing authority before execution. All purchase orders, agreements, terms, and related documents will be reviewed by the City Attorney as required before execution.

**Staff Recommendation:**

Staff recommends that Council proceed with the Fortinet purchase option for network infrastructure through TodoVerde under TIPS Contract #230504 in an amount not to exceed \$208,398.99.

Staff further recommends that Council approve the Dell server and storage refresh in an amount not to exceed \$388,451.74.

Staff recommends that Council discuss both purchases together as part of a future seven-year tax note financing package. However, Council should also recognize that the current reimbursement resolution is limited to \$500,000. If the reimbursement resolution is not revised, the City will need to cash-fund the amount above \$500,000, which is estimated at up to \$96,850.73. Staff has identified Oil and Gas Fund cash savings as an available source for that difference because the City stopped the Safe Routes to School design work.

**New Business Items Related to This Work Session:**

Following the work session, Council will have related New Business items available for consideration, which may include:

1. A resolution approving the Fortinet network infrastructure purchase through TodoVerde under TIPS Contract #230504.
2. A resolution approving the Dell server and storage refresh through TodoVerde under TIPS Contract #230504.
3. A reimbursement resolution declaring the City's official intent to reimburse General Fund expenditures from future tax note proceeds, currently in an amount not to exceed

\$500,000.

**Financial Considerations:**

The Fortinet network infrastructure purchase totals \$208,398.99. Staff recommends authorization in an amount not to exceed \$208,398.99.

The Dell server and storage refresh totals \$388,451.74. Staff recommends authorization in an amount not to exceed \$388,451.74.

The combined quoted cost of the Fortinet network infrastructure purchase and Dell server/storage refresh is \$596,850.73.

The current reimbursement resolution is limited to \$500,000. If Council approves the reimbursement resolution as drafted, the City may reimburse the General Fund from future tax note proceeds for eligible expenditures up to \$500,000. The remaining amount, estimated at up to \$96,850.73, would need to be cash-funded unless Council directs staff to revise the reimbursement resolution or financing approach.

Staff believes the Fortinet purchase option, combined with the Dell server/storage refresh, provides the City with direct ownership, predictable capital costs, a manageable support structure, and a practical path for long-term technology replacement planning. The combination of future tax notes and available Oil and Gas Fund savings provides a viable funding strategy while preserving General Fund flexibility.

**Procurement Considerations:**

Both the Fortinet network infrastructure quote and the Dell server/storage quote identify TIPS Contract #230504. Staff will confirm cooperative purchasing documentation, procurement compliance, final quote terms, and purchasing authority before execution. All purchase orders, agreements, terms, and related documents will be reviewed by the City Attorney as required before execution.

**Legal Review:**

N/A

**Board/Citizen Input:**

N/A

**Attachments:**

1. Work Session Presentation - IT Upgrades

**Council Action Requested:**

No formal action is required during the work session. Formal action may be taken under the related New Business items.

Staff requests Council discussion and direction regarding the recommended Fortinet network infrastructure purchase, the Dell server/storage refresh, and the preferred approach for future tax note reimbursement and cash funding of any amount above the current reimbursement resolution limit.

# IT Infrastructure Replacement Options

Work Session Memorandum — City of Richland Hills

To: Mayor Curtis Bergthold and City Council Members

From: Jason Moore, City Manager

The City is evaluating options to replace and modernize critical IT infrastructure supporting municipal operations, cybersecurity, data storage, network reliability, and service delivery across all City departments.

# Why Modernization Is Needed Now

The City's current technology environment includes aging network, server, storage, and wireless infrastructure requiring replacement to preserve system reliability, cybersecurity, vendor supportability, and long-term operational continuity.

**Systems at Risk**

Network, server, storage, and wireless infrastructure are past supportable lifecycle.

**Services Dependent**

Public safety, finance, utility billing, permitting, records, library, parks, and administration.

**Work Session Goal**

Review replacement options and prepare Council for related New Business items later in the meeting.

RECOMMENDED

# Fortinet Network Infrastructure Purchase

## What's Included

- FortiGate Firewalls (HA pair) + 5-yr maintenance
- Core Switches + 5-yr maintenance
- Access Switches (16) + 5-yr maintenance
- Wi-Fi 7 Access Points (16) + switches + 5-yr maintenance
- Fiber optic connectivity with redundancy
- Installation, engineering, re-IP, wireless setup

## Why Staff Recommends Fortinet

The Fortinet option provides the City with **direct ownership** of network infrastructure, a defined capital cost, and a clear five-year maintenance structure. It maintains the City's existing IT support relationship with TodoVerde and avoids a long-term recurring managed network payment.

**\$208K**

**Total Project Cost**

Not to exceed \$208,398.99 via TIPS Contract #230504

# Fortinet Quote Detail — TDVQ2325

Quoted by Cody Stevenson, TodoVerde | Valid through Jul 30, 2026 | Payment Terms: Net 30

Component	Qty	Ext. Price
City Firewalls (FortiGate FG-120G) + 5-yr Maintenance	2	\$33,306.42
Core Switches (FortiSwitch 1024E) + 5-yr Maintenance	2	\$53,864.64
Access Switches (FS-148F-POE) + 5-yr Maintenance	16	\$46,662.72
Wi-Fi 7 APs (FAP-441K) + Switches + 5-yr Maintenance	16/8	\$46,976.40
Fiber Optics, SFP+ Modules, DAC Cables	Various	\$3,288.81
Installation, Engineering, Re-IP, Wireless Setup, Lift	Various	\$24,300.00
<b>Grand Total</b>		<b>\$208,398.99</b>

NOT RECOMMENDED AT THIS TIME

# Meter Managed Infrastructure Alternative

## How Meter Works

Meter provides network hardware, software, installation, support, maintenance, upgrades, and dashboard visibility under a recurring annual agreement — no up-front capital expenditure for network infrastructure.

## Meter 7-Year Cost

\$43,763/year based on updated City facility square footage. Total 7-year cost is \$306,341.

## Why Staff Does Not Recommend Meter

- Fortinet provides direct City ownership of equipment
- Avoids long-term recurring managed network payment
- Maintains compatibility with existing IT support structure (TodoVerde)
- Lower-cost path for immediate network infrastructure needs

Meter remains a useful comparison point illustrating the difference between a managed service model and a traditional purchase model.

RECOMMENDED

# Dell Server and Storage Refresh

This need exists **regardless** of whether the City proceeds with Fortinet or Meter for network infrastructure. The server and storage infrastructure is expected to have an estimated useful life of approximately **ten years**.

Quote TDVQ2800 | Prepared by Cody Stevenson, TodoVerde | Valid through Jul 15, 2026 | Net 30

Component	Cost
Server and Storage Hardware (ME5212 + 2x PowerEdge R660xs)	\$335,180.72
Dell Storage Array Standup, Engineering, Windows Server 2025 Datacenter	\$23,050.62
Server Migration: VMware to Hyper-V (Engineering, Install, PM)	\$30,220.40
<b>Grand Total</b>	<b>\$388,451.74</b>

# Combined Project Cost Summary

**\$208K**

## Fortinet Network

Network infrastructure purchase via TIPS  
Contract #230504

**\$388K**

## Dell Server/Storage

Server and storage refresh via TIPS  
Contract #230504

**\$597K**

## Combined Total

\$596,850.73 combined quoted cost for both  
projects

**i** Both the Fortinet and Dell quotes identify **TIPS Contract #230504**. Staff will confirm cooperative purchasing documentation, procurement compliance, and final quote terms before execution. All documents will be reviewed by the City Attorney prior to execution.

# Tax Note and Reimbursement Resolution

Staff recommends discussing both purchases together as part of a potential **seven-year tax note financing package**. The server/storage equipment has an estimated useful life of ~10 years, making a 7-year repayment schedule appropriate.

## Reimbursement Resolution

Declares the City's official intent to reimburse General Fund expenditures from future tax note proceeds — currently capped at **\$500,000**. Does not issue debt or obligate the City.

## The Gap

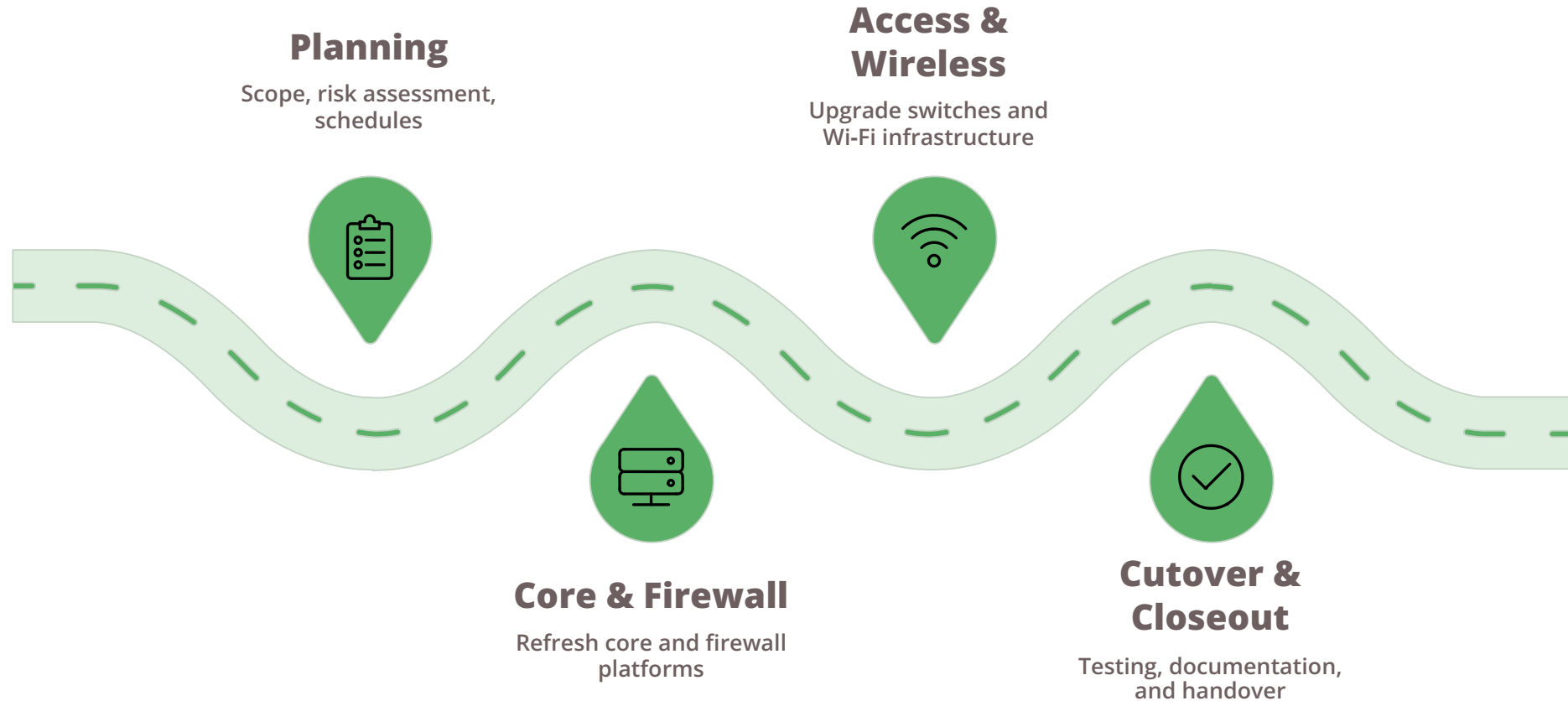
Combined cost of \$596,850.73 exceeds the \$500,000 resolution limit. The remaining **~\$96,850.73** must be cash-funded unless the resolution is revised.

## Available Source

Oil and Gas Fund cash savings are available because the City stopped the **Safe Routes to School** design work. These savings can cover the amount above the resolution limit.

# Fortinet 10-Phase Implementation Scope

TodoVerde will execute a structured, phased network refresh designed to minimize business disruption and preserve rollback options for critical network functions.



Final sequencing and maintenance windows will be coordinated with the City. Third-party vendor changes, ISP changes, application remediation, low-voltage cabling repairs, and electrical work are excluded unless added by written change order.

# Summary of Decision Points for Council

No formal action is required during the work session. Formal action may be taken under the related New Business items. Staff requests Council discussion and direction on the following:

**1**

## **Fortinet Network Purchase**

Proceed with Fortinet via TodoVerde under TIPS Contract #230504 — not to exceed \$208,398.99.

**2**

## **Dell Server/Storage Refresh**

Approve the Dell refresh — needed regardless of network option — not to exceed \$388,451.74.

**3**

## **Seven-Year Tax Note Financing**

Discuss both purchases together as part of a future 7-year tax note package covering the combined \$596,850.73.

**4**

## **Reimbursement Resolution Limit**

Current limit is \$500,000. Council may direct staff to revise upward to cover the full amount, or cash-fund the ~\$96,850.73 gap from Oil and Gas Fund savings.

- ✔ If Council wishes to increase the reimbursement resolution to cover the full combined amount, that direction must be given as part of the motion during the New Business section of the meeting.

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: Jason Moore, City Manager

Date: June 22, 2026

Subject: Work Session Discussion Regarding the 5-Year Capital Improvement Plan Project List

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**Agenda Item:**

5-Year Capital Improvement Plan - Project List Development

**Background Information:**

The City of Richland Hills is in the process of developing a five-year Capital Improvement Plan for FY2027–FY2031. This work session item is intended to provide City Council with a progress update on the City’s capital project inventory, preliminary project scoring, available funding capacity, and the next steps necessary to bring the five-year CIP forward for formal consideration on July 27, 2026.

At the same meeting, City Council is being asked to consider adoption of the Capital Improvement Plan Infrastructure Prioritization Framework. That framework establishes the policy basis for evaluating capital projects using objective criteria, including public health and safety, regulatory and legal compliance, infrastructure condition and asset life, consequence of deferral or opportunity cost, strategic plan alignment, economic development impact, external funding or grant leverage, operational budget impact, and timing, sequencing, and urgency.

The work session discussion on the 5-Year Capital Improvement Plan Project List is the next practical step in that process. Staff intends to present Council with a preliminary ranked list of the City’s top capital projects, generally focused on the top ten to twenty projects identified through the current inventory and scoring process. The purpose of presenting the list is to allow Council to see how the framework is being applied, understand the relative priority of major

capital infrastructure needs, and provide feedback before the final five-year CIP is brought back for approval.

The detailed project list is not included in the agenda packet at this stage because the information remains under staff review and is being refined for presentation. Cost estimates, project descriptions, funding assumptions, and project sequencing are still being validated. The work session will allow staff to walk Council through the current list in real time, explain the scoring approach, and discuss how the final plan will be narrowed and structured around available funding.

**Purpose of the Work Session:**

The purpose of this work session is not to ask Council to approve the final CIP project list. Rather, the purpose is to:

1. Present Council with a preliminary list of the City's highest-ranked capital infrastructure projects;
2. Show how staff is organizing the City's major capital project inventory;
3. Explain how the adopted scoring framework is being applied to each project;
4. Discuss the City's estimated capital funding capacity within the current Interest and Sinking tax rate;
5. Identify the difference between project priority, project readiness, and project funding availability;
6. Begin narrowing the project list into a realistic five-year CIP;
7. Allow Council to ask questions and provide feedback before final adoption; and
8. Confirm the remaining steps needed to bring the FY2027–FY2031 CIP back for formal consideration on July 27, 2026.

This discussion is intended to give Council confidence that the City is developing the CIP through a consistent, transparent, and data-informed process rather than through a reactive or subjective project selection method.

**Funding Capacity Assumption:**

For purposes of the work session discussion, staff is currently using an estimated capital funding

capacity of approximately \$2.5 million. This estimate is based on projected capacity within the City's current Interest and Sinking tax rate and is intended to provide a realistic working number for near-term capital planning.

This amount does not represent a final funding authorization, debt issuance, or project appropriation. Rather, it provides Council and staff with a practical planning constraint for evaluating which projects may reasonably fit within the first phase of the five-year CIP.

Using an estimated \$2.5 million capacity allows staff to move from a broad project inventory to a more actionable project list. It also helps Council see the tradeoffs between:

- The highest-scoring projects;
- Projects that are construction-ready;
- Projects that require additional design or engineering;
- Projects that may leverage outside funding;
- Projects that address immediate infrastructure risk;
- Projects that may be deferred without significant consequence; and
- Projects that may require a future bond election, grant award, utility funding, or other funding source.

#### Why This Process Matters:

Richland Hills has more capital infrastructure needs than available funding in any single fiscal year. The City must make disciplined decisions about streets, drainage, utilities, facilities, parks, technology, public safety infrastructure, and other major assets.

Without an objective process, capital project selection can become reactive, based on the most recent failure, the loudest complaint, or the most visible issue. The purpose of the CIP framework and project list review is to move the City toward a documented, repeatable process that allows Council, staff, and residents to understand why one project may be recommended before another.

The proposed process is built around a simple governance principle:

Council sets the policy values. Staff applies the adopted framework. The public sees the logic.

#### Project Inventory and Asset Review:

Staff is compiling a capital project inventory that includes major infrastructure assets and known capital needs across the organization. The inventory is expected to include projects related to:

- Streets and pavement;
- Drainage and flood mitigation;
- Water and sewer utility coordination;
- Public facilities;
- Parks and public spaces;
- Mobility and pedestrian safety;
- Public safety infrastructure;
- Technology and major operating systems;
- Fleet and major equipment; and
- Economic development infrastructure.

For each project, staff is working to identify the project description, location, asset category, estimated cost, potential funding source, project trigger, useful life, consequence of deferral, operational impact, and anticipated timing.

Because this is the first year the City is implementing a formalized CIP prioritization framework, some initial scores will be based on available staff knowledge, existing inspection records, engineering estimates, field conditions, and known operational needs. As the process matures, staff will continue improving the quality of the data through pavement condition assessments, facility evaluations, utility inspections, drainage studies, engineering review, and cost validation.

#### Preliminary Project List:

During the work session, staff intends to walk Council through a preliminary ranked list of approximately ten to twenty projects. The list will be presented as a working project list, not a final recommendation for approval.

The purpose of showing the list is to help Council understand:

- Which projects currently score highest under the proposed framework;
- Which projects appear most urgent based on safety, condition, compliance, or

sequencing;

- Which projects may fit within the estimated \$2.5 million planning capacity;
- Which projects may need to be programmed for later years;
- Which projects may require alternative funding sources;
- Which projects need additional design, engineering, or cost validation; and
- Which projects may be candidates for future grant, county partnership, bond, or other funding opportunities.

Staff will use Council feedback from the work session to refine the project list before bringing the final FY2027–FY2031 CIP back for consideration.

Preliminary Scoring Approach:

Projects will be evaluated using the scoring framework established by Council. The current framework is based on nine criteria totaling 100 points:

1. Public Health and Safety;
2. Regulatory or Legal Compliance;
3. Infrastructure Condition and Asset Life;
4. Consequence of Deferral or Opportunity Cost;
5. Strategic Plan Alignment;
6. Economic Development Impact;
7. External Funding or Grant Leverage;
8. Operational Budget Impact; and
9. Timing, Sequencing, and Urgency.

The purpose of scoring is not to remove Council’s authority. The purpose is to create a consistent starting point for Council decision-making. The scoring process helps staff identify which projects are most critical, which projects are most urgent, which projects are dependent on other projects, which projects may leverage outside funding, and which projects may have significant operating budget impacts.

The proposed framework uses a weighted scoring system consistent with the CIP packet, which

identifies nine criteria totaling 100 points and groups projects into tiers based on overall score. The framework also emphasizes that the CIP should not obligate the City to issue debt or fund every project, but should instead create a repeatable method to rank projects and refresh the list annually.

**Project Tiers:**

After scoring, projects will be grouped into priority tiers. The tiering system allows Council to understand the relative urgency of projects without assuming every high-priority project can be funded immediately.

The proposed tier structure is:

**Tier 1: Highest Priority / Near-Term Projects**

Projects scoring highest under the framework and generally recommended for Years 1–2, subject to funding availability and project readiness.

**Tier 2: Medium Priority / Programmed Projects**

Projects recommended for Years 3–4, or projects that may move forward sooner if funding becomes available, design is completed, or project conditions change.

**Tier 3: Monitoring / Future-Year Projects**

Projects that remain in the five-year planning horizon but require additional monitoring, scope development, funding identification, or condition changes before advancing.

**Tier 4: Deferred or Not Yet CIP-Ready**

Projects that do not currently meet the threshold for capital funding or should remain in departmental operations, maintenance planning, or future evaluation.

**Difference Between Priority and Funding:**

One of the most important parts of the work session discussion will be distinguishing between project priority and project funding.

A project may score highly because it addresses public safety, regulatory compliance, or failing infrastructure. However, the project may still need additional design, engineering, cost validation, grant review, or funding analysis before it is ready to be placed in Year 1 of the CIP.

Similarly, a lower-scored project may move forward earlier if it is fully grant-funded, must be

completed before another project, is already designed, or can be coordinated with county, developer, utility, or outside agency funding.

The scoring framework provides the objective basis for prioritization. The final five-year CIP must also account for:

- Available funding;
- Debt capacity;
- Grant opportunities;
- Project readiness;
- Construction sequencing;
- Utility coordination;
- Operating budget impact;
- Staff capacity;
- Outside agency coordination; and
- Council policy direction.

How the \$2.5 Million Planning Capacity Will Be Used:

The estimated \$2.5 million planning capacity will be used as an initial filter to help identify which projects can realistically be advanced in the near term.

Staff will generally organize the project list into the following groups:

1. Projects recommended for near-term funding within the estimated \$2.5 million capacity;
2. Projects that score highly but exceed current funding capacity and may need to be phased;
3. Projects that should remain in the five-year CIP but require additional design, engineering, or funding analysis;
4. Projects that may be better suited for grants, county partnerships, developer participation, utility funds, Type B funds, or future bond consideration; and
5. Projects that should remain in the inventory but are not recommended for near-term funding.

This approach allows Council to see not only which projects rank highest, but also what the City can realistically afford under current financial assumptions.

Next Steps:

The following steps are anticipated in order to bring the FY2027–FY2031 Capital Improvement Plan back to City Council for consideration on July 27, 2026:

1. Complete the preliminary capital project inventory;
2. Confirm that submitted projects meet the City’s CIP eligibility criteria;
3. Apply the adopted scoring framework to each eligible project;
4. Review scores for consistency across departments and asset types;
5. Validate preliminary project costs and identify potential funding sources;
6. Identify which projects may reasonably fit within the estimated \$2.5 million planning capacity;
7. Group projects into recommended priority tiers;
8. Develop a draft FY2027–FY2031 CIP project schedule;
9. Identify proposed Year 1 projects for consideration in the FY2027 budget;
10. Prepare a public-facing summary of the proposed five-year CIP; and
11. Return to City Council on July 27, 2026, for consideration of the FY2027–FY2031 Capital Improvement Plan.

Staff is seeking Council feedback on the following:

1. Whether the project inventory categories appear complete;
2. Whether Council has questions about how the scoring framework is being applied;
3. Whether the distinction between priority, readiness, and funding is clear;
4. Whether Council is comfortable using the estimated \$2.5 million capacity as the initial planning constraint;
5. Whether there are additional capital needs Council wants staff to evaluate before July 27;
6. Whether Council wants staff to further evaluate any specific projects, funding sources, or phasing options; and
7. Whether Council is comfortable with staff continuing to refine the project list and

returning with a proposed FY2027–FY2031 CIP for formal consideration.

**Financial Considerations:**

The five-year CIP will include a discussion of potential funding sources for recommended projects. These may include, but are not limited to:

- General obligation bonds;
- Certificates of obligation;
- Tax notes or other short-term financing tools;
- Utility funds;
- Street maintenance sales tax funds;
- CCPD funds, where legally eligible;
- Type B economic development funds, where legally eligible;
- Grants;
- Tarrant County partnerships;
- TxDOT or regional transportation funding;
- Developer contributions;
- Interlocal agreements;
- Fund balance or pay-as-you-go funding; and
- Other legally available sources.

No funding decision is being requested as part of this work session item. Any future project funding, debt issuance, grant agreement, interlocal agreement, professional services agreement, construction contract, or budget amendment will be brought back to City Council for separate consideration and approval as required.

**Legal Review:**

**Board/Citizen Input:**

**Attachments:**

None

**Council Action Requested:**

Discussion Only

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members  
From: Lisa Boyd  
Date: June 22, 2026  
Subject: Minutes from the June 8, 2026 City Council Regular Meeting

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**Agenda Item:**

Approve Minutes From the June 8, 2026 City Council Regular Meeting

**Background Information:**

Minutes from the June 8, 2026 City Council Regular Meeting

**Financial Considerations:**

**Legal Review:**

**Board/Citizen Input:**

**Attachments:**

- 1. 6-8-2026 City Council Meeting Minutes DRAFT

**Council Action Requested:**

Approve Minutes from the June 8, 2026 City Council Regular Meeting



**RICHLAND HILLS CITY COUNCIL  
REGULAR MEETING AGENDA  
JUNE 8, 2026  
MINUTES**

Roll Call:

**Council Present**

Curtis Bergthold, Mayor  
Mike Witt, Mayor Pro Tem  
Travis Malone, Place 2  
Allison Barger, Place 3  
John Skier, Place 4  
Athena Campbell, Place 5

**Council Absent**

Roland Goveas, Place 6

**Staff Present**

Jason Moore, City Manager  
Lisa Boyd, City Secretary  
Elizabeth Yelverton, City Attorney

**1. CITY COUNCIL WORK SESSION - 5:30 P.M.**

Mayor Bergthold Called the Worksession to order at 5:32 p.m.

Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.

- A. Discuss Items Listed On Tonight's City Council Agenda. No Action Will Be Taken And Each Item Will Be Considered During The Regular Session.
- B. CIP Development Overview

City Manager, Moore gave a brief explanation of the Capital Improvement Overview. He asked for feedback from Council related to criteria for scoring priority. Council agreed that scoring should be measured using: Data driven, Transparency, Consistency, Equity, Fiscal responsibility, and Strategic Alignment. Funding sources available to the City include General obligation bonds, Certificates of obligation, State and Federal grants, Partnerships with Tarrant County, Developer contributions & impact fees, New private project generated revenue, and sales tax revenues.

## **2. EXECUTIVE SESSION**

Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.

No items for Executive Session

Reconvene into open session for possible action resulting from any items posted and legally discussed in Executive Session.

## **3. REGULAR SESSION - IMMEDIATELY FOLLOWING EXECUTIVE SESSION BUT NO EARLIER THAN 6:30 P.M.**

## **4. CALL TO ORDER**

Mayor Bergthold called the meeting to order at 6:31 p.m.

## **5. INVOCATION AND PLEDGES OF ALLEGIANCE**

The invocation was led by Councilmember Allison Barger.

## **6. PRESENTATIONS**

### **A. National Parks And Recreation Month Proclamation**

Mayor Bergthold read a Proclamation for National Parks and Recreation Month And presented it to the Parks and Recreation staff present.

### **B. Summer Reading Proclamation**

Mayor Bergthold presented the Summer Reading Proclamation to Library Director Chantele Hancock.

## **7. CITIZEN COMMENTS**

Citizens in attendance at the meeting who have signed a card to speak to the City Council will also be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the city staff and City Council members are prevented from discussion of the subject and may respond only with statements of factual information or existing city policy. Citizens will have three (3) minutes to address City Council. Public comment will not be taken on items that the City Council has previously considered in a public hearing.

### **A. Citizen Appearances/Public Comments**

No citizens signed up to speak at tonights meeting.

## **8. CONSENT AGENDA**

All items listed below are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items unless a Councilmember or citizen so requests, in which event the item will be removed from the consent agenda and considered in its normal sequence. Approval of the consent agenda authorizes the City Manager to implement each item in accordance with staff recommendations.

A. Approve Minutes From The May 26, 2026 City Council Regular Meeting

**Motion:** A motion was made by Councilmember Skier and seconded by Councilmember Witt to Approve Minutes From the May 26, 2026 City Council Regular Meeting.

Motion carried by a vote of 6 to 0.

**9. NEW BUSINESS**

A.

A Resolution Of The City Council Of The City Of Richland Hills, Texas, Establishing A Beautification And Public Art Advisory Committee; Defining The Committee Responsibilities; Appointing Members; Defining Terms Of Service; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

Library Director, Chantele Hancock presented information regarding the Beautification and Public Art Advisory Committee nominees.

**Motion:** A motion was made by Councilmember Campbell and seconded by Councilmember Skier to Approve A Resolution Of The City Council Of The City Of Richland Hills, Texas, Establishing A Beautification And Public Art Advisory Committee; Defining The Committee Responsibilities; Appointing Members; Defining Terms Of Service; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date..

Motion carried by a vote of 6 to 0.

Appointed to the Committee are Fletcher Coleman, Rachel Gonzalez Oliva, Deran Wright, Erica Gill, and Jennifer Hartzke.

B.

A Resolution Approving An Interlocal Agreement With Tarrant County For The Mill And Overlay Of Mimosa Park Drive; Authorizing The City Manager Or Designee To Execute The Agreement And Related Documents; Authorizing The Expenditure Of Funds In Accordance With The Agreement; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

Assistant Public Works Director Kelly Morris presented information related to a coordinated project with Tarrant County to mill and overlay Mimosa Park Drive offering significant cost savings to the city.

**Motion:** A motion was made by Councilmember Malone and seconded by Councilmember Barger to Approve A Resolution Approving An Interlocal Agreement With Tarrant County For The Mill And Overlay Of Mimosa Park Drive; Authorizing The City Manager Or Designee To Execute The Agreement And Related Documents; Authorizing The Expenditure Of Funds In Accordance With The Agreement; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date..

Motion carried by a vote of 6 to 0.

C.

A Resolution Pausing Funding For The Safe Routes To School Program In The Strategic Initiatives Fund; Retaining Related Funds In The General Fund At This Time; Authorizing The City Manager Or Designee To Update Budget And Financial Records As Necessary; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

City Manager, Jason Moore presented brief explanation of the resolution to pause funding for The Safe Routes to School Program.

**Motion:** A motion was made by Councilmember Skier and seconded by Councilmember Malone to Approve A Resolution Pausing Funding For The Safe Routes To School Program In The Strategic Initiatives Fund; Retaining Related Funds In The General Fund At This Time; Authorizing The City Manager Or Designee To Update Budget And Financial Records As Necessary; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date..

Motion carried by a vote of 6 to 0.

D.

A Resolution Approving A Budget Amendment For The Oil And Gas Fund To Stop Funding Safe Routes To School Design At This Time; Retaining Related Funds In Reserve For Future One-Time Uses; Authorizing The City Manager Or Designee To Update Budget And Financial Records As Necessary; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

City Manager, Jason Moore presented information clarifying the need to stop funding for Safe Routes to School.

**Motion:** A motion was made by Councilmember Witt and seconded by Councilmember Skier to Approve A Resolution Approving A Budget

Amendment For The Oil And Gas Fund To Stop Funding Safe Routes To School Design At This Time; Retaining Related Funds In Reserve For Future One-Time Uses; Authorizing The City Manager Or Designee To Update Budget And Financial Records As Necessary; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date..

Motion carried by a vote of 6 to 0.

E.

A Resolution Reallocating Funding From The Glenview Project To The Booth Calloway Project; Eliminating The Larger Glenview Project At This Time; Directing Staff To Proceed With A Lower-Cost Glenview Mill And Overlay Approach Through Tarrant County With Sewer Line Pipe Bursting Evaluated As Needed; Authorizing The City Manager Or Designee To Update Project, Budget, And Financial Records As Necessary; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

City Manager, Jason Moore presented information regarding the reallocation of funds from the Glenview Project to the Booth Calloway Project.

**Motion:** A motion was made by Councilmember Skier and seconded by Councilmember Barger to Approve A Resolution Reallocating Funding From The Glenview Project To The Booth Calloway Project; Eliminating The Larger Glenview Project At This Time; Directing Staff To Proceed With A Lower-Cost Glenview Mill And Overlay Approach Through Tarrant County With Sewer Line Pipe Bursting Evaluated As Needed; Authorizing The City Manager Or Designee To Update Project, Budget, And Financial Records As Necessary; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date..

Motion carried by a vote of 6 to 0.

F. Council Committee Meeting Appointments

Mayor Bergthold nominated Councilmember Skier and Councilmember Barger for the Infrastructure Committee, Councilmember Campbell and Mayor Pro Tem Witt for the Finance and Budget Committee, and Councilmember Malone and Councilmember Goveas for the Community Development Committee.

**Motion:** A motion was made by Councilmember Campbell and seconded by Councilmember Skier to Approve Council Committee Meeting Appointments as made by Mayor Bergthold.

Motion carried by a vote of 6 to 0.

G.

A Resolution Ending The City-Subsidized Real Time Transport Transportation Program Once Current Approved Funding Has Been Exhausted; Directing Staff To Provide Notice And Complete An Orderly

Program Closeout; Authorizing The City Manager Or Designee To Take All Necessary Actions To Implement This Resolution; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

City Manager Jason Moore presented information regarding the Real Time Transportation Program and the need to discontinue the service. Following discussion, City Council reached consensus to discontinue the program effective July 24, 2026.

**Motion:** A motion was made by Councilmember Skier and seconded by Councilmember Malone to Approve A Resolution Ending The City-Subsidized Real Time Transport Transportation Program Once Current Approved Funding Has Been Exhausted; Directing Staff To Provide Notice And Complete An Orderly Program Closeout; Authorizing The City Manager Or Designee To Take All Necessary Actions To Implement This Resolution; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date..

Motion carried by a vote of 6 to 0.

- H. A Resolution Approving The Interlocal Assistance Agreement For Fire And Explosion Investigations; Authorizing The Mayor To Execute The Agreement; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

Fire Chief presented information regarding the Interlocal Agreement for Fire and Explosion Investigations.

**Motion:** A motion was made by Councilmember Barger and seconded by Councilmember Skier to Approve A Resolution Approving the Interlocal Assistance Agreement for Fire and Explosion Investigations; Authorizing the Mayor to Execute the Agreement; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date..

Motion carried by a vote of 6 to 0.

## 10. REPORTS & DISCUSSIONS

- A. After-Action Report For The May 26Th City Council Meeting

Jason Moore presented an after action report for the May 26, 2026 City Council Meeting including accessory structures and IT infrastructure.

- B. Update On Short-Term Rentals In Richland Hills

Executive Director of Community Development, JP Ducay presented an update to City Council relating to the Short-Term Rental Properties and tracking. To date 25 short-term rentals have been identified with 11 fully registered. Online registration access is progressing with a targeted start date of on or before July 1, 2026. The city is also considering policy amendments to regulate accessory dwelling units as short-term

rentals. Public outreach and education efforts are ongoing.

## 11. COMMUNITY INTEREST ITEMS

This is a standing item on the agenda of every regular meeting of the City Council. (The Texas Open Meetings Act effective September 1, 2009, provides that “a quorum of the city council may receive from municipal staff, and a member of the governing body may make, a report regarding items of community interest during a council meeting without having given notice of the subject of the report, provided no action is taken or discussed.” The Open Meetings Act does not allow Council to discuss an item concerning pending City Council business unless it is specifically, appropriately posted on the agenda.) An “item of community interest” includes the following:

Councilmember Campbell read a list of Community Interest items including Summer Camp at The Link, Senior Lunch Bunch & Bingo, French Fries, Furever Buddy and Furry Friends, Caine’s Arcade, Parks and Recreation Month, Soccer Watch Party, Northeast Family 4th, Red, White & YOU, and Book Club at the Library

- information regarding holiday schedules;
- honorary recognitions of city officials, employees, or other citizens;
- reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by a city official or city employee; and
- announcements involving imminent public health and safety threats to the city

## 12. ADJOURNMENT

There being no further business, Mayor Bergthold adjourned the meeting at 7:30 p.m.

**ATTEST:**

**APPROVED:**

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Lisa Boyd, City Secretary

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Curtis Bergthold, Mayor

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: Jason Moore, City Manager

Date: June 22, 2026

Subject:

Consideration of a Resolution Adopting a Capital Improvement Plan Infrastructure Prioritization Framework and Directing Staff to Use the Framework in Developing the City's FY2027–FY2031 Capital Improvement Plan

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## **Agenda Item:**

Resolution - A Resolution of the City Council of the City of Richland Hills, Texas, Adopting a Capital Improvement Plan Infrastructure Prioritization Framework; Establishing Objective Criteria for Evaluating and Prioritizing Capital Projects; Directing the City Manager or Designee to Use the Framework in Developing the City's FY2027–FY2031 Capital Improvement Plan; Providing That Adoption of the Framework Does Not Authorize Any Specific Project, Appropriation, Contract, Debt Issuance, or Expenditure; Finding That the Meeting at Which This Resolution Is Passed Is Open to the Public as Required by Law; and Declaring an Effective Date.

## **Background Information:**

The City of Richland Hills is in the process of developing a five-year Capital Improvement Plan for FY2027–FY2031. As a built-out community with aging infrastructure, limited financial resources, and competing capital needs, the City must have a transparent and objective method for evaluating which projects should move forward, which projects should be programmed for later years, and which projects should remain under review.

The proposed Capital Improvement Plan Infrastructure Prioritization Framework is intended to

move the City from reactive or subjective project selection to a documented, repeatable, and policy-based process. The framework establishes scoring criteria that can be applied consistently to capital projects across multiple asset categories, including streets, drainage, utilities, facilities, parks, technology, public safety, and economic development infrastructure.

The framework is designed around the principle that City Council sets the policy values, and staff applies the adopted scoring process. This separation allows Council to establish the priorities that matter most to the community, while ensuring that individual projects are evaluated consistently, transparently, and with documented support.

The proposed framework includes objective criteria related to public health and safety, regulatory and legal compliance, infrastructure condition and asset life, consequence of deferral or opportunity cost, strategic plan alignment, economic development impact, external funding or grant leverage, operational budget impact, and timing, sequencing, and urgency.

Adoption of the framework does not approve a final project list, authorize construction, approve any contract, issue debt, or appropriate funding for a specific capital project. Instead, it establishes the process staff will use to prepare the FY2027–FY2031 Capital Improvement Plan for future Council consideration.

Staff will use the adopted framework to collect project submissions, evaluate eligible projects, score and tier projects, identify potential funding sources, and return to City Council with a proposed five-year Capital Improvement Plan. The proposed CIP will then be considered separately by City Council in connection with the FY2027 budget process and any future capital funding decisions.

**Financial Considerations:**

Approval of this resolution does not authorize any expenditure, appropriation, contract award, or debt issuance.

The framework will be used to support future financial planning by helping the City evaluate capital needs based on priority, funding availability, debt capacity, project readiness, grant opportunities, operating budget impact, and long-term maintenance considerations.

Any future project funding, debt issuance, grant application, interlocal agreement, professional services agreement, construction contract, or budget amendment will be brought back to City Council for consideration as required by law, City policy, and applicable purchasing and budget requirements.

**Legal Review:**

The resolution has been prepared in a format consistent with recent City Attorney-reviewed resolutions.

**Board/Citizen Input:**

No formal board action is required for adoption of the framework. Future capital project recommendations may include input from City boards, commissions, engineering consultants, residents, public meetings, surveys, or other public engagement tools as appropriate.

**Attachments:**

- 1. Resolution 657-26

**Council Action Requested:**

Approve the resolution adopting the Capital Improvement Plan Infrastructure Prioritization Framework and directing the City Manager or designee to use the framework in developing the City’s FY2027–FY2031 Capital Improvement Plan.

**RESOLUTION NO. 657-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, ADOPTING A CAPITAL IMPROVEMENT PLAN INFRASTRUCTURE PRIORITIZATION FRAMEWORK; ESTABLISHING OBJECTIVE CRITERIA FOR EVALUATING AND PRIORITIZING CAPITAL PROJECTS; DIRECTING THE CITY MANAGER OR DESIGNEE TO USE THE FRAMEWORK IN DEVELOPING THE CITY'S FY2027–FY2031 CAPITAL IMPROVEMENT PLAN; PROVIDING THAT ADOPTION OF THE FRAMEWORK DOES NOT AUTHORIZE ANY SPECIFIC PROJECT, APPROPRIATION, CONTRACT, DEBT ISSUANCE, OR EXPENDITURE; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Richland Hills (the “City”) is a home rule municipality operating under and governed by the laws and Constitution of the State of Texas; and

**WHEREAS**, the City Council of the City of Richland Hills (the “City Council”) desires to establish a transparent, objective, and repeatable process for evaluating and prioritizing capital projects as part of the City’s five-year capital improvement planning process; and

**WHEREAS**, the City has significant existing and future capital needs related to streets, drainage, utilities, facilities, parks, public safety, technology, economic development infrastructure, and other public assets; and

**WHEREAS**, the City Council finds that limited financial resources should be prioritized through a documented process that considers public health and safety, regulatory and legal compliance, infrastructure condition, consequence of deferral, strategic alignment, economic development impact, external funding opportunities, operational budget impact, timing, sequencing, urgency, and other relevant capital planning factors; and

**WHEREAS**, the proposed Capital Improvement Plan Infrastructure Prioritization Framework is intended to provide a consistent method for scoring, ranking, tiering, and annually reviewing capital projects before such projects are presented to City Council for funding consideration; and

**WHEREAS**, the City Council desires to establish the Capital Improvement Plan Infrastructure Prioritization Framework as the City’s policy guide for developing the FY2027–FY2031 Capital Improvement Plan and future annual updates thereto; and

**WHEREAS**, adoption of the framework does not approve any specific capital project, authorize construction, award any contract, appropriate funds, authorize the issuance of debt, or otherwise obligate the City to expend funds except through future action of the City Council in accordance with applicable law; and

**WHEREAS**, the City Council finds that adoption of the Capital Improvement Plan Infrastructure Prioritization Framework is in the best interest of the citizens of the City of Richland Hills and will support objective decision-making, fiscal responsibility, public transparency, and long-term infrastructure stewardship.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THAT:**

**SECTION 1.**

The findings and recitations set out in the above recitals are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

**SECTION 2.**

The City Council hereby adopts the Capital Improvement Plan Infrastructure Prioritization Framework, in substantially the same form as Exhibit “A” attached hereto and incorporated herein for all purposes, as the City’s policy guide for evaluating and prioritizing capital projects in connection with the development of the City’s FY2027–FY2031 Capital Improvement Plan and future annual updates.

**SECTION 3.**

The Capital Improvement Plan Infrastructure Prioritization Framework shall be used to guide the evaluation of eligible capital projects through objective criteria, which may include, but are not limited to, public health and safety, regulatory and legal compliance, infrastructure condition and asset life, consequence of deferral or opportunity cost, strategic plan alignment, economic development impact, external funding or grant leverage, operational budget impact, and timing, sequencing, and urgency.

**SECTION 4.**

The City Manager, or designee, is authorized and directed to implement the Capital Improvement Plan Infrastructure Prioritization Framework by developing project submission forms, coordinating department project submissions, convening a staff scoring process, maintaining scoring records, identifying potential funding sources, and preparing a proposed FY2027–FY2031 Capital Improvement Plan for future City Council consideration.

**SECTION 5.**

The City Manager, or designee, is further authorized to make non-substantive administrative revisions to the framework, project forms, scoring worksheets, timelines, and related internal procedures as necessary to implement the intent of this Resolution; provided, however, that any material change to the adopted scoring criteria, weighting structure, or policy direction shall be brought back to City Council for consideration.

**SECTION 6.**

The City Council hereby finds and declares that adoption of the Capital Improvement Plan Infrastructure Prioritization Framework does not approve any specific capital project, authorize construction, award any contract, appropriate funds, authorize the issuance of debt, or otherwise obligate the City to expend funds. Any future project funding, contract award, budget amendment, debt issuance, interlocal agreement, professional services agreement, grant agreement, or other legally required action shall be brought back to City Council for separate consideration and approval as required by law.

**SECTION 7.**

The City Manager, or designee, is authorized to update the City’s capital planning documents, budget development materials, financial forecasts, internal project records, public communication materials, and related administrative documents as necessary to reflect the adoption and implementation of this Resolution.

**SECTION 8.**

Nothing in this Resolution shall be construed to limit the City Council’s authority to amend the framework, adjust scoring criteria or weights, consider future funding alternatives, approve or deny individual projects, modify the Capital Improvement Plan, or provide additional policy direction through future Council action.

**SECTION 9.**

It is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

**SECTION 10.**

This Resolution shall be effective from and after its passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2026.**

\_\_\_\_\_  
Curtis Bergthold, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Boyd, City Secretary

**EXHIBIT "A"**

**CAPITAL IMPROVEMENT PLAN INFRASTRUCTURE PRIORITIZATION FRAMEWORK**



# Capital Improvement Plan

Infrastructure Prioritization Framework & 5-Year CIP Strategy

**FY2027–FY2031**

Presented to: City Council

Date: June 22, 2026

City of Richland Hills, Texas

# Council Decision Summary

## Purpose of Tonight's Discussion

- Consider a clear, objective framework for ranking capital projects before the FY27 budget is finalized.
- Confirm that Council sets the policy values and staff applies the scoring rules consistently across all projects.
- Create a charter-compliant path to adopt a five-year FY2027-FY2031 Capital Improvement Plan in July 2026.

## What This Framework Does

- Moves the city from reactive project selection to a documented, repeatable process.
- Ranks projects using nine weighted criteria tied to safety, compliance, condition, strategic alignment, economic development, funding leverage, operating impact, and timing.
- Creates a public record that explains why one project ranks ahead of another.

## What This Framework Does Not Do

- It does not approve every project or obligate the city to issue debt.
- It does not replace Council policy direction; it turns Council policy direction into a consistent scoring system.
- It does not lock the city into a static list; scores and project tiers are refreshed annually as conditions, costs, and funding opportunities change.

## Communication Emphasis for Council

- For the analytical and finance-focused perspective: the framework includes cost validation, debt-capacity review, funding-source identification, and annual report-card accountability.
- For the big-picture and transparency-focused perspective: the framework clearly separates policy values from project scoring, keeps deliberation in open session, and gives residents a plain explanation of project priority.
- For the practical implementation perspective: the framework is designed to work with existing staff capacity and mature over time as condition data improves.

## Why an Objective CIP Framework Matters

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### The Problem With the Status Quo

- Without a structured scoring system, project selection becomes **reactive**, driven by the loudest complaint or the most recent failure
- Selection becomes **subjective**, different staff members advocating for their own department's projects
- Selection becomes vulnerable to well-intended project advocacy that may not reflect the city's highest documented needs
- The result: limited resources may not consistently align with the highest risks, strongest funding opportunities, or most urgent citywide needs

### The Solution: A Weighted Scoring Matrix

- Rank every project on the **same measurable criteria**, applied consistently year after year
- Criteria are set by Council as policy, staff applies them, but Council defines the values
- Every score is traceable to objective data: inspection reports, compliance mandates, condition assessments

### The Result: Decisions That Are Defensible

- **Public trust:** Citizens can see exactly why Project A ranked above Project B
- **Process defensibility:** If a funding decision is questioned, the scoring record explains the basis for the recommendation
- **Equitable resource allocation:** No neighborhood receives preferential treatment outside the scoring rubric
- **Bond rating confidence:** Moody's and S&P reward organized, documented capital planning with better ratings

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## What Is a Capital Improvement Plan?

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### Definition

A **Capital Improvement Plan (CIP)** is a multi-year (typically 5-year) planning and scheduling tool that:

- Inventories the city's significant infrastructure needs and investment opportunities
- Prioritizes those needs using objective, adopted criteria
- Schedules construction and acquisition across a rolling 5-year window
- Aligns investment decisions with available funding, debt capacity, and strategic goals

### Key Parameters: What Qualifies as a CIP Project?

- **Cost threshold:** Projects exceeding \$50,000 in total cost
- **Asset life:** Projects creating or improving assets with a useful life of 10+ years
- **Non-recurring:** Not a routine maintenance or operating expense

### Purpose of the CIP

- Align infrastructure investment with the city's **Comprehensive Plan**, master plans, and adopted strategic priorities
- Give Council a **multi-year view** of infrastructure commitments and associated debt obligations
- Signal to **bond rating agencies, grant programs, and developers** that the city manages its capital responsibly

### Distinction From the Operating Budget

Capital Budget (CIP)	Operating Budget
Assets with 10+ year useful life	Annual recurring expenses
Major construction, acquisition, replacement	Maintenance, staffing, supplies
Funded by bonds, grants, reserves	Funded by property tax, sales tax, fees
Multi-year planning horizon	Single fiscal year

### Annual Review Cycle

- The CIP is **not a static document**, it is updated every year as conditions change, costs escalate, new grant opportunities emerge, and projects are completed
- New projects enter the pipeline; completed projects roll off; scores are recalculated

## Texas Cities Leading the Way: Best Practices

### Five Texas Cities — Five Proven Approaches

Richland Hills is not inventing this from scratch. These neighboring and comparable Texas cities have already tested and refined objective CIP frameworks.

#### 1. City of Canyon, TX — 9-Criterion Two-Category System

- Developed a scoring matrix with **9 ranked criteria** organized into two categories: **Community Criteria** and **Organizational Criteria**
- Community criteria include: Public Health & Safety, Strategic Initiatives & Master Plans, Economic Development, and Quality of Life & Image
- Organizational criteria include: Regulatory Compliance, Operational Budget Impact, Cost Sharing/External Funding, Infrastructure Condition, and Timing/Location
- Scoring tied directly to the city's **Comprehensive Plan**, if the plan called for it, it scores higher
- Key lesson: The two-category structure separates why the project matters to residents from whether the city can deliver it efficiently

Source: City of Canyon TX CIP Program — [canyontx.gov](https://www.canyontx.gov)  
(<https://www.canyontx.gov/DocumentCenter/View/4712/CIP-Program-Description-Ranking>)

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## 2. City of Rowlett, TX — 10-Criterion Community-Derived Scoring

- A dedicated **CIP Task Force** developed a 10-criterion ranking system
- Criteria derived from **community surveys** and council areas of emphasis, not just staff preferences
- Criteria include: Transportation & Circulation, Public Safety, Existing Infrastructure, Revitalization & Balanced Growth, Quality of Life, Regulatory Compliance, External Funding, Operational Budget Impact, Timing/Location, and a unique "**Special Considerations / Public Will**" criterion
- Projects are scored, then re-aligned by project type (transportation, drainage, facilities, parks, technology)
- **Key lesson:** Including community input in criteria development, not just project selection, builds durable public buy-in

Source: City of Rowlett TX CIP Task Force — [rowlettx.gov](https://www.rowlettx.gov)  
(<https://www.rowlettx.gov/documentcenter/view/9887>)

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## 3. City of Denton, TX — Strategic Plan Integration

- Embedded CIP planning under Denton's "**Enhance Infrastructure and Mobility**" strategic pillar
- Used third-party, independent **cost-effectiveness evaluations** to validate project cost estimates
- CIP tracking tied to their strategic plan dashboard, projects are accountable not just to a budget line, but to a measurable community outcome
- **Key lesson:** When infrastructure investments are linked to adopted strategic goals and tracked publicly, accountability improves and political interference decreases

Source: Envisio — [envisio.com](https://envisio.com) (<https://envisio.com/blog/6-tips-for-building-a-capital-improvement-plan-that-works/>)

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## 4. North Richland Hills, TX — Your Nearest Neighbor

- Voters approved a **\$49 million bond program** to reconstruct 27 streets over 5–7 years (2020 Street Bond Program)
- NRH layered a **Preventive Street Maintenance Program** on top of the CIP, streets only enter the capital reconstruction program when maintenance is no longer cost-effective
- A street that can still be preserved through sealing or overlaying stays in maintenance; when it has exceeded its pavement life expectancy and can no longer be effectively maintained, it moves to capital reconstruction
- **Key lesson:** Pairing a preventive maintenance program with the CIP maximizes the life of every dollar, you're not replacing streets that still have useful life, and you're not patching streets that need replacement

Source: NRH Street Improvements — [nrhtx.com](https://www.nrhtx.com) (<https://www.nrhtx.com/809/Street-Improvements>)

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## 5. City of Austin, TX — Comprehensive Needs Assessment + CIP Committee

- Texas State University documented Austin's approach: begins with a **comprehensive needs assessment and facility audit** before any projects are scored or funded
- Uses a formal **CIP committee structure** with cross-departmental representation
- Applies a **policy-first** project evaluation, does this project advance an adopted policy objective?
- **Key lesson:** You can't prioritize what you haven't inventoried. A condition assessment is the foundation.

Source: Texas State University Digital Library — [digital.library.txst.edu](https://digital.library.txst.edu)  
(<https://digital.library.txst.edu/bitstreams/f09b749d-cefe-43ca-b30b-a6fd116d72bb/download>)

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### What All Five Cities Have in Common

- All separate criteria into **community impact** vs. **organizational feasibility** categories
  - **External funding / grant leverage** is always a scored criterion, rewarding resourceful funding strategies
  - **Regulatory compliance** always receives elevated weight, it is non-negotiable
  - **Infrastructure condition** is always data-driven (condition indices, inspection reports), not anecdotal
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## The Richland Hills Prioritization Framework: Core Principles

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### Six Guiding Principles

These principles are the foundation of every decision the scoring framework makes. Council should adopt these as part of the resolution tonight.

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#### 1. Data Over Opinion

Every score is tied to a measurable indicator, a pavement condition index, a regulatory compliance deadline, a percentage of useful life consumed. No project scores higher because a council member or department head prefers it.

#### 2. Transparency

The scoring criteria and their weights are **publicly adopted by Council resolution**. Any resident, reporter, or auditor can read the rubric and understand why any project ranked where it did.

#### 3. Consistency

Every project, whether it's a \$75,000 sidewalk repair or a \$4 million water main replacement, is scored on the same rubric, applied the same way, every year.

#### 4. Equity

No neighborhood, district, or constituency receives priority treatment outside the scoring system. If Council wants to elevate a geographic priority, the mechanism is adjusting criterion weights by resolution, not bypassing the rubric for individual projects.

#### 5. Fiscal Responsibility

Projects that leverage external funding (grants, federal dollars, developer contributions) score higher. A project that brings in \$0.80 of every dollar from outside Richland Hills costs the city far less than one funded entirely from bonds. The framework actively rewards this.

#### 6. Strategic Alignment

Projects that advance the city's Comprehensive Plan, adopted Master Plans, or strategic priorities score higher. This creates a virtuous cycle: good planning gets rewarded with higher scores, which encourages better planning.

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## The Weighted Scoring Matrix: Categories and Weights

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### Nine Criteria — 100 Points Total

The framework scores every CIP project on nine criteria, each weighted according to its relative importance to Richland Hills' infrastructure priorities and fiscal condition.

#	Criterion	Weight	Max Points
1	Public Health & Safety	25%	25 pts
2	Regulatory / Legal Compliance	20%	20 pts
3	Infrastructure Condition & Asset Life	15%	15 pts
4	Consequence of Deferral / Opportunity Cost	10%	10 pts
5	Strategic Plan Alignment	8%	8 pts
6	Economic Development Impact	8%	8 pts

7	External Funding / Grant Leverage	8%	8 pts
8	Operational Budget Impact	3%	3 pts
9	Timing, Sequencing & Urgency	3%	3 pts
TOTAL		100%	100 pts

### How Weights Reflect City Values

- **Public Health & Safety (25%)** and **Regulatory Compliance (20%)** together account for 45% of total points, ensuring that the most critical and non-negotiable needs always rise to the top
- **Infrastructure Condition (15%)** anchors prioritization in objective asset data, not impressions
- **Consequence of Deferral (10%)** makes the cost of inaction visible by scoring what happens if a project is delayed, including higher future costs, service disruption, lost grant funding, lost private investment, or the inability to move another priority project forward
- **Economic Development (8%)** and **Strategic Alignment (8%)** reward planning discipline and growth potential
- **External Funding (8%)** rewards resourceful staff who pursue grants and partnerships
- **Operational Impact (3%)** and **Timing (3%)** add important but secondary filters around financial efficiency and logical sequencing

### Council's Role in Weighting

- These weights are **recommendations**, Council adopts them by resolution
- Weights can be adjusted annually by resolution if Council's priorities shift
- Adjusting weights changes the rubric for all projects equally, it does not target individual projects

## Criterion Deep Dives

### Understanding Each of the Nine Scoring Criteria

#### Criterion 1: Public Health & Safety — 25 Points

**What it measures:** Does this project eliminate or reduce an active hazard to residents, public safety personnel, or the general public?

Score	Description
1	No direct safety impact; cosmetic or convenience improvement with no life-safety component

3	Moderate safety issue affecting a limited area or population; not immediately life-threatening but hazardous
5	Active hazard — flooding, structural failure, traffic danger, contaminated water, with widespread impact or imminent risk of injury or loss of life

**Raw score multiplied by 5 = weighted points toward 25-point maximum.**

**Why it matters for Richland Hills:** As a small city with aging infrastructure, safety-critical projects must always float to the top of the list. A flooded intersection that blocks emergency access or a water main with failing structural integrity cannot be deferred simply because another project is politically popular. This criterion ensures they don't get deferred.

**Criterion 2: Regulatory / Legal Compliance — 20 Points**

**What it measures:** Does this project address a mandate from a federal agency, state agency, TCEQ, TxDOT, the ADA, or another regulatory authority?

Score	Description
1	No compliance driver; project is entirely discretionary with no regulatory dimension
3	Project proactively addresses an anticipated compliance issue within the next 5 years, ahead of a mandate, not in response to one
5	Project addresses a current active mandate, consent order, notice of violation, or legal requirement already in effect

**Raw score multiplied by 4 = weighted points toward 20-point maximum.**

**Why it matters for Richland Hills:** Non-compliance with TCEQ, EPA, TxDOT, or ADA requirements can result in significant fines, loss of state and federal funding eligibility, or litigation. Proactive compliance is always less expensive than reactive enforcement. This criterion ensures the city never defers a compliance-driven project in favor of a discretionary one.

### Criterion 3: Infrastructure Condition & Asset Life — 15 Points

**What it measures:** How far through its useful life is the asset? What is the cost-effectiveness of continued maintenance versus replacement?

Score	Description
1	Asset is less than 50% through its useful life; routine preventive maintenance is adequate and cost-effective
3	Asset is 75%+ through its useful life; maintenance costs are escalating and the cost-benefit of repair vs. replacement is shifting
5	Asset has exceeded its useful life; failure is imminent or has already begun occurring; maintenance is no longer cost-effective

**Data sources:** Pavement Condition Index (PCI) scores, CCTV pipe inspection reports, facility condition assessments, manufacturer useful life data.

**Raw score multiplied by 3 = weighted points toward 15-point maximum.**

**Why it matters for Richland Hills:** This criterion ties prioritization to actual condition data, not staff memory or anecdotal impressions. A water main installed in 1968 with a 50-year useful life is objectively a different priority than one installed in 2005. The data tells the story; the criterion ensures it's heard.

### Criterion 4: Strategic Plan Alignment — 10 Points

**What it measures:** Is this project referenced in, or directly consistent with, the City's Comprehensive Plan, adopted Master Plans, or other formally adopted strategic priorities?

Score	Description
1	No reference in any adopted plan; project is not inconsistent, but was never planned for
3	Project aligns with at least one adopted plan goal or objective
5	Project is specifically identified as a priority in two or more adopted plans, or is a named project in the Comprehensive Plan

**Raw score multiplied by 2 = weighted points toward 10-point maximum.**

**Why it matters for Richland Hills:** This criterion rewards planning discipline. If a project was important enough to include in the Comprehensive Plan or a master plan, the community already validated it through the planning process. Projects that emerge outside of any adopted plan can still score here, they just start at a lower baseline, which is appropriate.

**Criterion 5: Economic Development Impact — 10 Points**

**What it measures:** Does this project improve development potential, increase property values, attract retail or commercial investment, or serve as a catalyst for broader economic activity?

Score	Description
1	No economic development linkage; project serves an internal operational need with no external market impact
3	Project supports or enables existing development activity in a targeted area; removes an infrastructure barrier for known interest
5	Project is a direct catalyst for new development, investment attraction, transit-oriented development, or mixed-use growth in a priority corridor

**Raw score multiplied by 2 = weighted points toward 10-point maximum.**

**Why it matters for Richland Hills:** This criterion is particularly important for the Glenview Drive / Boulevard 26 corridor and other commercial areas where inadequate infrastructure is a documented barrier to private investment. A water main or streetscape improvement that unlocks \$10M in private development is a fundamentally different economic proposition than one that serves a low-density residential area with no development pressure.

**Criterion 6: External Funding / Grant Leverage — 10 Points**

**What it measures:** What percentage of total project cost is covered by grants, state/federal funds, developer contributions, TIF/TIRZ revenue, or other non-city sources?

Score	External Funding %
1	0–20% external funding
2	21–40% external funding
3	41–60% external funding
4	61–80% external funding

5	81–100% external funding
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**Raw score multiplied by 2 = weighted points toward 10-point maximum.**

**Why it matters for Richland Hills:** Every dollar of grant leverage is a dollar Richland Hills does not have to bond for, tax for, or defer another project to afford. This criterion actively rewards staff who do the work of identifying and securing TxDOT, CDBG, EPA, FEMA BRIC, EDA, and other funding opportunities. A project funded 90% by federal grants scores a 5.

**Criterion 7: Operational Budget Impact — 5 Points**

**What it measures:** Will this project increase or decrease the city's ongoing Operations & Maintenance costs after construction is complete?

Score	Description
1	Project significantly increases annual O&M costs, new facility requiring staff, utilities, supplies, or frequent maintenance
3	Project is effectively cost-neutral on the operating budget, replaces existing infrastructure at comparable operating cost
5	Project reduces long-term O&M costs through efficiency, reduces deferred maintenance liability, or generates new revenue

**Raw score multiplied by 1 = weighted points toward 5-point maximum.**

**Why it matters for Richland Hills:** A new community facility that costs \$200,000 per year to operate should rank lower than an infrastructure replacement that reduces annual maintenance costs. This criterion introduces lifecycle thinking into the scoring process, it's not just about what the project costs to build, but what it costs to own.

**Criterion 8: Timing, Sequencing & Urgency — 5 Points**

**What it measures:** Does this project need to happen now? Is it a prerequisite for another planned project? Would deferral cause costs to escalate significantly?

Score	Description
1	Project can be deferred 5+ years without consequence, no sequencing dependencies, costs will not escalate materially

3	Project should be completed within 2–3 years; some sequencing dependencies exist; moderate cost escalation risk with deferral
5	Project is immediately urgent, is a prerequisite for another high-priority project already in the pipeline, or will cost materially more if deferred one year

**Raw score multiplied by 1 = weighted points toward 5-point maximum.**

**Why it matters for Richland Hills:** Sequencing avoids the single most wasteful outcome in municipal infrastructure: tearing up a newly paved road to install utilities that should have gone in first. This criterion rewards logical project coordination and penalizes projects that have no particular urgency relative to the pipeline.

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## The Scoring Process: How Projects Enter and Are Scored

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### A Seven-Step Annual Process

The scoring matrix means nothing without a rigorous, consistent process for gathering project submissions and applying the rubric. Here is the step-by-step process Richland Hills should follow.

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### Step 1: Project Submission

- Each year (recommended: October–November, aligned with budget season), all city departments submit project proposals using a standardized **CIP Project Request Form**
- The form requires: project description, location, affected asset, estimated cost (preliminary), trigger for the request (failure, compliance, plan, etc.), asset age, useful life remaining, and proposed funding source
- Standard form ensures every submission has the information needed to score it, no incomplete submissions move forward

### Step 2: Eligibility Screening

- Finance and Public Works jointly review all submissions to confirm they meet the CIP definition:
- Total project cost exceeds \$50,000
- Creates or improves an asset with a 10+ year useful life
- Is non-recurring (not a routine maintenance item)
- Projects that fail the eligibility screen are returned to departmental operating budgets with a written explanation

### Step 3: Independent Staff Scoring Panel

- A cross-departmental panel of 3–5 members (recommended: department heads) scores each eligible project independently
- Each panelist scores every project on all 9 criteria without seeing others' scores, reduces anchoring and group-think
- Scorers use the adopted rubric; no improvisation

### Step 4: Score Averaging

- All individual scores are collected and averaged for each criterion
- Averaging reduces the distorting effect of any single scorer's bias or incomplete information
- Significant outliers (e.g., one scorer gives a 5 and all others give a 1) trigger a brief discussion to ensure the rubric was applied consistently

### Step 5: Weighted Score Calculation

- Averaged raw scores are multiplied by criterion weights to produce a **composite 0–100 score** for each project
- Calculation is performed in a transparent spreadsheet retained as a public record

### Step 6: Tier Assignment

Projects are grouped into four tiers based on composite score:

Tier	Score Range	Disposition
Tier 1	75–100	Recommended for Years 1–2: Highest priority; pursue funding immediately
Tier 2	50–74	Recommended for Years 3–4: Program funding; begin design development
Tier 3	25–49	Year 5 / Monitoring: Track condition; may move up if scores change
Tier 4	< 25	Deferred: Return to departmental maintenance budget; re-evaluate in 2 years

### Step 7: Council Presentation

- The fully scored, tiered project list is presented to Council along with:
- Each project's score on each criterion (not just the composite)
- The funding strategy for Tier 1 and Tier 2 projects
- A comparison to the prior year's list (what moved up, what moved down, and why)
- Council can ask questions, request documented re-scoring, or adjust criterion weights for the following year; individual project scores remain tied to the adopted rubric

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## The 5-Year CIP Timeline Structure

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### A Rolling Window — Not a Static List

The 5-year CIP is a living document, refreshed annually. Think of it as a conveyor belt: projects move forward as conditions change, funding materializes, and completed projects roll off.

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### Year-by-Year Structure

#### Year 1 — Execution Year

- Fully funded projects from Tier 1 that are design-ready or currently in bid/construction phase
- Appropriations are in the current fiscal year budget
- No additional Council action required to proceed, budget approval covers execution

#### Year 2 — Design and Procurement Year

- Tier 1 projects with funding identified but not yet fully designed
- Tier 2 projects that have moved up due to updated scores or new funding opportunities
- Council approves funding in upcoming budget cycle

#### Years 3–5 — Programmed Pipeline

- Tier 2 and emerging Tier 1 projects with funding sources identified but not yet appropriated
  - These are commitments, not guarantees, funding availability, cost changes, and score updates can shift project positions
  - Grant applications are actively pursued for projects in this window
- 

### Annual Refresh Cycle

Every year, the following happens:

1. **Completed projects roll off** the list
2. **New project submissions** come in from departments
3. **All existing projects are re-scored** as conditions, compliance deadlines, funding availability, and sequencing needs may have changed
4. **Tier assignments are recalculated** based on new scores

## 5. Council reviews and adopts the updated 5-year plan

### Why Scores Change Year-to-Year

- A pipe that was 70% through its useful life last year is 80% through it this year so its Condition score rises
- A compliance deadline that was 5 years away is now 4 years away so its Compliance score rises
- A project that secured a federal grant last year now has 70% external funding so its Grant Leverage score jumps
- A project that was sequencing-dependent on another project that is now complete so its Timing score changes

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## Funding Sources: How the Plan Gets Paid For

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### Seven Funding Mechanisms — Each With a Specific Role

A CIP framework without a funding strategy is just a wish list. Here are the funding mechanisms available to Richland Hills, and how each fits into the CIP pipeline.

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### 1. General Obligation Bonds (GO Bonds)

- Voter-approved; backed by the city's full faith and credit (property tax pledge)
- Best suited for: Large, long-duration assets, major street reconstruction, drainage improvements, water/wastewater infrastructure, large facilities
- Advantage: Lowest interest rate of any city borrowing instrument
- Requirement: Voter approval at a bond election
- Example: NRH's \$49 million voter-approved bond program for 27 street reconstructions

### 2. Certificates of Obligation (COs)

- Council-approved; no voter election required
- Best suited for: Mid-size capital projects where timing doesn't allow a bond election cycle
- Requirement: 30-day public notice period; legal publication requirements; Council votes to issue
- Consideration: COs add to the city's total debt load, Financial Advisor must validate debt capacity before issuance

### 3. State and Federal Grants

- TxDOT programs (STP, CMAQ, RAISE, TAP) for transportation
- CDBG (Community Development Block Grant) for low-to-moderate income area infrastructure
- EPA and TWDB (Texas Water Development Board) for water/wastewater projects
- FEMA BRIC and HMGP for flood mitigation and resilience infrastructure
- EDA (Economic Development Administration) for infrastructure serving economic development goals
- **Key action:** High-scoring projects should have grant applications filed before funding is needed, not after

#### 4. Tarrant County Partnerships

- Tarrant County has historically cost-shared infrastructure improvements with municipalities
- County partnerships are particularly valuable for mill and overlay street projects
- Example: Mimosa Park is on your agenda tonight for an Interlocal Agreement with Tarrant County

#### 5. Developer Contributions and Impact Fees

- New development is required to pay its proportionate share of infrastructure demand it creates
- Impact fees (if adopted) and development agreements can fund off-site infrastructure directly tied to development projects
- Boulevard 26 / Glenview corridor redevelopment presents an opportunity for developer-funded infrastructure contributions

#### 6. New Private Project-Generated Revenue (Similar to a TIRZ)

- If we establish a TIRZ-like economic development incentive for a transformational project, new project revenue can fund CIP projects within that zone without drawing on the general fund

#### 7. Fund Balance / Pay-As-You-Go (PAYGO)

- For smaller capital projects below the bond threshold or for projects where the city wants to avoid debt issuance
- Drawn from unrestricted general fund reserves or designated capital replacement funds
- Advantage: No interest cost; immediate availability
- Limitation: Draws down reserves that also serve as the city's financial safety net

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## Governance: Who Owns the Process

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### Clear Roles and Separation of Powers

One of the most common ways CIP frameworks fail is unclear governance, who decides what, and when. Here is the recommended governance structure for Richland Hills.

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### City Manager / Department Heads — Process Owner

- Owns the annual CIP calendar, submission process, and staff scoring panel
- Responsible for ensuring scoring panels are convened, scores are documented, and the tiered list is produced on schedule
- Presents staff-recommended CIP to Council with full scoring transparency

### Financial Advisor — Fiscal Validator

- Validates preliminary cost estimates against industry benchmarks
- Confirms funding availability and debt capacity for Tier 1 and Tier 2 projects
- Models debt service impact of proposed bond programs on tax rate
- Ensures no project is listed as "funded" without a confirmed or highly probable funding source

### City Council — Policy and Adoption Authority

- Adopts the CIP by resolution each year, this is the official act that authorizes the plan
- Sets the scoring criteria **weights** by resolution, this is how Council exercises its policy role
- Approves appropriations for Year 1 projects in the annual budget process
- Can direct staff to re-evaluate a specific project's score with documented justification, but does not override the scoring process arbitrarily

### Advisory Input — Community Voice

- Planning & Zoning Commission advises on Strategic Plan Alignment scores
- Boards and commissions (Parks, etc.) advise on quality-of-life and facility projects
- FlashVote Community surveys and public input inform the weighting of criteria, what do residents value most?

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### The Core Governance Principle

> **Council sets the rules. Staff applies the rules.**

This separation is essential. Council's role is to decide what matters most, the relative weights of safety, compliance, condition, economic development, and grant leverage. Staff's role is to apply those values objectively to every project, every year.

This design keeps individual project advocacy within a consistent public process. A council member who believes a type of project deserves higher priority can propose a resolution to adjust the criterion weights for all projects in that category. That discipline is what makes the system credible.

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## Transparency and Accountability Features

### Making the CIP a Public Document — Not a Back-Room Decision

Transparency isn't just good governance, it's a competitive advantage. Cities with transparent, well-documented CIPs attract better bond ratings, more grants, and more developer confidence.

## Transparency Features Built Into the Framework

- **Public adoption of the rubric:** The scoring matrix is adopted by Council resolution and becomes a public document, available on the city website, in the CIP book, and in the public record
  - **Full score disclosure:** Every project's score on every criterion is disclosed in the annual CIP document, citizens can see exactly why Project A ranked above Project B
  - **Scoring records retained:** All individual panel scores, averages, and weighted calculations are retained as public records, available through open records requests
  - **Council deliberation on record:** All Council discussions about criterion weights and CIP adoption occur in open session
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## Accountability Features

- **Annual CIP Report Card:** Each year's CIP update includes a performance section: Were Year 1 projects completed? On budget? On schedule? If not, why not?
  - **Project tracking:** Each Tier 1 and Tier 2 project has a named project manager, a budget, and a target completion date, all publicly tracked
  - **Score change log:** When a project's score changes year-over-year, the reason is documented (condition worsened, grant secured, compliance deadline advanced, etc.)
- 

## Recommended: Updating our CIP Dashboard

Updating our CIP dashboard so residents can clearly identify:

- Which projects are in the pipeline
- What stage each project is in (planning, design, bid, construction, complete)
- Current budget vs. original estimate
- Funding source breakdown

This level of transparency is increasingly expected by residents and builds the kind of public trust that makes bond elections easier to pass.

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## Implementation Timeline: Charter-Compliant CIP Adoption by July 2026

### Two-Phase Approach: Adopt June 22<sup>nd</sup>, Mature the Process in FY27

Our city charter requires an adopted 5-Year CIP, and our FY27 budget adoption is scheduled for **August 2026**. This timeline is designed in two distinct phases:

- **Phase 1 (June–July 2026):** Rapidly adopt the scoring framework and a charter-compliant FY27–FY31 CIP before the budget deadline

- **Phase 2 (FY27 and beyond, beginning October 1, 2026):** Implement the full annual CIP renewal cycle at the mature, data-driven standard going forward

## Phase 1 — Accelerated Adoption (June–July 2026)

### Next Meeting June 22, 2026 — Council Action

- **Adopt the CIP Prioritization Framework by resolution**
- Resolution formally establishes the nine scoring criteria and their weights as official city policy
- Resolution designates the City Manager as process owner for the annual CIP calendar
- This is the foundational act, everything in Phase 1 flows from that vote

### June 9–20 — Rapid Project Submission

- City Manager issues CIP Project Request Forms to all department heads the morning after adoption
- Departments submit all known, planned, and needed capital projects using the scoring rubric as their guide
- Hard submission deadline: June 18, 2026
- Note: For this first cycle, Infrastructure Condition scores (Criterion 3) will be based on available staff knowledge and existing inspection records; a formal condition assessment will be commissioned in FY27 to sharpen future scoring precision

### June 22–26 — Staff Scoring and Tiering

- City Manager convenes the scoring panel (Department Heads)
- All submitted projects are scored using the adopted rubric; scores are averaged across panelists to eliminate individual bias
- Draft tiered project list (Tier 1–4) is produced with full score breakdowns
- Financial Advisor and Finance Consultants validate cost estimates and confirms debt capacity for all Tier 1 projects

### July 2026 — Council Work Session + Adoption

- City Manager presents the scored, tiered FY27–FY31 Capital Improvement Plan at a July Council meeting
- Full scoring record is public and available to support any question from Council or the public
- Council adopts the 5-Year CIP by resolution, fulfilling the city charter requirement
- Tier 1 / Year 1 (FY27) projects are identified for appropriation in the August budget

### August 2026 — FY27 Budget Adoption

- Year 1 CIP projects are appropriated in the FY27 Annual Budget
- Charter compliance is fully satisfied
- Richland Hills enters FY27 with a funded, scored, and adopted 5-Year CIP

## Phase 2 — Mature Annual Renewal Cycle (Beginning FY27, October 1, 2026)

Once FY27 begins, the CIP process shifts to the full annual renewal cycle. Each step now has the time and data infrastructure to be executed at the highest standard.

### October — Submission Window Opens

- CIP Project Request Forms distributed to all departments
- Departments submit new projects, request rescoring of existing projects, and flag completed/removed projects
- City Manager commissions updated condition assessments: pavement PCI, pipe CCTV inspections, facility audits
- This is the FY27 condition assessment investment that sharpens Criterion 3 scoring for all future cycles

### November — Staff Scoring Panel

- Cross-departmental panel scores all submissions independently; scores are averaged
- Full objective condition data from FY27 assessments used for Criterion 3
- Draft tiered project list produced

### December — Finance Validation

- Finance reviews Tier 1 and Tier 2 projects for cost accuracy and funding availability
- Grant applications prepared for high-leverage, high-scoring projects
- Debt capacity analysis updated; bond program modeling refreshed if applicable

### January/February — Council Work Session

- City Manager presents the updated draft 5-Year CIP (FY28–FY32)
- Council reviews, asks questions, and provides policy direction
- Public hearing held for community input

### March/April — Council Adoption

- Final 5-Year CIP adopted by resolution
- Completed projects rolled off; new projects added; scores updated
- Adopted CIP directly informs FY28 budget development

### October — Annual Report Card

- City Manager presents prior year CIP performance: projects completed, budget vs. actual, schedule vs. actual
- This accountability loop is public, recurring, and builds long-term credibility with residents and bond rating agencies

## Summary: Why This Framework Works

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### Six Reasons This Approach Is the Right One for Richland Hills

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#### **1. It Removes Subjectivity**

Every project is scored the same way, every year, on the same nine criteria. There is no mechanism for individual advocacy to override the rubric. Decisions are made by data, not relationships.

#### **2. It Builds Council Confidence**

When a resident asks "Why did you fund that project and not this one?" Council has an answer that doesn't depend on memory or politics. The scoring record is the answer. That's a fundamentally different governance position.

#### **3. It Attracts Better Funding**

Bond rating agencies (Moody's, S&P) explicitly reward municipalities with organized, documented capital planning processes. A well-maintained CIP demonstrates fiscal discipline, reduces perceived credit risk, and can lower borrowing costs. Additionally, federal and state grant programs increasingly favor applicants with documented prioritization frameworks.

#### **4. It Creates Real Accountability**

The annual report card feature means the CIP is not a document that gets adopted and forgotten. Every year, Council and the public can see whether the plan was executed, projects completed, on budget, on schedule. That accountability loop improves performance over time.

#### **5. It Scales With Growth**

Whether Richland Hills has 8 projects in the pipeline or 50, the framework handles it the same way. As the city grows, adds assets, and faces more complex infrastructure decisions, the framework grows with it, no redesign required.

#### **6. It Is Tested in Texas**

Canyon, Rowlett, Denton, North Richland Hills, and Austin all use variants of this approach. Richland Hills is not experimenting. It is adopting a framework with a documented track record in Texas municipal governance, tailored to the specific needs of this community.

## Appendix: Sample Project Scoring Sheet

### Worked Example: "XYZ Street" Water Main Replacement

**Project Description:** Replace approximately 1,800 linear feet of 6-inch cast iron water main on XYZ Street, installed in 1971. Main has experienced 3 breaks in the past 18 months. Located in the Boulevard 26 Corridor redevelopment area. TWDB SRF loan application in progress (estimated 65% external funding). Replacement is prerequisite for planned streetscape improvement project in Year 2.

**Estimated Total Project Cost:** \$1,850,000

### Scoring Worksheet

#	Criterion	Weight	Raw Score (1–5)	Weighted Points
1	Public Health & Safety	×5	5 — Active hazard: 3 main breaks in 18 months; failure risk to water service for adjacent residents and businesses; fire flow adequacy compromised	25 pts
2	Regulatory / Legal Compliance	×4	4 — TCEQ has issued a compliance notice regarding pipe condition and break history; active regulatory attention, not yet a consent order	16 pts
3	Infrastructure Condition & Asset Life	×3	5 — Installed 1971; 53-year-old main with 50-year design life; asset has exceeded useful life; failure already occurring	15 pts
4	Strategic Plan Alignment	×2	4 — Specifically referenced in Boulevard 26 Corridor Master Plan as a priority infrastructure upgrade; consistent with Comprehensive Plan utility goals	8 pts

5	Economic Development Impact	×2	4 — Glenview Drive / Boulevard 26 corridor: documented developer interest contingent on utility upgrades; replacement removes a known barrier to private investment	8 pts
6	External Funding / Grant Leverage	×2	3 — TWDB SRF loan application in progress; estimated 65% external funding if approved (score will rise to 4 upon approval)	6 pts
7	Operational Budget Impact	×1	4 — Replacement will eliminate recurring emergency repair costs (3 breaks × ~\$25K each = ~\$75K annually in reactive maintenance); significant O&M savings	4 pts
8	Timing, Sequencing & Urgency	×1	5 — Immediate: water main replacement must precede Year 2 Glenview streetscape project; cannot pave over a main that will need replacement	5 pts

**Final Score Summary**

Total Weighted Points	87 out of 100
Tier Assignment	Tier 1 — Recommended for Year 1 or Year 2
Key Drivers	Safety (25), Condition (15), Compliance (16), Sequencing (5)

Funding Note	Pursue TWDB SRF loan immediately; approval would raise Grant Leverage score from 3 to 4, consistent with Tier 1 urgency
Next Action	Engage design engineer for 30% design; submit TWDB SRF application; coordinate with streetscape project schedule

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# APPENDIX

## Scoring Matrix & Templates

## Appendix A: CIP Scoring Instructions & Criteria Reference

The following table summarizes the nine scoring criteria, their weights, and the scoring anchors used by the staff scoring panel when evaluating CIP project submissions.

Criterion	Weight	Score 1 (Low)	Score 3 (Mid)	Score 5 (High)
Public Health & Safety	25%	No direct safety impact	Moderate safety issue, limited scope	Active hazard; widespread impact or imminent risk
Regulatory / Legal Compliance	20%	No compliance driver	Proactively addresses anticipated compliance within 5 years	Active mandate, consent order, or legal requirement
Infrastructure Condition & Asset Life	15%	Asset <50% through useful life; routine maintenance adequate	Asset 75%+ through useful life; costs escalating	Asset exceeded useful life; failure imminent or occurring
Strategic Plan Alignment	10%	Not referenced in any adopted plan	Aligns with one adopted plan goal	Specifically identified in 2+ adopted plans as priority
Economic Development Impact	10%	No economic development linkage	Supports existing development in targeted area	Direct catalyst for new development or investment
External Funding / Grant Leverage	10%	0–20% external funding	41–60% external funding	81–100% external funding
Operational Budget Impact	5%	Significantly increases annual O&M costs	Cost-neutral on O&M	Reduces long-term O&M costs or generates revenue
Timing, Sequencing & Urgency	5%	Can be deferred 5+ years without consequence	Should be completed within 2–3 years; dependencies exist	Immediately urgent or prerequisite for another priority project

### Tier Assignment Thresholds

Tier	Score Range	Recommended Year	Description
Tier 1	75–100	Years 1–2	High Priority — fund in near term
Tier 2	50–74	Years 3–4	Medium Priority — program in mid-term
Tier 3	25–49	Year 5 / Monitoring	Lower Priority — monitor and reassess annually
Tier 4	<25	Deferred	Return to departmental O&M budget

## Appendix B: Project Scoring Matrix — Sample Projects

The table below shows the three pre-populated sample projects from the live scoring workbook. Yellow cells in the Excel file are staff input fields; all other columns calculate automatically. "Glenview Drive" has been replaced with "Street A" to keep project identities neutral during the framework adoption phase.

Project Name	Dept	Est. Cost	Safety (×5)	Compl y (×4)	Cond . (×3)	Strat . (×2)	Econ . (×2)	Fundin g (×2)	O&M (×1)	Timin g (×1)	TOTAL	Tier
Street A Water Main Replacement	Public Works	\$850,000	4	3	5	4	3	3	4	5	76	Tier 1
City Hall ADA Ramp Upgrades	Administratio n	\$125,000	3	5	3	2	1	4	3	4	65	Tier 2
Boulevard 26 Streetscape Improvements	Community Dev.	\$1,200,000	2	2	2	5	5	3	2	3	55	Tier 2

## Appendix C: Project Summary Dashboard — Sample

The summary dashboard below auto-updates in the Excel workbook as projects are added to the scoring matrix. Use it to quickly see the distribution of projects and costs across tiers.

Metric	Count	Total Estimated Cost
Total Projects Submitted	3	\$2,175,000
Tier 1 Projects (Score 75–100)	1	\$850,000
Tier 2 Projects (Score 50–74)	2	\$1,325,000
Tier 3 Projects (Score 25–49)	0	\$0
Tier 4 Projects (Score <25)	0	\$0

### Ranked Project List

Rank	Project Name	Dept	Asset Type	Est. Cost	Score	Tier	Rec. Year
1	Street A Water Main Replacement	Public Works	Water	\$850,000	76	Tier 1	Year 1–2
2	City Hall ADA Ramp Upgrades	Administration	Facilities	\$125,000	65	Tier 2	Year 3–4
3	Boulevard 26 Streetscape Improvements	Community Dev.	Streets	\$1,200,000	55	Tier 2	Year 3–4

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: Jason Moore, City Manager

Date: June 22, 2026

Subject: Consider Resolution Authorizing Implementation of Seven-Year Meter Network Premium Subscription Offering for City Network Infrastructure Services

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## **Agenda Item:**

Resolution - A Resolution Of The City Council Of The City Of Richland Hills, Texas, Authorizing Implementation Of A Seven-Year Meter Network Premium Subscription Offering For City Network Infrastructure Services In An Amount Not To Exceed \$43,763 Annually; Authorizing The City Manager To Execute The Master Services Agreement, Any Addenda, Order Forms, Statements Of Work, Cooperative Purchasing Documents, And Related Agreements After Final Review And Approval As To Form By The City Attorney; Providing That Future-Year Obligations Are Subject To Annual Appropriation By The City Council And Applicable Texas Law; Finding That The Meeting At Which This Resolution Is Passed Is Open To The Public As Required By Law; And Declaring An Effective Date.

## **Background Information:**

The City has been evaluating options to replace and modernize portions of its network infrastructure. The current discussion includes two primary approaches: a traditional equipment purchase and implementation model, and a subscription-based network infrastructure model through Meter, Inc.

TodoVerde has prepared a network infrastructure refresh scope of work for a Fortinet-based architecture, including firewalls, core switching, access switching, wireless networking, fiber connectivity, implementation services, testing, documentation, and knowledge transfer. This

represents the traditional purchase and implementation option. This totaled just above \$208,000, as a one-time expense.

Meter, Inc. has also provided a subscription-based proposal for the City’s enterprise network. The Meter Network Premium Subscription is presented as an all-inclusive model that includes network hardware, software, support, lifecycle management, design, configuration, testing, installation, and related network services.

The purpose of this agenda item is not to approve Meter’s standard Master Services Agreement as presented. Rather, the purpose is to authorize the business direction to proceed with the seven-year Meter subscription offering, subject to final review, negotiation, and approval of all agreement documents by the City Attorney prior to execution by the City Manager.

**Proposal**

The proposed action would authorize the City Manager to proceed with implementation of the seven-year Meter Network Premium Subscription offering in an amount not to exceed \$43,763 annually.

The seven-year option provides the lowest annual cost among the five-year and seven-year annual options presented, while avoiding a large up-front payment. The proposal identifies the seven-year annual subscription at \$43,763 per year.

The agreement is expected to proceed through an authorized purchasing vehicle, including TIPS if applicable, and would remain subject to final confirmation of procurement compliance, cooperative purchasing documentation, and legal sufficiency.

**Risk Management and Legal Review**

Because this is a subscription-based network infrastructure model, the City Attorney will review, negotiate, and finalize the Master Services Agreement, any applicable cooperative purchasing terms, addenda, order forms, statements of work, service level terms, support terms, and related exhibits before the City Manager executes any final documents.

If Council moves forward with this resolution, staff recommends that the final agreement include municipal protections acceptable to the City Attorney, including but not limited to:

- Texas governing law and venue;
- preservation of governmental immunity;
- annual appropriation and non-appropriation language;
- confirmation that no future City Council is obligated to appropriate funds;
- no early termination fee, acceleration of future payments, lost profits, make-whole payment, or similar penalty unless expressly approved and permitted by Texas law;
- reasonable termination rights;
- transition assistance and service-continuity protections;
- clear treatment of hardware, cabling, installed infrastructure, City data, network documentation, and configuration information upon expiration or termination;
- protection against removal of building-integrated infrastructure in a manner that would damage City property or interrupt City operations;
- Texas Public Information Act compliance;
- cybersecurity, insurance, indemnity, support, and service-level protections acceptable to the City Attorney.

This structure allows Council to authorize the preferred implementation path and annual funding amount while preserving flexibility for the City Attorney to finalize the necessary legal protections before execution.

### **Financial Impact**

The resolution authorizes an annual amount not to exceed \$43,763 for the seven-year Meter Network Premium Subscription.

Funding for the first year would come from legally available funds as determined by the City Manager and Finance Director. Funding for future fiscal years would be subject to annual appropriation by the City Council.

The proposed authorization does not include additional server, storage, construction, cabling, professional services, or other technology expenditures outside the scope of the Meter subscription unless separately approved in accordance with City purchasing policies and applicable law.

### **Financial Considerations:**

The resolution authorizes an annual amount not to exceed \$43,763 for the seven-year Meter Network Premium Subscription.

Funding for the first year would come from legally available funds as determined by the City Manager and Finance Director. Funding for future fiscal years would be subject to annual appropriation by the City Council.

The proposed authorization does not include additional server, storage, construction, cabling, professional services, or other technology expenditures outside the scope of the Meter subscription unless separately approved in accordance with City purchasing policies and applicable law.

#### **Legal Review:**

Because this is a subscription-based network infrastructure model, the City Attorney will review, negotiate, and finalize the Master Services Agreement, any applicable cooperative purchasing terms, addenda, order forms, statements of work, service level terms, support terms, and related exhibits before the City Manager executes any final documents.

If Council moves forward with approval, staff recommends that the final agreement include municipal protections acceptable to the City Attorney, including but not limited to:

- Texas governing law and venue;
- preservation of governmental immunity;
- annual appropriation and non-appropriation language;
- confirmation that no future City Council is obligated to appropriate funds;
- no early termination fee, acceleration of future payments, lost profits, make-whole payment, or similar penalty unless expressly approved and permitted by Texas law;
- reasonable termination rights;
- transition assistance and service-continuity protections;
- clear treatment of hardware, cabling, installed infrastructure, City data, network documentation, and configuration information upon expiration or termination;
- protection against removal of building-integrated infrastructure in a manner that would damage City property or interrupt City operations;

- Texas Public Information Act compliance;
- cybersecurity, insurance, indemnity, support, and service-level protections acceptable to the City Attorney.

This structure allows Council to authorize the preferred implementation path and annual funding amount while preserving flexibility for the City Attorney to finalize the necessary legal protections before execution.

**Board/Citizen Input:**

**Attachments:**

1. Resolution - 656-26
2. Meter Pricing
3. Meter, Inc. Master Services Agreement

**Council Action Requested:**

Staff recommends tabling this item indefinitely.

**Suggested Motion**

I move to table this item indefinitely.

**RESOLUTION NO. 656-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, AUTHORIZING IMPLEMENTATION OF A SEVEN-YEAR METER NETWORK PREMIUM SUBSCRIPTION OFFERING FOR CITY NETWORK INFRASTRUCTURE SERVICES IN AN AMOUNT NOT TO EXCEED \$43,763 ANNUALLY; AUTHORIZING THE CITY MANAGER TO EXECUTE THE MASTER SERVICES AGREEMENT, ANY ADDENDA, ORDER FORMS, STATEMENTS OF WORK, COOPERATIVE PURCHASING DOCUMENTS, AND RELATED AGREEMENTS AFTER FINAL REVIEW AND APPROVAL AS TO FORM BY THE CITY ATTORNEY; PROVIDING THAT FUTURE-YEAR OBLIGATIONS ARE SUBJECT TO ANNUAL APPROPRIATION BY THE CITY COUNCIL AND APPLICABLE TEXAS LAW; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Richland Hills (the “City”) is a home rule municipality operating under and governed by the laws and Constitution of the State of Texas; and

**WHEREAS**, the City has identified a need to replace, modernize, support, and manage portions of the City’s network infrastructure in order to improve reliability, security, manageability, supportability, and continuity of municipal operations; and

**WHEREAS**, City staff and the City’s information technology representatives have reviewed options for network infrastructure replacement and support, including a traditional equipment purchase and implementation model and a subscription-based network infrastructure model; and

**WHEREAS**, Meter, Inc. has provided a proposal for a Meter Network Premium Subscription offering that includes network hardware, software, support, lifecycle management, design, configuration, testing, installation, and related network services; and

**WHEREAS**, the City Council desires to authorize implementation of the seven-year Meter Network Premium Subscription offering in an amount not to exceed \$43,763 annually, subject to final review and approval of all contract documents by the City Attorney; and

**WHEREAS**, the City Council desires for the City Attorney to review, negotiate, revise, finalize, and approve as to form the Master Services Agreement, any municipal addendum, order form, statement of work, cooperative purchasing documentation, service level terms, support terms, and related agreements before execution by the City Manager; and

**WHEREAS**, the City Council further desires that the final agreement include terms acceptable to the City Attorney to protect the City’s legal, financial, operational, and risk-management interests, including provisions addressing Texas law and venue, annual appropriation, non-appropriation, termination, service continuity, transition assistance, City data, installed infrastructure, cybersecurity, insurance, indemnity, public information, and other municipal protections as determined appropriate by the City Attorney; and

**WHEREAS**, it is in the best interest of the citizens of the City to authorize implementation of the seven-year Meter Network Premium Subscription offering, subject to final legal review, applicable purchasing requirements, available funding, and annual appropriation by the City Council.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THAT:**

**SECTION 1.**

The findings and recitations set out in the above recitals are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

**SECTION 2.**

The City Council hereby authorizes implementation of the seven-year Meter Network Premium Subscription offering for City network infrastructure services in an amount not to exceed \$43,763 annually, subject to applicable budget authority, funding restrictions, purchasing requirements, cooperative purchasing requirements, and review by the City Manager, Finance Director, City Attorney, and other appropriate City representatives as applicable.

**SECTION 3.**

The City Attorney is authorized to review, negotiate, revise, finalize, and approve as to form the Master Services Agreement, any municipal addendum, order form, statement of work, cooperative purchasing documentation, service level terms, support terms, and related agreements necessary or appropriate to implement the seven-year Meter Network Premium Subscription offering.

The City Manager shall not execute the final contract documents unless and until the City Attorney has approved the documents as to form.

**SECTION 4.**

The City Manager, or his designee, is authorized to execute the final contract documents after approval as to form by the City Attorney and to take all actions reasonably necessary to implement this Resolution, provided that the annual cost does not exceed \$43,763 and the final documents are consistent with this Resolution, applicable City purchasing policies, available funding, and applicable Texas law.

**SECTION 5.**

Future-year obligations under the agreement are subject to annual appropriation by the City Council. Nothing in this Resolution or the final contract documents shall be construed to create a debt, liability, or obligation of the City beyond the current fiscal year unless funds are lawfully appropriated by the City Council.

**SECTION 6.**

This Resolution authorizes only the seven-year Meter Network Premium Subscription offering in an amount not to exceed \$43,763 annually. This Resolution does not authorize additional server, storage, construction, cabling, professional services, or other technology expenditures outside the

approved subscription amount unless separately approved in accordance with City purchasing policies and applicable law.

**SECTION 7.**

The City Manager, or his designee, is authorized to update budget records, financial forecasts, technology implementation records, purchasing records, and related internal records as necessary to implement this Resolution and to bring back any additional agreements, amendments, budget actions, or related items requiring City Council consideration.

**SECTION 8.**

It is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

**SECTION 9.**

This Resolution shall be effective from and after its passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2026.**

\_\_\_\_\_  
Curtis Bergthold, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Boyd, City Secretary

# Proposal



Our pricing is solutions based. We charge a per site cost to deliver high-quality networks and predictable costs for your location(s).

This is inclusive of all hardware, software, installation, testing, support and upgrades costs. There would be no additional costs during the contract, and explicitly no CapEx required.

We have cost advantages that we pass on since we make our own hardware, install it, and manage it all without disparate products and vendors.

We stand by our pricing for the long-term and want our partnership to be fair to both sides.

Embedded costs		
Upfront costs	Recurring costs	Intangible
<input checked="" type="checkbox"/> Security devices	<input checked="" type="checkbox"/> Hardware licenses	<input checked="" type="checkbox"/> Peace of mind
<input checked="" type="checkbox"/> Switches	<input checked="" type="checkbox"/> Hardware upgrades	<input checked="" type="checkbox"/> Predictability
<input checked="" type="checkbox"/> Wireless APs	<input checked="" type="checkbox"/> IT support	<input checked="" type="checkbox"/> Install management
<input checked="" type="checkbox"/> Cellular APs	<input checked="" type="checkbox"/> Security software	<input checked="" type="checkbox"/> Visibility
<input checked="" type="checkbox"/> Directional antennas	<input checked="" type="checkbox"/> Carrier fees	<input checked="" type="checkbox"/> Carrier contract management
<input checked="" type="checkbox"/> Installation	<input checked="" type="checkbox"/> Maintenance contracts	

Pricing

5-Year term	5-Year term
<b>\$45,763/Year</b>	<b>\$4,195/Month</b>
95,940 square feet	95,940 square feet

Proposed pricing expires in 30 days  
Sent June 15, 2026. Expires on July 15, 2026

Pricing

7-Year term	7-Year term
<b>\$43,763/Year</b>	<b>\$4,045/Month</b>
95,940 square feet	95,940 square feet

Proposed pricing expires in 30 days  
Sent June 15, 2026. Expires on July 15, 2026

- \$0.00 CapEx**  
No upfront capital required.
- All-inclusive pricing**  
No hidden fees, just one upfront cost for everything
- Network and Cellular installation**  
Let us handle the installation
- Continuous upgrades**  
Receive continuous cutting-edge upgrades to your network
- Over-provisioning**  
Experience uninterrupted network performance
- Full network management**  
Have full visibility and control of your network

Meter Hardware 2025 2026

Meter F1: High-Performance Firewall  
4x 50Gbps SFP56 4x 10Gbps SFP  
4x 2.5Gbps RJ45

Meter F2: Standard Firewall  
4x 10Gbps SFP+ 4x 10Gbps SFP  
4x 2.5Gbps RJ45

Meter F3: Dual High Availability Firewall  
2x 4x 10Gbps SFP+ 4x 10Gbps SFP  
3x 2.5Gbps RJ45

Meter S1: 24-Port PoE++ mGig Switch  
420Gbps capacity 6x 25Gbps SFP28  
24x 2.5GbE (RJ45) PoE++

Meter S2: 48-Port mGig Switch  
540Gbps capacity 6x 25Gbps SFP28  
48x 2.5GbE (RJ45)

Meter S3: 12-Port Core Switch  
420Gbps capacity 6x 25Gbps SFP28  
6x 10Gbps SFP+

Meter A1: Indoor Access Point  
Wi-Fi 7 Tri-band 2x2 (2.4/5/6 GHz)  
2.5GbE uplink

Meter A2: Hospitality Access Point  
Wi-Fi 7 Tri-band 2x2 (2.4/5/6 GHz)  
4x 1GbE + 1x PoE+ out

Meter G1: 5G Cellular Gateway  
2x 2.5GbE 5G Sub-6  
4x 5G + 2x GNSS internal

Meter Software

Meter Network  
Network dashboard

Meter NOS  
Network Operating System

Meter Command  
Generative UI

Meter Tunnel  
VPN

Meter Hub  
Multi-location dashboard

Meter Cellular  
Cell service

Network features

<b>WAN</b>	<ul style="list-style-type: none"> <li>Active-Active with load balancing + failover</li> <li>Active-Passive with failover</li> <li>Fast, automatic WAN failover based on Layer 3 connection drops</li> <li>WAN Load Balancing over multiple ISPs</li> <li>1:1 NAT inbound port forwarding from WAN to LAN</li> </ul>
<b>Switching</b>	<ul style="list-style-type: none"> <li>802.1Q</li> <li>802.1X</li> <li>Inter-VLAN communication</li> <li>Fallback VLAN assignment</li> <li>MAC-based authentication bypass</li> <li>Dynamic VLAN based on RADIUS</li> </ul>
<b>Wi-Fi</b>	<ul style="list-style-type: none"> <li>Intelligent channel design based on environment</li> <li>Intelligent power design based on environment</li> <li>DFS</li> <li>Multiple SSIDs <ul style="list-style-type: none"> <li>WPA2/WPA3 + PSK</li> <li>WPA2/WPA3 + Enterprise (802.1X)</li> <li>WPA3-Transition</li> </ul> </li> <li>Dynamic VLAN based on RADIUS</li> <li>Roaming <ul style="list-style-type: none"> <li>802.11k + 802.11v</li> <li>Fast roaming (802.11r)</li> <li>Client load balancing</li> </ul> </li> <li>Scanning and spectral analysis</li> </ul>
<b>Redundancy</b>	<ul style="list-style-type: none"> <li>Cloud-managed configuration for all devices</li> <li>Switches via STP</li> </ul>
<b>Firewall</b>	<ul style="list-style-type: none"> <li>Stateless firewall</li> <li>Fast firewall</li> <li>DNS server</li> <li>DHCP server</li> <li>Fixed IP address <ul style="list-style-type: none"> <li>MAC address pinning</li> </ul> </li> <li>Access Control Lists (ACL)</li> <li>Network Address Translation (NAT) <ul style="list-style-type: none"> <li>Port forwarding</li> <li>1:1 NAT</li> </ul> </li> <li>Traffic shaping <ul style="list-style-type: none"> <li>Rate limiting based on: <ul style="list-style-type: none"> <li>Client IP address</li> <li>MAC address</li> <li>Destination IP address</li> </ul> </li> </ul> </li> <li>DNS security <ul style="list-style-type: none"> <li>Layer 7 firewall</li> </ul> </li> <li>Multicast DNS (mDNS)</li> <li>Bonjour Forwarding</li> </ul>
<b>VPN</b>	<ul style="list-style-type: none"> <li>Client VPN</li> <li>Site-to-site VPN <ul style="list-style-type: none"> <li>IPsec</li> <li>Auto VPN</li> </ul> </li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>Cloud access security</li> <li>Captive portal for secure guest access</li> <li>SOC 2 Type 2 compliance <ul style="list-style-type: none"> <li>Configuration audit trail</li> </ul> </li> <li>Annual penetration testing</li> <li>Network audits</li> <li>Automated vulnerability scanning for codebase</li> <li>Rogue AP detection</li> <li>Rogue DHCP server detection (DHCP snooping)</li> </ul>
<b>Insights</b>	<ul style="list-style-type: none"> <li>Device stats: <ul style="list-style-type: none"> <li>CPU, memory, uptime, port disconnects</li> </ul> </li> <li>Network stats: <ul style="list-style-type: none"> <li>ISP throughput, number of clients connected, WAN status, STP status change</li> </ul> </li> <li>Clients stats: <ul style="list-style-type: none"> <li>Last seen, packet drop, upload/download</li> <li>Wired: connected switch port</li> <li>Wireless: packet drop, connected AP, band, channel, last seen, PSK mismatch, multicast packets (broadcast storm)</li> </ul> </li> <li>Alerts and reporting <ul style="list-style-type: none"> <li>Meter Observers (local performance monitoring devices)</li> </ul> </li> </ul>
<b>Quality of life</b>	<ul style="list-style-type: none"> <li>Layer 2 isolation</li> <li>STP and loop protection</li> <li>LLDP</li> <li>Guest network</li> <li>Topology view</li> <li>Auto LTE</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>NOS (Network Operating System) <ul style="list-style-type: none"> <li>Failsafe firmware upgrades</li> </ul> </li> <li>Firmware releases and rollout</li> <li>Automatic firmware updates</li> <li>Customer-convenient upgrade windows</li> </ul>
<b>Debugging</b>	<ul style="list-style-type: none"> <li>Packet capture</li> <li>Broadcast storm control</li> <li>Device logs</li> </ul>
<b>SD-WAN</b>	<ul style="list-style-type: none"> <li>Access Control Lists (ACL)</li> <li>VLAN propagation</li> <li>Rate limiting</li> <li>MultiWAN</li> <li>DNS security</li> <li>Client VPN</li> <li>Auto site-to-site VPN</li> </ul>

Network dashboard

Dashboard is a fully cloud-managed, centralized location to view, configure, and manage install progress, ISP connections, devices, network configuration, and company settings. It's a single-pane of glass for configuring the Firewalls, Switches, and Access Points for all customer locations. It's streamlined to make configuration management extremely easy no matter how many locations or devices a customer has.

**Single sign-on (SSO)**  
Admins can manage dashboard access with Microsoft Azure, Okta, or any SSO provider that supports the SAML standard. Directory changes and access are automatically synced in real time.

**Role-based access control**  
Access to features in the Meter Dashboard is restricted for customers and Meter employees according to predefined privileges. A user with escalated access can upgrade or downgrade their teammates privileges and access to resources such as locations, network features, and any sensitive information. Users' login activity is logged so customers can have an audit trail.

Multi-location dashboard

An overview hub for customers with more than one Meter Network, giving you a birds-eye view across all of your locations in one place. You can view aggregated information and easily navigate to specific locations to examine performance or troubleshoot potential issues.

## Master Services Agreement

Last updated: June 15, 2026

This Master Services Agreement (the "**MSA**") is entered into by and between Meter, Inc., a Delaware corporation, with an address at 2700 18th St, San Francisco, CA 94110 ("**Meter**"), and the customer identified in one or more ordering documents that reference this MSA (each, an "**Order**," and such customer, "**Customer**"). This MSA consists of (i) the general terms and conditions set forth below (the "[Terms and Conditions](#)"), (ii) the Product-Specific Terms attached as [Exhibit A](#), (iii) the Platform Service Level Agreement attached as [Exhibit B-1](#), (iv) the Cellular Service Level Agreement attached as [Exhibit B-2](#), (v) the Support Terms attached as [Exhibit C](#), and (vi) the Installation Scope Exhibit attached as [Exhibit D](#). This MSA, together with each Order (as defined below), constitutes the entire agreement between Meter and Customer with respect to the Services (collectively, the "**Agreement**"). In the event of a conflict between this MSA and an Order, the Order will control solely with respect to the subject matter of such conflict. The "**Effective Date**" of the Agreement is the effective date of the first Order.

By accepting this MSA, whether by clicking a box indicating acceptance, executing an Order that references this MSA, or accessing or using the Services, Customer agrees to be bound by the terms of this MSA. If the individual accepting this MSA is doing so on behalf of a company or other legal entity, such individual represents and warrants that they have the authority to bind that entity and its affiliates to this MSA, in which case "Customer" refers to that entity and its affiliates. If the individual does not have such authority, or if the entity does not agree with these terms, then the individual must not accept this MSA and may not use the Services.

If Meter and Customer have entered into a separate written agreement governing Customer's use of the Services that is signed by both parties, then that signed agreement will govern and will supersede this MSA with respect to its subject matter.

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Meter and Customer hereby agree to the following:

## Terms & Conditions

### 1. Definitions

The definitions of certain capitalized terms used in these Terms & Conditions (and used throughout the Agreement) are set forth below.

**"Cellular Service Level Agreement"** means the service level agreement governing the Cellular Product, attached hereto as [Exhibit B-2](#).

**"Confidential Information"** has the meaning set forth in Section 8.1.

**"Designated Location"** means each physical location identified in an Order at which Meter provides the Services.

**"Disclosing Party"** has the meaning set forth in Section 8.1.

**"Documentation"** means the documentation and specifications regarding the Services available at [docs.meter.com](https://docs.meter.com).

**"Excluded Claims"** means any claim arising out of Meter's breach of Section 9 (Privacy and Security).

**"Feedback"** has the meaning set forth in Section 10.2.

**"Fees"** means amounts payable to Meter under an Order. Fees include any pass-through costs permitted under the applicable Order, including ISP fees associated with Customer's circuits.

**"Go-Live Date"** means, with respect to a Designated Location: (a) for the Network Product, (i) if Customer purchases a Premium Subscription under the applicable Order, the date on which Meter notifies Customer that the Services are available for use at such Designated Location, or (ii) if Customer purchases a Pro Subscription under the applicable Order, the earlier of (A) the date installation of the applicable Hardware and Infrastructure at such Designated Location is completed, or (B) thirty (30) days following shipment of the Hardware to such Designated Location; and (b) for the Cellular Product, the date on which Meter notifies Customer that the Extension Services are available for use at such Designated Location.

**"Hardware"** means the networking devices and equipment provided by Meter in connection with the Products set forth in an Order (if any).

**"Infrastructure"** means the physical network components installed by Meter at a Designated Location, including cabling, fiber, conduits, patch panels, racks, and related components, but excluding Hardware.

**"Meter Improvements"** has the meaning set forth in Section 10.2.

**"Meter IP"** has the meaning set forth in Section 10.1.

**"Order"** means (a) a written order form entered into by Meter and Customer, or (b) a purchase order submitted to Meter by an authorized reseller or distributor on Customer's behalf, in each case specifying at minimum the Designated Location(s), pricing, and payment terms. Each Order, once executed by the applicable parties or accepted by Meter, is incorporated into the Agreement.

**"Platform"** means Meter's cloud-based network-management software-as-a-service used by Customer to configure and manage certain Products, including the Network Product.

**"Platform Service Level Agreement"** means the service level agreement governing the Platform, attached hereto as [Exhibit B-1](#).

**"Premium Subscription"** has the meaning set forth in Section 5.2.

**"Pro Subscription"** has the meaning set forth in Section 5.2.

**"Products"** means Meter's networking product offerings, including the "Network," "Cellular," and "Connect" product offerings and all correspondingly required Hardware, Infrastructure, and software.

**"Product-Specific Terms"** means the terms specific to a particular Meter Product attached hereto as [Exhibit A](#).

**"Prohibited Use"** has the meaning set forth in Section 2.3.

**"Receiving Party"** has the meaning set forth in Section 8.1.

**"Renewal Term"** has the meaning set forth in Section 7.1.

**"Reseller"** has the meaning set forth in Section 6.3.

**"Reseller Order"** has the meaning set forth in Section 6.3.

**"Services"** means the Platform, Products, Support, and any related services provided by Meter under the MSA or an Order, including installation, configuration, and maintenance as well as any updates, upgrades, and modifications thereto.

**"Service Data"** has the meaning set forth in Section 10.3.

**"Subscription"** has the meaning set forth in Section 2.2.

**"Subscription Delivery Tier"** means, for the Network Product, the tier of installation and configuration services Meter provides at each Designated Location, as set forth in the applicable Order. The available tiers are Pro Subscription and Premium Subscription, each as described in Section 5.2.

**"Subscription Term"** means, for each Designated Location, the period during which Meter provides the Services at that Designated Location, as specified in the applicable Order. The Subscription Term for a Designated Location begins on the date on which all Network and Cellular Products purchased for that Designated Location have reached their respective Go-Live Dates and continues for the number of months specified in the applicable Order. The Connect Product is not subject to the Subscription Term; each Circuit is governed by the term set forth in Section 4 of the Connect Product Terms.

**"Supplemental Order Form"** means an Order that amends or supplements a prior Order.

**"Support"** means the technical support services provided by Meter as set forth in [Exhibit C](#).

**"Term"** has the meaning set forth in Section 7.1.

**"Uncapped Claims"** means (a) a party's breach of its confidentiality obligations under Section 8; (b) a party's indemnification obligations under Section 12; or (c) any liability that cannot be limited under applicable law, including liability arising from gross negligence, recklessness, or willful misconduct.

**"Users"** has the meaning set forth in Section 2.2.

## 2. Subscription and Restrictions

**2.1 Product-Specific Terms.** Each Product is subject to its own Product-Specific Terms, which apply only if Customer has purchased that Product under an Order. The Product-Specific Terms for the Cellular Product and the Connect Product are set forth in [Exhibit A](#). The Product-Specific Terms for the Network Product are set forth in these Terms and Conditions.

**2.2 Subscription.** During the Subscription Term, and in accordance with the Agreement and the Documentation: (a) Customer may access and use the Services at the Designated Locations specified in the applicable Order (the "**Subscription**"); and (b) to the extent Customer subscribes to the Network Product, Meter hereby grants to Customer, including its authorized users ("**Users**"), a limited, nonexclusive, nontransferable right and license to access and use the Platform solely for Customer's internal business purposes.

**2.3 Restrictions.** Customer will not, and will not permit any third party to, directly or indirectly: (a) use the Services to develop, offer, or support any product or service competitive with the Services; (b) access or attempt to access the Services except as expressly permitted under this MSA,

including by reverse engineering, decompiling, disassembling, or otherwise attempting to derive the source code, underlying structure, ideas, or algorithms of the Services; (c) sublicense, distribute, transfer, lease, lend, resell, or otherwise make the Services available to any third party, including on a time-sharing or service bureau basis; (d) copy, modify, adapt, translate, create derivative works of, or otherwise alter the Services; (e) use the Services in violation of applicable laws or regulations, including export control and sanctions laws; (f) publish or disclose any benchmark or performance information relating to the Services without Meter's prior written consent, other than for internal evaluation purposes; (g) attempt to gain unauthorized access to the Services or related systems, including through penetration testing or similar security testing, without Meter's prior written consent; or (h) remove, obscure, or alter any proprietary notices or legends included in the Services. Each of the foregoing constitutes a **"Prohibited Use."**

### **3. Meter Responsibilities**

- 3.1 General.** Meter will provide the Services to Customer in accordance with the Agreement and the Documentation.
- 3.2 Service Level Agreement.** [Exhibit B-1](#) sets forth the service level agreement that Meter commits to with respect to the Platform, and [Exhibit B-2](#) sets forth the service level agreement that Meter commits to with respect to its Cellular Product.
- 3.3 Support & Maintenance.** During a Subscription Term, Meter will: (a) provide Customer with ongoing technical support for the Services and will work with Customer to diagnose issues and restore service functionality, including by providing fixes, patches, updates, or reasonable workarounds for reproducible issues that materially affect the Services in accordance with the Support Terms; and (b) maintain the Services and may implement updates, upgrades, and bug fixes as necessary to meet its obligations under the Agreement or to improve the Services.

## 4. Customer Responsibilities

- 4.1 Platform Account.** Customer is responsible for its Users' access to and use of the Services, including the Platform, and for anything done through Customer's or its Users' accounts. Each User must have their own unique login. Customer must keep all account details, including usernames and passwords, confidential. Customer must promptly notify Meter of any unauthorized access or suspected security breach. Meter may, at any time and in its sole discretion, suspend, restrict, or remove any User or other personnel from the Platform if Meter reasonably determines that such User or personnel (a) has accessed or is accessing the Platform without proper authorization, (b) is engaged in any Prohibited Use, or (c) is employed by, affiliated with, or otherwise acting on behalf of a competitor of Meter.
- 4.2 Supporting Documentation.** Customer will provide Meter with accurate and complete documentation regarding the floorplans and layouts of each Designated Location so that Meter can verify the information set forth in an Order.
- 4.3 Access and Assistance.** Customer will maintain all rights, consents, and authorizations required for Meter and its personnel to access the Designated Locations as reasonably necessary to install, maintain, and support the Services. Customer will provide (or cause applicable third parties to provide) reasonable cooperation and access, including any nonexclusive license or other legally sufficient right of entry needed for such purposes. Meter will not be responsible for any failure or delay to the extent caused by Customer's failure to provide or maintain the foregoing.
- 4.4 Approved Components.** Customer will not install, use, or permit the use of any third-party software on the Hardware, or any third-party hardware with the Platform, without Meter's prior written consent, except for end-user devices that connect to the Platform in the ordinary course of Customer's use of the Services.

## 5. Hardware & Installation

To the extent Customer purchases Services that require the deployment of Infrastructure or Hardware (including the Network and Cellular Products), this Section 5 will apply:

- 5.1 Hardware Lease; Possession and Use.** Meter will provide to Customer the Hardware that Meter determines is necessary to provide the Services. All Hardware is leased to Customer under the Agreement. Meter retains all right, title, and interest in the Hardware at all times. Customer will have possession of the Hardware and bears all risk of loss while the Hardware is in Customer's care, custody, or control. Customer will not, without Meter's prior written consent, sell, sublease, transfer, encumber, or otherwise dispose of or relinquish possession of any Hardware, or create, incur, or permit any lien, security interest, or other encumbrance on the Hardware. Customer may use the Hardware only at the applicable Designated Location(s) and only in connection with the Services and the Agreement.
- 5.2 Installation.** Meter's installation responsibilities will depend on the Subscription Delivery Tier set forth in the applicable Order. Prior to installation, Meter will provide Customer with an installation plan and communicate the respective responsibilities of the parties following Meter's review of the supporting documentation described in Section 4.2. For **Pro Subscription**, Meter will configure the Services at each Designated Location and will ship the Hardware to each Designated Location, but will not install, cable, or mount any Hardware or Infrastructure at Designated Locations. For **Premium Subscription**, Meter will install the Hardware and Infrastructure and configure the Services at each Designated Location. Meter will do so in a manner that is compliant with applicable law and industry best practices and at no additional charge to Customer. The scope of Meter's installation responsibilities is set forth in the Installation Scope Exhibit attached as [Exhibit D](#). Any work outside of that scope will be performed only with Customer's prior written approval and at Customer's cost.

**5.3 Relocation of Hardware & Services.** During a Subscription Term, Customer may request to relocate the Network Services from a Designated Location to a new physical location. Meter will accommodate such requests if and only if (a) Customer is in good standing under the Agreement, with no past-due invoices; (b) Customer introduces Meter to the landlord of the applicable Designated Location and reasonably cooperates with Meter in attempting to have such landlord keep the existing Hardware and Infrastructure in place for future tenants of such Designated Location; (c) Customer provides Meter with all information Meter reasonably requests regarding the new location, including address, square footage, floorplans, and any other operational or building-specific information; (d) the new location is reasonably comparable to the original Designated Location in size and nature; and (e) Meter evaluates the new location and confirms, in its professional judgment, that it can deliver the Network Services from the new location and can do so at a cost and operational profile reasonably comparable to those at the original Designated Location. If Meter agrees, then (i) the parties will enter into a Supplemental Order Form for the new location with a fresh Subscription Term equal in length to the original Subscription Term and commencing on the Go-Live Date for the new location; (ii) the Subscription Term for the original Designated Location will end as of the Go-Live Date for the new location; and (iii) the necessary Hardware and Infrastructure will be installed at the new location within sixty (60) days, or such other date as the parties may agree. If Meter does not agree, then Customer remains responsible for all Fees associated with the original Designated Location for the remainder of the applicable Subscription Term regardless of whether Customer continues to occupy such Designated Location. For the avoidance of doubt, this Section 5.3 does not permit Customer to reduce the number of Designated Locations under an Order.

**5.4 Hardware Repair & Replacement.** Customer will maintain the Hardware in good operating condition, ordinary wear and tear excepted, and will not permit any third party to service or repair the Hardware without Meter's

prior written consent. If Hardware fails, malfunctions, or otherwise becomes unable to deliver the Services as intended, Customer will promptly notify Meter, and Meter will repair or replace the Hardware at no cost to Customer in accordance with the Support Terms attached as [Exhibit C](#). Notwithstanding, Customer is responsible for any loss, damage, or failure of the Hardware caused by Customer, its personnel, or any third party granted access by Customer (including from unauthorized downloads, vandalism, abuse, neglect, or Prohibited Uses), and Customer will reimburse Meter for the reasonable cost of any resulting repair or replacement. Customer's reimbursement obligation under this Section 5.4 will not exceed the portion of the total Fees under the applicable Order that corresponds to the affected Hardware's proportionate share of all Hardware deployed under such Order.

**5.5 Disposition of Hardware.** Upon expiration or termination of a Subscription, if Customer is vacating the applicable Designated Location, Customer will introduce Meter to the landlord of such Designated Location and reasonably cooperate with Meter in attempting to have the landlord keep the existing Hardware and Infrastructure in place for future tenants. In all other cases, or if the landlord does not agree, Customer will, as directed by Meter: (a) promptly return the applicable Hardware and Infrastructure to Meter, at Customer's cost and expense, and in accordance with Meter's return instructions; (b) reasonably cooperate with Meter to provide Meter with access to remove the applicable Hardware and Infrastructure; or (c) reasonably cooperate with Meter to remove and e-recycle the applicable Hardware and Infrastructure.

## **6. Billing; Payment**

**6.1 Billing.** Unless otherwise specified in an Order: (a) Fees for each Product at a Designated Location commence on the Go-Live Date for that Product at that Designated Location; (b) Services are provided to each Designated Location for the Subscription Term specified in the applicable Order; (c) Meter will invoice Customer in advance for the Services provided at each

Designated Location beginning on the applicable Go-Live Date and for the duration specified in the applicable Order; and (d) if an Order includes multiple Products at the same Designated Location, Meter will bill for each Product as a separate line item, and billing for each Product will commence on the Go-Live Date for that Product at that Designated Location, independent of whether other Products at that Designated Location have reached their Go-Live Dates.

- 6.2 Payment.** Unless otherwise specified in an Order, Customer will pay all Fees payable under the applicable Order within thirty (30) days after the date of Meter's invoice. All Fees are payable in United States dollars and will be paid to the account designated by Meter.
- 6.3 Reseller Orders.** If Customer purchases the Services through an authorized reseller or other channel partner of Meter (a "**Reseller**"), then, as between Meter and Customer: (a) invoicing, payment of fees, and payment of applicable taxes will be governed solely by the ordering document between Customer and the Reseller (a "**Reseller Order**"), and Customer will pay all amounts due directly to the Reseller; (b) any credits or refunds owed by Meter in connection with the Services will be issued to the Reseller, and not directly to Customer; (c) Meter will have no responsibility or liability for any failure by the Reseller to remit payments, credits, or refunds to Customer; (d) no terms or conditions set forth in any Reseller Order will be binding on Meter; and (e) the Agreement will govern the relationship between Meter and Customer, and will prevail in the event of any conflict between the Agreement and a Reseller Order.
- 6.4 Taxes and Shipping Costs.** All payments required by the Agreement are exclusive of (a) federal, state, local and foreign taxes, duties, tariffs, levies, withholdings and similar assessments (including sales taxes, use taxes, and value added taxes but excluding taxes based on Meter's income) and (b) shipping, freight, and delivery costs, and Customer will bear and be responsible for the payment of all such charges. If any deduction or withholding is required by law, Customer agrees to gross up the payment

to ensure that Meter receives the full amount it would have received had no deduction or withholding been required. If Customer claims exemption from any tax, then it will furnish Meter with a valid tax exemption certificate issued by or acceptable to the applicable taxing jurisdiction or entity.

- 6.5 Overdue Charges.** If Meter does not receive payment of any undisputed invoiced amount in accordance with Section 6.2, then (a) the unpaid amount may accrue interest at 1.5% per month (or the maximum rate permitted by law, if lower), and (b) Meter may require payment for prior Subscriptions before providing future Subscriptions and may require shorter payment terms than those in the applicable Order.

## 7. Term and Termination

- 7.1 Term.** The Agreement will commence on the Effective Date and will remain in effect until the expiration or termination of all Subscription Terms for all Designated Locations across all Orders (the "**Term**"). Each Subscription Term will automatically renew for successive one-year renewal terms (each, a "**Renewal Term**") unless either party provides written notice of non-renewal at least sixty (60) days before the end of the then-current Subscription Term. Each Renewal Term will be on the same terms as the then-current Subscription Term, except that Meter may increase the Fees applicable to such Renewal Term by up to the greater of (a) seven percent (7%) or (b) the percentage increase in the Consumer Price Index over the prior twelve (12) months, in each case over the Fees in effect during the immediately preceding Subscription Term. For clarity, the Fees in effect during the initial Subscription Term will not change during the initial Subscription Term.
- 7.2 Termination for Material Breach.** Either party may terminate the Agreement or any Subscription upon written notice if the other party materially breaches the Agreement and fails to cure such breach within thirty (30) days after receipt of notice from the non-breaching party. Notwithstanding, if Meter reasonably believes that Customer has engaged

in a Prohibited Use, then Meter may immediately (and without a cure period) terminate the Agreement or any Subscription upon written notice to Customer.

- 7.3 Termination for Bankruptcy.** Either party may terminate the Agreement upon written notice to the other party if the other party (a) becomes the subject of a petition in bankruptcy or insolvency that is not dismissed within sixty (60) days, (b) makes an assignment for the benefit of creditors, or (c) has a receiver appointed for all or substantially all of its assets.
- 7.4 Effects of Termination.** Upon termination of the Agreement, Customer will immediately cease all use of the Services. Within ten (10) days after expiration or termination, Customer will assist Meter, as directed by Meter, in handling or managing the Hardware and Infrastructure in accordance with Section 5.5.
- 7.5 Survival.** All payment obligations and the following sections of these Terms and Conditions will survive any expiration or termination of the Agreement: 1, 2.3, 5.1, 5.5, 6, 7.5, 8, 10-13, 15.

## 8. Confidentiality

- 8.1 Confidential Information.** "Confidential Information" means any nonpublic information of a party (the "Disclosing Party"), whether disclosed orally, in writing, electronically, or by inspection, that is designated as confidential or that the receiving party (the "Receiving Party") reasonably should know is confidential or proprietary.
- 8.2 Obligations.** Except as necessary to perform its obligations or exercise its rights under the Agreement, the Receiving Party will not use or disclose the Disclosing Party's Confidential Information without the Disclosing Party's written consent and will protect such Confidential Information using reasonable care. The Receiving Party will ensure that access to Confidential Information is limited to its employees and contractors with a need to know for permitted purposes and who are bound by confidentiality

obligations at least as protective as those set forth herein. Each party is responsible for breaches of this Section 8.2 by its employees and contractors. Notwithstanding the foregoing, Meter's use of Service Data as expressly permitted under the Agreement will not be deemed a breach of this Section 8.2.

**8.3 Exclusions.** Confidential Information does not include information that (a) is or becomes publicly available through no fault of the Receiving Party, (b) is lawfully received by the Receiving Party without confidentiality obligations, or (c) is independently developed by the Receiving Party without use of the Disclosing Party's Confidential Information.

**8.4 Compelled Disclosure.** A Receiving Party may disclose Confidential Information to the extent required by applicable law or legal process, provided that, to the extent legally permitted, the Receiving Party gives the Disclosing Party reasonable notice and cooperates to seek confidential treatment.

**8.5 Existence of the Agreement.** Each party may disclose the existence and general nature of the Agreement, but not its specific terms (including pricing), without the other party's consent; provided that either party may disclose the Agreement in connection with a legal or regulatory requirement, audit, financing, or due diligence transaction, subject to customary confidentiality obligations.

## **9. Privacy and Security**

Meter will maintain administrative, technical, and physical safeguards designed to protect the Services and Confidential Information against unauthorized access, use, disclosure, alteration, and destruction. Meter will implement and maintain an information security program consistent with applicable law and generally accepted industry standards for similarly situated service providers. During the Term, Meter will maintain SOC 2 Type II compliance or a substantially equivalent security assurance framework and will undergo regular independent audits of its information security

controls. Meter may update its security measures from time to time, provided that such updates do not materially reduce the overall level of protection for the Services. If required by applicable law or reasonably requested by Customer, the parties will negotiate in good faith a data processing addendum on Meter's then-current form. For additional information regarding Meter's security practices, see Meter's trust page at [meter.com/trust](https://meter.com/trust).

## 10. Intellectual Property & Service Data

- 10.1 Ownership of Meter IP.** As between the parties, Meter owns and retains all right, title, and interest in and to (a) the Hardware, Products, Platform, Documentation, and all Meter standards, specifications, designs, methods, workflows, software, tools, APIs, templates, and processes; (b) any technology or materials provided to Customer; and (c) all associated intellectual property rights ("Meter IP"). Except for the limited right to use Meter IP solely to receive the Services, no rights or licenses are granted to Customer herein. Customer will not modify, reverse engineer, copy, or create derivative works of any Meter IP.
- 10.2 Improvements, Work Product & Feedback.** Meter will own all right, title, and interest in and to any improvements, enhancements, modifications, or derivative works of the Meter IP ("Meter Improvements"). Meter will also own all right, title, and interest in any suggestions, recommendations, process improvements, or other feedback provided by Customer related to the Meter IP or the Services ("Feedback"). To the extent Customer acquires any right, title, or interest in any Meter Improvements or Feedback, Customer hereby irrevocably assigns and agrees to assign all such right, title, and interest to Meter, including all associated intellectual property rights.
- 10.3 Service Data.** In connection with the provision of the Services and the operation of the Hardware, Meter generates and collects data relating to the operation, performance, configuration, and use of the Services and the underlying network, including network topology and configuration data,

device and software information, provisioning and deployment metadata, logs, metrics, telemetry, usage and capacity data, performance and availability measurements, error, fault, and diagnostic data, security and reliability signals, and other similar technical and operational information (collectively, "Service Data"). Meter may use Service Data to provide, operate, support, maintain, and improve the Services, to develop new or enhanced products and services, and to train, develop, and improve Meter's machine learning and artificial intelligence models. Meter retains all right, title, and interest, including all intellectual property rights, in and to the Services, the Service Data, and any aggregated, anonymized, or derived data or insights. Notwithstanding, Meter will not disclose Service Data or any data or insights derived from Service Data to any third party in a manner that identifies Customer or any individual.

## **11. Warranties and Disclaimers**

**11.1 Mutual.** Each party represents and warrants that: (a) it has all requisite power and authority to execute and deliver the Agreement and to carry out the provisions of the Agreement; (b) its execution, delivery, and performance of the Agreement does not and will not conflict with, violate, or result in any breach of any applicable law or regulation or any agreement or obligation by which it is bound, and, in the case of Customer, Customer has and will maintain all rights, consents, permits, and authorizations necessary to permit Meter to access each Designated Location and install, maintain, and remove the Hardware and Infrastructure in connection with the Services; and (c) to the knowledge of such party, no action, claim, suit or proceeding is pending or threatened against such party before any court, government authority or arbitrator of competent jurisdiction that could reasonably be expected to materially adversely affect the financial condition or operations of such party or the ability of the parties to perform their obligations under the Agreement.

**11.2 Disclaimers.** EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THE AGREEMENT, THE SERVICES ARE PROVIDED "AS IS" AND "AS

AVAILABLE," WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND. METER DISCLAIMS ALL IMPLIED AND STATUTORY WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, QUIET ENJOYMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTIES ARISING OUT OF COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE. METER WILL NOT BE LIABLE FOR ANY DELAY, DEGRADATION, OR FAILURE OF THE SERVICES TO THE EXTENT RESULTING FROM OR RELATING TO: (A) UNANTICIPATED AND UNUSUALLY HIGH USAGE VOLUMES; (B) FAILURES OF THIRD-PARTY SERVICES, INCLUDING THIRD-PARTY TELECOMMUNICATIONS SERVICES, NETWORKS, OR SYSTEMS; (C) FORCE MAJEURE OR OTHER CAUSES BEYOND METER'S REASONABLE CONTROL; OR (D) CUSTOMER'S BREACH OF THE AGREEMENT OR CUSTOMER'S NEGLIGENT ACTS OR OMISSIONS.

## 12. Indemnification

**12.1 By Meter.** Meter will indemnify, defend, and hold harmless Customer and its directors, officers, and employees from and against any third-party claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) finally awarded against Customer to such third party, by a court of competent jurisdiction or agreed to in settlement, related to (a) any allegation that the Services or the Platform infringe, misappropriate, or otherwise violate any third-party intellectual property rights; or (b) bodily injury (including death) or damage to real or tangible personal property to the extent caused by the gross negligence or willful misconduct of Meter or its subcontractors in connection with the installation, repair, or replacement of the Hardware.

**12.2 Exclusions.** Meter will have no liability or obligation under Section 12.1 for any claim to the extent arising from: (a) Customer's use of the Services or Platform other than in strict accordance with this Agreement, including use in any application, environment, platform, or device for which the Services or Platform were not designed or contemplated; (b) use of the Services or

Platform in combination with any third-party technology, products, or services to the extent such claim results from Customer's acts or omissions; or (c) any modification, alteration, enhancement, or combination of the Services or Platform not authorized by or performed by Meter and to the extent caused by Customer or any third party acting on Customer's behalf.

**12.3 Infringement Remedies.** If the Services or Platform become, or in Meter's reasonable opinion are likely to become, the subject of a claim or injunction alleging infringement, misappropriation, or violation of a third party's intellectual property rights, then Meter may, at its option and expense: (a) procure the right for Customer to continue using the Services or Platform; (b) replace or modify the Services or Platform so that they become non-infringing without materially diminishing their principal functionality; or (c) if neither (a) nor (b) is reasonably available, terminate the Agreement upon written notice to Customer and refund any prepaid Fees on a prorated basis for the remainder of the applicable prepaid period. This Section 12.3 states Meter's entire liability, and Customer's exclusive remedy, with respect to any claim of infringement, misappropriation, or other violation of intellectual property rights by the Services or Platform.

**12.4 By Customer.** Customer will indemnify, defend, and hold harmless Meter and its directors, officers, and employees from and against any third-party claims, losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) finally awarded by a court of competent jurisdiction or agreed to in settlement, arising out of or related to: (a) any Prohibited Use of the Services by Customer, any User, or any unauthorized third party to the extent resulting from Customer's acts or omissions; (b) Customer's use of the Services other than in accordance with this Agreement or the Documentation; or (c) bodily injury (including death) or damage to real or tangible personal property to the extent caused by the gross negligence or willful misconduct of Customer or its contractors in connection with the installation, repair, or replacement of the Hardware.

**12.5 Procedures.** The indemnifying party's obligations under this Section 12 are conditioned on the indemnified party: (a) providing prompt written notice of the claim, provided that the indemnifying party will be relieved of its obligations only to the extent it is materially prejudiced by any failure to provide such notice; (b) providing reasonable information and cooperation in connection with the defense of the claim; and (c) granting the indemnifying party sole control over the defense and settlement of the claim. The indemnified party may participate in the defense at its own expense. The indemnifying party will not settle any claim (other than a settlement involving only the payment of money for which it is responsible) in a manner that adversely affects the indemnified party's rights or interests without the indemnified party's prior written consent, which will not be unreasonably withheld, conditioned, or delayed.

### **13. Limitation of Liability**

**13.1 Indirect Damages.** IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, REGARDLESS OF THE NATURE OF THE CLAIM OR WHETHER ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING LOST PROFITS, LOST REVENUE, LOSS OF BUSINESS, BUSINESS INTERRUPTION, COSTS OF DELAY, FAILURE OR DEGRADATION OF CONNECTIVITY OR INTERNET ACCESS, LOSS OF USE, OR COSTS ASSOCIATED WITH LOST, CORRUPTED, OR DAMAGED DATA OR DOCUMENTATION.

**13.2 Liability Cap.** EXCEPT FOR EXCLUDED CLAIMS AND UNCAPPED CLAIMS, IN NO EVENT WILL THE AGGREGATE TOTAL LIABILITY OF EITHER PARTY ARISING OUT OF OR RELATING TO THE AGREEMENT EXCEED THE TOTAL AMOUNT OF FEES PAID BY CUSTOMER FOR THE SERVICES DURING THE TWELVE (12) MONTHS PRECEDING THE CLAIM GIVING RISE TO SUCH LIABILITY. METER'S AGGREGATE LIABILITY FOR ALL EXCLUDED CLAIMS WILL NOT EXCEED TWO (2) TIMES THE TOTAL AMOUNT OF FEES PAID BY CUSTOMER FOR THE SERVICES DURING

THE TWELVE (12) MONTHS PRECEDING THE CLAIM GIVING RISE TO SUCH LIABILITY; AND A PARTY'S AGGREGATE LIABILITY FOR ALL UNCAPPED CLAIMS WILL NOT BE CAPPED.

## 14. Insurance

**14.1 Coverage.** During the Term, Meter will maintain the following insurance coverage, each with insurers rated A-VII or better by A.M. Best:

- (a) Commercial General Liability insurance on an occurrence basis, with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, covering bodily injury, death, property damage, and personal injury;
- (b) Workers' Compensation insurance as required by applicable law;
- (c) Technology Errors and Omissions and Cyber Liability insurance, on an occurrence or claims-made basis, with limits of not less than \$2,000,000 in the aggregate, covering financial loss arising from acts, errors, or omissions in the provision of the Services, including data damage, destruction, or corruption, unauthorized access or use, malware or virus transmission, denial-of-service attacks, and violations of privacy resulting from network security failures; and
- (d) Umbrella Liability insurance on an occurrence basis, with limits of not less than \$10,000,000 per occurrence and in the aggregate.

**14.2 Additional Insurance Terms.** All insurance maintained by Meter will be primary and non-contributory with respect to any insurance maintained by Customer. The coverage limits set forth in this Section 14 will not limit or affect Meter's indemnification obligations or any other liability under the Agreement.

## 15. General Provisions

- 15.1 Compliance with Laws.** Each party will comply with all applicable laws and regulations in connection with its performance under the Agreement.
- 15.2 Publicity & Use of Name.** Each party grants the other a non-exclusive, royalty-free, worldwide license during the Term to use its name, logos, and trademarks solely to identify and promote the parties' relationship including in customer/vendor lists, press releases, marketing, and other promotional materials, provided that such use complies with the owning party's then-current brand guidelines (to the extent provided). Upon a party's reasonable written request, the other party will provide copies of such materials and will discontinue use of the owning party's name and logos and remove them from future versions of such materials.
- 15.3 Entire Agreement.** The Agreement, inclusive of all Orders, constitutes the entire agreement between the parties with respect to the Services and supersedes all prior and contemporaneous negotiations, understandings, and agreements relating to its subject matter. Any additional, different, or conflicting terms in any purchase order, confirmation, or similar document provided by Customer will be null and void and will not modify the Agreement, even if such document is accepted or signed by Meter. Meter may update this MSA, including the Product-Specific Terms, the Platform Service Level Agreement, the Cellular Service Level Agreement, the Support Terms, and the Installation Scope Exhibit, from time to time by posting the updated terms on its website or within the Services. Updates that do not materially and adversely affect Customer become effective upon posting. For any update that materially and adversely affects Customer, Meter will provide reasonable advance notice (e.g., by email or in-product notice), and Customer may decline the update by providing written notice to Meter before the update takes effect, in which case the version of this MSA in effect immediately before that update will continue to govern Customer's use of the Services. Customer's continued use of the Services after an update takes effect constitutes acceptance of the updated terms.

- 15.4 Electronic Acceptance.** Customer agrees that its acceptance of this Agreement through an online click-through or other electronic acceptance process, or by incorporation into an Order, constitutes a legally binding agreement enforceable against Customer in accordance with its terms.
- 15.5 Counterparts.** The Agreement may be executed in one or more counterparts, each of which will be deemed an original, but taken together constituting one and the same instrument. Delivery and execution of the Agreement by electronic means (including via email or electronic signature platform) will have the same force and effect as execution and delivery of an original signed copy.
- 15.6 Assignment.** The Agreement, and the rights and obligations under it, may not be assigned by either party, in whole or in part, without the other party's prior written consent. Notwithstanding the foregoing, either party may assign the Agreement, without consent, to a successor in connection with the sale of all or substantially all of its business or assets to which the Agreement relates, whether by merger, consolidation, reorganization, change of control, sale of equity or assets, or otherwise. The Agreement will be binding upon and inure to the benefit of the parties and their respective successors, representatives, and permitted assigns.
- 15.7 Subcontracting.** Each party may subcontract the performance of its obligations under the Agreement, provided that such subcontracting is consistent with generally accepted industry standards and does not materially diminish the quality of performance. In the case of Meter, Meter may expressly use subcontractors to perform on-site installation and support-related Services at Designated Locations. Meter will remain responsible for the performance of any subcontracted Services and for the acts and omissions of its subcontractors as if performed by Meter. Meter will direct and coordinate its subcontractors, and Customer will have no obligation to pay any subcontractor.

- 15.8 Waiver.** Except as expressly provided herein, no waiver or consent of the Agreement is effective unless in writing and signed by the party against whom it is enforced. A failure to enforce any right is not a waiver, and the exercise of any right or remedy does not waive any other right or remedy.
- 15.9 Severability.** If any provision is held invalid, the remaining provisions remain in full force and effect.
- 15.10 Independent Contractors.** The parties are independent contractors. Nothing in the Agreement creates an employment, agency, partnership, or joint venture relationship between the parties.
- 15.11 Governing Law.** The Agreement is governed by the laws of the State of Delaware, without regard to conflict-of-laws rules. The parties submit to the exclusive jurisdiction of state and federal courts located in San Francisco County, California. Each party waives any objection to venue or forum non conveniens and knowingly waives any right to a jury trial to the extent permitted by law.
- 15.12 Equitable Remedies.** A party may seek temporary or permanent injunctive or equitable relief from any court of competent jurisdiction without posting bond and without waiving any other rights or remedies.
- 15.13 No Third-Party Beneficiaries.** Nothing expressed or implied in the Agreement is intended to confer, nor will confer, upon any person or entity other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 15.14 Notices.** Notices must be in writing and will be deemed given when (a) delivered by hand; (b) sent by email without bounce back; (c) deposited with a recognized overnight courier; or (d) received, if mailed certified return-receipt. Notices must be sent to the addresses set forth in the applicable Order.

**15.15 Language; Interpretation; Etc.** The Agreement is executed in English only. Any translation of the Agreement into another language will be for reference only and without legal effect. The parties have fully negotiated the Agreement, and it will be interpreted according to the plain meaning of its terms without a presumption that it should be construed for or against either party. Unless otherwise expressly stated, "including" and "e.g." are not exclusive or limiting (and will be deemed followed by "without limitation"); "Section" refers to sections of the Agreement; unless otherwise specified, "days" refers to calendar days, including Saturdays, Sundays and holidays; dollar amounts and the symbol "\$" refer to United States Dollars; "hereof," "herein" and "hereunder" and words of like import refer to the Agreement as a whole and not to any particular section or provision of the Agreement; words used in the Agreement in the singular number will extend to and include the plural, and words in the plural number will extend to and include the singular; and words in any gender (including the neuter) will extend to and include all genders (including the neuter). Section and other headings are for ease of reference only and are not to be used to interpret the meaning of any provision. Any rights and remedies provided for in the Agreement are cumulative and are in addition to, and not in lieu of, any other rights and remedies available under the Agreement or under applicable law.

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## **Exhibit A: Product-Specific Terms**

These Product-Specific Terms are incorporated into and form part of the Agreement between Meter and Customer and apply to one or more of the Products purchased under an Order. A Product's terms apply only if Customer has purchased or subscribed to that Product under an Order. Capitalized terms not defined in these Product-Specific Terms have the meanings given in the Terms and Conditions. In the event of a conflict between the Terms and Conditions and these Product-Specific Terms, these Product-Specific Terms will govern.

## I. Cellular Product Terms

The following terms and conditions govern Meter's Cellular Product, including Customer's use of the Extension Services at Designated Locations (the "**Cellular Product Terms**"). For avoidance of doubt, these Cellular Product Terms apply only if Customer has purchased or subscribed to the Cellular Product under an Order.

### 1. Definitions

- 1.1 **"Cellular Hardware"** means the equipment, cabling, wiring conduits, connections, and other materials necessary to provide Extension Services at the Designated Locations.
- 1.2 **"Cellular SLA"** means the service level agreement that governs the availability of the Extension Services attached hereto as [Exhibit B-2](#).
- 1.3 **"Extension Services"** means Meter's cellular extension service that provides cellular coverage at a Designated Location by enabling connectivity to one or more cellular carriers, as set forth in the applicable Order.
- 1.4 **"Extension Services Commencement Date"** means, for each Designated Location set forth in an Order, the date on which the Extension Services have been activated and are available for access to and use by Customer, as confirmed by Meter.

### 2. Extension Services

- 2.1 **Provision of Extension Services.** Meter will provide the Extension Services in accordance with the Terms and Conditions, these Cellular Product Terms, and the Cellular SLA.
- 2.2 **Support for Extension Services.** Meter will serve as Customer's initial point of contact for issues relating to the Extension Services and will use commercially reasonable efforts to support and resolve issues that Meter determines are within the scope of the Extension Services and within Meter's control. Issues relating to a cellular carrier's network or services, or

to Customer's or any end user's devices, are outside the scope of the Extension Services, and Meter may, in its discretion, escalate such issues to the applicable cellular carrier or direct Customer to contact the applicable carrier or device provider directly. Meter does not guarantee that the Extension Services will be available through any particular cellular carrier at any Designated Location during the applicable Subscription Term.

- 2.3 Designated Locations and Use Restrictions.** Customer may use the Extension Services solely at the Designated Locations for which the Extension Services are provisioned. Customer will not relocate, modify, disconnect, reconfigure, or integrate the Extension Services or any Cellular Hardware with any other technology, hardware, software, or network without Meter's prior written consent. Customer will not permit any unauthorized access to or use of the Extension Services and will promptly notify Meter upon becoming aware of any unauthorized access or use and, to the extent within Customer's reasonable control, promptly terminate it.
- 2.4 Customer Cooperation and Access.** As a condition to Meter's provision of the Extension Services, Customer will provide Meter and its personnel with the access, information, and cooperation reasonably necessary to plan, install, test, activate, and support the Extension Services at the applicable Designated Locations, including reasonable access to the premises and coordination with Customer personnel. Except in emergencies, Meter will provide at least twenty-four (24) hours' prior notice before accessing a Designated Location. Customer represents and warrants that it has obtained all rights necessary to permit Meter to access each Designated Location and install the Cellular Hardware. The Extension Services Commencement Date will not occur until installation and testing are complete, and any delay or failure by Customer to provide required access, information, or cooperation may delay the Extension Services Commencement Date.

- 2.5 Permitted Use.** Customer will use the Extension Services solely for the purposes contemplated by the Agreement and these Cellular Product Terms and in compliance with all applicable laws and regulations, including applicable Federal Communications Commission rules. Customer may not resell, sublicense, or otherwise provide third parties access to the Extension Services or any capacity or functionality thereof without Meter's prior written consent.
- 2.6 Interference.** Customer will provide Meter at least thirty (30) days' prior written notice before deploying, installing, or operating any wireless or radio-frequency equipment at a Designated Location that could reasonably be expected to interfere with or degrade the performance of the Extension Services.
- 2.7 Costs and Expenses.** Customer bears all costs and expenses related to its use of the Extension Services, except as expressly agreed in writing.

### **3. Emergency Services Disclaimer**

METER WILL NOT BE LIABLE FOR ANY LOSSES, DAMAGES, CLAIMS, OR EXPENSES ARISING OUT OF OR RELATING TO THE USE OF, ATTEMPTED USE OF, OR INABILITY TO ACCESS 911, E911, OR ANY OTHER EMERGENCY NUMBERS OR SERVICES, OR ANY LIFE SUPPORT, MONITORING, OR EMERGENCY RESPONSE SYSTEMS OR DEVICES, WHETHER ARISING FROM SERVICE INTERRUPTION, DEGRADED PERFORMANCE, OR OTHERWISE.

### **4. Governmental and Regulatory Matters**

- 4.1 Legal Process.** If Meter or any of its suppliers receives a lawful subpoena, court order, or other compulsory legal process seeking end-user records or information relating to the Extension Services, Meter will be responsible for responding to such process as between the parties. To the extent Meter reasonably requires information from Customer to respond, Customer will cooperate in good faith and provide the requested information within fifteen (15) days of Meter's written request.

**4.2 Regulatory Changes.** If a decision, order, or ruling of a governmental authority or court of competent jurisdiction requires modification of these Cellular Product Terms, the parties will negotiate in good faith to amend the terms to address the impact of such decision. If the parties do not reach agreement and the decision results in a material adverse impact on a party with respect to an applicable Order for Extension Services, the affected party may terminate the applicable Order without penalty by providing written notice within thirty (30) days after the decision becomes effective, unless Meter determines in its sole discretion that earlier termination is required to comply with the decision.

**4.3 Audits and Investigations.** If a governmental authority requires an audit or investigation relating to communications traffic under the Extension Services, the parties will reasonably cooperate, including by promptly notifying the other party of any required disclosure and, where legally available, making a good-faith effort to obtain protective treatment for Confidential Information.

## **5. Term and Termination**

**5.1 Term.** Unless otherwise set forth on an Order, Meter will provide the Extension Services for a Designated Location for the Subscription Term applicable to that Designated Location, or, if no Subscription Term is specified in the applicable Order, for sixty (60) months, in each case unless earlier terminated in accordance with Section 7 of the Terms and Conditions. The Subscription Term will renew as set forth in Section 7.1 of the Terms and Conditions.

**5.2 Termination.** In addition to the termination rights in the Agreement, Meter may terminate any Subscription for Extension Services for a specific Designated Location, upon prior written notice and without liability (other than a refund of prepaid Fees for Extension Services not yet provided as of the effective termination date), if: (a) the Extension Services Commencement Date does not occur within sixty (60) days after the

earlier of the Order execution date or any commencement date specified in the Order; (b) no cellular carrier agrees to provide Extension Services at the Designated Location; or (c) a cellular carrier suspends or terminates transmission of its licensed cellular frequencies at the Designated Location. Meter may also immediately suspend the Extension Services or terminate the applicable Order upon Customer's breach of Section 2.3 of the Terms and Conditions or Section 2 of these Cellular Product Terms.

## II. Connect Product Terms

The following terms and conditions govern the internet connectivity services that Meter provides to Customer (the "**Connect Product Terms**"). These Connect Product Terms apply only if Customer has executed an Order for the Connect Product (a "**Connect Order Form**"), which sets forth the Circuits ordered and their details, including the number of Circuits, type of service, bandwidth, port speed, price per Circuit, and any non-recurring charges. Meter's Acceptable Use Policy (available at [meter.com/aup](http://meter.com/aup)), Open Internet Transparency Policy (available at [meter.com/transparency](http://meter.com/transparency)), and Privacy Policy (available at [meter.com/privacy-policy](http://meter.com/privacy-policy)) apply to Customer's use of the Connect Services.

### 1. Definitions

- 1.1 **"Circuit"** means an internet access circuit that Meter procures from an ISP and manages as part of the Connect Services, as set forth in the applicable Order.
- 1.2 **"Connect Go-Live Date"** means, with respect to a Circuit, the date of successful activation of such Circuit as communicated by Meter.
- 1.3 **"Connect Services"** means the internet access services that Meter provides to Customer, including procurement, provisioning, management, support, and billing, in accordance with the applicable Order. Connect Services may include dedicated internet access (DIA), broadband internet, fixed wireless, ethernet transport, static IP addresses, managed router or

CPE, and network monitoring. Specific bandwidth, port speed, and service details are set forth in the applicable Order.

- 1.4 "ISP"** means a third-party internet service provider whose internet access services Meter procures and resells to Customer as part of the Connect Services.

## **2. Provision and Scope of Connect Services**

- 2.1 Provision.** Meter will provide the Connect Services in accordance with the Terms and Conditions and these Connect Product Terms and all applicable law.
- 2.2 Scope.** Connect Services are delivered by Meter through agreements with third-party ISPs. Meter may, at any time and without Customer consent, substitute the underlying ISP for any Circuit. Meter does not control the underlying ISP networks and makes no representation, warranty, or guarantee regarding the availability, performance, capacity, uptime, latency, repair times, or service levels of any Circuit, and Meter has no liability for any interruption, degradation, failure, or unavailability of a Circuit caused by or attributable to an underlying ISP or its network. To the extent Meter receives any service credits or refunds from an underlying ISP in connection with a Circuit, Meter will pass through such credits or refunds to Customer.
- 2.3 Relocation of Circuits.** During the Connect Subscription Term, Customer may request to relocate a Circuit from a Designated Location to a new physical location. Meter will accommodate such requests if and only if (a) Customer is in good standing under the Agreement, with no past-due invoices; (b) at least twelve (12) months have elapsed since the Connect Go-Live Date for the original Circuit; (c) Customer provides Meter with all information Meter reasonably requests regarding the new location; and (d) Meter confirms, in its professional judgment, that a comparable Circuit can be procured from an ISP at the new location at a cost and on terms

reasonably comparable to those for the original Circuit. If Meter agrees, then (i) the parties will enter into a Supplemental Order Form for the new Circuit with a fresh Connect Subscription Term equal in length to the original Connect Subscription Term and commencing on the Connect Go-Live Date for the new Circuit; (ii) the Connect Subscription Term for the original Circuit will end as of the Connect Go-Live Date for the new Circuit; and (iii) Meter will use commercially reasonable efforts to provision the new Circuit, with timing dependent on the underlying ISP. Customer remains responsible for all charges associated with the original Circuit, including any early termination or cancellation fees imposed by the underlying ISP. If Meter does not agree, or if no comparable Circuit is available at the new location, then Customer remains responsible for all Fees associated with the original Circuit for the remainder of the applicable Connect Subscription Term regardless of whether Customer continues to occupy the original Designated Location. For the avoidance of doubt, this provision does not permit Customer to reduce the number of Circuits under an Order.

### **3. Fees and Pass-Through Charges**

**3.1 Fees.** For each Circuit, Customer will pay the applicable fees set forth in the applicable Order. Customer is responsible for all applicable taxes, regulatory fees, surcharges, and pass-through costs imposed by an underlying ISP in connection with a Circuit, including installation, construction, extensions, service calls, and equipment charges, in each case as set forth in the applicable Order or otherwise invoiced by Meter.

### **4. Customer Obligations**

**4.1 Acceptable Use.** Customer will comply with, and ensure that its Users comply with, Meter's Acceptable Use Policy and the operational requirements of the underlying ISP. Customer will not use the Connect Services in any manner that impairs the underlying ISP's network or

facilities or the ability of other ISP customers to use the underlying ISP's services.

- 4.2 Site and Facility Conditions.** Customer will provide and maintain, at no cost to Meter or the underlying ISP, all conditions reasonably necessary for the installation and operation of Circuits at each Designated Location, including clean electrical power, mechanical connections, environmental controls (temperature, humidity, fire suppression, and security), rack and floor space, cable entrance and conduit, and reasonable physical and information security measures protecting equipment, software, and data located on Customer's premises.
- 4.3 Cooperation with Underlying ISP.** Customer will reasonably cooperate with Meter and the underlying ISP in connection with the installation, operation, maintenance, modification, and removal of Circuits, including by providing reasonable access to each Designated Location, following reasonable instructions of the underlying ISP regarding ISP-provided equipment, and obtaining any rights of way, easements, licenses, or consents required for the underlying ISP to perform work at a Designated Location.
- 4.4 ISP-Provided Equipment.** To the extent the underlying ISP provides equipment for use in connection with a Circuit, (a) title to such equipment remains with the underlying ISP at all times, (b) Customer will not create, incur, or permit any lien or encumbrance on such equipment, (c) Customer will not move, modify, tamper with, or interfere with such equipment, and (d) the underlying ISP may upgrade, modify, replace, or take any action with respect to such equipment that it deems necessary to protect its services or facilities.

## 5. Suspension

- 5.1** Meter may suspend the Connect Services at a Designated Location for (a) non-payment, (b) security risks, (c) violation of the Acceptable Use Policy, or (d) regulatory compliance requirements.

## 6. Regulatory Matters

- 6.1 Legal Process.** If Meter or any underlying ISP receives a lawful subpoena, court order, or other compulsory legal process relating to the Connect Services, Meter will be responsible for responding to such process as between the parties. To the extent Meter reasonably requires information from Customer to respond, Customer will cooperate in good faith and provide the requested information within fifteen (15) days of Meter's written request.
- 6.2 Regulatory Changes.** If a decision, order, or ruling of a governmental authority or court of competent jurisdiction requires modification of these Connect Product Terms or affects Meter's ability to deliver the Connect Services, the parties will negotiate in good faith to amend the terms to address the impact of such decision. If the parties do not reach agreement and the decision results in a material adverse impact on a party, the affected party may terminate the applicable Order without penalty by providing written notice within thirty (30) days after the decision becomes effective.

## 7. Term and Termination

- 7.1 Connect Subscription Term.** The term of the Connect Services for each Circuit (the "**Connect Subscription Term**") will commence on the Connect Go-Live Date for that Circuit and continue for the period specified in the applicable Order, or, if no period is specified, for twelve (12) months, in each case unless earlier terminated in accordance with the Agreement. After that initial period, the Connect Subscription Term for each Circuit will continue on a month-to-month basis until either party terminates that Circuit on thirty (30) days' written notice or the underlying ISP ceases to provide that Circuit, whichever occurs first.
- 7.2 Termination.** Termination or expiration of an Order or Subscription for Connect Services does not relieve Customer of responsibility for any fees, charges, or obligations imposed by an underlying ISP in connection with a

Circuit, including any early termination or cancellation fees and any pass-through costs incurred by Meter, whether arising before or as a result of such termination. Meter has no obligation to continue procuring or managing a Circuit beyond the availability or term offered by the underlying ISP.

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## **Exhibit B-1: Platform Service Level Agreement**

To the extent Customer has access to the Platform or subscribes to Meter's Network Product, this Platform SLA is incorporated into and forms part of the Agreement between Meter and Customer and sets forth the service level commitments applicable to Customer's access to and use of the Platform. Capitalized terms not defined in this Platform SLA have the meanings given in the Terms and Conditions. In the event of a conflict between the Terms and Conditions and this Platform SLA, this Platform SLA will govern.

### **1. Definitions**

The definitions of certain capitalized terms used in this Platform SLA are set forth below.

**"Platform Downtime"** means, subject to Section 6 of this Platform SLA, a period during which Customer is unable to access the Platform through a standard web browser due to a failure of the Platform or Meter-controlled systems, as confirmed by Meter. Platform Downtime excludes unavailability resulting from planned maintenance performed during the non-business hours specified by Customer in the Platform.

**"Platform SLA"** has the meaning set forth in Section 2 of this Platform SLA.

**"Platform SLA Termination"** has the meaning set forth in Section 5 of this Platform SLA.

**"Platform Uptime Percentage"** means the total number of minutes in a calendar month minus the number of minutes of Platform Downtime during such calendar month, divided by the total number of minutes in a calendar month.

**"Service Credit"** means the number of days that Meter will credit and add to the end of the Subscription Term at no charge to Customer in accordance with Section 2.

## 2. Service Level Warranty

**Platform Service Level Warranty.** During the Term, the Platform will be available to Customer with a Platform Uptime Percentage of at least 99.99% in any calendar month (the **"Platform SLA"**). If the Platform Uptime Percentage does not meet the Platform SLA in any calendar month, and if Customer meets its obligations under the Agreement, then Customer will be eligible to receive Service Credits in accordance with the table below.

Uptime Percentage	Days Credited
< 99.99% - ≥99.8%	3
< 99.8% - ≥99.5%	5
< 99.5% - ≥98.0%	10
< 98.0%	15

## 3. Request for Service Credits

To be eligible to receive any Service Credit, Customer must submit a written request to Meter within thirty (30) days after the end of the calendar month in which Customer became eligible for such Service Credit, specifying the applicable downtime event(s). Failure to submit a timely request in accordance with this Section 3 will result in forfeiture of Customer's right to receive the applicable Service Credit.

## 4. Maximum Service Credit

The aggregate total of all Service Credits issued to Customer in a single calendar month for Platform Downtime, whether arising from one or more incidents, will not

exceed fifteen (15) days. Service Credits may not be exchanged for, or converted into, cash or any other monetary amount.

## **5. Termination**

If Platform Uptime Percentage falls below 98.0% in two (2) consecutive calendar months, or in three (3) calendar months during a rolling twelve (12) month period, then, in lieu of Service Credits, Customer may terminate the Agreement upon written notice to Meter and receive a pro rata refund of any prepaid fees allocable to the remaining Subscription Term ("**Platform SLA Termination**").

## **6. Exclusions**

The Platform SLA does not apply to any performance issues that result from: (a) a force majeure event, including riots, insurrection, fire, flood, storm, explosion, act of God, war, terrorism, earthquake, or any other cause beyond Meter's reasonable control, provided that Meter uses commercially reasonable efforts to mitigate the effects of such event; (b) Customer's equipment or systems, or from any third-party equipment or services, including Customer's internet connection, ISP circuits, cellular carriers, upstream networks, or any services not provided by Meter; or (c) Customer's violation of the Agreement or the Documentation.

## **7. Exclusive Remedy**

The Service Credits and the Platform SLA Termination are Customer's sole and exclusive remedies for any failure by Meter to meet the Platform SLA.

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## **Exhibit B-2: Cellular Service Level Agreement**

To the extent Customer subscribes to Meter's Cellular Product, this Cellular SLA is incorporated into and forms part of the Agreement between Meter and Customer and sets forth the service level commitments applicable to Customer's access to and use of the Extension Services. Capitalized terms not defined in this Cellular SLA have the meanings given in the Terms and Conditions. In the event of a conflict

between the Terms and Conditions and this Cellular SLA, this Cellular SLA will govern.

## 1. Definitions

The definitions of certain capitalized terms used in this Cellular SLA are set forth below.

**"Cellular Downtime"** means, subject to Section 6 of this Cellular SLA, a period during which the Extension Services at a Designated Location are unavailable due to a failure of Meter-provided Cellular Hardware or Meter-controlled configuration, as confirmed by Meter. Cellular Downtime excludes any unavailability caused by a cellular carrier, spectrum availability, carrier backhaul, RF conditions, Customer or end-user devices, or any other third-party systems or services.

**"Cellular SLA Standard"** has the meaning set forth in Section 2 of this Cellular SLA.

**"Cellular SLA Termination"** has the meaning set forth in Section 5 of this Cellular SLA.

**"Cellular Uptime Percentage"** means the total number of minutes in a calendar month minus the number of minutes of Cellular Downtime during such calendar month, divided by the total number of minutes in the calendar month.

**"Service Credit"** means the number of days that Meter will credit and add to the end of the applicable Subscription Term at no charge to Customer in accordance with Section 2.

## 2. Cellular Service Level Warranty

During the Term, the Extension Services will be available with a Cellular Uptime Percentage of at least 99.0% in any calendar month (the **"Cellular SLA Standard"**). If the Cellular Uptime Percentage does not meet the Cellular SLA Standard in a calendar month, and if Customer meets its obligations under the Agreement, then Customer will be eligible to receive Service Credits as follows:

Uptime	Days Credited
< 99.0% - ≥98.5%	3
< 98.5% - ≥98.0%	5
< 98.0% - ≥97.0%	10
< 97.0%	15

### 3. Request for Service Credits

To be eligible to receive any Service Credit, Customer must submit a written request to Meter within thirty (30) days after the end of the calendar month in which Customer became eligible for such Service Credit, specifying the applicable downtime event(s). Failure to submit a timely request in accordance with this Section 3 will result in forfeiture of Customer's right to receive the applicable Service Credit.

### 4. Maximum Service Credit

The aggregate total of all Service Credits issued to Customer in a single calendar month for all Cellular Downtime, whether arising from one or more incidents, will not exceed fifteen (15) days. Service Credits may not be exchanged for, or converted into, cash or any other monetary amount.

### 5. Termination

If, with respect to more than fifty percent (50%) of the Designated Locations, the Cellular Uptime Percentage falls below 97.0% in two (2) consecutive calendar months, or in three (3) calendar months during a rolling twelve (12) month period, then, in lieu of Service Credits, Customer may terminate the Agreement upon written notice to Meter and receive a pro rata refund of any prepaid fees allocable to the remaining Subscription Term ("**Cellular SLA Termination**").

### 6. Exclusions

The Cellular SLA does not apply to any performance issues that result from: (a) a force majeure event, including riots, insurrection, fire, flood, storm, explosion, act of God, war, terrorism, earthquake, or any other cause beyond Meter's reasonable

control, provided that Meter uses commercially reasonable efforts to mitigate the effects of such event; (b) any cellular carrier, spectrum availability, carrier core network or backhaul, regulatory or governmental action or restriction, RF conditions, or any third-party equipment or services, including Customer or end-user devices or systems; or (c) Customer's violation of the Agreement, the Cellular Product Terms, or the Documentation.

## **7. Exclusive Remedy**

The Service Credits and the Cellular SLA Termination are Customer's sole and exclusive remedies for any failure by Meter to meet the Cellular SLA Standard.

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## **Exhibit C: Support Terms**

These Support Terms are incorporated into and form part of the Agreement between Meter and Customer and sets forth the technical support services applicable to the Services provided under the Agreement during the Subscription Term, including the procedures, priority levels, and response targets for addressing Incidents.

Capitalized terms used but not defined in these Support Terms have the meanings given in the Agreement. In the event of a conflict between the Terms and Conditions and these Support Terms, these Support Terms will govern.

### **1. Definitions**

**"Escalation"** means Meter's internal process by which an Incident is formally elevated for additional review and prioritization, including continued active investigation, until the Incident is resolved or reasonably mitigated.

**"Incident"** means an unplanned failure of, or material degradation in, the operation of the Services that adversely impacts Customer's ability to use the Services as intended.

### **2. General**

During the applicable Subscription Term, Meter will provide the Support described in these Support Terms on a continuous basis, twenty-four (24) hours per day, seven (7) days per week. Meter's support organization will receive, triage, and respond to Incidents in accordance with the priority levels and response and resolution targets set forth in these Support Terms.

### 3. Contact

Customer may initiate a Support case by submitting a request through the support channels designated by Meter, as identified in the Platform or otherwise communicated by Meter from time to time. There is no limit on the number of Support cases that Customer may submit.

### 4. Priority Leveling, Response & Resolution Time

When submitting a Support case, Customer may assign an initial Priority Level. Meter will confirm the Priority Level and may reclassify it based on Meter's reasonable assessment. Meter will provide an initial response within the applicable Initial Response Time below and will use commercially reasonable efforts to diagnose and address the Incident (including repair or replacement of Hardware, or providing a fix or workaround, as applicable) within the applicable Target Resolution Time below. If an Incident is not resolved or reasonably mitigated within the Target Resolution Time, then Meter will escalate the Incident and keep it under active review and prioritization until resolved or reasonably mitigated.

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#### Sev1

Description

**Business Critical:** Material outage of core Service functionality at a Designated Location, with no reasonable workaround available

Initial Response Time

Within **15 minutes**

Target Resolution

Within **8 hours** to restore service or implement a reasonable workaround

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Sev2

Description

**Urgent & Major Impact:** Significant degradation of Service functionality with a reasonable workaround available

Initial Response Time

Within **30 minutes**

Target Resolution

Within **24 hours** to restore service or implement a reasonable workaround

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Sev3

Description

**Medium / Non-Critical:** Limited degradation of functionality with minimal operational impact

Initial Response Time

Within **1 hour**

Target Resolution

Within **3 calendar days**

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Sev4

Description

**Minor / General Questions:** Cosmetic issues, minor performance issues, or general questions (e.g., regarding API or network configuration, dashboard functionality, enhancement requests, or documentation clarification)

Initial Response Time

Within **4 hours**

Target Resolution

Within **7 calendar days**

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## 5. Hardware Repair and Replacement

If Meter determines that resolution of an Incident requires repair or replacement of Hardware, Meter may, in its discretion, repair the Hardware or provide replacement Hardware, as applicable. Repair may include remote diagnostics, configuration changes, or software or firmware updates. Time required to ship or install

replacement Hardware is excluded from the Incident resolution time. If replacement Hardware is provided, Meter will use commercially reasonable efforts to ship replacement Hardware to the applicable Designated Location within one (1) business day. For Customers with a Premium Subscription, Meter will provide on-site installation and configuration of replacement Hardware in accordance with the Agreement. For Customers with a Pro Subscription, Meter will provide reasonable remote support and cooperate with Customer regarding installation and configuration; however, Meter is not responsible for performing installation or configuration.

## **6. Conditions and Exclusions**

Meter's obligation to provide Support is conditioned on Customer's reasonable cooperation (including following Meter's reasonable troubleshooting guidance, providing timely and accurate information and access—including reasonable physical access to the applicable Designated Location when necessary—and maintaining all Customer-provided equipment, connectivity, and systems required to access and use the Products). Meter has no obligation to provide Support to the extent an issue results from (a) Customer's negligence, misuse, or violation of the Agreement or Documentation; (b) equipment, software, or services not provided by Meter (including third-party hardware, software, internet connectivity, carriers, or upstream networks); or (c) any cause beyond Meter's reasonable control.

## **7. Conclusion of Support Cases**

Meter may close a Support case when Meter determines that the Incident has been resolved or reasonably mitigated, including through the provision of a workaround. Meter may also close a Support case if Customer fails to respond to three (3) reasonable requests for information or feedback necessary to proceed with or confirm a proposed resolution.

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## **Exhibit D: Installation Scope**

This Installation Scope Exhibit sets forth the installation and cabling work that is in and out of scope for Meter under a Premium Subscription for the Network Product. Meter's installation responsibilities under this Exhibit D apply only to network designs approved by Meter. If Customer requests a network topology or device placement that Meter has not approved, Meter may decline to provide installation services for such design, or may treat the resulting work as out of scope and subject to additional fees and costs. To the extent of any conflict between this Exhibit D and the Terms and Conditions, this Exhibit D will govern.

Meter will provide all work that is in scope at no additional cost to Customer. For out-of-scope work, the Customer will be responsible for such work and Meter may elect to perform such work with prior written approval of Customer and at Customer's cost.

#### In Scope for Premium Subscription

- ✓ Installation of Meter Hardware, including rack installation at MDF and IDF locations and rack-and-stack of Meter Hardware.
- ✓ Installation of low-voltage cabling between core backbone Meter Hardware (e.g., firewall to core switch, core switch to access switches, access switches to access points) in accordance with Meter's approved network design for the applicable Designated Location.
- ✓ Interior fiber runs between an MDF and an IDF within a single building at the Designated Location.
- ✓ Patch cables from existing terminated ports on Customer's patch panels to Meter Hardware, as part of the initial installation only.
- ✓ Structured cabling and pathway work (including drilling, conduit, and ceiling tile work) necessary to meet physical, safety, or permitting requirements.

#### Out of Scope for Premium Subscription

- Configuration or installation of any Customer-owned or third-party devices (e.g., workstations, phones, cameras, printers, non-Meter networking equipment).
- Cabling between Meter Hardware and Customer-owned or third-party devices (e.g., workstations, phones, cameras, printers, TVs).

- Cabling to desk switches or other Meter Hardware deployed at end-user workstations or desks.

- Cabling to Meter Hardware deployed outside of MDF or IDF locations, or otherwise inconsistent with Meter's approved network design for the applicable Designated Location.

- Termination of unterminated ports on Customer's patch panels; patching of cable runs added by Customer after the initial installation.

- Construction or pathway work not necessary to meet physical, safety, or permitting requirements (for example, work performed solely to satisfy Customer's aesthetic preferences).

- ISP-related construction or installation work to extend or deliver ISP service to the MDF or to Meter Hardware, including where the ISP demarcation point is not located at the MDF.

- Electrical or high-voltage work of any kind.

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: Jason Moore, City Manager

Date: June 22, 2026

Subject: Resolution Approving the Purchase of Fortinet Network Infrastructure Equipment and Related Implementation Services

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## **Agenda Item:**

Resolution - A Resolution Approving the Purchase of Fortinet Network Infrastructure Equipment and Related Implementation Services Through TodoVerde; Authorizing the City Manager or Designee to Execute Purchase Orders, Agreements, and Related Documents; Authorizing a Budget Adjustment and Expenditure of Oil and Gas Fund Reserves in an Amount Not to Exceed \$210,000; Finding That the Meeting at Which This Resolution Is Passed Is Open to the Public as Required by Law; and Declaring an Effective Date.

## **Background Information:**

At the May 26, 2026 City Council meeting, staff and the City's IT consultant, TodoVerde, presented replacement options for the City's information technology infrastructure. This discussion followed prior Council consideration of a lease/subscription arrangement with Meter for replacement of the City's network infrastructure.

During prior discussion, Council raised questions regarding the contractual terms, long-term structure, vendor risk, municipal experience, and the City's ability to maintain operational control if the City entered into a multi-year lease/subscription arrangement. In response to that feedback, staff also presented a purchase option using Fortinet equipment that would allow the City to own the replacement network infrastructure while relying on TodoVerde for

procurement, installation, configuration, migration, and support services.

The Fortinet purchase option includes replacement and implementation of key network infrastructure components, including firewalls, core switches, access switches, wireless access points, fiber connectivity, configuration, installation, testing, and related support. The proposed project is intended to replace aging or end-of-life equipment, improve network reliability, strengthen cybersecurity posture, improve manageability, and preserve continuity of City operations.

The quote provided by TodoVerde totals \$208,398.99 and references TIPS Contract #230504. Because the quote contained a prior expiration date, the resolution authorizes a not-to-exceed amount of \$210,000, subject to confirmation of final pricing, purchasing compliance, legal review, and any final non-substantive revisions necessary before execution.

This item is being brought forward so Council has a purchase alternative available for consideration in addition to any lease/subscription option that may also be discussed. Approval of this resolution would authorize staff to proceed with the Fortinet purchase option, using one-time Oil and Gas Fund reserves, rather than creating a recurring lease or subscription obligation for the core infrastructure replacement.

**Financial Considerations:**

The proposed expenditure is authorized in an amount not to exceed \$210,000. Staff recommends funding the purchase from Oil and Gas Fund reserves as a one-time capital/equipment use.

Use of Oil and Gas Fund reserves for this purpose would preserve the General Fund from absorbing the full cost of the replacement in the current fiscal year and would align with Council's prior budget stabilization direction to evaluate one-time reserve resources for one-time capital, equipment, facility, technology, or infrastructure needs.

Because this is a one-time purchase, the City would avoid creating a new annual lease/subscription payment for this specific purchase option. However, staff should still account for future maintenance, support, licensing, replacement cycle planning, and lifecycle costs in future budgets.

**Legal Review:**

The City Attorney will review the final resolution, quote, purchase documentation, procurement pathway, and any related terms or conditions before execution.

**Board/Citizen Input:**

No board or citizen input is required for this item.

**Attachments:**

- 1. Resolution 660-26
- 2. Proposal Form
- 3. Statement of Work

**Council Action Requested:**

If Council desires a purchase option over the Meter Lease option, then staff recommends that City Council approve the resolution authorizing the purchase of Fortinet network infrastructure equipment and related implementation services through TodoVerde in an amount not to exceed \$210,000, funded from Oil and Gas Fund reserves, subject to final legal, procurement, and pricing review.

**Suggested Motion:**

I move to approve Resolution No. 660-26, approving the purchase of Fortinet network infrastructure equipment and related implementation services through TodoVerde in an amount not to exceed \$210,000, authorizing the City Manager or designee to execute purchase orders, agreements, and related documents, and authorizing the use of Oil and Gas Fund reserves for the purchase.

**RESOLUTION NO. 660-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, APPROVING THE PURCHASE OF FORTINET NETWORK INFRASTRUCTURE EQUIPMENT AND RELATED IMPLEMENTATION SERVICES THROUGH TODOVERDE IN AN AMOUNT NOT TO EXCEED \$210,000; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE PURCHASE ORDERS, AGREEMENTS, AND RELATED DOCUMENTS; AUTHORIZING A BUDGET ADJUSTMENT AND EXPENDITURE OF OIL AND GAS FUND RESERVES; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Richland Hills (the “City”) is a home rule municipality operating under and governed by the laws and Constitution of the State of Texas; and

**WHEREAS**, the City relies on secure, reliable, and properly supported information technology infrastructure to provide municipal services, maintain internal operations, protect City data, and support public safety, administrative, financial, utility, library, parks, and other City functions; and

**WHEREAS**, portions of the City’s network infrastructure have been identified as aging, end-of-life, or otherwise in need of replacement to preserve operational reliability, cybersecurity, vendor supportability, and long-term manageability; and

**WHEREAS**, at the May 26, 2026 City Council meeting, staff and the City’s IT consultant presented replacement options for the City’s information technology infrastructure, including a purchase option for Fortinet equipment and related implementation services; and

**WHEREAS**, the City Council desires to maintain flexibility in evaluating available options for replacing the City’s information technology infrastructure, including the option to purchase equipment directly rather than proceed only through a lease or subscription arrangement; and

**WHEREAS**, TodoVerde has provided a quote and scope of work for a Fortinet-based network infrastructure refresh, including firewalls, core switching, access switching, wireless access points, fiber connectivity, installation, configuration, migration, testing, validation, documentation, and related services; and

**WHEREAS**, the proposed purchase is intended to improve network reliability, security, redundancy, operational consistency, and supportability across the City’s technology environment; and

**WHEREAS**, the City Council finds that use of one-time Oil and Gas Fund reserves for this one-time capital/equipment purchase is consistent with the City’s budget stabilization strategy and preserves General Fund flexibility; and

**WHEREAS**, the City Council desires to authorize the City Manager or his designee to finalize the purchase, subject to final pricing confirmation, legal review, procurement compliance, and non-substantive revisions necessary to carry out the intent of this Resolution; and

**WHEREAS**, the City Council finds that approval of this Resolution is in the best interest of the citizens of the City of Richland Hills.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THAT:**

**SECTION 1.**

The findings and recitations set out in the above recitals are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

**SECTION 2.**

The City Council hereby approves the purchase of Fortinet network infrastructure equipment and related implementation services through TodoVerde in an amount not to exceed Two Hundred Ten Thousand Dollars and 00/100 (\$210,000.00), subject to final pricing confirmation, legal review, procurement compliance, and availability of legally authorized funds.

**SECTION 3.**

The City Manager, or his designee, is authorized to execute purchase orders, agreements, quotes, amendments, addenda, and any related documents necessary to complete the purchase and implementation of the Fortinet network infrastructure refresh, provided that such documents are approved as to form by the City Attorney and do not materially increase the authorized not-to-exceed amount.

**SECTION 4.**

The City Council hereby authorizes a budget adjustment, if necessary, and authorizes the expenditure of Oil and Gas Fund reserves in an amount not to exceed \$210,000 for the purchase and implementation described in this Resolution.

**SECTION 5.**

The City Manager, or his designee, is authorized to take all actions reasonably necessary to implement this Resolution, including coordinating project scheduling, equipment procurement, installation, configuration, migration, testing, validation, documentation, payment, and closeout.

**SECTION 6.**

Nothing in this Resolution shall be construed to waive applicable purchasing requirements, legal review, cybersecurity review, budget authority, or any other requirement applicable to the City's procurement and implementation of information technology infrastructure.

**SECTION 7.**

It is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and that public notice of the time, place, and purpose of said meeting was given as required.

**SECTION 8.**

This Resolution shall be effective from and after its passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2026.**

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Curtis Bergthold, Mayor

ATTEST:

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Lisa Boyd, City Secretary



# QUOTE

**TDVQ2325**  
**Jan 8, 2026**

**Quoted To:**

Sheena McEachran  
 City of Richland Hills  
 3200 Diana Drive  
 Richland Hills, TX 76118  
**Phone:** (817) 281-1000  
**Fax:**

**Prepared By:**

Cody Stevenson  
*Account Manager*

**Phone:** 8172094973  
**Email:** stevenson@todoverde.com

**PO Number:**

**Valid Through: Jul 30, 2026**

**Payment Terms: Net 30**

All prices are in US Dollars. Prices do not include taxes. Customer shall be responsible for any applicable taxes.

City Firewalls and 5yr Maintenance	Unit Price	Qty	Ext. Price
Fortinet FortiGate FG-120G Network Security/Firewall Appliance - AI/ML Security - 16 Port - 10/100/1000Base-T, 1000Base-X, 10GBase-X - 10 Gigabit Ethernet - 39 Gbit/s Firewall Throughput - AES (256-bit), SHA-256, SSL, TLS 1.3 - 500 VPN - 16 x RJ-45 - 12 Total Expansion Slots - 50 Hz, 60 Hz - 1U - Rack-mountable	\$16,653.21	2	\$33,306.42
City Core Switches and 5yr Maintenance	Unit Price	Qty	Ext. Price
Fortinet FortiSwitch 1024E Ethernet Switch - Manageable - 10 Gigabit Ethernet, 100 Gigabit Ethernet, 40 Gigabit Ethernet - 100GBase-X, 40GBase-X, 10GBase-X - 3 Layer Supported - Modular - 176 W Power Consumption - Optical Fiber - 1U - Rack-mountable	\$18,749.13	2	\$37,498.26
Fortinet FortiCare Comprehensive Support - Extended Service (Renewal) - 5 Year - Service - 24 x 7 x Next Business Day - Service Depot - Exchange - Parts	\$8,183.19	2	\$16,366.38
City Access Switches and 5yr Maintenance	Unit Price	Qty	Ext. Price
Fortinet FortiSwitch 100 FS-148F-POE Ethernet Switch - 48 Ports - Manageable - Gigabit Ethernet, 10 Gigabit Ethernet - 10/100/1000Base-T, 10GBase-X - 2 Layer Supported - Modular - 476.30 W Power Consumption - 370 W PoE Budget - Optical Fiber, Twisted Pair - PoE Ports - 1U - Rack-mountable	\$1,905.79	16	\$30,492.64
Fortinet FortiCare Comprehensive Support - Extended Service (Renewal) - 5 Year - Service - 24 x 7 x Next Business Day - Service Depot - Exchange - PartsO	\$1,010.63	16	\$16,170.08
City AP's and Switches for Wifi7 with BT POE and 5yr Maintenance	Unit Price	Qty	Ext. Price
Fortinet FortiAP FAP-441K Tri Band Wi-Fi 7 IEEE 802.11a/b/g/n/ac/ax/h/i/k/r/v/e/be/j 21.32 Gbit/s Wireless Access Point - Indoor - 2.40 GHz, 5 GHz, 6 GHz - 8 x Internal Antenna(s) - Internal - MIMO Technology - Multi User MIMO - 2 x Network (RJ-45) - 10 Gigabit Ethernet, 5 Gigabit Ethernet, 2.5 Gigabit Ethernet, Gigabit Ethernet, Fast Ethernet - PoE Ports - 41.70 W - Ceiling Mountable, Rail-mountable, Wall Mountable, Desktop	\$1,251.25	16	\$20,020.00
Fortinet FortiCare Essential - 5 Year - Service - Exchange	\$344.65	16	\$5,514.40
Fortinet FortiSwitch FS-124G-FPOE Ethernet Switch - 24 Ports - Manageable - Gigabit Ethernet, 2.5 Gigabit Ethernet, 10 Gigabit Ethernet - 1000Base-T, 2.5GBase-T, 1000Base-X, 10GBase-X - 2 Layer Supported - 880 W Power Consumption - 780 W PoE Budget - Twisted Pair, Optical Fiber - PoE Ports - 1U - Rack-mountable - Lifetime Limited Warranty	\$2,172.50	8	\$17,380.00
Fortinet FortiCare Essential - 5 Year - Service - Exchange	\$507.75	8	\$4,062.00

Connectivity Fiber Optics with redunancy	Unit Price	Qty	Ext. Price
Fortinet SFP+ Module - For Data Networking, Optical Network - 1 x 10GBase-SR Network - Optical Fiber10 Gigabit Ethernet - 10GBase-SR	\$64.80	24	\$1,555.20
Axiom 40GBASE-CR4 QSFP+ Passive DAC Cable Fortinet Compatible 1m - 3.28 ft DAC Network Cable for Router, Switch, Network Device - First End: 1 x QSFP+ Network - Second End: 1 x QSFP+ Network - 40 Gbit/s	\$110.41	1	\$110.41
AddOn Fortinet; FN-CABLE-SFP+3 to HP	\$202.90	8	\$1,623.20

Installation and Services	Unit Price	Qty	Ext. Price
Engineering - Configuration with the current design and current IP/Wireless setup	\$250.00	40	\$10,000.00
Re - IP Space and Wireless setup to alleviate problems with IP allocation and performance on Wireless network	\$250.00	34	\$8,500.00
Level 1 Data Tech Install. AP installation, Rack and Stack.	\$125.00	32	\$4,000.00
Lift rental for AP installation	\$1,800.00	1	\$1,800.00
TIPS Contract #230504	\$0.00	1	\$0.00

Totals	
<b>Subtotal</b>	\$208,398.99
<b>Tax</b>	\$0.00
<b>Shipping</b>	\$0.00
<b>Grand Total</b>	<b>\$208,398.99</b>

Please contact me if I can be of further assistance.

# Scope of Work

## City of Richland Hills Network Infrastructure Refresh

Fortinet Firewall, Core Switching, Access Switching, Wireless, Fiber Connectivity, and Related Services

<b>Customer</b>	City of Richland Hills
<b>Prepared By</b>	TodoVerde
<b>Project Type</b>	Network Hardware Refresh
<b>Document Purpose</b>	Scope of Work Overview

### Project Overview

Provide, install, configure, and migrate the City's network infrastructure to a new Fortinet-based architecture, including core switching, access switching, firewall services, wireless networking, fiber connectivity, and associated support services.

The scope of this project is to complete a network hardware refresh for the customer's production environment, including the replacement and implementation of two FortiGate firewalls configured for high availability, core switching infrastructure, and sixteen access switches. The project will include planning, configuration, deployment, validation, and cutover activities necessary to modernize the customer's network while minimizing business disruption. The refreshed environment will be designed to improve network reliability, security, manageability, vendor supportability, and operational consistency across the customer's infrastructure.

### Multi-Phase Scope of Services

The following phased scope organizes the refresh into planning, infrastructure deployment, migration, validation, documentation, and closeout activities. Final sequencing and maintenance windows will be coordinated with the City to reduce operational impact and preserve rollback options for critical network functions.

#### Phase 1 - Project Planning and Discovery

This phase establishes the technical baseline, implementation schedule, outage planning, and migration approach required for a controlled network refresh.

- Conduct project kickoff meeting with City stakeholders.
- Review existing network topology, IP addressing scheme, VLAN architecture, wireless deployment, and security policies.
- Document current firewall, core switch, access switch, wireless, ISP, and fiber connectivity dependencies.
- Identify critical systems, business applications, voice services, cameras, printers, wireless networks, and other network-connected devices.
- Develop migration plan and implementation schedule.
- Identify maintenance windows, outage requirements, blackout dates, and customer communication needs.
- Create rollback procedures for critical network components.

## Phase 2 - Firewall Infrastructure Refresh

This phase covers implementation of the FortiGate high-availability firewall pair and migration of perimeter security services.

- Install and configure two (2) FortiGate 120G Next-Generation Firewalls in a high-availability deployment.
- Configure security policies, NAT, routing, VPN services, and network segmentation.
- Migrate existing firewall rules and security configurations where applicable.
- Validate internet connectivity, VPN functionality, security services, and failover behavior.
- Configure logging, monitoring, and alerting functions.
- Apply current Fortinet best practices and security hardening recommendations.

## Phase 3 - Core Network Refresh

This phase replaces the core switching layer and establishes the foundational switching and routing services for the refreshed network.

- Install and configure two (2) FortiSwitch 1024E core switches.
- Configure switching and routing services.
- Establish redundant uplinks between core infrastructure components.
- Configure VLANs, trunking, spanning tree, management access, and switch management settings.
- Migrate existing core network services to the new switching infrastructure.
- Validate network redundancy and failover functionality.

## Phase 4 - Access Layer Refresh

This phase replaces the access switching infrastructure and migrates endpoint connectivity to the new Fortinet access layer.

- Install and configure sixteen (16) FortiSwitch FS-148F-POE access switches.
- Replace existing access-layer switching infrastructure.
- Configure VLAN assignments, PoE services, switch ports, port descriptions, and endpoint connectivity.
- Migrate existing user, voice, printer, camera, and device connections.
- Verify connectivity for all connected network devices.
- Support post-cutover troubleshooting related to device access, VLAN assignment, PoE, and switching connectivity.

## Phase 5 - Wireless Infrastructure Upgrade

This phase modernizes the wireless environment and supporting switching for wireless access points.

- Install and configure sixteen (16) FortiAP 441K Wi-Fi 7 wireless access points.
- Remove and replace existing wireless access points where applicable.
- Install and configure eight (8) FortiSwitch FS-124G-FPOE switches supporting wireless infrastructure.
- Configure wireless SSIDs, security policies, authentication settings, radio settings, and radio optimization.
- Configure PoE services for wireless access points and establish uplink connectivity to the core switching environment.
- Implement Wi-Fi 7 functionality and performance enhancements where supported by client devices.
- Validate wireless coverage, roaming, and performance throughout designated facilities.

## Phase 6 - Network Readdressing and Optimization

This phase addresses IP addressing, VLAN design, DHCP, and performance improvements that may be required as part of the refresh.

- Review current IP addressing structure.
- Redesign and implement revised IP addressing scheme as required.

- Reconfigure DHCP scopes and VLAN assignments as approved by the City.
- Address IP allocation conflicts and performance issues identified during discovery or implementation.
- Optimize wireless network architecture to improve client performance and roaming capabilities.
- Update network documentation to reflect the new addressing and VLAN structure.

### **Phase 7 - Fiber Connectivity and Redundancy**

This phase implements and validates high-speed uplink connectivity between core and access network components.

- Install and configure SFP+ optical modules and fiber uplinks.
- Deploy redundant fiber connectivity between core and access layer switches where available and supported by the physical cabling plant.
- Install DAC interconnects where required.
- Validate link aggregation, redundancy, and failover functionality.
- Test fiber connectivity and throughput performance.

### **Phase 8 - Installation Services**

This phase covers physical installation, cabling, labeling, and field installation tasks required to place the equipment into production.

- Rack, stack, cable, and label all network equipment.
- Install access points at designated locations.
- Utilize lift equipment as required for ceiling-mounted access point installation.
- Maintain clean installation practices and proper cable management.
- Coordinate physical access to network closets, racks, cabling, power, ISP handoffs, and access point mounting locations.

### **Phase 9 - Testing, Validation, and Cutover Support**

This phase validates that the refreshed network is operational, redundant, and supporting expected business services.

- Validate firewall functionality and security policies.
- Test core and access switch connectivity.
- Verify wireless coverage and client performance.
- Validate VLAN routing and network segmentation.
- Test redundant links and failover operations.
- Confirm internet, internal network, and application connectivity.
- Conduct user acceptance testing with City personnel.
- Support post-implementation troubleshooting following cutover.

### **Phase 10 - Documentation, Knowledge Transfer, and Closeout**

This phase provides administrative documentation, configuration records, warranty/support registration, and project closeout materials.

- Provide updated network topology diagrams.
- Document firewall, switching, and wireless configurations.
- Provide VLAN and IP addressing documentation.
- Deliver wireless deployment maps and access point inventory.
- Register all equipment and licenses.
- Activate FortiCare support services and provide manufacturer warranty documentation.
- Coordinate support escalation procedures with Fortinet.
- Conduct administrative knowledge-transfer session for City IT personnel.

- Provide project closeout documentation.

## Project Responsibilities

### Network Team Responsibilities

The network team will be responsible for the

- Technical planning, configuration, staging, deployment, and validation of the refreshed network infrastructure.
- Reviewing the existing network design
- Documenting current firewall and switch configurations
- Preparing the FortiGate HA firewall pair
- Configuring the core and access switches
- Coordinating the migration approach
- Validating network connectivity
- Supporting post-implementation troubleshooting.
- The network team will also provide technical recommendations intended to align the refreshed environment with security, reliability, and manageability best practices.

### Customer Responsibilities

- Provide timely access to existing firewall, switch, ISP, and network documentation.
- Provide physical/remote access to current firewalls, switches, management platforms, and related systems as needed.
- Identify key business applications, critical systems, VLANs, subnets, wireless networks, servers, printers, cameras, phones, and other network-connected devices.
- Provide physical access to network closets, racks, cabling, power, and ISP handoff locations.
- Confirm rack space, power availability, UPS capacity, and environmental readiness for new equipment.
- Identify any maintenance windows, blackout dates, business-critical operating hours, or scheduling constraints.
- Provide a designated customer point of contact for project decisions, approvals, testing, and escalation.
- Assist with end-user or department-level communication regarding planned outages or maintenance windows.
- Validate business application functionality after cutover.
- Coordinate with third-party vendors as needed, including ISP, VoIP, security camera, access control, HVAC, building automation, or line-of-business application vendors.
- Provide timely approval of proposed design decisions, configuration changes, and cutover plans.

## Deliverables

- Fully installed and operational Fortinet firewall infrastructure.
- Fully installed and operational core switching infrastructure.
- Fully installed and operational access switching infrastructure.
- Fully installed and operational Wi-Fi 7 wireless environment.
- Updated IP addressing and wireless architecture.
- Redundant fiber backbone connectivity, where supported by existing cabling and approved design.
- Network documentation package.
- Administrative knowledge transfer and project closeout documentation.

## Assumptions and Exclusions

- Final configuration details are subject to discovery findings, City approval, and compatibility with the existing physical cabling plant and ISP handoff requirements.
- Major business-impacting cutover activities will be scheduled during approved maintenance windows.

- Third-party vendor changes, ISP changes, application remediation, low-voltage cabling repairs, and electrical work are excluded unless specifically added by written change order.
- Any work outside the approved scope, equipment list, or project timeline may require a separate change order.

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: Jason Moore, City Manager

Date: June 22, 2026

Subject:  
Resolution Declaring Official Intent to Reimburse General Fund Expenditures for Fortinet Network Infrastructure and Dell Server/Storage Equipment from Future Tax Note Proceeds

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## Agenda Item:

Resolution - A Resolution Declaring the City's Official Intent to Reimburse Certain General Fund Expenditures for the Purchase of Dell Servers, Dell Storage Equipment, Software, Licensing, Migration Services, and Related Information Technology Equipment and Implementation Services from the Proceeds of Future Tax Notes; Authorizing Related Recordkeeping and Administrative Actions; Finding That the Meeting at Which This Resolution Is Passed Is Open to the Public as Required by Law; and Declaring an Effective Date.

## Background Information:

The City has identified a need to replace and modernize critical information technology infrastructure that supports municipal operations, cybersecurity, data storage, network reliability, wireless connectivity, backup, continuity of operations, and service delivery across City departments.

The proposed technology infrastructure project includes two primary components:

1. Fortinet network infrastructure equipment and related implementation services through TodoVerde; and

2. Dell server and storage equipment, software, licensing, migration services, and related implementation services through TodoVerde.

The Fortinet network infrastructure quote totals \$208,398.99 and includes Fortinet firewalls, core switches, access switches, Wi-Fi 7 access points, fiber optics for redundancy, installation, engineering, configuration, re-IP work, wireless setup, and related services. The quote identifies TIPS Contract #230504.

The Dell server and storage quote totals \$388,451.74 and includes server and storage hardware, Dell storage array and server standup, server migration from VMware to Hyper-V, engineering support, Level 1 data technician support, Windows Server 2025 Datacenter licensing, project management, and related implementation services. The quote also identifies TIPS Contract #230504.

The combined quoted project cost is \$596,850.73.

Staff recommends initially paying eligible project costs from the General Fund or other legally available funds and later reimbursing the General Fund from future tax note proceeds, if Council subsequently authorizes issuance of the tax notes.

The reimbursement resolution does not issue debt and does not obligate the City to issue tax notes. Rather, it declares the City's official intent, for federal tax purposes, to reimburse itself from future tax note proceeds for eligible capital expenditures initially paid from the General Fund.

The equipment and technology infrastructure are expected to have useful lives that support financing through tax notes. Staff anticipates discussing a seven-year tax note repayment schedule, subject to separate Council action, review by the City's financial advisor, bond counsel, and City Attorney, and compliance with applicable law.

#### Financial Considerations:

The Fortinet network infrastructure quote totals \$208,398.99. The Dell server and storage quote totals \$388,451.74. The combined quoted project cost is \$596,850.73.

Staff recommends establishing a maximum reimbursement amount of \$600,000 to provide authority to reimburse the General Fund for the combined Fortinet network infrastructure and Dell server/storage project costs from future tax note proceeds.

Initial expenditures would be paid from the General Fund or other legally available funds. If the City later issues tax notes, the General Fund may be reimbursed from tax note proceeds in accordance with the reimbursement resolution, final tax note documents, federal reimbursement rules, state law, and applicable City requirements.

The future issuance of tax notes would require separate Council action. The final principal amount, interest rate, maturity schedule, annual debt service, tax rate impact, and closing documents would be brought back to Council for consideration as part of the tax note issuance process.

**Financial Considerations:**

Both the Fortinet network infrastructure quote and the Dell server/storage quote identify TIPS Contract #230504. Staff will confirm cooperative purchasing documentation, procurement compliance, final quote terms, and purchasing authority before execution. All purchase orders, agreements, terms, and related documents will be reviewed by the City Attorney as required before execution.

**Legal Review:**

The reimbursement resolution is intended to comply with applicable federal reimbursement rules, including Treasury Regulation §1.150-2, and applicable Texas law, including Texas Government Code Chapter 1431, to the extent applicable to the future issuance of tax notes.

The City Attorney and bond counsel will review the final resolution, procurement documentation, tax note structure, reimbursement timing, and all related financing documents prior to execution or issuance.

**Board/Citizen Input:**

No board or citizen input is required for this item.

**Attachments:**

1. Resolution - 659-26
2. Server - Proposal
3. Fortinet - Proposal

**Council Action Requested:**

Staff recommends approval of the resolution declaring the City's official intent to reimburse General Fund expenditures for eligible Fortinet network infrastructure equipment, Dell server and storage equipment, software, licensing, migration services, and related implementation costs from the proceeds of future tax notes, in a maximum principal amount expected not to exceed \$600,000.

**Suggested Motion:**

I move to approve Resolution No.659-26, declaring the City's official intent to reimburse General Fund expenditures for eligible Fortinet network infrastructure equipment, Dell server and storage equipment, software, licensing, migration services, and related implementation costs from the proceeds of future tax notes in a maximum principal amount expected not to exceed \$600,000.

**RESOLUTION NO. 659-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, DECLARING THE CITY'S OFFICIAL INTENT TO REIMBURSE CERTAIN GENERAL FUND EXPENDITURES FOR THE PURCHASE OF FORTINET NETWORK INFRASTRUCTURE EQUIPMENT, DELL SERVER AND STORAGE EQUIPMENT, SOFTWARE, LICENSING, MIGRATION SERVICES, AND RELATED INFORMATION TECHNOLOGY EQUIPMENT AND IMPLEMENTATION SERVICES FROM THE PROCEEDS OF FUTURE TAX NOTES; AUTHORIZING RELATED RECORDKEEPING AND ADMINISTRATIVE ACTIONS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Richland Hills, Texas (the "City") is a home rule municipality operating under and governed by the laws and Constitution of the State of Texas; and

**WHEREAS**, the City has identified a need to acquire, purchase, replace, install, configure, migrate, and implement certain network infrastructure, servers, storage equipment, software, licensing, and related information technology equipment necessary to support City operations, cybersecurity, data storage, wireless connectivity, backup, continuity of operations, and reliable municipal service delivery; and

**WHEREAS**, the proposed project includes, without limitation, Fortinet network infrastructure equipment and related implementation services, Dell server and storage equipment, software, licensing, server migration services, engineering support, Level 1 technician support, project management, installation, configuration, testing, validation, documentation, and related eligible costs (collectively, the "Project"); and

**WHEREAS**, the City has received TodoVerde Quote TDVQ2325 for Fortinet network infrastructure equipment and related implementation services in the amount of \$208,398.99; and

**WHEREAS**, the Fortinet quote includes, without limitation, firewalls, core switches, access switches, Wi-Fi 7 access points, fiber optics for redundancy, installation, engineering, configuration, re-IP work, wireless setup, and related services; and

**WHEREAS**, the City has received TodoVerde Quote TDVQ2800 for Dell server and storage equipment, software, licensing, migration services, and related implementation services in the amount of \$388,451.74; and

**WHEREAS**, the Dell server and storage quote includes, without limitation, server and storage hardware, Dell storage array and server standup, server migration from VMware to Hyper-V, engineering support, Level 1 data technician support, Windows Server 2025 Datacenter licensing, project management, and related implementation services; and

**WHEREAS**, the combined quoted amount for the Fortinet network infrastructure purchase and Dell server/storage refresh is \$596,850.73; and

**WHEREAS**, the City Council desires to preserve reimbursement authority in an amount not to exceed \$600,000 to allow for reimbursement of eligible Project costs from future tax note proceeds; and

**WHEREAS**, the Project is expected to include equipment and technology infrastructure with useful lives that support financing through tax notes; and

**WHEREAS**, the City Council desires to preserve the option to finance all or a portion of the Project through the future issuance of tax notes with an anticipated repayment period of approximately seven years, subject to final approval by the City Council, review by bond counsel, review by the City Attorney, and applicable law; and

**WHEREAS**, the City expects to initially pay certain Project costs from the City's General Fund or other legally available funds prior to the issuance of any tax notes; and

**WHEREAS**, the City Council desires to declare its official intent to reimburse the City for such original expenditures from proceeds of future obligations, including tax notes, in accordance with Treasury Regulation §1.150-2 and other applicable federal tax law; and

**WHEREAS**, this Resolution is intended to constitute an official intent for purposes of federal tax law and does not itself authorize the issuance of tax notes, the levy of taxes, or the incurrence of indebtedness; and

**WHEREAS**, any future issuance of tax notes shall require separate action by the City Council in accordance with applicable law, including, without limitation, Texas Government Code Chapter 1431, the City Charter, federal tax law, and all applicable state and local requirements; and

**WHEREAS**, the City Council finds that approval of this Resolution is in the best interest of the City and supports responsible financial planning, continuity of operations, cybersecurity, data resiliency, network reliability, and replacement of essential technology infrastructure.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THAT:**

**SECTION 1.**

The findings and recitations set out in the above recitals are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

**SECTION 2.**

The City Council hereby declares its official intent to reimburse the City from proceeds of future tax notes or other tax-exempt obligations for original expenditures paid from the General Fund or other legally available City funds for the Project.

**SECTION 3.**

The Project generally consists of the acquisition, purchase, replacement, installation, configuration, migration, and implementation of Fortinet network infrastructure equipment, Dell

server and storage equipment, software, licensing, migration services, and related information technology equipment and implementation services.

#### **SECTION 4.**

The Project may include, without limitation, Fortinet firewalls, core switches, access switches, Wi-Fi 7 access points, fiber optics for redundancy, installation, engineering, configuration, re-IP work, wireless setup, Dell server and storage hardware, Dell storage array and server standup, server migration from VMware to Hyper-V, Windows Server 2025 Datacenter licensing, project management, hardware, software, licensing, warranty, support, implementation services, testing, validation, documentation, shipping, taxes if applicable, and related eligible costs.

#### **SECTION 5.**

The maximum principal amount of tax notes or other obligations expected to be issued for reimbursement of Project costs is Six Hundred Thousand Dollars and 00/100 (\$600,000.00). This amount is intended to provide authority for reimbursement of the combined quoted Project costs of \$596,850.73, and does not obligate the City to issue such amount.

#### **SECTION 6.**

The City reasonably expects that it will reimburse itself for eligible original expenditures paid before the issuance of the tax notes or other obligations, and that such reimbursement will be made in accordance with applicable federal tax reimbursement rules, including Treasury Regulation §1.150-2.

#### **SECTION 7.**

The City Manager, or designee, is authorized to proceed with procurement, purchasing, implementation planning, payment processing, recordkeeping, and related administrative actions for the Project, subject to applicable procurement requirements, budget authority, City Attorney review, and future Council action where required.

#### **SECTION 8.**

The City Manager, or designee, is authorized and directed to maintain records sufficient to identify the expenditures to be reimbursed, including invoices, purchase orders, payment records, project descriptions, funding sources, and any reimbursement allocation required after issuance of tax notes or other obligations.

#### **SECTION 9.**

This Resolution does not authorize the issuance of tax notes or other obligations. Any future issuance of tax notes or other obligations shall require separate action by the City Council and shall be subject to review and approval by bond counsel, the City Attorney, the City's financial advisor, and any other required parties.

#### **SECTION 10.**

Nothing in this Resolution shall be construed to require the City to issue tax notes or other obligations, to reimburse any expenditure if reimbursement is not legally permitted, or to take any

action inconsistent with applicable federal law, state law, the City Charter, the City's budget, or City procurement requirements.

**SECTION 11.**

It is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and that public notice of the time, place, and purpose of said meeting was given as required.

**SECTION 12.**

This Resolution shall be effective from and after its passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2026.**

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Curtis Bergthold, Mayor

ATTEST:

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Lisa Boyd, City Secretary



# QUOTE

**TDVQ2800**

**Jun 15, 2026**

**Quoted To:**

Sheena McEachran  
 City of Richland Hills  
 3200 Diana Drive  
 Richland Hills, TX 76118  
**Phone:** (817) 281-1000  
**Fax:**

**Prepared By:**

Cody Stevenson  
*Account Manager*

**Phone:** 8172094973  
**Email:** stevenson@todoverde.com

**PO Number:**

**Valid Through: Jul 15, 2026**

**Payment Terms: Net 30**

All prices are in US Dollars. Prices do not include taxes. Customer shall be responsible for any applicable taxes.

**Server and storage hardware \$335,180.72**

ME5212 SSO PROMO	\$59,597.28	1	\$59,597.28
PowerEdge R660xs	\$137,791.72	2	\$275,583.44

**Dell storage array and server standup \$23,050.62**

Engineering	\$336.54	12	\$4,038.48
Level 1 Data Tech Install	\$140.00	8	\$1,120.00
Windows Server 2025 Datacenter - 16 Core	\$8,946.07	2	\$17,892.14

**Server migration (Vmware to hyper-V) \$30,220.40**

Engineering- Staging, Migration, Testing	\$336.54	60	\$20,192.40
Level 1 Data Tech Install- Rack & Stack	\$140.00	12	\$1,680.00
Misc.	\$112.00	60	\$6,720.00
PROJECT MANAGEMENT	\$148.00	11	\$1,628.00
TIPS Contract #230504	\$0.00	1	\$0.00

**Totals**

<b>Subtotal</b>	<b>\$388,451.74</b>
<b>Tax</b>	<b>\$0.00</b>
<b>Shipping</b>	<b>\$0.00</b>
<b>Grand Total</b>	<b>\$388,451.74</b>

Please contact me if I can be of further assistance.



# QUOTE

**TDVQ2325**

**Jan 8, 2026**

**Quoted To:**

Sheena McEachran  
 City of Richland Hills  
 3200 Diana Drive  
 Richland Hills, TX 76118  
**Phone:** (817) 281-1000  
**Fax:**

**Prepared By:**

Cody Stevenson  
*Account Manager*

**Phone:** 8172094973  
**Email:** stevenson@todoverde.com

**PO Number:**

**Valid Through: Jul 30, 2026**

**Payment Terms: Net 30**

All prices are in US Dollars. Prices do not include taxes. Customer shall be responsible for any applicable taxes.

City Firewalls and 5yr Maintenance	Unit Price	Qty	Ext. Price
Fortinet FortiGate FG-120G Network Security/Firewall Appliance - AI/ML Security - 16 Port - 10/100/1000Base-T, 1000Base-X, 10GBase-X - 10 Gigabit Ethernet - 39 Gbit/s Firewall Throughput - AES (256-bit), SHA-256, SSL, TLS 1.3 - 500 VPN - 16 x RJ-45 - 12 Total Expansion Slots - 50 Hz, 60 Hz - 1U - Rack-mountable	\$16,653.21	2	\$33,306.42
City Core Switches and 5yr Maintenance	Unit Price	Qty	Ext. Price
Fortinet FortiSwitch 1024E Ethernet Switch - Manageable - 10 Gigabit Ethernet, 100 Gigabit Ethernet, 40 Gigabit Ethernet - 100GBase-X, 40GBase-X, 10GBase-X - 3 Layer Supported - Modular - 176 W Power Consumption - Optical Fiber - 1U - Rack-mountable	\$18,749.13	2	\$37,498.26
Fortinet FortiCare Comprehensive Support - Extended Service (Renewal) - 5 Year - Service - 24 x 7 x Next Business Day - Service Depot - Exchange - Parts	\$8,183.19	2	\$16,366.38
City Access Switches and 5yr Maintenance	Unit Price	Qty	Ext. Price
Fortinet FortiSwitch 100 FS-148F-POE Ethernet Switch - 48 Ports - Manageable - Gigabit Ethernet, 10 Gigabit Ethernet - 10/100/1000Base-T, 10GBase-X - 2 Layer Supported - Modular - 476.30 W Power Consumption - 370 W PoE Budget - Optical Fiber, Twisted Pair - PoE Ports - 1U - Rack-mountable	\$1,905.79	16	\$30,492.64
Fortinet FortiCare Comprehensive Support - Extended Service (Renewal) - 5 Year - Service - 24 x 7 x Next Business Day - Service Depot - Exchange - Parts	\$1,010.63	16	\$16,170.08
City AP's and Switches for Wifi7 with BT POE and 5yr Maintenance	Unit Price	Qty	Ext. Price
Fortinet FortiAP FAP-441K Tri Band Wi-Fi 7 IEEE 802.11a/b/g/n/ac/ax/h/i/k/r/v/e/be/j 21.32 Gbit/s Wireless Access Point - Indoor - 2.40 GHz, 5 GHz, 6 GHz - 8 x Internal Antenna(s) - Internal - MIMO Technology - Multi User MIMO - 2 x Network (RJ-45) - 10 Gigabit Ethernet, 5 Gigabit Ethernet, 2.5 Gigabit Ethernet, Gigabit Ethernet, Fast Ethernet - PoE Ports - 41.70 W - Ceiling Mountable, Rail-mountable, Wall Mountable, Desktop	\$1,251.25	16	\$20,020.00
Fortinet FortiCare Essential - 5 Year - Service - Exchange	\$344.65	16	\$5,514.40
Fortinet FortiSwitch FS-124G-FPOE Ethernet Switch - 24 Ports - Manageable - Gigabit Ethernet, 2.5 Gigabit Ethernet, 10 Gigabit Ethernet - 1000Base-T, 2.5GBase-T, 1000Base-X, 10GBase-X - 2 Layer Supported - 880 W Power Consumption - 780 W PoE Budget - Twisted Pair, Optical Fiber - PoE Ports - 1U - Rack-mountable - Lifetime Limited Warranty	\$2,172.50	8	\$17,380.00
Fortinet FortiCare Essential - 5 Year - Service - Exchange	\$507.75	8	\$4,062.00

Connectivity Fiber Optics with redunancy	Unit Price	Qty	Ext. Price
Fortinet SFP+ Module - For Data Networking, Optical Network - 1 x 10GBase-SR Network - Optical Fiber10 Gigabit Ethernet - 10GBase-SR	\$64.80	24	\$1,555.20
Axiom 40GBASE-CR4 QSFP+ Passive DAC Cable Fortinet Compatible 1m - 3.28 ft DAC Network Cable for Router, Switch, Network Device - First End: 1 x QSFP+ Network - Second End: 1 x QSFP+ Network - 40 Gbit/s	\$110.41	1	\$110.41
AddOn Fortinet; FN-CABLE-SFP+3 to HP	\$202.90	8	\$1,623.20

Installation and Services	Unit Price	Qty	Ext. Price
Engineering - Configuration with the current design and current IP/Wireless setup	\$250.00	40	\$10,000.00
Re - IP Space and Wireless setup to alleviate problems with IP allocation and performance on Wireless network	\$250.00	34	\$8,500.00
Level 1 Data Tech Install. AP installation, Rack and Stack.	\$125.00	32	\$4,000.00
Lift rental for AP installation	\$1,800.00	1	\$1,800.00
TIPS Contract #230504	\$0.00	1	\$0.00

Totals	
<b>Subtotal</b>	\$208,398.99
<b>Tax</b>	\$0.00
<b>Shipping</b>	\$0.00
<b>Grand Total</b>	<b>\$208,398.99</b>

Please contact me if I can be of further assistance.

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: Jason Moore, City Manager

Date: June 22, 2026

Subject: Resolution Approving the Purchase of Dell Servers, Storage Equipment, and Related Implementation Services

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## **Agenda Item:**

Resolution - A Resolution Approving the Purchase of Dell Servers, Storage Equipment, Software, Licensing, Migration Services, and Related Information Technology Equipment and Implementation Services in an Amount Not to Exceed \$500,000; Authorizing Payment from the General Fund; Authorizing Any Necessary Budget Adjustment; Authorizing the City Manager or Designee to Execute Purchase Orders, Agreements, and Related Documents; Finding That the Meeting at Which This Resolution Is Passed Is Open to the Public as Required by Law; and Declaring an Effective Date.

## **Background Information:**

The City has identified the need to replace and upgrade critical server and storage infrastructure that supports City operations, cybersecurity, data storage, backup, continuity of operations, and reliable municipal service delivery.

The attached Project Investment Proposal includes the purchase and implementation of Dell server and storage equipment, related software, licensing, and professional services. The proposed project includes Dell storage array and server standup, server migration from VMware to Hyper-V, Dell server and storage hardware, engineering support, Level 1 technician support, project management, software/materials, and related implementation services.

The proposal identifies a total project investment of \$388,451.74, consisting of the following

major sections:

Dell Storage Array and Server Standup: \$23,050.62

Server Migration from VMware to Hyper-V: \$30,220.40

Server and Storage Hardware: \$335,180.72

Total Project Investment: \$388,451.74

The equipment is expected to have an estimated useful life of approximately ten years. Staff anticipates financing the equipment through future tax notes with an approximate seven-year payoff schedule, subject to separate Council action, review by the City's financial advisor, bond counsel, and City Attorney, and compliance with applicable law.

Because the equipment is needed for continued City operations, staff recommends proceeding with the purchase using available General Fund resources and later reimbursing the General Fund from tax note proceeds, if Council authorizes the issuance of tax notes. A separate reimbursement resolution is being presented to preserve the City's ability to reimburse the General Fund from future tax note proceeds.

The purpose of this agenda item is to authorize the actual procurement and purchase of the Dell servers, Dell storage array, software, licensing, migration services, and related implementation services. This action is separate from the reimbursement resolution and is intended to provide clear Council authorization for the purchase, funding source, budget amendment, and execution of related procurement documents.

**Financial Considerations:**

The attached Project Proposal identifies a total project investment of \$388,451.74. Staff recommends authorization in an amount not to exceed \$388,451.74 to provide for the proposed hardware specifications, memory, software, licensing, installation, implementation, configuration, migration, warranty, support, shipping, taxes if applicable, and other eligible related costs.

Initial payment would be made from the General Fund. If Council later authorizes issuance of tax notes, the City may reimburse the General Fund from tax note proceeds in accordance with the separate reimbursement resolution, final tax note documents, and applicable law.

The future issuance of tax notes will require separate Council action. The final principal amount, interest rate, repayment schedule, annual debt service, tax rate impact, and closing documents will be presented to Council at that time.

**Procurement Considerations:**

The purchase shall be made in accordance with applicable state law, City purchasing policies, cooperative purchasing authority if applicable, and final review by the City Attorney.

**Legal Review:**

The City Attorney and Bond Counsel will review all necessary documents prior to the final execution of documents for this project.

**Board/Citizen Input:**

No board or citizen input is required for this item.

**Attachments:**

1. Resolution - 658-26
2. Project Proposal

**Council Action Requested:**

Staff recommends approval of the resolution authorizing the purchase of Dell servers, Dell storage equipment, software, licensing, migration services, and related implementation services in an amount not to exceed \$388,451.74, authorizing initial payment from the General Fund, authorizing any necessary budget adjustment, and authorizing the City Manager or designee to execute all related documents.

**Suggested Motion:**

I move to approve Resolution No. 658-26, approving the purchase of Dell servers, Dell storage equipment, software, licensing, migration services, and related implementation services in an amount not to exceed \$388,451.74, authorizing payment from the General Fund, authorizing any necessary budget adjustment, and authorizing the City Manager or designee to execute all

related documents.

**RESOLUTION NO. 658-26**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, APPROVING THE PURCHASE OF DELL SERVERS, DELL STORAGE EQUIPMENT, SOFTWARE, LICENSING, MIGRATION SERVICES, AND RELATED INFORMATION TECHNOLOGY EQUIPMENT AND IMPLEMENTATION SERVICES IN AN AMOUNT NOT TO EXCEED \$388,451.74; AUTHORIZING PAYMENT FROM THE GENERAL FUND; AUTHORIZING ANY NECESSARY BUDGET ADJUSTMENT; AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE PURCHASE ORDERS, AGREEMENTS, AND RELATED DOCUMENTS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND DECLARING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Richland Hills, Texas (the “City”) is a home rule municipality operating under and governed by the laws and Constitution of the State of Texas; and

**WHEREAS**, the City relies on secure, reliable, and properly supported information technology systems to provide municipal services, maintain internal operations, protect City data, and support public safety, administrative, financial, utility, library, parks, and other City functions; and

**WHEREAS**, the City has identified the need to acquire, purchase, replace, install, configure, migrate, and implement certain servers, storage equipment, software, licensing, and related information technology equipment necessary to support City operations, cybersecurity, data storage, backup, continuity of operations, and reliable municipal service delivery; and

**WHEREAS**, the City has received a Project Investment Proposal for a Dell storage array and server project, including Dell storage array and server standup, server migration from VMware to Hyper-V, Dell server and storage hardware, engineering support, Level 1 technician support, project management, software/materials, and related implementation services; and

**WHEREAS**, the Project Proposal identifies Dell storage array and server standup in the amount of \$23,050.62, server migration from VMware to Hyper-V in the amount of \$30,220.40, and server and storage hardware in the amount of \$335,180.72, for a total project investment of \$388,451.74; and

**WHEREAS**, the City Council desires to authorize the purchase in an amount not to exceed \$388,451.74 to allow for the total proposed project, memory, final configuration, taxes, shipping, licensing, support, contingency, and any final quote corrections or refinements; and

**WHEREAS**, the equipment is expected to have an estimated useful life of approximately ten years; and

**WHEREAS**, the City intends to initially pay for the purchase from the General Fund and may later reimburse the General Fund from the proceeds of future tax notes, subject to separate Council action and compliance with applicable law; and

**WHEREAS**, the City Council is considering or has approved a separate resolution declaring the City’s official intent to reimburse General Fund expenditures for the purchase from future tax note proceeds; and

**WHEREAS**, this Resolution authorizes the purchase and procurement of the equipment and related services but does not authorize the issuance of tax notes or other debt obligations; and

**WHEREAS**, the City Council finds that the purchase is necessary and appropriate to maintain reliable City operations, improve cybersecurity and system resiliency, support data storage and backup needs, and support responsible long-term technology replacement planning; and

**WHEREAS**, the City Council finds that approval of this Resolution is in the best interest of the citizens of the City of Richland Hills.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THAT:**

**SECTION 1.**

The findings and recitations set out in the above recitals are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

**SECTION 2.**

The City Council hereby approves the purchase of Dell servers, Dell storage equipment, software, licensing, migration services, and related information technology equipment and implementation services in an amount not to exceed Three Hundred Eighty-Eight Thousand Four Hundred Fifty-One Dollars and 74/100 (\$388,451.74).

**SECTION 3.**

The approved purchase may include, without limitation, Dell storage array and server standup, server migration from VMware to Hyper-V, Dell ME5212 Storage Array, Dell PowerEdge R660xs servers, memory, engineering support, Level 1 technician support, project management, software/materials, hardware, software, licensing, warranty, support, implementation services, configuration, installation, migration, testing, validation, documentation, shipping, taxes if applicable, and related eligible costs.

**SECTION 4.**

The City Manager, or designee, is authorized to finalize the scope of the purchase, confirm equipment specifications, approve final pricing, and execute purchase orders, agreements, quotes, amendments, addenda, and any related documents necessary to complete the purchase and implementation, provided that such documents are reviewed as to form by the City Attorney where required and do not exceed the authorized not-to-exceed amount.

**SECTION 5.**

The City Council hereby authorizes payment for the purchase from the General Fund and authorizes any budget adjustment necessary to appropriate funds for the purchase.

**SECTION 6.**

The City Manager, or designee, is authorized to take all actions reasonably necessary to implement this Resolution, including procurement, purchasing, project scheduling, equipment acquisition, installation, configuration, migration, testing, validation, documentation, payment processing, and project closeout.

**SECTION 7.**

The purchase shall be made in accordance with applicable state law, the City Charter, City purchasing policies, cooperative purchasing authority if applicable, and any required procurement procedures. The City Manager, or designee, shall maintain documentation supporting the procurement method used for the purchase.

**SECTION 8.**

This Resolution does not authorize the issuance of tax notes or other debt obligations. Any future issuance of tax notes or other obligations shall require separate action by the City Council and shall be subject to review and approval by bond counsel, the City Attorney, the City’s financial advisor, and any other required parties.

**SECTION 9.**

Nothing in this Resolution shall be construed to waive applicable purchasing requirements, legal review, cybersecurity review, budget authority, or any other requirement applicable to the City’s procurement and implementation of information technology equipment.

**SECTION 10.**

It is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and that public notice of the time, place, and purpose of said meeting was given as required.

**SECTION 11.**

This Resolution shall be effective from and after its passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2026.**

\_\_\_\_\_  
Curtis Bergthold, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Boyd, City Secretary



# QUOTE

**TDVQ2800**

**Jun 15, 2026**

**Quoted To:**

Sheena McEachran  
 City of Richland Hills  
 3200 Diana Drive  
 Richland Hills, TX 76118  
**Phone:** (817) 281-1000  
**Fax:**

**Prepared By:**

Cody Stevenson  
*Account Manager*

**Phone:** 8172094973  
**Email:** stevenson@todoverde.com

**PO Number:**

**Valid Through: Jul 15, 2026**

**Payment Terms: Net 30**

All prices are in US Dollars. Prices do not include taxes. Customer shall be responsible for any applicable taxes.

**Server and storage hardware \$335,180.72**

ME5212 SSO PROMO	\$59,597.28	1	\$59,597.28
PowerEdge R660xs	\$137,791.72	2	\$275,583.44

**Dell storage array and server standup \$23,050.62**

Engineering	\$336.54	12	\$4,038.48
Level 1 Data Tech Install	\$140.00	8	\$1,120.00
Windows Server 2025 Datacenter - 16 Core	\$8,946.07	2	\$17,892.14

**Server migration (Vmware to hyper-V) \$30,220.40**

Engineering- Staging, Migration, Testing	\$336.54	60	\$20,192.40
Level 1 Data Tech Install- Rack & Stack	\$140.00	12	\$1,680.00
Misc.	\$112.00	60	\$6,720.00
PROJECT MANAGEMENT	\$148.00	11	\$1,628.00
TIPS Contract #230504	\$0.00	1	\$0.00

**Totals**

<b>Subtotal</b>	<b>\$388,451.74</b>
<b>Tax</b>	<b>\$0.00</b>
<b>Shipping</b>	<b>\$0.00</b>
<b>Grand Total</b>	<b>\$388,451.74</b>

Please contact me if I can be of further assistance.

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From:

Date: June 22, 2026

Subject:

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## **Agenda Item:**

May Department Reports

## **Background Information:**

## **Financial Considerations:**

## **Legal Review:**

## **Board/Citizen Input:**

## **Attachments:**

1. May Monthly Report-FD
2. PW May 2026
3. Development Services May 2026 - Monthly Report
4. Library May 2026
5. Police Department - May 2026
6. May 2026 Report Parks and Rec
7. 6.8.26 City Council After Action Report

**Council Action Requested:**



### **FIRE/EMS Operations Overview:**

- Members completed several in-house training classes in May.
- Crews responded to **176** calls in May.
- 15% of May's calls were Citizen Assist related.
- 3.4% of May's calls were reported as structure fires.
- 55% of May's calls were EMS related.
- All personnel participated in the annual Fit For Duty Physicals through Front Line Medical.
- Turnout times averaged **55 seconds** for May. The national standard is 80 seconds or less.
- Average emergency drive time for all calls in May 2026 was **3:54**.
- Response times for May averaged **6 minutes 11 seconds** from receipt of call-in to dispatch to the first fire unit arriving on scene to assist.
- Crews responded to one confirmed residential structure fire in Richland Hills during the month of May.
- Captain Rocky Martinez has been selected as the part-time EMS coordinator for the department.
- The department has a vacancy at the position of Fire Captain. Staff is evaluating setting up a competitive test which will include internal and possibly external candidates.
- Our 2 new Firefighters/EMT's-Gavin Barzyk and Caden Bridges completed their required Fort Worth EMS medical training with the Medical Directors Office.
- Smoke alarms continue to be available to those who need them. There is no cost and FD personnel will install them and change batteries if needed. No smoke detectors were installed in May. The department is looking into some opportunities/ideas to increase installations. for those that need them in our community.

### **Emergency Management:**

- Outdoor warning test was conducted with no issues. Equipment works as designed.

- Staff is looking into additional notification methods for citizens in the event of a large-scale emergency. Tarrant County has IPAWS which is available to the City of Richland Hills. Tarrant County has offered this service to Richland Hills but only during high emergent situations. Staff is also looking into Everbridge’s capabilities to see if they can provide the same targeted notifications as IPAWS.
- The Chambers Family 4<sup>th</sup> event planning kick-off was in March. The fireworks/drone show will be on July 1<sup>st</sup> this year.

### **Fire Prevention/Education:**

- Staff is starting to review updating to the **2024** edition of the IFC. Proposed adoption would be later in the year 2026.
- Staff inspected 50 businesses in May 2026.
- FD cooked breakfast for all city employees on May 21<sup>st</sup>.
- 1 Certificate Occupancy Inspection.
- Staff met with the Office of Tarrant County Emergency Management regarding emergency notifications and possible impact of FIFA.
- Invoices Sent-40
- 204 low hanging tree limbs identified in the city.
- Fire Personnel participated in a career Day at Cheney Hills Elementary on May 8<sup>th</sup>.
- 5 new business plans reviewed.
- 2 Target Hazard businesses Pre-Fire planned.
- Citizen Complaints-None.
- Staff prepared for the Junior Public Safety Academy which starts June 8<sup>th</sup>.
- 1 public education event-Cook Children’s Child Safety Seat Installation event.
- 2 school events.
- 4 Fire Investigation worked inside and outside the city.
- Fees invoiced: **\$4695.00 YTD: \$20,165.00**
- Fees collected: **\$7710.00**

# RICHLAND HILLS PUBLIC WORKS

MAY • 2026



## WATER

SERVICE LINE LEAKS	1
METER LEAK REPAIRS	4
VALVE/HYDRANT EXERCISE	40 HOURS
AFTER HOUR CALL OUTS	2
UTILITY BILLING WORK ORDERS	205

## WASTEWATER

MANHOLE REPAIR	1
BACK UPS	4
MANHOLE INSPECTIONS	30 HOURS
ODOR COMPLAINTS	2
AFTER HOUR CALLOUTS	5

PEDRO PASSED WWII LICENSE TEST  
 DANIEL PASSED WWI LICENSE TEST

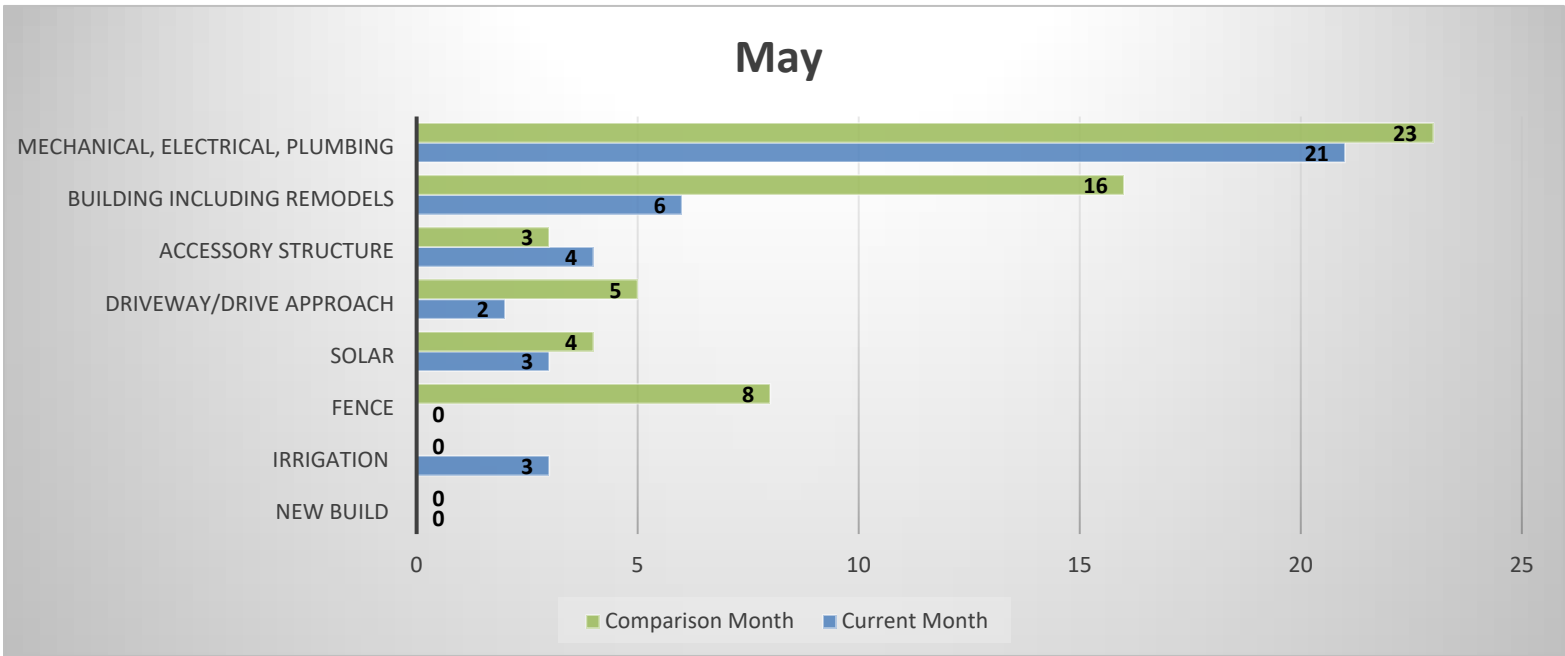
## STREETS

POTHOLES	25
DEBRIS REMOVAL	2
LINE LOCATES	165
SIGNS REPLACED	5

## DRAINAGE

MOWING	30 HOURS
CLEARING INLETS	45 HOURS
TREE TRIMMING	4 HOURS

# Development Services



	Mechanical Electrical Plumbing	Building Including Remodels	Accessory Structure	Driveway Drive Approach	Solar	Fence	Irrigation	New Build
Current Month Residential	16	4	4	2	3	0	0	0
Current Month Commercial	5	2	0	0	0	0	0	0
<b>Current Fiscal Year 2026</b>	<b>166</b>	<b>96</b>	<b>18</b>	<b>10</b>	<b>16</b>	<b>31</b>	<b>4</b>	<b>1</b>
Previous Month Residential	15	15	3	4	4	8	0	0
Previous Month Commercial	5	1	0	1	0	0	0	0

	Current Month	Comparison Month Previous Year	Fiscal Year to Date 2026
Sign Permit	7	4	23
ROW Permit	8	9	73
Garage Sale Permit	21	30	155
Zoning, SUP, Code Consults	2	0	10
Pool Permits	2	1	3
Short Term Rentals	0	0	0

### Business Summary

	Current Month	Comparison Month Previous Year	Fiscal Year To Date 2026
Registered Rental CO's	2	0	29
Issued Commercial CO's	1	4	7

**Received Certificate of Occupancy**

- North Texas Plumbing, 7240 Glenview Dr – Contractor, General/Electrical/ Mechanical/ Plumbing (not outside storage)

**Number of Potential Business Certificate of Occupancy Meetings: 2**

**Number of Developmental Review Committee / Plan Review: 2**

# RICHLAND HILLS PUBLIC LIBRARY

MAY • 2026



## IMPACT

We hosted our 3rd Annual “ParTea” for our monthly Tea Tasters club. Attendees drank tea, discussed the favorite teas that they sampled over the past year and enjoyed light snacks.

Annie, the Library Dog in training continues to be an extremely popular addition to our programming. Children enjoy reading with her and people of all ages come in just to visit and pet her and Ladybug.

## KEY FACTS (LAST YEAR)

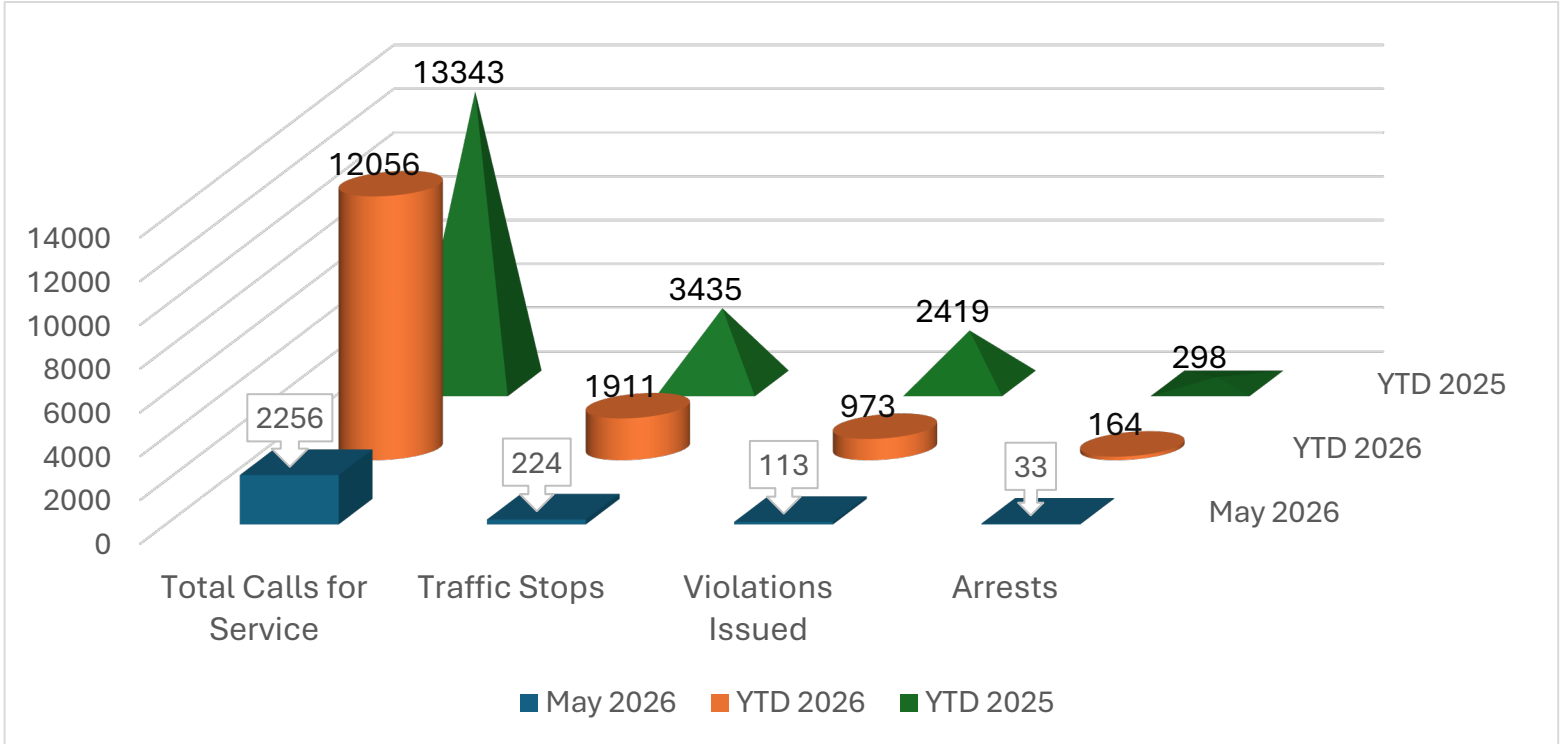
- 1522 Visitors (1744)
- 330 Program Attendance (487)
- 8 Programs & Events (10)
- 5362 Total Items Checked Out (3918)
- 1064 Questions Answered (2035)
- 13 Posters printed for other City Departments (2)
- 148 Computer Sessions (193)



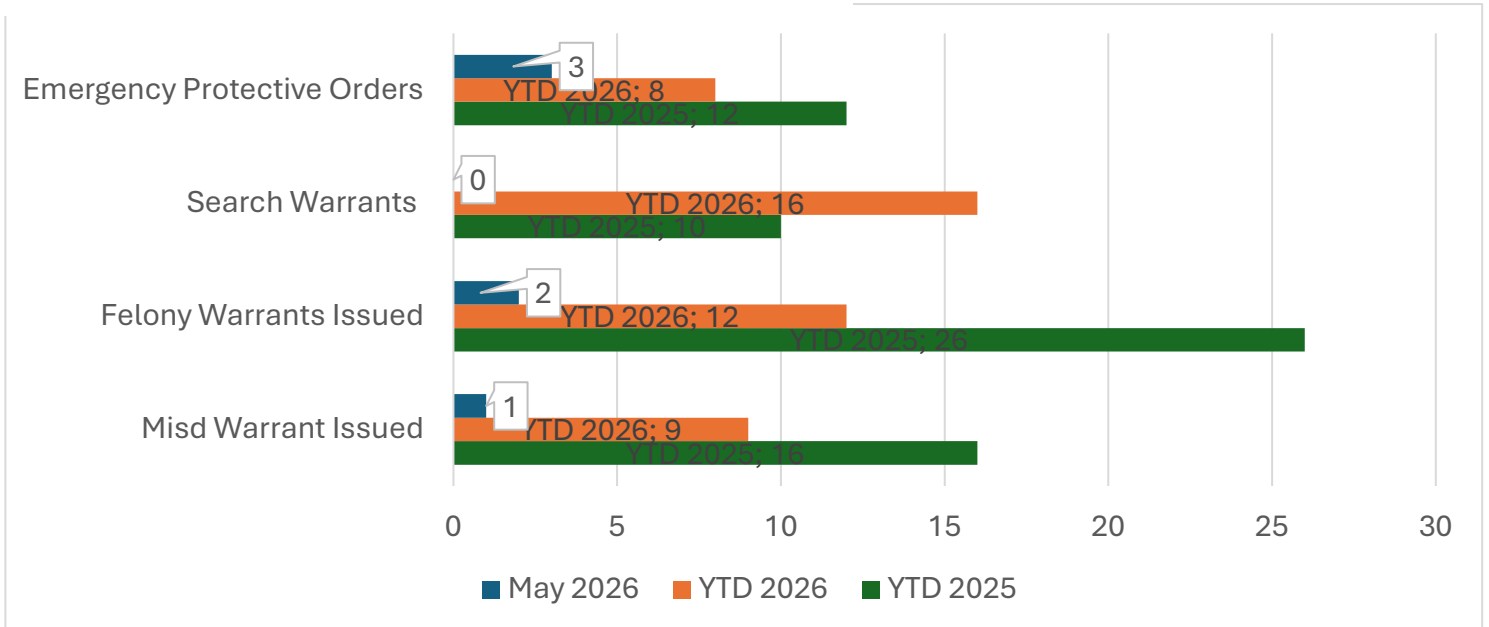
# Police Department

MAY  
2026

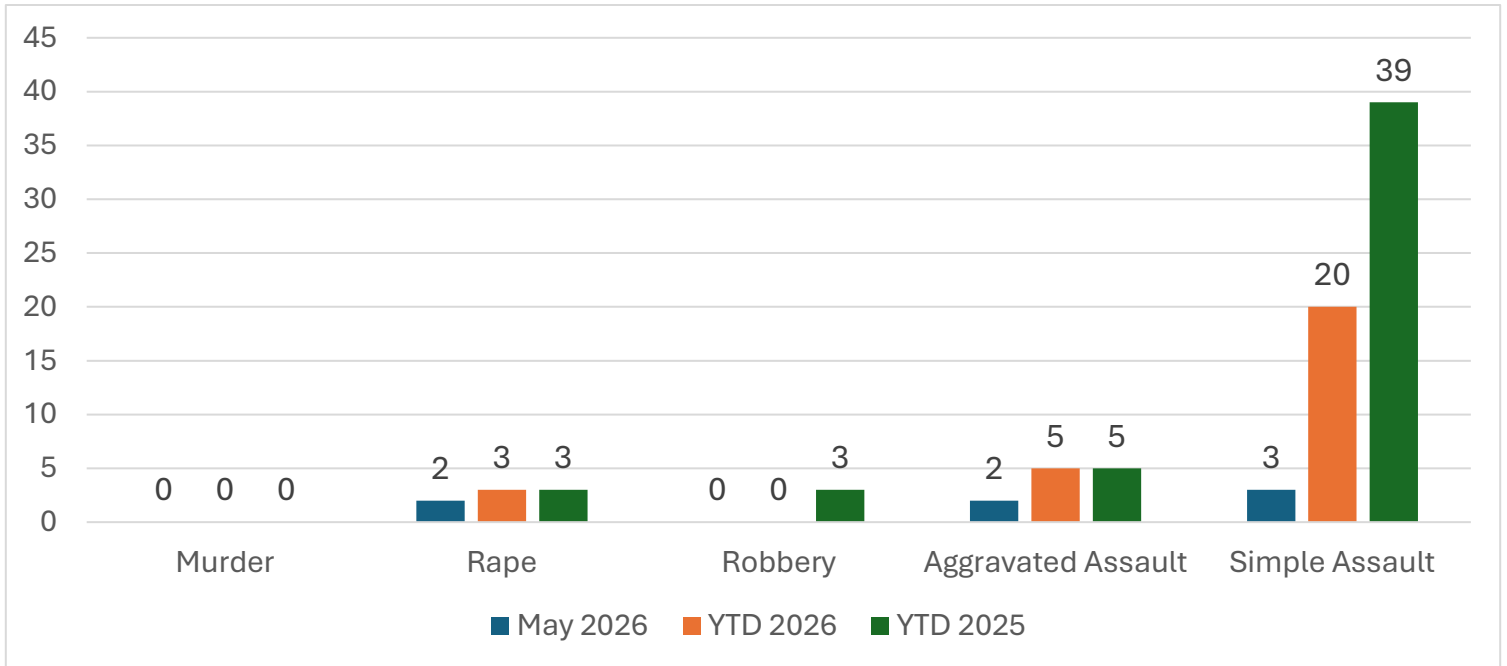
# SERVICE CALLS



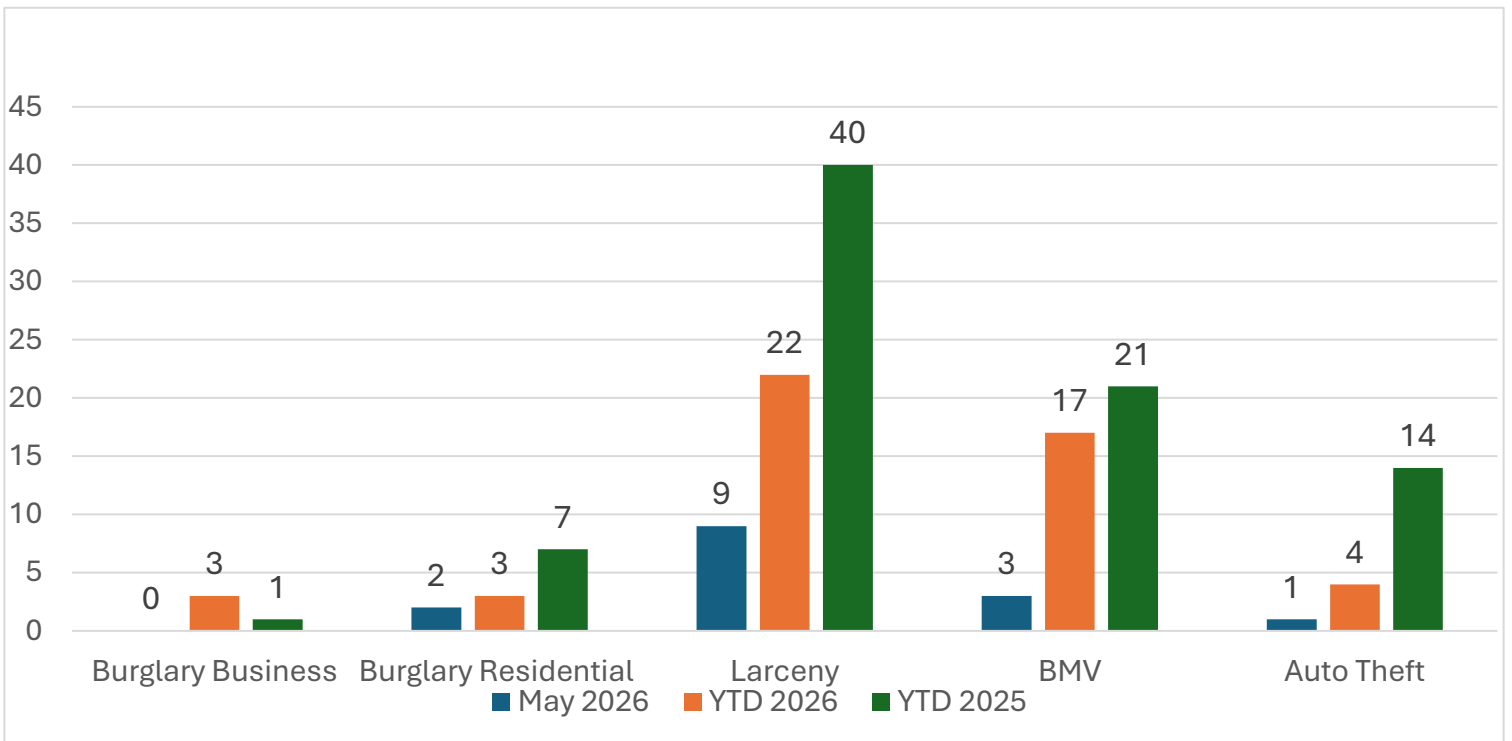
# CRIMINAL INVESTIGATIONS



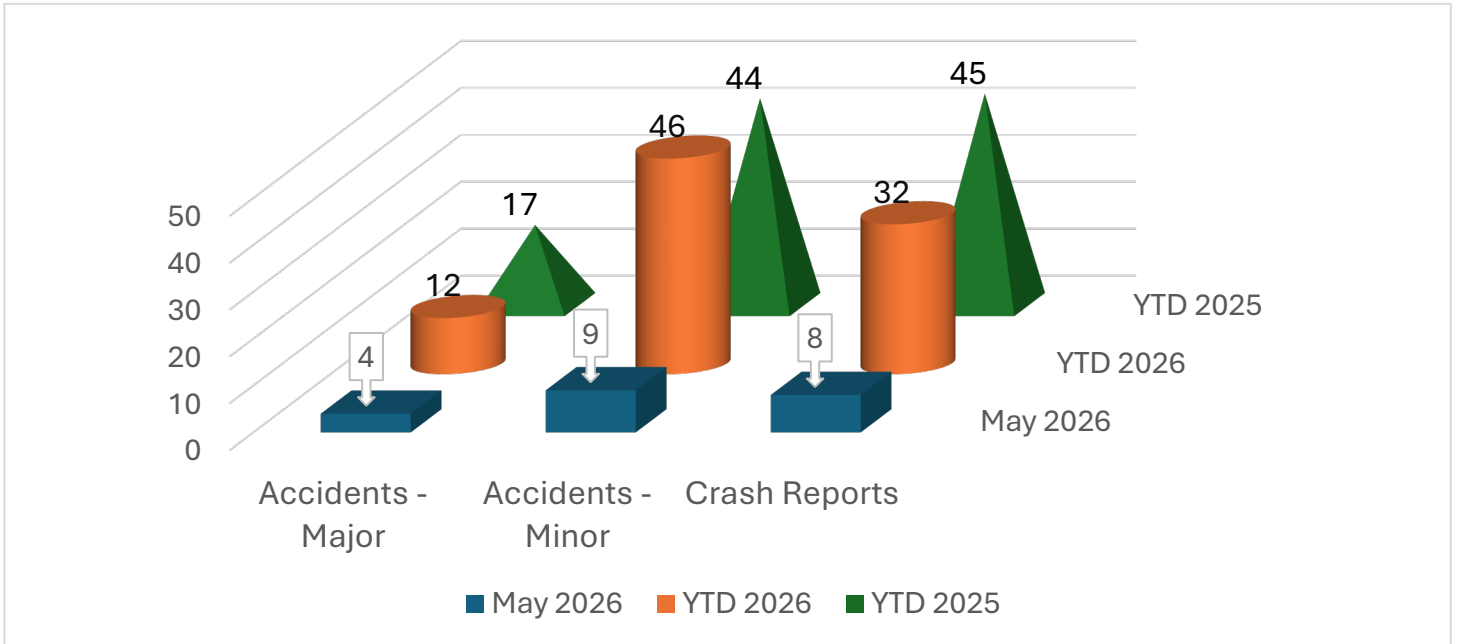
# PART 1 VIOLENT CRIME



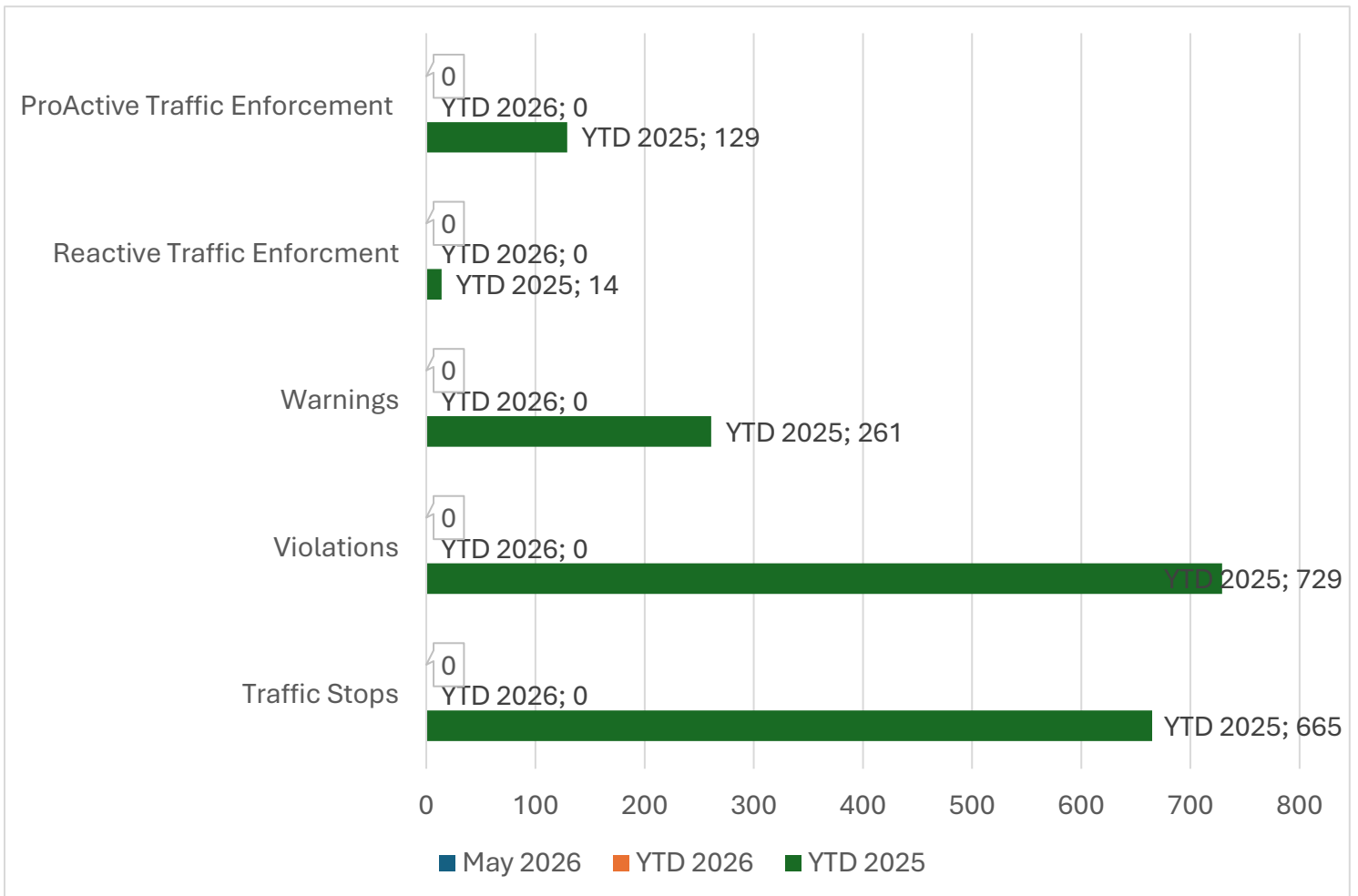
# PART 1 PROPERTY CRIME



# TRAFFIC ACCIDENTS



# TRAFFIC UNIT



## ACCOMPLISHMENTS

- The Richland Hills Police Department proudly recognized the Correctional Officers of the Joint Detention Center during National Correctional Officers Week, honoring their professionalism, dedication, and commitment to maintaining the safety and security of our community.
- On May 11, the Richland Hills Police Department held its annual Flag Lowering Ceremony in observance of National Police Week, paying tribute to the law enforcement officers who made the ultimate sacrifice in the line of duty.
- Sergeant May partnered with the Texas Department of Transportation (TxDOT) to present roadway safety education to students at Jack C. Binion Elementary School. Students received valuable instruction on crosswalk safety, maintaining awareness around traffic, and recognizing the importance of remaining vigilant around motorists as they prepare for summer break.
- Detective Sawyer successfully graduated from the U.S. Army Basic Leader Course after completing several weeks of rigorous training focused on leadership development, critical thinking, training management, and unit readiness. His outstanding performance earned him a place among the top 10 percent of his graduating class.
- Officer Castle was honored with the Hometown Hero Award in recognition of his exceptional professionalism, dedicated service, and unwavering commitment to the Richland Hills community.

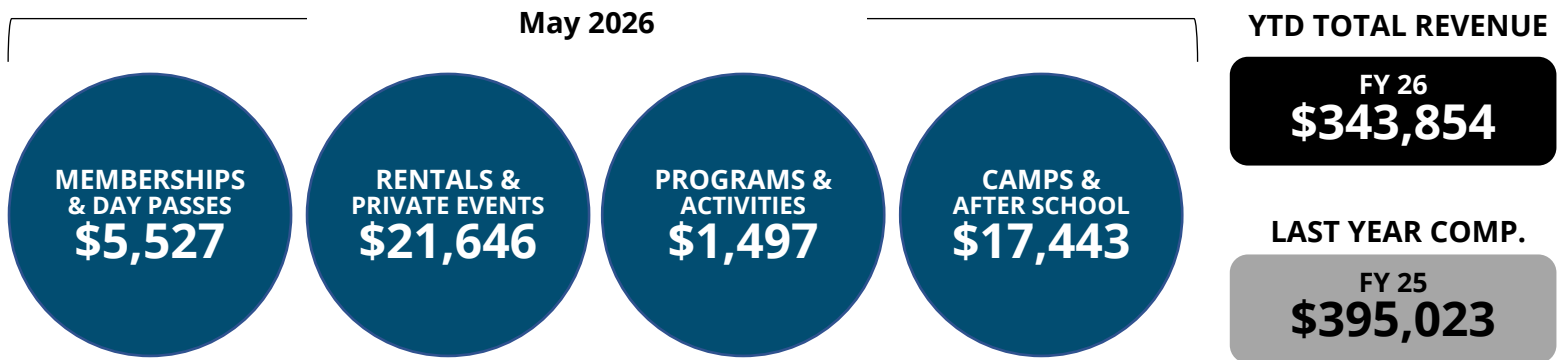




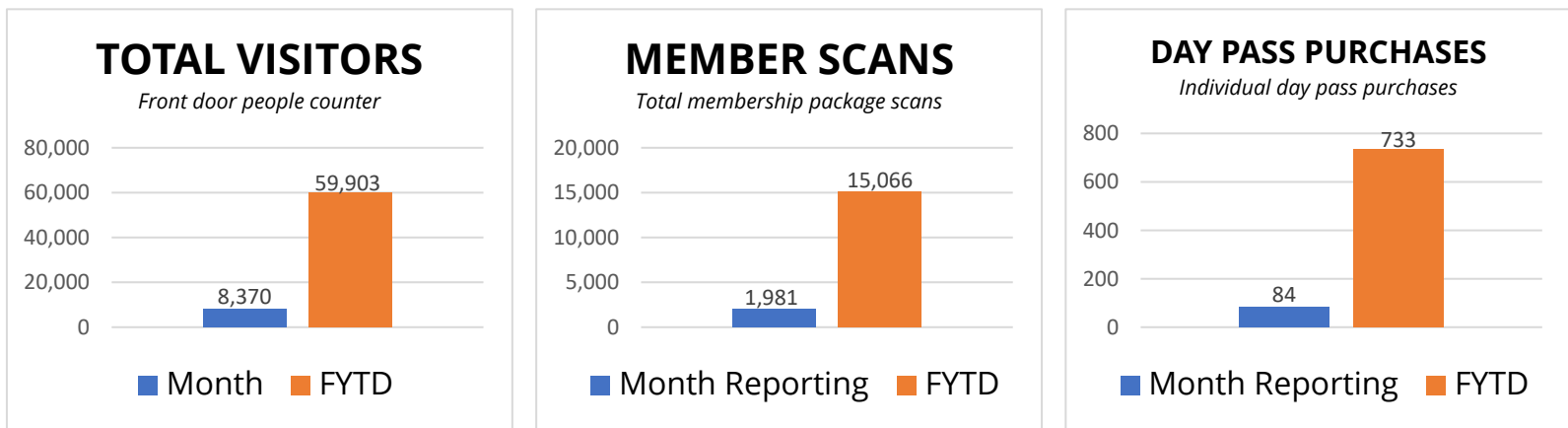
# MAY 2026 LINK REPORT

## REVENUES

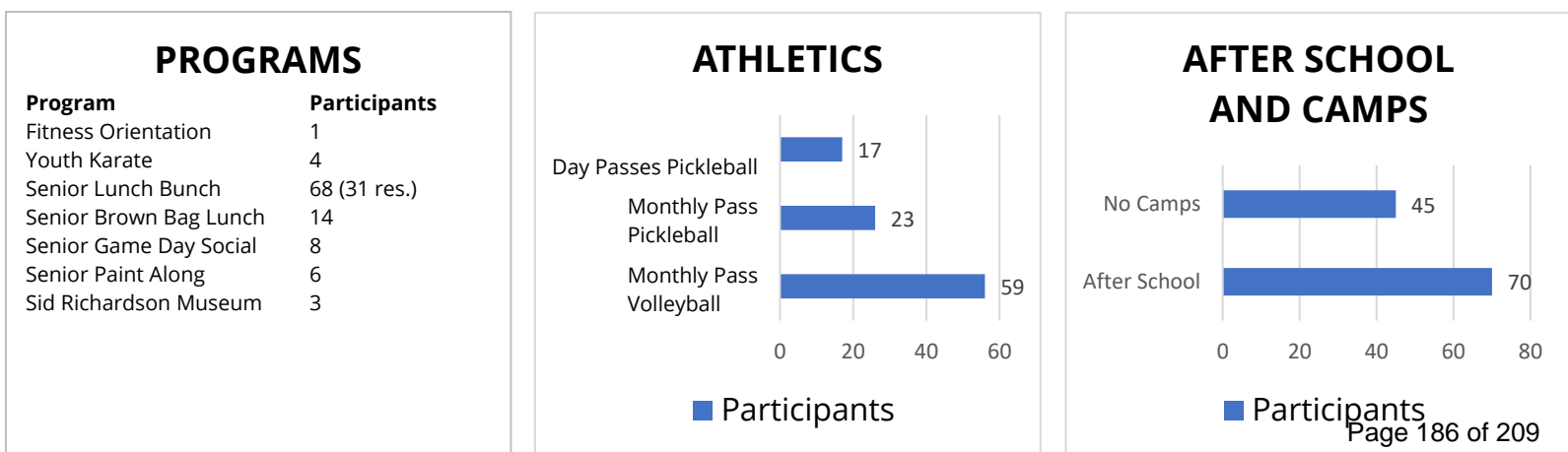
May was a good month for The Link as the after-school program wrapped up and summer camp began. Rental activity exceeded expectations, bringing in \$21,646 compared to the monthly goal of \$18,000. This increase helped highlight continued demand for facility rentals during graduation and late-spring event season. Staff remained focused on supporting the transition into summer programming.



## VISITS & PARTICIPATION DATA



## PROMGRAM PARTICIPATION



## PARKS UPDATES

Throughout May, the Parks Department continued routine maintenance, inspections, cleanup, and operational support across city parks, trails, facilities, and major corridors. Staff focused on maintaining safe, clean, and attractive public spaces while responding to weather-related impacts and supporting ongoing park improvements.

Routine maintenance was completed at the City Complex, Creek Trail Park, Kate Baker Park, Rosebud Park, Windmill Park, the Hike & Bike Trail, Baker Boulevard corridors, and Highway 183 monument entrance areas. Crews removed trash and debris from parking lots, trails, landscaped areas, and rights-of-way. Trash receptacles, recycling containers, and dog waste stations were serviced regularly, including liner replacement and supply restocking.

Heavy rainfall and flooding over Memorial Day weekend caused significant debris accumulation at Creek Trail Park. Staff completed cleanup of flood debris from park grounds and walkways. The Creek Trail Park playground was temporarily closed after engineered wood fiber was displaced from playground safety zones and will remain closed until new surfacing is installed and the site passes a safety inspection. New trash receptacles and dog waste stations were also installed to replace damaged units, and graffiti was removed from the south end of the Hike & Bike Trail walkway.



*Kate Baker Park Restroom Foundation*

Staff completed inspections and cleaning of playground equipment, picnic tables, benches, pavilions, bleachers, fencing, lighting, irrigation systems, monuments, signage, and other park amenities. Routine pest management continued with treatment of fire ant mounds and wasp nests around walkways, trash receptacles, pavilions, and playground areas.

Grounds maintenance remained a priority following multiple heavy rain events. Staff inspected parks, storm drains, creek beds, drainage corridors, and tree lines for storm impacts, safety concerns, vandalism, graffiti, and encampments. Scheduled mowing continued at the City Complex, Hike & Bike Trail, and park sites. Tree removals were completed at Creek Trail Park, Baker Boulevard medians, Windmill Park, near the City Library, and Kate Baker Park. Landscape work included weed control, manual weed removal, TruGreen turf treatments, fertilizer applications, and continued monitoring of landscape health.

## UPCOMING CITY EVENTS

**Richland Hills Red, White, & YOU!**  
July 4 | 9 a.m.-11:30 a.m.  
City Plaza



**June 8, 2026**

**Richland Hills City**

**Council Meeting**

**After-Action Report for  
Residents**

City of Richland Hills, Texas · June 8, 2026

# Overall Meeting Recap

## Key Themes from the June 8 Meeting

The June 8 City Council meeting focused on several important priorities for the City of Richland Hills, advancing infrastructure planning, roadway improvements, budget stabilization, public art and beautification, transportation changes, public safety, and short-term rental compliance.

01

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Establish a more objective and transparent process for prioritizing capital projects.

03

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Move forward with cost-effective roadway maintenance partnerships.

05

---

Organize Council committee work around finance, infrastructure, and community development.

02

---

Continue to stabilize the City's budget and align spending with available revenues.

04

---

Create new opportunities for public art and community beautification.

06

---

Improve compliance and tracking for short-term rentals and keep residents informed.

INFRASTRUCTURE

# Capital Improvement Program Framework

## What Happened

Council began the evening with a work session focused on the City's long-term Capital Improvement Program (CIP) framework, a structured, data-driven process to evaluate, rank, and prioritize major infrastructure and capital projects over the next five years.

The proposed framework evaluates projects using nine weighted criteria:

- Public health and safety
- Regulatory or legal compliance
- Infrastructure condition and asset life
- Consequence of deferral or opportunity cost
- Strategic plan alignment
- Economic development impact
- External funding or grant leverage
- Operational budget impact
- Timing, sequencing, and urgency

## Why This Matters

Richland Hills has more infrastructure needs than available unrestricted funding. A structured CIP process helps the City decide where limited dollars should go first — using consistent, measurable criteria rather than subjective opinion.

## What Council Directed

- ✔ **Council supported continuing the CIP framework discussion and moving toward a more objective, transparent process for ranking capital projects. A resolution is expected to return for Council consideration at the June 22 meeting.**

COMMUNITY

# Beautification & Public Art Advisory Committee

## What Happened

Council unanimously approved a resolution establishing the Beautification and Public Art Advisory Committee. This committee will advise on projects intended to enhance the City's visual character, public spaces, and community pride throughout Richland Hills.

The committee will serve in an advisory role and will not have independent spending or approval authority.

## Why This Matters

Strengthens civic identity and community pride

Improves the appearance of key corridors and gathering places

Supports broader redevelopment and parks goals

## What Comes Next

- ✓ **The committee has been established and will support staff and Council in reviewing future public art and beautification opportunities across Richland Hills. Committee members include: Fletcher Coleman, Rachel Gonzalez Olivia, Deran Wright, Erica Gill, and Jennifer Hartzke.**

INFRASTRUCTURE

# Mimosa Park Drive Mill and Overlay

## What Happened

Council approved an interlocal agreement with Tarrant County for the mill and overlay of Mimosa Park Drive. This shared-cost partnership allows the City to move forward with roadway improvements at a lower cost than traditional project delivery methods.

Under the agreement, Tarrant County will provide labor and equipment, while the City will be responsible for materials, milling, certain fuel costs, utility adjustments, and related project responsibilities.

## Why This Matters

Interlocal partnerships with Tarrant County help the City stretch local street maintenance dollars further and complete more work where conditions support a lower-cost mill and overlay approach.

## What Comes Next

- ✔ Staff will proceed with the interlocal agreement and coordinate project scheduling, resident notification, and implementation with Tarrant County.

FINANCE

# FY26 Budget Stabilization

## What Happened

Council unanimously approved several financial and budget-related actions intended to support budget stabilization. These actions are part of a broader effort to avoid using one-time funds for ongoing expenses and to preserve flexibility for future needs.

## Actions Approved by Council

Paused current funding for the Safe Routes to School Program within the Strategic Initiatives Fund, retaining those funds for future consideration.

Approved a budget amendment related to the Oil and Gas Fund that ultimately paused Oil and Gas Fund support for Safe Routes to School design, retaining those funds for future one-time uses.

## Why This Matters

The City is working to align expenditures with available revenue while protecting core services.

- ✔ **Staff will update budget and financial records and continue bringing Council clear budget options that support long-term financial stability. These decisions will be reflected in the FY27 budget process.**

# Glenview and Booth Calloway Funding

## What Happened

Council approved reallocating funding from the larger Glenview project to the Booth Calloway project. This action eliminates the larger Glenview project at this time and redirects funding toward Booth Calloway. City staff is working with both Tarrant County and US Congress members for federal and county funding.

The City will move forward with a lower-cost Glenview mill and overlay approach through Tarrant County, while evaluating additional infrastructure needs as part of future planning.

## Why This Matters

Supports budget stabilization by shifting to a more financially manageable project approach.

Allows continued infrastructure progress without overcommitting limited resources.

Both projects will be reflected in the City's five-year CIP going forward.

## What Comes Next

- ✔ Staff will update project schedules, budget records, financial forecasts, and CIP documents to reflect Council's direction on both the Booth Calloway and Glenview projects.

ADMINISTRATION

# Council Committee Appointments

## What Happened

Council unanimously approved Council committee appointments. These committees are intended to support Council by reviewing key policy areas in greater detail before items return to the full Council for formal action.

## Committee Members

### Finance Committee

- Athena Campbell
- Mike Witt

### Infrastructure Committee

- John Skier
- Allison Barger

### Community Development

- Travis Malone
- Roland Goveas

## Why This Matters

Council committees provide a way to review important topics in greater detail, helping improve policy development, financial review, infrastructure planning, and community development strategy.

- ✔ **Staff will begin coordinating committee meetings and use the committee structure to support future Council policy discussions.**

TRANSPORTATION

# Real Time Transport Program

## What Happened


Council approved a resolution ending the City-subsidized Real Time Transport transportation program once current approved funding has been exhausted. The effective end date is **July 24, 2026**.

The program has provided subsidized transportation for eligible Richland Hills residents for personal needs, medical appointments, essential shopping, employment, and other trips.

## Why This Matters

This decision aligns service commitments with available resources and supports the City's broader budget stabilization strategy. The goal is to provide a clear public record, notify residents in advance, and complete an orderly closeout of the program.

## What Comes Next

-  **Staff will notify Real Time Transport and registered users, update City communications, stop accepting new subsidized trips after July 24, 2026, process final invoices, and complete all necessary closeout steps. Information on alternative transportation resources will be shared with affected residents.**

# Fire and Explosion Investigation Agreement

## What Happened

Council approved an interlocal assistance agreement for fire and explosion investigations. This agreement continues regional cooperation for specialized investigative services and provides access to trained personnel with expertise in:



**Fire Debris Analysis**



**Electrical Failure Analysis**



**Explosion Dynamics**



**Specialized Investigation**

## Why This Matters

Specialized fire and explosion investigations can require technical expertise beyond what is available in a single local department. Regional partnerships help ensure Richland Hills can access specialized support when needed.



**The City will continue participating in regional public safety partnerships that improve emergency response and investigative capacity.**

COMPLIANCE

# Short-Term Rental Update

## What Happened

Council received an update on short-term rentals in Richland Hills. Staff reported that **25 short-term rental properties** have been identified. Of those, **11 are currently registered** and paying occupancy tax.

An outreach plan is in place ahead of a platform go-live prior to July 1. Additional registrations are expected once the system is active.


## Why This Matters

Affects neighborhoods, lodging activity, and public safety response

Registration ensures operators follow City requirements

Occupancy tax compliance supports City revenues

## What Comes Next

-  **Staff will continue outreach, monitor registrations, and use the new platform to improve tracking, compliance, and occupancy tax collection. Council will receive ongoing updates on registration numbers and occupancy tax collections.**

COMPLIANCE

## Guest Houses, Short-Term Rentals, and Zoning

During the short-term rental update, Council also discussed guest houses being advertised or operated as short-term rentals. This is a zoning and enforcement issue because a guest house is not the same as a separate dwelling unit, hotel room, or independent rental unit under current City standards. Richland Hills has short-term rental registration requirements, but those requirements do not override the zoning ordinance. A property cannot receive or keep a short-term rental permit for a use that is not allowed under the zoning rules that apply to the property.

### What the Zoning Ordinance Says About Guest Houses

The City's zoning ordinance allows guest houses only under specific standards. A guest house is treated as an accessory residential use that is subordinate to the main dwelling. Under the City's current standards, a guest house:

Accessory to main dwelling	Size and coverage limits apply
No kitchen appliances	Must meet setbacks and design standards
Must be registered and inspected	No separate lease or rental
Cannot be sold separately	

**ⓘ A detached guest house may not be operated as a separate short-term rental unit. A short-term rental permit does not override the zoning ordinance.**

COMPLIANCE

# Zoning Enforcement Approach

From a zoning perspective, the City can enforce these rules by treating separately rented guest houses as an unauthorized use of an accessory structure. The City's enforcement approach includes:

<p>01</p> <hr/> <p>Identify STR listings advertising a detached guest house, backyard cottage, casita, garage apartment, or similar accessory structure as a separate rental unit</p>	<p>02</p> <hr/> <p>Review City records to confirm whether the structure is permitted as a guest house, garage apartment, or other approved use</p>	<p>03</p> <hr/> <p>Determine whether the structure is being rented separately from the main dwelling</p>
<p>04</p> <hr/> <p>Confirm whether the structure contains prohibited improvements such as a kitchen, stove, or cooktop</p>	<p>05</p> <hr/> <p>Require the property owner or operator to remove any separate rental listing that violates the zoning ordinance</p>	<p>06</p> <hr/> <p>Deny or revoke a short-term rental permit for any unit that does not comply with the zoning ordinance</p>
<p>07</p> <hr/> <p>Issue notices of violation and citations where voluntary compliance is not achieved</p>	<p>08</p> <hr/> <p>Require correction of any building, fire, life-safety, occupancy, or zoning violations identified during inspection</p>	

COMPLIANCE

# Why Separate Rental of Guest Houses Matters

## Community Impacts

Increased parking demand

Increased occupancy on lots planned for one primary dwelling

Additional trash, noise, or nuisance complaints

Life-safety concerns if structures were not designed for independent lodging use

Utility and drainage impacts

Neighborhood compatibility concerns

Difficulty distinguishing lawful residential use from commercial lodging activity

## What This Means for Enforcement

**i A short-term rental permit does not legalize a zoning violation. The City is reviewing whether the structure being rented is legally allowed to operate as a separate rental unit — not just whether the operator has registered.**

COMPLIANCE

## Accessory Dwelling Unit Ordinance Discussion

Council also discussed the need to evaluate a more complete Accessory Dwelling Unit (ADU) ordinance for future consideration. ADUs — also called mother-in-law suites, backyard cottages, garage apartments, or casitas — were a major topic during the 2025 Texas Legislature.

State legislation was proposed that would have limited how cities could regulate or restrict ADUs in single-family and duplex areas. While that legislation was not finally enacted, the discussion signals that ADU regulation may continue to be a statewide issue. Richland Hills should proactively review its local ordinances before future legislation limits local authority.

### Why an ADU Ordinance Is Needed

The City's current regulations address guest houses and garage apartments, but do not provide a modern, comprehensive ADU framework. A clear ADU ordinance would help the City answer several important policy questions:

Allowed in all SF districts?	SUP, administrative approval, or other review?
Owner required to live on-site?	Full kitchen allowed?
Detached ADUs allowed?	Size, height, setback, lot coverage?
Additional parking required?	Short-term rental, or long-term only?
How verify utilities, drainage, and fire access?	

COMPLIANCE

# ADU Policy Direction

## Recommended Policy Direction

Staff should prepare a future Council discussion item on Accessory Dwelling Units that includes:

01

Review the City's current guest house, garage apartment, accessory structure, and short-term rental regulations

02

Compare guest houses, garage apartments, accessory structures, and true ADUs

03

Review proposed state legislation from the 2025 session and the potential impact of similar future bills

04

Evaluate options for whether ADUs should be allowed, prohibited, or conditionally allowed in different zoning districts

05

Evaluate options for whether ADUs should be eligible for short-term rental permits

06

Develop enforcement language clarifying that guest houses and ADUs may not be separately rented as STRs unless expressly allowed by ordinance

07

Review how ADUs may affect parking, utilities, drainage, public safety access, and neighborhood character

08

Recommend a path for ordinance amendments that protects neighborhoods while giving Council a clear policy choice

COMPLIANCE

# ADU Direction and Public Takeaway

## Direction

Staff should continue enforcing the current ordinance against guest houses or accessory structures operating as separate short-term rental units. Staff should also prepare a future policy discussion on whether Richland Hills should adopt a comprehensive Accessory Dwelling Unit ordinance. Until Council adopts a different ordinance, guest houses and similar accessory structures should not be permitted to operate as separate short-term rentals when that use violates the zoning ordinance.

## Public Takeaway

- i The City is not only tracking short-term rental registration and hotel occupancy tax compliance — the City is also reviewing whether the structure being rented is legally allowed to operate as a separate rental unit. A short-term rental permit does not legalize a zoning violation. Guest houses and similar accessory structures must comply with the City's zoning ordinance, and the City will continue working to ensure that short-term rental activity does not create unauthorized accessory dwelling units or separate lodging units in residential neighborhoods.**

COMMUNITY

# Council Proclamations

## National Parks and Recreation Month

Council recognized July as National Parks and Recreation Month, highlighting the important role parks, programs, trails, recreation facilities, and public spaces play in supporting quality of life in Richland Hills. Parks and recreation services contribute to community health, neighborhood pride, youth programming, senior activities, and family-friendly public spaces.

## Summer Reading Program

Council recognized the Richland Hills Public Library's annual Summer Reading Program. The proclamation encouraged children and families to continue reading and learning during the summer months, supporting literacy, lifelong learning, and helping reduce the "summer slide" that can occur when students are away from school.

- ❏ **Residents and families are encouraged to participate in the Library's summer programs. Future park and facility needs will be considered through the long-term CIP process.**

NEXT STEPS

# What Happens Next

## Residents Can Expect the Following in the Coming Weeks



A CIP framework resolution is expected to return for Council consideration at the **June 22** meeting.



Mimosa Park Drive roadway work will move forward through the Tarrant County partnership.



Council committees will begin reviewing finance, infrastructure, and community development topics.



The Real Time Transport subsidy will close out after current approved funding is exhausted on **July 24, 2026**.



Short-term rental outreach, registration, and budget stabilization planning will continue through the summer.



The City of Richland Hills appreciates the continued interest and involvement of residents in local government decisions. Residents are encouraged to follow upcoming Council agendas, attend meetings, watch online, and stay connected through official City communication channels.

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members  
From: Eric Valdez, Director of Parks and Recreation  
Kelly Mooris, Public Works Superintendent  
Date: June 22, 2026  
Subject: Major Project Updates - Park Restrooms and Street Projects

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**Agenda Item:**

Major Project Updates - Park Restrooms and Street Projects

**Background Information:**

**Financial Considerations:**

**Legal Review:**

**Board/Citizen Input:**

**Attachments:**

None

**Council Action Requested:**

# Memorandum

To: Honorable Mayor Curtis Bergthold and Richland Hills City Council Members

From: JP Ducay, Director of Planning and Development Services

Date: June 22, 2026

Subject: Permitting and inspection services strategic discussion.

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## **Agenda Item:**

Permitting and inspection services strategic discussion.

## **Background Information:**

For more than a decade, the City has utilized the same third-party provider for permitting and inspection services. While the current arrangement has supported the City's operational needs, staff believes it is prudent to periodically evaluate available service providers to ensure the City continues to receive the highest level of service, efficiency, and value.

To better understand the current marketplace, staff has engaged with several alternative providers and solicited information regarding their service offerings, operational models, and associated costs. As a result, staff has received multiple proposals that present potential alternatives to the City's existing agreement.

The purpose of this agenda item is to provide City Council with an overview of the City's current service arrangement, including associated costs and service structure, as well as a summary of the alternative options available. Staff is seeking feedback and direction from City Council regarding whether additional evaluation and due diligence of any alternative provider should be pursued.

No action is requested at this time. Rather, this discussion is intended to inform City Council of available options and obtain policy direction regarding the potential exploration of alternative

permitting and inspection service models.

**Financial Considerations:**

None.

**Legal Review:**

None.

**Board/Citizen Input:**

None.

**Attachments:**

None

**Council Action Requested:**

Direction on whether additional evaluation and due diligence of any alternative provider should be pursued.