

TO: Honorable Mayor and Members of the City Council
From: Paul A. Hofmann, City Manager
Date: December 17, 2021
Subject: Weekly Memo, December 13 – December 17, 2021



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Personnel Updates

Erin Bartsch began her employment with the City of Bastrop on Monday, December 13 as our new Water & Wastewater Executive Administrative Assistant.

Wastewater Treatment Concern

Council Member Crouch called my attention to a concern raised by a citizen last week about the quality of effluent from our wastewater plant. Immediately upon hearing the concern, Public Works Director Curtis Hancock and Water-Wastewater Superintendent James Wilson evaluated the situation and inspected our daily wastewater reports. Our visual inspection and review of the reports do not indicate any problems. That doesn't mean there wasn't a one-time incident not reflected in our records. The weekly wastewater effluent sample results for BOD and CBOD will take two weeks to be completed. As you know, the loads at the current plant put our treatment capacity under stress, and we will continue to closely monitor and self-report to TCEQ if we are aware of problems.

Citizens should be reminded to immediately let us know of any concerns they observe regarding wastewater discharge. We have a sign posted at the plant discharge point with a phone number to call.

December 14 Council Meeting Follow-Up

A question was raised during the discussion on amending the Planned Development for Pecan Park Commercial, regarding how many stories can be reached by the Bastrop Fire Department's ladder truck. Depending on site specific variables, the truck can generally reach the fourth story of a building. It's important to keep in mind that the most effective fire protection for multi-story buildings is sprinkler systems, which are required by code. In addition, the primary function of the ladder truck is rescue.

A question was also raised during the discussion of the request to rezone the property at 1500 Farm Street, for the Farm Street Village project, regarding the requirement for a traffic impact analysis (TIA). A TIA is not required as part of our zoning concept scheme process, nor is it commonly held practice for a TIA to be considered a part of a rezoning process. Zoning is tied to the land, not to a specific project. A TIA is commonly tied to a city's platting or subdivision process.

Also, during the discussion of the Farm Street Village project, a comment was made about the staff recommendation to approve the zoning request in light of the significant citizen opposition against it. It's important to remember the city manager and staff role in this process. We work diligently, often in the face of opposition, to base our recommendations on facts. We factually assess proposals against the clear words of City Council policy direction. We will always cheerfully follow Council decisions irrespective of staff recommendations but do hope Council understands the basis for our recommendations.

Emile Multicultural Center/Recreation Complex

A productive meeting was held on December 15 to discuss a possible partnership between the Emile Multicultural Center/Recreation Center Complex Nonprofit Corporation, Bastrop Independent School District, and the City of Bastrop. Attending the meeting for the City of Bastrop were Mayor Schroeder, Assistant City Manager Job, and me. We discussed the elements of a letter of intent (LOI) that would allow fund-raising and planning efforts to begin in earnest. The LOI would describe the intention of all three parties to secure the land for the future building, proceed with fundraising, complete the design, create a neighborhood regulating plan, construct, and operate the facilities. Specific “facility use agreements” would need to be entered into along the way. The primary roles of the City would include securing ownership of the property, submitting the neighborhood regulating plan, managing the construction, and operating the facilities.

This is a long-term and significant project and clear identification of roles early on is key to success. So far, all discussions have been productive and positive. The members of the non-profit have been clear in their vision and expectations of the City of Bastrop.

Our plan is to present the draft LOI to the City Council during your January 11, 2022, meeting. I’m happy to answer any questions.

Bastrop Police Department Operation Blue Santa

This week concluded the 2021 Bastrop Police Department’s Operation Blue Santa. Fifty-three families and one hundred forty children will receive presents from Santa Claus thanks to Community Resource Officer McIntyre and the department’s Alumni Association. What a wonderful program this truly is.

Building Bastrop University

The Building Bastrop University (BBU) topic on December 15, 2021, focused on codes and processes relevant to plumbing trade contractors. Building Official Shirley Ellis led the informational session providing examples of common code requirements important for plumbing water, wastewater, and gas. You can watch the session at the link here: <https://youtu.be/E0or-49CdVA>.

Community Assets Meeting

Kathy Danielson met with our Community Assets on Wednesday, December 15. The agenda included a recap of Lost Pines Christmas activities for each asset. Bastrop County Historical Society reported their Rendezvous Celebration at the Convention Center was a success as was their Holiday Homes Tour with over 400 participants touring the homes. The Bastrop Opera House reported full houses for their current Rented Christmas productions with a large majority of the attendees coming from outside of Bastrop County. The Bastrop Opera House has been named Non-Profit of the Year by the Bastrop Chamber of Commerce. The Lost Pines Art Center reported their Holiday Art Bazaar and Art After Dark was very well attended and deemed a success. The Bastrop Public Library reported a successful Holiday Open House. Bonnie Pierson, Director of the Library, gave special thanks to the Museum for being so willing to partner on recent and upcoming projects. Updates were given on the Lost Pines Christmas Tree Lighting, Open House, and Parade. The group discussed future packaging opportunities. Candice Butts discussed timelines for the next Quarterly Report.

Youth Advisory Council

The Youth Advisory Council met on December 13 at 6:00 p.m. in the Council Chambers. Jennifer Bills presented on the Planning Department and the B³ Codes. The Youth Advisory Council is working on a takeover campaign for the City's social media outlets. This would include short video-logs every couple of weeks hosted and produced by the members of the Youth Advisory Council. The focus will be on engaging and educating Bastrop youth and the community on the City's Departments and processes. The youth-facilitated takeover models BISSD's student-lead social media takeover earlier this year. In addition to the video-log campaign, the youth are working on developing art call guidelines for a mural project in Downtown Bastrop. The next steps are for the council to develop the social media and art call guidelines. These will be presented at the next Youth Advisory Council meeting in January.

Old Iron Bridge Flags

We noticed high winds were beginning to rip the Old Iron Bridge flags, so the flags will temporarily be taken down. The company that produced them will reinforce the seams and add additional wind precautions for support. Once completed the flags will be rehung.

GLO Kick-off Meeting

There was a General Land Office (GLO) grant kick-off meeting held Wednesday, December 15. This meeting consisted of several representatives from the GLO, city staff, our grants consultant, and the engineer selected for the Agnes Street project. This meeting was a detailed review of the contract, which included all compliance requirements and information regarding the environmental review. Once all the startup documentation is received by GLO the environmental review and the engineering design will begin. This portion of the project could take up to 6 months.

Candidate Filing for Special Election

As of 12:00 noon on Friday December 17 we have one candidate who has filed, Ms. Cheryl Lee. Ms. Lee and other persons who may file will receive the weekly memo as well.

Upcoming Training

Below are future training opportunities. If you are interested in attending any of the trainings, please notify the City Secretary and she will take care of the registration for you.

TML-TAMCC Elected Officials' Conference

Date: February 2, 2022 - February 4, 2022

Time: All Day

Location: Sugar Land

Time out of Office

I plan to take a few days off the week after Christmas as I will have family in town.

My wife and I have planned a trip the week of February 14, 2022.

Library's Storytime Series

On Wednesday, December 15, Candice Butts and Kathy Danielson were Storytime guests and shared a little about their jobs to our youngest community members as part of the City Friends Storytime Series. City Friends Storytime will take place every other month to showcase some of our city employees and the good work they do.



Future Agenda Items

January 11, 2022

- Letter of Intent regarding Emile Multicultural/Recreation Center Complex
- Combination Tax and Revenue Certificates of Obligation
- XS Ranch consent agreement to new owners
- Homeland Security Grant contract
- Emergency Management Performance Grant
- Call May 7, 2022, General Election, potential charter revisions
- Loop 150 Corridor planning
- Service Contract with Texas A&M GIS Database Project
- Construction Management Contract
- Amendment of Task Order KSA Engineers for Transfer Lift Station and Force Main Project
- Pavement Condition Index Contract

Attachments

- S&P Global Ratings Letter and ratings
- TML Legislative Update Number #49

December 15, 2021

City of Bastrop
1311 Chestnut Street
Bastrop, TX 78602
Attention: Ms. Tracy Waldron, Chief Financial Officer

Re: *US\$3,600,000 City of Bastrop, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2022, dated: February 02, 2022, due: August 01, 2032*

Dear Ms. Waldron:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

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Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

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cc: ***Ms. Monica Melvin, Administrative Assistant
Specialized Public Finance, Inc.***

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Summary:

Bastrop, Texas; General Obligation

Primary Credit Analyst:

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Summary:

Bastrop, Texas; General Obligation

Credit Profile

US\$3.6 mil combination tax and rev certs of oblig ser 2022 dtd 02/02/2022 due 08/01/2032

Long Term Rating

AA/Stable

New

Rating Action

S&P Global Ratings assigned its 'AA' long-term rating to Bastrop, Texas' proposed \$3.6 million series 2022 combination tax and revenue certificates of obligations. The outlook is stable.

The certificates of obligation are payable from the proceeds of an annual ad valorem tax levied on all taxable property in the city, within the limits prescribed by law. The maximum allowable rate in Texas is \$2.50 per \$100 of assessed value (AV) for all purposes, with the portion dedicated to debt service limited to \$1.50. Bastrop's total tax rate is well below the maximum, at 57.94 cents, 20.54 cents of which is dedicated to debt service. Based on the application of our criteria, "Issue Credit Ratings Linked To U.S. Public Finance Obligors' Creditworthiness" (published Nov. 20, 2019), we view the limited-tax debt on par with the city's general creditworthiness. The city does not levy ad valorem taxes on a narrower or distinctly different tax base, and there are no limitations on the fungibility of resources available for the payment of debt service. A limited pledge of the net revenue of the city's water and sewer system--not to exceed \$1,000--further secures the certificates. Given the limited nature of the additional pledged revenue, we base our ratings on these obligations on Bastrop's ad valorem tax pledge.

Certificate proceeds will be used to improve, construct, and expand the city's streets and roads, and to fund drainage improvements.

Credit overview

Bastrop is a growing community located 30 miles southeast of Austin along State Highway 71 in central Texas. The city's location along the Highway 71 corridor, which links Austin and Houston, has added to a period of sustained growth and development. The city continues to see strong residential developing, expected to add roughly 3,000 new homes in the next four to five years. New economic growth has ultimately contributed to higher tax revenue for the city to support stability in its growing budget fueled by the increasing service demands of its population base. In addition to budget stability, our view reflects the city's history of very strong reserve levels and liquidity supported by a strong framework of financial management with regular budget monitoring, established targets for reserves, and utilization of planning tools. Although Bastrop lacks near-term plans for additional debt, we understand that growth-related pressures could necessitate additional debt to address infrastructure and capital improvements over the medium-to-long term.

The rating reflects our view of the city's:

- Strong economy, with access to a broad and diverse metropolitan statistical area (MSA);

- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with operating results that we expect could deteriorate in the near term relative to fiscal 2020, which closed with operating surpluses in the general fund and at the total governmental fund level;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2020 of 37% of operating expenditures;
- Very strong liquidity, with total government available cash at 125.7% of total governmental fund expenditures and 8.0x governmental debt service, and access to external liquidity we consider strong;
- Very weak debt and contingent liability profile, with debt service carrying charges at 15.6% of expenditures and net direct debt that is 364.6% of total governmental fund revenue; and
- Strong institutional framework score.

Environmental, social, and governance

The city's location along the Colorado River and near the Gulf of Mexico does expose it to elevated environmental risks including severe weather and flooding compared with the sector standard. To mitigate this risk, Bastrop maintains insurance coverage while holding very strong fund balances to support its ability to absorb one-time expenditures or revenue shortfalls. Otherwise, we consider social and governance risks to be in line with those of the sector.

Stable Outlook

Downside scenario

We could lower the rating if reserves were to deteriorate to a level we no longer consider very strong, following either an ongoing structural imbalance or planned use of reserves for capital.

Upside scenario

We could raise the rating if Bastrop's debt profile were to moderate coupled with continued economic growth that leads to materially improved wealth and incomes more in line with the those of higher-rated peers, all else equal.

Credit Opinion

Strong economy

We consider Bastrop's economy strong. The city, with an estimated population of 9,154, is in Bastrop County in the Austin-Round Rock, Texas, MSA, which we consider broad and diverse. The city has projected per capita effective buying income of 81.9% of the national level and per capita market value of \$123,155. Overall, the city's market value rose by 2.3% over the past year to \$1.2 billion in 2022.

Bastrop, encompassing approximately 11 square miles, is 30 miles southeast of Austin in Bastrop County, Texas. Major industries include light manufacturing, retail, financial institutions, restaurants, and insurance companies. The city is well positioned for future growth due to its location along the Highway 71 corridor, which links Austin and Houston. The leading employers include Bastrop Independent School District (1,427 employees), Hyatt Regency Lost

Pines Resort (650), Bastrop County (464), MD Anderson Cancer Center (439), and H.E.B. Food Stores (408). With the strong demand for residential development in the Austin MSA, the city's tax base continues to expand. Most recent assessment increased to \$1.2 billion for fiscal 2022 from \$1 billion for fiscal 2021. The city continues to see a combination of single family, multifamily and commercial development and expects this trend to continue for the foreseeable future, which we view as realistic.

Strong management

We view the city's management as strong, with good financial policies and practices under our Financial Management Assessment (FMA) methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or regularly monitor all of them.

The city's formal operating reserve policy calls for the maintenance of 35% of expenditures for the enterprise funds and 25% for the general fund. Management's investment policy follows guidelines outlined by state statutes and requires at least quarterly updates to the city council with holdings and earnings information. Other key practices include management's conservative revenue and expenditure assumptions based on at least five years of historical trend analysis and monthly financial reports to the city council; the city can also adjust its budget monthly, if necessary. Bastrop adheres to a basic debt management policy. Although not formalized, management maintains a long-range financial plan for the general fund. The plan forecasts revenue and expenditure trends for four years beyond the current budget year. Bastrop does not have an adopted capital improvement plan.

Adequate budgetary performance

Bastrop's budgetary performance is adequate, in our opinion, reflecting the near-term risk associated with the city's reliance on economically sensitive revenue including sales taxes and permitting fees. In addition, we believe that population growth and increasing service demands could also lead operating results to moderate somewhat over the near term. The city had operating surpluses of 15% of expenditures in the general fund and of 5.2% across all governmental funds in fiscal 2020. However, our assessment could improve should revenue trends and operating performance remain resilient despite current budgetary headwinds.

Bastrop's audited general fund is a consolidation of two separate budgeted funds: the general operating fund and the innovation fund. The innovation fund is used to record one-time expenditures to improve city operations financed from excess reserves in the city's general fund and electric utility fund. Given the one-time nature of the expenditures financed from the innovation fund, we have adjusted our view of general fund performance to exclude expenditures in this fund. Operating results in the underlying general fund have been positive in the past three fiscal years.

The city's fiscal 2021 unaudited estimates indicate a surplus result in the operating fund. The city's primary operating revenue sources are up from year to year, with sales (roughly 42%) and property tax (29%) as leading revenue sources. Operating expenditures also remained consistent, averaging about \$12 million from year to year.

For fiscal 2022, the city adopted a surplus budget of \$17,000 in the operating fund. This budget excludes American Rescue Plan (ARP) funds, which will be stored in a separate fund for accounting purposes. While the ARP funds will be excluded and adjusted out in our view of the total governmental results, we believe that the federal stimulus funds provide additional liquidity and flexibility to cover any of the revenue shortfall or additional expenses related to the pandemic. Furthermore, we note that the city intends to transfer out larger-than-average amounts into various funds

for one-time equipment needs during fiscal 2022. Considering the one-time nature of these projects and fund and the city's trend of at least balanced results, we expect the overall total governmental result will remain at least adequate in the next two years.

The total tax rate for fiscal 2022 was 57.94 cents per \$100 of AV. The tax rate distribution is 38.40 cents for the general fund and 20.54 cents for debt service.

Very strong budgetary flexibility

Bastrop's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2020 of 37% of operating expenditures, or \$4.2 million.

Bastrop has historically maintained very strong reserves exceeding 30% of recurring expenditures. Based on our expectations for a surplus operating result in fiscal 2021, we do not expect the city's available fund balances will materially weaken in the near term. The city has historically used available reserves exceeding its 25% policy threshold to fund nonrecurring expenses. While the city plans to reduce its reserves in fiscals 2022 and 2023, down to 25% of operating expenditures, we expect budgetary flexibility will remain very strong.

Very strong liquidity

In our opinion, Bastrop's liquidity is very strong, with total government available cash at 125.7% of total governmental fund expenditures and 8.0x governmental debt service in 2020. In our view, the city has strong access to external liquidity if necessary.

We believe the city's liquidity position will remain very strong over the near term due to an absence of plans or significant outstanding needs that could materially reduce cash balances. Bastrop's strong access to capital markets has been demonstrated through its history of issuing tax-backed general obligation (GO) bonds and certificates of obligation over the past 20 years. All of Bastrop's investments comply with Texas statutes. As of Sept 30, 2020, the city's investable funds consisted of demand deposits, money market funds, certificates of deposit, U.S. government securities, and local government investment pools, which we view as conservative. The city has eight privately placed debt obligations outstanding (\$6.2 million or 10% of total direct debt). However, the obligations do not contain any provisions, such as any nonstandard events of default or acceleration, that we view as a potential liquidity risk.

Very weak debt and contingent liability profile

In our view, Bastrop's debt and contingent liability profile is very weak. Total governmental fund debt service is 15.6% of total governmental fund expenditures, and net direct debt is 364.6% of total governmental fund revenue.

Bastrop does not have any swaps or variable-rate debt. Total direct outstanding is approximately \$65.5 million, including utility revenue bonds and tax-backed GO bonds, certificates of obligation, and tax notes. Our ratios have been adjusted to reflect the portion of tax-backed and utility revenue-secured debt supported by the city's enterprise funds. Although the city has no definite debt plans at this time, we expect the debt burden will remain weak for the foreseeable future as the city continues to support the growth of the city. The issuance amount is unknown at this time.

Pension and other postemployment benefits (OPEB) liabilities:

We do not view pension and OPEB liabilities as an immediate credit risk for the city. Despite a somewhat extended

amortization, the pension plan is well funded, and annual pension and OPEB costs remain manageable relative to the size of the city's total operating budget. We do not expect a material increase in pension and OPEB contributions that could threaten Bastrop's fiscal stability in the near term.

The city participates in the following plans as of Dec. 31, 2019 (latest measurement date):

- Texas Municipal Retirement System (TMRS), 86.36% funded with a net pension liability equal to \$3.0 million. Contributions are actuarially determined, and the city has historically fully funded its annual required costs. Actuarial assumptions include a 6.75% discount rate and 26-year closed amortization period.
- Supplemental Death Benefits Fund (SDBF), which provides group-term life insurance benefits to active and retired members of the TMRS pension plan. The plan is funded on a pay-as-you-go basis, and the city's total OPEB liability for SDBF was \$372,019. Benefit payments were \$2,398 in 2020.
- Retiree Health Plan, which provides health insurance benefits to retired employees. The city amended its retiree medical policy, effective June 1, 2016, so that benefits are no longer provided after Medicare eligibility and retirees are required to be at least 58 years old at retirement and have at least 25 years of service with the city to be eligible for city paid coverage. The plan is funded on a pay-as-you-go basis, and the total OPEB liability was \$898,994 as of Sept. 30, 2020.

Bastrop's combined required pension and actual OPEB contributions totaled 5.2% of total governmental fund expenditures in 2020. The city made its full annual required pension contribution in 2020.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020
- 2021 Update Of Institutional Framework For U.S. Local Governments

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Legislative UPDATE

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Secretary of State Releases May 2022 Election Law Calendar

Last week, the Secretary of State's Elections Division released [Election Advisory No. 2021-23](#), which is the May 2022 Election Law Calendar detailing important election-related deadlines and laws for the upcoming May uniform election date. For cities holding May elections, significant dates include:

- December 20, 2021 – Last day for city to post notice of deadline to file applications for place on the ballot
- January 19, 2022 – First day to file an application for a place on the ballot
- February 18, 2022 – Last day to file an application for a place on the ballot for general election
- April 25, 2022 – First day to vote early in person
- May 3, 2022 – Last day to vote early in person
- May 7, 2022 – Election Day

One other point of interest for city officials: The legislature passed two joint resolutions ([S.J.R. 2](#) in second special session and [S.J.R. 2](#) in third special session) necessitating constitutional amendment elections during the 2021 special sessions. Because the resolutions passed so close to the 2021 November uniform election date—the usual time for constitutional amendment elections—the elections for these constitutional amendments were pushed to the 2022 May

uniform election date. This means that every county in the state will be conducting constitutional amendment elections in May 2022.

This fact holds some significance for Texas cities conducting May elections. Under state law, county election administrators may refuse to provide election services by contract to cities and other political subdivisions for the May uniform election date in an even-numbered year due to the proximity of the May election to the primary runoff date and complications with providing sufficient election resources. However, because every county will be conducting May elections in 2022 on the two constitutional amendments, counties will likely be more amenable to assisting other political subdivisions on this date. In recognition of the unique situation in May 2022, the Secretary of State's is strongly recommending that counties contract with political subdivisions to ensure uniform polling places for voters in May 2022.

U.S. Census Count Question Resolution Begins Next Month

The U.S. Census Bureau is set to open the 2020 Census Count Question Resolution operation (CQR) to all governmental units on January 3, 2022. The CQR provides cities an opportunity to request that the Census Bureau review their boundaries and/or housing count to correct any potential errors that may have occurred while processing the 2020 Census counts. Any interested city must [submit](#) their case to the U.S. Census Bureau by June 30, 2023.

Any corrections made will not impact the apportionment counts, redistricting data, or any other 2020 Census data products. However, they would be used in the Census Bureau's Population Estimates and other future programs that use 2020 Census data. The Census Bureau sent an [introductory letter](#) on the operation to all eligible governmental units earlier this month.

The Census Bureau has prepared an informative [brochure](#) and a [comprehensive explanation](#) of the program.

Federal Infrastructure Bill Update

In November 2021, the federal Infrastructure Investment and Jobs Act (IIJA) was signed into law. The IIJA is altogether a \$1.2 trillion bill that will invest in the nation's core infrastructure priorities including roads, bridges, rail, transit, airports, ports, energy transmission, water systems, and broadband.

The League will monitor state and federal agencies and work with the National League of Cities (NLC) to access the latest information relating to the IIJA. We will be providing periodic updates in the Legislative Update on resources for Texas cities on how to access IIJA funding for local infrastructure projects.

Governor's Letter to State Agencies on IJA Funding

On Tuesday, Governor Abbott sent [this letter](#) to state agency heads encouraging them to closely review the terms and conditions of accepting federal funding under the Infrastructure Investment and Jobs Act (IIJA). Though the letter doesn't directly address Texas cities, Texas cities stand to potentially receive funding for water, sewer, transportation, and broadband infrastructure projects under the IIJA, either in the form of direct grants from the federal government or through federal dollars being passed through state agencies. Allocation of IIJA funds is in the very early stages, and the federal funds are set to be allocated over the next five years. The League will continue to follow developments at the state and federal level that might impact the availability of funding to Texas cities.

Filing Period for Primary Election Closed; Several Legislators Not Returning

On Monday, the filing period for the 2022 primary election closed. As we previously reported, several legislators have announced their retirement or intent to seek election to a different office. In some cases, the new district maps have prompted a member to run for a different seat in the same chamber. The members listed below have announced they will not run for their current seat, whether due to retirement or to run for other office. Again, some of the members listed below may return to the legislature representing a different district, or in a different capacity altogether:

- Rep. Michelle Beckley (D – Carrollton)
- Rep. Kyle Biedermann (R – Fredericksburg)
- Rep. Jeff Cason (R – Bedford)
- Rep. Garnet Coleman (D – Houston)
- Rep. Jasmine Crockett (D – Dallas)
- Rep. John Cyrier (R – Lockhart)
- Rep. Joe Deshotel (D – Beaumont)
- Rep. Alex Dominguez (D – Brownsville)
- Rep. John Frullo (R – Lubbock)
- Rep. Dan Huberty (R - Houston)
- Rep. Celia Israel (D – Austin)
- Rep. Phil King (R – Weatherford)
- Rep. Matt Krause (R – Fort Worth)
- Rep. Lyle Larson (R – San Antonio)
- Rep. Ben Lemam (R – Anderson)
- Rep. Eddie Lucio III (D – Brownsville)
- Rep. Mayes Middleton (R – Wallisville)
- Rep. Ina Minjarez (D – San Antonio)
- Rep. Jim Murphy (R – Houston)
- Rep. Claudia Ordaz-Perez (D – El Paso)

- Rep. Chris Paddie (R – Marshall)
- Rep. Tan Parker (R – Flower Mound)
- Rep. Eddie Rodriguez (D – Austin)
- Rep. Scott Sanford (R – McKinney)
- Rep. James Talarico (D – Round Rock)
- Rep. John Turner (D – Dallas)
- Rep. James White (R – Hillister)
- Sen. Dawn Buckingham (R – Lakeway)
- Sen. Eddie Lucio (D – Brownsville)
- Sen. Jane Nelson (R – Flower Mound)
- Sen. Larry Taylor (R – Friendswood)
- Sen. Kel Seliger (R – Amarillo)

A full list of candidates running in the March 2022 primary can be found on the Secretary of State's [website](#).

COVID-19 Update (No. 212)

All pandemic-related updates, including information about the American Rescue Plan's city-related provisions, will be in this [Legislative Update Newsletter](#) from now on.

American Rescue Plan Act Funds: Non-Entitlement Unit Portal

On December 14, Treasury released the [Treasury Portal](#) that NEUs who have requested funding from their state will use for reporting and compliance. Treasury encourages all NEU recipients to access the Treasury Portal as soon as possible in order to confirm their accounts, designate State and Local Fiscal Reporting Fund reporting roles, and submit the required agreements and supporting documentation to Treasury. A User Guide can be found [here](#).

The Treasury's [Compliance and Reporting Guidance](#) details the reporting requirements for all recipients, including NEUs. As a reminder, the first reporting deadline for NEUs to submit the Project and Expenditure Report is April 30, 2022 and will cover the period between March 3, 2021 and March 31, 2022. Future reports will be due annually by the end of April.

CARES Act Update

The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act established the \$150 billion Coronavirus Relief Fund (CRF). The CARES Act provides that payments from the CRF may only be used to cover costs that were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021 (the "covered period").

Although Treasury considers the CRF to be a program designed for short-term needs of recipients, local governments continue to be on the frontlines of the pandemic response. In addition, disruptions in supply chains and the Delta surge have hindered cities' abilities to use the funds

within the covered period, and recent litigation has delayed the receipt of allocated payments from the CRF until the last few months. In response, Treasury is now revising the guidance to provide that a cost associated with a necessary expenditure incurred due to the public health emergency shall be considered to have been incurred by December 31, 2021, if the recipient has incurred an obligation with respect to such cost by December 31, 2021. [Click here for more information](#) and to read updated CARES Act FAQs related to this extension.

EEOC Guidance Related to COVID-19

The U.S. Equal Employment Opportunity Commission (EEOC) updated its [COVID-19 technical assistance](#) on December 14 adding a new section to clarify under what circumstances COVID-19 may be considered a disability under the Americans with Disabilities Act (ADA) and the Rehabilitation Act.

EEOC's new questions and answers focus broadly on COVID-19 and the definition of disability under Title I of the ADA and Section 501 of the Rehabilitation Act, which both address employment discrimination. The updates also provide examples illustrating how an individual diagnosed with COVID-19 or a post-COVID condition could be considered to have a disability under the laws the EEOC enforces.

Reminder: TML Coronavirus materials are archived by date [here](#) and by subject [here](#).

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