



May 12, 2017

Mr. Michael S. Piwowar, Acting Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549

RE: Comment on Proposed Amendment to SEC Rule 15c2-12

As Chief Financial Officer of the Tualatin Hills Park & Recreation District (THPRD) in Oregon, I am submitting comments to express my concerns about the practicality and cost of the proposed amendments ("Proposed Amendments") to Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "Commission") set forth in Securities Exchange Act Release No. 34-80130, File No. S7-01-17, adopted March 1, 2017, and published in the Federal Register on March 15, 2017, that will require new categories of information to be disclosed to the capital markets within 10 days of the occurrence of the events.

Full, accurate and transparent disclosure of all material information to our investors has always been a priority for our organization. While we support the SECs overall goal of ensuring that investors have access to relevant information, we are concerned that the Proposed Amendments as currently written will add considerable time and cost of compliance with these disclosure requirements, without resulting in better information for investors.

THPRD discloses each of the types of information included in the Proposed Amendments to the Rule in our annual Comprehensive Annual Financial Reports (CAFRs) and EMMA disclosures. Therefore, if the goal of the Commission is to promote providing quality information to investors, Proposed Amendments should focus on enhancing the ability of investors to access the information provided through improvements to EMMA and to existing resources such as an issuer's publicly available web site.

Requiring issuers to report within 10 days of each and every occurrence that an issuer determines to be "material" is an extremely costly and an onerous expectation. THPRD would need to implement an array of information gathering processes to constantly monitor every corner of our operations. Determining "materiality" would require dedicated staff resources not currently available and therefore add a costly burden to our district. The addition of the resources necessary to comply with the Proposed Amendments as written would require us to decrease our current level of service to our patrons in order to afford the additional monitoring costs. The resulting costs are unreasonable compared to the structured and systematic way we currently gather and evaluate information and present it as part of the annual CAFR reporting process.

THPRD supports voluntary disclosure of bank loans, private placements and debt-related derivative instruments. However, the scope “financial obligations” covered under the Proposed Amendment is overly broad and would be costly for our organization to monitor. In addition, the lack of definition of “materiality” would almost certainly result in us disclosing non-material information to make certain our organization is in compliance should the Proposed Amendment pass.

Renewal or adoption of “leases” is a very broad category that takes place several times each year for buildings and equipment in our agency. The Proposed Amendment is unclear as to whether capital or operating leases, or both, are required to be reported as new material events. If the Commission does indeed want reporting on operating obligations, then this is substantial overreach, which we strongly oppose.

The last clause of the proposed definition of “financial obligation” includes “monetary obligation resulting from a judicial, administrative or arbitration proceeding.” In our view this clause causes significant uncertainty and risk for issuers and we urge the Commission to delete it.

In general, THPRD strongly believe that any amendments to the Rule should be limited to additional material event notification for those circumstances where the new material event category impacts the debt obligations held in parity to investor-held debt. If these additional types of financial obligations are included for event notification, the Rule, as amended, must be tightened significantly and provide clear and unambiguous materiality definitions that will allow issuers to quickly determine if filing of an event is required. Otherwise, the Commission will be imposing huge new and unnecessary burdens on our organization. Investors will be flooded with information that may or may not be relevant to their specific situation, but may obfuscate the relevant information needed to make investment decisions.

The capacity of the EMMA system to take on the additional volume of information should also be assessed. While the Municipal Securities Rules Board (MSRB) has done a great job on improving the EMMA system over the past few years, there is still much work to be done to make the system more functional for issuers and user-friendly to investors.

Based on a review of the Proposed Amendments, we would like to offer the following suggestions:

1. Provide meaningful guidance for municipal issuers and their counsel so that materiality standards may be consistently applied for the obligations addressed in under the Rule.
2. Define the term financial difficulties so issuers and their counsel have a clear idea of the level and types of financial difficulties that the Commission is concerned that investors need to know about within 10 business days as compared with what is already disclosed to investors annually in a CAFR.
3. Define the terms lease, guarantee, and derivative instruments so that issuers and their counsel have clear direction from the Commission of the specific categories and level of information needed for investors within 10 business days as compared with what is already disclosed to investors annually in a CAFR.
4. Revise the definition of financial obligations in the Proposed Amendment to eliminate operating leases.

5. Remove the "monetary obligations from a judicial, administrative, or arbitration proceeding" from the definition of financial obligation.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Mackiernan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ann Mackiernan  
Chief Financial Officer