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February 18, 2011

Elizabeth M. Murphy  
Secretary, Securities and Exchange Commission  
100 F Street, NE  
Washington DC 20549-1090

**Re: File No. S7-45-10, Comment upon Rel. No. 34-63576, proposed permanent rules 15 Ba 1-1 through 7, to implement Section 975 of Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act**

Dear Secretary Murphy,

My comments are on behalf of the City of Wilsonville, Oregon. The City of Wilsonville is a young city, incorporated in 1968, and was mostly green field. It has grown to approximately 18,000 residents and also enjoys an employment workforce of approximately 18,000. Wilsonville has a city manager form of government. It has a Moody's bond rating of Aa2 – general obligation and Aa3 – revenue bonds. The City Council is composed of five (5) elected members, including the elected mayor. Under state law, ORS 294.336 (copy attached), the city appoints a Budget Committee composed of the five elected council members and five residents of the city.

Wilsonville has also established an Urban Renewal Agency, with the City Council serving as the Board and the aforementioned Budget Committee serving as the Urban Renewal Agency Budget Committee. Together, the combined budgets, inclusive of capital projects, are in the neighborhood of \$130 million, and the assessed property valuation of the City exceeds \$3 billion.

Under ORS 294.406, the Budget Committee must go through a public hearing process to recommend the respective budgets for adoption to the City Council and to the Urban Renewal Agency. As noted above, the bonds are those you would generally expect in the municipal area.

Our concern is not over the registration of professionals that are hired to provide financial and legal bonding advice, but rather that the breadth of the rule definition of municipal advisor would ensnare in its net the citizens appointed to our respective budget committees. If, for example, a revenue bond to fund a water project is proposed in the water capital fund of the proposed budget that is reviewed along with all other appropriations and, if advised and recommended as part of the whole budget, under the proposed rule's definition of municipal advisor, all the citizen members would have to register.

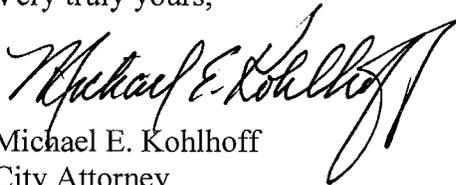


Oregon has over 200 cities, and all but Portland have such budget committees. The burden of having such volunteer citizens have to register belies common sense. State conflict of interest and ethics regulations prohibit personal financial gain by budget members from that upon which they are making a decision. If there is not a bright line distinction between volunteer public service and for hire municipal advisors, the SEC will create a monster of unintended consequences and the loss of citizen participation in our democratic budgeting process.

Surely establishing a definitive rule to fit the various ways the municipal bonding advice may be abused and protect the consumer can be more surgically devised than to have all volunteer citizen budget committee members in Oregon register with the Securities and Exchange Commission as a municipal advisor.

Thank you for providing the opportunity to comment.

Very truly yours,



Michael E. Kohlhoff  
City Attorney

mek:tec

encl.

cc: Mayor and City Council  
General Counsel, League of Oregon Cities  
Senator Ron Wyden  
Senator Jeff Merkley

lawful only after the enactment of appropriate appropriation ordinances or resolutions authorizing the expenditures. The ordinance or resolution must state the need for the expenditure, the purpose for the expenditure and the amount appropriated.

(5) Subsection (1) of this section does not apply to the expenditure during the current year or current budget period of the proceeds of the sale of the following bonds, as defined in ORS 287A.001, or to the expenditure during the current year or current budget period of other funds to pay debt service on those bonds:

(a) Bonds that are issued under ORS 287A.150 and for which the referral period described in ORS 287A.150 ended after the preparation of the budget of the current year or current budget period;

(b) Bonds that were approved by the electors during the current year or current budget period; or

(c) Bonds issued during the current year or current budget period to refund previously issued bonds or obligations.

(6) Subsection (1) of this section does not apply to:

(a) Expenditures of funds received from the sale of conduit revenue bonds or other borrowings issued for private business entities or nonprofit corporations by public bodies, as defined in ORS 287A.001, or the State of Oregon or to pay debt service on the bonds;

(b) Expenditures of funds that have been irrevocably placed in escrow for the purpose of defeasing and paying bonds;

(c) Expenditures of assessments or other revenues to redeem bonds that are payable from the assessments or other revenues, when the assessments or other revenues are received as a result of prepayments or other unforeseen circumstances; or

(d) Expenditures of funds that are held as debt service reserves for bonds if the expenditures are made to:

(A) Pay debt service on the bonds;

(B) Redeem the bonds; or

(C) Fund an escrow or trust account to defease or pay the bonds.

(7) Subsection (1) of this section does not apply to expenditures of funds received from assessments against benefited property for local improvements as defined in ORS 223.001 to the extent that the cost of the improvements is to be paid by owners of benefited property.

(8) Subsection (1) of this section does not apply to the expenditure of funds accumulated to pay deferred employee compensation.

(9) Subsection (1) of this section does not apply to refunds or the interest on refunds granted by counties under ORS 311.806.

(10) Subsection (1) of this section does not apply to refunds received by a municipal corporation when purchased items are returned after an expenditure has been made. Expenditure of refunded amounts to which this subsection applies is lawful only after the governing body of the municipal corporation has enacted, after public hearing, appropriate appropriation ordinances or resolutions authorizing the expenditure.

(11) Subsection (1) of this section does not apply to a newly formed municipal corporation during the fiscal year in which it was formed. If a new municipal corporation is formed between March 1 and June 30, subsection (1) of this section does not apply to the municipal corporation during the fiscal year immediately following the fiscal year in which it was formed. [1963 c.576 §4; 1965 c.451 §2; 1977 c.102 §2; 1979 c.310 §1; 1987 c.280 §1; 1991 c.902 §110; 1995 c.333 §8; 1997 c.308 §5; 1997 c.541 §324; 1999 c.632 §3; 2001 c.135 §5; 2003 c.195 §25; 2005 c.443 §14; 2007 c.783 §118]

**294.330** [Repealed by 1963 c.576 §44]

**294.331 Budget officer.** The governing body of each municipal corporation shall, unless otherwise provided by county or city charter, designate one person to serve as budget officer. The budget officer, or the person or department designated by charter and acting as budget officer, shall prepare or supervise the preparation of the budget document. The budget officer shall act under the direction of the executive officer of the municipal corporation, or where no executive officer exists, under the direction of the governing body. [1963 c.576 §5]

**294.335** [Repealed by 1963 c.576 §44]

**294.336 Budget committee.** (1) Except as provided in ORS 294.341, the governing body of each municipal corporation shall establish a budget committee in accordance with the provisions of this section.

(2) The budget committee shall consist of the members of the governing body and a number, equal to the number of members of the governing body, of electors of the municipal corporation appointed by the governing body; if there are electors fewer than the number required, the governing body and the electors who are willing to serve shall be the budget committee; and if there are no electors willing to serve, the governing body shall be the budget committee.

(3) The members of the budget committee shall receive no compensation for their services as members of such committee.

(4) Appointive members of the budget committee may not be officers, agents or employees of the municipal corporation.

(5) Appointive members of a budget committee that prepares an annual budget shall be appointed for terms of three years. The terms shall be staggered so that, as near as practicable, one-third of the terms of the appointive members end each year.

(6) Appointive members of a budget committee that prepares a biennial budget shall be appointed for terms of four years. The terms shall be staggered so that, as near as practicable, one-fourth of the terms of the appointive members end each year.

(7) If any appointive member is unable to serve the term for which the member was appointed, or an appointive member resigns prior to completion of the term for which the member was appointed, the governing body of the municipal corporation shall fill the vacancy by appointment for the unexpired term.

(8) If the number of members of the governing body is reduced or increased by law or charter amendment, the governing body of the municipal corporation shall reduce or increase the number of appointive members of the budget committee so that the number thereof shall be equal to but not greater than the number of members of the governing body. To effect a reduction, the governing body of the municipal corporation may remove such number of appointive members as may be necessary. The removals shall be made so that the number remaining will be divided into three, if the terms of the appointive members are governed by subsection (5) of this section, or four, if the terms of the appointive members are governed by subsection (6) of this section, equal or approximately equal groups as to terms. In case of an increase, additional appointive members shall be appointed for such terms so that they, together with the members previously appointed, will be divided into three or four, as appropriate under this section, equal or approximately equal groups as to terms.

(9) The budget committee shall at its first meeting after its appointment elect a presiding officer from among its members. [1963 c.576 §6; 1973 c.61 §1; 1979 c.310 §2; 1997 c.308 §6; 2001 c.135 §32]

**294.340** [Repealed by 1963 c.576 §44]

**294.341 Governing body of certain municipal corporations to be budget committee; exception.** (1) The governing body of each municipal corporation having a population exceeding 200,000 and that is located in a county having a tax supervising and conservation commission shall be the budget committee for the municipal corporation unless the governing body of the municipal corporation elects by resolution to create a budget committee as provided in ORS 294.336.

(2) The governing body of a city with a population of more than 400,000 is the budget committee of an urban renewal agency created by the city under ORS 457.035. [1963 c.576 §7; 1997 c.308 §7; 2005 c.417 §1; 2007 c.670 §1]

**294.345** [Amended by 1953 c.715 §2; 1955 c.250 §1; 1957 c.673 §3; repealed by 1963 c.576 §44]

**294.347** [1953 c.715 §3; repealed by 1963 c.576 §44]

**294.348** [1957 c.673 §2; repealed by 1963 c.576 §44]

**294.350** [Amended by 1953 c.715 §2; 1957 c.673 §4; repealed by 1963 c.576 §44]

**294.351** [1963 c.576 §8; 1965 c.451 §3; 1971 c.516 §1; 1979 c.310 §3; repealed by 1979 c.686 §2 (294.352 enacted in lieu of 294.351)]

**294.352 Estimates of expenditures required; form and contents.** (1) Each municipal corporation shall prepare estimates of expenditures for the ensuing year or ensuing budget period.

(2) The estimates required by subsection (1) of this section shall be prepared by organizational unit or by program.

(3) Estimates required by subsection (1) of this section and prepared by organizational unit shall be detailed under separate object classifications of personal services, materials and services and capital outlay. Separate estimates shall be made for special payments, debt service, interfund revenue transfers, operating expenses and general capital outlays which cannot reasonably be allocated to an organizational unit.

(4) Estimates required by subsection (1) of this section and prepared by program shall be arranged for each activity of a program. Estimates under each activity shall be detailed under separate object classifications of personal services, materials and services and capital outlay. Separate estimates shall be made for each program for special payments, debt service, interfund revenue transfers, operating expenses and general capital outlays which cannot reasonably be allocated to an activity within a function. For common and union high school districts and community colleges, estimates required by this subsection shall be further detailed by object within each object classification.

(5) Estimates of expenditures for personal services, other than services of persons who receive an hourly wage or who are hired on a part-time basis, shall list the salary for each officer and employee, except that employees of like classification and salary range, (such range not to exceed that established by the governing body of the municipal corporation in accordance with its policy for setting salaries) in each organizational unit or activity may be listed by the number of those employees, the limits of each salary range and the amount of their combined salaries.