



## CITY OF SUGAR LAND

CITY MANAGER'S OFFICE

February 21, 2011

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

**RE: File No. S7-45-10; SEC Proposed Rule 34-63576**

Dear Ms. Murphy,

I am writing on behalf of the City of Sugar Land with great concern about the SEC's definition of who is a municipal financial advisor under SEC Proposed Rule 34-63576.

A municipal financial advisor provides advice to a state or municipal entity, including public pension funds, as to the issuance of municipal securities, swap transactions and/or investment strategies. **The City of Sugar Land opposes the SEC's proposal to consider appointed members of state and local government governing bodies as financial advisors. A state or local government governing board, comprised of appointed members, cannot serve as an advisor to itself.**

The SEC's proposed rule correctly exempts elected members, elected ex-officio, and employees of a municipal entity's governing board from the definition; however, under the proposed rule, non-elected (appointed) members of a governing board would have to register with the SEC and meet various regulatory requirements set forth by both the SEC and the MSRB, including registration requirements and fees, federal fiduciary standards, federal securities law liabilities, and federal financial disclosure standards.

We urge the SEC to exclude all governing body members and the employees of appointed bodies, including those who serve across jurisdictional boundaries, from the municipal advisor definition. Appointed members of governing bodies, especially at the local level, typically are citizen volunteers who are interested in serving for the public good and often have special expertise that is critical to the effective functioning of the governing body. However, they may be deterred from serving on state and local governing boards if federal regulations are imposed upon them, which means we may lose their valuable insight.

The City of Sugar Land has volunteer board members that serve the Sugar Land Development Corporation, Sugar Land 4B Corporation and Tax Increment Reinvestment Zones. These boards rely on City staff and external financial advisors for financial advice; they are the recipients of the advice, not the providers.

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We believe that if Congress had intended for appointed members of governing bodies to be included within the municipal financial advisor definition, it would have made this point clear in the statute. By excluding all governing body members and the employees of appointed bodies from the municipal advisor definition, we can be assured of retaining the expertise our board needs to make important decisions for our constituents.

Thank you for the opportunity to comment on the SEC's Proposed Rule 34-63576.

Sincerely,

A handwritten signature in dark ink, appearing to read "Allen Bogard". The signature is written in a cursive style with a large initial "A".

Allen Bogard  
City Manager