

CITY OF McCALL

February 22, 2011

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

Re: SEC Release No. 34-63576
File No. S7-45-10

Dear Ms. Murphy:

This letter is submitted on behalf of the McCall Redevelopment Agency (MRA) to provide comments on the proposal to require certain members of public boards to register as municipal advisors. MRA is concerned that registration requirements as proposed will negatively impact the willingness of its current and potential commissioners to serve in this volunteer capacity.

MRA is an urban renewal agency created pursuant to Idaho statute. As such, MRA is deemed an independent public body corporate and politic. It is governed by a seven member board of commissioners appointed by the Mayor of the City of McCall, Idaho, and confirmed by the City Council. Commissioners receive no compensation for their services. Our current commission includes two city council members, a hardware store owner, a retired state employee, a home builder, and a clothing retailer.

Statutes governing MRA (Idaho Code § 50-2017) expressly prohibit commissioners and employees of MRA from acquiring interests in property included in or contracts related to an urban renewal project. Additionally, commissioners of MRA are subject to Idaho state laws governing conflicts of interest, financial audits, the ethics in government act, open meetings, and public records. The proposed registration requirements for MRA commissioners, the duties assigned to these commissioners following registration, and the enforcement authority of the Securities and Exchange Commission (the "Commission") against registered commissioners of MRA will unnecessarily deter potential commissioners from accepting appointment and limit the ability of current commissioners to effectively conduct the business of MRA.

In an attempt to protect the entities being advised, the Release broadly defines "Municipal Advisors" in such a way that includes commissioners of MRA. However, entities such as MRA are governed by, and act through, their boards, thus it is not reasonable to assert that board members are "advising" the entity. MRA and its commissioners receive advice regarding municipal finance issues from qualified experts. Commissioners do not give advice, but rather perform their duties in reliance on the advice of experts. In its last tax increment bond financing, the MRA commissioners were advised by registered experts in municipal financing and nationally recognized bond counsel.

The Release identifies the justification for the proposal as a lack of accountability of board members to the citizens. However, MRA commissioners are held accountable and can be removed for inefficiency, neglect of duty or misconduct in office. Further, an entire appointed board may be removed and replaced by the governing body that sponsored the urban renewal agency. Under Idaho law appointed officials are held to the same standards as elected officials regarding standards of care, ethics, conflicts of interest requirements, open meeting requirements, or public records disclosure requirements. MRA commissioners are required to act in the best interests of the MRA at a properly noticed and open public meeting, disclose all conflicts and potential conflicts of interest, and refrain from taking action as a commissioner in the case of a conflict. In the event that an MRA commissioner fails in one of these requirements, Idaho law provides a remedy for that failure.

Imposing an additional registration requirement and creating enforcement authority in the Commission will not improve the performance of appointed MRA commissioners and will deter future nominees from accepting appointment as a commissioner. Our commissioners take time away from their families, jobs, and businesses to serve their community. Idaho law, specifically Idaho Code §50-2006(c), requires that they serve without compensation. The additional burden of complying with complex regulatory requirements, paying registration fees, and disclosing information to the Commission each year will discourage participation of future volunteers and will not improve the performance of commissioners. MRA currently has one vacancy on its board and this will become much more difficult to fill if the Release is adopted without modification. The Release will also add expense and increase demand on staff time which will take away from the funds that are used to rehabilitate deteriorated areas and improve economic development.

MRA respectfully requests that the Commission exclude appointed public board members, such as MRA commissioners, from the definition of Municipal Advisor now currently included in the Release.

Sincerely,



Lindley Kirkpatrick, AICP
City Manager

cc: Senator Mike Crapo
Senator Jim Risch
Congressman Mike Simpson
Congressman Raul Labrador