



CITY OF WACO

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OFFICE OF THE SECRETARY

February 14, 2011

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

RE: File Number S7-45-10; Release Number 34-63576

Dear Chairman Schapiro and Members of the Commission:

I am writing on behalf of the City of Waco to comment on the exclusions from the definition of "municipal advisor" as proposed in Release 34-63576 concerning the registration of municipal advisors. The Commission's proposal is overreaching and will have a negative effect on local government budgets and their operations.

The proposed definition of "municipal advisor" includes "appointed members of a governing body of a municipal entity that are not elected ex officio." (76 Fed. Reg. 834 January 6, 2011). When Congress exempted the municipal entity and its employees from the definition of "municipal advisor," I believe it did so with the express intent to include all of the entity's officers and employees, including its volunteer board members, within that exemption. To do otherwise, creates the anomalous result that the proposed regulation requires when it seeks to include as "advice," those discussions by board members on investment objectives when those discussions involve debates by issuers and, sometimes, investors as well. Requiring registration for those who participate in those discussions chills informed analysis and debate. In short, **the proposed regulations turn on its head the concept of "advice" and transform decision-makers of entities from those who should be receiving advice into "advisors."**

The SEC wants to hold these appointed members to a higher standard of professional responsibility, because these individuals "are not directly accountable for their performance to the citizens of the municipal entity." (76 Fed. Reg. 834 January 6, 2011). This concern is unfounded when applied to the appointed members of the Boards and Commissions of the City of Waco, Texas.

In Waco, the appointed members who sit on our various Boards and Commissions are volunteers. They do not receive stipends. The benefits they receive are the self-fulfilling, intangible kind—which they reap for having given back to their community.

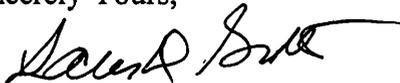
Tens of thousands of community volunteers have given of their time, talent, and common sense over the years to strengthen the Waco local government to plan, to zone, to invest, and *to run* government operations. These individuals are not employees of Waco, but they still do exceptional work *for* Waco.

In Waco, these appointed members of Boards and Commissions are held accountable. They are accountable to the local elected officials—who in turn are accountable for their performances to the citizens of Waco. In this regard, such appointed officials are no different from employees, except that they are unpaid volunteers. In addition, the appointed members are accountable to their communities, which will be impacted by the decisions the Boards and Commissions make. The appointed members' names are public record, the meetings in Waco are subject to the Texas Open Meetings Act, and the recommendations that result from meetings are discussed and recorded at Waco City Council Meetings. The appointed members are held accountable by their Wacoan neighbors and friends. Persons who hold positions of trust within a state or local government subject themselves to state and local ethics laws and common law responsibilities that include potential penalties for misfeasance or malfeasance.

Thus, the position quoted above creates burdensome financial responsibilities. It would require thousands of community spirited volunteers to spend money to *volunteer*. If the money does not come directly out of the volunteer's pocket, it will come out of the Board or Commission's budget, or Waco's local government funds. In addition, the complexity of those "continuing education" regulations would deter volunteer service and add to the overall cost—Waco will need outside counsel's expertise in dealing with the SEC to be sure that these volunteers are properly trained and advised in the intricacies of securities law. (Again, the volunteer "advisors" will need the real experts' advice.)

I ask respectfully that you consider extending the exemption (from registering as a "municipal advisor") to appointed members of governing bodies of municipal entities.

Sincerely Yours,



Larry D. Groth, P.E.
City Manager

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cc: Senator Kay Bailey Hutchison
Senator John Cornyn
Representative Bill Flores
Waco Mayor and City Council Members