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VILLAGE OF NEW LENOX

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February 18, 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:

We are writing 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. **We oppose 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 mean we lose their valuable insight.

The Village of New Lenox has the mayor and six trustees are elected positions. Each term of office is for four years. Trustee elections are held every two years with three trustee positions expiring. The appointment of all officers, commissions, committees and boards are the subject to



the approval of the Board of Trustees. The hiring and dismissal of all full-time employees of the Village shall be subject to approval of the Board.

In addition to the Village Board, there are many commissions and committees all with appointed individuals serving these commissions and committees. They include the Economic Development Commission (EDC) which is a 5-member commission, with 3 additional ex-officio members; the Fire and Police Commission which is a 3-member commission responsible for original testing, as well as promotional testing for all grades of rank within the Police Department and the posting and maintaining of current eligibility lists appropriate for those positions; the Plan Commission which is a 7-member advisory commission to the Village Board on all planning matters including zoning, annexation, subdivision, planned unit developments, special uses, and implementation and amendment of the Comprehensive Plan; the Police Pension Board which is made up of 2 current police officers, 2 appointed citizens, 1 retiree of the board and a treasurer; and the Parking and Traffic Advisory Board which consists of 5 members who are appointed by the Mayor, with the consent of the Board of Trustees. Additionally, from time to time the Village may determine that a short-term, non-recurring committee is needed to analyze a specific issue. The Mayor and Village Board assign the individuals to these committees.

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,



Kimberly J. Auchstetter
Finance Director/Treasurer