

ORDINANCE NUMBER O- 19576 (NEW SERIES)

DATE OF FINAL PASSAGE JAN 30 2007

AN ORDINANCE AMENDING ORDINANCE NO. O-19522 (NEW SERIES) ENTITLED "AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2006-2007 AND APPROPRIATING THE NECESSARY MONEY TO OPERATE THE CITY OF SAN DIEGO FOR SAID FISCAL YEAR," BY AUTHORIZING THE AUDITOR AND COMPTROLLER TO APPROPRIATE AND TO TRANSFER UP TO \$1,417,400 FROM THE CITY'S GENERAL FUND UNALLOCATED RESERVE TO THE PUBLIC LIABILITY FUND TO PAY FOR INDEPENDENT CONSULTANT SERVICES TO BE RENDERED BY EDWARDS ANGELL PALMER & DODGE LLP IN CONNECTION WITH SECURITIES AND EXCHANGE COMMISSION CEASE-AND-DESIST ORDER ENTERED AGAINST THE CITY

WHEREAS, on November 14, 2006 the Securities and Exchange Commission [SEC] entered a Cease-And-Desist Order [SEC Order] in response to the City's Offer of Settlement with respect to the SEC's investigation of the City's violation of federal securities laws in connection with the offer and sale of certain City securities; and

WHEREAS, the SEC Order requires that the City retain an Independent Consultant for a period of three years to: review and make recommendations regarding the City's policies, procedures and internal controls with respect to disclosures made in bond offerings, financial statements, and rating agency presentations; review and make recommendations regarding the hiring of internal and external personnel for disclosure functions; and review and make recommendations for training provided to City personnel, including the offices of the Mayor, City Council Members, City Attorney, and Auditor & Comptroller; and

WHEREAS, the City solicited and/or interviewed several firms for the position of Independent Consultant and has determined to retain Edwards Angell Palmer & Dodge LLP

[Firm], with Stanley Keller, a partner in the Firm, having lead and principal responsibility, based upon its national reputation and expertise with respect to municipal debt practices and the legal requirements under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended; and

WHEREAS, the City has entered into an Agreement with the Firm to provide Independent Consultant Services; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

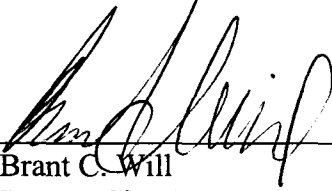
Section 1. That the Auditor and Comptroller is authorized to appropriate and to transfer up to \$1,417,400 from the City's General Fund Unallocated Reserved to the Public Liability Fund to pay the General Fund portion of the above-referenced consultant services.

Section 2. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 3. That this ordinance is declared to take effect and be in force immediately upon its passage after two public hearings pursuant to the authority contained in Sections 71, 275 and 295 of the Charter of the City of San Diego.

Section 4. That the Mayor shall have no veto power over this ordinance pursuant to Section 280(a)(4) of the Charter of the City of San Diego.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 

Brant C. Will
Deputy City Attorney

BCW:ai
01/04/07
Or.Dept:Mayor