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State of Montana
Office of the Governor



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Executive Order No. 5-98

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EXECUTIVE ORDER CONTINUING THE
CAPITAL FINANCE ADVISORY COUNCIL

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WHEREAS, the Montana State Legislature has authorized state agencies to incur debt by issuing notes, bonds, and certificates to the public to support a wide variety of activities in furtherance of various public purposes; and

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WHEREAS, a coordinated approach to issuing obligations would enhance marketing of these obligations by the State of Montana; and

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WHEREAS, it is necessary to present a coordinated strategy to finance Montana's capital investment to the rating agencies to enhance the credit ratings of obligations issued by the state; and

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WHEREAS, it is desirable to communicate to investors, underwriters, and credit analysts the state's debt management policies and financial plans so that these market participants understand the state's management and control of debt issuance practices; and

WHEREAS, it is desirable to maintain a council whose purpose is to review, analyze, coordinate, and harmonize the

1 borrowing patterns of the state.

2 NOW, THEREFORE, I, MARC RACICOT, Governor of the State of
3 Montana, by virtue of the authority vested in me in accordance
4 with Section 2-15-122, MCA, do hereby continue the Capital
5 Finance Advisory Council.

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7 I. DEFINITIONS

8 As used in this Order, the following terms have the
9 following meaning:

10 1. "Council" means the Capital Finance Advisory Council.

11 2. "Issuer" means any state agency that issues
12 obligations authorized by state law.

13 3. "Agency" means any state agency under the authority of
14 the Governor as enumerated in Title 2, chapter 15,
15 MCA.

16 4. "Obligations" means notes, bonds, or certificates
17 issued or to be issued by any state agency to finance
18 one or more activity, program, or project, including
19 obligations issued in anticipation of taxes, income,
20 or revenues derived from any source or to redeem or
21 refinance outstanding obligations.

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23 II. COMPOSITION

24 The Governor shall appoint 13 members to the Council. The
25 members shall serve at the pleasure of the Governor. The names
26 and addresses of the members shall be submitted by separate
27 letter to the Secretary of State and the Department of
28 Administration.

1 The Director of the Department of Administration shall
2 chair the Council, and the Council is attached to the department
3 for administrative purposes. Employees of the Department of
4 Administration shall serve as staff to the Council as directed
5 by the chairperson.

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7 III. DUTIES OF THE ADVISORY COUNCIL

8 1. The Council shall:

- 9 a. provide continued oversight of state obligations
10 and review the form of obligations to ensure
11 consistency with authorizing legislation and
12 state financial policies;
- 13 b. prepare a state debt management plan and review,
14 analyze and monitor the trends in state
15 obligations to provide information to issuers to
16 make informed decisions about financing methods
17 and the structuring and timing of obligations;
- 18 c. compile and continually update a statewide master
19 debt issuance schedule from agency financing
20 plans to facilitate coordination of debt issues;
- 21 d. advise and make recommendations to the Governor
22 as it deems appropriate; and
- 23 e. notify members of the Board of Examiners of all
24 meetings, invite Board participation, and keep
25 the Board informed about Council activities.

- 26 2. The Council may not supersede the activities or
27 authority of independent agencies, but shall serve as
28 a coordinating council to provide a formal linkage of

1 information among and between state obligation
2 issuers, thereby serving as an effective mechanism to
3 promote fiscal management.
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5 IV. DUTIES OF STATE AGENCIES

- 6 1. To assist the Council in preparing a master obligation
7 schedule, each issuer shall submit, as requested, a
8 financing plan identifying the amounts to be borrowed,
9 keep approximate time of debt issuance, a description
10 of the projects or programs to be financed, an
11 explanation of the security structure supporting the
12 proposed obligation, and an explanation of the purpose
13 of the financing, along with the key features to the
14 extent known.
- 15 2. All agencies shall cooperate with and provide such
16 assistance as the Council may request.
- 17 3. The Department of Administration shall consult with
18 the Council in employing and establishing the duties
19 of a statewide financial advisor.
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21 V. COMPENSATION

22 Members will be compensated as provided in Section 2-15-
23 122(5), MCA. Each board, authority, corporation, or agency is
24 responsible for the expenses incurred by its representative on
25 the Council. The Department of Administration is responsible
26 for the expenses incurred by legislative representatives.
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1 VI. DURATION

2 The Council shall exist for a period of two years from the
3 effective date of this Order unless otherwise ordered by
4 subsequent Executive Order. This Order is effective
5 immediately.

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10 GIVEN under my hand and the GREAT
11 SEAL of the State of Montana,
12 this 25th day of February, 1998.

13 Marc Racicot
14 MARC RACICOT, Governor

15 ANTEST:

16 Mike Cooney
17 MIKE COONEY, Secretary of State