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State of Montana
Office of the Governor

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Executive Order No. 6-96

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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

1 WHEREAS, it is desirable to maintain a council whose
2 purpose is to review, analyze, coordinate, and harmonize the
3 borrowing patterns of the state.

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

8 I. DEFINITIONS

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

- 11 1. "Council" means the Capital Finance Advisory
12 Council.
- 13 2. "Issuer" means any state agency that issues
14 obligations authorized by state law.
- 15 3. "Agency" means any state agency under the authority
16 of the Governor as enumerated in Title 2, chapter
17 15, MCA.
- 18 4. "Obligations" means notes, bonds, or certificates
19 issued or to be issued by any state agency to
20 finance one or more activity, program, or project,
21 including obligations issued in anticipation of
22 taxes, income, or revenues derived from any source
23 or to redeem or refinance outstanding obligations.

24 II. COMPOSITION

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

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

9 III. DUTIES OF THE ADVISORY COUNCIL

10 1. The Council shall:

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

5 2. The Council may not supersede the activities or
6 authority of independent agencies, but shall serve
7 as a coordinating council to provide a formal
8 linkage of information among and between state
9 obligation issuers, thereby serving as an effective
10 mechanism to promote fiscal management.

11 IV. DUTIES OF STATE AGENCIES

12 1. To assist the Council in preparing a master
13 obligation schedule, each issuer shall submit, as
14 requested, a financing plan identifying the amounts
15 to be borrowed, keep approximate time of debt
16 issuance, a description of the projects or programs
17 to be financed, an explanation of the security
18 structure supporting the proposed obligation, and
19 an explanation of the purpose of the financing,
20 along with the key features to the extent known.

21 2. All agencies shall cooperate with and provide such
22 assistance as the Council may request.

23 3. The Department of Administration shall consult with
24 the Council in employing and establishing the
25 duties of a statewide financial advisor.

26 V. COMPENSATION

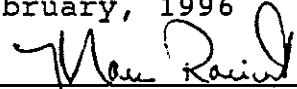
1 Members will be compensated as provided in Section 2-15-
2 122(5), MCA. Each board, authority, corporation, or agency is
3 responsible for the expenses incurred by its representative on
4 the Council. The Department of Administration is responsible
5 for the expenses incurred by legislative representatives.

6 VI. DURATION


7 This Advisory Council shall exist for two years from the
8 effective date of this order unless extended or terminated by
9 subsequent Executive Order.

10 This Order is effective immediately.

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12 Given under my hand and the
13 GREAT SEAL of the State of
14 Montana, this 27th day of
15 February, 1996

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19 MARC RACICOT, Governor

20 ATTEST:

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23 MIKE COONEY, Secretary of State
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