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**State of Montana  
Office of the Governor**

STATE LAW LIBRARY  
MAY 17 1994  
OF MONTANA



**Executive Order No. 7-94**

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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

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

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

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  
7 the 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  
16               authority of the Governor as enumerated in Title  
17               2, chapter 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.

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

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

IV. Duties of State Agencies

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

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

3. The Department of Administration shall consult with the Council in employing and establishing the

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duties of a statewide financial advisor.

V. Compensation

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

VI. Duration

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

This Order is effective immediately.

Given under my hand and the GREAT SEAL of the State of Montana, this 30<sup>th</sup> day of March, 1994

*Marc Racicot*

MARC RACICOT, Governor

ATTEST:  
*Mike Cooney*  
MIKE COONEY, Secretary of State