

Executive Order No. 12-2009

EXECUTIVE ORDER EXTENDING THE  
CAPITAL FINANCE ADVISORY COUNCIL

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WHEREAS, the Montana 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

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

NOW, THEREFORE, I, Brian Schweitzer, Governor of the State of Montana, by virtue of the authority vested in me under the laws and the Constitution of the State of Montana, do hereby extend the Capital Finance Advisory Council.

I. DEFINITIONS

As used in this Order, the following words have the following meanings:

- A. "Council" means the Capital Finance Advisory Council.
- B. "Issuer" means any state agency that issues obligations authorized by state law.
- C. "Agency" means any state agency under the authority of the Governor as

enumerated in Title 2, chapter 15, MCA.

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

## II. PURPOSE

The purpose of the Council is to assist the State of Montana in promoting sound fiscal management by maintaining a coordinated, consistent approach when agencies are incurring debt through obligations.

## III. DUTIES OF COUNCIL

### A. The Council shall:

1. review state obligations, including the form of obligations, for consistency among the obligations and with authorizing legislation and state financial policies, and make recommendations to issuers based on the review;
2. review, analyze, and monitor the trends in state obligations to provide information to issuers to make informed decisions about financing methods and the structuring and timing of obligations;
3. compile and continually update a statewide master debt obligation schedule from agency financing plans to facilitate coordination of debt issues;
4. recommend to the Department of Administration a state debt management plan;
5. advise and make recommendations to the Governor, as appropriate; and
6. notify members of the Board of Examiners of all meetings, invite Board participation, and keep the Board informed about Council activities.

- B. The Council may not supersede the activities or authority of agencies, but shall provide advice and information to and among state obligation

issuers.

#### IV. DUTIES OF AGENCIES

- A. To assist the Council in preparing a master debt obligation schedule, each issuer shall submit, as requested by the Council, a financing plan identifying the amounts to be borrowed, approximate date 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.
- B. All agencies shall cooperate with and provide such assistance as the Council may request.
- C. The Department of Administration shall consult with the Council in employing and establishing the duties of a statewide financial advisor.

#### V. COMPOSITION

The Council shall consist of not more than 15 members, appointed by and serving at the pleasure of the Governor. The Director of the Department of Administration shall chair the Council. The Attorney General (or designee) and the Secretary of State (or designee) shall also be members of the Council. The names and addresses of the remaining members shall be submitted by separate letter to the Secretary of State and the Department of Administration.

The Council is attached to the Department of Administration for administrative purposes. The Department shall assist the Council by providing staff and other resources and information as necessary to carry out the Council's purpose.

#### VI. COMPENSATION

Council members eligible for compensation under § 2-15-122(5), MCA, shall be compensated by the Department of Administration in an amount to be determined by the Department head, not to exceed \$50 for each day in which the member is actually

and necessarily engaged in the performance of Council duties. All members shall be reimbursed for travel expenses pursuant to § 2-15-122(5), MCA.

VII. DURATION

The Council shall exist for a period of two years from the effective date of this Order. This Order is effective immediately.

GIVEN under my hand and the GREAT SEAL of the State of Montana this 29 day of October, 2009.

  
BRIAN SCHWEITZER, Governor

ATTEST:

  
LINDA McCULLOCH, Secretary of State