

Mutual Benefits, Miles Apart

Wisconsin's banking industry addresses challenges, opportunities in remote work

By Amber Seitz



Eric Walters' morning commute only takes him a few minutes, even though his job is over 300 miles away. Walters, vice president of credit administration at Madison-based Settlers bank, is among the growing number of bankers who work remotely on a regular basis. He has been working remotely since February 2011, when his family needed to relocate from Madison to Marquette, Mich. Despite only working for

Settlers for a year and a half, Walters decided to pursue telecommuting as a way to keep his role with the bank. He proposed the arrangement to his manager and the bank's executive team. "They ran with it, and I was as surprised as anyone!" Walters said. "The transition worked so well, it's now been seven and a half years of working remote, and I love it."

Walters is one of the estimated nine million Americans working from home at least

half-time (2.9 percent of the total U.S. labor force).* That number rises dramatically when you include occasional remote work—43 percent of American employees reported working remotely in 2016.** As more and more companies begin offering remote work opportunities as an employee benefit, the banking industry will need to adapt its historically conservative stance on the issue in order to attract and retain top talent.

(continued on p. 23)

Beyond Salary: Attracting and Retaining Through Unique Benefits

Why and how to incorporate ancillary benefits into your compensation package

By Amber Seitz

The global workforce shortage now impacts nearly half of all employers. According to Manpower Group's 2018 talent shortage report,* 45 percent of employers say they can't find the skills they need, up from 40 percent in 2017 and the highest figure in over a decade. In Wisconsin,

the unemployment rate has plunged to an historic low and many businesses are struggling to find talent. "We have a saying at MRA: *the war for talent is over, and the candidates have won,*" said MRA Director, Total Rewards **Deborah Schultz**, GPHR, SPHR, SHRM-SCP. Traditional,



benefits package can make a huge difference, especially in the current environment of small salary increases."

As a result, many employers—including banks—are turning to ancillary benefits in an effort to stand out to the most qualified job seekers. "Organizations, banks included, are taking more of a total rewards approach," Schultz explained. "In the competitive talent community today, it's all about differentiation." Ancillary benefits are the "extras" beyond the retirement, health insurance, and life insurance products that round out a traditional rewards package,

cookie-cutter benefits aren't effective attractors for today's empowered candidates. "The one-size-fits-all approach no longer works well with benefits," said **Brian Siegenthaler**, director – sales at WBA Employee Benefits Corporation. "Employees are looking for flexibility and choice. The right

(continued on p. 20)

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Message from the Chair

Working Together to Support Wisconsin Businesses and Consumers

By David P. Werner

On August 16, we celebrated the Thirteenth Annual WBA Chairman's Membership Appreciation Golf Outing, and I would like to reiterate some of my remarks from that event.

First, thank you to my fellow bankers. Your decision to support our industry through your membership in our association demonstrates not only your commitment to Wisconsin's banking industry, but also to your customers and communities. We all work every day to improve the lives of our customers and neighbors... but the rest of the world isn't always aware of the good that we do.

As an industry, as an association, and as individual bankers, we need to do a better



Message from the Chair

David P. Werner

Reminder: If you haven't nominated a volunteer Advocacy Officer at your bank yet, please contact WBA's Jon Turke at jturke@wisbank.com or 608-441-1215.

job of painting the whole picture for elected leaders, customers and maybe even ourselves. We provide a wide array of banking and advisory services that we simply don't do a good job of describing or

talking about. So, the next time you're at a tailgate or barbeque, don't hesitate to talk about the businesses you've helped to grow or the families you've helped realize the dream of homeownership. Those are stories we need to tell.

Also, I would be remiss if I did not express my thanks and appreciation to the stellar companies who partner with the WBA as Associate Members. You help us to meet the higher expectations of our customers in today's "Amazon" age. The products and services you provide help us better serve our customers and allow us to focus on the area where we bring real value: the personal touch we provide through advice and developing the relationship. That's how, together, we help

See Golf Outing photos on pgs. 10-11 of this issue.

Wisconsin's consumers and businesses succeed.

We all know that disruption is occurring and agree that change is inevitable. How we react and adapt to those changes is what defines our banks and our industry. I choose to see the future as full of opportunities, rather than challenges. With your help and support, I look forward to tackling the many challenges in front of us, but more importantly, taking advantage of the many opportunities that lie ahead.

Werner is president and CEO of Park Bank, Milwaukee and the 2018-2019 WBA Chair.

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Everything You Need to Know About Wisconsin’s Budget Process

And some things you don’t, but are interesting anyway...

By Jon Turke

We are still weeks away from the November election. The Wisconsin State Legislature adjourned the 2017-2018 legislative session only a few months ago. Representatives for the 2019-2020 legislative session are still a quarter of a year away from even taking the oath of office. We aren’t even sure who the next governor is going to be. Yet right now, Governor **Scott Walker** and his administration are making the preparations to introduce the next budget to be in place for July 1, 2019. In Wisconsin, the wheels of government seem to never stop churning.

The Wisconsin budget process is significantly different than the process at the federal level. For starters, the state constitution requires the governor and legislature to pass a balanced budget. While this clearly has not always been the result—due to budget gimmicks and economic growth estimates that do not always pan out—at least on paper the numbers must balance.



Advocacy Update

Jon Turke

Additionally, Wisconsin operates on a two-year budget cycle while the U.S. Government, when actually able to agree, operates on a one-year budget. The two-year budget cycle has worked so well for Wisconsin and other states that former Congressman **Reid Ribble** (R-Wis.) authored legislation to change the federal budget to a biennial one. While his bill passed out of committee in the House with a bipartisan vote in March 2015, it failed to gain further traction.

Further, the budget process starts with the executive branch rather than the lower house of the legislature. This is where we find ourselves now. Governor Walker has issued his budget instructions

to the various departments of government. Walker has instructed state agencies to assume there will be zero growth in General Purpose Revenue (GPR) appropriations. In other words, he wants agencies to submit budget requests that are not any higher than their budgets were two years ago, even though inflation and other factors have pushed costs up. Some areas are exempt from the freeze including state support for K-12 schools, Medicaid, and employment services for those with disabilities, among others.

Agencies will submit budget requests to the Department of Administration for review in the fall. Should Governor Walker lose in November, the Democrat who replaces him will have a significantly shorter timeline to fill the budget with his/her priorities. While many agencies’ budgets do not change whether it is a Democrat or Republican governor, the larger agencies are often more susceptible

to political calculations to determine their budget.

Whoever the governor is, they will submit their final budget to the legislature early in 2019, kicked off by a joint address to both the Assembly and Senate. That very night, the Joint Committee on Finance will convene and officially vote to introduce the budget and begin the legislature’s voice in the process.

The biennial budget is the single most important piece of legislation that passes during the two-year session. This massive document contains the vast majority of the fiscal and non-budgetary policy changes that affect you. As you consider items to include, change, or remove as more details are put forth over the next six months and beyond, be sure to let your government relations team know! Contact me anytime at 608-441-1215 or jturke@wisbank.com.

Turke is WBA director – government relations.

New Investment, Payments Services Available for WBA Members

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WBA Associate membership should not be construed as an endorsement of the company’s products or services by the WBA.

Industrial Hemp in Wisconsin

State law creates pilot program, leaves federal regulation hazy

Has Wisconsin Implemented an Industrial Hemp Pilot Program?

Answer: Yes. 2017 Wisconsin Act 100 (Act) creates a new industrial hemp research pilot program. The Act allows Wisconsin farmers to obtain a permit to grow and sell industrial hemp. The program is administered by Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP). Participants that obtain a license, and follow DATCP's requirements, are exempt from criminal prosecution, and products made from industrial hemp, including CBD, are lawful.

Financial institutions with customers participating in the program should become



Compliance Q&A

Scott Birrenkott

familiar with the requirements. While the Act does not require financial institutions to police participants, it is still prudent to ensure customers are operating within the law. Such accounts should be treated as a greater compliance risk. Financial institutions will also want to closely monitor their loan customers. For example, DATCP may require farmers who violate their requirements to destroy their crop.

Visit www.wisbank.com to learn more about this topic and other compliance-related issues.

While the Act permits the possession, production, and sale of hemp and CBD oil in Wisconsin, there is a lack of clarity as to how industrial hemp is regulated on a Federal Level. Federally chartered institutions will want to discuss the matter with their regulator.

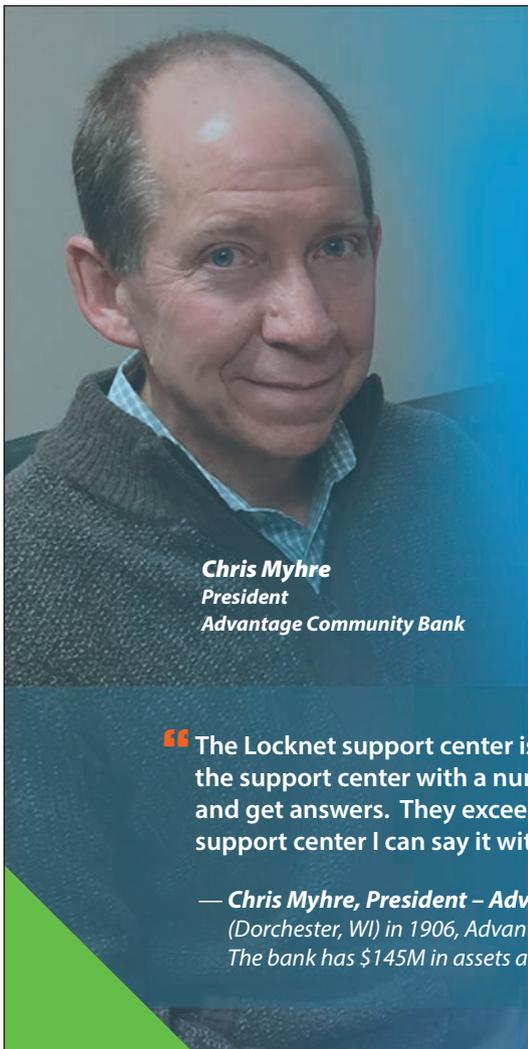
WBA hosted a webinar on the topic of industrial hemp which can be accessed on our website: <https://wba-storefront.myshopify.com/products/wba-industrial-hemp-in-wisconsin-what-do-bankers-need-to-know>

WBA also recommends reviewing the Act: <https://docs.legis.wisconsin.gov/2017/related/acts/100>

The Wisconsin Department of Justice issued a notice on industrial hemp: <https://www.doj.state.wi.us/news-releases/ag-schimmel-and-stakeholders-resolve-questions-surrounding-datcp-industrial-hemp>

Birrenkott is WBA assistant director – legal. For legal questions, please email wlegal@wisbank.com.

Note: The above information is not intended to provide legal advice; rather, it is intended to provide general information about banking issues. Consult your institution's attorney for specific legal advice or assistance.



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— **Chris Myhre, President – Advantage Community Bank** Originally founded as Dorchester State Bank (Dorchester, WI) in 1906, Advantage Community Bank has expanded to Wausau, Mosinee and Edgar, WI. The bank has \$145M in assets and 28 employees.

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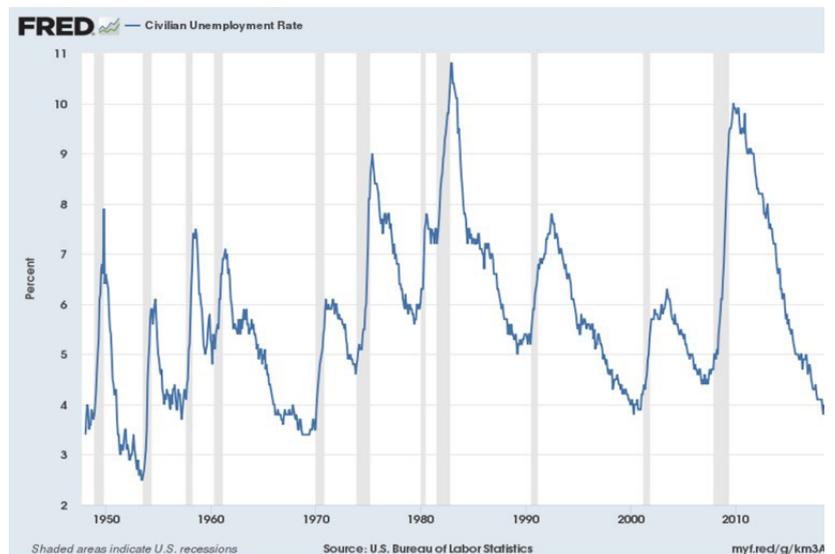
By Brett Patten, Vice President – BOK Financial Institutional Advisors

The National Bureau of Economic Research (NBER) declared the current economic expansion began in June 2009. The NBER also reports the average duration of the 11 economic expansions since 1945, prior to this one, was 58.4 months. Doing the math, we are experiencing an extraordinarily long recovery! In fact, only the 120 month, 1991-2001 expansion is longer than the current recovery.¹ At the same time, U.S. unemployment, at (or below) 4%, sits at levels visited only four previous times post World War II,² each of which was followed by varying degrees of economic retraction. History, thus would say a slowdown could be around the corner. Bulls will point to late cycle fiscal stimulus in the form of infrastructure spending and tax cuts, as a reason for the good times to continue. Bears will point to a flattening yield curve and say recessions develop, historically, about 12 months after the lowest level in unemployment.

Avoiding the Triple Threat

As the yield curve continues to grind flatter, client conversations reveal on-balance sheet liquidity is largely tightening and loan competition remains robust, despite tighter credit spreads. In a broader context, while the economy chugs along, bank stocks have lagged. This is at a time of record industry profits.³ In the first half of 2018, the XLF, an ETF tracking the nation's largest institutions, underperformed the S&P 500 by more than 6%. Perhaps the market sees a forward operating environment for Financial Institutions which is becoming more difficult than the recent history?

Institutions in an asset sensitive position today perhaps have the most on the line. Despite record current earnings, these institutions face the possibility of multiple earning headwinds should rates fall due to a recession. Margin, by definition



would decrease in a flat or falling rate environment, threat number one. Loan losses could increase, threat number two. Finally, a changing balance sheet mix, driven by fewer loans in a slowing economy, most likely detracts from asset yield. A triple threat.

While not calling for a recession, we have begun to shift thoughts, if not strategy to the next economic chapter. The time to assess and address viable risks, (i.e. "do something") is when there is time to do something. Adjusting product pricing, balance sheet duration and mix all take time. From an asset liability perspective, it can take time to identify, quantify, discuss and act to mitigate risks. Dusting off more rigorous, forward starting and multi-year down rate shock scenario analyses makes sense, as does a quality Third Party review of your model and process. Active participation by Management in developing, reviewing (and ultimately implementing) model assumptions, with Board review, sets the tone for confidence in strategic decisions made in the future.



BOK Financial Institutional Advisors provides third party asset liability reviews, modeling, consulting, decay rate studies, and investment portfolio strategy and can be reached at **866.440.6515** or learn more at www.bokfinancial.com/institutions.

¹ <http://www.nber.org/cycles> ² <https://fred.stlouisfed.org/series/UNRATE> ³ <https://www.fdic.gov/news/news/press/2018/pr18030.html>

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Guest Column

Wisconsin's Economy Headed in Right Direction Under Gov. Walker

By Jay Risch

As Secretary of the state agency which oversees Wisconsin's state-chartered banks and credit unions, securities industry, and corporate business filing system, I am in the unique position of being able to gauge various measures of Wisconsin's economic health. Before I get into the details, here's the spoiler alert—under Governor **Scott Walker's** leadership, Wisconsin's economy is historically strong and our entrepreneurial climate is excellent.

While other departments tally actual job creation, the Department of Financial Institutions (DFI) tracks the formation of corporations and limited liability companies (LLCs). The number of new business entities formed in Wisconsin in the first five months of 2018 grew by 7.5 percent compared to the same period in 2017. Entrepreneurs seeking investors file reports with DFI's Division of Securities, which gives us additional insight into Wisconsin's economic activity. We regularly see offerings seeking to raise funds for things like exciting new medical technologies and real estate development. Also, Wisconsin was one of the first states to adopt a



Department of Financial Institutions

Jay Risch

legal framework for equity crowdfunding. Crowdfunding is a way to raise capital for a business by accepting investments of small dollar amounts from a larger number of people, typically via the internet. Microbreweries have been the most enthusiastic users of crowdfunding thus far. The fact that Wisconsin is fertile ground for entrepreneurs has been confirmed by others, too. According to the Wisconsin Technology Council, early-stage companies in Wisconsin raised a record \$276 million in 2016 and \$231 million in 2017, the second-highest total ever.

While angel investors, venture capitalists and crowdfunding campaigns get a lot of buzz, traditional "main street" Wisconsin financial institutions remain the backbone of small business and commercial lending. Wisconsin's state-chartered financial institutions are consistently posting double-digit gains in lending growth, another indication of a

robust economy. Wisconsin's community banks' capital ratios and credit unions' net worth are averaging more than 11 percent, which are signs of financial stability and the ability to absorb potential losses. Past-due loan ratios are also way down, showing that borrowers are able to comfortably meet their loan repayment obligations. It's no wonder, then, that the U.S. Bureau of Labor Statistics reports the number of private establishments operating in Wisconsin reached a new record high in the fourth quarter of 2017.

If that weren't enough, now throw in the statewide benefits Wisconsinites will enjoy from the Foxconn project, the largest corporate attraction project in U.S. history as measured

by jobs. In addition to all the cutting edge technology which will be produced at the Wisconsin Valley Science & Technology Park, Foxconn Innovation Centers will house incubators, accelerator labs, venture capital activities, and startup initiatives, according to the company.

When you add all of the above to our rising wages, lowest-ever unemployment rate, budget surpluses, tax cuts, record K-12 education funding, more investment in broadband, and the best-funded pension system in America, it is crystal clear that Wisconsin's economy is absolutely going in the right direction.

Risch is Secretary of the Wisconsin Department of Financial Institutions.

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On August 16, 160 bankers from over 80 banks joined WBA staff and event sponsors on the links at Trappers Turn Golf Club in Wisconsin Dells for the annual WBA Chairman's Member Appreciation Golf Outing. Thank you to all the bankers who participated!

A special thanks to the event speaker **Matt Lepay** (left in blue shirt), eight-time State Sportscaster of the Year and "The Voice of the Badgers,"

for his Badger sports outlook. A few lucky golfers also took home signed copies of Lepay's book *Why Not Wisconsin?* as prizes!

Also, thank you to the 34 event sponsors (listed below) who made this event possible. View event sponsors and more photos at www.wisbank.com/golf2018.

WBA 2018-2019 Chair **David Werner** and WBA President/CEO **Rose Oswald Poels** (top left, flanking Matt Lepay) thank all event attendees and sponsors!



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Excel for CECL Compliance: “Can” vs. “Should”

By Amber Seitz

Preparation is fully underway among Wisconsin’s banks for the new CECL standards, which were issued by FASB on June 16, 2016 and fundamentally change how banks estimate losses in their allowance for loan and lease losses (ALLL). Among other considerations, banks must develop or purchase new systems and/or processes to conduct those calculations. One hotly debated question: whether or not banks can utilize a simpler solution than software, namely an Excel spreadsheet.

The answer: banks *can* use Excel, but that doesn’t necessarily mean they *should*.

» **It’s critical for bank leadership to consider the long-term costs and benefits of each potential solution rather than selecting the least expensive option in the short-term.**

There are several key considerations for banks when selecting a tool for CECL compliance, including the capabilities of that tool, the bank’s complexity, staff expertise, and cost. Prior to any of that, however, bank management must determine which model is the right fit for their institution. “We’ve seen a number of different allowance calculations,” said **Mark A. Zeihen**, assistant deputy controller with the OCC’s Milwaukee/Iron Mt. Field Office. “Banks can use a variety of calculations today and going forward under CECL.” While the more complex models aren’t inherently bad, it is important



» **The answer:** **Banks can use Excel, but that doesn’t necessarily mean they should.**

to select the right tool for the job. “The selection of the methodology is important,” said **Ryan Abdo**, CPA, partner at Plante Moran. “That decision will have a long-term impact. With increased complexity comes increased data requirements and, thus, risk of error, so if you’re an institution that has historically not complicated things, I would advise not complicating them.”

Tom Danielson, principal – financial institutions at CliftonLarsonAllen, LLP, recommends the “remaining life method”—which was outlined in a regulatory webinar on Feb. 27, 2018—as a good starting point for most community banks. If necessary, they can move to a more complex model in the future. “A key consideration is whether the model is right for your organization,” he said. “Does it give you an ALLL computation that is correct, understandable, and easy for you to explain to shareholders, board members, auditors, and examiners?”

Along with selecting the most appropriate model, bank management must evaluate the data capabilities of their chosen solution. “CECL will require

banks to maintain, manage, and store larger amounts of data,” said Zeihen. “Each tool will vary greatly, so it’s important for banks to consider how quickly they can retrieve and tailor reports.” A key component of that evaluation is determining whether or not the bank’s CECL solution integrates with its core. “Whether they integrate with your core processor is a big piece for making sure you have historic data points,” explained **Tom Mews**, president, First National Community Bank, New Richmond, adding that a vendor who can supply industry data is also important.

When evaluating different solutions for CECL compliance, bank management must first consider the level of complexity of the model that best fits their bank’s needs. “When purchasing or building a model, we believe simple banks do not need complex models,” said Danielson. “There are certain pros and cons with each option. Some of the software tools available are more complex than what many community banks need, which could lead to higher costs and some complexities within the model that are not

» **The difficult decision is the analysis of the skillset of your current employees and an honest assessment about the challenges and skills needed to build, maintain, and validate a CECL model using Excel.**

needed by the user,” added **David Braden**, CPA, manager – financial institutions at CliftonLarsonAllen, LLP. “However, the one concern with using an Excel-based model is you might not have enough staff who are comfortable modifying the spreadsheet accurately over time, and maintaining a proper control structure around that process.” Bank management should also keep in mind that their institution’s complexity may change. Software can be more flexible than a spreadsheet by supplying different methodology options, which could be an important feature for growth-oriented banks, according to Abdo. “CECL allows for half a dozen different methodologies that range in complexity,” he explained. “Due to the fact that the more complex the methodology gets, the more data the software needs, that flexibility allows you to start with a less complex methodology and then transfer to a more complex one as you grow without changing products.”

Another important factor to consider is the expertise and time required by bank staff in order to effectively use the chosen tool. “Value the time your people put into managing the components and training backups,” Mews advised. “Under the current CECL requirements, to train multiple people

(continued on p. 13)

CECL Compliance

(continued from p. 12)

under that model is very difficult, with time constraints being the biggest component.” That evaluation is likely one of the most difficult bank leadership will face when it comes to CECL implementation. “The difficult decision is the analysis of the skillset of your current employees and an honest assessment about the challenges and skills needed to build, maintain, and validate a CECL model using Excel,” said Danielson. “Many banks may conclude that while it’s possible, it’s not cost-beneficial to do.” Staff aren’t the only ones responsible for understanding the model; management are required to fully comprehend how the model works. “Management has to be in charge of the internal control structure, and that escalates as the community bank grows in size,” Braden explained. “The individuals at the bank need to understand how the inputs go into the structure and interpret what the outputs mean.”

Finally, bank management must weigh the costs of a potential CECL solution against its benefits. The key is to include all of the costs involved. “Don’t consider just the initial cost but also the ongoing costs,” said Zeihen, using employee training and implementation costs as an example. “Cost definitely plays into every decision a community bank makes,” said Mews. “We could train one person internally, but because of the in-depth knowledge it takes, it would be difficult to have any backup.” It’s critical for bank leadership to consider the long-term costs and benefits of each potential solution rather than selecting the least expensive option in the short-term. “It doesn’t make sense to pay for more than you need, but one of the poorest business decisions you can make is to buy the

Helpful Resources

- » CECL Teleconference for Bankers: Practical Examples of How Smaller, Less Complex Community Banks can Implement CECL – hosted by FDIC and FRB on Feb. 27, 2018: www.webcaster4.com/Webcast/Page/583/24368
- » OCC Bulletin 2013-29 – guidance for assessing and managing risks associated with third-party relationships: www.occ.gov/news-issuances/bulletins/2013/bulletin-2013-29.html
- » OCC Bulletin 2011-12 – articulates the elements of a sound program for effective management of risks that arise when using quantitative models in bank decision making: www.occ.gov/news-issuances/bulletins/2011/bulletin-2011-12.html
- » 2006 Interagency Policy Statement on the Allowance for Loan and Lease Losses: www.fdic.gov/news/news/financial/2006/fil06105a.pdf
- » BankNet’s CECL section (for OCC-supervised banks only): www.banknet.gov/entrance/default.html

cheapest solution out there and find out later that it is ineffective,” said Danielson. Bank management should also factor in the staff time required to utilize a software solution. “Each institution has someone responsible for loan loss allowance calculation,” Abdo pointed out. “Whether you use Excel or not, that person will still be putting in time documenting and entering data. You still will have to put in time and effort to calculations, no matter what the tool.”

Ultimately, regulators are more concerned about compliance with the principles of CECL than the specific tools being used. “The bottom line is banks will continue to have flexibility in choosing a solution that meets their needs as long as the CECL principles are followed and objectives are met,” said Zeihen. “The OCC isn’t expecting or requiring banks to purchase from a third party vendor or purchase a new system. It’s possible for banks to use the tools they already

» Community banks who want to consider using Excel will need to start very early in building their models so they can develop or hire the skills they need and change course if necessary.

have, but some modifications will be required. We expect them to have proper controls over the input, the appropriate calculations, and controls over changes in outputs.”

If a bank does decide to pursue using Excel for CECL compliance, be sure to leave plenty of time for testing and adjustments during implementation. “Community banks who want to consider using Excel will need to start very early in building their models so they can develop or hire the skills they need and change course if necessary,” said Danielson. “It can be done, but don’t make that decision lightly.”

Seitz is WBA operations manager and senior writer.

Plante Moran is a WBA Silver Associate Member.

CliftonLarsonAllen, LLP is a WBA Bronze Associate Member.

The Consumer Column Has Moved!

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Are you one of the many bankers who leverage the monthly *Consumer Column* from WBA as a tool in your customer outreach? This popular, free resource is now a part of the monthly ePublication *Financial Literacy Review*. All bankers who currently receive the *Consumer Column* via email will continue to receive the publication as part of the *Review*.

The WBA offers *Consumer Columns* for member banks to use as community columns in your local newspaper, letters to the editor, press releases, blog posts, or in any other way they see fit. The purpose is to give our members an easy-to-use tool for promoting the banking industry to Wisconsin’s communities.

Visit www.wisbank.com/profile to sign up to receive the monthly *Financial Literacy Review* and *Consumer Columns*. An archive of columns can be found at www.wisbank.com/consumercolumns.

Bulletin Board

News about people working in Wisconsin's financial institutions

Promotions and New Hires

Aurora

Great North Bank announced that **Kim Van Osdol** (pictured) has joined the bank.



Van Osdol



Jennings



Lorenz



Bilodeau



Roble

Madison

Wisconsin Bank & Trust is pleased to welcome **John Jennings** (pictured), AIF, as business development officer in Retirement Plan Services.



Kuplic



Pieroni



Swanson



Curran



Castillo Huntley

First Business Financial Services, Inc., parent of First Business Bank, announces the appointment of **Kent Lorenz** (pictured) to the Board of Directors of First Business Financial Services, Inc.

Medford

Nathan Bilodeau (pictured) has joined the Forward Bank team in Medford as a relationship manager.

New London

First State Bank announced the addition of **Kyle Roble**

(pictured) to its business banking team.

Oostburg

Oostburg State Bank is excited to announce an addition of **Paul Kuplic** (pictured) in the position of vice president – business banking.

Union Grove

Community State Bank is pleased to announce the addition of Vice President Commercial Banker **Robert Pieroni** (pictured).

Waukesha

Waukesha State Bank is proud to announce the promotion of **Joe Swanson** (pictured) to bank manager of its Meadowbrook Road office in Waukesha. The bank has also hired **David Curran** (pictured) as mortgage consultant, and **Kim Castillo Huntley** (pictured) as vice president – manager of human resources.

Wausau

River Valley is pleased to announce the hiring of **Jim Lahti** (pictured) as executive vice president, business banking.

Wauwatosa

WaterStone Bank recently welcomed **Shae L. Maclin** (pictured) to the newly-created position of vice president, sales empowerment officer.

Retirements

Florence

Cindy Steber (pictured), senior vice president at Great North Bank, retired on July 1, 2018 after nearly 34 years of service.

Baraboo

Judith A (Judy) Garske, executive vice president of Baraboo State Bank, recently retired after 50 years of employment.

(continued on p. 15)

North Shore Bank's Shorewood Branch Hosts Grand Opening



North Shore Bank today announced that it has officially opened its new, full-service, state-of-the-art bank office at 4060 N. Oakland Ave. in Shorewood, on the southeast corner of Oakland and East Kenmore Place. The new office – built not far from where the bank was founded in 1923 – features an updated design concept and new technology that will offer Shorewood area customers more convenient banking options. The bank hosted grand opening events open to the public from Tuesday, August 7, through Saturday, August 11 which included a “Pet Day,” a free sundae social, and culminated in the bank celebrating its 95th birthday. Pictured are: **Shannon Weber**, North Shore Bank Shorewood branch manager; **Erika Lang**, executive director of the Shorewood BID; **Allison Rozek**, Shorewood Village president; and **Jim McKenna**, North Shore Bank chairman and CEO.



BS RECRUITERS

BS Recruiters is an executive search firm providing placement services to banks in the Wisconsin market that seek top-caliber talent.





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The keys to our long success are our industry experience, personal commitment, and professionalism of our recruiters. We enjoy long-term relationships with the great majority of our clients because of our commitment to provide them with the highest level of service.

Have good news? To submit a notice, please email bulletinboard@wisbank.com. Or mail entries to *WBA Bulletin Board*, 4721 South Biltmore Lane, Madison, WI 53718. Send photos as JPEG files. Questions? Contact WBA's **Amber Seitz** at 608/441-1237 or aseitz@wisbank.com.

Bulletin Board

News about people working in Wisconsin's financial institutions

Announcements

(continued from p. 14)

Lake Geneva

Community State Bank is pleased to announce the relocation of its Lake Geneva office, currently located at 580 Broad Street, Suite B, to 200 Interchange N., Lake Geneva, Wisc. The new office is set to open on Sept. 4, 2018.

Marinette

The Stephenson National Bank & Trust recently



Lahti



Maclin



Steber

awarded scholarships totaling over \$14,000 to local high school, college, and university students. These scholarships recognize the achievements of outstanding area students. SNBT hosted two-scholarship receptions to honor recent graduates from the area.

Markesan

Markesan State Bank was proud to present a donation totaling \$500 to the Leukemia and Lymphoma Society in honor of **Macy Zacharias**. This money was raised during MSB's employees' May "Denim Day." Every month

bank employees can choose to participate in the identified chosen not-for-profit cause. In exchange for wearing denim for the day an employee donates \$5 for the privilege of wearing denim to work on a set day.

West Salem

On August 3, Union State Bank in West Salem celebrated 115 years in the industry with a customer appreciation celebration.

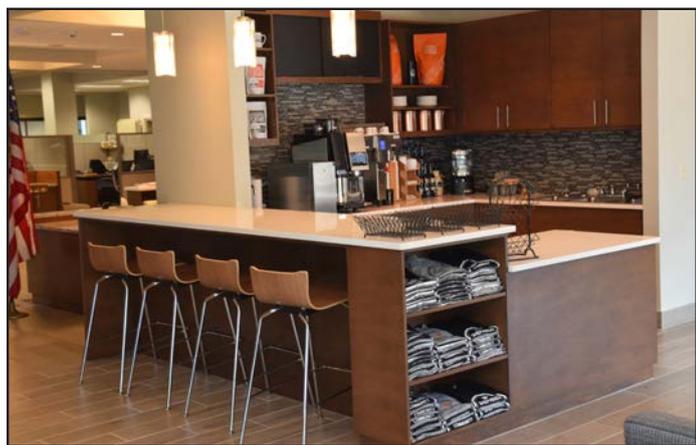
WBA, Inc. Staff Extend Thanks to Banks for Their Membership



WBA, EBC, FIPCO, and MBIS staff gathered at the WBA Chairman's Member Appreciation Golf Outing on August 16 to greet golfers as they headed out to the links and to also thank them for being WBA members. Pictured (left to right): **Brian Siegenthaler**, EBC; **Jeff Otteson**, MBIS; **Melissa Noonan**, MBIS; **Rose Oswald Poels**, WBA; **Pam Kelly**, FIPCO; and **Art Weber**, FIPCO.

» See more Golf Outing photos on [pgs. 10-11](#).

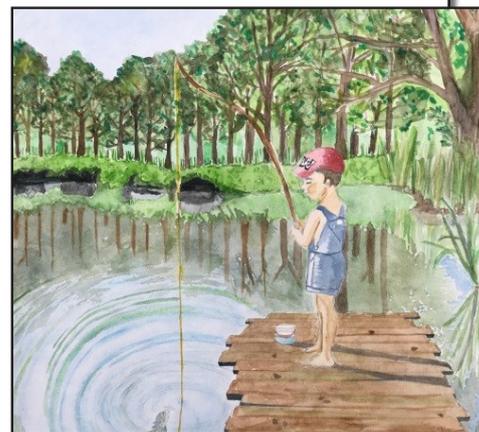
Community State Bank Opens Renovated Office



Community State Bank is pleased to announce that their Union Grove location will be reopening for business on Monday, July 23, 2018. The newly renovated office includes a new drive-through, patio, community meeting rooms, as well as Shepherds Community Café. Shepherds Community Café is a collaboration between Community State Bank and Shepherds College. The café serves a much larger purpose than your traditional cup of coffee. It will provide training and work experience for local students with intellectual disabilities. The Independent Community Bankers of America (ICBA) recently announced Community State Bank as an honorable mention for the 2018 National Community Bank Service Awards for this collaboration with Shepherds College. Pictured: The new Shepherds Community Café.

Royal Bank Breaks Ground for New Lancaster Location

Royal Bank held a groundbreaking event on Wednesday, July 25, at the bank's new location on the



north edge of the City of Lancaster. This new location will allow for additional office space, a modern cash management experience, and a drive-through for enhanced service opportunities for customers. The new branch is slated for completion by January of 2019. To help decorate the new location, Royal Bank held an art contest for area artists to make entries to help decorate their new Lancaster location being built on the north side of Lancaster. Besides being displayed at the new Royal Bank location in early 2019, the entries will also be on display at Schreiner Memorial Library. Over 50 pieces of artwork were submitted for the contest. The first place winner is **Abigail Pierce**, Lancaster. Pictured above: Pierce's winning painting "A Boy Fishing."

Wisconsin Bankers Association

Calendar of Events

September 2018 – November 2018

Visit www.wisbank.com/education to find out more about these programs, register or browse a full list of WBA Education events.

Please direct questions to the WBA Education Department at 608-441-1252 or wbaeducation@wisbank.com.

Conferences

Management Conf. & Expo
Sept. 12-13 | Middleton
(See article on p. 25.)

Secur-I.T. Conference:
*Exploring Bank Operations,
Security, and Technology*
Sept. 25-26 | Wisconsin Dells
(See article on p. 19.)

LEAD360 Conference
Nov. 13-14 | Stevens Point
(See ad on p. 2
and article on p. 22.)

Talent Conference
Nov. 9 | Pewaukee

CFO Conference
Nov. 15 | Madison

Group Meeting

WBA CEOOnly|CFOOnly
Networks Group Meeting
Oct. 19 | Madison

FIPCO Events

FIPCO Compliance & Software
Forum (Loan + Mortgage)
Oct. 18-19 | Stevens Point
(Visit www.fipco.com.)

Schools

Supervisor Boot Camp
Oct. 2-3 | Wisconsin Dells

Personal Banker School
Oct. 16-17 | Wisconsin Dells

Deposit Compliance School
Nov. 5-6 | Wisconsin Dells

> Register online for WBA events at www.wisbank.com/education.

> Register online for FIPCO events at www.fipco.com.

Seminars/Workshops

WBA/Wipfli Foundational
HR Business Forum
Sept. 11 | Madison

WBA/Wipfli Senior
HR Business Forum
Sept. 11 | Madison

Introduction to Call Report
Preparation Seminar
Sept. 11-12 | Wisconsin Dells

Active Shooter/Workplace
Violence Seminar...
Sept. 26 | Wisconsin Dells

BSA Workshops
Oct. 2 | Eau Claire
Oct. 3 | Neenah
Oct. 4 | Madison
(See WBA Featured Events.)

IRA Workshops: Essentials
Oct. 9 | Eau Claire
Oct. 11 | Madison
Oct. 23 | Neenah
(See WBA Featured Events.)

IRA Workshops: Advanced
Oct. 10 | Eau Claire
Oct. 12 | Madison
Oct. 24 | Neenah
(See WBA Featured Events.)

FDIC Community Bank
Directors Workshop
Nov. 7 | Madison
Nov. 15 | Stevens Point

Webinars (online training)

Incident Response
and Forensics
Webinar | Sept. 21

(Register online for webinars at
www.wisbank.com/education.)

WBA Featured Events

BSA Workshops and IRA Workshops

BSA Workshops

Oct. 2 | Eau Claire Oct. 3 | Neenah Oct. 4 | Madison
This is WBA's flagship Bank Secrecy (BSA)/Anti-money laundering (AML) training event. The program is the annual review everyone needs to remember their critical duties. The seminar addresses all key BSA reporting and recordkeeping responsibilities, and the required elements of your AML program from CIP to CDD and EDD. The program content incorporates recent changes and major proposed changes, so you know you'll be up-to-date after attending! The full-day workshop will ensure you're updated on both the basic technical requirements and the philosophies currently affecting on-site examinations. The workshop is designed for practicality and focuses on everyday issues connected to a BSA/AML compliance management effort. Instructors will use "real-world" examples in their presentations and the manual. BSA is one of the few regulations where compliance is so critical it is classified as a safety and soundness issue. Make sure you're prepared for your next exam! Visit www.wisbank.com/events to learn more and register today!

IRA Workshops: Essentials

Oct. 9 | Eau Claire Oct. 11 | Madison Oct. 23 | Neenah
IRA Essentials gives attendees a solid foundation of IRA knowledge. Exercises are included throughout the day to help participants apply information to job-related situations. Attendees will leave this session able to work with IRA owners and process basic IRA transactions with confidence. The workshop will cover topics such as IRA funding, portability, and distributions—including identifying federal income tax withholding requirements, IRS penalties, and distribution reporting deadlines. This is a beginner's session; no previous IRA knowledge is assumed. Attendees should bring a hand-held calculator.

IRA Workshops: Advanced

Oct. 10 | Eau Claire Oct. 12 | Madison Oct. 24 | Neenah
Advanced IRAs builds on the attendees' basic IRA knowledge to address some of the more complex IRA issues that their financial organizations may handle. This is an advanced session; previous IRA knowledge is assumed. The instructor uses real-world exercises to help participants apply information to job-related situations. The course will cover topics such as required minimum distributions, beneficiary options, advanced portability, Roth IRA conversion contributions, and IRA owner tax forms. Bankers who assist clients with retirement planning, compliance specialist with oversight of IRA policies, and marketing personnel responsible for promotional materials that describe services provided by your bank will all benefit from attending.

Please direct any questions about upcoming WBA education programs to WBA's **Miranda Helt** at 608-441-1270 or mhelt@wisbank.com.

WBA's social media efforts focus on communication, advocacy:

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Design the Best Insurance Plan for Your People

Agency model allows WBA subsidiary to offer carrier options

Any well-designed compensation and benefits plan includes insurance options for employees as an incentive used to recruit and retain top talent. Just over two years ago, WBA Employee Benefits Corporation (EBC), a wholly owned WBA subsidiary, expanded the health insurance options available to WBA member banks, making it easier for you to design the perfect plan for the unique needs of your bank and your employees.

On June 14, 2016, the Benefits and Insurance Committee Board unanimously passed a motion to create an agency model for health insurance products. Since then, EBC has continued to offer WPS as a carrier option



Brian Siegenthaler

608-441-1211
bsiegenthaler@wisbank.com

through the WBA insurance trust, but now other options are also available, including large national health carriers such as United HealthCare and Anthem Blue Cross Blue Shield, as well as regional HMOs like Dean Health and Security Health Plan. To date, EBC has contracts with 12 carriers and has placed business with eight different health insurance companies.

So, when it's time for you to review your employee

benefit packages, keep WBA EBC in mind as your industry-specific source for a variety of options.

Of course, EBC will continue to focus efforts on their other non-medical products, including their Dental, Vision, Short-Term Disability, and Long-Term Disability programs. By pooling the WBA membership together with these product lines EBC is able to offer extremely competitive pricing and high-level benefits.

For more information about any of these products or to request a quote, visit www.wisbankins.com. Questions? Please contact **Brian Siegenthaler** at 608-441-1211 or bsiegenthaler@wisbank.com.

Insurance Carriers Available through EBC

- Anthem BlueCross BlueShield
- Arise Health Plan
- Aspirus Arise
- Dean Health Plan
- Group Health Cooperative
- Health Partners
- Humana
- Prevea Health
- Security Health Plan
- UnitedHealthcare
- Unity Health Insurance
- WPS Health Insurance



Wisconsin Bankers Association
 Employee Benefits Corporation, Inc.

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10 Random but Important Questions for Wisconsin Bankers

What to keep your eye on in the third quarter

By Mike Semmann

The performance of the Wisconsin and national economy, combined with a hot political season and multiplied by conflicting business forecasts, leads to some interesting points to consider in the third quarter of 2018. Here are ten critical banking issues to think about as we head into the latter part of Q3.

1. If the Democrats take the majority in the U.S. House of Representatives in the November election,

will Congressman **Sean Duffy** (R-Wausau) be one of the most important voices for the banking industry? It could mean a new role for the House Financial Services Subcommittee Chair.

2. Is Congress tired of going through the process of extending the National Flood Insurance Program? It has done so too many times in the last 18 months. Every session in Congress now seems to go something like this: budget, debt ceiling increase, transportation, Farm Bill, flood insurance and other major appropriations, election. Rinse and repeat.

3. Does imploding Turkey mean a salmonella outbreak heading into Thanksgiving? Does your bank have any exposure to the economy in Turkey?

4. How many cease and desist letters related to credit unions' misleading marketing practices does the WI Department of Financial Institutions need to give out before the state agency starts examining all state-chartered credit unions closely on this business practice?

5. At what point does economic development lending by the state combined with other banking products compel

it to become the State Bank of Wisconsin? A little-known fact about the first successful recall of a governor in the United States: it was over the creation of the North Dakota state bank.

6. Are bankers taking federal regulators' claim that CECL reporting can be accomplished in-house on a simple Excel spreadsheet seriously? If so, please contact Mike Semmann at 608-441-1206 or msemmann@wisbank.com.

7. On the list of economic expansions in the United States, our current expansion ranks second in U.S. post-World War II history at

(continued on p. 20)

Is Your Bank Ready for the Future?

WBA Conference provides cohesive education on operations, security, technology

Whether your goal is to keep your bank at the forefront of technological products and services, to protect your bank and your customers from ever-evolving criminal threats, or to update and streamline your bank's operations, you need to keep your skills and your knowledge sharp. Stay one step ahead of the competition by attending this year's WBA Secur-I.T. Conference. Held September 25-26 in Wisconsin Dells, this conference will bring together banking professionals charged with defending their institutions from both physical and technological threats.

Attendees will benefit from over seven hours of presentations from nationally recognized speakers and local professionals, network with more than 125 banking peers, and meet several exhibitors who offer products and services geared to enhance your banks technology, security, and customer experience. You won't want to



► Visit www.wisbank.com/secure for the full agenda or to register.

miss this great event!

Organized into breakout sessions in three separate tracks—operations, technology, and security—the conference is ideal for bankers who want to customize their own professional development. For example, a veteran security officer who wants to hone his skills and supplement them with education on the IT side may attend mostly security sessions with a few from the technology on the side. Or, an IT officer recently put in charge of all digital security may attend a mix of sessions from both tracks. All attendees have the freedom to choose the sessions that are the best fit for their individual education goals. The conference also features a peer group discussion session

where attendees can choose which group to join based on the topic, offering yet another option for attendees to customize their conference experience.

This year's feature speakers include conference opener **Steve Stasiukonis**, president of Secure Network Technologys, who will present on how hackers might utilize social networking to compromise your bank; **Girish Ramachandra**, senior manager with Wipfli, who's general session will outline what you need to know about fintech/regtech; and closing speaker **Doreen Welsch**, who's presentation *Ninety Seconds to Impact!* will inspire attendees to develop survival skills and manage their personal resources through training,

skill development, and risk management.

Another in-demand session is *Real-Life Applications*, a business continuity panel featuring bankers who have been there, done that and want to share with their peers the importance of having a business continuity plan. Moderated by representatives from UFS, bankers from the Bank of Sun Prairie and Fox River State Bank will share their experiences during this *can't-miss-it* session.

Finally, attendees have the option to join their peers for a bonus session after the conference: *Surviving an Incident of Violence* presented by **Terry Choate** and **Joe Hileman** from Blue-U Defense.

If you are a banking professional charged with defending your institutions from both physical and technological threats, this is a conference you can't afford to miss. Visit www.wisbank.com/secure-it for more information and to register today!

Beyond Salary

(continued from p. 1)

sometimes including other insurance products such as vision or hearing, cancer, and critical illness, or non-insurance perks such as remote

work options and tuition reimbursement.

While quantitative research proving that ancillary benefits cause employees to join or leave an organization is limited, they are a motivating factor that can

keep top talent engaged for a longer period of time. “Many employees put a high value on ancillary benefits,” said **Ed Caillier**, human resources director, MRA. For many employees, the benefits carry

more weight than salary alone. “Better benefits are usually more valuable than higher-than-average pay,” said **Kaydi Sobottka**, human resources officer at The First National Bank of River Falls.

(continued on p. 21)

2018 WISCONSIN BANKING INDUSTRY COMPENSATION & BENEFITS SURVEY

Do you need easy-to-understand, usable, and meaningful compensation and benefits data about Wisconsin’s banking industry? As a banking HR professional, of course you do! Now available to you, the 2018 Wisconsin Banking Industry Compensation & Benefits Report is the largest Wisconsin-specific report, containing salary and benefit information for 113 different jobs with data from 111 participating Wisconsin banks! Please visit www.wisbank.com/WICompensation for a sneak peek at this year’s data and to order your report.



» Visit www.wisbank.com/WICompensation.

10 Random Important Questions

(continued from p. 19)

108+ months, but why does it rank second-to-last in annual employment growth and annual GDP growth (at 1.4 percent and 2.2 percent respectively)?

8. In December 2017, WBA shared the results of its CEO survey that showed 70 percent of Wisconsin bank CEOs believed that passing a regulatory reform bill was more important than passing a tax reform bill. If the same survey question was asked today, would it score the same?

9. The NFIB Small Business Optimism Index rose slightly in July. This is just a fraction below the record level (108.0) reached in 1983. Thirty-two percent of business owners surveyed said the next three months was a good time to expand, three points higher than last month’s reading. How will this impact commercial lending in Wisconsin?

10. Does your bank have customers in California? A new California law, which takes effect in 2020, mandates a wide variety of new protections for consumers, including the right to be informed about data collection, the right to know how that data will be shared with third parties, and the right to opt out of data collection and demand that companies delete data that has already been collected.

What are you pondering this quarter? Let Mike know! He can be reached at msemmann@wisbank.com or 608-441-1206.

Check out more food for thought at www.banconomics.com, including geographical economic data from the Federal Reserve Bank of St. Louis.

Semmann is WBA executive vice president – chief operations officer.

Ancillary Benefits

Across industries, organizations have added a wide variety of ancillary benefits to their rewards packages. Here are a few of the most common and creative:

» Additional Insurance

Siegenthaler said offering dual or triple option health plans is one innovative approach he’s seen. “Offering voluntary or supplemental coverages that allows the employee to pick and choose what’s most important to them is also a good option,” he said. Providers like Aflac often offer this type of coverage at no cost to the employer. In a recent banking industry survey, MRA found that cancer insurance and critical illness insurance were two popular ancillary benefits; vision and/or hearing insurance are also fairly common.

» Flexibility

“We’ve definitely seen an influx of the kinds of benefits that work toward work/life flexibility,” said Schultz, who says the term “work/life balance” is difficult as a goal because each individual brings his or her own definition. Additionally, MRA employer surveys have found that opportunities for time off and social interaction are very popular, especially among younger workers. Greinke cited spontaneous time off to

leave early, summer hours, teambuilding events, and sporting events as examples.

» Paid Volunteer Hours

Having paid time off to volunteer in the community “can tie in with the overall mission, vision, and values of the organization,” said Caillier. “Building communities is a large part of what the financial industry is about.” A related benefit banks might consider is charitable contribution gift-matching.

Wellness Programs

A company-sponsored wellness program is a good way to incentivize healthy living, and several banks have found them very popular with their employees. “Our wellness program has been incredibly successful,” said Sobottka. “It’s become a main pillar of our culture, aiding retention.” Long-term, such programs can also lead to healthier employees and therefore lower insurance costs and less productivity lost due to sick days.

Beyond Salary

(continued from p. 20)

Five Keys to Success

If your bank is considering complementing your total rewards package by adding ancillary benefits, consider the following five keys to a successful rollout:

1. Align with the bank's mission and strategy.

The most successful benefits packages closely align with the company's strategic plan and also reinforce its mission and/or values, and often it's the ancillary benefits that do the most to create that synergy. "Benefits encompass more than insurance, 401(k) plans, and PTO," explained **Molly Bauer**, vice president – human resources officer at the Bank of Wisconsin Dells and Chair of the 2018-2019 WBA Human Resources Committee. "Culture and benefits are tightly entwined." For example, if the bank has a strong culture of community service, then paid volunteer time might be a good ancillary benefit to introduce. "Make sure you stay in alignment with the culture you're trying to create and your business strategy," Schultz advised.

2. Determine what the bank can afford.

Careful cost analysis is a critical component in launching any changes to a compensation and benefits plan. "Organizations need to do a careful assessment of what the organization can afford and sustain," said Schultz. Many banks provide benefits in an unofficial capacity, so it is important to factor in those costs, as well. For example, Bauer knows of one bank that offers unlimited bereavement leave simply because "for them, it's just the right thing to do," she said. "Generally,

community banks look out for their employees in times of need. It's not always just about the written benefits." In order to offer that kind of support and flexibility, the bank needs to understand the costs it will need to absorb in order to do so. Working with the right vendor can help keep costs in check, Siegenthaler says. "Partnering with the right carriers is important," he explained. "Price is, of course, a major consideration, but working with a partner carrier that understands our industry is key."

3. Communicate clearly, early and often.

Human resources leaders must establish clear communication with all staff before, during and after the implementation of any changes. "It's really all about communication," Siegenthaler said. "If employees don't understand how to utilize the benefits, the value of the programs isn't fully realized." In addition to increasing utilization, open communication can provide direction on what kinds of benefits employees will appreciate the most. "Doing an employee survey is a great way to cast a net out there to gauge interest in different types of ancillary benefits," said **Kelly Greinke**, survey project lead at MRA.

4. Involve staff.

Every company will have a unique benefits package because no two employees need the same things. "There is no one-size-fits-all package," said Bauer. She recommends polling staff or creating a committee with all levels of the organization represented to discuss benefits. "Most people are willing to tell you what they like and don't like if you ask," she said. Involving staff in the design

and implementation of a custom benefits package not only increases the changes that package will meet the specific needs of your staff, but also provide the right number of choices so employees can further customize their options to fit their situation. "Each employee is uniquely different," said Sobottka. "Choice is key to meeting the needs of each employee."

5. Demonstrate support from the top.

Like any significant change at the bank, support from senior leadership is critical to rolling out new or updated benefits successfully. "Senior leadership's visible support and actions around a company's benefits program is very important in overcoming

skepticism," said Caillier. He used the example of paid time off to volunteer. "If that's not fully supported by senior leaders with their words and actions, employees will view it as something they shouldn't take advantage of," he explained.

Seitz is WBA operations manager and senior writer.

Cathy Yanke, human resources director at Bank of Prairie du Sac, and Kari Davis, vice president – human resources director at State Bank of Cross Plains, also contributed to this article.

WBA Employee Benefits Corporation (EBC) is a wholly owned subsidiary of the Wisconsin Bankers Association.

** <https://go.manpowergroup.com/talent-shortage-2018#thereport>*

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2018 | WISCONSIN BANKERS ASSOCIATION RETAIL BANKING SECTION SCHOLARSHIPS

Five high school students receive funding for higher education

Each year the WBA Retail Section awards five \$1,000 scholarships to Wisconsin high school seniors who will be furthering their education at a Wisconsin state accredited college, university or state operated technical school. Five awards of \$1,000 each were given to qualified applicants in the following categories: academic achievement; financial need; a student who has a career goal in the financial services industry; a student who will attend a technical college to obtain an associate degree; and the Retail Section Committee Award.

The scholarships are only awarded to an employee or the child of an employee at an in-state location of a WBA Retail Banking Section member institution.



Congratulations scholarship recipients! | Good luck in your future endeavors!

- » **Katherine (Katie) Kaufmann** is an employee of Horicon Bank and will attend UW-Madison.
- » **Morgan Mohler's** mother is an employee of Waumandee State Bank. She will attend Viterbo University.
- » **Abigail Nelson** is an employee of Black River Country Bank, Melrose and will attend Western Technical College.
- » **Joel Spitzer** is an employee of the Bank of Galesville and will attend UW-Eau Claire.
- » **Adrianna Tupper's** mother is an employee of the Bank of Luxemburg. She will attend UW-Madison.



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Full-Circle Development for Bankers Customize your learning experience at the WBA LEAD360 Conference

Professional development is a key component to success in any field, and the rapidly changing financial services industry is no exception! Stay on top of your game by attending the 2018 WBA LEAD360 Conference, scheduled for November 13-14 in Stevens Point. This conference offers keynote sessions that will address topics and issues of interest to bankers in marketing, retail banking, sales, and consumer education roles.

Attendees can also customize their learning experience by selecting from 12 different breakout sessions focused on a wide variety of topics, including effective communication and tactical deposit growth,



so attendees can pick and choose what sessions best fit their needs and interests. In addition, each track will feature the ever-popular speed networking sessions, where bankers gather with their

peers to exchange ideas and discuss hot topics. As an added benefit, every attendee will receive access to all conference materials, including the breakout sessions they do not attend.

The first speakers announced for the general sessions are:

» **Joe Sullivan**, CEO and founder of Market Insights – *Deepening Human Connections in an Increasingly Digital World*

» **Spencer X. Smith**, speaker, instructor, and author – *Social Media Advertising on a Community Bank Budget*

» **Chad Kopitzke**, founder of NeXtGen Advantage – *Ketchup or Mustard: What Are You Selling?*

Join us in November for this can't-miss-it conference!

Visit www.wisbank.com/LEAD360 for more information about the conference and to register today!

Telecommuting

(continued from p. 1)

Adopting a more permissive stance on working remotely provides tangible benefits for both the bank and its employees, so long as both parties work to address three key challenges.

Bank Point-of-View

Banks that are considering allowing remote work must weigh the potential risks—including employee productivity and security concerns—against one major benefit: standing out in the talent market. “We’re going to have to become much more creative and flexible in offering telecommuting, especially with the millennials and the shortage of employees, if we want to attract and retain quality employees,” said **Sue Mares**, senior vice president – human resources/administration, Premier Community Bank, Marion. “This is one of the benefits they are looking for when searching for a job.” And they’re finding it. A 2017 Deloitte survey found 64 percent of millennials report having “flexible locations,” up from 21 percent in 2016. ***

In today’s tight labor market, it can be especially difficult for employers to attract talent to rural areas. “It gives us the opportunity to attract candidates who would not have otherwise applied, or to retain employees because of that opportunity,” said **Renee Peterson**, talent acquisition and development officer at Horicon Bank. Other benefits for banks that permit remote work include a reduced need for expensive office space, less wasted “windshield time” for employees with long commutes, and staff involvement in communities and markets where the bank currently doesn’t have a presence but may want to enter in the future.

One of the primary barriers banks face to implementing more robust remote work policies is the very nature of being a service industry. “It’s a little more difficult in the banking environment to implement telecommuting for all employees because of the fact that we are a financial services organization,” said Mares. “For many of our positions, we need to be in front of our customers to portray our image that we are

which doesn’t require working outside the office on a regular basis. In fact, the Gallup report** found most individuals who report working remotely do so infrequently—25 percent say they work remotely less than 20 percent of the time, and 20 percent say it’s between 20 and 40 percent. That flexibility is important to a growing number of workers, as well. Over half of the employees surveyed by Gallup** (53 percent) say a role that allows

staying connected to other staff and the culture of the bank. While Walters returns to Madison every four or five months for an on-site day, it’s not a substitute for the many social interactions coworkers have that leads to feeling connected. “One way to make remote staff feel connected is using video conferencing tools,” he said. “Being able to see the other person makes you feel like you’re there.”



WBA Survey (2018)

here to serve them.” Many customer-facing positions in banking are difficult—if not impossible—to perform well outside of a branch. “Thinking about banking and how much we assist our customers in person, people have the mindset that you need to be in a branch, and sometimes that’s true but not always,” Peterson explained. “There just aren’t as many positions in banking where someone could work remotely.”

Staff Perspective

For the employee, working remotely provides flexibility and demonstrates the bank’s confidence in them. The additional autonomy allows the employee to balance family, social, and work obligations,

them to have greater work-life balance is “very important” to them when considering whether to take a new job.

Another significant benefit to the employee is the empowerment that comes with the bank’s demonstration of trust. “You know that the institution has to trust you on a fairly substantial level to allow you to work remotely, both with respect to productivity and data security. Having that trust is a very big appreciative factor for me,” said Walters. “It shows the bank is willing to grow with me. When you’re looking at whether your employer values you, that’s a huge impact.”

One unique challenge telecommuters face is difficulty

Key Challenges to Address

In order to implement remote work successfully, banks and their employees must work together to overcome three primary challenges, each of which should be addressed in the bank’s formal policy (if there is one). The first challenge is to clearly define “remote work” and set guidelines for where and when employees may choose to work outside the office. “Have clear guidelines and expectations,” Peterson advised. “When you’re rolling out something like this, you need to have the qualifications and follow-up laid out. That makes it easier to decide what positions and employees can work remotely.” When considering this question, bank leadership should remember that “working remotely” could mean working from a different branch location than the rest of that employee’s department, for example. One bank responding to a recent WBA survey said they require employees to have a home office or dedicated workspace in order to work remotely. Another supplies tablets that allow employees to securely connect to their in-branch workstations. The bank and employee must determine which of the many types of remote work are the best fit for their situation.

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Telecommuting

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Another challenge is identifying the appropriate roles and individuals for remote work. “Make sure that the job requirements, responsibilities, and duties are compatible with working from a different site and still allow the employee to be efficient and productive, and that the employee is a good fit for working remotely,” Mares advised. Some employees may be in a role compatible for telecommuting, but lack the

Over half of the employees surveyed by Gallup** (53 percent) say a role that allows them to have greater work-life balance is “very important” to them when considering whether to take a new job.

personality or work style to do so successfully. Conversely, some employees thrive working remotely and find they are less distracted outside the office. “If the employee is happy working

remotely or from another branch location, they will work more efficiently,” said Mares. “It’s not for every employee, but we have seen positive results with the ones that we have provided this benefit.”

Clear expectations and concrete goals will help both the bank and employee measure productivity to determine if telecommuting is effective. “When someone is going to work remotely, they must have regular communication with their manager to ensure tasks are completed by

their deadline,” said Peterson. Walters recommends beginning the remote work program with an employee who has a “history of high performance and motivation,” he said. “You then have a productivity baseline to measure from.”

One major obstacle for telecommuting in the banking industry is the critical need for security. Multifactor authentication, bank-provided electronic devices, and strict security protocols can help mitigate those risks. In addition, for many banking positions, an electronic filing system at the bank is the only way to make telecommuting feasible with regards to data protection. Compliance and IT personnel should be directly involved in rolling out any remote work practices at the bank.

Despite the challenges telecommuting presents, Walters believes it’s worth the process of trying. “The bank should absolutely consider it, but it won’t be for everyone,” he said. “If it isn’t working, terminate the remote work option for that employee and move on.” Ultimately, successful telecommuting relies on the bank and employee working together. “You want it to be a mutually beneficial relationship,” said Walters. “There has to be open communication between the employee and the bank in order to reach that balance.”

Seitz is WBA operations manager and senior writer.

*FlexJob “2017 State of Telecommuting in the U.S. Employee Workforce” report: www.flexjobs.com/employer-blog/key-findings-2017-state-of-telecommuting-report

**Gallup “State of the American Workforce” report: <https://news.gallup.com/reports/199961/7.aspx>

***Deloitte 2017 “Millennial Survey”: www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-deloitte-millennial-survey-2017-executive-summary.pdf



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Five Reasons to Attend the WBA Management Conference & Expo

Upcoming event boasts networking, education, and fun!

By Daryll J. Lund

The annual WBA Management Conference & Expo is right around the corner! Held September 12-13 at the Madison Marriott West in Middleton, the conference is the former CBW annual meeting, making it the ideal event for casual networking and professional development, all in an atmosphere that celebrates community banking. If that doesn't convince you, here are five reasons you should attend the Management Conference:

1 > Learn – The Management Conference features over four hours of informative sessions featuring five national speakers.



Association Update

Daryll J. Lund

- 1. LEARN
- 2. NETWORK
- 3. EXPLORE
- 4. CELEBRATE
- 5. HAVE FUN!

- 2 > Network** – Join over 120 of your community banking peers to share ideas and celebrate successes.
- 3 > Explore** – Connect with over 40 banking industry partners sharing information on the latest



www.wisbank.com/management

technology and innovation for community bankers.

4 > Celebrate – Be part of a special evening event recognizing community

bankers who are celebrating 30 or 40 years of service to the industry. Learn more at www.wisbank.com/ServiceAwards.

5 > Have Fun! – Pre-conference social gatherings include golf at University Ridge Golf Course and a scenic, relaxing bicycle tour of Middleton.

Learn more about the WBA Management Conference & Expo, including session descriptions and speaker bios, by visiting www.wisbank.com/management. Register today to reserve your seat!

Lund is WBA executive vice president – chief of staff.



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WBA Perspective *Industry briefings for Wisconsin bankers*



There's certainly no shortage of information channels in this day and age. You can find out news from around the globe in newspapers, online and even on your smartphone. If you don't have time to sift through hundreds of articles and news bytes, here's what you need to know about what's going on in the banking industry this month:

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Community

News 3 Telethon Raises More Than \$163K for Sun Prairie Disaster Relief



Viewers of WISC-TV News 3 gave more than \$163,000 to help Sun Prairie families and businesses during an 18-hour telethon Tuesday. The telethon, which began at 4:30 a.m. and ended at 10:30 p.m. July 17, was a partnership effort with the Bank of Sun Prairie to raise funds for the community affected by a gas line explosion on July 10. The bank is assuring that 100 percent of the funds will be distributed locally. A grand total of \$163,517 was raised during the day-long effort.

Member News

Wisconsin Banks Recognized Nationally by ICBA for Community Efforts



Four Wisconsin banks were recognized by the ICBA as part of the 2018 National Community Bank Service Awards. The awards celebrate the outstanding and innovative volunteer efforts of the nation's

community banks. We also want to point out that four of the nine banks honored were from Wisconsin. No other state had multiple recipients of this award. Way to go, Wisconsin! American Bank of Beaver Dam; Community State Bank, Union Grove; National Bank of Commerce, Superior; and Royal Bank, Elroy are all featured in the September edition of *ICBA Independent Banker*. Congratulations to these WBA member banks who represented the Badger State so well!

Advocacy

WBA Weighs in on Fed Reserve Board of Governors Nominee



A joint letter from WBA, ICBA, and other state banking associations recently asked Senate leaders to promptly schedule a vote on the nomination of **Michelle "Miki" Bowman** for the Federal Reserve

Board of Governors. Board policy affects many aspects of community banking, and it is important to have a full Board in place for appropriate input and balanced deliberations. We appreciated it when Congress created a dedicated community bank representative seat the Board, and we fully support Bowman as uniquely qualified to fill that important seat.

Fintech

House Financial Services Panel Advances Fintech, Housing Bills



The House Financial Services Committee approved a bill to enable coordination between state and federal regulators on examining banks' third-party vendor relationships among a series of votes by the panel Tuesday. The committee also moved legislation that would create an independent financial technology task force. Both the vendor and fintech bills passed unanimously. Meanwhile, the committee also passed a more partisan measure that would amend the Truth in Lending Act to clarify that the points and fees in connection with a mortgage loan do not include certain compensation amounts already considered in setting the interest rate on a loan.



For more industry updates like these, sign up to receive the *WBA Executive Letter* ePublication by visiting your profile on www.wisbank.com (located in the upper-right corner of the screen).

Bankers Marketplace

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First National Bank of River Falls, a growing, leading community bank on the Twin Cities border, is seeking an experienced Commercial Lender to join our team in our River Falls Office! The successful candidate will develop new business, underwrite and structure loans, and service an existing portfolio while representing the bank through active participation in community affairs throughout the St. Croix Valley and marketing our entire product and service portfolio. Commercial Lending experience is required, and Small Business Administration (SBA) experience is preferred. Candidate must have excellent communication, customer service, and financial management skills and the ability to work independently while prioritizing and meeting Bank and customer deadlines. We're both growing—First National Bank of River Falls and the St. Croix Valley. Join the growth! Please email resume and cover letter to fnb-hr@fnbrf.com. First National Bank of River Falls is an Equal Opportunity Employer.

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