



## Leading Through Change

By Ally Bates

The world is changing, as it always has, and so is banking. The best way to navigate a changing landscape is with strong leadership, but leadership is becoming a scarce resource.\* Extrapolating from that, the laws of supply and demand also tell us that leadership is more valuable than ever before.

The banking environment is different from

what it was even only five years ago, and also different are the skills required for leaders. “We need to make sure that leaders and managers realize it is important to embrace change and stay nimble,” says **Jim Tubbs**, president and CEO, State Bank of Cross Plains.

Building a culture of leadership development and succession planning

is integral to ensuring that your bank has leaders and potential future leaders that will help the bank thrive in not just the current banking environment, but also in whatever environment banking finds itself in the future.

“[The State Bank of Cross Plains] for a long time had a strong belief in investing in employees, and creating education and leadership opportunities.”

continued Tubbs. “And a few years ago, we identified a need to focus on internal leadership. So, we created a new Leadership and Development position, the individual we brought in had no banking background – she came from an education background – and she brought in a new perspective on creating leadership opportunities internally.”

*(continued on p. 24)*

By Kelly Kallien

It is unlikely that a banker would want to travel back in time ten years. Yes, Apple was just about to unveil the iPad, and Navy Seals stormed a home in Pakistan and killed the most wanted terrorist in the world. Life back then was a little less technical because mobile banking was not quite mainstreamed, and no bank ever questioned whether a Pokémon would be digitally hiding behind its teller



— WBA —  
**WISCONSIN ECONOMIC REPORT**

Read what’s in store for the 2020 Wisconsin economy in next month’s *Wisconsin Banker*. The January issue features the annual **Wisconsin Economic Report** with sector forecasts from industry leaders in agriculture, banking, business/manufacturing, grocery, health care, and technology.

counters. But 2010 was a dark time for the banking industry; in 2010, the Great Recession’s wake rocked Wisconsin banks.

At the turn of each

decade, it is often inevitable that industries, and people for that matter, reflect on how far they have come and what

*(continued on p. 20)*

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**WISCONSIN ECONOMIC FORECAST LUNCHEONS**  
 JAN. 9 | MADISON | JAN. 10 | EAU CLAIRE

See pg. 8 for complete details. Register online at [www.wisbank.com/Economic-Forecast-Luncheon](http://www.wisbank.com/Economic-Forecast-Luncheon).

# Think Different, Act Different, Be Different

Bank Executives Conference | Feb. 3-5, 2020 | Kalahari Convention Center | WI Dells

By Mark Meloy

I would like to officially invite all Wisconsin banking executives and industry leaders to join me at the upcoming annual Bank Executives Conference (or “Bank Execs” as many of us call it). This is our association’s premier event, featuring invaluable networking opportunities and hours of education and development from nationally recognized speakers and thought leaders.

In the spirit of our conference theme of “*Think Different, Act Different, Be Different,*” for the first time we’ll be hosting our event at the Kalahari Convention Center in Wisconsin Dells on February 3-5, 2020 (Monday – Wednesday). One of the advantages of approaching



## Message from the Chair

Mark Meloy

our normal conference in a “different” way is that this setting is perfect for a more casual networking environment. Networking is always one of the most valuable parts of this event, and we are confident this approach will only enhance your conversations and interaction with others.

An advisory group of our peers has designed an agenda that will provide a unique set of tools, techniques, and tactics for you and your bank’s

leaders to take innovative approaches to old and new obstacles that are specific to your institution.

Topics covered by the expert speakers will include the future of payments, transforming your product centric culture to a consumer centric one, leading your business to right fintech products and services to stay relevant, accelerating value creation through analytics, and more.

I’m also looking forward to the dinner and reception on Tuesday evening, where we will celebrate with the Banker of the Year and enjoy the always-popular Euchre Tournament.

*Meloy is CEO of First Business Bank, Madison and the 2019-2020 WBA Chair.*

## Schedule At-A-Glance:

### Monday, February 3

- » 2:30 - 4 p.m.  
Bankers-Only Peer Group Discussions
- » 4 - 6 p.m.  
Welcome Reception

### Tuesday, February 4

- » 8:30 a.m. - 5 p.m.  
Conference Sessions
- » 6 - 10 p.m.  
Chairman’s Dinner Program and Banker of the Year Celebration

### Wednesday, February 5

- » 8:30 a.m. - Noon  
Conference Sessions
- » See the article on [p. 11](#) for more details. Register at: [www.wisbank.com/BankExecs](http://www.wisbank.com/BankExecs).

Think | Act | Be  
**DIFFERENT.**

## WISCONSIN ECONOMIC FORECAST luncheon

JANUARY 9, 2020

Alliant Energy Center  
1919 Alliant Energy Center Way, Madison  
608-267-3976

JANUARY 10, 2020

The Florian Gardens Conference Center  
2340 Lorch Avenue, Eau Claire  
715-832-8836

MADISON

JANUARY 9, 2020 – Madison

11:30 a.m. to 2 p.m.  
(Includes lunch at noon)

Welcome:

JEFF MAYERS  
WisPolitics.com and Wisbusiness.com

Speakers:

JAMES BULLARD, President and CEO  
Federal Reserve Bank of St. Louis

Wisconsin Governor  
TONY EVERS (invited)

\$75 per person | \$400 for a table of 8

Register online at:

[www.wisbank.com/EconomicForecast](http://www.wisbank.com/EconomicForecast).

EAU CLAIRE

JANUARY 10, 2020 – Eau Claire

11:30 a.m. to 2 p.m.  
(Includes lunch at noon)

Welcome:

PAUL D. KOHLER  
Charter Bank, Eau Claire

Speakers:

DENNIS WINTERS, Chief Economist  
Wisconsin Department of Workforce Development

DAVE ARMSTRONG, Executive Director  
Barron County Economic  
Development Corporation

\$50 per person | \$350 for a table of 8

Questions: Contact [wbaeducation@wisbank.com](mailto:wbaeducation@wisbank.com)  
or 608-441-1252.

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# There's Still Time to Get Your Donations In

*The banking industry needs your support and participation*

By Jon Turke

We are now less than one year away from the 2020 General Election. Thanks to your support, WBA was able to disburse over \$400,000 to candidates and campaign committees over the course of the 2018 election cycle. As we turn the calendar to the election year, candidates are already building their campaign war chests.

And before we look too far ahead to November, let's not forget Spring Elections for State Supreme Court and many other local races will be on the ballot in April. The industry must be well-positioned to support pro-banking candidates at every level of government.

The WBA Board of Directors set a goal of having 70% of member banks donate at least \$1 to our political funds. Those include the Alliance of Bankers for Wisconsin (ABW) conduit, Wisbankpac, and the Issue



### Advocacy Update

Jon Turke

#### GOLD TRIANGLE CLUB LEVELS

Bank Assets	Total Bank Contributions
\$0-25 M.....	\$500
\$25-100 M.....	\$1,000
\$100-250 M.....	\$1,500
\$250-500 M.....	\$2,000
\$500-750 M.....	\$2,500
\$750M-\$1 Billion.....	\$3,500
\$1 Billion+.....	\$4,500

Advocacy Fund. ABW is like your own political bank account that you deposit funds into and then direct WBA where to disburse it. Donations to the PAC allow individuals to support the industry without needing to authorize where the funds go.

The WBA Issue Advocacy Fund is an opportunity for your bank to contribute **corporate dollars** that are pooled with those from other Wisconsin business

coalition partners to craft pro-business public policy messages to the general public, opinion leaders, and elected officials. No individual or bank is listed on those donations.

#### ★ Gold Triangle Club

Gold Triangle Club banks are at the forefront of the banking industry's political action effort. To qualify for membership in the Club, bank employees and directors must contribute a minimum amount to WBA's political action funds (the Alliance of Bankers for Wisconsin political conduit and WBA's political action committee, Wisbankpac) apportioned by bank asset size (see chart, above).

Individual contributors qualify for the Silver Triangle Club after donating at least \$500.

Gold Triangle Banks and Silver Triangle Individuals are honored annually at the Bank Executives Conference. Additionally, qualifying for these clubs helps your bank achieve the Bankers Involved in Grassroots and Government (BIGG) Award.

#### ★ BIGG Award

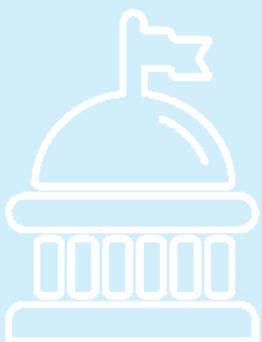
This award represents the highest achievement level for bank involvement and advocacy. Awards are objectively based on meeting five of seven criteria:

1. Be a WBA Gold Triangle Award Winner;
2. Bank staff contacting state and federal legislators through grassroots e-mails;
3. Hosting a "Take Your Legislator to Work Day" by bringing in an elected official into your bank;
4. Attending the WBA Capitol Day;
5. Attending either an ABA or ICBA Washington Summit;
6. Contributing to the WBA Issues Advocacy Fund; or
7. Other activities, such as testifying before Congress or the Wisconsin Legislature, hosting a fundraiser, or analyzing legislation for WBA, to name a few.

If you have any questions, contact **Jon Turke** at 608-441-1215 or [jturke@wisbank.com](mailto:jturke@wisbank.com).

*Turke is WBA director -government relations.*

## » Above and Beyond the Call of Duty!



The following list of banks have gone above and beyond by increasing their 2018 level contributions for use in defense of the banking industry. Thank you!

- » American National Bank-Fox Cities, Appleton
- » Bank of Deerfield
- » Bank of Sun Prairie
- » Bank of Wisconsin Dells
- » Bankers' Bank, Madison
- » Capitol Bank, Madison
- » Charter Bank, Eau Claire
- » Citizens Bank, Mukwonago
- » Citizens State Bank of Loyal
- » Commerce State Bank, West Bend
- » Community State Bank, Union Grove
- » Coulee Bank, La Crosse
- » Dairy State Bank, Rice Lake
- » The Equitable Bank, SSB, Wauwatosa
- » Farmers & Merchants State Bank, Waterloo
- » Farmers State Bank of Waupaca
- » First Bank of Baldwin
- » First National Bank, River Falls
- » Forward Bank, Marshfield
- » Investors Community Bank, Manitowoc
- » Ixonia Bank
- » KeySavings Bank, Wisconsin Rapids
- » Mound City Bank, Platteville
- » Nekoosa Port Edwards State Bank
- » North Shore Bank, SSB, Brookfield
- » The Northwestern Bank, Chippewa Falls
- » Partnership Bank, Tomah
- » Port Washington State Bank
- » Premier Community Bank, Marion
- » State Bank of Cross Plains
- » Wells Fargo, Milwaukee

*Thank you!*

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# Status of USDA Regulations on Hemp Production

*USDA publishes interim final rule on Oct. 31, 2019*

## Has USDA Published a Rule Establishing Regulations to Produce Hemp?

### Answer: Yes.

The United States Department of Agriculture (USDA) published an interim final rule (rule) on Oct. 31, 2019 specifying rules and regulations to produce hemp. The rule is directed by the Agriculture Improvement Act of 2018 and is effective Oct. 31, 2019 through Nov. 1, 2021.

The rule establishes a Federal plan for producers in States that do not have their



### Compliance Q&A

Scott Birrenkott

own USDA-approved plan. The program includes provisions for maintaining information on the land where hemp is produced, testing of THC levels, disposing of plants not meeting certain requirements, and licensing requirements. USDA has also outlined

Visit [www.wisbank.com](http://www.wisbank.com) to learn more about this topic and other compliance-related issues.

provisions to approve plans submitted by States for the domestic production of hemp.

It is WBA's understanding that the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) will submit a Hemp Program Plan to USDA. However, DATCP will continue under the 2014 Farm Bill provisions in 2020. DATCP has begun its hemp licensing as of Nov. 1, 2019,

for the 2020 hemp season, and is waiting for the State Legislature to approve legislation to align Wisconsin law with the 2018 Farm Bill. At this time, DATCP expects to begin the new program under the 2018 Farm Bill in 2021.

*Birrenkott is WBA assistant director – legal. For legal questions, please email [wbalegal@wisbank.com](mailto:wbalegal@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.*

## WBA Bankers Meet with Four Regulatory Agencies

### Bankers meet with CFPB, FDIC, FHFA, FinCEN senior staff

Recently, WBA's **Rose Oswald Poels** led a delegation of 11 Wisconsin bankers to meet with the senior staff at FHFA, FinCEN, FDIC, and CFPB in Washington D.C. The meetings informed and educated the senior staff of these agencies about the dynamics of Wisconsin's banks and the local economy and how new regulations are impacting community banks.

All the regulators said more than once how much they appreciated hearing directly from the bankers the impact the rules have on their banks' ability to serve customers.

Topics tackled during these meetings included BSA/AML (CTR, Beneficial Ownership, etc.), QM/ATR, brokered deposits, cannabis banking, CECL, CRA, GSE Reform, the importance of FHLBC, knox box security concerns, and HMDA.



Left: WBA and Wisconsin bankers met with FDIC Director **Martin Gruenberg** regarding cannabis banking, national rate caps, CECL, and consolidation of the banking industry among other topics.

Below: SARs and CTRs (raising thresholds) were two of the topics brought up during the FinCEN meeting.

FinCEN staff made a point of sharing that all SARs are reviewed either by a human or AI within 24-48 hours of receipt, and they view SARs as incredibly valuable to law enforcement's ability to catch criminals.

A big "Thank You" goes out to the bankers who accompanied Oswald Poels on the trip:

- » **Heidi Conde**, Community State Bank, Union Grove
- » **Dave Feldhaus**, Federal Home Loan Bank–Chicago
- » **Corey Hoze**, Associated Bank, Milwaukee



- » **Gary Kuter**, Capitol Bank, Madison

- » **David McCoy**, First National Bank & Trust Co., Beloit

- » **Dan Peterson**, The Stephenson National Bank & Trust, Marinette

- » **Tom Reil**, Waldo State Bank

- » **Dan Shepard**, Waukesha State Bank

- » **Glen Stiteley**, Investors Community Bank, Manitowoc

- » **Scot Thompson**, Denmark State Bank

- » **Mark Wierman**, Ixonia Bank

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## 2020 Economic Forecast Luncheon Held in Two Locations Again

### *Local business clients, bankers to gain economic insights*

Last year marked the first time WBA held its annual Wisconsin Economic Forecast Luncheon in two locations, Eau Claire and Madison. Both events were such a success that WBA is hosting its luncheon in both locations again.

The Wisconsin Economic Forecast Luncheon is a local opportunity for business professionals to know what's in



- » January 9 | Madison
- » January 10 | Eau Claire
- » Register at [www.wisbank.com/Economic-Forecast-Luncheon](http://www.wisbank.com/Economic-Forecast-Luncheon)

store for Wisconsin's economy in 2020! The nationally recognized speakers will focus on both

regional and national economic trends so you are better prepared for the possible impact on the Badger State's economy.

Presented by the Wisconsin Bankers Association, this premier event draws more than 500 business, government, and community leaders. For over 13 years, this event has featured nationally recognized economists and thought leaders who share

their views and information on trends affecting Wisconsin's economy and the nation.

Don't miss this unique opportunity to gain valuable insight into the economy and network with the business, government, and community leaders who attend this event each year.

Details about each location are below.



**Alliant Energy Center, 1919 Alliant Energy Center Way**  
11:30 a.m. to 2 p.m. (includes lunch at noon)

#### Speakers:

**JAMES BULLARD**, President and CEO  
– Federal Reserve Bank of St. Louis

**TONY EVERS**, Wisconsin Governor (*Invited*)

**Bullard** is the president and CEO of the Federal Reserve Bank of St. Louis. In that role, he is a participant on the Federal Reserve's Federal Open Market Committee (FOMC), which meets regularly to set the direction of U.S. monetary policy. He also oversees the Federal Reserve's Eighth District, including activities at the St. Louis headquarters and its branches in Little Rock, Ark., Louisville, Ky., and Memphis, Tenn.

A noted economist and scholar, his positions are founded on research-based thinking and an intellectual openness to new theories and explanations. He is often an early voice for change.

**Evers** is the 46th governor of Wisconsin. Prior to his election, he served as the Wisconsin State Superintendent of Public Instruction winning statewide elections in 2009, 2013, and 2017. With over three decades of public education experience, Governor Evers has dedicated his life to fighting for Wisconsin's kids and serving the people of Wisconsin.

He began his career in 1976 and has served Wisconsin students, parents, and citizens all over Wisconsin in Tomah, Oakfield, Verona, and Oshkosh.

#### Registration Options:

- » Table Registration – includes 8 seats: \$400
- » Individual Registration: \$75
- » Student Table Registration – includes 8 seats for your bank to sponsor and host a local school: \$250

#### Sponsorship Opportunities:

- » General Luncheon Sponsor – includes one table of 8 seats and sponsorship recognition: \$2,500



**The Florian Gardens Conference Center, 2340 Lorch Avenue**  
11:30 a.m. to 2 p.m. (includes lunch at noon)

#### Speakers:

**DENNIS WINTERS**, Chief Economist  
Wisconsin Department of Workforce Development

**DAVE ARMSTRONG**, Executive Director  
Barron County Economic Development Corporation

**Winters** is a nationally recognized expert on human resource challenges in the competitive global economic environment.

He has expertise in economic analysis, modeling and forecasting; encompassing everything from designing commodity derivative strategies to long-term policy initiative scenario assessments. His areas of focus include regional and national macroeconomics, energy and labor markets, and economic impact analysis. He has served as an advisor to private industry, government agencies, and elected federal, state, and local officials.

**Armstrong** is the Executive Director of Barron County Economic Development Corporation, which has three areas of focus: business services, community development, and tourism.

He is a serial entrepreneur starting two successful companies. In 1996 he sold the assets of Med-Works Inc., and relocated to Sarasota, Florida where he was vice president of Screening and Collection Services and directed the Mergers and Acquisition efforts of HealthComp Evaluation Services Corporation and later ClinNet Services LLC, purchasing 14 businesses.

#### Registration Options:

- » Table Registration – includes 8 seats: \$350
- » Individual Registration: \$50
- » Student Table Registration – includes 8 seats for your bank to sponsor and host a local school: \$250

#### Sponsorship Opportunities:

- » General Luncheon Sponsor – includes one table of 8 seats and sponsorship recognition: \$1,000



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# A “Different” Take on The Annual Bank Execs Conference

Join your fellow bankers for the largest networking banking event in Wisconsin

Join the largest gathering of Wisconsin bank executives for a celebration of our industry from Feb. 3-5, 2020 in Wisconsin Dells. Attendees will continue to benefit from informative speakers, invaluable networking opportunities, and entertainment although there will be new and “different” approaches throughout the event, all designed to enhance Wisconsin’s biggest banking event of the year.

“Think Different. Act Different. Be Different.” is the theme for the conference. The event will offer a unique set of tools, techniques, and tactics for you and your bank’s leaders to take innovative approaches to old and new obstacles alike that are specific to your institution.

In the spirit of the conference theme, the event will be hosted at the newly expanded Kalahari Convention Center in Wisconsin Dells.



Visit Innovation Alley in the Exhibit Hall... this “different” option lets technology companies demonstrate the latest and greatest in the FinTech space.

Featuring state-of-the-art event technology, larger meeting and exhibiting rooms, and a more casual atmosphere conducive to networking, the Kalahari embodies the idea of changing things up to enjoy greater results.

Back by popular demand, the conference will kick off the afternoon of Monday, Feb. 3 with networking peer group meetings for c-suite bankers (CEO, CFO, CIO/CTO, CERO, COO), followed by opportunities for dinner with WBA Associate Members.



Take advantage of early bird pricing and register for the conference by Dec. 27, 2019. Register online at [www.wisbank.com/BankExecs](http://www.wisbank.com/BankExecs).

A “different” option of the day is our first-ever Innovation Alley. This is a part of our exhibit hall and was created to allow technology companies to demonstrate the latest and greatest in the FinTech space, where customer experience, data and analytics, regulation technology, and security are some of the technologies that will be on display.

On Tuesday, the very first session encourages attendees



Wardle

to “Think Different” as **Duncan Wardle**, a 25-year veteran of Disney, focuses on how to think more audaciously to solve big and small challenges that lead to extraordinary results. Following this presentation, **Lee Wetherington**, Jack Henry & Associates, Inc., tackles the topic of fintech in a completely different way...



Wetherington

Everyone has heard a lot about fintech. What is it? Why have it? The truly unanswered question is ‘How do I lead my community bank to the right products and services to stay relevant?’ That’s the practical insight Wetherington will offer attendees.

The afternoon general sessions will dive into the future of payment systems as well as accelerating your bank’s value creation through analytics. The last session of day will feature former Wisconsin Badger **Jake Wood**,



Wood

Cofounder and CEO of Team Rubicon. Attendees will benefit from hearing Wood’s journey from college football’s largest stadiums, to the battlefields of Iraq and Afghanistan, to the founding and development of America’s fastest growing disaster response organization, the highly acclaimed Team Rubicon.

After sessions wrap up for the day, attendees will enjoy the Chairman’s Dinner, showcasing the Banker of the Year Celebration, and a reception featuring a casino and (back by popular demand) the WBA Euchre Tournament. Additionally, dinner speaker

**Charlie Cook**, *The Cook Political Report*, will share his take on the politics of the day including reporting on the Iowa Caucus which is being held at the same time as our conference.



Cook

This year’s Bank Executives Conference will conclude on Wednesday with economist **Anirban Basu**



Basu

providing his take on the current state of the economy. Attendees will also hear the amazing story of **Richard Montañez**. Montañez, a janitor for PepsiCo’s Rancho Cucamonga plant, took notice of a mistake on the Cheetos production line in 1976 and



Montanez

turned it into a life-changing snack idea. Today, Flamin’ Hot Cheetos is a billion-dollar business, a cultural phenomenon, and proof that—no matter how different you appear—anyone can make a difference and accomplish their dreams. His amazing journey captures how developing a solid foundation of diversity and inclusion in today’s business environment can ultimately drive external success.

To find out more about the 2020 WBA Bank Executives Conference or to register online, please visit [www.wisbank.com/BankExecs](http://www.wisbank.com/BankExecs).



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# Bankers, the Final Overtime Rules are Finally Here

*Final overtime rule scheduled to go into effect Jan. 1, 2020*

By Douglas E. Witte and Jennifer S. Mirus

For the last three years we have been writing about the new overtime rule under the Fair Labor Standards Act (FLSA). The rule, primarily aimed at increasing the outdated salary thresholds for the “white collar” overtime exemptions, was first proposed under the Obama Administration. On the eve of taking effect it was blocked by the courts. The overtime rule has been revised and now reissued by the Department of Labor (DOL) under the Trump Administration. The “final” rule has been issued and will go into effect on Jan. 1, 2020.

Given the tortured history of the overtime rule, a logical question is whether this rule will really go into effect on January 1, 2020. Despite the prolonged court battles over the previous version of the rule, and the fact that worker advocacy groups are threatening litigation over the current version, banks should be preparing as if the overtime rule will go into effect as planned on Jan. 1, 2020.

As a reminder, three primary exemptions from the FLSA’s overtime rule are the executive, administrative, and professional exemptions, known as the “white collar” exemptions. In order to be exempt under a white collar exemption, an employee must be paid a minimum salary threshold, must be paid on a salary basis, and must meet specific job duties tests. The final rule does not make any changes to the “job duties” tests for the executive, administrative, or professional exemptions.



## » Salary Threshold Increased

The most significant change in the new rule is an increase to the minimum salary threshold that is needed to qualify for exempt status. The new minimum salary threshold will be \$684 per week (annualized to \$35,568 per year). This is a slight increase from the March proposed rule of \$679 per week (equivalent to \$35,308 per year). Payment can also be made bi-weekly at \$1,368; semi-monthly at \$1,482; or monthly at \$2,964. The final rule does not contain an automatic indexing or schedule to increase the salary level over time. However, DOL has stated it is committed to periodically reviewing and updating the salary threshold more regularly. Banks can employ an exempt employee on a part-time basis, but there is no pro-rated level of the salary threshold for part-time employees. Part-time employees must be paid at least \$684 per week in order to be treated as exempt.

## » Non-Discretionary Bonuses May Be Included

Under the final FLSA rule, banks will be able to count certain bonuses and incentive compensation toward meeting 10% of the minimum salary thresholds for executive, administrative, computer, and professional employees. Specifically, banks may count non-discretionary bonuses, incentives, and commissions that are paid annually or more frequently. A bank may designate and utilize any 52-week period it chooses for this purpose (e.g., calendar year, fiscal year,

**Banks should review their pay practices to ensure they understand which positions in their workforce must be paid overtime, whether they are paying overtime in a compliant manner, and which positions may qualify for an overtime exemption.**

anniversary year). If, by the last pay period of the 52-week period, the employee’s total compensation (salary plus non-discretionary bonuses, incentive compensation, and commissions) is less than \$35,568, the bank may make one final payment to meet this threshold no later than the next pay period following the end of the year. This payment may only be counted toward the prior year’s salary threshold and may not also count toward the current year’s threshold. If a bank fails to make this catch-up payment, the overtime exemption will be lost for the 52-week period for that employee.

## » Highly Compensated Employees

In addition to the white collar exemptions, the FLSA also recognizes an overtime exemption for highly compensated individuals. The final rule increases the minimum annual compensation level needed to qualify for the highly compensated exemption from the current \$100,000 per year to \$107,432 per year. The proposed rule in March included a \$147,414 per year threshold. To qualify as a highly compensated employee, an employee must also receive at least \$684 per week on a salary or fee basis without regard to the payment of non-discretionary bonuses and incentive payments. It is important to note that Wisconsin law does not include a highly compensated employee

exemption, and therefore, because banks must generally comply with both state and federal law, banks in Wisconsin cannot rely on the highly compensated employee exemption.

## » Action Plan for Banks

Banks should review their pay practices to ensure they understand which positions in their workforce must be paid overtime, whether they are paying overtime in a compliant manner, and which positions may qualify for an overtime exemption.

Banks should evaluate not only whether changes to exempt status will be necessary, but should explore options to address the new rules. For example, banks with exempt workers who currently earn more than \$455 per week but less than \$684 per week, and who satisfy the duties requirements, may comply with the new rules by either increasing employees’ salaries to the new level, limiting hours to preclude overtime work, and/or by reclassifying the employees as non-exempt.

If banks adjust salary levels to meet the new requirement, they should consider the impact on other employees who also may request a pay increase.

While many banks have begun making changes to address changes to exempt status over the last few years, those banks who have “kicked the can down the road” on this issue should take action now.

*Witte and Mirus are attorneys at Boardman & Clark LLP, a WBA Gold Associate Member. Visit [www.boardmanclark.com/business/banking](http://www.boardmanclark.com/business/banking) for more banking insights.*

*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.*

# Bulletin Board

*News about people working in Wisconsin's financial institutions*

## Promotions and New Hires

### Fond du Lac

National Exchange Bank & Trust announces the election of **Christopher D. Drees** (pictured), president of Mercury Marine, to the Board of Directors.



Drees



Keleher



Schonscheck



Sweeney



Hert

### Oconomowoc

Prairie Trust, a division of Waukesha State Bank, has hired **Lori Hert** (pictured) as personal trust associate.

### Superior

National Bank of Commerce (NBC), continues its growth and expansion with the addition of two new associates, hiring **Blaze Zenner** (pictured) and **John Conley** (pictured) as commercial bankers.



Zenner



Conley



Knuth



Schmitt



Smith

### Fort Atkinson

Badger Bank is pleased to announce and welcome **Craig Keleher** (pictured) as chief financial officer and senior vice president.

### Madison

State Bank of Cross Plains welcomes **Christa Schonscheck** (pictured) as an in-house investment portfolio manager and trust officer.

First Business Financial Services is pleased to announce the following promotions: **Cymbre Van**

**Fossen, J.D.**, to senior vice president, trust advisor and director of fiduciary risk; **Brad Howe, CFA, CFP**, to vice president – portfolio manager and investment team lead; **Tony Nichols** to assistant vice president – investments/trading and portfolio manager; **Bryan Minogue, CFA, CFP**, to vice president – portfolio manager and director

of research; and **Nancy Johnshoy, CFA**, to vice president – portfolio manager and market strategist.

### Milwaukee

PNC Bank has appointed **Daniel Sweeney** (pictured) as vice president and relationship manager for Community Development Banking in Wisconsin.

### Waterloo

Farmers & Merchants State Bank is proud to announce that **Kasondra (KC) Knuth** (pictured) has joined their new F&M Mortgage Office in Oconomowoc as a mortgage loan originator.

*(continued on p. 15)*

## Oregon Community Bank Donates \$100,000 for Jaycee Park Renovation



Oregon Community Bank recently announced a \$100,000 donation, the largest gift the organization has ever made, to the Jaycee Park Renovation Project in the heart of Oregon, Wisconsin. "We have a long history of supporting community facilities that benefit all members of society. We see the Jaycee Park renovation as an inclusive destination that will be enjoyed for decades to come," stated **Steve Peotter**, Oregon Community Bank president and chief executive officer.

## Two Central Wisconsin Banks Help Support Fight Against Breast Cancer



Bank of Wisconsin Dells and Community Bank of Portage donated \$2,800 to Divine Savior Healthcare's Cancer Fund to support the fight against breast cancer. Pictured: (left to right) **Heather Meyer, Rodnie Miller, Barb Marz, Bob Wachuta**, Divine Savior's **Dr. Jill Pogorelec, Jon Bernander, Crystal Sampson, Anastasia Kinney, and Lisa Weaver**.

**Erick Gorecki**  
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**Have good news?** To submit a notice, please email [bulletinboard@wisbank.com](mailto: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](mailto:aseitz@wisbank.com).

# Bulletin Board

*News about people working in Wisconsin's financial institutions*

## Promotions and New Hires

*(continued from p. 14)*

### Waukesha



Medina

Waukesha State Bank has hired **Jasmine Medina** (pictured) as a commercial banker.

### Wauwatosa

WaterStone Bank has hired three new community presidents: **Curtis L. Schmitt Jr.** (pictured) now serves as



Strandt



Rafenstein



Fera



Garwood



Kinney

community president of the bank's West Allis branch, **Sharron Smith** (pictured) is community president of the Pewaukee branch, and **Morgan Strandt** (pictured) is community president of the Oconomowoc branch. The former community president

of WaterStone Bank's West Allis branch, **Gina Rafenstein** (pictured), will be relocating to serve as community president of the bank's Greenfield branch.

### Whitewater

First Citizens State Bank has promoted **Michelle Fera**

(pictured) to operations officer based at the main office.

### Wisconsin Dells

Bank of Wisconsin Dells announced the recent promotions of **Amanda Garwood** (pictured) to controller and **Anastasia Kinney** (pictured) to business development officer.

### Congratulations Marinette

The Stephenson National Bank & Trust celebrated 145 years in business in October.



## First Bank Financial Centre Partners with Family Sharing of Ozaukee County

First Bank Financial Centre (FBFC) is pleased to announce a partnership with Family Sharing of Ozaukee County. Family Sharing provides food, at no charge, to people in need in Ozaukee County. All donations of food are distributed directly to those who need it. The partnership kicked off with an appearance on The Morning Blend on WTMJ-TV. As part of the bank's year-long "The Blend Gives Back" initiative, FBFC hosted Family Sharing in studio and presented them with a check for \$1,000. Pictured: **Kris Barger**, FBFC Mequon Branch manager; **Becky Miller**, FBFC marketing manager; **Kimberly Bikulcius**, Community Outreach manager, Family Sharing; and **Molly Fay** and **Tiffany Ogle**, Morning Blend co-hosts.

## First State Bank Pledges \$100,000 for New London Public Library



First State Bank has pledged \$100,000 to the New London Public Library's Heart of Our Community Campaign. It is the first pledge received at a Benefactor level by an area business for the new mix-use development at the site of the former Wolf River Lumber property. "The new library and other development efforts slated for the south side of the Wolf River are a tremendous first step to what we envision leading to additional revitalization efforts in our downtown," said First State Bank President, **Bob Van Asten**. "We hope other businesses and individuals will join us and the other donors who have already committed their support to make the new library a reality."

## Wausau Organization Receives \$1,000 Donation from The Abbotsford Story



The Abbotsford Story, Inc. is pleased to announce the donation of \$1,000 to Middle Grounds in Wausau for a new computer and printer. Middle Grounds is a coffee shop for young adults. Their mission is to reach young teens where they are at, in a judgement free environment. Every March and September, AbbyBank's charitable foundation, The Abbotsford Story, Inc. strives to provide continued support to its area communities. Pictured: (left to right) **Phil Pesanka**, AbbyBank; **Sheila Stark**, Middle Grounds; and **Tracy Engman**, AbbyBank.



# Your EDUCATION Calendar

Conferences | Summits

Schools | Boot Camps

Seminars | Workshops

WBA Webinars

Other Events

## JANUARY 2020

- **Wisconsin Economic Forecast Luncheons**  
9 Madison; \$400/table of 8; \$75/individual  
10 Eau Claire; \$350/table of 8; \$50/individual
- **Community Bankers for Compliance (CBC) – Session I**  
28 Stevens Point (*pricing options vary*)  
29 Madison (*pricing options vary*)

## FEBRUARY 2020

- **Bank Executives Conference**; Wisconsin Dells  
3-5 \$495/each first two bank attendees (\$450 early bird pricing through 12/27); \$450/each additional attendee
- **Residential Mortgage Lending School**  
17-20 Madison; \$1,045/attendee\*
- **Compliance Forum: Session 3**  
18 Stevens Point (*pricing options vary*)  
19 Wisconsin Dells (*pricing options vary*)  
20 Pewaukee (*pricing options vary*)
- **Commercial Lending School**; Madison  
24-28 \$1,395/attendee\* (Register by 12/20 for \$100 off)

## MARCH 2020

- **Credit Analysis Boot Camp**  
5-6 Madison; \$495/attendee  
19-20 Green Bay; \$495/attendee
- **Loan Compliance School**  
9-13 Madison; \$1,295/attendee
- **Ag Problem Loans Workshops**  
10 Madison; \$225/attendee
- **Real Estate Compliance School**  
11-13 Madison; \$795/attendee
- **Advanced IRA Workshops**  
17 Wausau; \$245/attendee  
18 Madison; \$245/attendee
- **WBA/ABA Washington Summit**  
22-25 Washington, D.C. (*complimentary*)
- **Call Report Workshops**  
24 Madison; \$245/attendee
- **Security Officer Workshops**  
24 Neenah; \$175/attendee  
25 Eau Claire; \$175/attendee  
26 Wisconsin Dells; \$175/attendee

## APRIL 2020

- **Human Resources Conference**  
7 Wisconsin Dells; \$225/attendee
- **Health Savings Account (HSA) Workshop**  
8 Madison; \$245/attendee
- **Branch Manager Boot Camp, Sessions 1 & 2**  
14-15 Madison (*pricing options vary*)
- **Agricultural Bankers Conference**; Wisconsin Dells  
15-16 \$300/ag section member; \$350/attendee\*
- **Power of Community Week**  
20-24 [www.wisbank.com/BanksPowerWI](http://www.wisbank.com/BanksPowerWI)
- **Women in Banking Conference**; Wisconsin Dells  
21 \$245/each first two bank attendees; \$195/each additional attendee\*
- **Trust Conference**; Madison  
23 \$220/Trust Section member; \$245/attendee
- **National Teach Children to Save Day**  
24
- **Community Bankers for Compliance (CBC) – Session II**  
28 Stevens Point (*pricing options vary*)  
29 Madison (*pricing options vary*)
- **WBA/ICBA Capital Summit**  
4/28-5/1 Washington, D.C. (*complimentary*)
- **Cash Management Workshop**  
29 Madison; \$245/attendee
- **Enterprise Risk Management Workshop**  
30 Madison; \$245/attendee
- **Principles of Banking Course**  
TBD Location TBD; \$500/attendee

## MAY 2020

- **American Mortgage Conference**  
4-6 Charleston, S.C.
- **Lending Boot Camp**; Madison  
5-6 \$535/attendee (two-day); \$795/attendee (three-day)
- **Compliance Management School**  
6-7 Madison; \$795/attendee

» Visit [www.wisbank.com/education](http://www.wisbank.com/education) for more information and online registration.

» Or email WBA Education at [wbaeducation@wisbank.com](mailto:wbaeducation@wisbank.com) or call 608-441-1252.

# Your Operational Efficiency in Eight Words or Less

## Explore continuous improvement and operational efficiency with ShareFI

Can you describe your operational processes? I bet we can... in eight words or less. It goes something like this: "Because that's the way we've always done it." Sound familiar? Does this describe your bank?

In today's competitive market, tight margins, and low interest rate environment, it becomes increasingly important to look at the other side of the income statement. Banks of all sizes, especially those with a high number of FTE's or multiple sub-departments within a department, should be exploring continuous improvement and process efficiency. Today's community banker has invested a great deal of money in new technology, yet they continue



**FIPCO's ShareFI**  
Jeff Schmid



Contact Jeff Schmid at 608-441-1220 or [jschmid@fipco.com](mailto:jschmid@fipco.com) to learn how ShareFI can help you.

*"If you can't describe what you are doing as a process, you don't know what you are doing."*  
— W. Edwards Deming  
*American statistician, educator, and consultant*

to run the same old processes with the same old staff, saying the same old thing... "Because that's the way we've always done it."

Let ShareFI help you identify these areas and

improve your bottom line. Our team of operational professionals are prepared to find waste within your operations, explore solutions that promote efficiency, create a better customer experience, and will train your staff on a new way of thinking.

For more information or to schedule a presentation, please contact me at 608-441-1220 or [jschmid@fipco.com](mailto:jschmid@fipco.com).

*Schmid is FIPCO director – compliance and management services.*

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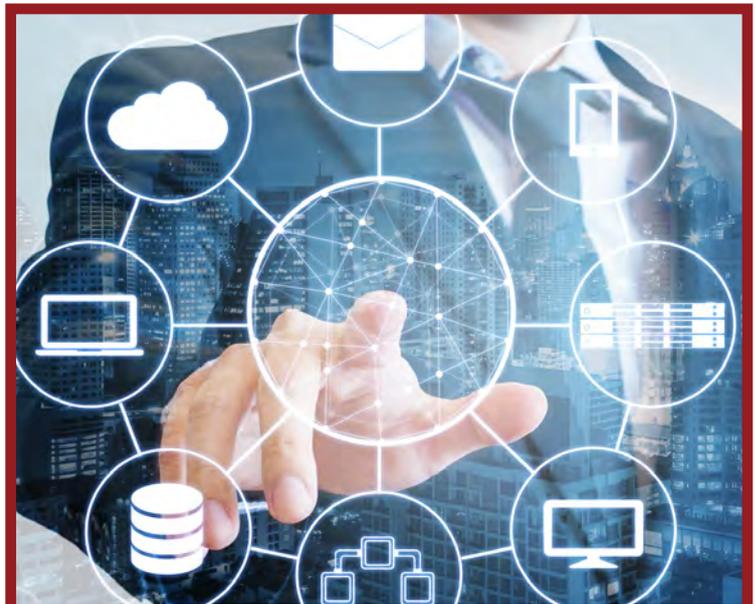
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### Oostburg's Rachel Weavers Awarded Lifetime Service Award



WBA's **Daryll Lund** attended a celebration at Oostburg State Bank for **Rachel Weavers** and presented her with a WBA Lifetime Service Award. Weavers has been in banking for 30 years and is currently an assistant vice president, customer service representative at the bank. The Lifetime Service Award recognizes and thanks bankers for their 30 or 40 years of service to the banking industry. Congratulations, Rachel!

Pictured: (left to right) **Eric Veldhorst**, CFO, Oostburg State Bank; Lund; Weavers; and **Eric Glewen**, president/CEO, Oostburg State Bank.



### IT AUDIT & SECURITY SERVICES

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## Strategic Connections

# Optimizing Your Busiest Office

By Lauren Olson

How many people come into your bank offices every day? How did they find you? When they walk inside, what do they see and do?

Now, consider how many people come to your website every day. Can you answer the same questions of your website visitors as branch visitors? Your website may very well be your busiest office. By applying data analytics, you can enhance your understanding of website visitors and optimize your online office.

### Start with Data

Google Analytics is a free tool that gathers data on your website visitors through a small line of code. The code does not gather personal information, it simply tracks each



### Strategic Connections

Lauren Olson

website visitor as they arrive, use, and leave your website.

Once you have website analytics set up, you can review the data to find actionable insights for optimizing your website. If you are new to Google Analytics, take a look at their free training available online at <https://analytics.google.com/analytics/academy/course/6>.

Consider adding an IP exclusion in your analytics program to exclude your office IP address, so your data is not skewed by staff.

### Understand Your Users

Once your analytics code has been set up for a few weeks, start by reviewing the visitor audience data. New vs. Returning Users identifies how many visitors are new to your website—and are potential new customers, versus those who are repeat visitors—likely already customers. (If you set up Google Analytics recently, all visitors will appear as “new” the first time they come to your site.)

Under Technology, view the type of device used to access your site. If your mobile users have shorter visits or fewer goal completions, it may be due to your website not being mobile-friendly.

### Measure Results

Next, review how they came to your website and their landing page. The Acquisition overview section breaks down traffic by a few main categories such as direct, search engine, paid, and social media. Looking at the Source/Medium for all of your traffic will tell you whether they came from an organic search engine result or a paid online ad. Check the Landing Pages section to see which page they saw first. Determine if there are changes you can make to that page to better feature your products or help your customers.

To create a custom Source/Medium within Google Analytics, use the Google Campaign URL Builder at <https://ga-dev-tools.appspot.com/campaign-url-builder/> to create a unique link. Start with the URL you would like linked from your ad, then add in the details of the campaign source, medium, and name. When someone clicks your Facebook ad for Checking accounts on Social Media, their visit using that custom URL can be tracked in

the Campaigns acquisition section. This feature is perfect for measuring ROI and comparing online advertising channel effectiveness. Instead of only knowing how much traffic increased, you can see which channel brought in the highest quantity and quality of traffic.

You can also set up Events Tracking and Goal Tracking to measure specific activities on your website. Events Tracking can measure clicks to visit external websites, such as mortgage applications or online banking. Goal Tracking measures when visitors complete a meaningful activity on your website. Set up goals to measure when people visit your rates page, or when they complete an Event of going to your mortgage application.

### Improve the Journey

Review your visitors' Behavior Flow. Paying attention to the user page flow can make you aware of any needed changes to website content and navigation. For example, if a lot of visitors are going from your CDs page to your online account opening for CDs, but no applications are coming through, they may instead be looking for rates. Adding a link to your CD rates page will improve their user flow.

You can also see if a lot of visitors are leaving a certain webpage and make improvements to that page to help them stay.

Making these changes to optimize your website will result in happier customers and more conversions to new customers and accounts. Because your website is more than an online brochure, it is likely your busiest branch.

*Olson is the marketing director at Bank of Prairie du Sac in Sauk Prairie and a member of the WBA Marketing Committee.*



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**Wisconsin Bankers**  
ASSOCIATION

# First DATCP Data Privacy and Security Advisory Committee Meeting Creates Sweet and Sour Ideas

This Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) advisory committee on Data Privacy held its first meeting in October to help facilitate gathering public input for recommendations on future legislation and rules.

The Advisory Committee will include state government representatives, business interests, data stakeholders, and advocacy groups. The Department plans to facilitate communication across stakeholders and to develop legislation that will address data security and data breach challenges facing consumers and businesses in Wisconsin.

Special thanks to **Marco Martinez** of Associated Bank, who is representing WBA and the banking industry on the Committee. Thanks, in advance, for your efforts!

## Advisory Committee Objectives

- » To identify and research possible changes to Wisconsin state law.
- » To determine the efficacy of consumer data privacy initiatives.
- » To consider how best to protect and secure information received by public and private entities in Wisconsin.
- » To determine the business community's readiness to adopt potential regulatory enhancements.



The nearly 30 members of the DATCP Advisory Committee on Data Privacy include representatives from a variety of consumer groups and a small number of business groups that include: Wisconsin Bankers Association; Wisconsin Manufacturers & Commerce; Wisconsin Hospital Association; AARP; League of Wisconsin Municipalities; Consumer Law Clinic; Better Business Bureau; Sentry Insurance, and others.

The committee took time to list individual goals for the Advisory Committee that looked a bit scary from a banking/business perspective. The 20 self-defined goals ranged from establishing a fund for consumer restitution in the event of a loss as a result of a breach to harmonization of privacy laws in Wisconsin to help in educating consumers.

The Advisory Committee will be making a series of recommendations that will be considered by DATCP in late spring 2020.

» Read *The 2019 Riskiest States Report* at...  
<https://www.securitymagazine.com/articles/90196-the-2019-riskiest-states-report>  
 ----where-does-your-state-rank

## 2019 Report From Webroot Ranks State by Risk\*

Mississippi, Louisiana, California, Alaska, and Connecticut are the riskiest states in the USA based on consumer preparedness for cyberattacks, according to a new report from *Webroot*. The report examines the cyber hygiene habits of 10,000 Americans, 200 in each state, to determine what behaviors and practices they have in place to protect their information or identity from cybercriminals. While the five previously mentioned states scored the lowest on the cyber hygiene test, the average respondent's grade wasn't good either: 60% (or a "D").

Despite the low scores on general cybersecurity knowledge and best practices, consumers reported a high (and false) sense of confidence about their cybersecurity behaviors. The majority (88%) of survey participants believe they are taking the appropriate steps to protect themselves from cybercriminals; however, the high fail rate suggests a major opportunity for improvement.

- » The 5 Riskiest States:
  1. Mississippi
  2. Louisiana
  3. California
  4. Alaska
  5. Connecticut
- » The 5 Least Risky (Safest) States:
  1. Kentucky
  2. Idaho
  3. Ohio
  4. North Dakota
  5. New Hampshire

## Notable Findings

**Americans in every state are overconfident**

- » 88% feel they take the right steps to protect themselves from cyberattacks.
- » Only 10% are A students in cyber hygiene, scoring 90% or higher.

» The highest scoring state, New Hampshire, only scored a 65%.

**Americans have a surface level understanding of common cyber threats**

- » 79% of Americans have heard of malware, but only 28% could explain what it is.
- » 70% of Americans have heard of phishing, but only 33% could explain what it is.
- » 49% of Americans have heard of ransomware, but only 21% could explain what it is.

**Less than half of Americans adopt cyber hygiene best practices**

- » 64% of participants don't keep their social media accounts private.
- » 63% of participants reuse passwords across multiple accounts.
- » 62% of participants rely on a free antivirus software.

**A small group (5%) of cyber hygiene "superstars" go above and beyond in every state**

- » These superstars take additional steps to protect themselves, including:
  - » Backing up data using multiple methods (online and offline)
  - » Investing in a reliable, modern-antivirus solution, and keeping it up to date
  - » Using a secure password manager

\* Source: <http://www.securitymagazine.com/articles/90196-the-2019-riskiest-states-report>  
 ----where-does-your-state-rank

## Did You Know?

*Wisconsin Banker* occasionally prints informative articles submitted by Gold, Silver, and Bronze WBA Associate Members. Interested in sharing your expertise? Please contact WBA's **Nick Loppnow** at 608-441-1208 or [nloppnow@wisbank.com](mailto:nloppnow@wisbank.com) or email [sales@wisbank.com](mailto:sales@wisbank.com) for more information about purchasing Sponsored Content space in WBA's electronic publications.

## 2010s | The Decade of Resiliency

*(continued from p. 1)*

the future may hold. The Wisconsin banking industry is no exception. In the past decade, Wisconsin banks evolved from standing shoulder-to-shoulder, ready for battle against a crumbled economy and a misinformed reputation, to a thriving industry that embraces the ever-changing technological world. However, what has not changed over the years is the thing that will make Wisconsin banks strong going into the next decade: resiliency.

### » Thinking back to 2010.

There's no denying that 2010 brought challenges to the Wisconsin banking industry. With the world still reeling from the impacts of the Great Recession and increased federal regulatory pressure, Wisconsin banks were faced with a difficult task: they had to fight to deliver a healthy banking environment to their customers. No aspect of financial services was untouched by the recession, yet commercial and community banks were left to pick up the pieces.

"The recession was all-encompassing: housing, land development, agriculture, and commercial real estate... there were no safe havens," said **Robert Just Jr.**, retired president and CEO of Mound City Bank, Platteville and WBA Chair in 2010. "What banks did to survive was remarkable; we closed ranks and fought for our good names."

This resiliency was indeed remarkable, but unsurprising. Wisconsin banks never saw the magnitude of bank closures or failures to the same degree as other parts of the country, including some from neighboring states. They had fewer casualties than others in the industry because they stuck to their

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**"The [2010] recession was all-encompassing: housing, land development, agriculture, and commercial real estate... there were no safe havens. What banks did to survive was remarkable; we closed ranks and fought for our good names."**

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**—Robert J. Just Jr., retired president and CEO, Mound City Bank, Platteville, and 2010 WBA Chair**

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core competency: supporting their communities. Wisconsin banks hold traditional values of conservatism and put their customers first. They fought to uphold their communities even in a turbulent economic environment.

"Wisconsin banks have historically been prudent in their underwriting and conservative in how they manage their balance sheets," said **Rose Oswald Poels**, president and CEO of the Wisconsin Bankers Association. "I think that helped them be able to weather the challenging times in 2010."

Weathering the storm was certainly no easy task. In addition to the overall impact of the recession on the economy, the crisis triggered a domino chain reaction of regulations that all but crippled some banks. Prior to 2008, regulators did not express many concerns during bank evaluations. However, the recession changed everything. Panic electroshocked regulators into a reactive mode and banks found themselves whiplashed from the new scrutiny imposed upon them. And then, of course, Dodd Frank hit.

"Dodd Frank was approved in 2010 and it just unleashed a waterfall of change in the regulatory and risk management piece of banking," said **Matt Sitkwoski**, executive vice president and chief financial officer of Bankers' Bank, Madison. "A lot of bankers had to re-educate

themselves. It wasn't necessarily a bad thing, but it was challenging."

As if banks did not have enough on their plates, they were also faced with a full-frontal attack from the media and others from outside the banking industry. It is no secret that risky moves made by certain Wall Street investment mortgage brokers and firms caused the severity of the recession. However, commercial and community banks bore the impact and were unjustly blamed for the actions of the bad apples in the industry.

"We suffered because of this, but it wasn't the community banks that caused this... It was hard to get that message out," said **Jeff Niesen**, senior vice president of Bankers' Bank. "I remember back in the time, if you said you worked at a bank, people would say 'oh, you're one of them' and I would say 'yes, I am, but this wasn't caused by us.'"

Despite this misrepresented perception from those outside the industry, Wisconsin banks continued to grind through the tough economy with an eye for the future and for the communities they served in. That ability to see the glass half-full during economic hardship distinguished them from other financial servicers in the industry and helped them thrive later into the decade.

"If there are challenges, that means that there are opportunities to differentiate and succeed," said **Mark**

**Meloy**, CEO of First Business Bank, Madison and current WBA Chair. "I always felt like 2010-2012 were some of the fastest moving, most exciting times that we had because we were able to take advantage of some recovery moments and deliver products and services that clients and prospects were asking for, and doing it in a way that was faster and better for them."

### » Today's banking environment.

As the calendar approaches 2020, the Wisconsin banking industry looks quite different than it did entering 2010. Community banking has been at the center of the economic recovery, and it has seen major payoff for this effort, especially in the last five years. Bank capital is much larger and Wisconsin banks have developed sound lending markets, which has contributed to a flourishing economy. It seems like a long time coming for many bankers in Wisconsin.

However, the industry also faces a dramatic shift in the way that individuals engage with their bank. There is no denying that the mobile phone explosion now encompassing all aspect of human interaction has revolutionized the way Americans bank.

"Mobile banking has changed everything from the client's ability to authorize wire transfers to simply looking up account balances," said Meloy. "That client or potential client now looks at the entire financial landscape on a 360-degree basis entirely with their phone these days."

Further, the culture shock of mobile phones also developed new competition that community banks in Wisconsin had never faced before.

"I think there was always increased competition into the new millennium

*(continued on p. 21)*

## 2010s | The Decade of Resiliency

(continued from p. 20)

**“Wisconsin banks [today] have a nimbleness and are able to adjust to whatever environment they’ve found themselves in. I think that’s the hallmark of the Wisconsin banking industry for a very long time and continues to be.”**

**—Mark Meloy, CEO  
CEO, First Business  
Bank, Madison and  
Current WBA Chair**

for bank customers. This disintermediation has been going on for many years, but I think it’s really intensified,” said Sitkowski. “The new players, whether they be fintech or online lenders or whatever the case may be, challenge the ability for community banks to defend their customers and defend themselves, and there are aspects of the marketplace that are reaching to grab their customers to take them away.”

The expectations of customers have also shifted. Millennials in particular focus more on the experience of their business in a different way than older generations. They want their banking to be as fast-paced as their lifestyles. This shift has changed the way that community banks need to evolve, as these new products have subtly given consumers reasons not to come into the bank. However, something that has not changed over the years is that community banks are very good at engaging with the communities they serve in. As Just said, “face-to-face interaction will never go out of style.”

This concept is no understatement and differentiates Wisconsin community banks from their online and national competitors. Throughout his travels, Niesen has found a direct correlation between a vibrant community and a strong community bank at the center of it.

“They’ll treat their customers how they should be treated. I’m not going to imply that regional banks and national banks aren’t doing so, but at the community banks you’re more than just a number,” he said. “They haven’t extended beyond their capabilities within their communities and that’s something they continue to do well.”

Sticking to their core competency has helped many community banks, especially family-owned banks, remain independent in an environment that has seen an increase in mergers and acquisitions in the past few years. According to Sitkowski, the quality of capital is significantly stronger than it was in the early 2010s. While this is good from a safety and soundness standpoint, the return on equity is lower and a bank needs to earn more to be successful. He attributes the increasing number of consolidations to this new challenge. But, as seen during the early post-recession years, Wisconsin’s community banks are resilient and able to take on whatever challenge is thrown their way.

“I think Wisconsin banks have a nimbleness and are able to adjust to whatever environment they’ve found themselves in,” said Meloy. “I think that’s the hallmark of the Wisconsin banking industry for a very long time and continues to be.”

### » Thinking of the future.

It is nearly impossible to predict the future of the Wisconsin banking industry. The industry metamorphosizes itself to economic, political, and cultural factors. However, experts in the field unanimously predict that the trend of consolidation is here to stay in the short future, and banks need to adapt.

“I think it’s inevitable that we’ll continue to see some consolidation in the banking industry, not only in Wisconsin but nationwide,” said Meloy. “I also strongly believe that the competitive environment really goes far beyond what we’ve always considered competition, and I think that’s going to grow and with it provide opportunities for us to succeed.”

Oswald Poels agrees that mergers and acquisitions are unlikely to disappear in the next decade. However, she is hopeful that this trend will begin to plateau because community banks are often more than just financial servicers; they breathe life into the towns they serve.

“Communities really need local banks, and their presence is really important, not just because of the traditional banking services that are needed in the community, but also for the philanthropic support and

just the vibrancy of the overall local economy,” she said. “We really need local banks.”

Local banks will only survive if they are able to be as adaptable as they were during the early 2010 years, yet strategic with their decision-making into the future. Oswald Poels believes that this means going into the new decade, banks need to develop a strong succession plan for the future and also peer network with other banks to share ideas about how to best serve their communities.

Niesen adds that community banks need to develop and nurture partnerships with technological firms with aligned goals that best service their customers. However, whether it is 2010 or 2029, Wisconsin banks will succeed so long as they stick to the values that make them vibrant, dependable, and unique.

“I think community banks need to get past this perception that the community bank cannot survive, regardless of the size,” said Sitkowski. “Community banks have a viable role going forward and they will survive with the right partnerships and relationships.”

*Kallien is a content creation associate/editor at WBA.*

*Bankers’ Bank is a WBA Gold Associate Member.*



# Bankers Recognized for Dedication to Financial Education

On Thursday, Nov. 21, bankers and Wisconsin banks from across the state received awards or certificates from the Wisconsin Bankers Foundation (WBF) in recognition of their efforts to educate the customers and community during the 2018-2019 fiscal year. The awards were presented during a special breakfast held in conjunction with the WBA LEAD360 Conference in Wisconsin Dells.

The WBF Excellence in Financial Education awards honor banks and individual bankers for their dedication to promoting financial education in Wisconsin. This year, a total of over 460 bankers from across the state reported nearly 1,850 personal finance presentations. Those volunteer bankers educated nearly 33,500 consumers of all ages about the importance of saving and



## Wisconsin Bankers FOUNDATION

budgeting, how to use credit responsibly, the ins and outs of obtaining a home mortgage or car loan, and many more financial topics.

This year's top winners include:

- » Banker of the Year Award  
**Monica Walk**, FVSBank, Fond du Lac
- » Financial Literacy Banker Award  
**Cynthia Roeck**, Cleveland State Bank
- » Wisconsin Teach Children to Save Day Award  
**Sarah K. Rogers**, Mound City Bank, Platteville

For the first time ever, the Financial Education Innovation

Award was given to not one, but two banks! This award recognizes a bank or individual banker who contributed a new or innovative approach to financial education, or has exhibited exemplary dedication to expanding financial education in their community.

The **Bank of Prairie du Sac** and **The Stephenson National Bank & Trust (SNBT)**, Marinette, both were honored for their efforts.

The Bank of Prairie du Sac, in conjunction with local high school teacher **Joel Chrisler**, created a series of personal finance classes. Classes covered money resolutions, managing credit, buying a home, investing basics, and paying for college. The bank also offered video recordings of the classes which were available on their website and YouTube page.

For the past few years, SNBT bankers have been providing a six-week financial literacy class to inmates at the Marinette jail. These classes are held weekly, in a classroom right at the jail. Each session focuses on a particular topic; checking accounts, savings accounts, budgeting, credit and lending. Other topics may be covered as well, depending on questions the students bring up. The program has received such positive feedback that the bank is considering extending it beyond six weeks or adding another session later in the year.

Thank you to all the bankers who dedicate their time and talents to promoting consumer education in Wisconsin.

Visit [www.wisbank.com/EFEawards](http://www.wisbank.com/EFEawards) to see the winners. Contact WBA's **Amber Seitz** at 608/441-1237 or [aseitz@wisbank.com](mailto:aseitz@wisbank.com) for any questions.



## There's an easy way to make sure your health insurance rates go unchanged through January 1, 2021.

When your bank joins our Association Health Plan (AHP) through the Wisconsin Bankers Association on or after July 1, 2019, **you won't need to renew your contract until January 1, 2021**. That's a solid guarantee brought to you by your Wisconsin Bankers Association membership and UnitedHealthcare.

### AHP highlights include:

- Opportunity for cost savings.
- Flexible plan options.
- National network.
- Convenient resources including wellness programs and digital tools.



Contact **Brian Siegenthaler**, Wisconsin Bankers Association — Employee Benefits Corporation at 608-441-1211 or [bsiegenthaler@wisbank.com](mailto:bsiegenthaler@wisbank.com) to learn more.



Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Health Plan coverage provided by or through UnitedHealthcare of Wisconsin, Inc. 8759097.1 3/19 ©2019 United HealthCare Services, Inc. 18-10010

# Who is the 2019 WBA Banker of the Year? You Tell Us!

## *Nominations are due by Friday, Dec. 13*

WBA is now accepting nominations for the 2019 Banker of the Year Award! This award recognizes someone who has made an outstanding effort in service to his or her bank, to their community, and to the banking profession.

To qualify, nominees must be an employee of a Wisconsin bank and a member of the WBA. In addition, the individual should be a bank president/CEO, or have held this role in the recent past. Nominations may be submitted by any person who can describe the banker's civic and professional accomplishments.

The award will be presented at the WBA Bank Executives Conference on Feb. 4, 2020 at the recently-expanded Kalahari Convention Center in Wisconsin Dells.

Contact WBA's **Debbie Nabholz** ([dnabholz@wisbank.com](mailto:dnabholz@wisbank.com))

for the nomination forms. The forms must be returned by **Dec. 13, 2019**. Questions about the award or the nomination and selection process may be directed to WBA's **Patty Rogers** at [progers@wisbank.com](mailto:progers@wisbank.com) or 608-441-1209



**Steve Eager**, president and CEO of the former Union Bank & Trust Company in Evansville (now a branch of the State Bank of Cross Plains), was honored as the Wisconsin Bankers Association Community Banker of the Year for 2018. Eager (pictured, left) was recognized as being respected by his fellow

bankers and his community as a leader who is caring and involved both inside and outside the bank. The award was presented at the Tuesday evening program during the 2019 Bank Executives Conference.

## A History of Service Commemorating Our Past Award Winners

WBA would like to take the opportunity to recognize some of the individual bankers who have contributed to the success of Wisconsin's banking industry in an extraordinary way: the recipients of the Wisconsin Community Banker of the Year award.

These individuals have dedicated countless hours of their time to serving their communities and are true examples of the best of our industry.

Congratulations!

### Wisconsin Community Bankers of the Year:

- 1986 – Jess Levin
- 1987 – Ron Isaacson
- 1988 – Gil Homstad
- 1989 – Lee Swanson
- 1990 – Robert Gorsuch
- 1991 – Richard Pamperin
- 1992 – David Ballweg
- 1993 – Michael Murry
- 1994 – Steve Hamilton
- 1995 – Merlin Zitzner
- 1996 – Howard Turk
- 1997 – A. Tom Wittkopf
- 1998 – Gary Weirauch
- 1999 – John G. Thomson
- 2000 – Thomas J. Sheehan
- 2001 – Earle R. Edwards
- 2002 – Dirk L. Gasterland
- 2003 – Paul C. Adamski
- 2004 – Philip Holland
- 2005 – Charles L. Saeman
- 2006 – E. David Locke
- 2007 – Karl J. Ostby
- 2008 – H. B. Pomeroy
- 2009 – Carl M. Axness
- 2010 – Toby J. Steivang
- 2011 – Robert L. Fait
- 2012 – James K. Caldwell
- 2013 – Richard G. Busch
- 2014 – Frederick F. Schwertfeger
- 2015 – Steve Schowalter
- 2016 – Randy Bobholz
- 2017 – Peter Knitt
- 2018 – Steve Eager
- 2019 – TBD

# Comment Letters Submitted on HMDA Data Collection and HUD

## *Summary of recent comment letters below*

Earlier this year, the Bureau published in the Federal Register the ANPR soliciting comments relating to the data points the Bureau's October 2015 final rule implementing the Home Mortgage Disclosure Act (HMDA) added to Regulation C. Many of the data points were added at the Bureau's discretion rather than by statutory mandate. The ANPR also solicited comments relating to the requirement that institutions report certain business- or commercial-purpose transactions under Regulation C. WBA appreciated the Bureau's decision to open the discussion concerning ongoing challenges financial institutions have experienced in attempting to fulfill the requirements implemented under Regulations C pursuant to the 2015 HMDA Rule.



### Comment Letters:

- [www.wisbank.com/CommentLetters](http://www.wisbank.com/CommentLetters)

WBA asked the Bureau to eliminate all discretionary data points the Bureau added to HMDA data collection and reporting; however, if the Bureau is unwilling to do so, WBA asked that certain specific data points be eliminated.

More recently, WBA commented on a Department of Housing and Urban Development (HUD) proposed rule implementing the Fair Housing Act's (FHA) Disparate Impact Standard

The WBA Legal Department advocates for the industry by writing comment letters to federal and state regulators on proposals affecting the industry and by filing friend-of-the-court briefs at the request of WBA members and per approval by the WBA Board of Directors.

which amends its current rule implementing the FHA's discriminatory effects standard at 24 CFR part 100. WBA voiced its support of the proposed rule's alignment of HUD's implementation of the FHA with the Supreme Court's 2015 decision in *Texas Dept. of Housing and Community Affairs v. Inclusive Communities Project, Inc.*, 135 S. Ct. 2507 (2015).

*For copies of this or other WBA comment letters, please contact the WBA Legal Department at 608-441-1200 or visit [www.wisbank.com/CommentLetters](http://www.wisbank.com/CommentLetters).*

## Leading Through Change

(continued from p. 1)

As a part of this, the State Bank of Cross Plains incorporated leadership development into their strategic planning. “We started with defining what leadership qualities and characteristics are expected, instead of just asking people for intangible concepts” explained Tubbs. “We then could tell staff ‘to help your career path, here are the expectations we have for leaders,’ and give them a document to reference.”

Making sure leadership development is continuous is key, according to **Vicki Kraai**, owner/founder, VK Solutions. “Leadership development is not a one and done thing,” she explains. “You can’t send someone to a leadership class and then say ‘ok, they’re developed’ – it needs to be ongoing and intentional.”

“Intentional” is really a key term in leadership development. According to the *Harvard Business Review*,\*\* over half of senior corporate leaders believe that their talent development efforts are not adequately building the critical skills and organizational capabilities they want. So, like Tubbs mentioned, getting away from the intangible buzzwords and defining the wants and needs of the bank can create more focused development.

“There are four things needed for successful leadership development,” Kraai discussed. “You need to be intentional about coaching the people who have been identified as leaders or future leaders, they need a mentor.” A mentor is not simply a supervisor or manager, but someone who is going to be a coach and able to provide

honest feedback, perspective, and experiences.

“The second thing, if you’ve identified people for leadership, have them put together a personal development plan” Kraai continued. “Third, those people who do lead or are identified as future leaders need to be open to 360 degree feedback, including self-assessments—self-assessments are so important.”

“And finally,” Kraai said, “to be a successful leader, you need to have what I call ‘empathy,’ but it’s really humility. A sincere interest in the success of your team over your own individual accomplishments.”

Identification and training of future leaders also needs to begin sooner, says Kraai. “We need to identify and develop people at a very early level, the younger generation is our up and coming future banking leaders. We need to embrace this and do what we can to set them up for success.”

Tubbs echoed a similar sentiment. “We use the term ‘Strength of Bench’ a lot when talking about succession planning,” he shared. “We want to make sure that if there is a vacancy—be it retirement, personal leave, or something else—we are not only preparing our current leaders but also the future leaders that will step up.”

There was a lot of “stepping up” for the State Bank of Cross Plains recently as everyone got a taste of one of the biggest things changing within banking: consolidation. On June 1, UB&T merged into State Bank of Cross Plains and throughout the process of combining the two companies, each staff member was assigned a merger partner. All the staff new to State Bank of Cross Plains were paired with a more seasoned staff member who they could turn to as a reliable source of information

(continued on p. 25)

# Bank ANNIVERSARIES

## Commemorating Service to Generations of Customers

### WBA member banks celebrate milestone anniversaries

The banking industry has a long and storied history in Wisconsin. From being an outlawed practice in the 1840s to today’s diverse industry, banks have always helped Wisconsin consumers buy their first homes, finance their vehicles, and achieve their business dreams. Remarkably, nearly half of Wisconsin’s banks have been serving their communities for over a century!

#### 2019 Anniversaries

Congratulations to the following banks, which celebrated milestone anniversaries in 2019:

##### 100-Year Anniversaries:

- » First National Community Bank, New Richmond
- » Forward Bank, Marshfield

##### 125-Year Anniversaries:

- » Bank First, N.A., Manitowoc
- » The Benton State Bank
- » Partnership Bank, Tomah

#### 2020 Anniversaries

Congratulations to the following four Wisconsin banks that will celebrate milestone anniversaries in 2020:

##### 100-Year Anniversaries:

- » KeySavings Bank, Wisconsin Rapids
- » Oakwood Bank, Pigeon Falls
- » Tomahawk Community Bank

##### 125-Year Anniversary:

- » Home Savings Bank, Madison

Congratulations to all!

### Is Your Bank Celebrating a Milestone Anniversary Soon?

If you’re still looking for ideas on how to commemorate your institution’s achievement, you may want to look to the past for inspiration as you turn toward your bank’s future. Wisconsin banks have shown no shortage of creativity when it comes to commemorating landmark anniversaries, celebrating with everything from customer appreciation picnics to special CD rates to autograph sessions with professional athletes.

However you choose to celebrate, make sure both bank employees and customers have a fun and memorable event!

» Let WBA know how you plan to commemorate your bank’s success! Email photos and press releases of your institution’s events to [bulletinboard@wisbank.com](mailto:bulletinboard@wisbank.com) and let the industry join in the celebration!

# Will Banks Be Dragged Into the PFAS Fight?

*Spoiler alert: yes, most likely*

What's a PFAS? Perfluoroalkyl and Polyfluoroalkyl substances (PFAS) are a group of several thousand human-made chemicals that have been in use since the 1940s and have become the center of a debate before the Wisconsin Department of Natural Resources (DNR). PFAS create a grease-, water-, or stain-resistant barrier when applied to a product. They are most commonly found in paints and fire-fighting foams, carpets and upholstery, food packaging, cookware, and cleaning products. While PFAS have been phased out of production in the United States over the past two decades, they still enter the country.

PFAS have been referred to as "forever chemicals" due to strong chemical bonds which make them incredibly stable. PFAS take decades or longer to degrade in the environment and accumulate in the human body over time. Almost all people in the United States

have some amount of PFAS in their blood. Some research suggests that high levels of certain PFAS may increase risk of cancer, increase cholesterol, decrease response to vaccines, increase risk of thyroid disease, decrease fertility in women, increase risk of high blood pressure or pre-eclampsia in pregnant women, and lower infant birth weights.

PFAS have been detected in groundwater across Wisconsin. Sites in the Peshtigo and Marinette areas have undergone or will undergo investigation by the DNR. Madison's well number 15 was shut down as a precaution after readings showed a PFAS concentration of 20-21 parts per trillion. In July, Rhinelander shut down a well with a reading that they described as higher than what health agencies suggest. This contamination is linked to military bases, airports, and facilities that previously

produced or heavily relied on products containing PFAS through imported goods.

The DNR conducted three rounds of sampling this summer at sites that were near known or likely sources of PFAS chemicals, including portions of the Menominee, Mississippi, and Wisconsin Rivers. The first round of sampling for chemicals known as PFAS in surface waters has revealed elevated levels in Wisconsin rivers and creeks.

On July 22, 2019, the DNR initiated a new voluntary PFAS testing program for WPDES permittees. Specifically, the DNR requested 1,256 "municipal wastewater treatment facilities with industrial pretreatment programs or contributing industries expected to be sources of PFAS to sample their influent and effluent for PFAS compounds."

However, in addition to contacting 125 WPDES permittees, the DNR contacted private sector entities for purposes of requesting voluntary sampling of PFAS compounds.

On Aug. 22, 2019, Gov. **Tony Evers** issued Executive Order #40, which orders the DNR, DHS, and DATCP to:

- » establish a public information website to properly inform the public on PFAS and the risk these chemicals pose to public health and Wisconsin's natural resources;

- » collaborate with municipalities and wastewater treatment plants on screening programs to identify potential sources of PFAS into the environment;

- » expand monitoring and consideration of PFAS in the development of fish and other wildlife consumption advisories to protect human health;

- » develop regulatory standards to protect public

health and the environment from PFAS contamination;

- » modify the Voluntary Party Liability Exemption Law, which provides future liability exemptions after successful completion of hazardous substance cleanup, to protect Wisconsin taxpayers from uncertain and costly liability associated with PFAS; and

- » access opportunities for using natural resources damages claims under state or federal law to address compensation for PFAS impacts to natural resources.

The Order also creates the PFAS Coordinating Council, pursuant to Wisconsin Statute section 14.019. Among other tasks, the Council will develop a multi-agency PFAS action plan, identify and prioritize known PFAS sources, develop best practices and protocols for identifying PFAS sources to ensure that the materials are managed in a way that protects natural resources and human health, and explore avenues of funding for the state, local governments, and private parties to aid their efforts to address PFAS.

In addition to the PFAS Coordinating Council, DNR has created a PFAS Technical Advisory Group. Among other things, the purpose of the group is to share regulatory updates associated with Wisconsin's development of programs to manage PFAS. Any interested party may attend the meetings, which are held at the DNR headquarters in Madison, and are open to the public.

The big questions is what happens when the bank, a client's property, or a client's product is over the PFAS limit?

*Special thanks to **Jacob Curtis** at **von Briesen & Roper, s.c.**, a WBA Bronze Associate Member, who contributed to this article.*

## Leading Through Change

*(continued from p. 24)*

throughout the merger process, and the more seasoned staff knew they had the responsibility to be a resource and connection for the new staff.

A lot of leading through a period of change is ensuring everyone is clear on what is changing. "After the merger announcement I started sending out a merger update email to the whole staff," Tubbs discussed. "It was just a 'Hey What's Going On?' sort of email, because it was important to have consistent communication. Even now, after the merger has been complete, I'm maintaining that discipline just to give staff a bigger picture of what's going on at the bank."

Investing in leadership development for employees

is important to ensure that your bank has strong leaders, and is also key to retaining talent that could be future leaders. Actively and regularly investing in employees with leadership potential can make a big difference in whether they stay with your bank, it is a strong message to your employees that they are important and valued. Ensuring your employees feel valued is good leadership, and in turn it builds them into good leaders as well.

*Bates is WBA administrative/communications assistant.*

\* <https://gbr.pepperdine.edu/2017/04/trends-in-leadership-and-leadership-development/>

\*\*<https://hbr.org/2019/03/educating-the-next-generation-of-leaders>

## Executive Update

# International Trade Opportunities More Attainable for Wisconsin Banks with Help of SBA Export Loan Programs

By Rose Oswald Poels

Our economy is becoming more global, and the value proposition is strong for Wisconsin bankers to get more involved in international trade. Nationally, the Small Business Administration (SBA) estimates that a total of 287,314 companies exported goods from the United States in 2016. Of these, 280,229, or 97.5%, were small firms; they generated 33.3% (or nearly \$433 billion) of the United States' \$1.3 trillion in total exports.

In Wisconsin alone, a total of 8,485 companies exported goods in 2016. Of these, 7,337 (or 86.5%) were small firms; they generated 26.8% of Wisconsin's \$19 billion in total exports. Senior SBA staff recently conducted a local roundtable for lenders in southeast Wisconsin to discuss the various ways SBA can play a role in helping banks grow their portfolio to include international finance.

"Our job is to mitigate your risk," said **David Glaccum**, SBA associate administrator for the Office of International Trade, at the meeting to lenders. SBA has three different export loan programs designed to provide bank customers, notably small businesses, with solid financing options through their local bank while also providing the bank with as much as a 90% guaranty depending on the program used.

"Small business customers are an untapped market



### Executive Update

Rose M. Oswald Poels

opportunity for SBA lenders," said **Michael Fazio**, SBA export finance manager for the Office of International Finance, to the lenders in the audience. And the numbers prove that to be true. Of the four key

Contact SBA's **Mike Fazio** at [michael.fazio@sba.gov](mailto:michael.fazio@sba.gov), or 202-322-3352 to learn more about the SBA Export Loan programs or to be added to a referral list of export businesses that have financing needs.

these loan numbers over the next year or so. Not only small businesses that export, but also those that sell goods and services to others that export, can use SBA's export loan programs, thereby expanding

the benefit of an SBA export program," Glaccum stated.

In addition to the loan programs, SBA has local staff in Wisconsin who are ready to help lenders not only become more educated on these guaranty programs, but are also willing to jointly call on bank customers and prospects to provide the expertise needed to effectively talk with small business exporters.

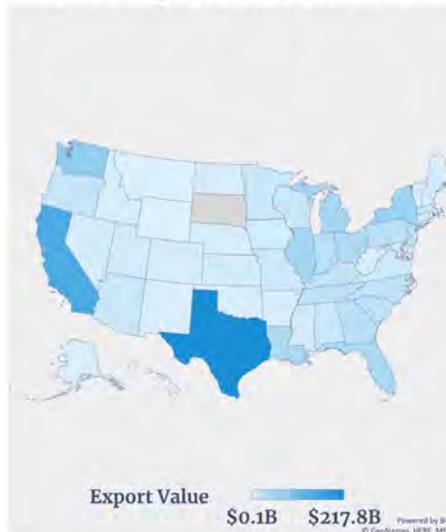
With more businesses exporting their products and services, there is a growing underserved market opportunity for banks to tap into, in industries commonly targeted by the banking industry. Nearly 35% of small business exporters surveyed stated that they find it more difficult to finance foreign sales. "Indeed, as banks begin to look deeper into their existing customer base, many are surprised to find existing customers already exporting products or services," Fazio shared. Moreover, diversifying a bank's loan portfolio to include some international loans helps strengthen a bank's balance sheet with customers who will be sticky to the bank.

For more information about the SBA Export Loan programs, or to be added to a referral list of export businesses SBA encounters that have financing needs, contact **Mike Fazio** at [michael.fazio@sba.gov](mailto:michael.fazio@sba.gov), or 202-322-3352.

*Oswald Poels is WBA president and CEO.*

### The U.S. is Exporter Dense (known exports)

Total Exports: \$1.3 Trillion\*



SB Exports: \$432.9 Billion\*



\*2019 Small Business Profiles for the States and Territories, SBA Office of Advocacy

» Of the four key export sectors (manufacturing, wholesale trade, retail trade, and ag) identified by SBA, there are nearly 1.7 million small businesses operating in these sectors, with over 172,000 of those exporting products or services in 2018. Of those small business exporters, SBA provided only 165 export loans. SBA's goal is to grow these loan numbers over the next year or so.

export sectors (manufacturing, wholesale trade, retail trade, and ag) identified by SBA, there are nearly 1.7 million small businesses operating in these sectors, with over 172,000 of those exporting products or services in 2018. Of those small business exporters, only 165 SBA export loans were provided in 2018. It is a goal of the SBA to grow

the pool of potential borrowers.

Part of the explanation for the disconnect in the numbers is because many small business exporters are using cash in advance terms to finance their export business rather than obtain a loan. "Cash in advance terms are really not the best solution for businesses to get better margins compared to financing through a bank with

*Remodeling for You:*

**Please Excuse Our Dust...The WBA Office is Being Remodeled**



As part of WBA's ongoing efforts to serve our member banks, the association is committed to staying up-to-date on industry and business trends. The WBA office is currently

undergoing an extensive remodel to help us continue that mission of service. When completed, the updated building will offer additional technology-enabled meeting rooms and training spaces, as well as areas for member bankers to interact with staff, and a special Honor Wall recognizing the past achievements and dedication of Wisconsin bankers.

If you plan to visit the WBA office in the coming months for training or for a committee meeting, please watch your step as we move forward with this exciting update. Construction will continue after the opening of the Engagement Center and the full office will be ready in the spring of 2020.

**WISCONSIN BANKER**

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- Ken Thompson**, (Vice Chair), President/CEO, Capitol Bank, Madison
- David Werner** (Past Chair), President/CEO, Park Bank, Milwaukee
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Wisconsin Banker is published by Wisconsin Bankers Association, 4721 South Biltmore Lane, Madison, WI 53718; Telephone: 608-441-1200; Fax: 608-661-9381; [www.wisbank.com](http://www.wisbank.com).

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**SPECIAL ENDS  
DECEMBER 31,  
2019!**



# BankTalentHQ

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## Give back to your community with community rewards cards.

The consumer credit card program at Bankers' Bank is tailored to make community banks shine. This referral card program lets you offer three great consumer card options:

- up to 3% cash-back rewards when customers shop at participating community-based businesses
- up to 3X rewards for travel, merchandise and gift card rewards when customers shop at participating community-based businesses
- a no-frills card with an especially low rate

While your customers appreciate your community support, you'll appreciate the turn-key program offering reliable fee income. Contact us to get started.

#### Your Correspondent Bankers

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