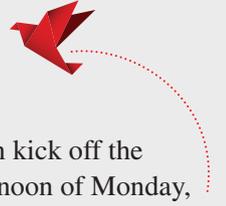


## Think | Act | Be | DIFFERENT.

### Annual Bank Executives Conference, Feb. 3-5 in Wisconsin Dells



By Ally Bates

The largest gathering of Wisconsin bank executives is just around the corner. The 2020 WBA Bank Executives Conference will be Feb. 3-5, featuring the theme “Think Different. Act Different. Be Different.” 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.

In the spirit of the conference theme, the

event will be hosted at a *different* and new location: the newly expanded [Kalahari Convention Center in Wisconsin Dells](#). The new space just opened in Sept. 2019 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.

You’ve told us time and time again that networking is one of your favorite parts of coming to WBA events; with that in mind the conference will once

again 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 a welcome reception and opportunities for dinner with WBA Associate Members.

*(continued on p. 12)*

## The Age of Real-Time Payments is Here.

## Is Your Bank Ready?

*Community and regional banks need to remain competitive in the rapidly evolving payments market by offering secure, real-time payments.*

By Tim Mills and Eric Skrum

We live in a “give it right now, need it yesterday” age. We can browse the web and watch videos on our smartphones and we can order items from Amazon that sometimes arrive on the same day, but banks have often struggled with meeting the demands of the digital age. Offering real-time payments to their customers is

one way to meet the needs and expectations of customers in an increasingly “on demand” world.

Although Americans still rely on cash, credit cards, and paper checks to pay bills and for goods and services, people have increasingly adopted electronic payment methods offered by fintechs, such as Venmo and PayPal, for seemingly

instant payments, or have migrated to retailer-specific payment options, such as the Starbucks card and mobile app for convenience or rewards perks. Meanwhile, Apple Pay and Google Pay are gaining acceptance, which puts a layer or two (or three) between the payments relationship banks have historically shared with their customers.

With all of these changes in the ways customers prefer to make payments, where does that leave banks? And for small businesses and bank customers who are looking for ways to make real-time payments that fit their lifestyle, what are their newer options?

Let’s first focus on why businesses and consumers are searching for ways to make real-time payments. Tech

savvy small businesses, their customers, and suppliers need a faster and more robust way to pay bills, manage their cash flow, and protect themselves from hackers.

Although we won’t be in a totally cashless society in the foreseeable future, financial institutions of all sizes are working to allow customers to send payments the way they want to send them—this includes not only the method (cash, check, electronic), but also the timing (next day, same day, or real time).

### Small business gains with real-time payments

Real-time payments for goods and services and for payroll is not just for cutting-edge internet retailers. Small businesses see the benefits

*(continued on p. 25)*

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## Message from the Chair

# Reflecting on 2019 and Gearing Up for a New Year

By Mark Meloy

It's the beginning of a new year and the middle mark of my time as WBA Chair. It seems like the perfect time to reflect where we as an association have been and what we are working toward.

One of the key goals we've worked on is engaging the WBA membership in our advocacy efforts. 2020 is an election year and it is vitally important that more members



### Message from the Chair

Mark Meloy

than ever speak up on behalf of the banking industry as we begin a new decade.

An important step we've taken is the creation of the

Advocacy Officer Program.

In the past few months, we've worked hard to increase our ranks. That work has paid off as we now have 106 bankers representing 102 banks. The Advocacy Officer is the point person who leads their bank's advocacy efforts. They are not necessarily a president or CEO but rather an emerging leader within the bank.

Having this designated person within each bank makes

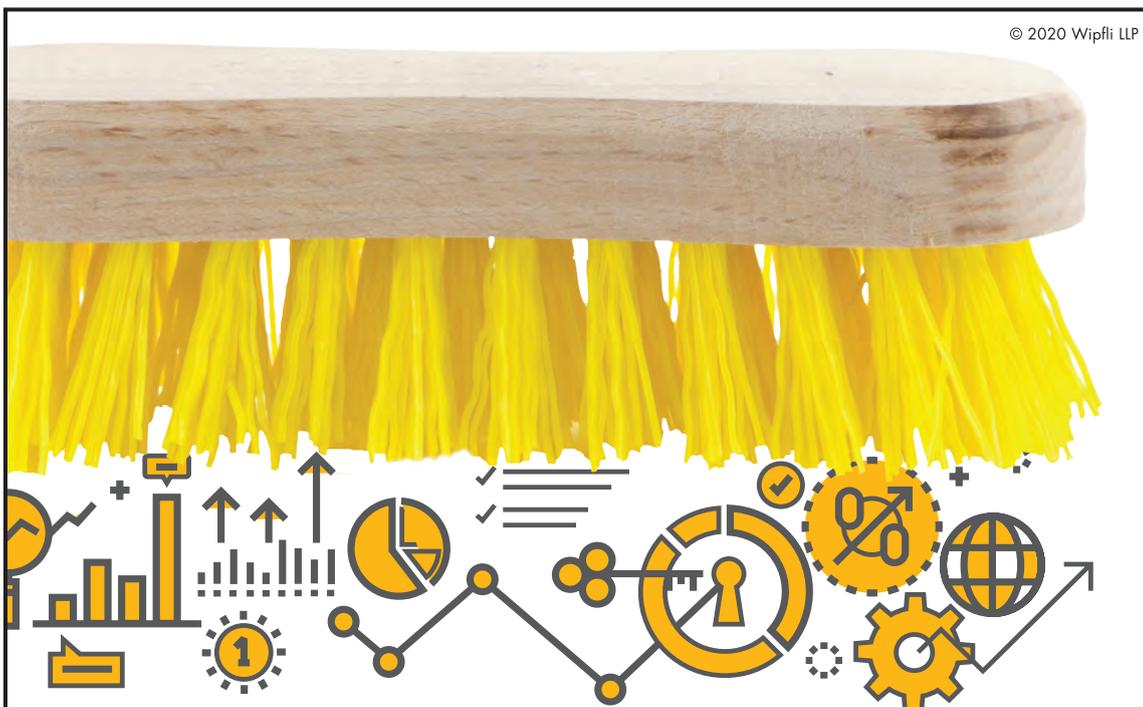
a huge difference in ensuring that advocacy and the need to speak up for the industry becomes a higher priority for all members. If you don't have someone currently appointed at your bank, contact WBA's **Mike Semmann** at 608-441-1206 or [msemmann@wisbank.com](mailto:msemmann@wisbank.com) to discuss how your bank can participate in the Advocacy Officer Program.

We have also seen success with our state-level legislative priorities. The WBA-supported omnibus bill was recently signed into law. Although many see the changes as tweaks to the law, they will have a huge impact on Wisconsin banks in the future. Also supported by WBA, SB 188 was passed and establishes a Wisconsin hemp program in accordance with the 2018 Farm Bill. These are just two highlights of a very successful Wisconsin legislative session for the banking industry. With time still left in this session, WBA will continue to work on issues important to you.

Advocacy hasn't been our only focus. Wisconsin's banking industry, like many other industries in the state, is facing a talent shortage. WBA has been participating in college events across the state promoting our industry as a strong career path for graduates. We've had great attendance from bankers and college students alike during these visits.

Those are just a few of the victories we've achieved together over the last few months. I look forward to working with all of you on making 2020 even more successful for Wisconsin's banking industry.

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



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## SCRUB YOUR HMDA LAR DATA WORRIES AWAY!

**Wipfli can help make your HMDA LAR data accurate and ready for submission by the March 1, 2020, deadline.** Our compliance consultants can provide a full or partial scrub of your HMDA LAR data to ensure information is recorded accurately based on documentation in your loan files. We provide a list of errors and discrepancies for you to validate and correct prior to the submission date to minimize or eliminate exceptions in your HMDA reporting.

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# New Year, New Elections

By Jon Turke

The calendar has turned to another even-numbered year, which of course means we'll have more elections than we usually do. Important races at the local, state, and federal level will dominate the political world (if they don't already). In fact, voters in Iowa will head to the polls on Feb. 3 to kick off the Democrats' primary season.

**Milwaukee County Executive (Primary: Feb. 18; General: April 7)**

The largest county in Wisconsin will select a new leader. Incumbent **Chris Abele** has announced he will not seek re-election, perhaps to focus on a run for U.S. Senate in 2022. Several candidates have announced at the time of writing this article including State Senator **Chris Larson** (Glendale); Mayor **Bryan Kennedy**; and State Representatives **David Crowley** and **Daniel Riemer**. This is officially a non-partisan race, but all candidates are Democrats. The top two vote-getters in February will advance to the general election.



## Advocacy Update

Jon Turke

**State Supreme Court Justice (Primary: Feb. 18; General: April 7)**

Incumbent Justice **Dan Kelly** is seeking a full 10-year term after his appointment by Governor **Scott Walker** in 2016. Considered a member of the "conservative" wing of the court, two self-described liberals have announced their candidacies: Dane County Circuit Court Judge **Jill Karofsky** and Marquette University Law Professor **Ed Fallone**. Fallone previously ran against Chief Justice **Patience Roggensack** in 2013 and was defeated. The top two vote-getters in February will advance to the general election.

**State Legislature (Primary: Aug. 11, General: Nov. 3)**

The full State Assembly and half of the State Senate will be on the ballot this fall. Republicans are favored to

hold majorities in both houses. In fact, Republicans in the Senate could increase their majority by a seat or two. Currently, Republicans hold a 63-36 majority in the Assembly and 19-14 in the Senate.

**Congressional (Primary: Aug. 11; General: Nov. 3)**

A special election is being held for the 7th Congressional District after the resignation of Congressman **Sean Duffy** (R). In a seat Donald Trump carried by 20 points, State Senator **Tom Tiffany** and Army Veteran **Jason Church** are battling for the Republican nomination. Democrats **Lawrence Dale** and **Tricia Zunker** qualified for the ballot on that side. The primary will be held on Feb. 18 and the general on May 12.

All other districts, including the 7th again, will have a primary election on Aug. 11 and general election on Nov. 3.

All other incumbents are running for re-election except in the 5th Congressional District where **Jim Sensenbrenner** announced his retirement after 40 years in office. Senate Majority Leader **Scott Fitzgerald** is the only declared Republican

## Advocacy Officer

Help advance Wisconsin's banking industry and provide a leadership experience for one of your bankers by signing up a member of your team to be a WBA Advocacy Officer. You'll be joining over 100 banks that have already named someone.

Have someone in mind at your bank or know you want to appoint someone? **Let us know!** Email **Jon Turke**, [jturke@wisbank.com](mailto:jturke@wisbank.com), or **Mike Semmann**, [msemmann@wisbank.com](mailto:msemmann@wisbank.com), to get your name on the list.

in the most Republican seat in Wisconsin.

WBA will continue to provide news and information about all candidates as the election draws closer. Candidates are already asking for money from WBA's conduit and PAC funds, so thank you to all who have donated and will donate in this crucial year!

*Turke is WBA director – government relations.*

# WBA Asks NCUA to Adopt Anti-Discrimination Safeguards

Summary of a recent comment letter below

The National Credit Union Administration (NCUA) has a proposed rule that would allow credit unions to continue to serve core-based statistical areas without serving their urban core, which would not adequately guard against redlining. The agency issued the proposal despite an appeals court ruling that this could have a discriminatory effect on low- and moderate-income communities.



## Comment Letters:

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

In a Dec. 9, 2019 Comment Letter to NCUA, WBA

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.

explained its concern that if the proposed rule permits federal credit unions (FCUs) to exclude core areas from its field of membership without

additional safeguards it will create a heightened risk of discriminatory activity, whether intentional or not. To mitigate this possibility, NCUA should require FCUs to document considerations and explanations when seeking to apply, convert, or expand core-based statistical areas.

*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).*



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Our belief is to make the loan and then stay out of the banker's way and let you do your job. You will only see us when you choose to.

Call Rick Gerber at 1.866.282.3501 or email [rickg@chippewavalleybank.com](mailto:rickg@chippewavalleybank.com)



# Taxpayer First Act Requires Authorization Before Sharing Information

## *Act provides significant penalties when information is used without consent*

### Does the Taxpayer First Act Require Authorization Before Sharing Certain Tax Return Information?

**Answer: Yes.**

The Taxpayer First Act (Act) requires borrower authorization before tax return information can be shared. Specifically, Section 2202 of the Act provides that: “Persons designated by the taxpayer under this subsection to receive return information shall not use the information for any purpose other than the express purpose for which consent was granted and shall not disclose



### Compliance Q&A

Scott Birrenkott

return information to any other person without the express permission of, or request by, the taxpayer.”

The Act does not provide further guidance on what constitutes “use” of the information. However, the Act does provide for significant

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

penalties when information is used without consent. Thus, financial institutions that acquire such information will need to decide when to obtain consent before sharing or otherwise using tax return information for purposes other than that for which original consent was granted.

To support these changes, a form will be available in both the origination and

closing modules for FIPCO Compliance Concierge™ users. Non-users should check with their forms provider to confirm whether a similar form will be provided. The applicable provision of the Act takes effect on Dec. 28, 2019.

*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.*

## Request Your Free Outreach Tool Today!

### *Reading Raises Interest Kits now available*

Every year, hundreds of Wisconsin bankers use a Wisconsin Bankers Foundation (WBF) Reading Raises Interest Kit to help them teach the youngest members of their community about the importance of saving and spending wisely. During the month of April, in conjunction with WBA’s **Power of Community Week** and national Teach Children to Save Day on April 12, help promote



> Contact **Amber Seitz** at 608-441-1237 or [aseitz@wisbank.com](mailto:aseitz@wisbank.com) for more information.

financial literacy by conducting a classroom presentation or visiting a daycare or youth group.

The WBF offers a *free\** Reading Raises Interest Kit to every member bank branch. The kit features an age-

> Order your Reading Raises Interest Kit by March 2 at: [www.wisbank.com/ReadingRaisesInterestKits](http://www.wisbank.com/ReadingRaisesInterestKits).

appropriate book and includes a lesson plan and suggested classroom activities, as well as several other resources to help you create an engaging, education presentation. This year’s featured book will be announced soon, so

watch [www.wisbank.com/ReadingRaisesInterestKits](http://www.wisbank.com/ReadingRaisesInterestKits) for more information.

All kit orders must be received by **March 2, 2020** in order for the books to be shipped by April, so order your free\* kit today at [www.wisbank.com/ReadingRaisesInterestKits!](http://www.wisbank.com/ReadingRaisesInterestKits!)

Please direct questions to Amber Seitz 608-441-1206, [aseitz@wisbank.com](mailto:aseitz@wisbank.com).

\*You can help keep the kits free with your **tax deductible** donation to the Wisconsin Bankers Foundation.

## Help Grow Our Industry – Scholarship Applications Now Available

The Wisconsin Bankers Foundation is pleased to announce a new annual scholarship program for high school seniors. This program is for students who will be furthering their education at a Wisconsin state accredited college, university or state-operated technical school. Applications will only be accepted from student bank employees and students with



a parent or guardian employed at an in-state location of a Wisconsin Bankers Association member bank.

Five awards of \$1,000 each will be given to qualified applicants in the following

categories: academic achievement; financial need; to a student who has a career goal in the financial services industry; to a student who will attend a technical college to obtain an associate degree; and a Selection Committee Award.

As a WBA member banker, we ask you to promote this opportunity to employees at all of your bank’s branches. Application materials

can be downloaded from [www.WisBankFoundation.org](http://www.WisBankFoundation.org) OR [www.wisbank.com/FoundationScholarships](http://www.wisbank.com/FoundationScholarships). Applications must be post-marked no later than **Friday, March 27, 2020**.

If you have any questions regarding the scholarship application, please contact WBF’s **Amber Seitz** for more information at 608-441-1237 or [aseitz@wisbank.com](mailto:aseitz@wisbank.com).

# 2020 HR Trends Report: Your Guide to a Winning HR Strategy

By Summer Rector, SHRM-SCP

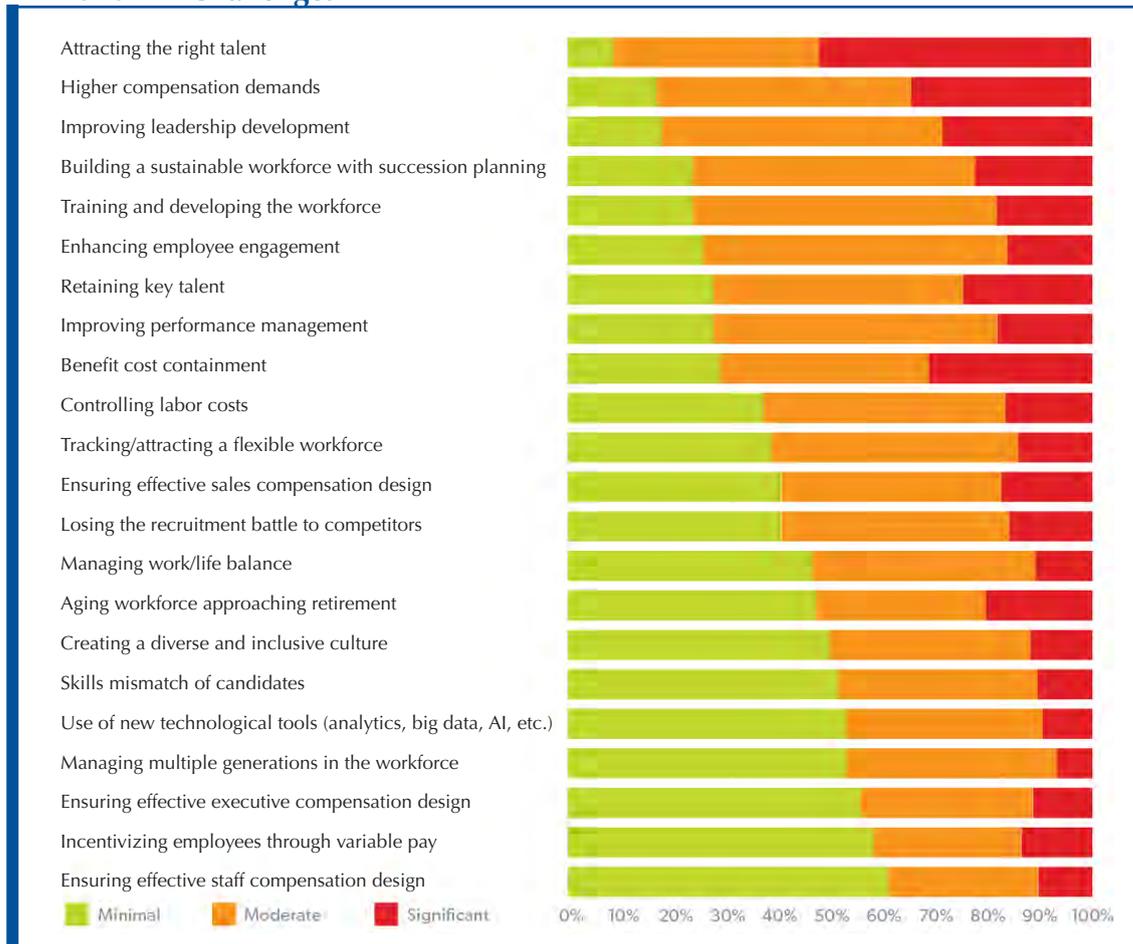
With the market in a constant state of flux and record unemployment numbers, attracting, compensating and training employees is a challenge for organizations across multiple industries, including the banking and finance industry. Candidates have multiple options to consider and compensation and benefits expectations that exceed program limits. Even current employees see greener grass and may be tempted to leave instead of growing with their current company. Where employers had negotiation power in the past, now the power has shifted to employees and candidates.

Annually, QTI fields a Human Resources Trends Survey to identify top HR challenges and solutions, collecting data on your local talent competitors' attraction and retention strategies, compensation and benefit plans, diversity and inclusion programs, and more. QTI's 2020 HR Trends report is based on data submitted by primarily Wisconsin-based employers across a variety of industries with approximately 30% of respondents from the banking industry.

In past years, employers in the market have been most concerned with attraction strategies that bring talented employees to their teams; while that is still true, this year, it's clear employers are realizing an inward focus on employee engagement can be a worthwhile tactic to enhance external interest. Our study found that the higher their employee engagement, the fewer HR challenges they face. In fact, 83% of high-performing companies find their workforce to be highly engaged. Because of this engagement, they see better company performance,

lower voluntary turnover, and lower spend on year-over-year payroll increases, to name a few.

## » 2020 HR Challenges



In the current state of the market, everything from an aging workforce, to improving leadership development, to a demand to have better work-life balance can impact HR strategies. This year's survey respondents report there's a range of how these challenges – and more, are impacting their businesses in 2020.

QTI's 2020 HR Trends report provides actionable strategies to overcome these HR challenges and increase employee engagement and, thereby, company performance. Key points of the identified strategies are that if you can develop a strong employment brand rooted in employee motivators and align your compensation and benefits to that, you'll be building a strong foundation. But build

on that foundation with clear communications to employees and candidates, and follow up with necessary training and rewards, and you should expect

» How do you encourage your employees to engage?  
 » How do you communicate your company's total rewards philosophy to employees?

to see your voluntary turnover decrease, your employee engagement increase, and the company bottom line prosper. It's easier said than done, but results from this survey and others shows that focusing on the full set of these components allows them to feed into one another to create a program that's greater than the sum of its parts.

As you plan your 2020 strategies to reflect your workforce's motivations, your market competitiveness, and key business initiatives, ask yourself:

» What top HR challenges are you facing this year?  
 » When was the last time you evaluated your employment brand?  
 » Are your strategies effectively addressing your employee retention?

» How do you want to progress on the pay transparency spectrum (ex: pay decisions)?

» How can you evolve your benefits to differentiate your company and align with employee motivators?

» Are you prioritizing and taking actions to advance a diversity and inclusion strategy?

» Are talent management programs effectively advancing your employees and company?

Download a complimentary copy of QTI's 2020 HR Trends report here: <https://cdn.agilitycms.com/qtigroup/insights-for-your-business/QTI-2020-HR-Trends-eBook-Web.pdf>. Please contact QTI at [qti@qtigroup.com](mailto:qti@qtigroup.com) with any questions.

Rector is chief operating officer, QTI Total Rewards Consulting, a WBA Associate Member.

# Remodeling WBA for You: An Update!

*WBA committed to staying up-to-date on industry and business trends*

As previously reported, WBA is responding to your changing needs by remodeling our facilities. It's been over 20 years since WBA first moved in and how you do business has changed drastically since then.

Most importantly, WBA is *your* association, and by that extension, this is *your* facility. That means the new Engagement Center, which will play host to a variety of events, is being built with you in mind. The center is comprised of training and meeting rooms that will not only hold WBA and FIPCO events, but also be available for use by members.

The Engagement Center will have two dedicated training rooms with the ability to hold 54 and 28 students, respectively. In addition,



Two kitchens combine to make one dining facility — a place to dine and network.

there will be a board room with video conferencing capabilities, and a conference room with a touchscreen smartboard. All of which is available for you to reserve.

The centerpiece of the center is the Wall of Excellence. This will be a tribute honoring current and former banking leaders who have helped shape their bank and/or our banking industry.

Dining facilities are also being constructed so WBA members won't have additional food costs when attending WBA events. This will also give members the networking opportunities with WBA staff which helps prove that some of the best conversations occur during a meal.

Construction officially started on Sept. 16. The Engagement Center and kitchen are currently on schedule to be ready by February for the first event

scheduled in the new space. Construction will continue after the opening of the Engagement Center and the full office will be ready in the spring.



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## HMDA/CRA Reporting Quickly Approaching!

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Call FIPCO at 800-722-3498, **Sally Michaels** at ext. 258 or **Jodi Zieske** at ext. 274, for more information or to schedule a free demonstration.

With HMDA/CRA reporting just around the corner, it's time to take a closer look at FIPCO's integration options from *Compliance Concierge™* to QuestSoft Compliance Relief and HMDA Wiz. Both interface products provide



similar functionality, including:

- » Automated geocoding to obtain Census Tract IDs and MSA codes for each loan record;
- » Agency reporting compliance validation;
- » Rate spread calculation

- » Assessment area determination;
- » Creation of HMDA and/or CRA submittals and LAR files for secure submission; and
- » Loan portfolio analysis and reporting.

For further information or to schedule a free demo, please contact FIPCO at 800-722-3498, **Sally Michaels** at ext. 258 or **Jodi Zieske** at ext. 274 or via email at [FIPCOsales@fipco.com](mailto:FIPCOsales@fipco.com).

## New Interfaces Available for *Compliance Concierge™* Customers

### *Check order interfaces for seamless productivity*

Financial institutions utilize the checking account as a vehicle to strengthen and broaden

relationships with their account holders. Through the use of interfaces, your financial institution can integrate with a variety of third-party vendors to increase productivity,

allow for direct access to correct information in a timelier manner, and eliminate costly errors that result from duplication of data entry.

Check Order Interface is a one-way, interactive interface that transfers customer information from Compliance Concierge to check vendor websites. This integration allows the user to seamlessly complete the check ordering process, delivering timely and accurate customer service.

**FIPCO now offers the following four check ordering interfaces to *Compliance Concierge™* Deposit!**

Visit [www.fipco.com](http://www.fipco.com), call 800-722-3498 or email [fipcosales@fipco.com](mailto:fipcosales@fipco.com) for more information.

1. Harland Clarke
2. Deluxe
3. Main Street Checks
4. Bank-A-Count (Checks for Less)

For more information about FIPCO forms, software, or other products, visit [www.FIPCO.com](http://www.FIPCO.com); call 800-722-3498, **Sally Michaels** at ext. 258 or **Jodi Zieske** at ext. 274; or email [FIPCOsales@fipco.com](mailto:FIPCOsales@fipco.com).



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Contact FIPCO's Ken Shaurette to get started.

kshaurette@fipco.com  
800-722-3498 x 251  
[www.FIPCO.com](http://www.FIPCO.com)



## FIPCO Welcomes Keith Kluzak

FIPCO is excited to introduce you to **Keith Kluzak** who has recently joined us as Regional Vice President – Business Development for Iowa, Minnesota, and Nebraska.

Keith lives in Faribault, Minn. with his wife of 20 years, **Jennifer**, and their two sons, **Jacob** (17) and **Braeden** (15). Jacob is a junior in high school and made the varsity hockey team this fall. Braeden and Keith both share a passion for aviation with Keith already earning his pilot's license while Braeden has started taking flight lessons. Braeden, Jennifer, and Keith are all members of the Civil Air Patrol.

Keith can be reached at 800-722-3498, ext. 271 or by email at [kkluzak@fipco.com](mailto:kkluzak@fipco.com).



# CAN WE

HELP OUR CLIENTS EXPAND  
WITHOUT ESCALATING THEIR DEBT?



**In Wisconsin®**, we can. The Wisconsin Economic Development Corporation and our network of local and regional business development organizations are here to help you help your clients expand their operations. We'll work with you to identify and implement financial assistance programs and provide technical assistance to meet your clients' goals. Learn more at [WEDC.com/psp](http://WEDC.com/psp).



## Bank Executives

(continued from p. 1)

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 & analytics, regulation technology, and security are some of the technologies that will be on display.

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. Each expert-led session was selected to give attendees the latest and greatest information to confront the *different* challenges facing banks today.

On Tuesday, the very first session encourages

"As an increasing number of faster payments solutions are introduced here in the U.S., the volume of transactions being processed through these solutions is growing. Now that the Federal Reserve has announced it is building a real-time payment service, financial institutions and nonbank FinTech companies are further ramping up their investment in faster payments technology and solutions. During this session, we will explore dynamics around the proposed FedNow Service and what it means to the payments industry, discuss the variety of use cases for faster payments solutions, and address key changes that banks need to consider to ensure they are successful, such as a faster payments strategy, strong resilience, and fraud protection."



—Kim Ford, Executive Director  
U.S. Faster Payments Council

attendees 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...

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. And that's just in the morning!

After a luncheon honoring 50 and 60 Year Club Members,

**Kim Ford**, Executive Director of the U.S. Faster Payments Council, will dive into the future of payment systems.

Following Ford, Wisconsin Department of Financial Institutions Secretary **Kathy Blumenfeld** will be giving an update on the Wisconsin banking industry, addressing key trends and challenges.

(continued on p. 13)

# Wisconsin Bankers Association

## Power of

# COMMUNITY

## April 20-24, 2020

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

## Bank Executives

(continued from p. 12)

The last session of the day will feature former Wisconsin Badger **Jake 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, featuring the Banker of the Year Celebration, and a reception featuring a casino and (back by popular demand) the WBA Euchre Tournament.

In the first session on Wednesday, **Jeff Lee** will share the analytics journey of Seacoast Bank, a 92-year-old community bank based in Florida. Jeff will share how the bank has used data to become even more customer centric and the implications of this journey for employees, customers, and shareholders.



— Jeff Lee, CMO  
Seacoast Bank

“Banks are facing unprecedented change in technology, competition, regulation, and consumer expectations. During this year’s WBA Bank Executives Conference, I’ll speak to the state of the Wisconsin banking industry, our work increasing financial capability across the state, and the importance of continuing to prepare for the challenges of tomorrow. I look forward to hearing from our Wisconsin bankers and carrying their thoughts, comments, and concerns back to the State Capitol.”



—Kathy Blumenfeld, Secretary  
Wisconsin Department of Financial Institutions

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.

The first session on Wednesday takes a look at data analytics and how Seacoast Bank of Stuart, Fla. worked to make the most of its data. **Jeff Lee**, CMO at Seacoast Bank will speak on how Seacoast Bank oriented itself around using insights to drive value creation and take a closer look at their steps taken, challenges encountered, failures, and successes.

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

## Our Business Philosophy



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**THANK YOU for your consideration!**

We look forward to visiting with you February 3-5, 2020, at the 2020 Bank Executives Conference in WI Dells!

More information at  
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## Staff Change? Address Change? Let WBA Know

Getting information to the right person quickly is critical in these challenging times. Has there been a personnel change at your bank, or are WBA’s mailings targeted to the wrong staff?

Please send your address corrections and/or additions to our database administrator, WBA’s Assistant Director – IT **Randy Molepske**, at 608-441-1212 or [requests@wisbank.com](mailto:requests@wisbank.com).

# Bulletin Board

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

## Promotions and New Hires

### Augusta

Unity Bank is pleased to announce the hiring of **Colette (Coco) Olson** as Unity Bank Wisconsin's regional manager; **Laura Bensons** as human resources manager; and **Timothy Hau** as chief innovation officer.

### Madison

Wisconsin Bank & Trust is pleased to announce that **Joshua Murphy** (pictured) has been hired as a commercial banker, vice president.



Murphy



Quade



Thieben



Buerger



Lindner



Gebert



Theien



Hansen



Kahlbaugh



Shane

First Business Financial Services, Inc. announced that **Brad Quade** (pictured) has been hired as deputy chief

credit officer. First Business Consulting Services, a division of First Business Bank and part of First Business Financial Services, Inc., is pleased to announce that **Craig Thieben** (pictured) was hired as operations manager.

### Manistique, Mich.

mBank is pleased to welcome **Danielle Buerger** (pictured) as the new branch manager at its location in St. Germain, and **Shelly Lindner** (pictured) as the new branch manager at its Niagara location.

### Marinette

**Julie Beyer** has been promoted to assistant vice president, risk management officer at The Stephenson National Bank & Trust (SNBT).

### New London

First State Bank President and CEO, **Bob Van Asten**, announced that **Bill Gebert** (pictured) has been elected to the Board of Directors for First State Bank and Pioneer Bank respectively. Both banks are currently held under the parent company of First State Bancshares, Inc.

### Superior

National Bank of Commerce (NBC) has promoted **Cindy Theien** (pictured) to vice president – retail banking director, and **Cammy Hansen** (pictured) to vice president – mortgage banking director. NBC has also hired **Brian Kahlbaugh** (pictured) as a commercial banker.

### Waukesha

Waukesha State Bank is proud to announce the promotion of **Natalie Shane** (pictured) to personal trust associate within their Prairie Trust® division.

### Wausau

Peoples State Bank announces the addition of **Robert McPherson** (pictured) as vice president of risk management.

### Wisconsin Dells

Bank of Wisconsin Dells is pleased to announce the hiring of **Brett Schwartz** (pictured) as vice president/commercial loan officer.

### Retirements

#### Richland Center

**Gail Surrem** (pictured) retired at the end of 2019 after more than 50 years at Richland County Bank. Surrem was vice president and a loan officer at the time of his retirement.

#### Sparta

**Ryan Snow** (pictured) has retired after more than 26 years at Union Bank of Sparta and over 45 years in the banking industry.

*(continued on p. 15)*

## Staff Changes at American Bank



American Bank, Beaver Dam has announced the following staff changes and promotions (left to right): **Amber Lowe** has been named loan compliance officer, along with her lending duties as vice president/commercial loan officer; **Dawn Schmidt** has been named as a full-time mortgage lender; **Melissa Teeter** has been promoted from lead customer service representative to Spring Street Office branch manager; Electronic Services Manager and Security Officer **Rebecca Anderson** has also been named information technology manager and information technology security officer; **Dawn Hakala** has been promoted to lead customer service representative at the Necedah Office; Executive Vice President/Chief Operations Officer **Pat Frankenstein** has been named executive vice president/chief financial officer; and **Markie Parrish** has been named BSA officer and deposit compliance officer, in addition to her duties as the Necedah Office branch manager. Assistant Vice President **Ryan Martin** (not pictured) is transitioning to consumer and mortgage loan underwriter.



**Erick Gorecki**  
262-369-7007

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

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**Del Garcia**  
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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*

## In Memoriam

*(continued from p. 14)*

### **Bonduel**

**Jerry Muck**, 78, of Bonduel, passed away on Nov. 6, 2019. Jerry joined the Bonduel State Bank in 1971 and became president in 1987, retiring from the bank in 2011. He continued on the board until 2015.

## Announcements

### **Green Bay**

Associated Bank recently gifted nearly 13,000 evergreen tree saplings to customers throughout its three-state footprint to help amplify its sustainability and symbolize the strong roots the bank has in the communities it serves. Through a partnership with the Arbor Day Foundation, Associated Bank delivered saplings to each of its more than 200 locations for distribution to customers.

### **Hortonville**

Wolf River Community Bank has wrapped up a successful first year of the *WRCB Field Goal Contest* at Hortonville



and New London High Schools. Although there was only one successful kick at each school, to wrap up the season, Wolf River Community Bank presented each school with a \$500 donation.

### **Luxemburg**

Bank of Luxemburg launched their new BOL Cares volunteer program in conjunction with October's national "Make a Difference" day and following the announcement of their new community-focused brand. During the week of Oct. 21, now known to the bank as BOL Cares week, 27 bank employees spent their

work day giving back to local non-profits. The group donated over 200 hours of community service.

### **Marinette**

**Samantha M. Smiley** (pictured) recently received the 2019 Mary L. Staudenmaier WINGS (Worthy Individual Noted for Generous Service) Award. This award was named in honor of The Stephenson National Bank & Trust's (SNBT) former-chairman and long-time president. The award epitomizes Smiley's unwavering participation in public service for the community.

**Ann Mayer** (pictured) and **Jenna Newingham** (pictured) have received the SNBT Award of Excellence. Created in 1988, the award is given to two employees annually. Recipients are nominated by their co-workers for demonstrating excellence in customer service, reliability, responsiveness to customers' and bank employees' needs, superior job knowledge, professionalism, motivation, and productivity.

### **Sun Prairie**

**Larry Schwenn** (pictured), senior vice president, business development officer, Bank of Sun Prairie, has been named 2019 WBD Elite Lender. This honor signifies his work to provide small business owners with U.S. Small Business Administration (SBA) loans 10 or more times.

### WBA Associate Member **Minneapolis**

Bell Bank has named **Michael LaSalle** (pictured) senior vice president/bank channel director for its equipment finance team.

## Peoples State Bank Holds Military Care Package Drive



Peoples State Bank customers, employees, and the general public donated more than 7,500 items and over \$1,345 in cash to the annual military care package donation drive held by the bank. The donation was given to the Rhinelander Military Support Group, which sends items to Wisconsin soldiers serving overseas and state veterans who are in need of assistance. Pictured: (left to right) **Craig Lau**, northern market president; **Shirley Eades**, RMSG; **LeRoy Eades**, RMSG; **Cheryl Zastrow**, RMSG; **Stacy Timm**, commercial banking specialist; **Cindy Wright**, assistant vice president, retail team leader; and **Ron Olson**, RMSG.

## Time Federal Savings Bank Donates to Church Free Clinic

Time Federal Savings Bank contributed \$10,000 to help fund the First Presbyterian Church Free Clinic in Wausau. The clinic will serve those who do not have health insurance and who are living in poverty, as well as the underserved



populations and those with other issues as obstacles to healthcare access. Run exclusively by licensed medical volunteers, the clinic will operate on a regular weekly schedule once in its permanent site, expanding to meet needs as they are identified. Pictured: (left to right) **Chuck Schlitz**, FPC mission chair; **Rev. Rachel Wann**, senior pastor; **Ya Yang**, Time Federal Savings Bank commercial lending officer; **Dr. Jeff Oswald**, Free Clinic medical director; **Bryan Wulk**, Time Federal Savings Bank mortgage loan originator; and **Jeffrey Todd**, manager of the Free Clinic.





# WBA WISCONSIN ECONOMIC REPORT

A compilation of sector forecasts from industry experts.



*Wisconsin Bankers Association*

## As Reflection of State Economy, Banks Will Continue Steady Growth

*By Rose Oswald Poels, WBA President and CEO*

The economy proved to be more resilient than experts predicted in 2019, and I expect it will remain healthy and stable throughout 2020. Ahead of last year, as a result of signals from the Fed, experts predicted that the economy may start to slow and that the Fed would continue to raise interest rates at least one or two more times to help keep a potential recession in check. Not only did these predictions prove to be untrue, but in fact, after raising rates four times in 2018, with the last one occurring in December of 2018, the Fed indeed lowered rates three times in 2019 as a counter-balance, something most experts never thought would occur. In the year ahead, the Fed has signaled it will not raise rates in 2020. I expect that to hold true; however, there is always uncertainty heading into a presidential election which can create economic headwinds. As a result, if the Fed decides to raise rates, it likely will be only one time late in the year.

Economic indicators are positive on balance as we head into the new year. A strong employment report was released in mid-December when the Bureau of Labor Statistics (BLS) reported that 266,000 jobs were added in November, making it the best month for job growth since January. In addition, the BLS reported that the Consumer Price Index (CPI) posted its second consecutive month of gains. Through

November, year over year, the CPI met the Fed's inflation target of 2% for the first time since April. In addition, progress is occurring with our global trade deals while global economies begin to stabilize to the point where the economies of other countries are no longer of concern to the financial markets. As a result of these and other factors, the U.S. economy will continue to modestly grow in 2020. Indeed, the Fed's latest projection for 2020 is 2.0% real growth in GDP.

The continued strong economy led to a meaningful number of announced bank sales this last year in Wisconsin, and I expect that to continue into 2020, although at a slightly lower pace than what we experienced in 2019. Through the date of this article being written, there were 16 headquartered banks in Wisconsin that announced they were merging with another bank, most of which were other Wisconsin headquartered banks. Recently, the FDIC published third quarter numbers and compared to last year at this same time, Wisconsin has 10 fewer headquartered banks through Sept. 30, 2019, which represents a loss of 5% of the total number year over year. Of course, many of the announced mergers have not yet closed so this percentage will increase as 2019 ends.

Generally, Wisconsin banks will end 2019 on a positive, profitable note.

While the number of headquartered banks declined, total assets held by banks continues to rise. Through the third quarter of 2019, total assets grew, year over year, by nearly 3%, and Return on Assets also grew slightly during this same period from 1.09% to 1.11%.

Banks continue to be burdened by excessive regulation that puts them at a disadvantage compared to non-traditional lenders. In many parts of the state, banks are struggling to find enough core deposits to fund loan demand which necessarily requires them to raise deposit rates in order to attract more local and out-of-market deposits. This can negatively affect net interest margin (NIM), a common measure of a bank's profitability, which remained the same through the third quarter of 2019 as it was in 2018, at 3.67%. It is important to note, though, that a NIM of 3.67% is still measurably higher than the 30-year record low set in 2015 of 2.98%.

Banks are a reflection of their local economies, so as modest economic growth continues in 2020, Wisconsin banks will continue to experience slow but steady growth as well.

*Founded in 1892, the Wisconsin Bankers Association is the state's largest financial industry trade association, representing nearly 250 commercial banks and savings institutions, their nearly 2,300 branch offices and 23,000 employees.*



*Wisconsin REALTORS® Association*

**Home Inventories Remain Tight, Constraining Sales, and Pushing Prices to Record Levels**

*By Michael Theo, WRA President and CEO*

*With insights from Dave Clark, economist with Marquette University*

The national economy is now in its 11th year of expansion, making this the longest continuous period of growth in U.S. history. And while there have been preliminary signs of economic moderation, the national economy is currently at full employment and is continuing to grow, albeit at a slower pace. Economists indicate the economy is facing “headwinds.” Specifically, trade disputes with our largest trading partners remain unsettled which has led to declines over the last 12 months in two of Wisconsin’s prominent sectors: manufacturing and agriculture. Concern

“ The weakness in the market is not demand-based; it’s on the supply side. ”

about the economic health of Europe in the face of Brexit has further clouded expectations. Nonetheless, the economy continued to expand through the first three quarters of 2019, and early indicators of 4th quarter growth by the Federal Reserve indicate that real GDP growth will likely remain in positive territory, similar to the 2nd and 3rd quarters which grew at approximately 2%, rather than the 1st quarter pace of 3.1%.

Against this backdrop, the Wisconsin housing market saw existing home sales slip slightly below 2018 levels, even as median prices have increased at more than three times the rate of inflation, hitting new all-time highs. On a year-to-date basis through the end of October, closed sales are only 1.5% below the pace of last year, whereas median prices are up 7.1% on an annualized basis.

The reason for these trends comes down to simple supply and demand. Housing demand remains strong as statewide unemployment rates are below 4%, the level economists typically classify as full employment. Indeed, the statewide rate fell to 2.8% in April and May of 2019 and while it has steadily ticked upward, it stood at just 3.3% as of October. Moreover, the state added 16,500 non-farm jobs between October 2018 and October 2019 according to the WI Department of Workforce Development. Another driver of demand is the 30-year fixed mortgage rate which fell to 3.69% in October, only marginally higher than the all-time low of 3.35% which occurred in late 2012. Finally, on the demographic front, older Millennials (i.e., those in their mid to late 30’s) have gradually increased their pace of homeownership. The weakness in the market is not demand-based; it’s on the supply side. Statewide inventories of existing homes for sale fell to just 4.6 months of supply in October, which is well below the six-month benchmark that characterizes a balanced market. The supply problem is especially severe in the metropolitan counties (i.e., 3.8 months in October). Only rural counties would be classified as buyer’s markets with 7.8 months of supply. New construction of single-family homes is an important source of supply, but it remained flat this year, and foreclosure activity is very low by historical standards. With such limited supply, it’s no surprise that sales struggle to increase even as prices grow rapidly.

Going forward, the risk of recession is growing. Indeed, the Fed shifted from trying to slow the economy in 2018 to attempting to stimulating growth in 2019. With inflation under control, the

“ Housing demand remains strong as statewide unemployment rates are below 4%, the level economists typically classify as full employment. ”

Fed has indicated it’s taking a pause from any attempts to increase growth. Absent any triggering international crises, we expect that the economic expansion will continue at a modest pace through at least the third quarter of 2020. Wisconsin has improved its business climate over the past decade. So long as the U.S. economy stays out of recession and Wisconsin maintains its pro-business strategies, the state economy should continue to expand. Hopefully, the administration settles its trade disputes with China, and the US-Mexico-Canada trade agreement is ratified by Congress since this will help our manufacturing and agricultural sectors. Finally, we expect gradual supply improvements as Baby Boomers transition away from owner-occupied housing. Statewide, new listings of existing homes have recently increased, which is hopefully a sign that this transition is gathering some much-needed momentum. This will allow sales to improve in 2020, as price increases moderate from their current pace.

*Founded in 1909, the Wisconsin REALTORS® Association (WRA) is one of the largest trade associations in Wisconsin. It represents and provides services to more than 16,500 members statewide. WRA’s goal is to help REALTORS® enjoy successful careers and stay competitive in their local markets by offering hundreds of products and services.*



Wisconsin Farm Bureau Federation

# Emerging From the Perfect Storm

By Dale M. Beaty, WFBF Chief Administrative Officer



Agriculture is a driver of Wisconsin's economy. According to Wisconsin's Department of Agriculture, Trade and Consumer Protection, agriculture contributes \$104.8 billion annually to our state's economy. Food processing activity contributes \$82.7 billion to industrial sales. The dairy industry itself contributes \$45.6 billion to Wisconsin's economy each year. The state is home to 64,793 farms on 14.3 million acres. The average farm size in Wisconsin is 221 acres. Annually, Wisconsin agriculture provides 435,700 jobs or 11.8 percent of the state's employment. On-farm production contributes 154,000 jobs. Processing contributes 282,000 jobs.

“ Sadly, Wisconsin leads the nation in Chapter 12 farm bankruptcy filings with 45 in 2019. Financial struggles and the prospect of losing their way of life has led to increased depression among farmers. ”

### » The Bad News

The average farmer's income declined nearly 35% between 2013 and 2018 according to the U.S. Department of Agriculture. While farmer income declined, input costs such as labor, energy, insurance, equipment and maintenance continued to rise. Sadly, Wisconsin leads the nation in Chapter 12 farm bankruptcy filings with 45 in 2019.

Financial struggles and the prospect of losing their way of life has led to increased depression among farmers. Mother Nature delivered numerous body blows during the planting, growing, and harvest seasons this year. Wet weather delayed planting, a cool summer slowed crop maturation, and a very wet and cold fall has slowed and, in many cases, prevented harvest. To add insult to injury, agriculture has become a focal point for political infighting.

### » The Good News

As 2019 winds down and 2020 is quickly approaching, there are positive signs of improvement. Farm incomes for 2020 are expected to rise by 5.4%. The price dairy farmers receive for their milk is also expected to rise modestly.

### » Remaining Challenges

Many farmers support the President's attempts to open foreign markets because they recognize free trade is very favorable to the agricultural economy in the long-term. However, in the short-term, farmers are bearing the brunt of trade disagreements because of retaliatory tariffs.

Wisconsin farmers need federal immigration reform to maintain a consistent and reliable workforce. Farmers want the federal government to create an immigration system which allows them to legally employ foreign workers. This is important because there is a shortage of workers in Wisconsin, and very few Americans are willing to consistently do the manual labor required on farms.

“ After such a sustained economic downturn, it may take farmers years to repair the damage done and to recover financially. ”

### » Emerging From The Perfect Storm in 2020

After such a sustained economic downturn, it may take farmers years to repair the damage done and to recover financially. With agriculture contributing nearly \$105 billion to our state's economy, it's in everyone's best interest for our state's agriculture economy to improve. As the new year begins, let's hope the good news continues to grow as solutions are found to the challenges facing our farmers. After a deluge of poor prices and bad luck, our farmers are looking forward to emerging from dissipating storm clouds to see the sun and be warmed by the prospects of future prosperity.

*WFBF is the state's largest general farm organization, representing farms of all sizes, commodities, and management styles. There are nearly 47,000 members that belong to the Wisconsin Farm Bureau. Voting Farm Bureau members (farmers) annually set the policy the organization follows, and are involved in local, state and national affairs, making it a true grassroots organization.*



*Wisconsin Grocers Association*

## Constant Changes Which Change All The Time

*By Brandon Scholz, WGA President and CEO*

That's called flux, and guess what... we just defined the grocery business! Whether it's your neighborhood grocery store or the supermarket down the street, change occurs at every level in the retail food world.

There are the obvious changes like new products and packaging designed to appeal to a broad variety of shoppers from young to old. Grocery stores carry on average 45,000+ products and grocers work to match products to consumer demands on a daily basis.

In some categories, products take on a life of their own. *Winsight Grocery Business* reports that, "Three decades ago, not only did the bottled water category essentially not exist, but was scorned as a non-starter by the few people who knew about it. After all, what consumer would be foolish enough to purchase a product that he or she could get just by turning on the kitchen faucet?"

Smartwater is a brand of bottled water owned by The Coca-Cola Company. Introduced in 1996 in the United States, by 2016 it was one of the top five brands of bottled water in that country, with sales worth nearly \$830 million in 2017 according to Statista. Now bottled water commands an entire aisle.

But, as shoppers and the economy change, so does the way grocers appeal to shoppers basic needs. To start, a good economy affords retailers the opportunity to try new products and promotions and take risks (more than usual). However, it's likely the one thing grocers can't do is raise prices.

Shoppers are fickle. The economy drives their spending pattern and their palette. When things are good they may buy higher-end products, better cuts of meat, and maybe a more expensive

bottle of wine. But it also means that they may choose to go out to a restaurant three nights a week instead of just a fish fry on Friday night.

The economy also creates challenges that grocers can use to make other changes. As mentioned raising prices is a no-no. But retailers may be willing to put more into paychecks to entice workers in a highly competitive market or up the pay grade to keep their employees from jumping to a competitor.

A strong economy is an opportunity to make investments in the store through a remodel, facelift, or new equipment. Two years ago the Wisconsin legislature rolled back the punitive Personal Property Tax on retailers affording them the opportunity to invest in their business, improving the store, and making the shopping trip for their customers a pleasant endeavor.

But that pendulum can swing back just as fast as it showed up. Remember the South Beach Diet? That aisle dried up pretty quick. Same with generic packaging—boom—gone. But today, private label products are strong sellers and afford grocers the opportunity to improve their profitability in a razor-thin margin environment.

For sure you'll see changes in the grocery store. Products and packaging will change, but so will the appeal of something new. A great debate is emerging in the grocery industry between plant-based food and traditional meat and dairy products. Will Wisconsin's agriculture community shut down the rapidly appealing offerings of Impossible (soy-based) burgers, Almond Breeze (milk substitute) that is non-dairy, lactose and gluten-free and other plant-based products that are rapidly filling sections of the store whose growth is surprising many industry watchers. Is this the new bottled water or TV dinner?

“ In a good way, the grocery biz is in a constant state of flux. It helps grocers stay on top of their game and keep a sharp eye on what appeals to customers. ”

In a good way, the grocery biz is in a constant state of flux. It helps grocers stay on top of their game and keep a sharp eye on what appeals to their customers.

Customers of all demographics continue to drive online shopping sales up and according to Forbes/Statista will more than double in the U.S. from \$14.2 billion in 2017 to \$29.7 billion in 2021 and that includes 77% of adults that have not used curbside grocery pickup!

As online grows and consumers demand more customer service, the Wisconsin legislature will have recognize that home delivery of groceries, wine, beer, and spirits will have to become a reality. It is the way of our economy, technology, marketing, customer service, and more.

From the corner grocery store, the growing platform in the convenience store business to the supermarket in the suburbs and the grocery store in the nearby strip mall, grocers are in a state of flux to survive.

*The Wisconsin Grocers Association represents nearly 1,000 independent grocers, retail grocery chain stores, warehouses and distributors, convenience stores, food brokers and suppliers. Wisconsin grocers employ over 50,000 people with \$815 million in payroll and generate more than \$6 billion in annual sales in Wisconsin resulting in approximately \$250 million in state sales tax revenue.*



## Wisconsin Hospital Association

# Healthcare Remains Strong But Demand and Bureaucracy Straining Workforce

By Eric Borgerding, WHA President and CEO



Like many Wisconsin industries, hospitals and health systems are critical elements of the state and local economies. According to a new UW-Madison analysis, in 2017 hospitals alone contributed \$47 billion annually to the state's economy in the wages they pay their 108,000 employees and goods and services they purchase in Wisconsin. Include clinics, nursing homes, and other components of the health care system and that number jumps to \$119 billion annually and a total of over 326,000 direct jobs. In many cities and counties, hospitals and health systems are the largest employers and lifeblood of local economies.

“ We—health care providers and our elected officials—must be much smarter about how we deploy our current and future workforce and how we leverage technology to extend that workforce. ”

In fact, Wisconsin health care has become an “export” industry of sorts. Nationally known for high quality care, thousands of out-of-state patients travel to Wisconsin every year to receive our world class care. Those patients spent \$2.3 billion in Wisconsin on hospital services alone (the equivalent of over 10% of Wisconsin exports according to 2018 data) and created or supported nearly 30,000 Wisconsin jobs.

By the numbers alone, health care is a critical industry for Wisconsin, providing great care and family sustaining jobs for many thousands, especially in our rural areas. And unlike demand for goods or services from other industries, demand for health care services does not much fluctuate with the rise and fall of the overall economy, federal monetary policies, or other policy levers aimed at influencing the economy. In health care, demand is largely a function of predictable, yet inevitable, demographics. While health care is one of the most heavily regulated (and regulatorily burdened) industries in the economy, no rule, regulation, or new law passed in Madison or Washington will slow the “silver tsunami” of patients now hitting Wisconsin health.

Last month WHA released its annual workforce report, again alerting the public and lawmakers to the, frankly, alarming demographic-driven challenges facing Wisconsin health care. Consider just these two end-to-end stats:

» The Wisconsin population over age 75 will increase by 75% from 2017-2032, increasing the number of patients requiring intensive health care.

» Over the same period, the population under 18 (the doctors, nurses and caregivers we will need in the future) will grow by only 3.5%.

Increasing demand for care coupled with shortages in key health professions and an overall aging health care workforce mean action is needed now for the future. And while we are working hard to expand the education and training pipeline of future caregivers, Wisconsin will not be able grow its

way out of this workforce problem. We—health care leaders and our elected officials—must be much smarter about how we deploy our current and future workforce and how we leverage technology to extend that workforce.

In the past few months, WHA has advanced legislation expanding use of telehealth, expediting physician licensure, and extending the use of advanced practice clinicians—all intended to better leverage the existing health care workforce. Yet, many caregivers remain burdened with, and burned out by, regulatory red tape. When the average-sized hospital today uses 59 FTEs satisfying regulations and government mandates and physicians and clinicians now devote more time entering data than seeing patients, it's clear much of health care's workforce problems are government-created and must be government-solved.

*Celebrating its 100th year in 2020, the Wisconsin Hospital Association's (WHA's) mission is advocating for the ability of its members to lead in the provision of high-quality, affordable, and accessible health care services, resulting in healthier Wisconsin communities. WHA is the unifying voice for hospitals and health systems across the state. Issue expertise, experience, and credibility make WHA the leading advocate for sound health care policy in Madison and a respected opinion in Washington, D.C.”*



*Wisconsin Technology Council*

**Tech Council’s ‘Vision 2020’ Report Shows Progress and Areas of Improvement**

*By Tom Still, WTC President*

At the Wisconsin Technology Council, our staff, researchers, and board of directors issued their predictions for the state’s 2020 economy long ago.

In late 2003, to be precise.

That was the year the Tech Council issued “Vision 2020: A Model Wisconsin Economy” as a blueprint for the state’s future. It was ambitious. It was detailed. Importantly, it set specific goals for boosting economic output,

“The growth has been the strongest in the Madison region, where there was a 120% surge in “computer and mathematical” jobs between 2008 and 2018, according to the nonpartisan Wisconsin Policy Forum.”

educating more “knowledge workers” for 21st century jobs, and fostering the growth of investment capital.

Our internal process of measuring the state’s performance against those goals will continue as 2020 unfolds, but it’s not too early to draw some early conclusions about how the state has performed over time – and what that means for the future.

Economic output in Wisconsin has grown pretty much as predicted, with the Vision 2020 goal for that year (\$345.2 billion) nearly reached at the close of 2018 (\$336.3 billion), according to Federal Reserve estimates. The problem is that Wisconsin hasn’t budged in the

50-state rankings. It was 20th in the base year of 2000 and 20th today.

Exports tell a similar story. The total dollar value of Wisconsin exports was \$22.7 billion a year or so ago, up from \$10.8 billion in Vision 2020’s base year, but still 19th among the states. Perhaps a truce in the trade wars will move the dial in the years ahead.

Per capita personal income has grown from \$28,100 in 2000 to \$51,592 a year ago, according to the Fed, but still ranks 23rd among the states and the District of Columbia.

So, if Wisconsin is stuck in neutral in those major categories, is it making progress – or falling short – in others?

Our “Vision 2020” report set a stretch goal of \$500 million in annual venture capital investment by 2020. Wisconsin stood just short of \$300 million in 2018, according to Tech Council research. Wisconsin will never be California, Massachusetts, or New York when it comes to venture capital, but it should aspire to match Minnesota.

“In the year ahead, technology will continue to drive innovation across virtually every sector of Wisconsin’s economy.”

The growth in high-tech jobs has been significant in some parts of the state, according to a mix of recent reports. The Tech Council’s “Vision 2020” report forecast a total of 310,000 “high-tech occupations” by next year, a number that is likely to be exceeded.

“Wisconsin will never be be California, Massachusetts, or New York when it comes to venture capital, but it should aspire to match Minnesota.”

The growth has been strongest in the Madison region, where there was a 120% surge in “computer and mathematical” jobs between 2008 and 2018, according to the nonpartisan Wisconsin Policy Forum. In Milwaukee, the increase was more than 25%, compared with 56% in the Green Bay area and nearly 50% for the state overall.

The Policy Forum drew a direct link between the rise in tech jobs and educational attainment, which is spotty in Wisconsin depending on location. “Spreading the benefits of the strengthening economy to other parts of the state likely will require increased college completion in those areas ...” the report noted.

In the year ahead, technology will continue to drive innovation across virtually every sector of Wisconsin’s economy. We will use the yardstick of “Vision 2020” to measure where the state has been, and to provide guidance on where the path should lead.

*The Wisconsin Technology Council is the independent, non-partisan science and technology advisor to the governor and the State Legislature.*



Construction Business Group

## Construction Industry Economic Outlook for 2020

By Robb Kahl, CBG Executive Director



Construction contractor optimism for 2020 is high and backlogs are strong but the question on every contractor's mind seems to be "When is the next recession?" If you ask Former Reserve Chair **Janet Yellen**, she believes that "There is always some chance of recession in any year." Based on the national construction economists, 2020 is forecasted to be a year of continued, yet slowing growth.

“ It is critical that the State of Wisconsin continue to invest in career and technical education and apprenticeship expansion in order to meet the future needs of the construction industry for skilled trade professionals. ”

The Bureau of Labor Statistics tracks construction employment and construction spending, strong lagging indicators of industry performance. Wisconsin has followed national trends in both of these areas with upward movement since 2010. Construction employment in Wisconsin has accelerated since April 2019 and in the 12-month period between Oct. 2018 and Oct. 2019, employment increased by 3.7% (national average was 2.1%).

2019 construction spending numbers have not been released, but based on national projections, Wisconsin's construction spending is likely to be close to or slightly surpass the \$3.9 billion of non-residential, \$5.2 billion of state and local, and \$20.1 billion of heavy/civil spending of 2018.

An outlook of slowing growth is supported by FMI's projection that U.S. construction spending for all sectors will increase from \$1.35 trillion in 2019 to \$1.46 trillion in 2022. This will be a much more modest growth rate than the national non-residential increases of 21.1% over the last five years, primarily led by strong growth in lodging, office, and amusement and recreation markets. Private office, education, hospital, and warehouse markets are forecasted to lead non-residential construction growth through 2020.

Workforce remains a primary concern for the construction industry. Wisconsin's low population growth, record low-unemployment and aging population will continue to create challenges for all employers in the state. The construction industry paid \$7.8 billion of construction wages and salaries in Wisconsin in 2018, creating significant economic impact. It is critical that the State of Wisconsin continue to invest in career and technical education and apprenticeship expansion in order to meet the future needs of the construction industry for skilled trade professionals.

“ We need Wisconsin to continue investment in Wisconsin's infrastructure. Maintaining the buildings, roads, and power supplies is important for taxpayers in the state and is critical to recruiting new business in Wisconsin. ”

We need Wisconsin to continue investment in Wisconsin's infrastructure. Maintaining the buildings, roads, and power supplies is important for taxpayers in the state and is critical to recruiting new business to Wisconsin.

*Laura Cataldo, Baker Tilly Virchow Krause, LLP, a WBA Bronze Associate Member, also contributed to this article.*

*The Construction Business Group promotes and protects the construction industry. They ensure fair contracting laws are followed on public construction projects. They work cooperatively with contractors, employees, and public entities by educating them on fair contracting laws, monitoring projects for fair contracting compliance, and identifying and helping to resolve compliance issues.*



## WBA WISCONSIN ECONOMIC REPORT



### Wisconsin Manufacturers & Commerce

## Wisconsin Is Surviving Trade War

By Kurt R. Bauer, WMC President and CEO

WMC hosts an economic roundtable six times per year. Participants include economists from the Federal Reserve Bank of Chicago, UW-System (specifically UW-Madison and Whitewater), various state agencies and representatives from sectors viewed as leading economic indicators, like manufacturing and banking.

The last meeting was held in late Nov. 2019 and the discussion was dominated by two questions; is Wisconsin's manufacturing sector contracting, as has been widely reported by statewide and national media outlets, and will the U.S. fall into a recession in 2020?

Let's start with manufacturing question. Bloomberg News reported in late summer that Wisconsin lost 5,200 manufacturing jobs between August 2018 and August 2019. That sparked a series of follow up stories in the *Wall Street Journal*, *Washington Post*, *Los Angeles Times* and *CBS News* about the status of manufacturing in Wisconsin.

All the national media interest in Wisconsin's economy is easily explained. Wisconsin is expected to be an important battleground state in the 2020 presidential election and if the economy is faltering, President Trump has a greatly reduced chance of winning Wisconsin for a second time, which could cost him the White House. Trump is predicating his reelection on job growth, particularly in manufacturing, which is Wisconsin's largest economic sector.

The national stories have centered on Trump's trade policies, particularly the impact of U.S. tariffs imposed on China and the subsequent retaliatory tariffs placed on U.S. goods by the Chinese. Without question, those tariffs

have had an impact on both Wisconsin's manufacturing and agricultural sectors. In June, 47% of WMC members, which includes concentrated animal feeding operations (CAFOs), said tariffs on China were having a negative effect on their bottom line.

But interesting enough, 67% said in the same economic survey that they either strongly or somewhat support the tariffs on China in order to address what they see as decades of unfair trade practices by the Chinese at the expense of U.S. businesses. For example, China sometimes forces foreign companies to transfer technology to Chinese competitors in exchange for access to their 1.4 billion consumers. China also manipulates its currency, and sometimes dumps products on the global market at prices below the cost of production, stressing if not bankrupting foreign competitors. China is also infamous for the state-sponsored theft of foreign intellectual property that threatens both U.S. economic and national security.

While WMC members would prefer to resolve the trade dispute with China, and other nations for that matter, they have been pragmatic and agile in minimizing the impact of tariffs. Trade is like water; if it is blocked from flowing in one direction, it will flow in another. To that point, China might be the biggest loser in the bilateral trade dispute because many U.S. manufacturers have shifted their supply chains out of China to avoid the tariffs, as well as the other trade abuses mentioned above.

More importantly for Wisconsin is that the decline in manufacturing jobs reported by Bloomberg appears to be totally off the mark. In fact, recent quarterly employment data released by the U.S. Bureau of Labor Statistics (BLS) shows Wisconsin actually gained

“ Trade is like water; if it is blocked from flowing in one direction, it will flow in another. ”

8,800 manufacturing jobs during roughly the same period Bloomberg measured. The BLS numbers also showed similarly strong gains in Pennsylvania, another big manufacturing state and key 2020 presidential election battleground.

Also important for Wisconsin is the U.S. House of Representatives has, as of press time, finally agreed to move forward with passage of the United States Mexico Canada Agreement (USMCA), the successor to the outdated North American Free Trade Agreement (NAFTA). A lot has changed since the NAFTA was negotiated in the 1990s and USMCA is clearly an improvement, especially as it relates to intellectual property protections, digital rules and overall trade agreement enforcement.

All of which leads me to the second question debated by the economic roundtable; will there be a downturn in 2020? Not a single economist present at the November meeting predicted one. In fact, with a low state unemployment rate of 3.3% and solid job growth, the consensus was that Wisconsin will enter the new year in relatively strong condition.

*Founded in 1911, Wisconsin Manufacturers & Commerce (WMC) is the combined state chamber of commerce, state manufacturers' association and state safety council. With nearly 3,800 members, WMC is Wisconsin's largest business association representing employers of all sizes and from every sector of the economy.*

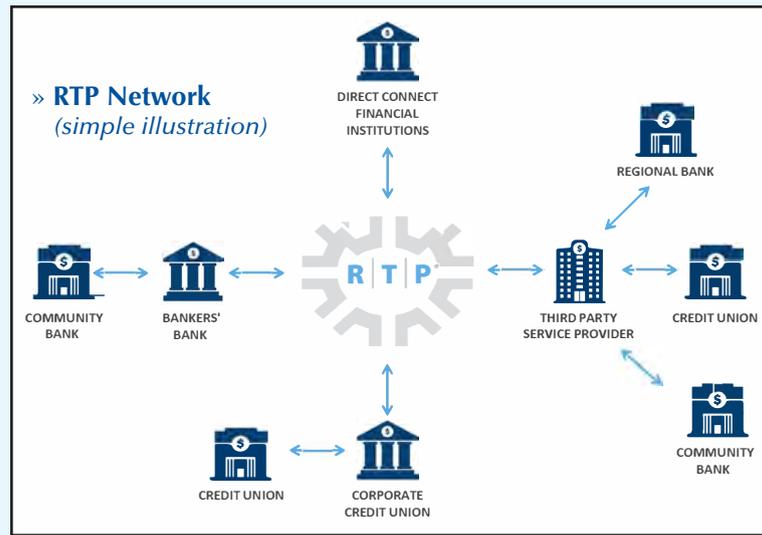
## Real-Time Payments

*(continued from p. 1)*

of instant payments as well. If your client runs a small business—say, a cozy gastro pub, plumbing company, or family restaurant—the owners often have to pay suppliers with either cash, a paper check, or credit card. Often these payments have to be made at the time of delivery from the owner after he or she counts in the inventory and signs for the goods. If you are a restaurant owner and the payment is for cases of beer or wine, you cannot leave this to the teenage server or host.

With real-time payments, small business owners can avoid handing over a stack of cash or cutting a check by clicking on an icon on their smartphone or tablet. Through a trusted financial institution, the money is transferred in real-time with immediate verification to the sender that good funds have been transferred into the receiver’s account. Traditional payment methods can take multiple business days to confirm and clear. Explaining the delays that may be associated with a traditional payment isn’t an easy conversation for a small business owner to have with a suppliers on the Friday of a three-day weekend.

Real-time payments, if integrated with a small business’ accounting software or vendor management solution, also reduce the costly back-office tracking of invoices and reconciliation process. For instance on the RTP® network offered by The Clearing House, invoices and communication between the biller and receiver can be sent along with the transaction, which essentially creates the foundation for a real-time cash management system for small businesses. Real-time payments can add a real-time, up-to-the-minute view of a small business’ cash



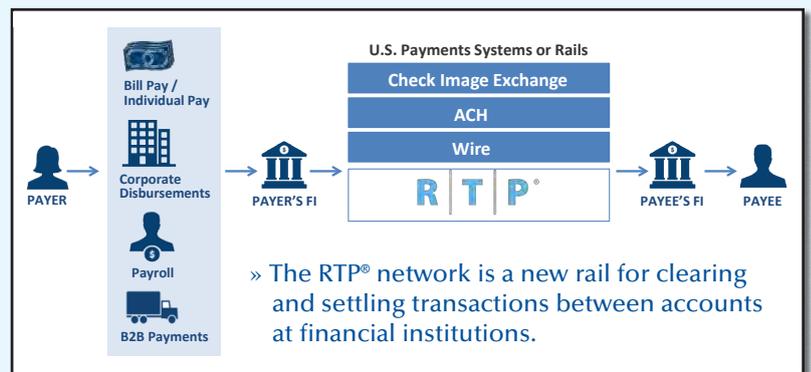
flow and immediately update back office tracking systems.

Employers are also looking for greater efficiencies and flexibility in the payroll process. All employers face emergency payroll situations where a payment doesn’t go through for some reason and the employee needs to be paid immediately on pay day. Today, many small businesses will cut a check that the employee would need to take to the bank, or issue a same-day ACH payment, if possible. But what happens if the employee only realizes on a holiday or a weekend that their payroll deposit didn’t go through? Most often, they would have to wait until the next business day to receive payment, which isn’t ideal from the employee or employer’s perspective.

Likewise, some employers, such as gig economy companies or businesses in extremely tight labor markets, are looking to provide daily payroll as an incentive or to retain employees. And lastly, some states require employees to be paid in full immediately on the day they are terminated.

Real-time payments can also boost a small business owner’s reputation. If they are known as a slow payer—one that takes days for the payments to come through—the word will spread in a strong economy and

*Offering real-time payments is one way to meet the needs and expectations of customers in an increasingly “on demand” world.*



they may find themselves having a hard time hiring contract workers or vendors/suppliers for the next event or project.

### Consumers benefit from RTP

The success of PayPal and its “mobile first” subsidiary Venmo have blazed a path for Peer to Peer payments. [CNBC reports](#) that the P2P app—which spawned the phrase “Venmo me”—processed \$62 billion in payments in 2018 and is poised to reach \$100 billion by the close of 2019. Other P2P apps like Google Pay and Apple Pay are seeing growth as well.

This means there are real opportunities for community and regional banks to step in and provide secure real-time P2P services to customers.

### The RTP landscape

The real-time payments landscape may appear to be crowded with well-known and established fintechs, impressive apps, and fresh-faced upstarts, but banks still have time to act.

As an alternative to fintech apps, Zelle, another P2P provider, is featured in banking apps for many financial institutions. While it may not be a household name, Zelle has proven to be even more popular compared to Venmo: In 2018, Zelle processed \$122 billion in P2P payments, which is nearly double Venmo’s \$62 billion.

Other so-called “faster payments” solutions include card or “Push to Card” payments and same day ACH. Push payments allow customers to send money directly to merchants either on a one-time or recurring basis. Likewise, lenders can push payments to a borrower’s debit or prepaid card. Push payment providers boast of shorter settlement times and lower costs. And major players are taking notice. Push to card payments represent a \$10 trillion opportunity in the United States, according to Visa.

*(continued on p. 26)*

## Real-Time Payments

*(continued from p. 25)*

Banks, large and small, are taking notice of the faster payment trends and are signing on to the RTP network provided by The Clearing House (TCH). More than 51% of U.S. accounts already are able to receive RTP payments, and the number continues to grow.

The US Federal Reserve is also stepping into the faster payments market with its proposed FedNow system. Currently projected to debut in 2022 or 2023, the program aims to offer real time payments via a government built and operated system. How a new Federal Reserve payments system will fare once it debuts remains to be seen. Currently the Federal Reserve hasn't released many specifics about FedNow, as it is still under development.

### How a bank joins the real-time payments revolution

Small community and regional banks might feel that the real-time payments train has left the station. Hardly. There are plenty of business and technology resources to help community and regional players offer cutting-edge payment systems to their customers today.

In fact, companies located right here in Wisconsin are already helping banks looking to join the real-time payments revolution. Bankers' Bank of Wisconsin will play a key role in faster payments as a Funding Agent for community banks participating in the RTP network, and will participate as an early adopter of the technology. As a Funding Agent, Bankers' Bank will fund and manage positions in the RTP network joint account

*Your bank is not the only financial institution mulling the move to real-time payments. A large majority of financial institutions are prioritizing real-time payments over the next 12 to 18 months.*

on behalf of its respondent community bank customers. This allows the bank to lower the requirements for participation and provide additional features and benefits around settlement and management of customers' RTP network participation.

Bankers' Bank has chosen to work with CGI, a global end-to-end IT and business consulting services partner and leader in innovative payment programs and solutions, to develop a one-of-a-kind funding solution that manages the funding for settlement in the RTP network joint account for Bankers' Bank clients.

Another local company engaged in the changes is UFS, which provides technology and services exclusively to community banks. UFS, which was founded and is owned by twenty Midwest community banks, sees a unique role as a technology outfitter with a focus on guiding and empowering banks through payments change. By providing freedom and flexibility to innovate, along with access to technology solutions and payments

*(continued on p. 27)*

## Bankers' Bank: Wisconsin Connections to Real-Time Payments

Bankers' Bank is becoming a Funding Agent for depository institutions looking to provide real-time payments capabilities to their customers. This will be through the RTP® network developed by The Clearing House (TCH).

As a Funding Agent, Bankers' Bank will fund and manage positions in the RTP network joint account on behalf of its respondent community bank customers. This allows them to manage the requirements for participation and provide more features and benefits around settlement and risk of customers' RTP network participation.

Bankers' Bank has chosen CGI, a global end-to-end IT and business consulting services partner, to develop a funding solution that manages the funding for settlement in the RTP network joint account for Bankers' Bank clients.



To ensure banks have the tools necessary to compete, Bankers' Bank is building a 24/7 liquidity management solution for RTP transactions. The tool will be incorporated into the suite of Cash Management solutions Bankers' Bank already provides. Overall, this will allow banks of all sizes to more easily participate, compete, and transact on the RTP network.

The RTP network provided by TCH is a system delivering 24/7 clearing and interbank settlement, including the real-time movement of money and enriched data between participating financial institutions. The RTP network currently reaches more than 50% of U.S. accounts for real-time payment receipt.

Bankers' Bank has gotten in on the ground floor of faster payments, from the evaluation stage with the Federal Reserve task forces, to today with The Clearing House's RTP Network® as a Funding Agent, and into the future with developing services like FedNow. Our focus is always on creating ways to make community banks competitive, offering the forward-looking solutions needed in tomorrow's payment landscape. By developing our Funding Agent solution for RTP, Bankers' Bank lowers barriers to entry for a bank looking to offer both incoming and outgoing faster payments. By using Bankers' Bank's existing cash management tools to access the RTP settlement Joint Account, our customer banks will be able to easily manage the funding of real-time transactions.

Implementing real-time

payments represents the biggest change in transaction processing since Check 21, and is a once-in-a-generation opportunity to offer a completely new service. While none of the existing payment rails are going away anytime soon, there are use cases that faster payments are uniquely suited to which community banks will want to make available to their consumer and small business customers. And this is just the beginning. "Bankers' Bank is committed to combining all of the services of a correspondent bank with the flexibility and capabilities of a technology company. To serve our bank customers we are committed to be both," said **Matt Sitkowski**, executive vice president/chief financial officer at Bankers' Bank.

*Bankers' Bank, "Always your partner, never your competitor™," is a WBA Gold Associate Member.*

## Real-Time Payments

(continued from p. 26)

networks, UFS can focus on improving the operational processes and integration that allows banks to execute on their real time payments strategy with confidence.

Why make the move? To maintain customer relationships, community banks need to remain competitive by offering services that meet customer needs such as real-time payments. Not doing so risks losing the deposits that are at the heart of community bank business models. As any small bank knows, customers don't mind having money in different financial institutions so long as they can readily access it and can easily pay bills or pay a friend or family member quickly. With TCH's RTP network, which is available to financial

institutions of all sizes now, banks can remain competitive and ease implementation time and expense with little to no technical adoption on the part of the bank by leveraging third-party providers like Bankers' Bank of Wisconsin, UFS, and others. Smaller financial institutions may not have the deep pockets that larger financial institutions have when it comes to making technology investments, but they can and do work with established core banking platform providers, many of which are actively rolling out real-time payments capabilities on the RTP network for their customers.

And your bank is not the only financial institution mulling the move to real-time payments. According to the [2020 Real-Time Payments Report from Levvel](#), a technical execution services

provider and consultancy, a large majority of financial institutions are prioritizing real-time payments over the next 12 to 18 months. Currently, 74% of FIs are now in progress with or considering the RTP network for at least one of their customer segments to meet growing demand and gain a competitive advantage. A majority—53%—are either planning or have completed a significant technology upgrade or a full digital transformation to offer real-time payments. Nearly three quarters—72%—say they will need to rely on third-party technology providers to help implement real-time payments. Further, 84% indicate they will use real-time payments to drive other technology changes.

### Every journey starts with a single step

We are in the era of real-

time payments and many banks are joining the real-time payments revolution.

"Financial institutions and their customers like the benefits of real-time payments. They like to see the data, information and the clarity around the transactions," said **Sarah Grotta**, director of Debit and Alternative Products Advisory Service at Mercator Advisory Group, in a recent podcast entitled, "[A 5-Step Plan for Adopting Real Time Payments](#)."

She added that it's a "very interesting time for banks to be in real-time payments."

*Mills is vice president of RTP Network Business Development at [The Clearing House](#) in Chicago, a banking association and payments company that is owned by the largest commercial banks and dates back to 1853.*

*Skrum is WBA communications manager.*

## UFS, LLC: Wisconsin Connections to Real-Time Payments

It is an exciting time for community banks as innovations in payments continue to accelerate, creating many new options for banks. With multiple and growing options over the next five years, there will be choices that align with each bank's strategy and local community's needs. Often, the fintech innovators focus on the customer experience over the process. If the bank owns the business or consumer's core checking relationship, they get control of the process, data, and settlement. Improvements in real time payments will likely increase the importance of the deposit account, as the disparate application's separate balance functions are no longer needed. At the same time, the complexity of managing the growing list of payments



networks, end user's options, and payments exceptions in real time will increase.

UFS's role in this evolution is to be the technology outfitter and guide, in a way that provides tools, market information, risk management, and innovations in the back-room process so that community banks retain flexibility, and remain in control and confident during this evolution. As banks gear up to support the real time settlement and reporting needs of their customers, the value of a local, community bank relationship will be enhanced.

A key function of UFS in the 24x7 real time payments

ecosystem is to ensure accurate balances and settlements in a way that minimizes fraud and risk. Risk management is and will continue to be a key role played by bankers as they create confidence for their customers.

In addition, **Mike Venaccio**, UFS Product and Architecture executive noted: "In the context of changes in the payments market, we see the value of deposit balances being superseded by the value of the data. Almost every non-bank entering the faster payments space is prioritizing data collection. UFS is engaged in ensuring both customer confidentiality and empowering banks to leverage the data in a way that prioritizes the relationships with businesses and consumers."

**Mike Tenpas**, UFS CEO clarified: "Ultimately as the technology outfitter for community banks, our job is to ensure flexibility and freedom in the options banks choose as the industry evolves, and wrap those options with process in a way that creates confidence for bankers to explore and listen to their customers for the ways that real time payments will impact their financial lives."

*UFS, LLC, a community created by bankers for bankers, is a WBA Silver Associate Member.*



# 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/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

## 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
- **New Business Growth Workshop**  
28 Madison; TBD
- **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 Locations 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)

» 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.

# Time to Renew Your CEOOnly|CFOOnly Membership

*Exclusive network provides unique benefits for banking leaders*

By Daryll J. Lund

Now is the time to renew or begin your membership in the CEOOnly and CFOOnly Networks so you can enjoy the membership services provided, especially networking and idea-sharing with your Wisconsin banker peers—over 100 Wisconsin bank CEOs and CFOs currently participate!

For the past two years, WBA has built on the strong foundation of the two networks. We've shared the responses to over 100+ questions annually from network participants through the Q&A service and hosted three successful peer-to-peer meetings. We believe that the networking and



### Association Update

Daryll J. Lund

You can expect the same excellent value in 2020! This year, network members are invited to three complimentary networking events (*listed below*).

Each event features special guest speakers who share their industry expertise and confi-

dential, banker-only networking sessions. In addition, network members have full access to the Q&A service, which provides a confidential forum for asking peer questions. Network members submit their questions to WBA via email, and WBA then shares those questions anonymously with the network. WBA compiles all responses anonymously and distributes them to the network via email.

Membership in the networks runs on a calendar year basis, starting Jan. 1, 2020, so now is the time to join or renew your membership!

Visit [www.wisbank.com/CEO](http://www.wisbank.com/CEO) for more details or to purchase your membership for 2020. If you have any questions, please don't hesitate to contact me at 608-441-1203 or [dlund@wisbank.com](mailto:dlund@wisbank.com).

*Lund is WBA executive vice president – chief of staff.*



» The first meeting: March 20 · Glacier Canyon Lodge at the Wilderness · Wisconsin Dells. Join or register to attend at [www.wisbank.com/CEO](http://www.wisbank.com/CEO).

information-sharing in the CEOOnly and CFOOnly Networks will become even more valuable to you as the banking industry continues to experience unprecedented changes.

dential, banker-only networking sessions. In addition, network members have full access to the Q&A service, which provides a confidential forum for asking peer questions. Network

» WBA CEOOnly|CFOOnly Network meetings are scheduled for:

March 20 | Wisconsin Dells · June 12 | Wausau · October 2 | Madison



## HAPPY HOLIDAYS

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AND OUR SINCERE THANKS FOR YOUR LOYALTY AND GOODWILL THROUGHOUT THE YEAR.



**WBA INSURANCE SERVICES**  
WBA Employee Benefits Corporation  
Midwest Bankers Insurance Services

[www.wisbankins.com](http://www.wisbankins.com)  
[www.mbisllc.com](http://www.mbisllc.com)

## Spotlight on Community Advocates

Wisconsin's bankers are the definition of "community advocates" in all that you do every day to improve your local economy through your bank's products and services, as well as through your generous philanthropy of time and money. This column shares and celebrates the diverse backgrounds, experiences, perspectives, and innovation of some of the extraordinary bankers in this state.



Rose Oswald Poels

# Q&A

The following is a brief interview between  
WBA President and CEO **Rose Oswald Poels**  
and **Willard Ogren**, Security State Bank, Iron River.



Willard Ogren

### **Rose: How did you first get into the banking industry?**

**Willard:** It all started in June 1952 when Security State Bank in Port Wing, Wisconsin needed a teller and file clerk. The wages were 60¢ per hour. I thought that was pretty good for a summer job. However, in three months, college started again. I could see many changes and improvements in

the bank's operation while I was working there, so I decided to continue working there for the year. In January 1955, I went to work in Security State Bank's branch office in Iron River, and within a couple years, I was promoted to the manager of that office.

My grandfather was one of 11 local businessmen who started the bank in Port Wing in 1911. He was succeeded on the board by my father. Neither had ever worked in the bank and they only owned 15% of the stock. Shortly after starting work in the bank, I had lunch with an elderly correspondent banker. He told me that if he were young and wanted to work in a bank, he would either join a holding company or would buy the bank. I did not want to move out of town because I was dating **Jeri**, my future wife, so my choice was to start buying stock in the bank.

Over time, I approached each bank stockholder and bought stock at their asking price. The highest price of the shares I purchased was from my dad to complete 100% purchase of all the shares of the Security State Bank.

In 1986, I worked with the Erickson family to purchase the Bank of New Auburn, Wis. I personally formed a holding company with the Minneapolis Federal Reserve Bank at that time. Later, I purchased the Farmers' State Bank of Ridgeland, Wis. from **Roger Heironimus**, the former Wisconsin Commissioner of Banking.

### **What is your favorite aspect of your role at your bank?**

What I have enjoyed the most at the bank has been to help customers who are starting a business or who have an existing

business with three or four employees and helping them grow. I have worked with many startup businesses, some that ended up with over 200 employees. It is very gratifying to be in a position where you see your customers' businesses grow and prosper. Many of them would say that I have been a partner in their business by working closely with them to help them succeed.

### **What do you wish the general public understood about the banking industry?**

I wish the public understood the extensive federal regulations we are under. It is difficult for elderly, long-term customers to understand that they must submit two forms of identification for various services, when we have known them all their lives. With the passing of the Patriot Act, the long-time customer who had home mortgages with us in the past that were made with a handshake now must provide copious documentation. It is not the same type of banking that they were accustomed to in the last 40-50 years.

### **Where do you believe the industry's greatest challenges are in the next three to five years?**

One of the challenges now and in future years is that if interest rates stay low, depositors will seek out higher yields by investing their money in unregulated institutions that have no allegiance to their communities. Banks will lose their core deposits which will drive community banks to use brokered deposits to support loan demands.

Another challenge to the banking industry is to compete with financial institutions that operate without paying federal or state taxes. Many of those financial institutions have no office or personal presence in smaller communities and therefore do not support the schools, fire departments, and local committees. The purchase of commercial banks by credit unions should also be of major concern to the state and federal government since 100% of tax revenue is lost.

I believe many of the challenges facing us will diminish. Over my 67 years in banking, I have heard much rhetoric regarding the demise of community banks. I recall when they said small banks could not exist when we had to microfilm all checks before sending them out. Then again when computers came out, they said the cost would be too great and that we could not afford to exist without them. As we navigate the era, our greatest challenge in a small-town bank is to keep up with the cost of regulation.



*Do you know a banker who should be recognized as a Community Advocate for the work that they do? Nominate them today by emailing Rose at [ropoels@wisbank.com](mailto:ropoels@wisbank.com)!*

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## Community Advocates

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**Please describe your current role at your bank and share with us one of your more rewarding experiences.**

My career in community banking has allowed me to really give back to our communities both through the bank and personally in many meaningful ways. I have enjoyed many rewarding experiences through my extensive volunteer efforts with countless organizations including Lions Club, Salvation Army, Port Wing Fish Boil and Toys for Tots to Teens. Further, I have supported the South Shore School District for decades and have supported the South Shore Education Foundation since its inception. Among other donations, we provided money for the weight room and two upgrades to the high school athletic facilities which resulted in it being named the Willard Ogren Athletic Center. We also set up an endowment with the Foundation to pay for computers for all students in grades K-12.

When I turned 70½, I cashed in my IRAs from my younger years and gifted the proceeds to the four local community fire departments, two ambulance and EMTs, and area churches. We also set up a scholarship program at the University of Minnesota, Duluth as three of our children graduated from UMD. More recently, Jeri and I established a Community Charitable Trust in which all funds from the trust are to be given to 501c 3 charitable organizations that are in our banking area.

*Oswald Poels is WBA president and CEO | [ropoels@wisbank.com](mailto:ropoels@wisbank.com) | 608-441-1200 | Twitter: @RoseOswaldPoels*

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**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

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

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

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)  
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