

**REGULAR STATE BANKING BOARD MEETING
RADISSON HOTEL
605 E BROADWAY AVE
BISMARCK, NORTH DAKOTA**

May 16, 2017

The regular meeting of the State Banking Board was held at the Radisson Hotel, 605 E Broadway Ave, Bismarck, North Dakota. Chairman Entringer called the meeting to order at 4:00 p.m., Tuesday, May 16, 2017.

MEMBERS PRESENT: Robert J. Entringer, Chairman *(Bismarck)*
Nancy Baerwald, Member *(Bismarck)*
Linda Beall, Member *(Bismarck)*
Kim Larson, Member *(Bismarck)*
John Schmid, Member *(Bismarck)*
Tom Stennes, Member *(Bismarck)*
Cheryl Thompson, Member *(Bismarck)*

MEMBERS ABSENT: None

ALSO PRESENT: Aaron Webb, Secretary *(Bismarck)*
Suzette Richardson, Administrative Staff Officer *(Bismarck)*
Jan Murtha, Assistant Attorney General *(Bismarck)*
Lise Kruse, Chief Examiner – Banks *(Bismarck)*

APPROVAL OF MINUTES

Chairman Entringer indicated the Board received copies of the minutes of the regular meeting held on March 23, 2017.

It was moved by Member Thompson, seconded by Member Beall, and unanimously carried, to approve the minutes of the regular meeting held March 23, 2017, as presented.

2017 ANNUAL ASSESSMENT POLICY FOR STATE-CHARTERED BANKS, TRUST COMPANIES

Chairman Entringer indicated the Board received his May 5, 2017, Memorandum which outlines the expense descriptions for the banking division, as well as two scenarios for assessments for the Board's consideration: 27.5% or 30% credit.

After review of the assessment scenarios, Chairman Entringer indicated he recommends approving the State-Chartered Bank and Trust Company Annual Assessment Policy and offering a 30% assessment credit to the banks and trust companies, not including the Bank of North Dakota.

Chairman Entringer updated the Board regarding staff turnover and the possible move of the Bismarck office, which affect the Department's proposed expenses. In response to discussion, Chairman Entringer informed the Board that a state agency lease contains a clause allowing the agency to terminate a lease at the end of two years. Chairman Entringer also reiterated the Director of Facility Management was directed by Governor Burgum to reduce agency lease payments in Bismarck by \$1 million per year.

In response to Member Stennes, Chairman Entringer indicated that the Legislature granted approval for the Bank of North Dakota to build an additional building; however, construction cannot begin before June 30, 2019.

In response to Member Thompson, Chairman Entringer explained the two new examiners that will begin employment with the Department in June 2017 start at the entry level, which reduces the salary line item as the previous examiners were at a higher salary level.

There was also discussion regarding budgeting for staff that are eligible for retirement.

It was moved by Member Stennes, seconded by Member Baerwald, and unanimously carried, to approve the State-Chartered Bank and Trust Company Annual Assessment Policy, along with granting a 30% assessment discount to state-chartered banks and trust companies, not including the Bank of North Dakota.

ITEM TO BE NOTED

Chairman Entringer indicated on April 24, 2017, he approved, as Commissioner, the application by American Bank Center, Dickinson, to establish a facility at 7500 University Avenue, Bismarck.

BANK BUDGET UPDATE

Chairman Entringer indicated the Board received the March 31, 2017, Organizational Status Report by Summary Account for the bank division.

The Board went into closed session at 4:16 p.m. to review the Supervisory Reports of Examination pursuant to North Dakota Century Code 6-01-07.1, and to discuss any confidential records pursuant to North Dakota Century Code 44-04-19.2, and returned to open session at 4:31 p.m.

APPROVAL OF EXECUTIVE SESSION MINUTES

It was moved by Member Larson, seconded by Member Schmid, and unanimously carried, to approve the executive session minutes of the regular meeting held March 23, 2017, as presented.

ASPIRE FINANCIAL, NATIONAL ASSOCIATION, HATTON – APPLICATION TO CONVERT TO STATE BANK CHARTER

Chairman Entringer informed the Board that Aspire Financial, National Association, plans to convert to a state bank charter effective June 30, 2017.

BANK-OWNED PROPERTY

In response to Member Larson, there was discussion on bank-owned property and that a condition of the approval by the State Banking Board is that the Department be informed when the property is sold.

HOUSE BILL NO. 1345

Assistant Attorney General Murtha updated the Board that House Bill No. 1345 was signed into law effective April 2017, which updated many provisions pertaining to open records and public meetings to keep up with current practices.

Assistant Attorney General Murtha explained under the previous open records and public meetings requirements, notice of the Day with the Commissioner held today would have had to be published if all State Banking Board members were present. Assistant Attorney General Murtha continued that the section now excludes events that were purely for training purposes from the definition of meetings.

JAN MURTHA

Chairman Entringer announced that Assistant Attorney General Murtha has submitted her name for consideration for appointment to the Supreme Court, to fill the remaining term of retiring Justice Kaspner. Assistant Attorney General Murtha explained there are eleven applicants that went through the required nominating process, of which three to four applicants will be submitted to Governor Burgum for his final appointment. The Board wished Assistant Attorney General Murtha good luck in this pursuit.

The meeting adjourned at 4:41 p.m.

Robert J. Entringer, Chairman

Aaron Webb, Secretary