

**REGULAR STATE BANKING BOARD MEETING  
OFFICE OF THE COMMISSIONER  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
2000 SCHAFFER STREET, SUITE G  
BISMARCK, NORTH DAKOTA**

**July 13, 2017**

The regular meeting of the State Banking Board was held in the Office of the Commissioner, Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, North Dakota. Chairman Entringer called the meeting to order at 9:00 a.m., Thursday, July 13, 2017, by conference call.

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

**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 (*Fargo*)

**APPROVAL OF MINUTES**

Chairman Entringer indicated the Board received copies of the minutes of the regular meeting held on May 16, 2017.

**It was moved by Member Schmid, seconded by Member Larson, and unanimously carried, to approve the minutes of the regular meeting held May 16, 2017, as presented.**

## **ITEMS TO BE NOTED**

Chairman Entringer indicated on May 19, 2017, he approved, as Commissioner, the application by Cornerstone Bank, Fargo, to relocate its facility from 500 2<sup>nd</sup> Ave SW, Watford City, to 106 8<sup>th</sup> Ave SE, Watford City.

Chairman Entringer indicated on May 19, 2017, he approved, as Commissioner, the application by First International Bank & Trust, Watford City, to establish a facility at 1970 South Columbia Road, Suite 110, Grand Forks.

## **BANK BUDGET UPDATE**

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

Chairman Entringer updated the Board that as of May 31, 2017, the Department's remaining revenue was \$1,142,450; expenses for the biennium were averaging approximately \$215,000 per month. Chairman Entringer pointed out the expenses for the month of May 2017 were higher due to association fees.

Chairman Entringer indicated the June 2017 expenses should be approximately \$240,000; therefore, the carryover should be approximately \$900,000.

In response to Member Thompson, Chairman Entringer stated the Department will remain at its current office space. Chairman Entringer explained the current office has approximately 4,500 square feet, and the building owner offered rent of \$18 per square foot, along with six months of free rent over the four-year lease, which results in approximately \$15.75 per square foot.

Chairman Entringer indicated the rent negotiated at the proposed office space started at \$12 per square foot, but dramatically raised with a 3% increase every year for an eight-year lease. Chairman Entringer indicated the proposed office space was slightly more than 6,200 square feet; therefore, the Department would not have saved money. Chairman Entringer indicated the North Dakota Retirement and Investment Office moved into the ground floor of the proposed building. Chairman Entringer concluded with fiber optic line installation

estimated to cost \$65,000, which the Department would have paid half, plus the costs to move, the relocation would have been cost prohibitive.

Chairman Entringer noted a four-year lease of \$18 per square foot has been signed at the current office, with the concession that the six months of free rent will be divided into two bienniums; therefore, July, August and September of 2017, and April, May, and June of 2021 would account for the six months of free rent.

**The Board went into closed session at 9:09 a.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 9:45 a.m.**

#### **APPROVAL OF EXECUTIVE SESSION MINUTES**

**It was moved by Member Baerwald, seconded by Member Beall, and unanimously carried, to approve the executive session minutes of the regular meeting held May 16, 2017, as presented.**

The meeting adjourned at 9:46 a.m.

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Robert J. Entringer, Chairman

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Aaron Webb, Secretary