

**REGULAR STATE CREDIT UNION BOARD MEETING  
HELD BY CONFERENCE CALL  
OFFICE OF THE COMMISSIONER  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
2000 SCHAFFER STREET, SUITE G  
BISMARCK, NORTH DAKOTA**

**September 8, 2017**

The regular meeting of the State Credit Union Board was called to order by Chairman Entringer in the Office of the Commissioner, Department of Financial Institutions, 2000 Schafer Street, Suite G, Bismarck, North Dakota, at 9:00 a.m., Friday, September 8, 2017, by conference call.

**MEMBERS PRESENT:** Robert J. Entringer, Chairman *(Office)*  
Paul Brucker, Member *(Office)*  
George Economon, Member *(Fargo)*  
Deb Gallagher, Member *(Office)*  
Melanie Stillwell, Member *(Williston)*

**MEMBERS ABSENT:** None

**ALSO PRESENT:** Aaron Webb, Secretary *(Office)*  
Suzette Richardson, Administrative Staff Officer *(Office)*  
Jan Murtha, Assistant Attorney General *(Office)*  
Corey Krebs, Chief Examiner – Credit Unions *(Office)*  
Sara Sauter, Financial Institutions Examiner *(Office)*  
Heidi LaBree, Financial Institutions Examiner *(Office)*  
Dave Hatton, Financial Institutions Examiner *(Detroit Lakes)*  
Bob Herrington, North Star Community CU *(Maddock)*  
Jeff Olson, CU Association of the Dakotas *(Office)*

**APPROVAL OF MINUTES**

Chairman Entringer indicated the Board received copies of the minutes of the regular meeting held on June 2, 2017, and the special meetings held on May 30, 2017, and July 13, 2017.

**It was moved by Member Brucker, seconded by Member Economon, and unanimously carried, to approve the minutes of the regular meeting held June 2, 2017, and the special meetings held May 30, 2017, and July 13, 2017, as presented.**

## **ARTICLES OF AMENDMENT TO THE BYLAWS – NORTH STAR COMMUNITY CREDIT UNION, MADDOCK**

President Herrington indicated the Board of Directors of North Star Community Credit Union (North Star) is requesting an amendment to the Bylaws to facilitate the expanded Board due to the merger with Northern Tier Federal Credit Union, Minot. President Herrington indicated the proposed changes would represent the entire membership, with the following highlights: expansion from five to nine members; directors will be elected by two districts which are broken down by county (four directors from District 1 and three directors from District 2); and two at-large directors. President Herrington explained voting will be by the entire membership and the directors must reside within their District.

**It was moved by Member Gallagher, seconded by Member Stillwell, and unanimously carried to approve the Articles of Amendment to the Bylaws for North Star Community Credit Union, Maddock.**

President Herrington left the conference call at 9:03 a.m.

## **NORTH DAKOTA ADMINISTRATIVE RULES**

Chairman Entringer indicated Chief Examiner Krebs will review the changes to the North Dakota Administrative Code rules which were approved for publication by the State Credit Union Board at its June 2, 2017.

Chief Examiner Krebs reviewed the proposed changes for the Board:

- 13-03-04-01 – fixed asset limitation – the language “a maximum of 50% of net worth, but not exceeding 10% of assets” was added to address the small credit unions with strong capital positions.
- 13-03-06-01 – the definition of total reserves is now presented as bullets to make it more clear, as well as adding the definition of retained earnings.

- 13-03-23-07 – The CUSO section was changed to make it more clear that the rules apply to Credit Union Service Organizations. The term “subsidiary CUSO” was added to be consistent with federal rule and the applicability clearer; however, was also added to the conflict of interest section.

Chairman Entringer indicated the notice is ready for publication and reviewed the publication process. Chairman Entringer encouraged that the credit unions comment regarding the proposed rule changes.

**It was moved by Member Gallagher, seconded by Member Brucker, and unanimously carried the North Dakota Administrative Code rules as amended are approved for publication.**

### **CREDIT UNION BUDGET UPDATE**

Chairman Entringer indicated the Board received the Organizational Status by Summary Account and Source for the month ending July 2017.

### **NASCUS COMMENTS ON OTR METHODOLOGY**

Chairman Entringer referred to the Department’s comment letter which was submitted to NCUA regarding the Overhead Transfer Rate (OTR) methodology.

Mr. Olson left the meeting at 9:14 a.m.

**The Board went into closed session at 9:15 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 10:30 a.m.**

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

**It was moved by Member Gallagher, seconded by Member Stillwell, and unanimously carried, to approve the executive session minutes of the special meeting May 30, 2017, and the regular meeting held June 2, 2017, as presented.**

The meeting adjourned at 10:35 a.m.

Lise Kruse (on behalf of)  
Robert J. Entringer, Chairman

Aaron Webb  
Aaron Webb, Secretary