



## APPROVAL OF MINUTES

Chair Kruse indicated the Board received copies of the minutes of the regular meeting held on September 3, 2021, and the special meeting held on October 26, 2021.

It was moved by Member Economon, seconded by Member Schmitz, and carried with a vote of 5 to 0, to approve the minutes of the regular meeting held September 3, 2021, and the special meeting held October 26, 2021.

Commissioner Kruse stated she had attended training provided by the Attorney General's Office regarding Board and Board Governance where they discussed conflict of interest for Board members. She also stated that the Ethics Commission that has been established in North Dakota is coming out with guidance and rules for Boards, state employees, cabinet leaders, and legislators. When that is provided, the Department will formalize a policy for conflict of interest for the Board.

**MEMBER STEVEN SCHMITZ STATED HE HAD A CONFLICT OF INTEREST AND ABSTAIN FROM VOTING ON THE APPLICATION FOR ELM RIVER CREDIT UNION, PAGE TO MERGE WITH AND INTO FIRST COMMUNITY CREDIT UNION, JAMESTOWN, ND**

It was moved by Member Stillwell, seconded by Member Economon, and carried by a vote of 4 to 0 to agree that Stephen Schmitz has a conflict of interest and will abstain from voting in the application for Elm River Credit Union, Page, to merge with and into First Community Credit Union, Jamestown.

**ELM RIVER CREDIT UNION, PAGE – APPLICATION TO MERGE WITH AND INTO FIRST COMMUNITY CREDIT UNION, JAMESTOWN, ND**

Assistant Commissioner Krebs reviewed the memorandum and stated all requirements for the application were met. The Department recommended

approval of this application. Additionally, if approved, the Department recommends that the board authorize the Commissioner to sign the proposed Order on behalf of the Board.

Stephen Schmitz stated that they were approached by Elm River Credit Union regarding the merger and that the purpose was due to succession planning and impending upper management retirements. He stated that it did not increase field of membership more than 2 square miles and that Elm River Credit Union currently services a similar membership of First Community Credit Union.

Member Stillwell asked if the plan was to consummate the merger of January 1, 2022. Member Schmitz stated that it was.

It was moved by Member Brucker, seconded by Member Stillwell, and carried by a vote of 4 to 0, with Member Schmitz abstaining, to approve the merger of Elm River Credit Union with and into First Community Credit Union, and for the Commissioner to sign the Order on behalf of the State Credit Union Board.

#### **HOMETWON CREDIT UNION, KULM – APPLICATION TO ESTABLISH A BRANCH TO BE LOCATED AT 301 5<sup>TH</sup> AVE NE, MEDINA, ND**

Review Examiner Mills Fischer reviewed the memorandum. and stated all requirements for the application were met. The Department recommended approval of this application. Additionally, if approved, the Department recommends that the board authorize the Commissioner to sign the proposed Order on behalf of the Board.

Commissioner Kruse went over comments she and the Department have received both in support and opposition of the Medina branch location and stated that the majority have been in support.

Harold Hagen stated that the credit union was not aware of the bank that would be opening a branch in Medina but stated that the membership is consistent with their current membership and has acquired a nice facility and should be able to open quickly.

Member Brucker asked questions regarding the state of delinquencies. Harold Hagen stated that it is cyclical and down slightly but should be better by yearend. He also stated that it has been difficult for the agricultural community the last few years, but this year appears to be a better year for their producers than it has been, due to prices.

Member Brucker also asked about Hometown Credit Union's management team and its ability to handle the expansion. Harold Hagen stated they are looking for an ag loan officer and is currently planning on doing a rotation with current lending staff to travel to Medina to cover in the interim. They've also added an analyst in the last few months and experienced staff in Medina.

Member Brucker asked about succession planning in the event something was to happen to Harold. Mr. Hagen stated he had full confidence in Steven Anderson and Betty Gunderson to carry on in his absence. He also stated they are currently grooming a younger loan officer from Kulm as his successor.

Member Schmitz asked about staffing and Harold stated they have three staff hired and are currently hiring. They are also going to pull employees from the current Kulm branch to help at the Medina branch until it is fully staffed.

It was moved by Member Schmitz, seconded by Member Stillwell, and carried by a vote of 5 to 0 to approve the application of Hometown Credit Union to establish a branch in Medina, ND, and for the Commissioner to sign the Order on behalf of the State Credit Union Board.

## 2021 SEMI-ANNUAL ASSESSMENT POLICY FOR STATE CHARTERED CREDIT UNIONS

Assistant Commissioner Krebs gave an overview of the assessments memorandum and assessment policy for state-chartered credit unions.

It was moved by Member Brucker, seconded by Member Stillwell, and carried with a vote of 5 to 0 to approve the 2021 Semi-Annual Assessment Policy for State Chartered Credit Unions.

## CREDIT UNION BUDGET UPDATE

Assistant Commissioner Krebs gave an overview of the Department's budget and the graphs included in the budget material. He stated the Department budget, and what is remaining for the biennium is tracking within budget.

Commissioner Kruse stated the Department went to the Emergency Commission to get the approval to carry over the spending authority to finish paying for the moving expenses for the Bismarck and Fargo offices.

## 2022 MEETING DATES

Chair Kruse stated that the proposed meeting dates are the first Friday of every third month. There were no objections to that schedule. The meeting dates for 2022 will be March 4, June 3, September 2, and December 2.

It was moved by Member Schmitz, seconded by Member Stillwell, and carried with a vote of 5 to 0 to approve the 2022 Annual Assessment Policy for State Chartered Credit Unions.

## OTHER ITEMS

Commissioner Kruse and Assistant Commissioner Krebs went over the enforcement actions and prohibition orders that had been issued since the last meeting as well as an overview of the situations surrounding them.

Member Schmitz gave clarifying information regarding some of the information provided regarding the situation that led to the Department's prohibition order against Amy Bradley and Kaitlin Kastet.

It was moved by Member Economon, seconded by Member Schmitz, and carried by a vote of 5 to 0 to adjourn to executive session.

The Board went into closed session at 10:07 a.m. to review the Supervisory Reports of Examination pursuant to North Dakota Century Code 6-01-07.1 Those that were present during the executive session were Chair Kruse, Member Stillwell, Member Brucker, Member Economon, Member Schmitz, Corey Krebs, Ryan Spah, Dave Hatton, Angie Mills-Fischer, and Dean DePountis.

## PUBLIC SESSION

The Board returned to open session at 10:23 a.m.

Corey covered where the proposed changes to the North Dakota Administrative Code stand and where the Department is in the process.

Commissioner Kruse went over comments made by Chairman of the NCUA Board Todd Harper discouraging credit union agricultural lending and that his most recent comments indicate unofficially rescinding this stance. Commissioner Kruse stated she and Assistant Commissioner Krebs have requested a meeting with NCUA Chairman Harper and are hoping this happens within the first quarter of 2022.

The meeting adjourned at 10:31 a.m.



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Lise Kruse, Chair



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Corey Krebs, Secretary