

**NBA Board of Directors Meeting  
Embassy Suites Omaha – La Vista, Neb.  
Wednesday, May 2, 2018  
3:00 p.m.**

**Minutes**

**Present:**

Dave Dannehl  
Kathryn Barker  
Nick Baxter  
Jerry Catlett  
John Daubert  
Alan Emshoff  
Daniel Fullner  
Karl Gramann

Mike Hall (Kotouc Proxy)  
Rex Haskell  
Dana Henriksen  
Anna Hernoud  
Christine Higgins-Wilcox  
Don Jividen  
Steve Kunzman  
Ray McKenna

Kaye Monie  
Debbie Newkirk  
Jason Smith  
Stephen Stull  
Joseph Sullivan  
Lydell Woodbury  
Scott Zimbelman

**Absent:**

Cory Bergt  
Krista Heiss  
Kris Holoch  
Brian Lierman

**Staff:**

Ron Arrigo  
Richard Baier  
Bob Hallstrom  
Jennifer Heaton  
Sande Sloniker  
Jerry Stilmock  
Joni Sundquist  
Scott Yank

**2017-2018 Board Nominees:**

Alan Emshoff  
Debbie Newkirk  
Jason Smith  
Stephen Stull  
Lydell Woodbury

**CALL TO ORDER**

Chairman-Elect Dannehl called the meeting to order at 3:00 p.m. He welcomed the NBA Board of Directors, 2018-2019 NBA board nominees, and NBA staff to the NBA Annual Convention and thanked everyone for coming. Mr. Dannehl reminded the board nominees that, while they are welcome to participate, they will not be eligible to vote until after their approval by the membership during the Annual Meeting on Thursday, May 3, 2018. Mr. Dannehl indicated that Chairman Holoch was absent due to illness.

**APPROVAL OF PROXY**

Mr. Dannehl asked the group to approve Mike Hall as proxy for John Kotouc.

**A motion was made and seconded to approve Mike Hall as a proxy for John Kotouc. The motion carried unanimously.**

#### **CONFLICT OF INTEREST POLICY & ANTI-TRUST POLICY**

Mr. Dannehl reviewed the Conflict of Interest and NBA Anti-Trust Policy. He asked board members to report any conflicts of interest. None were reported.

#### **APPROVAL OF MINUTES**

Mr. Dannehl directed board members to the March 22, 2018, minutes in their materials and asked for feedback.

**A motion was made and seconded to approve the minutes of the March 22, 2018, board meeting. The motion carried unanimously.**

#### **PRESIDENT & CEO REPORT**

Mr. Baier briefly touched upon several items which included:

- Discussion of the ABA Government Relations Summit
- NBA BankPAC allocations
- ABA Ag Conference in November in Omaha
- Marijuana Banking Conference in Colorado
- Jeff Kanger (First State Bank Nebraska) and Small Business Administration (SBA) meeting in DC regarding chicken coops. SBA considering a program change to prohibit future guarantees on these types of loans.
- Press conference on Friday, May 4, regarding financial literacy. Sen. Mike Hilgers (Lincoln) will introduce an interim study regarding requirements on financial literacy and entrepreneurship.
- NBA Board of Directors summer meeting in Lexington – ABA Executive Rob Engstrom is confirmed to speak to the Board and a second guest speaker to talk about blockchain.
- NBA dues letter correction.
- NBA communications area staff transition. Mr. Baier thanked Ms. Sundquist for her 21 years of service to NBA members.

#### **FINANCIAL REPORT**

Mr. Baier directed board members to the March 31, 2018, financial report. He reported two areas on the statement of activity in which revenue was increased, compliance resources and education webinar revenue. Mr. Baier also mentioned a reduction of salary and benefits due to staff departures along with savings in the NBA staff and officer travel area as a significant contribution to the positive budget.

Mr. Baier discussed the NBA vehicle mechanical issues with NBA leadership and with their direction, made a capital purchase of a new vehicle in the 2017-18 fiscal cycle.

**A motion was made and seconded to approve the capital expenditure for a NBA vehicle in the 2017-18 fiscal year instead of the 2018-19 fiscal year as approved at the March 22, 2018 meeting. The motion carried unanimously.**

Mr. Baier reported that total assets were \$3,824,115 consisting of: \$1,969,851 in cash and investments, \$483,379 in receivables and prepaid expenses, \$88,300 in fixed assets, and \$1,282,585 in equity investments. Total liabilities and net assets consisted of: \$459,629 in

liabilities and \$3,364,486 in net assets, which includes \$420,000 designated for the Capital Improvement Fund and \$35,000 for the Technology/Website Fund.

He indicated that for the 11 months ended March 31, 2018, NBA's increase in net assets was \$476,935, \$229,877 over the year-to-date approved budget; revenues were over budget by \$100,443 and expenses combined with non-cash activities are under budget by \$129,444. The NBA is projecting to end this fiscal year with an increase in net assets of \$245,000 and a net increase in cash reserves of \$143,500.

Mr. Baier pointed out the Consolidated NBA/NBISCO Statement of Financial Position for the as of March 31, 2018, showing total consolidated assets of \$5,335,814, consolidated total liabilities of \$1,784,858 with resulting net assets of \$3,550,956. The Consolidated Statement of Activities for the NBA and NBISCO are mainly comprised of NBISCO's net income for the 11 months ended March 31, 2018, was \$186,470 compared to a budgeted income of \$85,817. This budget variance is primarily due to timing. A large portion of NBISCO's revenue is received in the first calendar quarter of 2018. When combined with the NBA's increase in net assets of \$476,935, the consolidated net increase is \$663,405.

**A motion was made and seconded to accept the March 31, 2018, Financial Reports as submitted. The motion carried unanimously.**

#### **CORPORATE RESOLUTION**

Mr. Dannehl directed the board to the corporate resolution in their materials that would approve and ratify all purchases, sales, contracts, agreements, contributions, computations, proceedings, elections, and other actions of the board of directors and officers of the Nebraska Bankers Association since the last Annual Meeting of the Nebraska Bankers Association. He stated that this resolution is presented to the board annually during the NBA Annual Convention Board of Directors Meeting.

**A motion was made and seconded to approve and ratify all purchases, sales, contracts, agreements, contributions, computations, proceedings, elections, and other actions of the board of directors and officers of the Nebraska Bankers Association since the last Annual Meeting of the Nebraska Bankers Association. The motion carried unanimously.**

#### **ANNUAL REPORT**

Mr. Baier directed the board to the 2017-2018 NBA Annual Report in their materials. He thanked Ms. Sundquist for putting it together. Mr. Baier pointed out that the treasurer's report is included and will be reviewed at the Annual Meeting.

#### **BANK ON NEBRASKA CHALLENGE**

Mr. Baier reported that the website received over 125 videos submitted and several were omitted because they were not an NBA member, or they were a video relating to credit unions. After narrowing the field, members NBA Leadership Class, NBA leadership, and staff narrowed the field to five submissions. The videos received over 12,000 votes.

A few of the students will be able to accept the funds they won during the Convention general session. Mr. Baier provided the details regarding the funds received by the video winners and the schools of the winners.

Mr. Baier discussed the NBA staff's thoughts regarding the project and the information obtained from the kids and how we use that as an industry in the future.

### **NBISCO REPORT**

Mr. Yank noted the NBISCO board of directors met earlier in the afternoon. He reported that NBISCO contributed over \$395,000 to the NBA, in various capacities, during the 2017-18 year. Mr. Yank highlighted a handout which contained the various NBA endorsed vendors that will be in the Convention trade show. He also noted the NBISCO product and services flier and encouraged members to "do business with themselves."

Mr. Yank pointed out a letter from Bill Smythe discussing the D&O insurance that is provided to board members.

Mr. Yank presented the following board appointments approved by the NBISCO Board of Directors: Dave Dannehl, Alan Emshoff, Steve Stull and Barry Lockard.

Mr. Yank noted that Mr. Emshoff has resigned his position on the VEBA board because of separation of duties. Dallen George, Western National Bank, Chester, has agreed to fill Mr. Emshoff's position.

**A motion was made and seconded to accept Alan Emshoff resignation to the VEBA board. The motion carried unanimously.**

**A motion was made and seconded to approve Dallen George to the 2018-2019 VEBA Board of Trustees. The motion carried unanimously.**

### **GOVERNMENT RELATIONS REPORT**

Mr. Hallstrom presented an overview of the recent legislative session which adjourned on April 18, noting that the legislature got off to slow start but made up for it at the end of the session. He noted that the efforts of the ballot initiative have been abandoned. Hallstrom indicated that interested will most likely be renewed regarding tax relief and that if the petition comes back, it will be as a constitutional amendment rather than a statute change.

Mr. Hallstrom reported that two bills on the NBA affirmative legislative agenda, LB750 and LB 496 were passed and signed by the Governor. LB 496 came down to the last few days of the session, with a couple filibusters, the bill made it to the finish line. He noted that getting to 33 votes is a significant undertaking. Another NBA affirmative legislative bill LB 1020 (Direct Borrowing to Cities and Villages) was intended to be amended into LB 873 but ultimately LB 873 was vetoed by Gov. Ricketts which would have been detrimental to LB 1020. LB 1020 will most likely be introduced next session.

Hallstrom reported on the Primary Election which will be held on May 15. He indicated the NBA BankPAC Committee made allocations to state legislative, federal legislative and constitutional candidates. He noted there could be 10 legislative district openings with two being appointments by the Governor.

Mr. Stilmock discussed recent federal issues that the ABA asked bankers to take to the Hill during the recent ABA Government Relations Summit. He discussed several talking points from

Rep. Warner and Rep. Leutkemeier's presentations to bankers during the Summit regarding S. 2155. Stilmock noted the temperature is good for the House to introduce a companion bill to S. 2155.

CFPB Director Mulvaney was introduced at the Summit, noting that Mulvaney received a standing ovation and brought a solid message to those in attendance. Jerry highlighted several key items in Mulvaney's presentation.

Mr. Stilmock also discussed the farm bill and other issues that were conversed with Nebraska's Delegation during Capitol Hill visits.

Mr. Stilmock also presented an issue with Mr. Hall (American National Bank) regarding an ADA compliance issue in which American National Bank was included on the lawsuit since they were a lender/lienholder on the commercial building. Mr. Hall discussed the topics with the case as the bank being an owner of a deed of trust or equitable interest in the commercial property.

### **NBA BANKPAC**

Ms. Heaton referred the board to the BankPAC materials, highlighting the current and historical contributions and goals of the fund. The NBA mailed BankPAC kickoff materials in April. Ms. Heaton commended bankers for their initial 2018 contributions of more than \$13,000. She reminded the board of the two fundraising opportunities for BankPAC: the BankPAC Silent Auction, which occurs during the NBA Annual Convention, and mulligans during the NBA Annual Golf Outing.

### **BANKPAC SILENT AUCTION REPORT**

Ms. Heaton stated the Annual State BankPAC Silent Auction will be held Thursday, May 3, 2018, during the NBA Annual Convention from 4:30-6:30 p.m. The auction catalog is available at the convention registration desk. She stated that \$12,000 to \$15,000 has been raised in the past during the annual silent auction. This year's retail value of the auction items exceeds \$17,000. She encouraged the board to attend the auction and support the State BankPAC.

### **NBA CONVENTION UPDATE**

Mr. Arrigo reported that there are over 600 attendees registered for this year's convention. The convention brochure is included in the convention packet, featuring the full schedule and speaker lineup. He thanked this year's sponsors and exhibitors, as the convention wouldn't be possible without them. A list of convention sponsors is included in the convention program. He directed members to the app which contains all information pertaining to convention.

### **ASSOCIATE MEMBERSHIP APPLICATIONS**

Mr. Arrigo presented an associate membership application from Kasasa, Crescent Mortgage Company, and Bankers Healthcare for consideration by the NBA Board for associate membership. He indicated that Kasasa was previously approved by the NBA Executive Committee so that they could be a trade show vendor.

**A motion was made and seconded to approve Kasasa, Crescent Mortgage Company, and Bankers Healthcare for Associate Membership. The motion carried unanimously.**

### **REFERENCE MATERIALS**

Mr. Baier reviewed the dates of importance with board members, specifically mentioning the summer board meeting to be held July 25-26, 2018, in Lexington, Neb.

**AGENDA FOR MAY 3, 2018, RATIFICATION MEETING**

Mr. Baier directed board members to the agenda for the May 3, 2018, Ratification Meeting to be held during the Annual Convention.

Mr. Dannehl thanked current board members for their leadership this past year and the privilege of serving as chairman-elect. He also thanked the new members for their willingness to serve and the NBA staff for everything they do. He extended congratulations to Mr. Alan Emshoff as the chairman-elect nominee.

There being no further business, the meeting adjourned at 4:50 p.m.



Jennifer Heaton  
Vice President of Government and Executive Affairs