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## HOW TWO COMMUNITY BANKS SERVE 'WINNEBAGO CENTRAL'

'Banker on Wheels' visits Forest City, Iowa

Forest City, Iowa, latest stop on the Winnebago odyssey of community banking couple Larry and Mary Ann Marik, is home to two community banks they visited, and also home to Winnebago Industries, makers of the couple's home.

New to this blog? After he hung up his president hat, bank chairman Larry and Mary Ann decided to sell their house, buy a Winnebago, and see more of America. They will now also be blogging about what they see about banking for ABA Banking Journal. Read more about the Mariks in 'Chairman of the Open Road';

When one drives his home down the highway, things are bound to shake loose now and then. We had a few small repairs so we headed for Forest City, in northern Iowa, home of Winnebago Industries. While our house was in the shop, we took the opportunity to visit Forest City's two fine banks: TSB (Titonka Savings Bank) and MBT (Manufacturers Bank and Trust).

On our way to Forest City, we had passed through Clear Lake. Of course, Larry's being a rock and roll fan and musician meant that we stopped to take a look at the famed Surf Ballroom, where Ritchie Valens, Buddy Holly, and the Big Bopper played their last gig—just before Don McLean's 'The Day the Music Died';

Forest City: Winnebago capital of the world

It's only a short drive from Clear Lake to Forest City. Forest City's economy is based on agriculture, but the Winnebago Factory also has a huge impact.

The RV producer employs about 2,000 people from Forest City and the surrounding area (which includes Winnebago County). Winnebago was started in 1958; population in the 1950s was 2,700, but the growth of Winnebago spurred population growth, and today Forest City's population stands at 4,200. Winnebago brings about 10,000 visitors to Forest City annually, many staying a week or longer. These include vendors for the company, people like us coming to Customer Service, others taking plant tours, and those attending the Winnebago Grand National Rally each July.

Additionally, Waldorf College brings a few thousand visitors to Forest City annually, including families of students and prospective students, alums, and people attending sports and fine arts events. Consequently, tourism is also important to this small community.

### Visiting Titonka State Bank

We've given most of our business attire to Good Will. So when we walk into a bank, we look pretty casual...a look that often doesn't get us into the CEO's office.

But at TSB (the first bank we visited) they had read the ABA Banking Journal "First Person" article about our selling our home and hitting the road. So they knew who we were, so the fact that we were in shorts wasn't an issue. "Oh, you're those guys."

We stepped into a new building with an inviting lobby. We noticed quilts hanging in many of the businesses in Forest City, and TSB was no exception. In fact, many of these quilts were made by TSB employees.

Jan Anderson, TSB's marketing director, welcomed us into her office, but it wasn't long before we were joined by Bill Krahling, the senior vice-president and manager of the Forest City branch; Paul Fitzgerald, community development vice-president; and Allan Boyken, chairman, president, and CEO. (Allan's 95-year-old father, Ed Boyken, remains on the board as chairman emeritus.)

Titonka Savings was incorporated in November 1915 in the small town of Titonka, Iowa. A bank that's been in existence for that long has a few interesting events in its history:

- According to the board minutes of March, 1926, it was decided to "charge for making out dog, auto, and hunting license applications." (Wow, fee income even in those days.)

- On Nov. 24, 1929, the bank was robbed by three bandits.

Titonka Savings has been and continues to be a locally owned institution. In 1992, TSB opened a branch in Forest City, and in 2007, it opened its new building in Forest City with drive-throughs "tall enough to accommodate Winnebagos" and a community room in the basement which service groups may use free of charge "because the community didn't have a place for people to meet," said Paul Fitzgerald.

TSB is an ag lender. "Through the Depression and in the 1980s, our philosophy was 'If it's good for the farmers, it's good for us,'" said Bill Krahling. "People didn't go under, because we were able to work with them."

Jan Anderson added: "They're friends. You go to church with them. You want to help them out."

And Bill Krahling responded, "You build relationships."

Paul Fitzgerald gave an example of a community bank going out of its way to help a customer. A couple wanted to get the financing done on a Winnebago, but it was the weekend. He gladly met them at 7:00 A.M. on a Saturday morning. (Paul does a financial podcast, which you can hear on the bank's website.)

From a small beginning, the bank's assets have grown to approximately \$149 million. In 2001 the bank doubled in size due to the purchase of the Forest City and Thompson branches of the Commercial Federal Bank.

It's hard to miss the employees in action.

The bank's major community service programs, "TSB is Steppin' Up," includes a uniform featuring yellow T-shirts and old-school high-top tennis shoes in bright green. Employees at TSB have input in selecting the recipient for the funds they raise. This year the bank has raised money for area fire departments.

TSB's logo states "You'll feel right at home," and indeed we did, as we sat chatting in Jan Anderson's office.

A postscript about compliance: "It's a lot easier if you do it right the first time," said CEO Allan Boyken. "We've been a Fed Member Bank since 1937. Most of the time the Fed has tried to be helpful. Our examiners usually come out of Des Moines, so they're familiar with our area."

Titonka Savings Bank's "Steppin' Up" community campaign is symbolized by green sneakers, shown off here by the bank's Bill Krahling, Jan Anderson, and Paul Fitzgerald.

Visiting with Manufacturers Bank and Trust

Just up the street is MBT (Manufacturers Bank and Trust), a bank whose history is linked closely to Winnebago Industries.

Dave Kingland, president and CEO since 1998, and Linda Kay, retired CFO and executive vice-president and current board secretary, welcomed us. They told us about John K. Hanson, who founded both Winnebago Industries and Manufacturers Bank.

“John K.” saw a need for a bank to serve the needs of Forest City, and in particular, the needs of his employees. Jennifer Cash, marketing officer, said that Hanson wanted to establish a bank that would “deliver the products and services that Winnebago employees needed.”

In the 1970s, the bank offered payroll deductions for Winnebago employees, but before automation, they had to be done manually. Of course, now payroll can be automatically deposited. In the early days, on pay day, there would be lines of people waiting to cash their payroll checks. The bank had to hire people to keep the lines outside the bank organized. (Winnebago had 3,000 employees at the time.)

Hanson and Elliott Cooper, both of Forest City, purchased the Farmers Bank & Trust Company of Crystal Lake, Iowa, in March 1967. At that time the assets of the bank totaled \$1.3 million. The new owners changed the name to Manufacturers Bank & Trust and moved the charter to Forest City. On June 20, 1973, John K. purchased his partner’s interest and became the controlling stockholder. In 1995, MBT acquired an office of Metropolitan Federal, which added \$12 million in deposits and three employees. In 2001, MBT purchased two offices, Clear Lake and Lake Mills, from Commercial Federal Bank. The bank suddenly went from \$140 million to \$190 million in total assets. The bank retained 20 of those employees.

John K. Hanson wanted a bank for his employees. (What a thought! And guess what…there are no credit unions in Forest City.)

“He didn’t care about making a lot of money,” said Dave Kingland, CEO. “He just wanted to grow. He wanted to give back to the community. His goal was to reach assets of \$122 million.” When former CFO Linda Kay started in 1969, assets stood at \$3 million. Today, they stand at \$251 million.

John K. and his wife, Luise (both now deceased) established the Hanson Foundation, and most of the bank’s giving is through the foundation, which has over \$50 million in assets and thus far has awarded \$35.5 million in grants in northern Iowa. Thanks to John K. personally, the Hanson Foundation, and MBT, Forest City is one of the smallest communities to have a YMCA. Other beneficiaries of the foundation include the Hanson Field House for Waldorf College, which is attached to the Y; the library at Waldorf College; the bike trail; and the back nine at the golf course. The Hansons also donated their house to Krysilis, an agency that serves the mentally handicapped.

Manufacturers State Bank CEO David Kingland and board secretary and retired bank CFO Linda Kay told the Mariks about the bank’s special ties to the Winnebago Industries.

As a community bank, said Dave Kingland, "We're just trying to make our community a better place for families and a good place to grow and live. Our focus is on our customers. In big banks, the focus is on goals, bottom lines, and head counts. Our focus is our customers. This is more fun. I've been on both sides."

We discussed the Dodd-Frank Act.

"I remember when 'truth in lending' came into play, and we thought that was awful," said Dave. "We lived through it. Now we have vendors who provide software," said Dave.

Back on the road

These, indeed, were two strong banks growing and prospering with their community. Once again, strong banks make strong communities.

Maybe we'll see you on the road. Don't mind our shorts!

Keep your eyes open for Larry and Mary Ann Marik and their huge Winnebago Journey. If they come to your bank, you just might wind up as their next blog.