
THE 8:55-5:05 BANK OF LAKE HAVASU CITY, ARIZ.

10 extra minutes sends a subtle but key message about Horizon Bank

That's not a CAMELS rating, just a trio of camels crossing the welcome sign for Quartzsite, Ariz., where the Banker on Wheels Larry Marik and his wife Mary Ann found a branch of Horizon Bank, a dedicated community banking institution. You'll find the connection between Quartzsite and camels later in this blog.

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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 are now blogging about what they see about banking for ABA Banking Journal. Read more about the Mariks in "Chairman of the Open Road" and "Saxophone In The Moonlight Of The Sonora."

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We have wanted to visit Quartzsite, Ariz., since before we became full-time mobile home travelers. Here, free spirits of the RV fraternity "dry camp," which means none of the water, sewer, or electrical hook-ups enjoyed in places like our usual winter quarters, Palm Creek Golf and RV Resort. Instead of living in a neatly groomed facility, they choose to park willy-nilly on open land outside Quartzsite that's under the control of the Bureau of Land Management.

We were on a "reconnaissance run," using our car only in a foray from Palm Creek, planning a future trip in our Winnebago Journey motor home. We drove to this gypsy haven close to the western edge of Arizona. At the height of the Quartzsite season (January and February), there are over 300,000 RVs parked on Bureau land and an additional 30,000 to 50,000 in RV parks within the city limits.

All this in a town with a population of 3,500.

Hundreds of thousands of motor homes and other recreational vehicles come to Quartzsite, Ariz., annually to “dry camp” on public lands. Dry camping—operating off the fuel, electricity, and water contained in your vehicle instead of from hookups—is also called “boondocking” by RV veterans.

Quartzsite is home to several annual flea markets. It’s quite an experience wandering past vendors selling things you didn’t know you needed. We chose to visit during the annual RV show, and we did find a couple of things that we needed—and a few we didn’t.

We can usually find ice cream, and this trip was no exception. We asked the lady in the ice cream shop about local banks, and she recommended Horizon Community Bank.

A new twist on “bankers’ hours”;

Horizon is not a “9 to 5” bank; it’s an 8:55-5:05 bank.

“We never want to have a customer look at their watch or be listening to the radio and find that we are not open at the appropriate opening time. So our plan to open 5 minutes early and close 5 minutes late turned into the unique hours,” Jerry Ernst, the bank’s president and CEO, told us. (See the bank’s hours page online.)

The bank’s office in Quartzsite is one of the four branches of this \$160 million-assets bank that was founded nine years ago in Lake Havasu City. The other three branches are in Fort Mohave, Parker, and Lake Havasu City, where Ernst’s office is located.

Jerry Ernst is a veteran community banker with over 20 years of CEO experience in both established and de novo banks. While he came to Horizon from a post in Florida, this job was a return to old roots. During the 1990s Ernst was president and CEO of a Lake Havasu City startup that he took into the black in five months.

Jerry told us that Quartzsite was the third office to be established, and it’s the only one of the four that is not on the Colorado River. Quartzsite is just a “pit stop” for part of the year, but during the winter season business booms. That was obvious to us when we walked into a very busy lobby in Quartzsite. Tourism is a very major part of the markets of Quartzsite, Lake Havasu City, and Fort Mohave.

Parker lies in the Colorado River Indian Reservation, and here agriculture is a large component of the economy. Some of Horizon’s customers are agricultural vendors who deal in fertilizer and pesticides. Jerry told us that the area

was all cotton for a long while, but that some years ago farmers got away from cotton and went into alfalfa, peppers, and melons.

Now, with the situation in Egypt, there is again a demand for cotton. The area is now about 80% cotton and 20% wheat because of farmers' ability to forward contract the final product.

Banking changing communities

Jerry told us that Horizon is a typical community bank: "We give our time, money, and talents to the communities we serve." A recent project in Lake Havasu City is a good example.

Because of the downturn in the economy, the city lost population, and consequently was forced to close one of its two middle schools. "Arizona State University told us that if we could raise \$2 million to help retrofit the school building, that it would establish a campus here," Jerry explained, and he and his wife were leaders in the drive.

The campus will open in 2012, so the community's challenge is evolving. "Now we're shifting gears and raising scholarship money," Jerry said. "ASU is by far the biggest thing since London Bridge came 45 years ago." (Robert McCulloch, entrepreneur and founder of Lake Havasu City, bought the actual bridge from London for \$2.46 million in the 1960s and the relocated bridge was dedicated in 1971. [Read more here.](#))

Like all community banks, Horizon encourages its employees to be active in local service clubs. The day we talked to Jerry, we were a bit pressed for time because Jerry was on his way to his weekly Rotary meeting.

The economies in the communities that Horizon serves had been tourist and construction-based, but the last good years were 2007 and 2008. Horizon's goal is to help these economies turn around. Real estate has been and continues to be a major piece of the economic engine.

Quartzsite's "Hi Jolly" pyramid

Why is there a pyramid, topped by a one-humped camel, in the lonely, sandy cemetery of Quartzsite, Ariz.? It marks the grave of "Hi Jolly," one of a number of camel drivers brought to the area to handle the imported animals that the U.S. Cavalry once thought could supplement the horses they relied on. Except that "Hi Jolly" wasn't his name at all. That was a bad pronunciation by Americans of "Hadji Ali," the name of the camel driver. Except that wasn't the birth name of the driver, either. Before his conversion to Islam ("Hadji" marks one who has made a pilgrimage to Mecca), "Hadji Ali" was Philip Tedro, a Greek immigrant who went on to minor celebrity in the annals of the development of Arizona.

Stone pyramid marks the grave of "Hi Jolly," the camel driver, centerpiece of the Quartzsite municipal cemetery.

By being creative and portfolioing real estate loans, Horizon was able to put together a loan process which put life into a real estate market that was struggling. They portfolioed loans that would normally have found their way to the secondary market which at this time didn't exist.

"We could sell some of them if we wanted to, but right now keeping them inside helps the community and helps us. Our innovations were able to stabilize the real estate market, and I'm proud of that," said Jerry.

Confronting the compliance challenge

One example of Horizon's can-do philosophy: The bank was able to provide a house loan to a client with an excellent professional position. He had been turned down by another bank because he only had a two-year contract where he was employed. To Horizon, it wasn't that black and white; they knew there was a good loan to be made.

"Compliance has doubled the cost of a real estate loan," Jerry said with regret. "The problem mortgages in this state were to the lower socio-economic group. Rules were made to protect them, but it's hurt everyone. The choice was to turn these loans down or risk a lawsuit."

One place the government has come through is the Small Business Administration. This has been vital to Horizon's relation with small firms. Without the SBA programs, some deals may not have been workable.

Horizon has found a creative way to handle compliance by using a risk manager. She helps support the CFO, but she is mainly in charge of compliance. Jerry said, "She has done her very best. She attends webinars and goes to seminars. We were kind of lucky. Before I got here, she was not utilized to her fullest. She has a great peer network, and she's done a lot to make sure our policies are current. Liaisons from each department meet regularly"

In spite of the compliance burden, Jerry is a banker who clearly loves being a banker.

"I took this job because it juices me up and excites me," said Jerry. His parting words: "I'm glad to talk to someone else who has community banking as a religion."

Larry Marik, with his emblematic sax, takes a few minutes for a jam session in a used book store in Quartzsite, Ariz.

Keep your eyes peeled, should you see a huge black, tan, and steel Winnebago Journey roll through town or pass you on the highway. The Mariks will be displaying this poster as they search for stories for their blog.

