

EAGA Business Builder

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Today's speaker was Chez Steel - Century Bank

Chez Steel is a senior vice president at Century Bank. Chez (pronounced 'Ch-e-z') is short for Chesley, and is not to be confused with the French version (pronounced 'shā'), which translates to "from the house of". Our version of Chez is 'from the house of' Steel in Idaho. He grew up on the family farm there, but was regularly told by his father that the farming life was not something that Chez should plan on. He should get a different career. When Chez worked on his father's farm, he was paid on an annual basis, in the family currency of new Levis, shirts and boots for school. He soon discovered that he could do similar work on the neighboring farm where he was paid at more frequent intervals, and in US currency. In the long run, Chez did heed his father's advice, at least to a degree, moving off the farm and getting into the banking business. The farm influence did resurface in 2006, when Chez purchased the property next to his father's. He runs it as a sharecropper entity though, and not as a full time always working-never sleeping type of activity. While Chez was speaking, I think I could hear a muted, distant sound. I believe it was the call of the farming life. I have been told it never really leaves someone that has experienced all the pains, smiles, happiness and sense of accomplishment that one achieves from growing up on a family farm. Mr. Steel anticipates that one day he will acquire the elder Mr. Steel's farm, and with the combination of the properties, and the memories, who knows? The farmer, turned banker may just turn back to farmer. For now, though, Chez seems to enjoy the banking life; and the family life. Chez and his wife, Kris have 5 wonderful children. Although somewhat spread around the country, the kids seem to be doing great and all headed toward successful lives of their own. There have been the exceptionally frightful times though. Early last year, Kris was diagnosed with lymphoma cancer. Medical treatments have been substantially successful - aided to a tremendous degree by Kris' extremely positive attitude and faith based approach to life. The cancer appears to be gone for now, but may return at some time in the future. If it does, the Steels know that they will successfully take on that challenge as well. For now, and hopefully for a long time, they can stand on the sunny side of life, having emerged from an incredibly scary and stressful tunnel. To the banking part of the presentation: Chez has been in the banking business for over 30 years—in Idaho, Utah and New Mexico, and is currently a senior vice president at Century Bank. Century is a locally owned bank with branches in Santa Fe, Las Cruces, Rio Rancho, Albuquerque and Espanola. The Espanola branch is the result of their most recent acquisition of accounts and assets of that community's Valley Bank. This year (2015) is shaping up to be an excellent time for Century. 2013 was a very good year; 2014 was active, but ended with a meager \$4 million of growth - even after the Valley Bank acquisition. That year, there were loan applications processed and awaiting action, but the applicants were hesitant to proceed. The first quarter of 2015 has been very good, fueled by many of the previously reluctant business' decision to now follow through on those noted applications. At this time, Q1 2015 looks to be Century's best quarter ever. Chez also provided us with some quite educational insights regarding interest rates, near term and long. Japan's rates have been basically flat for 20 years. Germany, France and Sweden have had recent times of sub-zero interest rates. US bank-to-bank loan rate was 6% in 1992; right now it is at 0% with occasional dips to less than 0%. FED Chairperson Yellen keeps indicating that the FED will raise interest rates sometime this year. Chez agrees with that prediction, but his opinion is that the increase will be only 1/4 to 3/4 percent. There are other financial industry situations that cloud even the most professional's ability to predict the future. One issue: Credit Unions are requesting the relaxing of loan to value ratio requirements - to allow up to 100% financing. Current banking regulations restrict that ratio to no more than 85%. If the increased ratio loan becomes commonplace, the Credit Union industry could see underwater foreclosures escalate in the not too distant future. A not desirable return to the financial institution woes from which we are just now recovering. Another issue: After a period when banks were not required to contribute to the FDIC insurance fund, the policy has changed. Banks are again required to contribute to the fund, but the concern is that FDIC currently has a balance of only about \$54 Billion while being charged with providing guarantees for nearly \$6 Trillion in bank deposits. Too much for us non-bankers to digest. When you have banking issues, questions or challenges, give Chez a call. He has a great knowledge of the industry; he is a vice president at one of, if not the, premier locally owned New Mexico banks giving him the authority to approve loans up to \$30 million without having to wait for other committee or remote management approval; and he can probably give you a pretty good feel for upcoming potato prices. So, whether you want to know about collateral, interest rates, or Idaho spuds, Chez is the guy. 505-798-5909.

Business Leads:

Property tax reviews: I work with a strategic partner that helps clients reduce their property taxes by an average of 20-30%. If you have a large property tax bill or are a tenant in a building with a large property tax bill, I would be happy to talk to you and see if we may be able to help.

Vistage International is an organization of CEO peer groups led by chairpersons. One of the Albuquerque-based groups has openings. I'm happy to make an introduction to the chairperson for any EAGA members who are interested. More information on Vistage can be found at <http://www.vistage.com/>

— Patrick Garr - Expense Reductions Analysts

Reciprocity:

None written down today.

- ♦ EAGA Fishing Trip will be Friday, April 24th through Sunday, April 26th. Venue is located near the San Juan River in northern New Mexico. It will be another Great EAGA Event. Directions and more specific information about facilities and event plans will be provided at the next couple of meetings.
- ♦ EAGA 2015 social events: Fishing weekend — see note above.
Tentative dates for other events: Golf outing — May 9th or May 16th; Summer Bash — July 11th; Holiday Party — TBD. Plan to attend as many of these as you can; and ask to be assigned to the individual event committees. All of us, but particularly the newer guys, benefit from the great opportunity to meet other members in a relaxed and friendly atmosphere - away from the normal work environment, but right in the middle of all the fun.

Badge Board Greeters

Mar 3rd	Pat Maloy - Maloy Mobile Storage
Mar 10th	Mike Deveraux - Document Imaging of the Southwest
Mar 17th	Stan Byers - Byers and Sellers Real Estate
Mar 24th	Frank McCallister - Color New Mexico
Mar 31st	Phil Houser - Document Solutions
Apr 7th	Jon George - Southwest Myotherapy
Apr 14th	Phillip Menicucci - Paramount Custom Cabinets
Apr 21st	Garrett Hennessy - TLC Plumbing

Upcoming Speakers

Mar 3rd	Chuck Mitchell - Etheridge Tire
Mar 10th	Timmy Simms - Territorial Scaffolding
Mar 17th	Leon Marler - Marler Manor
Mar 24th	Adam Halpern - Dental Cooperative
Mar 31st	Katherine Foster - UNMH Community Relations
Apr 7th	Phil Kenny - Trucks Unique
Apr 14th	Scott Lardner - Rocky Mountain Stone
Apr 24th	

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