

Here to Stay

BELL BANK, THE NATION'S NINTH LARGEST PRIVATELY HELD BANK, PREPARES TO OPEN ITS FIRST DULUTH LOCATION

BY PATRICK LAPINSKI

When Bell Bank opens its first full-service Duluth location this year, it will continue building upon a business foundation based on three main values: promoting a family atmosphere for employees, providing unequaled personal service to customers and investing in the community with a pay-it-forward focus.

Bell Bank was founded in 1966 as the State Bank of Fargo, opening its first location in a shopping center. Three decades later, it expanded into Minnesota by opening State Bank of Moorhead. The approach of bank founders (principally Thomas "Buck" Snortland and later his son, Thomas "Mickey" Snortland) provided a legacy that is continued today by the bank's majority owners, including CEO and President Michael Solberg, to create an employee and customer-friendly culture. They've not only succeeded in this approach; they have prospered along with their employees and communities where they operate.



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– PRESIDENT-TWIN PORTS MARKET TIM MCSHANE

In April 2012, State Bank of Fargo entered the Twin Cities market, opening its first Minnesota location. Shortly before, it purchased the assets of Bell Mortgage, the largest privately held mortgage company in the Twin Cities. Bell Mortgage had been in business since 1880 and carried a great brand and reputation. Out of respect for that tradition, and to provide a more unique and recognizable identity, State Bank of Fargo changed the name of all its banks in the Fargo market to Bell State Bank and later to Bell Bank. Bell just recently opened its seventh location in the Twin Cities and is poised to enter the Duluth market with the same expectations of success.

Today, Bell Bank is proud to serve both businesses and individuals to meet their banking, borrowing, investing and insuring needs. Its divisions and affiliates include: Bell Bank Wealth Management; Bell Bank Investment Management; Bell Bank Mortgage; Bell Insurance; Bell Capital Finance; Bell Bank Equipment Finance; and HealthcareBank.

KNOW THE MARKET, KNOW THE COMMUNITY

"It's pretty awesome, because when you have something that's amazing, you want to share it with everybody you know," said Vice President-Human Resources Manager Billi Jo Carpenter, a Duluth native, about the bank's first location in the city.

When it establishes a location, Bell Bank strongly believes in acquiring the best local talent – "franchise or market leaders" who know the market and the community, Carpenter explained. "We look for people with a caring heart; those who want to provide that family

atmosphere and want to provide that same level of unequaled personal service," she said by phone from an onboarding session in Phoenix. "We look for those special people that have those tendencies, particularly for those in a leadership role who can help us build a team of local banking professionals."

The bank has been busy building that experienced local team. In October 2019, it brought in President-Twin Ports Market Tim McShane and Director of Community Development David Gaddie, who is also chair of the bank's advisory board.

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– PRESIDENT AND CEO MICHAEL SOLBERG



“The most successful, profitable companies and organizations take great care of their employees. And they find that those employees will then take great care of their customers.”

– VICE PRESIDENT-HUMAN RESOURCES MANAGER BILLI JO CARPENTER

McShane, who grew up in Duluth, is excited to help build the Bell brand in his hometown and to give back to his community. “I’m very happy about the opportunity to be here. I think the city itself has evolved so much during my lifetime,” he said. “There are so many good things going on in this community – economically, socially, in the arts, in health care. We can go on and on in terms of the things happening here. I’m fortunate to be able to be a part of it.”

A graduate of Duluth East High School and the University of Minnesota Duluth, McShane began his career at US Bank, where he worked as a commercial credit analyst, underwriting commercial deals before becoming a lender. As is often the case with a tightly knit team, when David Gaddie (McShane’s boss at that time) left US Bank, McShane followed him to Republic Bank. McShane started out as a commercial lender, eventually managing Republic’s Miller Hill and Pike Lake locations before having what he described as a “what’s next” conversation with his boss.

That led McShane to being dedicated full-time to commercial lending for several years. Then his next opportunity arrived: managing Republic’s private banking department. He did that for almost 10 years; both McShane and Gaddie elected to depart from Republic Bank about a year ago to pursue other opportunities.

The relationship between Republic Bank and Bell Bank actually goes back a long way, added Gaddie, who had served as Republic’s

CEO and president. “We were a very small community bank and needed a partner,” he explained. “We were fortunate enough to discover Bell Bank and start to work with them through their correspondent banking group out of Fargo. We developed a long relationship from 2003 until we left at the end of 2019.”

President and CEO Michael Solberg is pleased with Bell Bank’s Duluth staff. “We are very proud of what Tim McShane and our team, with such close ties to the business community, have already accomplished in Duluth,” he said.



It’s Gaddie’s perspective that Bell Bank had developed a comfort level with him and his team at Republic Bank because of the many successful transactions they’d completed together. So when Bell Bank became interested in serving the Twin Ports market, its leaders knew exactly where to find a good core of experienced bankers to launch the Bell brand. And Gaddie and McShane are excited about

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– DIRECTOR OF COMMUNITY DEVELOPMENT AND ADVISORY BOARD CHAIR DAVID GADDIE



this opportunity, since they've both long admired Bell's operations, as well as its philosophy on conducting business. "We decided to go with Bell because they're a community bank – they're family owned, they're 100 percent owned by individual shareholders," Gaddie explained.

Tapping into the portfolio skills, contacts and customer relationships Republic Bank had developed in the Twin Ports area, Gaddie now heads Bell Bank's nine-member advisory board. "We determined that if we were going to introduce Bell and its franchise, and maximize our marketing efforts, we needed to have the assistance and support of some strong business community members," he said. Therefore, advisory board members represent diverse industries, businesses and professions, from the medical field to craft brewing. "They're either senior managers in the business and/or owner-operators," Gaddie noted in describing advisory board composition. Board members are encouraged to provide their perspectives and



input regarding Bell Bank's operations and plans, and to assist the bank in building strong relationships with both clients and the community.

Twin Cities Banking Director/President Erin Procko is also a Duluth native. Since she grew up in the Piedmont neighborhood and attended Denfeld High School ("Home of the Hunters"), this former Hunter is also excited about Bell Bank coming to her hometown. Procko has received several honors, since Finance & Commerce named her one of the "Top Women in Finance, the Star Tribune named her a "Mover and Shaker," Minnesota Business Magazine named her a "Real Power 50" honoree, and she received a "Women in Business" award from the Minneapolis/St. Paul Business Journal.

Procko explained some details about what the businesses and residents of Duluth can expect when Bell Bank opens. Initially, it will offer both full-service consumer and commercial banking, with its Temple Opera Building

location providing a strong brick-and-mortar presence. "We'll start by focusing on consumer, business and private banking. Then we'll expand as well with other services," Procko said. In fact, the bank just hired a mortgage loan officer and plans to expand by adding Bell's wealth management, investment management, insurance, capital finance and equipment finance services.

THE RIGHT CULTURE, FROM THE TOP DOWN

Company culture is extremely important at Bell Bank, says Carpenter, who noted that it starts at the top with the bank's owners and principals – Julie Snortland, Richard Solberg, Laura Snortland Fairfield and CEO and President Michael Solberg.

Prior to joining Bell Bank, Carpenter had worked in human

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– TWIN CITIES BANKING DIRECTOR/PRESIDENT ERIN PROCKO



resources for many years, from large corporations to her most recent position in a small, start-up IT consulting business. Then one day, her phone rang. Someone she'd worked with in a prior human resources role suggested the bank reach out to Carpenter about this opportunity.

"It sounded like an amazing company," said Carpenter. After several interviews with some of Bell's leaders, and hearing repeatedly about their mission statement of "happy employees, happy customers," she thought it sounded like a great fit for her. "In my experience," Carpenter said, "and if you research employee engagement, you'll find that the most successful, profitable companies and organizations take great care of their employees. And they find that those employees will then take great care of their customers."

THE "PAY IT FORWARD" PROGRAM

Community-minded companies believe it's important to support cities and towns where they do business. In keeping with its corporate culture, Bell Bank also believes employees can, and should, contribute in a way that's meaningful for them personally.

So in 2008, the bank established "Pay It Forward," an internal program for employees to give back to communities in which they live. Since then,



Carpenter noted, the bank has collectively contributed almost \$16 million through its employees – and it's a commitment employees take seriously. Last spring, when the COVID-19 pandemic began and knowing the needs would be even greater, Bell Bank doubled employees' giving capacity. In 2020, every full-time Bell employee receives \$2,000 and every part-timer \$1,000 to pay it forward as they choose to individuals, families or organizations in need. "It's kind of because of the state of the world right now that they [employees] help a little bit where they felt they could," said Carpenter.

"It's incredible," McShane added about Pay It Forward. "It's just one of

the examples where Bell Bank makes it feel like you're a part of the family. Effectively, every year, the bank has provided full-time employees \$1,000 of Pay It Forward money (\$500 for part-



time employees], and the monies can go to really anybody we choose, though it can't be a family member of an employee." By way of example, he explained, "If employees said, 'My neighbor just had some catastrophic event happen, or they've fallen on hard times, their child was injured, their spouse was injured, or they've lost their job' – really, any reason we want to give the money to somebody, we can go ahead and do that. It feels good."

As a result of programs like this, employees consistently rank Bell Bank as a great place to work. In fact, it was rated No. 1 in the Minneapolis Star Tribune's annual Top Work Places survey for large employers the



past two years running and in the top five nationwide in a Forbes magazine ranking based on employee input.

STEADY GROWTH

Taking good care of customers through excellent service and establishing solid business relationships is the bottom line for Bell Bank. And that has led to steady growth for this privately-owned Midwest bank ever since it launched that first location in Fargo in 1966. As of December 2019, the FDIC ranked Bell as the ninth largest privately held bank in the nation with approximately \$8 billion in assets and 10 record years of growth.

"I started with Bell eight years ago when we opened the market in the Twin Cities," Procko said. "There were less than 10 of us opening the first location here in the Twin Cities, and we were building the brand by word of mouth – kind of telling our story, one by one, to the business community, to customers all across the market. Eight years ago, we had zero in assets in the Twin Cities. Now, we just hit \$2 billion in assets in the Twin Cities and including the Duluth market. Our goal is to be the largest independently owned bank in the country."

In addition to locations in North Dakota (eight in Fargo and one in Wahpeton) and Minnesota (Alexandria, Bloomington, Breckenridge,

Detroit Lakes, Dilworth, Fergus Falls, Forest Lake, Hawley, Maple Grove, Minneapolis, Moorhead, Pelican Rapids, Stillwater, White Bear Lake and Woodbury), Bell Bank has expanded into the Arizona market (Chandler and Phoenix). It currently has about 1,500 employees and anticipates hiring about 20 to staff the Duluth office.

"We want to continue to grow," Procko said, noting that the Twin Ports market presented itself as an ideal location. "It's a meaningful market. There's a lot of investment going on right now there with the health care industry and some others. So it's a really great time for us to be going there."

"It's also really exciting to be there, just knowing many of the businesses and the business leaders that are in Duluth and having grown up there," Procko added on a personal note. "So now, to see a lot of those businesses banking with Bell in Duluth, it's really fun. I'm really proud to work at Bell and of who we are, and I think that the community in Duluth will really accept Bell."

AN ELEGANT, HISTORIC DULUTH LOCATION

Bell Bank chose to revitalize the Temple Opera Building – at 201 E. Superior St., just west of the NorShor Theatre in Duluth's Historic Arts and Theater District – for



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several reasons, McShane said in noting its architectural style, historic significance and location. The bank is leasing the building from owner Titanium Partners.

"We were looking for a corner building – something to demonstrate to the community that we're here to stay," said McShane. "It's tough when you're trying to build a brand in a new market and you're introducing yourself. You could be perceived as just another bank from outside the area trying to come in and build a base in the community. But we thought the building itself is gorgeous. The architecture is gorgeous. And it's been around since 1890.

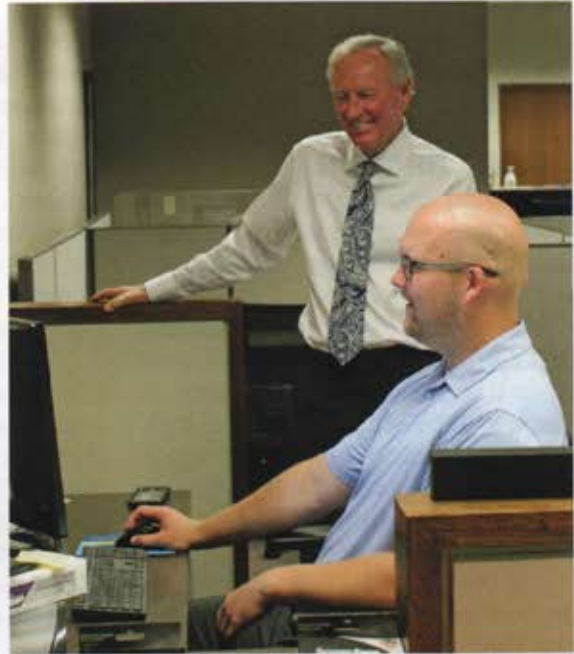
"It's a very significant project, as you can imagine," McShane added about the building renovation, which encompasses all three floors. "We think that by putting the resources

into the building, it does just that [reinforcing Bell Bank's "here to stay" message to the community]. "It's also in an area of town that's experiencing a lot of vibrancy. The new Essentia Health campus is just a couple blocks away, and there are other buildings that have experienced revitalization, the NorShor Theatre being one. So there's a lot of fun stuff going on in that end of town, including Zeitgeist [Arts]."

McShane also said the Temple Opera Building revitalization project will feature a Bell Bank tradition: a stone fireplace in the lobby. The stones are sourced from the family farm of the late Thomas "Mickey" Snortland, a

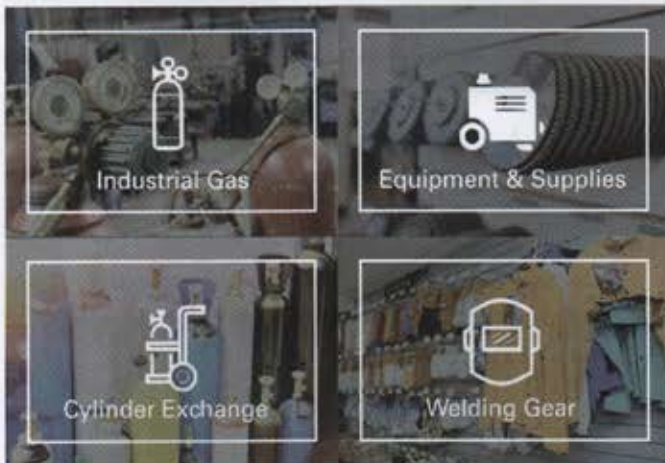
longtime majority shareholder and director of the bank.

"Mickey used to personally deliver rocks from his farm to the bank branches. He did it as a way



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to connect the bank with his agricultural roots," the bank's website explains. Since Snortland's death in 2013, Bell employees continue that tradition through "Mickey's Legacy Trips" to Sharon, North Dakota, where "employees carry on his tradition by giving up their blazers and ties for a day to travel to Mickey's farmland and pick rocks to be used in our branches."

It goes without saying that both Minnesotans and North Dakotans know a thing or two about how welcoming it feels to sit around a warm fire, and McShane's team is certain that fellow Duluthians will enjoy this Bell Bank tradition.

"Duluth is a great fit for Bell Bank and vice versa," Solberg said. "The interest and support from the Twin Ports community has been phenomenal, and we couldn't be more grateful. We can't wait to show everyone the renovated Temple Opera Block building later this year." 

Patrick Lapinski is a St. Paul-based freelance writer who grew up in Superior, Wisconsin.



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