



# Seattle Rotary Totem

## Next Meeting

Wednesday noon  
February 3, 2016

### A Look Inside the World of Banking

with Carol Nelson, Key Bank and  
Melanie Dressel, Columbia Bank

*Westin*

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*Receive a weekly text  
with meeting  
location and program  
Text Seattle4 to 313131*

## News

### Events Calendar

We are transitioning to a new website, and the links to club events and committee meetings that normally appear in this column are no longer active. Please refer to the home page Calendar at [www.seattlerotary.org](http://www.seattlerotary.org) to view upcoming events.

## Preview of February 3, 2016

### A Look Inside of Banking

Join us on February 3 for an in-depth look at the banking industry. **Mike Flynn** will interview two prominent women in Seattle banking: Carol Nelson of Key Bank and Melanie Dressel of Columbia Bank, and the short program features Rick Riccobono, addressing the state of our state's banks.



**Mike Flynn** retired in 2006 after 24 years as publisher of Puget Sound Business Journal. He then moved to what he refers to as his "entrepreneurial encore" of consulting, counseling and advising businesses, business people and business organizations, mostly in Washington State and Southern California. For the past seven years, Flynn has written a weekly column called Flynn's Harp which is emailed to 1,500 business leaders and elected officials.



**Carol Nelson** is Key Bank's Regional Sales Executive and Seattle Market President. Prior to joining KeyBank, Carol was the Agency Director and CEO of the Department of Revenue for the State of Washington as well as a member of the Executive Cabinet for the Governor. Previously she spent ten years as president and CEO of Cascade Bank and 24 years at Seafirst/Bank of America in a variety of commercial banking and retail banking roles.

**Melanie J. Dressel** was appointed President and Chief Executive Officer of Columbia Bank in



January 2000. Columbia has over 150 branches in Washington, Oregon and Idaho and is the third largest bank headquartered in the state. She is a member on the Boards of Puget Sound Energy, Executive Council for a Greater Tacoma, Washington Bankers Association, Washington Roundtable, Washington State Historical Society and numerous other boards.



**Rick Riccobono** is the Director of Banks for Washington State's Department of Financial Institutions (DFI), which examines and supervises Washington State-chartered banks, savings institutions and independent trust companies.

Rick has spent over 25 years in the financial services industry both as a banker and regulator. Most recently he served as president & CEO of the Federal Home Loan Bank (FHLB) of Seattle.

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## The After Party

◆◆ Thursday, February 4, 5-7pm ◆◆◆

*Oliver's* – 405 Olive Way

*Join us to continue the conversation on A Look Inside the World of Banking.*

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## Review of January 27, 2016

Stock, oil declines likely to continue, says investment expert

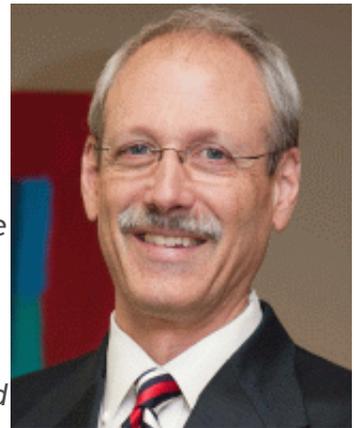
*Reporter: Gary Smith*

With oil prices diving and the stock market declining, the timing was ripe for the club's customary economy and markets appraisal.

First, however, the program began on a somber note, as **Don Kraft** delivered eulogies for long-time club and

community leaders **Frank Pritchard** and **Bob Ladd**.

**Bill Weisfield** (who, President Sue revealed, holds a particular fascination with penguins) introduced Jack Ablin, Executive Vice President and Chief Investment Officer of BMO Private Bank, to give the annual 'state of the markets' program. (Mr. Ablin's slides can be viewed



[HERE.](#))



Bill pointed out the stock market has gone up since 2011 when Mr. Ablin delivered a similar report to the club, "so, we'll hope for the best."

#### **Markets likely to decline further**

Ablin himself was not so optimistic. He shared that whether evaluating the stock market through an array of assessments such as the state of the economy and market momentum, or by measures such as the market's price to sales ratios, the results "would argue we still have a little more pain to go."

#### **Interest rates and effects**

One factor underlying the stock market's behavior, Ablin explained, is monetary policy. The prolonged period of very low interest rates has not worked to stimulate the economy, he observed. The Federal Reserve can't lower rates further and baby boomers have been more inclined to retire debt, downsize, and bulk up their balance sheets for retirement than to increase consumer spending. So, despite the cheerleading, he said, federal monetary policy did not work.

"It turns out all that stimulus may have not have helped Main Street, (but) it certainly fueled Wall Street," Ablin said, because instead, such low interest rates encouraged investors to borrow to buy stocks.



This drove a run-up in the stock market, which Ablin compared to baseball's steroid era: all those home runs were exciting, but now that steroids have been removed, the game is less popular. In the same way, extremely cheap money let investors take more risks in the stock market; now that the Fed has started raising interest rates, investors are risking less and that is dropping stock prices.

#### **The economy**

As to the larger economy, Ablin sees other signs of softness. "We're seeing companies (such as Boeing and IBM) that have businesses as their customers forecasting that things are starting to slow down."

#### **Price of oil**

While the price of oil has been a major interest recently, Ablin believes a majority of the country benefiting from lower oil prices, simply put, because we can drive farther on our paychecks. He expects oil to bottom out around \$13 a barrel, but "I don't believe these oil prices will metastasize into a credit crisis." Remember, Ablin said, the housing crisis became a big problem because it was such a big piece of the economy. Oil is much less an influence. "I don't think the oil sector is big enough to cause the dominos to fall," he said.

#### **BMO position in the markets**

Ablin revealed BMO's current allocation of investment assets. They have reduced holdings in most stock categories, along with real estate and commodities, and shifted more into cash, low risk bonds, and bank loans. "All our "over-weights" are in "dry powder," he said.

#### **What about the little guy?**

In a question from the audience, **Pete DeLaunay** asked "We hear often that the market is fixed against the small investor. Can you explain why that is or isn't the case? Ablin said (to laughter) "Oh, it's the case. Institutional investors like me meet for cards a couple times a year

and decide who's going to make money and which small investors are going to get screwed." Then turning serious again, he advised "If small investors would just buy and hold - buy index funds and not worry about the volatility - they'll be fine. The ones who get burned are probably trying to play the same timing game as the institutional players."

**Michael Verchot** led the short program. **Michael** is Director of the Consulting and Business Development Center at the Foster School of Business, the mentoring program in which Rotary members participate to give students real-world experience they can use to jumpstart their careers and help businesses in underserved communities. **Jessica Oscoy**, a recent Foster School grad, told how she had risen from a poor background in the Yakima Valley and became a manager at UPS, with the help of this program.



**Tom Jaffa** introduced new member **Alex Mummery**, wife of **Trent Mummery**. **Mike Colbrese** and **Trish Bostrom** led the club in *This Land is Your Land* and **Dorothy Bullitt** delivered the invocation.



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## Looking Ahead

February 3, 2016

**Women in Banking:**  
A look inside the world of Banking  
*Westin*

February 10, 2016  
Engaging the World  
SPU President Dan Martin  
*Westin*

February 17, 2016  
Rotarians Save Lives  
Real Life Rescue and Blood Drive  
*Westin*

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### [Seattle 4 Blood Drive](#)

Seattle Rotary is excited to partner with Bloodworks Northwest in the pursuit of saving lives. You can share your one of a kind gift that will provide life to three people. Local patients need blood transfusions for many reasons like cancer, chronic illnesses, blood disorders and surgeries. One thing they don't have to worry about when they are facing a health challenge is blood being available because of donors. Let's show our support and give life this February!

#### Wednesday, February 17

4th & Virginia  
Bloodmobile  
Sponsored by Seattle  
Rotary



Location: Mini Bus parked on east Side of 4th Ave just north of Virginia  
9:30am - 3:30pm (closed 12-1pm)

Seattle Rotary Members - Schedule your appointment directly through Bloodworks at [www.psb.org/programs/drive.asp?URL=7878](http://www.psb.org/programs/drive.asp?URL=7878)  
For questions about eligibility please call (800)398-7888

#### **Why Give?**

The blood supply for our region depends on thousands of local individuals every week who make the decision to give blood and help keep folks safe when they need the gift of life-saving blood. Did you know...

- A total of 30 million blood components are transfused each year in the U.S.
- Only 5% of the population donates
- Each day, nearly 900 people must donate with BloodworksNW to meet the local need
- The blood used in an emergency is already on the shelves before the event occurs
- Every 2 minutes, someone in western WA is receiving a transfusion

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## Wider World of Rotary

Wider World of Rotary  
Brought to you by the Rotary Relations Committee  
Committee Chair: **Trent Mummery**  
Club Secretary: **Lisa Mayfield**

### ***District 5030 News***

Join the Emerald City Rotary Club on Tuesday, February 9 at the Hilton Seattle (Downtown) for their weekly Rotary meeting to hear Bob Ferguson, Attorney General for Washington State. Meeting starts at 7:30 AM, doors open at 7:00 AM. Breakfast is \$23. Call or email Howard Cohen (Rotarian) at (206) 228-5518 to reserve a seat. Parking in the Hilton garage is only \$5 with a club validated parking ticket paid with cash before 9:00 AM.

### ***Support Rotary First Harvest***

Join the fun at the annual [Rotary First Harvest Hearts and Wine event](#) on Friday, February 12 from 6-9 PM.

Lingenbrink Law is the sponsor of this event at the Herban Feast's Foundry. **SPECIAL GUEST: The Chef in The Hat Thierry Rautureau.** Event tickets include entrance, tasting tokens, heavy hors d'oeuvres, and access to the mini-auction. Secure your tickets today for \$70 each (\$75 after 1/31/16) at: [www.firstharvest.org/hearts-wine](http://www.firstharvest.org/hearts-wine)

### ***District 5030 Conference***

Join us for the annual District conference in Coeur d'Alene, Idaho on April 29-May 1. This is a great way to network with fellow Rotarians and learn more about Rotary. To register, [visit the conference site](#).

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## Every Rotarian Every Year

EVERY ROTARIAN, EVERY YEAR

TWO gifts, ONCE a year, EVERY member

SEATTLE ROTARY SERVICE FOUNDATION (SRSF)

and

THE ROTARY FOUNDATION (TRF)

*We change the world*

For information on making your contribution, please contact Sam ([sam@seattlerotary.org](mailto:sam@seattlerotary.org) or 206-623-0023).

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## Seattle Rotary Goes Social!

Get and stay connected with the club through our social media channels!

Twitter: @Seattle4Rotary

Facebook: Rotary Club of Seattle - Seattle#4

Linkedin: Rotary Club of Seattle

Big thanks to our channel champions for January and February: **Aubrey Buxton** (Twitter), **Eric Newman** (Linkedin) and **Ken Grant** (Facebook). Check out the tweets and posts from this week's Rotary meeting. If you're interested in supporting our social media initiative, please contact [cathy.gibson@evolvepartnergroup.com](mailto:cathy.gibson@evolvepartnergroup.com).



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## Happy Birthday!

**February 2**  
Terry Burns

**February 5**  
Sten Crissey, Linda Walton

**February 6**  
Conrad Wouters

**February 6**  
Cynthia Bush, Amy White

**February 8**  
Jacki Lorenz

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## Looking Back to 1953

*The Rotarian* magazine published an article in their December 1953 issue titled "Keekwulee Men at Work."

Seattle 4 member **Walter R. Hoefflin** authored the article, which you can access by clicking [HERE](#). (You may need to adjust the Zoom setting on your screen to read the small print.)

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## Follow Us!





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or **Contact Us:**

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◆◆ The Rotary Standard of Conduct ◆◆

The Rotary “Four-Way Test” is a standard expected of all Rotarians:

1. Is it the Truth?
2. Is it Fair to all concerned?
3. Will it build Goodwill and Better Friendships?
4. Will it be Beneficial to all concerned?