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Members of founding family remain at the helm

The banking industry has been grabbing headlines in recent years for all the wrong reasons — federal bailouts of faltering brokerage houses, large financial conglomerates gobbling up local banks and consumers rushing to bank on-line.

Throughout it all, Port Washington State Bank has remained a financial pillar of strength in Ozaukee County.

The bank is marking its 110th anniversary this month in understated manner.

With such a prolonged history, it is fair to say the bank has withstood all sorts of financial calamities.

“Even in this difficult economy the bank is doing well but, as with many community banks, is experiencing greater-than-usual numbers of loan situations requiring special attention,” said Steve Schowalter, president and chief executive officer.

“Community banks are noted for working harder and longer with their customers to get through hard times and this is a hallmark of our business through 110 years of up and down economic cycles in this country. We are very pleased with our continued growth and the confidence shown in our organization by area residents and businesses.”

Port State Bank traces its origins to Sept. 11, 1899, when Clarence Hill and George Henry opened the doors of their new enterprise at 206 N. Franklin St.

That original building has been razed, but the bank continues to operate at the same location.

Hill had a background in community banking, starting in Ripon and then organizing the First National Bank of Manitowoc in 1895.

Looking for a new venture, he and Henry, a dentist and land investor, came to Port after learning the harbor community had no bank. Several previous banks had failed in town, a fate that was not unheard of at the turn of the 19th century.

If the bank's founders believed in omens, Port State Bank might never have gotten off the ground. Two days after the site for the bank was purchased for $1,800, much of downtown Port Washington was leveled in the cataclysmic Wisconsin Chair Factory fire.

Civic leaders assured the bankers the town would be rebuilt, so plans for the new business remained on course.

Gathering capital from investors and using some of their own funds, Hill and Henry started the lending institution with $25,000 in assets.

By 1914, the bank had accumulated $1 million in deposits.

Hill served as the bank's president until his death in 1949. He was succeeded by his son Donald Hill, who served as the bank's president until his death in 1964.

Over the years, the bank's board of directors included many of the community's best-known corporate leaders — Harry W. Bolens, H.C. Boerner, William F. Schanen, Emil Biever, William J. Niederkorn and Steven Freeman.

Today, Port State Bank has six locations in Ozaukee County with more than $625 million in deposits and loan assets under its management.

Branch offices were opened in Belgium in 1932, Saukville in 1967, Fredonia in 1994, Grafton in 2000 and Cedarburg in 2007.

Overall, the bank has 95 employees, many with tenure of more than 25 years.

Chairman of the Board Ron Schowalter, grandson of founder Clarence Hill, recently marked his 60th year with the financial institution.

Such longevity on the job is a family trademark. Son Steve Schowalter has been with the bank since 1966. His brother Mark, executive vice president and chief operating officer, is nearing four decades at the bank.

A fifth-generation member of the Hill-Schowalter family joined the leadership team two years ago, when Steve's son James took on duties as vice president and director of retail banking.

The bank ranks in the top 20% of Wisconsin banks in size.

Operated as a independent community bank, it specializes in residential financing and is now the largest mortgage lender in the county.

Beyond the assets it controls, bank officials measure their success by their role in supporting the community.

Last year, the bank donated more than $80,000 to local charities and non-profit groups. Annual

scholarships are awarded in each of the county's six school districts, a program dating to 1949.