

A videoconference meeting of the Board of Directors of the Federal Reserve Bank of San Francisco was held on Thursday, March 7, 2024. The meeting was called to order at 1:03 p.m. (Pacific).

PARTICIPANTS:

San Francisco Head Office Directors

David P. White, Chair
Russell A. Childs, Deputy Chair
Mario Cordero
Maritza Diaz
Karin Kimbrough
Simone Lagomarsino
Arthur F. Oppenheimer

Absent:

Clint E. Stein
Laura Lee Stewart

Twelfth District Federal Advisory Council Member

Robert Harrison

Visiting Branch Board Directors

Chang Liu, Los Angeles Branch Director
Maria Pope, Portland Branch Director
Mark W. Packard, Salt Lake City Branch Director
Sheila Edwards Lange, Seattle Branch Director

Federal Reserve Bank of San Francisco Participants

Mary C. Daly, President and Chief Executive Officer
Sarah E. Devany, First Vice President and Chief Operating Officer
Rita Aguilar, Executive Vice President, People and Culture
Deborah M. Awai, Executive Vice President and Chief Financial Officer, Finance, Data Insights and Analytics, and External Communications
Laura Choi, Executive Vice President, Public Engagement and Office of the Secretary
Michael Fernandez, Executive Vice President, Operations and Safety (Interim)
Sylvain Leduc, Executive Vice President and Director of Economic Research
Laura Monfredini, Executive Vice President and General Counsel, Legal and Risk
Louise Willard, Executive Vice President and Chief Information Officer, Information Technology Services
Niel Willardson, Executive Vice President, Supervision and Credit (Interim)
Kathleen Young, Executive Vice President and Chief of Fed Cash Services, Federal Reserve Financial Services
Shari Novik, Senior Vice President and General Auditor, Audit

FRBSF Participants (continued)

Rob Valletta, Senior Vice President and Associate Director of Economic Research
Justin Wray, Group Vice President, Supervision and Credit
Vanessa Yanez, Group Vice President, External Communications
Qiana Charles, Vice President and Los Angeles Regional Executive, Public Engagement
Stephen DeLay, Vice President and San Francisco Regional Executive, Public Engagement
Nicole Frisch, Vice President, Government and Civic Relations, Public Engagement
Ian Galloway, Vice President and Portland Regional Executive, Public Engagement
Adam Healy, Vice President and Chief of Staff, Executive Office
Zheng Liu, Vice President, Economic Research
Thomas Mertens, Vice President, Economic Research
Fernanda Nechio, Vice President, Economic Research
Nicolas Petrosky-Nadeau, Vice President, Economic Research
Becky Potts, Vice President and Salt Lake City Regional Executive, Public Engagement
Christina Prkic, Vice President and Seattle Regional Executive, Public Engagement
Adam Shapiro, Vice President, Economic Research
Christopher Vignoles, Vice President and Chief Risk Officer, Legal and Risk
Daniel Wilson, Vice President, Economic Research
Jennie Held, Assistant Vice President, External Communications
Golnaz Motiey, Assistant Vice President and Secretary of the Board, Office of the Secretary
Jennifer Chamberlain, Senior Manager, External Communications
Amy Ferraz, Manager and Associate Secretary of the Board, Office of the Secretary
Kevin Ortiz, Deputy Chief of Staff, Executive Office
Hamza Abdelrahman, Senior Economic Analyst, Economic Research
Leila Bengali, Regional Policy Economist, Economic Research
Tina Chong, Senior Executive Communications Advisor, External Communications
Evgeniya Duzhak, Regional Policy Economist, Economic Research
Christopher Kennedy, Senior Executive Communications Advisor, External Communications
Karen Lau, Lead Project Analyst, Office of the Secretary
Heather Lee, Assistant General Counsel, Legal and Risk
Jessica Lum, Government and Civic Relations Program Manager, Public Engagement
Luiz Oliveira, Lead Associate Economist, Economic Research
Sanjay Singh, Senior Economist, Economic Research

OPEN DISCUSSION

- 1. Welcoming Remarks:** Chair White and President Daly welcomed directors and guests.
- 2. Federal Advisory Council (FAC) Meeting Report:** Twelfth District FAC Member Mr. Harrison reported on the FAC meeting of February 6-8, 2024 and responded to questions from the directors.
- 3. First Vice President's Report:** Ms. Devany provided her First Vice President's report and responded to questions. Subjects included the Bank's financial performance, staffing, and facilities project updates.

- 4. **Recent Economic Developments and the Outlook:** Mr. Leduc presented on recent economic developments and the outlook, discussing inflation, economic activity, the labor market, and financial markets and responded to questions from the directors.
- 5. **Director's Economic Discussion:** Discussion ensued among directors about productivity and costs.
- 6. **Monetary Policy Comments:** President Daly discussed recent developments for the labor market and inflation, noting that strong overall demand and labor market tightness, although easing, may persist for longer than currently expected, keeping inflation elevated. She noted that although inflation has eased since peaking in 2022, there remains a risk that recent progress on inflation stalls, and therefore emphasized the importance of a tight monetary policy stance to keep inflation expectations well anchored. She also noted that as inflation moderates further, monetary policy will become increasingly restrictive unless policy rates fall. President Daly reiterated that she remains highly data dependent and highlighted the importance of maintaining optionality in responding to emerging risks and incoming information on the economy and inflation.

[[Ms. Pope and non-designated individuals then left the meeting prior to the next agenda item.]]

- 7. **Rates of Discount:** President Daly recommended that the discount rate be maintained at 5.50 percent for primary credit.

Mr. Liu, Mr. Galloway (on behalf of Ms. Pope), Mr. Packard, and Dr. Edwards Lange reported the votes on the management recommendation from their respective branch board meetings, indicating that each was unanimously in favor of the recommendation.

Upon motion duly made and seconded, the Head Office Board of Directors

VOTED unanimously to maintain the rate of discount, subject to final approval by the Board of Governors:

- (a) Rate for discounts and advances under the

Primary credit program.....5.50%

- (b) Formulas for calculating the rates applicable to discounts and advances under the secondary and seasonal credit programs:

Secondary credit rate: primary credit rate plus 50 basis points

Seasonal credit rate: the average of the effective federal funds rate and ninety-day secondary market CD rate averaged over the preceding maintenance period.

[[Branch Directors and non-designated individuals then left the meeting prior to the Executive Session.]]

EXECUTIVE SESSION

1. **Bank Governance and Committee (BPGC) Meeting Report:** BPGC Chair Diaz provided an update on the Committee's February 13, 2024 meeting.

2. **Bank Evaluation:** Ms. Devany presented the 2023 Bank Evaluation materials and requested approval in preparation for the April 18, 2024 Bank Evaluation meeting with the Board of Governors.

Upon motion duly made and seconded, the Head Office Board of Directors

VOTED unanimously to approve the 2023 Bank Evaluation materials.

3. **Updated Bank Bylaws:** Ms. Monfredini presented the updated Bank Bylaws and requested approval of the amendments.

Upon motion duly made and seconded, the Head Office Board of Directors

VOTED unanimously to approve the amended Bank Bylaws, effective March 7, 2024.

[[Ms. Lee and Ms. Desai left the meeting at this time.]]

4. **Director Self Assessments:** Chair White and Ms. Choi presented the results of the 2023 Director Self Assessments; discussion ensued.

Meeting adjourned at 4:03 p.m. (Pacific).

Secretary of the Board