

A meeting of the Board of Directors of the Federal Reserve Bank of San Francisco was held on Thursday, May 30, 2024, via videoconference. The meeting was called to order at 9:01 a.m. (Pacific).

PARTICIPANTS:

San Francisco Head Office Board of Directors

Arthur F. Oppenheimer, Chair Pro Tempore
Mario Cordero
Maritza Diaz
Karin Kimbrough
Simone Lagomarsino
Laura Lee Stewart

Absent:

David P. White, Chair
Russell A. Childs, Deputy Chair
Clint E. Stein

Twelfth District Federal Advisory Council Member

Robert Harrison

Branch Board Directors

Carlos Gonzalez, Los Angeles Branch Director
Andrew Colas, Portland Branch Director
O. Randall Woodbury, Salt Lake City Branch Director
John Wolfe, Seattle Branch Director

Federal Reserve Participants

Mary C. Daly, President and Chief Executive Officer
Sarah E. Devany, First Vice President and Chief Operating Officer
Deborah M. Awai, Executive Vice President, Finance, Data Insights and Analytics, and External Communications
Laura Choi, Executive Vice President, Public Engagement and Office of the Secretary
Michael J. 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
Niel Willardson, Executive Vice President, Supervision and Credit (Interim)
Louise Willard, Executive Vice President and Chief Information Officer, Information and Technology Services
Kathleen A. Young, Executive Vice President and Chief of FedCash Services, Federal Reserve Financial Services
Sum-Yu Chiu, Senior Vice President and Chief Financial Officer, Financial Management
Shari Novik, Senior Vice President and General Auditor, Audit
Rob Valletta, Senior Vice President and Associate Director of Economic Research
Vanessa Yanez, Senior Vice President, External Communications
Justin Wray, Group Vice President, Supervision and Credit
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

Federal Reserve Participants (continued)

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
Abby McLennan, Vice President and Salt Lake City Regional Executive, Public Engagement
Nicolas Petrosky-Nadeau, Vice President, Economic Research
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
Golnaz Motiey, Assistant Vice President and Secretary of the Board, Office of the Secretary
Andrew Blaylock, Senior Strategist and Deputy Director, Government and Civic Relations
Amy Ferraz, Manager and Associate Secretary of the Board, Office of the Secretary
Heather Lee, Assistant General Counsel, Legal and Risk
Kevin Ortiz, Deputy Chief of Staff, Executive Office
Hamza Abdelrahman, Senior Economic Analyst, Economic Research
Leila Bengali, Regional Policy Economist, Economic Research
Evgeniya Duzhak, Regional Policy Economist, Economic Research
Tina Chong, Senior Executive Communications Advisor, External Communications
Christopher Kennedy, Senior Executive Communications Advisor, External Communications
Karen Lau, Corporate Governance Specialist, Office of the Secretary
Luiz Oliveira, Lead Associate Economist, Economic Research

OPEN DISCUSSION

- 1. Welcoming Remarks:** Chair Pro Tempore Oppenheimer welcomed Directors and guests.
- 2. Report on Federal Advisory Council (FAC) Meeting:** Twelfth District FAC member Mr. Harrison reported on the May 21-23 Federal Advisory Council meeting.
- 3. Report on Audit & Risk Management Committee (ARMC) and Conference of General Auditors (COGA) Meetings:** ARMC Chair Oppenheimer reported on the May 16 ARMC and the May 2-3 COGA meetings.
- 4. First Vice President's Report:** Ms. Devany provided her First Vice President's Report and responded to questions. Subjects included updates on the Bank's financial performance, Cloud migration, and staffing.
- 5. EmergingTech Economic Research Network (EERN) Update:** Executive Office Staff provided an update on EERN initiatives and metrics.
- 6. Recent Economic Developments and the Outlook:** Economic Research staff 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.
- 7. Directors' Economic Discussion:** Discussion ensued among Directors about recent inflation trends and price-setting power.
- 8. Monetary Policy Comments:** President Daly discussed recent economic developments and noted that she expects inflation to fall slowly to the average goal of 2 percent over the next few years. She observed risks to inflation as skewed

to the upside, noting that strong overall demand may persist, and supply chains may be hampered by geopolitical, climate, and re-shoring factors, keeping inflation elevated. President Daly indicated risks to economic activity as broadly balanced. On the upside, she noted a strong labor market and generally healthy household balance sheets may continue to support consumer spending and overall economic activity; while on the downside, global monetary policy tightening, a possible slowdown abroad, and decreased household excess savings may constrain growth. President Daly noted that although inflation eased notably in 2023, progress on inflation has slowed so far in 2024. She therefore emphasized the importance of a tight monetary policy stance to keep inflation expectations well anchored. President Daly reiterated that she remains data dependent and highlighted the importance of maintaining optionality in responding to emerging risks and incoming information on the economy and inflation.

[[Mr. Harrison and non-designated personnel left the meeting prior to the next agenda item.]]

- 9. Rates of Discount:** Based on her monetary policy comments, President Daly recommended that the discount rate be maintained at 5.50 percent for primary credit.

Directors Gonzalez, Colas, Woodbury, and Wolfe reported the votes on the management recommendation from their respective branch board meetings as follows:

Los Angeles: All directors were unanimously in favor.
Portland: Two (2) directors were in favor; three (3) opposed; and two (2) absent.
Salt Lake City: All directors were unanimously in favor.
Seattle: All directors were unanimously in favor.

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.

The meeting adjourned at 11:58 a.m. (Pacific).

Secretary of the Board