

A meeting of the Board of Directors of the Federal Reserve Bank of San Francisco was held on Thursday, January 18, 2024, at the San Francisco Head Office. The meeting was called to order at 9:02 a.m. (Pacific).

PARTICIPANTS:

San Francisco Head Office Directors

David P. White, Chair
Russell A. Childs, Deputy Chair
Maritza Diaz
Simone Lagomarsino
Arthur F. Oppenheimer
Clint E. Stein
Laura Lee Stewart (via videoconference)

Absent:

Mario Cordero
Karin Kimbrough

Twelfth District Federal Advisory Council Member

Robert Harrison

Visiting Branch Board Directors

Selena Cuffe, Los Angeles Branch Director
Patrick Criteser, Portland Branch Director
Melanie Cox, Salt Lake City Branch Director
Gabriel Kompkoff, Seattle Branch Director
Eric Pearson, 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
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)
Shari Novik, Senior Vice President and General Auditor, Audit
Rob Valletta, Senior Vice President and Associate Director of Economic Research
Vanessa Yanez, Group Vice President, External Communications

FRBSF Participants (continued)

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 (via videoconference)
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
Phuong Luu, Vice President, Supervision and Credit
Thomas Mertens, Vice President, Economic Research
Fernanda Nechio, Vice President, Economic Research
Christina Prkic, Vice President and Seattle Regional Executive, Public Engagement
Christopher Vignoles, Vice President and Chief Risk Officer, Legal and Risk
Jennie Held, Assistant Vice President, External Communications
Golnaz Motiey, Assistant Vice President and Secretary of the Board, Office of the Secretary
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
Michael Bauer, Senior Research Advisor, Economic Research
Leila Bengali, Regional Policy Economist, Economic Research
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
Huiyu Li, Research Advisor, Economic Research (via videoconference)
Luiz Oliveira, Lead Associate Economist, Economic Research

OPEN DISCUSSION

1. **Welcoming Remarks:** Chair White and President Daly welcomed directors and guests.
2. **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 and staffing.
3. **Federal Reserve System Information Technology Strategy Update:** Ms. Willard reported on System IT strategy, goals, priorities, and initiatives for 2024. She then responded to questions from the directors.
4. **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.
5. **Director's Economic Discussion:** Discussion ensued among Directors about inflation drivers and price setting.

- 6. Monetary Policy Comments:** President Daly observed that although upside risks to inflation have attenuated somewhat, she views inflation risks as tilted to the upside on net. She noted strong overall demand may persist, and supply chains may be hampered by geopolitical, climate, and re-shoring factors, keeping inflation elevated. By contrast, President Daly views risks to economic activity as broadly balanced. She stated that on the upside, a strong labor market and healthy household balance sheets may continue to support growth in consumer spending and overall economic activity. On the downside, global monetary policy tightening, a possible slowdown abroad, and decreased household excess savings may constrain growth.

[[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.

Ms. Cuffe, Mr. Criteser, Ms. Cox, and Mr. Kompkoff 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.

Meeting adjourned at 12:04 p.m. (Pacific).

Secretary of the Board