

A meeting of the Board of Directors of the Federal Reserve Bank of San Francisco was held on Thursday, September 5, 2024, via videoconference. The meeting was called to order at 9:02 a.m. (Pacific).

PARTICIPANTS:

San Francisco Head Office Board of Directors

David P. White, Chair
Russell A. (Chip) Childs, Deputy Chair
Mario Cordero
Maritza Diaz
Karin Kimbrough
Arthur F. (Skip) Oppenheimer
Clint E. Stein
Laura Lee (Laurie) Stewart

Branch Board Directors

Theresa (Terry) Benelli, Los Angeles Branch Director
Alicia Chapman, Portland Branch Director
O. Randall (Randy) Woodbury, Salt Lake City Branch Director
Robert (Bob) Donegan, Seattle Branch Director

Federal Reserve 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
Laura Choi, Executive Vice President, Public Engagement and the Office of the Secretary
Michael J. Fernandez, Executive Vice President, Safety and Operations
Sylvain Leduc, Executive Vice President and Director of Economic Research
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
Vanessa Yanez, Senior Vice President and Public Information Officer, 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
Ian Galloway, Vice President and Portland Regional Executive, Public Engagement
Adam Healy, Vice President and Chief of Staff, Executive Office
Abby McLennan, Vice President and Salt Lake City Regional Executive, Public Engagement

Federal Reserve Participants (continued)

Thomas Mertens, Vice President, Economic Research

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

Jennie Held, Assistant Vice President, External Communications

Golnaz Motiey, Assistant Vice President and Secretary of the Board, Office of the Secretary

Tina Chong, Senior Manager, External Communications

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

Andrew Blaylock, Senior Strategist, Government and Civic Relations, Public Engagement

Evgeniya Duzhak, Regional Policy Economist, Economic Research

Christopher Kennedy, Senior Executive Communications Advisor, External Communications

Karen Lau, Corporate Governance Specialist, Office of the Secretary

OPEN DISCUSSION

1. **Welcoming Remarks:** Chair David P. White welcomed the Directors.
2. **Audit & Risk Management Committee (ARMC) Report:** Committee Chair Arthur F. (Skip) Oppenheimer reported on the September 4, 2024 ARMC meeting.
3. **Bank Performance and Governance Committee (BPGC) Report:** Committee Chair Maritza Diaz reported on the August 15, 2024 BPGC meeting.
4. **First Vice President's Report:** Ms. Devany provided her First Vice President's Report and responded to questions from the Directors. Subjects included updates on the Bank's financial performance, staffing, and 2024 Bank objectives.
5. **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.
6. **Directors' Economic Discussion:** Discussion ensued among Directors about recruiting and hiring.
7. **Monetary Policy Comments:** President Daly observed that despite signs of easing, economic activity and the labor market remain healthy, and inflation is still somewhat elevated. She views risks to inflation as skewed to the upside, noting that solid overall demand may persist, and supply chains may be hampered by geopolitical, climate, and re-shoring factors, keeping inflation elevated. President Daly further noted that inflation appears

to have resumed its downward path after some bumps earlier this year and highlighted that this development warrants easing policy to keep the real rate from increasing. She highlighted that the labor market is now rebalanced, and that additional labor market softening is unwelcome. President Daly reiterated that policy remains data dependent and highlighted the importance of maintaining optionality in responding to emerging risks and incoming information on the economy and inflation.

[Director Stewart left the meeting at 11:45 a.m.]

[[Non-designated personnel left the meeting prior to the next agenda item.]]

- 8. Rates of Discount:** Based on her monetary policy comments, President Daly recommended that the discount rate be decreased to 5.25 percent for primary credit.

Directors Benelli, Chapman, Woodbury, and Donegan reported their respective branch boards voted unanimously in favor of the management recommendation.

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

VOTED unanimously to decrease the rate of discount by 25 basis points, subject to final approval by the Board of Governors:

- (a) Rate for discounts and advances under the

Primary credit program.....5.25%

- (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 90-day secondary market CD rate averaged over the preceding maintenance period.

The meeting adjourned at 11:57 a.m. (Pacific).

Secretary of the Board