

FEDERAL RESERVE BANK OF CHICAGO
MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS
DECEMBER 5, 2024

A joint meeting of the Chicago and Detroit Boards of Directors of the Federal Reserve Bank of Chicago convened at 9:00 a.m. on Thursday, December 5, 2024, pursuant to notice duly given.

MEETING PARTICIPANTS

Deputy Chair: Mr. Salgado

Chicago Directors: Mr. Habiger
Ms. Hubbard
Ms. Jojo
Mr. Murphy
Mr. O’Grady
Ms. Scanlon
Mr. Smith
Ms. Whitson

Detroit Directors: Mr. Bonner
Ms. Chavez
Ms. Goss
Mr. Hall
Ms. Lunsford
Mr. Nicholson

Bank Management: Mr. Austan Goolsbee, President & Chief Executive Officer
Ms. Ellen Bromagen, First Vice President & Chief Operating Officer
Ms. Tiffany Butler, VP, Corporate Administration
Ms. Jessica Calendine Smith, VP, People & Culture
Ms. Shonda Clay, EVP & Chief of Product and Relationship Management, Federal Reserve Financial Services
Mr. Steve Edwards, EVP, External Affairs and Civic Engagement
Ms. Tracy Harrington, EVP & CIO, Federal Reserve Financial Services
Ms. Katie Harris, Chief of Staff, AVP
Mr. Michael Keppler, EVP, Cash and Central Bank Services, Director of Credit Risk Management Support Office
Mr. Spencer Krane, SVP and Senior Research Advisor, Research, Policy and Public Engagement
Mr. Fred Martin, EVP & CFO, Administrative Services and Finance
Mr. Rick Mattoon, VP & Detroit Regional Executive, Research, Policy & Public Engagement
Ms. Leslie McGranahan, SVP & Director of Regional Research, Research, Policy & Public Engagement
Ms. Kathryn Medina, EVP and Chief Human Resources Officer, People & Culture
Ms. Anna Paulson, EVP & Director of Research, Policy and Public Engagement
Mr. Mark Peters, AVP, Public Affairs
Ms. Lindsay Romanoff, AVP, People & Culture
Ms. Ellen Rissman, AVP, Policy & Communications
Ms. Kathy Schrepfer, EVP, General Counsel, Corporate Secretary, Ethics

Officer, Information Security, Strategy, and Enterprise Risk Management
 Mr. Pat Wilder, SVP, Supervision & Regulation
 Ms. Katie Wisby, EVP & CIO, Information Technology, Innovation, and System
 Leadership Initiative

Audit Management: Mr. Brett Schur, SVP, General Auditor

Research, Policy &
 Public Engagement: Mr. Benjamin Henken, Senior Research Analyst
 Mr. Bart Hobijn, Senior Economist and Economic Advisor

Office of the Directors: Mr. Marc Butiong, Senior Change Management Specialist
 Ms. Theresa Chiang, Manager, Office of Directors

Guests: Ms. Joni Hopkins, VP, FRFS Customer Relations
 Mr. Mark Lezerkiewicz, VP, National IT
 Ms. Nokihomis Willis, SVP, FRFS Employee Experience

Not present: Mr. Keyes

CHAIR'S REMARKS

Mr. Salgado welcomed everyone to the meeting and invited Ms. Scanlon to share highlights from the recent Conference of Chairs meeting. Mr. Salgado concluded by providing an overview of the agenda.

APPROVAL OF CONSENT AGENDA

UPON MOTION duly made and seconded, the Chicago Board unanimously approved the following consent agenda items:

1. Board Meeting Minutes

- D-2306 – October 17, 2024; Discount Rate Telephone Meeting
- D-2307 – October 23, 2024; Board Executive Session
- D-2308 – October 24, 2024; Board Meeting
- D-2309 – November 7, 2024; Discount Rate Telephone Meeting
- D-2310 – November 21, 2024; Discount Rate Notational Vote

2. Election of FOMC Voting Member and Alternate

PRESIDENT'S REMARKS

Mr. Goolsbee updated the directors on his recent activities.

DAWN OF ANOTHER PRODUCTIVITY BOOM?

Mr. Hobijn discussed recent economic conditions and in what manner productivity is a key indicator for monetary policy. Mr. Hobijn discussed possible explanations for why recent productivity gains have exceeded trend set prior to 2020. He concluded by responding to directors' questions.

REPORTS FROM DIRECTORS ON BUSINESS DEVELOPMENTS

The directors discussed business conditions in their respective sectors of the economy.

DISCOUNT RATE RECOMMENDATION

Mr. Goolsbee shared his perspectives on monetary policy and recommended that the directors lower the primary credit rate by 25 basis points from 4.75 percent to 4.50 percent and to determine the secondary and seasonal credit rates according to the agreed upon formulas.

UPON MOTION duly made and seconded, the directors voted unanimously to lower the primary credit rate to 4.50 percent, to reaffirm that the rate for secondary credit be set 50 basis points above the primary credit rate, and to continue setting the rate for seasonal credit according to the approved formula.

AUDIT COMMITTEE REPORT

Mr. Murphy reported on the Audit Committee meeting held the previous day. He updated the directors on the following:

- Finance Management provided key updates on the Bank's program to support internal control over financial reporting. They also shared updates on the 2024 financial statement review process.
- KPMG management gave an update on their 2024 audit plan.
- Audit management presented the General Auditor Report.
- The Committee unanimously approved the Bank's 2025 audit plan and 2025 audit department operating budget.
- The Committee unanimously approved changes to the Audit Committee charter and the Internal Audit Committee department charter to align with the New Institute of Internal Auditors (IIA) standards.

Mr. Murphy reported that there are no situations that require action by the full Board.

GOVERNANCE AND HUMAN RESOURCES COMMITTEE REPORT

Mr. Salgado reported on the Governance and HR Committee meeting held earlier that day. He updated the directors on the following:

- Bank management previewed upcoming activities for both the Chicago and Detroit Boards for the committee's engagement next year.
- Bank management provided a year-end update on the Bank's workforce health metrics.
- The Committee discussed Executive Committee performance.
- The committee completed its annual self-assessment during executive session.

Mr. Salgado reported that there are no situations that require action by the full Board.

RECOGNITION OF RETIRING DIRECTORS

Mr. Goolsbee recognized Mr. Murphy and Mr. Nicholson as retiring directors and thanked them for their service on the Chicago and Detroit Branch Boards.

UPON MOTION duly made and seconded, the directors unanimously approved the Citations for Distinguished Service.

The Regular Session adjourned at 11:40 a.m.

FIRST EXECUTIVE SESSION – FIRST VICE PRESIDENT PERFORMANCE

The meeting moved into Executive Session with Chicago directors, Mr. Goolsbee, Ms. Calendine-Smith, and Ms. Romanoff for preliminary discussion of First Vice President performance and compensation recommendations.

First Executive Session adjourned at 11:53 a.m.

SECOND EXECUTIVE SESSION

The meeting moved into Executive Session with Chicago directors, Mr. Goolsbee, and Ms. Bromagen.

Second Executive Session adjourned at 12:05 p.m.

THIRD EXECUTIVE SESSION

The meeting moved into Executive Session with Chicago directors.

Third Executive Session adjourned at 12:08 p.m.

- Corporate Secretary