

FEDERAL RESERVE BANK OF CHICAGO  
MINUTES OF THE MEETING  
OF THE BOARD OF DIRECTORS  
SEPTEMBER 5, 2024

A meeting of the Chicago Board of Directors of the Federal Reserve Bank of Chicago convened at 9:00 a.m. on Thursday, September 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: Ms. Goss

Bank Management: Mr. Austan Goolsbee, President & Chief Executive Officer  
Ms. Ellen Bromagen, First Vice President & Chief Operating Officer  
Ms. Kristin Butcher, VP, Research, Policy & Public Engagement  
Ms. Tiffany Butler, VP, Corporate Administration  
Ms. Theresa Chiang, Manager, Office of Directors  
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, Senior Strategic Communication Advisor  
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. Ellen Rissman, AVP, Research, Policy & Public Engagement  
Ms. Kathy Schrepfer, EVP, General Counsel, Corporate Secretary, Ethics Officer, Information Security, Strategy, and Enterprise Risk Management  
Mr. Brett Schur, SVP, General Auditor  
Mr. Pat Wilder, SVP, Supervision & Regulation  
Ms. Katie Wisby, EVP & CIO, Information Technology, Innovation, and System Leadership Initiative

Federal Reserve Financial Services:	Mr. Mark Gould, Chief Payments Executive, Federal Reserve Financial Services
Economic Research:	Mr. Benjamin Henken, Senior Research Analyst Ms. Katherine Jolley, Research Assistant
Office of the Directors:	Mr. Marc Butiong, Senior Change Management Specialist Ms. Melissa Joslyn, Senior Business Project Manager
Guests:	Ms. Kandice Alter, VP, Federal Reserve Financial Services Mr. Ajay Buti, VP, Federal Reserve Financial Services Ms. Korie Miller, SVP, Federal Reserve Financial Services Mr. Thad Murphy, VP, Legal Ms. Nicole Roth, VP, Federal Reserve Financial Services

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CHAIR'S REMARKS

Mr. Salgado welcomed everyone to the meeting and provided an overview of the agenda.

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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-2297 – June 27, 2024; Discount Rate Meeting
- D-2298 – July 11, 2024; Discount Rate Vote
- D-2299 – July 18, 2024; Joint Board Meeting
- D-2230 – August 1, 2024; Discount Rate Meeting
- D-2231 – August 15, 2024; Discount Rate Meeting

**2. 2025 Board Committee Assignments**

Appointment of Executive Committee:

- Jennifer Scanlon, Chair
- Juan Salgado, Deputy Chair\*
- Maurice Smith
- Dave Habiger
- Linda Hubbard\*
- Linda Jojo

*\*Pending Board of Governors appointment / election*

**3. Consent to Vote on Discount Rate Electronically on October 17, 2024**

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PRESIDENT'S REMARKS

Mr. Goolsbee updated the directors on his recent activities.

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FEDERAL RESERVE FINANCIAL SERVICES UPDATE

Mr Gould provided an update on Federal Reserve Financial Services including major accomplishments, current priorities, and key goals for future. He concluded by responding to directors' questions.

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LABOR MARKET PERSPECTIVES ON THE ECONOMIC OUTLOOK

Ms. Butcher discussed the labor market and ways to interpret recent data. She shared historical trends and how the labor market can signal potential economic outcomes. She concluded by responding to directors' questions.

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REPORTS FROM DIRECTORS ON BUSINESS DEVELOPMENTS

*(Ms. Scanlon joined the meeting.)*

The directors discussed business conditions in their respective sectors of the economy. Their comments are reflected in the letter from Mr. Goolsbee to Secretary Misback dated September 6, 2024.

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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 5.5 percent to 5.25 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 5.25 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.

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SABOR COMMITTEE REPORT

Ms. Jojo reported on the System Activities, Bank Operations and Risk Committee meeting held on August 15, 2024. She updated the directors on the following:

- Bank Management announced the selection of Chicago and Detroit as sites for new cash processing machines as part of the NextGen cash program. They also previewed the projected implementation timeline and costs, including personnel impacts.
- Bank management shared the Seventh District's preliminary expense and capital budgets for 2025, in support of System and District priorities.
- Finance management is expected to seek SABOR's endorsement of the 2025 budget on October 3rd with a request for the full Board's approval of the budget at the October Board meeting.

Ms. Jojo reported that there are no situations that require action by the full Board.

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The Regular Session adjourned at 11:27 a.m.

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FIRST EXECUTIVE SESSION – GOVERNANCE AND HUMAN RESOURCES COMMITTEE REPORT

The meeting moved into Executive Session with Chicago directors, Mr. Goolsbee, Ms. Bromagen, Ms. Schrepfer, and the Office of Directors team.

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

- Bank management provided an update on the Chicago and Detroit election and appointments as well as FAC membership for 2025.

The Committee endorsed the following appointments and requested full Board approval:

- Re-appoint Ron Hall, President and CEO of Bridgewater Interiors, to a second one-year term as Detroit Branch Chair.
- Re-appoint Anika Goss, CEO of Detroit Future City, to a second three-year term as a Detroit Branch Director.
- Re-appoint Darrel Hackett, U.S. CEO of BMO Financial Group, to a second one-year term as Federal Advisory Council Representative.

UPON MOTION duly made and seconded, the directors voted unanimously to approve the appointments.

- The People and Culture management team provided an overview of the Bank's recent engagement survey results and highlights from bank-wide talent development efforts.
- During executive session, the Committee discussed succession planning, which will continue to be a focus for the Committee during the next few years.

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

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First Executive Session adjourned at 11:33 a.m.

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SECOND EXECUTIVE SESSION

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

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Second Executive Session adjourned at 11:51 a.m.

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THIRD EXECUTIVE SESSION

The meeting moved into Executive Session with Chicago directors.

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

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- Corporate Secretary