

**MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF
DALLAS** January 23, 2025



Federal Reserve
Bank of Dallas

The Board of Directors (the “Board”) of the Federal Reserve Bank of Dallas (the “Bank”) held its regular meeting on January 23, 2025, at 8:30 a.m. (CST), with the following directors participating:

Present: Claudia Aguirre, Chair
Gary Kelly, Deputy Chair
Pascal Desroches
James Hill
Robert Hulseley
Victor Pierson
Joe Quiroga
Ruth Simmons
Cindy Taylor (virtual attendee)

The following branch directors also participated:

El Paso Branch Directors

Tracee Bentley

Houston Branch Directors

Ric Campo

San Antonio Branch Directors

Monica Salinas

The following advisory council member attended a portion of the meeting as a presenter:

Federal Advisory Council

David Zalman

The following members of the Bank’s staff also participated:

Lorie Logan, President and Chief Executive Officer
Robert L. Triplett, First Vice President and Chief Operating Officer
Tommy Alsbrooks, Senior Vice President and Chief Information Officer
Glenda S. Balfantz, Senior Vice President and General Auditor
Roberto Coronado, Senior Vice President and Senior Economist
Jeffrey L. Garrett, Senior Vice President and Chief Financial and Risk Officer
Melissa Hunt, Senior Vice President

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
January 23, 2025

Karel Mertens, Senior Vice President and Director of Research
Heidi Mitchell, Senior Vice President
Daron Peschel, Senior Vice President in Charge, Houston Branch
Mike Schetzel, Senior Vice President and Chief of Staff
Sam Schulhofer-Wohl, Senior Vice President and Senior Advisor to the
President
David Teeples, Senior Vice President and General Counsel
Rebecca Zarutskie, Senior Vice President
Donald Bowers, Vice President and Regional Executive
Christine Docherty, Vice President and Deputy General Counsel
Gina Gadson-Richards, Vice President and Deputy Chief of Staff
Deborah Kilroe, Vice President
Pia Orrenius, Vice President
Sai Nori, Vice President and Deputy Chief of Staff
Seth Searls, Vice President
Ed Skelton, Vice President
Armida Riojas, Assistant Vice President and Regional Executive
Jody Stanley, Assistant Vice President and Corporate Secretary
Tyler Atkinson, Senior Business Economist
Jim Dolmas, Economic Policy Advisor and Senior Economist
Ron Mau, Senior Business Economist I
Alex Richter, Economic Advisor and Senior Economist
Adriana Abdullah, Director and Recorder
Candi Aulbaugh, Corporate Secretary Associate
Diego Morales-Burnett, Research Analyst
Ivan Resendiz, Audio/Visual Specialist

WELCOME

Ms. Aguirre extended a cordial welcome to the Dallas directors, new directors, Branch directors and the Federal Advisory Council member and called the meeting to order at 8:30 a.m.

OPENING REMARKS

Ms. Logan thanked Mr. Zalman for serving as the Bank's Federal Advisory Council member. She then expressed gratitude for the directors' support and guidance. Ms. Logan then provided the directors an update on the 360° Listening Tour, the 2025 agenda topics for upcoming Board meetings, Global Institute launch and welcomed everyone to the meeting.

TEXAS 2025 OUTLOOK

Ms. Orrenius presented a report titled "Resilient Growth – 2025 Texas Economic Outlook." She provided an overview of the 2024 Texas economy and the expected growth trends for 2025. She

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
January 23, 2025

also reported on potential effects on the outlook of such matters as tariffs, immigration trends, and federal government spending trends. Discussion ensued.

FEDERAL ADVISORY COUNCIL REPORT

Mr. Zalman reported on the Federal Advisory Council meeting that took place December 3-5, 2024. He highlighted the key topics covered in the meeting, including: (i) consumer spending, (ii) labor market, (iii) loan markets, (iv) Fed's balance sheet, and (v) discount window operations. Discussion ensued.

[Mr. Zalman left the meeting]

THE FED'S BALANCE SHEET

Mr. Searls presented a report titled "The Fed's Balance Sheet – Recent trends and key considerations for the outlook." He provided an overview of the Fed's assets, liabilities, and net income losses, and explained the relationship between the pacing of runoff and achieving an efficient balance sheet size. He also indicated that the timing of return to positive net income will depend on several factors, including trajectory of interest rates and composition of liabilities. Discussion ensued.

U.S. NATIONAL ECONOMIC UPDATE

Mr. Mau briefed the directors on current U.S. economic conditions and the outlook. He provided data on prices, the labor market and production. He summarized information related to inflation data for December 2024, including the December Employment Situation Report and November Job Openings and Labor Turnover Survey data. He reported on gross domestic product growth in 2024.

He further discussed professional forecaster expectations for 2025 inflation, as reflected in the Survey of Professional Forecasters.

In summary, the briefer noted that inflation data remains consistent with continued disinflation, the labor market appears to have stabilized, thereby reducing concerns of continued labor market deterioration from a few months ago, and that economic growth is strong.

REPORT OF ECONOMIC CONDITIONS

Next the Dallas and Branch directors each provided updates and reported on the economic conditions from their respective regions and business sectors. Discussion ensued regarding: (i) tariffs, (ii) public education, (iii) oil and gas sector, (iv) manufacturing landscape, (v) labor market, (vi) chemical industry, (vii) consumer trends, (viii) trends in government contracting, (ix) real estate markets, both residential and commercial, (x) higher education, (xi) the airline industry, and (xii) regional trends around the state of Texas.

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
January 23, 2025

DISCUSSION OF ECONOMIC CONDITIONS

The Chair opened the floor for discussion and a conversation ensued on the economic conditions.

EXECUTIVE SESSION - DISCOUNT RATE ACTION

Ms. Logan thanked the directors for the insights provided from their respective regions. She then provided her perspectives on current economic conditions indicating that the inflation data reflects a trend of moving toward the target rate. She then indicated that we will monitor data coming in later this month and next month as well as policies on tariffs and immigration. Finally, Ms. Logan recommended to hold the primary credit rate at 4.50 percent. Discussion ensued.

Following the discussion, the directors voted to maintain the primary credit rate at 4.50 percent. In addition, the directors acted to maintain the formulas for calculating the secondary credit rate and the seasonal credit rate.

ADMINISTRATIVE MATTERS

The Dallas directors unanimously approved and adopted the minutes of the Joint Board of Directors meeting held on December 5, 2024, the Audit Committee meeting held on December 9, 2024, and the Special Board of Directors meeting held on January 6, 2025.

BANK OPERATIONS REPORT

Mr. Triplett highlighted the Bank's year-to-date financial performance as of November 2024, which was included in the 11K Review Board of Directors Report. He reviewed the Bank's current budget status with the Board, providing additional context on projects and timing. Additionally, Mr. Triplett informed the directors that the Bank's operations are performing well and highlighted Cash Operations, Treasury Services, and Banking Supervision for their exceptional performance.

AUDIT COMMITTEE REPORT

Ms. Taylor commended Ms. Balfantz's leadership in her capacity as General Auditor and then provided an update on the discussions and actions from the recent Audit Committee meeting. She informed the directors that [REDACTED] Ms. Taylor then presented a revised Audit Committee charter. Following the discussion and a recommendation from the Audit Committee, the Dallas directors voted unanimously to approve the charter as presented.

[Ms. Aguirre called for the Second Executive Session to begin; all participants left the meeting except Dallas directors, Branch directors,

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
January 23, 2025

Lorie Logan, Robert Triplett, David Teeple, and Office of the Corporate Secretary staff.]

SECOND EXECUTIVE SESSION - GENERAL COUNSEL REPORT

Mr. Teeple provided the directors an update on the status of pending litigation. He then provided a comprehensive annual review of the director's guide to conduct.

[Ms. Aguirre called for the Third Executive Session to begin; all participants left the meeting except Dallas directors, Branch directors, Lorie Logan, and Robert Triplett.]

THIRD EXECUTIVE SESSION

The Board met in executive session with Ms. Logan and Mr. Triplett.

Ms. Aguirre called for the Fourth Executive Session to begin; all participants left the meeting except Dallas directors and Lorie Logan. Ed Skelton and recorder rejoined the meeting.]

FOURTH EXECUTIVE SESSION

[REDACTED]

MATERIALS FOR REVIEW

Each director received the following documents, which were filed with the Secretary:

- (1) Resilient Growth – 2025 Texas Economic Outlook
- (2) The Fed's Balance Sheet
- (3) National Economic Update
- (4) Joint Board of Directors Meeting Minutes – December 5, 2024
- (5) Special Meeting of the Board of Directors Meeting Minutes – January 6, 2025
- (6) Audit Committee Meeting Minutes – December 9, 2024
- (7) 11K Review Board of Directors Report
- (8) Audit Committee Charter
- (9) Overview of Guide to Conduct for Directors

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
January 23, 2025

ADJOURNMENT

The meeting adjourned at 12:25 p.m.

Corporate Secretary

JS:aa

APPROVED: _____ Chair