

**MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS**
March 6, 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 virtually on March 6, 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

The following branch directors also participated:

El Paso Branch
Leila Melendez

Houston Branch
Bob Patel

San Antonio Branch
Monica Salinas

The following members of the Bank’s advisory councils attended a portion of the meeting as presenters:

Federal Advisory Council
Phil Green

Community Depository Institutions Advisory Council
Byron Bexley

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

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
March 6, 2025

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
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
Guhan Venkatu, Vice President and Regional Executive
Mark Wynne, Vice President, Associate Director of Research
Mike Plante, Assistant Vice President
Armida Riojas, Assistant Vice President and Regional Executive
Christopher Schreck, Assistant Vice President
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
Candi Aulbaugh, Corporate Secretary Associate
Labon Cook, Audio/Visual Specialist
Diego Morales-Burnett, Research Analyst
Sam Parson, Senior Counsel and Recorder

WELCOME

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

OPENING REMARKS

Ms. Logan thanked Mr. Green for serving as the Bank's Federal Advisory Council member.
[REDACTED] Ms. Logan then

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
March 6, 2025

provided the directors with an update on the 360° Listening Tour and the upcoming Global Perspective event in April, and shared insights from recent events and welcomed everyone to the meeting.

COMMUNITY ENGAGEMENT 2025 STRATEGY AND OUR REGIONAL EXECUTIVE MODEL AT WORK

Mr. Coronado delivered a presentation entitled “Community Engagement & Development: A New Model for a Changing Economy.” He provided an overview of the regional executive model, explaining that it represents the next phase in the evolution of the Bank’s community engagement program. He introduced the regional executives, discussed their roles and responsibilities, and reported on the strategic framework. Discussion ensued.

FINANCIAL SECTOR ADVISORY COUNCIL REPORT

Mr. Schulhofer-Wohl reported on the Financial Sector Advisory Council meeting that took place on February 19, 2025. He highlighted the key topics covered in the meeting including: (i) interest rates, (ii) possible impacts of tariffs, and (iii) potential of productivity growth in the US.

COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL REPORT

Mr. Bexley reported on the Community Depository Institution Advisory Council meeting that took place on March 4, 2025. He highlighted the key topics covered in the meeting including: (i) loan demand, (ii) commercial real estate, (iii) auto loan credit quality, and (iv) increased bank fraud.

FEDERAL ADVISORY COUNCIL REPORT

Mr. Green reported on the Federal Advisory Council meeting that took place February 4-6, 2025. He highlighted the key topics covered in the meeting, including: (i) consumer spending, (ii) labor market, (iii) loan markets, and (iv) Fed’s balance. Discussion ensued.

U.S. FEDERAL BUDGET: PROJECTIONS AND IMPLICATIONS

Mr. Richter presented a report titled “US Federal Budget Projections and Implications.” He provided an overview of the federal budget under current law and discussed effects of proposed tax and tariff policies. He also discussed budget reconciliation. 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, as well as potential impacts of proposed federal policy changes.

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
March 6, 2025

Mr. Mau noted that 12-month core Personal Consumption Expenditures (“PCE”) inflation fell to 2.6 percent in January, further stating that this move reflected the absence of very high monthly inflation in January seen last year, but monthly inflation in January was still above recent months. He also noted that the January Employment Situation Report and December Job Openings and Labor Turnover Survey were both consistent with continued labor market stability and that the unemployment rate has stayed near 4.1 percent. He discussed that layoff announcements have picked up though with private sector layoff announcements excluding non-profits near the level at the end of 2022.

In addition to providing an update on recent economic data, Mr. Mau discussed the possible impacts of proposed federal policy changes on the outlook.

In summary, Mr. Mau noted that inflation data remains consistent with continued disinflation, though tariffs could push up on inflation throughout 2025; the labor market has been stable, though layoff announcements could push the unemployment rate up in months ahead; and that economic growth is likely weakening, and uncertainty could weigh more on growth this quarter.

[Mr. Bexley and Mr. Green left the meeting]

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) the oil and gas sector, (iv) the manufacturing landscape, (v) labor markets, (vi) the 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.

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 industries and regions. She then provided her perspectives on current economic conditions. She recommended continuous monitoring of additional economic data as well as the impacts of policies on tariffs and immigration on the economy. Finally, Ms. Logan recommended holding 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.

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
March 6, 2025

ADMINISTRATIVE MATTERS

The Dallas directors unanimously approved and adopted the minutes of the Board of Directors meeting held on January 23, 2025, the Executive Committee meeting held on February 20, 2025, the Audit Committee meeting held on January 22, 2025, and the 2026 Board Calendar.

BANK OPERATIONS REPORT

Mr. Triplett highlighted the Bank’s financial performance, 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. Next, Mr. Triplett reported on the Committee of Sponsoring Organizations (COSO) attestation and 2024 financial statements that will be released to the public later this month.

INTER-DISTRICT CONTINGENCY PLAN

[REDACTED]

AUDIT COMMITTEE REPORT

Mr. Desroches reported on the topics discussed at the Audit Committee meeting held on March 5, 2025, and highlighted the following:

[REDACTED]

[Ms. Aguirre called for the Second Executive Session to begin; all participants left the meeting except Dallas directors, Lorie Logan, Robert Triplett, David Teeple, and Office of the Corporate Secretary staff.]

SECOND EXECUTIVE SESSION - [REDACTED]

[REDACTED]

[Ms. Aguirre called for the Third Executive Session to begin; all participants left the meeting except Dallas directors and Office of the Corporate Secretary staff.]

MINUTES OF REGULAR MEETING, BOARD OF DIRECTORS
FEDERAL RESERVE BANK OF DALLAS
March 6, 2025

THIRD EXECUTIVE SESSION

The Board met in executive session with Ms. Stanley. Ms. Aguirre and Ms. Stanley provided an overview on the President and First Vice President Reappointment process, including a timeline and description of deliverables.

MATERIALS FOR REVIEW

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

- (1) Board of Directors Meeting Minutes – January 23, 2025
- (2) Executive Committee Meeting – February 20, 2025
- (3) Audit Committee Meeting – January 22, 2025
- (4) Proposed 2026 Board Calendar
- (5) Community Engagement & Development: A New Model for a Changing Economy
- (6) 11K District Activity – Discount Window
- (7) 11K Review Board of Directors Report
- (8) National Economic Update
- (9) US Federal Budget Projections and Implications
- (10) Reappointment President and FVP Discussion Deck

ADJOURNMENT

The meeting adjourned at 12:05 p.m.

Corporate Secretary DT: sp

APPROVED: _____ Chair