

**MINUTES OF THE JOINT BOARD OF DIRECTORS MEETING
FEDERAL RESERVE BANK OF DALLAS**

April 24, 2025

Federal Reserve
Bank of Dallas

The Board of Directors (the “Board”) of the Federal Reserve Bank of Dallas (the “Bank”) held its joint meeting in Austin, Texas on April 24, 2025, at 8:28 a.m. (CST), with the following Dallas directors participating:

Present: Claudia Aguirre, Chair
Gary Kelly, Deputy Chair
Pascal Desroches
James Hill
Robert Hulse
Ruth Simmons
Joe Quiroga
Vic Pierson

The following branch directors also participated:

El Paso Branch Directors

Von Washington, Chair
Tracee Bentley
Brad Beasley
Christian Perez-Giese
James Walter

Houston Branch Directors

Peter Rodriguez, Chair
Marc Bloom
Cynthia Colbert
Ric Campo
Bob Patel
Gary Petersen
Vanessa Wyche

San Antonio Branch Directors

Monica Salinas, Chair
Brad Barron
Denise Hernandez
Rosa Santana
Tyson Tuttle

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The following chairs of the indicated Bank Advisory Councils attended a portion of the meeting as presenters:

Community Advisory Council

Carine Feyten

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 E. Alsbrooks, Senior Vice President and Chief Information Officer
Roberto Coronado, Senior Vice President, Regional Executive, and Senior Economist
Jeffrey L. Garrett, Senior Vice President and Chief Financial and Risk Officer
Melissa Hunt, Senior Vice President and Chief Product Officer
Karel R. 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 and Senior Research Advisor
Pia Orrenius, Vice President
Trisna Tan, Vice President
Guhan Venkatu, Vice President and Austin Regional Executive
Mark A. Wynne, Vice President and Associate Director of Research
Amy Chapel, Assistant Vice President
Kseniya Benderskaya, Assistant Vice President
Jody Stanley, Assistant Vice President and Corporate Secretary
Armida Riojas, Assistant Vice President and San Antonio Regional Executive
Sam Parson, Senior Counsel and Recorder
Tyler Atkinson, Senior Business Economist
Diego Morales, Burnett, Research Analyst
Anna Crockett, Senior Outreach Advisor
Marycruz De Leon, Manager Outreach
Adam Koudaih, Senior Digital Content Producer
Azucena Greggerson, Senior Executive Assistant
Emily Hall, Senior Policy Writer
Veronica Pompa, Corporate Secretary of the San Antonio Branch Board
Victoria Rosengarten, Director of Media Relations

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Ivan Resendiz, Audio/Visual Specialist

WELCOME

Ms. Aguirre extended a cordial welcome to the Dallas and Branch directors as well as the Advisory Council members. Ms. Aguirre initiated introductions, and all participants followed, proceeding with the agenda thereafter.

Next, Ms. Logan expressed gratitude for the productive week in Austin, highlighting the importance of the Bank's community engagement priorities in Austin, noting Austin's role in innovation. Ms. Logan thanked Ms. Simmons for organizing a visit to the Holdsworth Center, discussed the recent visit to the Texas Innovation Center at the University of Texas, and closed by thanking staff for their contributions to the meeting.

AUSTIN BY THE NUMBERS

Ms. Orrenius delivered a presentation entitled "Austin by the Numbers." She provided an overview of the growth of the Austin Metropolitan area, noting that Austin is the fastest growing metro in the country. She highlighted that Austin job growth is starting out the year slow, although labor markets remain tight, and wage growth is high. She reported that business sentiment has turned down slightly, possibly based on uncertainty in policies relating to trade and immigration. Discussion ensued.

WORKFORCE IMPLICATIONS OF GENERATIVE AI

Mr. Schulhofer-Wohl and a team of presenters delivered a presentation entitled "Workforce Implications of Generative AI." The team focused on potential ways in which Generative AI may reshape employers' demand for different type of workers in the future. The presenters noted that Generative AI uses algorithms to generate new content and can learn how to make decisions from data. The presenters highlighted that, while still in the early stages, there are studies documenting positive productivity effects, noting that there is limited hard evidence related to potential future effects on wages and employment.

UPDATE ON COMMUNITY ENGAGEMENT AND DEVELOPMENT INITIATIVES

Ms. De Leon delivered a presentation entitled "Update on Community Engagement and Development Initiatives." Her presentation spotlighted targeted initiatives of the Community Engagement Development department. Ms. De Leon spoke about the Advance Together initiative led by the Bank and partner organizations, which supports regional cross-sector partnerships working to improve education and employment outcomes for lower-income Texans. She also presented about the Digital Access initiative in which the Bank created a technical assistance model to help large and smaller communities find innovative ways to develop and finance digital access projects.

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COMMUNITY ADVISORY COUNCIL REPORT

Ms. Feyten reported on the Community Advisory Council meeting that took place on April 9, 2025. She highlighted the key topics covered in the meeting including: (i) workforce challenges, (ii) gaps in credentialing among STEM certifications, and (iii) current levels of uncertainty impacting funding of non-profits.

COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL REPORT

Mr. Bexley reported on the recent national Community Depository Institution Advisory Council meeting that took place on April 10, 2025. He highlighted the key topics covered in the meeting including: (i) banking and economic conditions, (ii) commercial real estate, and (iii) small business lending.

ACADEMIC ADVISORY COUNCIL UPDATES

Mr. Mertens reported on the Academic Advisory Council meeting that took place on April 11, 2025. He highlighted the key topics covered in the meeting including: (i) historical perspective on global economy and trade wars and (ii) potential impacts to US based on inflation.

ECONOMIC CONDITIONS UPDATE

Ms. Zarutskie briefed the directors on current U.S. economic conditions and the outlook. She noted that recent changes to the outlook have been dominated by increases in tariffs.

She noted that economic data releases suggested stable economic conditions through March 2025. She reported that inflation had continued to slow but remained above target, with Personal Consumption Expenditures (“PCE”) inflation likely around 2.3 percent and 2.6 percent, excluding food and energy. She stated that the labor market was stable with still-low unemployment and little signs of widespread layoffs. Output growth looked to have slowed in the first quarter, driven in part by volatile categories like net exports, but that consumer spending looked to have slowed somewhat as well.

Ms. Zarutskie further noted that the imposition of larger tariffs was expected to slow growth and increase inflation over the coming year, but the size and persistence of the effects were uncertain. She reported that private sector forecasters had lowered their projections for Gross domestic product (“GDP”) growth in 2025 to somewhat below 1 percent and further forecasted expected inflation above 3 percent. She concluded noting that financial conditions had tightened in recent weeks, with declines in equity prices and increasing yields more than offset a weaker dollar.

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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) positive indicators in semiconductor industry, (ii) impact of tariffs, (iii) commercial real estate, (iv) key banking sector themes including strong loan demand and staffing challenges, (v) growth and challenges in the Southeastern Texas economies, and (vi) generative AI impacts.

DISCUSSION OF ECONOMIC CONDITIONS

Discussion ensued on the economic conditions.

[Mr. Bexley, Ms. Feyten, Mr. Schulhofer-Wohl, and Ms. Simmons left the meeting.]

EXECUTIVE SESSION – MANAGEMENT COMMENTS

Ms. Logan provided the directors her perspectives on current economic conditions and restated the main points presented Ms. Zarutskie. Ms. Logan emphasized the importance of closely monitoring economic indicators before considering future rate adjustments. Finally, Ms. Logan provided her recommendation to hold the primary credit rate steady given a stable labor market and inflation that remained somewhat above the FOMC's two percent target.

[Ms. Aguirre called for the Executive Session to begin; all participants left the meeting except Dallas Directors, Branch Directors, members of senior management, Office of the Corporate Secretary staff, and Research Department staff.]

EXECUTIVE SESSION - DISCOUNT RATE ACTION

Following the briefing and Ms. Logan's comments, the Dallas Board voted to maintain the primary credit rate at 4.50 percent. In addition, the Dallas Board acted to maintain the formulas for calculating the secondary credit rate and the seasonal credit rate.

ADMINISTRATIVE MATTERS

The Dallas Board unanimously approved and adopted the minutes of the Board of Directors meeting held on March 6, 2025, the Executive Committee meeting held on April 3, 2025, and then approved the Inter-District Discount Window Operations Contingency Plan that had been previously discussed at the March 6, 2025 Dallas Board meeting.

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BANK OPERATIONS REPORT

Mr. Triplett highlighted the following items included in the 11K Review Board of Directors Report: (i) the Bank's year-to-date performance as of March 2025, [REDACTED] (iii) that the Bank's hiring freeze was extended to July 15, 2025, and (iv) the Bank was paid back 100% on all loans extended during the Bank Term Funding Program.

[Ms. Aguirre called for the Special Executive Session to begin; all participants left the meeting except Dallas directors and Lorie Logan.]

EXECUTIVE SESSION

The Board met in executive session with Ms. Logan.

[Ms. Aguirre called for the Special Executive Session to begin; all participants left the meeting except the Dallas directors.]

SPECIAL EXECUTIVE SESSION

The Dallas directors met in executive session.

[Ms. Aguirre called for the Second Special Executive Session to begin; all participants left the meeting except Class B and C directors.]

SECOND SPECIAL EXECUTIVE SESSION

Ms. Aguirre provided an update on the President and First Vice President Reappointment process.

MATERIALS FOR REVIEW

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

- (1) Board of Directors Meeting Minutes – March 6, 2025
- (2) Executive Committee Meeting Minutes – April 3, 2025
- (3) Inter-District Discount Window Operations Contingency Resolutions
- (4) Austin by the Numbers
- (5) Workforce Implications of Generative AI
- (6) 11K Review Board of Directors Report
- (7) 11th District Discount Window Activity

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(8) Texas Economic Indicators

ADJOURNMENT

The meeting adjourned at 12:30 p.m. (CST).

Corporate Secretary

DT:sp

APPROVED: _____ Chair