

**Minutes of the meeting of the
SECOND DISTRICT ADVISORY COUNCIL**

3:00 p.m. – 4:15 p.m., Thursday, May 21, 2020

Federal Reserve Bank of New York

33 Liberty Street, New York, NY

Via Conference Call

On Conference Call:

Donnel Baird, Founder & CEO, BlocPower

Adenah Bayoh, Founder, Adenah Bayoh & Companies

Jaswinder Chadha, President & CEO, Axtria, Inc.

Michellene Davis, EVP, Chief Corporate Affairs Officer, RWJBarnabas Health

Kevin Ellis, CEO, Cayuga Milk Ingredients

Lynne Marie Finn, President & CEO, Broadleaf Results

Hugh Johnston, Vice Chairman & CFO, PepsiCo

Sarah LaFleur, Founder & CEO, M.M.LaFleur

Steve Priest, EVP & CFO, JetBlue Airways Corporation

Jonathan F.P. Rose, President, Jonathan Rose Companies

Anthony E. Shorris, John Weinberg/Goldman Sachs Visiting Scholar & Senior Advisor,
Princeton University, McKinsey & Company

Federico Stubbe, Jr., President, PRISA Group

Federal Reserve Bank of New York attendees:

John Williams, President & CEO

Michael Strine, First Vice President

Jack Gutt, EVP, Communications & Outreach

David Erickson, SVP, Outreach & Education

Andrew Haughwout, SVP, Research & Statistics

Matthew Higgins, VP, Research & Statistics

David Lucca, VP, Research & Statistics

Rosanne Notaro, VP, Legal

Jaison Abel, AVP, Research & Statistics

Claire Kramer Mills, AVP, Outreach & Education

Tony Davis, Officer, Outreach & Education

Edison Reyes, Associate, Outreach & Education

Claire Kramer Mills called the meeting to order at approximately 3:00 p.m.

1. Welcome & Update

This meeting was held via conference call given the Bank staff's continuing teleworking posture and for continued safety precautions in response to Covid-19. President Williams welcomed council members and staff to the second meeting of the Second District Advisory Council (SDAC) of the year, and communicated recent actions undertaken by the Federal Reserve System to address business and household credit issues related to the pandemic.

2. National Economy Update

Mr. Lucca presented an update on the national economy and highlighted trends in the labor market, changes in the Gross Domestic Product and impact on payroll as a result of the pandemic. He noted that vulnerable workers and those in service-oriented industries have been greatly impacted. Mr. Lucca concluded his remarks by stating that the recovery is uncertain and will vary across industries and geographies.

3. Question & Answer Session

Several SDAC members asked President Williams about the different credit facilities created by the Federal Reserve System and their connection to the growing federal budget deficit. President Williams explained that the credit facilities were established to support the overall economy by meeting the liquidity needs of entities that were financially sound prior to the crisis and that have experienced a decline, and in some instances a delay, in cash flow or revenue caused by the pandemic. President Williams noted that government action has been appropriate to ensure the economy is well-positioned to recover from the crisis.

4. Facilitated Discussion

Ms. Kramer Mills began the facilitated discussion by asking SDAC members to discuss current trends and future forecasts for their industry. Members shared insights about the housing/rental market, health system preparedness, supply chain challenges, state/local government deficits, staffing, and consumer confidence during the pandemic. As COVID-19 has continued to impact areas across the country, businesses have altered operation practices and offered products/services differently to match health and safety measures put in place by local governments. Members expressed concern related to resiliency of households and industries, safety measures for employees and customers, and support systems in place for businesses to access credit during this time.

Several SDAC members discussed how the pandemic has impacted workers' wages and ability to pay rent, and similarly, businesses' commitments to current leases. The delinquency rate of payments have been trending upward nationally over the past few months

and members expect it will increase if closure measures continue to remain in place. One member emphasized that this pandemic will affect families and individuals considered rent burdened and leave groups of communities even more vulnerable as a result of this economic shock. Members noted they continue to monitor local and federal actions in response to the pandemic and remain certain that the consequences of Covid-19 have yet to be fully realized. As the country continues its road to recovery, businesses and government officials will need to inspire consumer confidence with increasing safety measures and well-defined phased in efforts.

5. Concluding Remarks

Mr. Williams noted that the New York Fed will be engaging council members and alumni regularly moving forward, with another meeting on July 14, 2020.

The meeting adjourned at approximately 4:15 p.m.