

**Minutes of the regular meeting of the
COMMUNITY DEPOSITORY INSTITUTIONS ADVISORY COUNCIL**

11:00 a.m. –2:00 p.m., Friday, October 2, 2018

Federal Reserve Bank of New York

33 Liberty St., New York, NY

Present:

Avner Mendelson, President and CEO, Bank Leumi

Martin K. Birmingham, President and CEO, Five Star Bank and Financial Institutions Inc.

Nancy E. Graves, President and Chief Executive Officer

Gerald J. Klein, Jr., President and CEO, Tompkins Mahopac Bank

Katherine J. Lisenon, President and CEO, Metuchen Savings Bank

Christopher Martin, Chairman, President and CEO, Provident Bank and Provident Financial Services Inc.

Faheem A. Masood, President and CEO, ESL Federal Credit Union

*Tyrone Muse, President and CEO, Visions Federal Credit Union

*Council Chair

Federal Reserve Bank of New York attendees:

Richard Dzina

Rosanne Notaro

Nora Fitzpatrick

Richard Peach

Jacqueline Fenton

Joelle Scally

Bettyann Griffith

William Schaeffer

Jack Gutt

Kevin Stiroh

Michael Held

Michael Strine

Beverly Hirtle

John Williams

The meeting was called to order at approximately 11:00 a.m.

1. Administrative Matters

Mr. Dzina called the meeting to order and welcomed the members.

2. Presentations to Council Members

Mr. Peach discussed the national and regional economic outlook.

3. Luncheon Discussion

After a brief recess, Mr. Williams joined the group for the luncheon discussion. Members were asked to comment on current banking conditions, overall economic conditions, payment systems, examination practices, and regulatory matters.

Members reported overall economic conditions, business conditions and loan demand were favorable.

Higher education has slowed down as a growth area for development in New York State. Housing market was stable with some markets still noting a shortage of affordable and mid-priced housing options. Small business credit is viewed as very competitive.

Wage and labor picture is mixed across the region. Many of the members noted there were tight employment conditions. Attendees continued to explain labor shortages were a key impact on their business and are implementing new strategies to close the skills gap and attract talent.

Members explained there has been an increase in the demand for deposits and more evidence of rate competition. Demand for best-in-class payment systems continue to grow among customers. There was also a discussion of the rising costs associated with security and technology enhancements.

Regulatory and compliance costs, according to members, are still high and many noted on inconsistency in the examination process.

The meeting adjourned at approximately 2:00 p.m.