

MANAGEMENT COMMITTEE
(SEATED, LEFT TO RIGHT)

James McAfee
Claudia N. MacSwain
Malcolm C. Alfriend
Walter A. Varvel
Victor M. Brugh, II
Robert E. Wetzel, Jr.
Janice E. Clatterbuck

MESSAGE FROM MANAGEMENT

For the Federal Reserve Bank of Richmond, 2004 was a year of transition, a time when a series of anticipated changes in organization and operations occurred. With the departure of a president and the conclusion of a retirement program involving a large number of officers and staff, the Bank lost a great deal of valuable knowledge and experience. At the same time, a new face of the Bank began to emerge, with the succession of experienced leaders at all levels who demonstrate a strong commitment to our core values.



(STANDING, LEFT TO RIGHT)
Marvin S. Goodfriend
Jeffrey S. Kane
Jeffrey M. Lacker
Marsha S. Shuler

In August, Al Broaddus retired after 11 years as the Bank's president. We are indebted to Al for his leadership and service and will miss his inspiring example. To succeed him as president, our board appointed Jeff Lacker, an economist with the Bank for 15 years and director of the Research Department for the last five years. We welcome Jeff to his new role and look forward to his energy and vision for the Bank's future. More than 200 longtime employees left the Bank in 2004 as part of a planned retirement program. In preparation for this change, the Bank several years ago initiated leadership development efforts that identified future leaders and prepared them to take on additional responsibilities. In conjunction with these changes in leadership, Bank management completed a restructuring and realignment of its responsibilities to better reflect the direction we want to move as a Bank.

The growth and increased complexity of the banking industry in the Fifth District has presented the Bank with greater challenges as well as expanded opportunities to continue fulfilling our responsibilities in our daily interactions with financial organizations and markets. Banking supervisors, research economists, and other practitioners are working more closely on projects and are building a competency of increased information sharing and collaboration throughout the Bank. Operations of the new Federal Reserve System functions hosted by the Bank continued to mature during the year, with the National Procurement Office developing System-wide purchasing standards and the centralized payroll function absorbing payroll responsibility for seven additional Reserve Banks.

In other business changes, the consolidation of our District check services was completed and resulted in the closing of operations in Richmond; Columbia, South Carolina; and Charleston, West Virginia, with our Baltimore and Charlotte Offices growing to assume most of that work. The Charleston responsibilities were transferred to the Cincinnati Office of the Cleveland Fed. We also introduced new check services to support the requirements of the Check 21 legislation.

Our vision—to be a Bank of excellence, making important contributions to the System—led us to undertake initiatives to be more agile and able to adapt to changing conditions in the industry and the larger economy. By drawing on broader and more diverse input from around the Bank, our outlook is more inclusive, the information we use is more relevant, and the decisions we make are more timely. We are fulfilling our responsibility to the System to have the people in place who can recognize and seize opportunities that allow the Bank to meet and excel at our challenges.

In a broad sense, we have sought to integrate “thought leadership” with our strategic goals—to employ the best people, work effectively, exert influence on monetary policy, engage constructively with the District’s people and businesses, and find ways to play important roles in the System. As we look ahead, we believe we have a strong and solid base of experience upon which to build as we seek to capitalize on the insights of our new and talented leadership and inspire Bank employees to excel at all they do and to help make meaningful contributions to the Federal Reserve.



Walter A. Varvel
First Vice President