“Strong leadership on the part of the Reserve Banks in their several districts is a prerequisite for the success of the entire System.”

Paul M. Warburg, 1910
The Federal Reserve Bank of Kansas City and its Branches in Denver, Oklahoma City and Omaha have three broad focus areas: contributing to monetary policy that promotes stability and growth; providing supervisory and regulatory oversight to financial institutions; and promoting safe and efficient financial services.

This annual report includes information on the leadership and Divisions of the Kansas City Fed and its Branches.

The 2011 audited financial report for the Federal Reserve Bank of Kansas City is available online at KansasCityFed.org.
As the central bank of the United States, the Federal Reserve has a broad range of responsibilities. Its mission areas are: conducting monetary policy, supervising and regulating financial institutions, and providing financial services to depository institutions.

As one of the 12 regional headquarters, the Federal Reserve Bank of Kansas City plays a key role in the success of these three areas. Here’s a look at the operations of the Kansas City Fed and its Branch offices in Denver, Oklahoma City and Omaha.

ADMINISTRATIVE SERVICES
This division performs a variety of services to keep the internal operations of the Kansas City Fed running smoothly. Functions include maintaining the Reserve Bank’s facilities; providing a safe and secure environment; developing and implementing human resources strategies to meet the evolving needs of the Fed’s workforce and environment; developing the budget; and providing accurate financial accounting and reporting. Additionally, the division houses the Office of Minority and Women Inclusion (OMWI), which is responsible for overseeing the Bank’s diversity initiatives as outlined in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Facilities Management, Protection, Human Resources, Financial Management and National Billing Operations are included in the Administrative Services Division, which employs 283 people.

AUDIT
Audit reports to the Audit Committee of the Board of Directors and provides an independent and objective assessment of the Tenth Federal Reserve District’s internal controls, risk management and governance processes to the Board of Directors and senior management. It employs 20 people.

CHECK AUTOMATION SERVICES/PAYMENT DIRECTOR PROJECT
This division is responsible for providing a substantial portion of the technology services supporting the Federal Reserve System’s paper and electronic check systems. In addition, the division is leading the multiyear Payment Director Project for the Federal Reserve System’s Retail Payments Office. The project was initiated to implement a more efficient electronic check-processing system. In August, the division head was named the Retail Payments CIO, which encompasses oversight for ACH technology services in addition to check systems. The division employs 113 people.

ECONOMIC RESEARCH
Economic Research studies and evaluates monetary policy, macroeconomics, the payments system and other issues of importance to the Kansas City Fed and the Federal Reserve System. Through publications and presentations, staff members communicate their research findings to the Bank’s senior management and directors, policymakers, other researchers, and the public. Annually, the division, in collaboration with Public Affairs, develops and hosts the prestigious Jackson Hole Symposium in Wyoming, where central bankers, economists, policymakers and academics from around the world gather to discuss global economic topics. This division employs 46 people.

FINANCIAL SERVICES
Financial Services provides financial institutions across the country with services and support in accessing the payments system and meeting cus-
customers’ demand for currency and coin. Through Cash Services, Wholesale Operations, Check Services, the Customer Contact Center and Sales departments, the division receives deposits and distributes currency and coin; provides secure and timely transfers of funds and securities between banks; supports the paper and electronic check-clearing network; provides customer support and access to payment networks; consults with and sells payments services to financial institutions and manages customer relationships; and provides service to consumers nationwide who have questions or complaints about their financial institution. The division employs 180 people.

INFORMATION TECHNOLOGY
The Information Technology Division works to support the efforts of business areas in the Kansas City Fed and the Federal Reserve System through innovative information technology solutions. This division includes Information Security, the National Service Desk, Human Resources Technology Center, Internal Network Services, the Server Management Transition Project and Application Delivery Services. The division employs 218 people.

LEGAL
The Legal Division serves as the Kansas City Fed’s legal counsel. It provides advice to management and the Board of Directors; represents the Kansas City Fed in administrative and judicial proceedings; assists the Kansas City Fed in complying with applicable law; counsels employees concerning the Kansas City Fed’s Code of Conduct; provides training to management; and helps educate employees on legal issues. The division employs five people, including four lawyers.

REGIONAL, PUBLIC AND COMMUNITY AFFAIRS
The division’s primary responsibilities are research, resource development and communications. The division’s economists track developments in the District’s economy and present their findings to senior management as part of the Bank’s monetary policy deliberations. Through publications, Money museums, media relations, electronic communication and educational programs, Public Affairs works to explain the Fed’s purpose and functions. Community Affairs promotes economic development through fair and impartial access to credit throughout the District. The division employs 60 people.

SUPERVISION AND RISK MANAGEMENT
This division is responsible for supervising bank holding companies and state-chartered member banks in the Tenth District. With the passage of the Dodd-Frank Act, the division also is responsible for the supervision of savings and loan holding companies. The responsibilities include conducting examinations of these institutions to ensure a safe and sound banking system. Staff also examines banks for compliance with consumer laws and regulations and for performance under the Community Reinvestment Act. The division’s applications function reviews and analyzes applications received from banking organizations for transactions requiring approval such as acquisitions, mergers, establishing additional branches, and changes in ownership or control. The division’s credit and risk management function extends credit to depository institutions and assists organizations in managing Federal Reserve account balances. The division also collects data from financial organizations, studies financial industry trends, conducts banking research, and hosts seminars and forums for banks throughout the region. The division employs 296 people.

TREASURY SERVICES
The Treasury Services Division was created in 2011 to recognize the continued growth in services provided by the Kansas City Fed to the U.S. Department of Treasury in the areas of payments and technology. The division’s main responsibilities involve providing application development and support services for multiple Treasury project initiatives including the Payment Application Modernization (PAM) project, the Payment Information Repository effort, and the GOVerify initiative. The division employs 34 people.
As the Federal Reserve Bank of Kansas City’s senior leadership team, the Management Committee guides the organization’s mission, vision, values and objectives.
CLASS A
The three Class A directors represent commercial banks that are members of the Federal Reserve System. These directors are bankers who are nominated and elected by member banks within the Tenth Federal Reserve District. The District includes Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming.

Under the Class A category, a director will be elected by a specific group of member banks classified as either 1, 2 or 3. This classification is based on the total amount of capital and surplus for each commercial bank, with Group 1 banks being the largest. Each group within the class elects one director.

For example, Max T. Wake, president of the Jones National Bank & Trust Co. of Seward, Neb., is a Class A director, who was elected by, and represents, Group 3 member banks.

CLASS B
The three Class B directors represent the public; however, they may not be an officer, director or employee of a financial affiliation company. These directors are also elected by member banks under the same categories as Class A directors. For example, Richard K. Ratcliffe, chairman of Ratcliffe’s Inc. of Weatherford, Okla., is a Class B director elected by Group 2 member banks.

CLASS C
The three Class C directors also represent the public. These directors, however, are appointed by the Board of Governors of the Federal Reserve System.

Like a Class B director, a Class C director may not be an officer, director or employee of a financial affiliation company. These directors may not own stock in a bank or a bank holding company. For example, Terry L. Moore, president of the Omaha Federation of Labor, is a Class C director. From the Class C directors, the Board of Governors selects one person as chairman and another as deputy chairman.

SERVING ON THE BOARD
Federal Reserve Bank of Kansas City
Reserve Bank directors meet monthly to oversee the Bank’s operations and policies and to confer on economic and banking developments. The directors also provide information on economic conditions within the District as a part of the Bank president’s preparation for Federal Open Market Committee meetings. Among directors’ responsibilities is establishing the Kansas City Fed’s discount rate, which is subject to review and determination by the Federal Reserve Board. The directors and their classifications are on Page 37.

SERVING THE BRANCHES
Denver, Oklahoma City and Omaha
Each Branch of the Federal Reserve Bank of Kansas City also has its own seven-member Board of Directors. Four of these directors are appointed by the Federal Reserve Bank of Kansas City while three are appointed by the Board of Governors. Branch directors serve three-year terms and provide their respective Branch executives with insight on regional economic conditions as well as offer advice and counsel. Branch directors are on Pages 38-40.
Boards of Directors

Kansas City

(From left, front row) Mr. Brownback, Mr. Ratcliffe, Mr. Stout, Mr. DeBruce, Ms. Córdova, (back row) Mr. Ikard, Mr. Wake, Mr. Gordon and Mr. Moore

Paul DeBruce, Board Chair
Chief Executive Officer and Founder
DeBruce Grain, Inc.
Kansas City, Missouri (Class C)

Lu M. Córdova, Board Deputy Chair
Chief Executive Officer, Corlund Industries;
President and General Manager,
Almacen Storage Group
Boulder, Colorado (Class C)

David W. Brownback
President and Chief Executive Officer
Citizens State Bank & Trust Company
Ellsworth, Kansas (Class A, Group 2)

Mark Gordon
Owner
Merlin Ranch
Buffalo, Wyoming (Class B, Group 3)

John A. Ikard
President and Chief Executive Officer
FirstBank Holding Company
Lakewood, Colorado (Class A, Group 1)

Terry L. Moore
President
Omaha Federation of Labor, AFL-CIO
Omaha, Nebraska (Class C)

Richard K. Ratcliffe
Chair
Ratcliffe’s Inc.
Weatherford, Oklahoma (Class B, Group 2)

John T. Stout, Jr.
Chief Executive Officer
Plaza Belmont Management Group LLC
Shawnee Mission, Kansas (Class B, Group 1)

Max T. Wake
President
Jones National Bank & Trust Co.
Seward, Nebraska (Class A, Group 3)

Directors oversee the Bank’s operations and policies, and confer on economic and banking developments.
Denver

(From left) Ms. Kelly, Mr. Brown, Ms. Mowry, Ms. Yatskowitz, Ms. Herda and Mr. Zaback

Barbara Mowry, Board Chair
Chief Executive Officer
GoreCreek Advisors
Greenwood Village, Colorado

Bruce K. Alexander (not pictured)
President and Chief Executive Officer
Vectra Bank Colorado
Denver, Colorado

Charles H. Brown III
President
C.H. Brown Co.
Wheatland, Wyoming

Anne Haines Yatskowitz
President and Chief Executive Officer
ACCION New Mexico-Arizona-Colorado
Albuquerque, New Mexico

Larissa L. Herda
Chair, Chief Executive Officer and President
tw telecom inc.
Littleton, Colorado

Margaret M. Kelly
Chief Executive Officer
RE/MAX, LLC
Denver, Colorado

Mark A. Zaback
President and Chief Executive Officer
Jonah Bank of Wyoming
Casper, Wyoming

Branch directors provide insight on local economic conditions and advise and counsel the Branch executives. Directors must satisfy the same eligibility requirements that pertain to head office directors.
Oklahoma City

(From left) Ms. Washington, Mr. Tippens, Mr. Dunn, Ms. Fiegel, Mr. Agee and Mr. Vasudevan

Steven C. Agee, Board Chair
Dean and Professor of Economics
Meinders School of Business
Oklahoma City University
Oklahoma City, Oklahoma

Bill Anoatubby (not pictured)
Governor
Chickasaw Nation
Ada, Oklahoma

James D. Dunn
Chair
Mill Creek Lumber & Supply Co.
Tulsa, Oklahoma

Jacqueline R. Fiegel
Senior Executive Vice President and
Chief Operating Officer
Coppermark Bank
Oklahoma City, Oklahoma

Douglas E. Tippens
President and Chief Executive Officer
Bank of Commerce
Yukon, Oklahoma

K. Vasudevan
Chairman and Founder
Service & Technology Corporation
Bartlesville, Oklahoma

Rose Washington
Executive Director
Tulsa Economic Development Corporation
Tulsa, Oklahoma
Omaha

(From left) Mr. Adams, Mr. Thom, Mr. Farrell, Ms. Martin, Mr. Russell and Mr. Sutko

James C. Farrell, Board Chair
President and Chief Executive Officer
Farmers National Company
Omaha, Nebraska

Todd S. Adams
Chief Executive Officer
Adams Bank & Trust
Ogallala, Nebraska

JoAnn M. Martin
Chairman, President and Chief Executive Officer
Ameritas Life Insurance Corp.
Lincoln, Nebraska

Natalia J. Peart (not pictured)
Chief Executive Officer
Women’s Center for Advancement
Omaha, Nebraska

G. Richard Russell
President and Chief Executive Officer
Millard Lumber Inc.
Omaha, Nebraska

Mark A. Sutko
President and Chief Executive Officer
Platte Valley State Bank
Kearney, Nebraska

James L. Thom
Vice President
T-L Irrigation Co.
Hastings, Nebraska
Economic Advisory Council

(From left) Mr. Sunderland, Mr. Aulick, Mr. Ward, Mr. Bourne, Ms. Johnson, Mr. Lewis, Mr. McClain, Mr. Hofmann and Ms. Bass

Vincent L. Aulick
President
Aulick Industries and Aulick Manufacturing
Scottsbluff, Nebraska

Deb Bass
President and Chief Executive Officer
Bass & Associates Inc.
Omaha, Nebraska

John F. Bourne
International Representative
International Brotherhood of Electrical Workers
Omaha, Nebraska

Michael W. Hofmann
Vice President and Chief Risk Officer
Koch Industries, Inc.
Wichita, Kansas

Deborah Johnson
Chief Executive Officer
Rick Johnson and Company, Inc.
Albuquerque, New Mexico

Richard Lewis
President and Chief Executive Officer
RTL Networks, Inc.
Denver, Colorado

Terry McClain
Senior Vice President and Chief Financial Officer
Valmont Industries, Inc.
Omaha, Nebraska

Charles T. Sunderland
Chairman and Chief Executive Officer
Ash Grove Cement Company
Overland Park, Kansas

Tom L. Ward
Chairman, Chief Executive Officer and President
SandRidge Energy, Inc.
Oklahoma City, Oklahoma

Members, who represent business and labor from the Tenth District, meet twice a year with Kansas City Fed staff to offer insight on the regional economy.
Advisory Councils

Community Development Advisory Council

(From left) Ms. Capps, Ms. Meyer, Mr. Smith, Ms. Dobreff, Mr. McQueen, Ms. Marquez, Ms. Wright and Mr. Padilla

Linda Capps  
Vice Chairman  
Citizen Potawatomi Nation  
Shawnee, Oklahoma

Erica Dobreff  
President  
Kansas City Equity Fund  
Kansas City, Missouri

Shelly Marquez  
Vice President & Community Development Manager  
Wells Fargo Bank  
Denver, Colorado

Clyde McQueen  
President and Chief Executive Officer  
Full Employment Council  
Kansas City, Missouri

Carol Meyer  
President  
Garden City Chamber of Commerce  
Garden City, Kansas

Daniel Padilla  
Regional Branch Director  
First National Bank  
Omaha, Nebraska

Alex Romero (not pictured)  
President and Chief Executive Officer  
Albuquerque Hispano Chamber of Commerce  
Albuquerque, New Mexico

Tom Seth Smith  
President and Chief Executive Officer  
REI  
Durant, Oklahoma

Lesli Wright  
Senior Vice President, Risk Management  
Hilltop National Bank  
Casper, Wyoming

Members, who come from financial institutions, nonprofits, universities and businesses, meet twice a year with Kansas City Fed staff to offer insight on economic and community development issues in the region.
Members were selected from representatives of banks, thrift institutions and credit unions. CDIAC replaces the Thrift Institutions Advisory Council.
Participants from ranching, agriculture, biofuels, dairy, financing and other sectors meet annually with Kansas City Fed staff to give presentations on their industry and participate in open discussion.
Regional Economic Roundtable

(From left) Mr. Hill, Mr. Wobbekind, Mr. Guetabbi, Mr. Decker, Mr. Mitchell, Ms. Reynis and Mr. Robinson

Russell Evans (not pictured) *
Director, Center for Applied Economic Research
Oklahoma State University
Stillwater, Oklahoma

Jeremy Hill
Director, Center for Economic Development and Business Research
Wichita State University
Wichita, Kansas

David Mitchell
Assistant Professor
Missouri State University
Springfield, Missouri

Lee Reynis
Director, Bureau of Business and Economic Research
University of New Mexico
Albuquerque, New Mexico

Jim Robinson
Senior Economist, Economic Analysis Division
State of Wyoming
Laramie, Wyoming

Eric Thompson (not pictured) **
Associate Professor of Economics
Director, Bureau of Business Research
University of Nebraska – Lincoln
Lincoln, Nebraska

Richard L. Wobbekind
Director, Business Research Division and Associate Dean
University of Colorado – Boulder
Boulder, Colorado

*Mouchine Guetabbi
(Attended 2011 Roundtable on behalf of Russell Evans)
Research Economist
Oklahoma State University
Stillwater, Oklahoma

**Christopher Decker
(Attended 2011 Roundtable on behalf of Eric Thompson)
Associate Professor of Economics
University of Nebraska – Omaha
Omaha, Nebraska

Economists from each of the seven states in the Tenth District meet annually with Kansas City Fed staff to review the state’s activities from the past year and offer future insight. Sectors discussed include housing, manufacturing, agriculture, construction, energy, banking, employment, retail and exports.


**Kansas City**

Thomas M. Hoenig  
President and Chief Executive Officer (retired, Oct. 1, 2011)

Esther L. George  
President and Chief Executive Officer

Alan D. Barkema  
Senior Vice President and Director of Research

Denise I. Connor  
Senior Vice President

Kelly J. Dubbert  
Senior Vice President and Chief Information Officer

Kevin L. Moore  
Senior Vice President

Dawn B. Morhaus  
Senior Vice President

Barbara S. Pacheco  
Senior Vice President

Diane M. Raley  
Senior Vice President, Public Information Officer and Secretary

Donna J. Ward  
Senior Vice President and Director of the Office of Minority and Women Inclusion

Craig S. Hakkio  
Senior Vice President and Special Advisor on Economic Policy

Stephen E. McBride  
Senior Vice President and General Auditor

Veronica M. Sellers  
Senior Vice President and General Counsel

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Vice President

Larry D. Bailey  
Vice President

Anita F. Costanza  
Vice President

Kristi A. Coy  
Vice President

Kevin J. Craig  
Vice President

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Vice President and Economist

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Pamela L. Weinstein  
Vice President

Kristina J. Young  
Vice President and Assistant Secretary

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Assistant Vice President

J. Stephen Bradberry  
Information Technology Officer

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Assistant Vice President

Kelli J. Cox  
Assistant Vice President

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Assistant Vice President

Dennis V. Denney  
Assistant Vice President

Tammy Edwards  
Assistant Vice President and Community Affairs Officer

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Assistant Vice President

Lori D. Haley  
Assistant Vice President

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Assistant Vice President

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Assistant Vice President and Economist

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Assistant Vice President

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Assistant Vice President

Renu A. Mehra  
Assistant Vice President

Randall L. Mueller  
Assistant Vice President

Kimberly N. Robbins  
Assistant Vice President

Amy M. Seck  
Assistant Vice President

Kenneth R. Spong  
Assistant Vice President and Economist

Michael R. Steckline  
Assistant Vice President

Brosie Strada  
Assistant Vice President

Stephanie L. Stratemeyer  
Assistant Vice President

Leesa G. Thompson  
Assistant Vice President

Wilmer R. Ullmann  
Assistant Vice President, Associate General Counsel and Ethics Officer (retired, July 15, 2011)

Kathryn A. Webster  
Assistant Vice President

James Wilkinson  
Assistant Vice President and Economist

Jonathan L. Willis  
Assistant Vice President and Economist

Ginger K. Wise  
Assistant Vice President

Catherine A. Zeigler  
Assistant Vice President

**Denver**

Mark C. Snead  
Vice President, Branch Executive and Economist

Amy Hileman  
Assistant Vice President

Debbie L. Meyers  
Assistant Vice President

Trina L. Parsley  
Assistant Vice President

**Oklahoma City**

Chad R. Wilkerson  
Vice President, Branch Executive and Economist

Robert W. Toler  
Assistant Vice President

**Omaha**

Jason R. Henderson  
Vice President, Branch Executive and Economist

D. Rick Lay  
Assistant Vice President