

Revised

ORD#03

ORDINANCE OF THE BOARD OF FREEHOLDERS
COUNTY OF ESSEX

0-2015

ORDINANCE NO. 00015 AUTHORITY FOR ORDINANCE:

N.J.S.A. 40:41A-38(n)

PROPOSED BY: COUNTY EXECUTIVE JOSEPH N. DIVINCENZO, JR.

FREEHOLDER PRESIDENT BRITNEE TIMBERLAKE; VICE PRESIDENT BRENDAN GILL;
FREEHOLDERS SEBOLD; JOHNSON, JONES, BOBADILLA, RICHARDSON, LUICIANO, AND TORO
AUTHORITY FOR ACTION: N.J.S.A. 40:41A-36(i)

**SUBJECT: AN ORDINANCE ESTABLISHING ESSEX COUNTY'S BANKING
REVIEW PROGRAM**

WHEREAS, The Community Reinvestment Act of 1977 (CRA) directs specific federal regulatory agencies to encourage insured depository institutions to help meet the credit needs of the communities in which they are chartered; and

WHEREAS, CRA requires that each insured depository institution's record in helping to meet the credit needs of its entire community, including low to moderate income neighborhoods, be assessed periodically; and

WHEREAS, all state member banks, state nonmember banks, national banks and savings associations that meet or exceed specified asset thresholds are subject to the data collection and reporting requirements of the CRA; and

WHEREAS, the disclosure statements for all institutions that have reported CRA data for a particular year are publically available; and

WHEREAS, the County of Essex has prepared a Cash Management Plan (the "Plan"), pursuant to state statute, in order to set forth the basis of the Deposits and Permitted Investments of certain public funds of the County of Essex; and

WHEREAS, the intent of the Plan is to provide that the decisions made with regard to Deposits and Permitted Investments will be done to ensure the safety, liquidity and the maximum investment return within such limits of all public funds; and

WHEREAS, the County of Essex annually adopts, approves and designates specific banks and financial institutions as official depositories for the deposit of all public funds referred to in the Plan; and

WHEREAS, the banks and financial institutions receive deposits, accounts and other forms of investments from the residents of the County of Essex; and

WHEREAS, the practices and products (i.e. loans, investment products, etc.) of banks and financial institutions have a measurable impact on the County of Essex' tax base, quality of life and overall economic viability and competitiveness; and

WHEREAS, New Jersey has the third highest rate of foreclosure in the United States; and

WHEREAS, foreclosure should only be used as a last resort after exhausting all other options to prevent foreclosure, including, principal rate reduction, interest rate reductions, forbearance, a preferred equity modification plan, or repayment plans; and

WHEREAS, in addition to foreclosure displacing people, vacant, unmaintained bank owned properties are susceptible to becoming dilapidated, attracting criminal activity, all while diminishing neighborhood aesthetics and decreasing surrounding property values; and

WHEREAS, banks have an obligation to the community to ensure that foreclosed bank owned properties are secured and maintained; and

WHEREAS, banks have an obligation to have fair and non-predatory practices when it relates to banking service products and all loan types; and

WHEREAS, banks can play a financial role in developing small businesses, minority owned businesses and women owned businesses as it is local family companies that turn the economy of many municipalities; and

WHEREAS, the County of Essex seeks to obtain publically available data from those banks designated as official depositories of all public funds with the intent of reviewing the data that measures the financial role institutions play in developing experienced small businesses, minority owned business and women owned business that turn the economy of many municipalities within the county; and

WHEREAS, the County of Essex further seeks to review and evaluate the reported data concerning the amount of responsible loans, investments, grants, and financial services throughout the County for all communities with emphasis on very low to moderate income communities and to older adults (seniors) through heightened public accountability to the County and its residents; and

WHEREAS, the intent of the Essex County Banking Community Reinvestment Act Review Program is NOT to create additional banking regulations or requirements for banking institutions; rather, the intent is to obtain information banking institutions are currently required elsewhere by existing state and federal laws and regulations to collect and file; and

WHEREAS, the intent of Essex County's Banking Community Reinvestment Act Review Program IS to spur meaningful community reinvestment by the County's financial institutions and underwriters who receive deposits and other forms of investments from the County; and

WHEREAS, this Ordinance shall require county banks and financial institutions receiving deposits, cash flows, transfers etc. of any County funds, to provide an annual statement that contains information regarding its community reinvestment activities within the County of Essex. **NOW, THEREFORE,**

BE IT ORDAINED that;

any bank or financial institution which receives, or is seeking to receive, deposits, cash flows, transfers etc. of any County funds, and any bank or financial institution selected shall on Annual basis, submit for review its required annual Community Reinvestment Act (CRA) Data Submissions and CRA rating. All County Banks and financial institutions, shall submit their Annual Disclosures to the County Treasurer and/or Chief Financial Officer on or before October 31 of each year and provide an oral in person report on their Community Reinvestment Act Data Submissions to the appropriate Board of Chosen Freeholder Committee by November 30th of each year. The disclosure statements filed by the banking and financial institutions shall be posted on the appropriate County websites for public viewing within 60 days of the beginning of each new County fiscal year; and be available for public inspection and copying; and

BE IT FURTHER ORDAINED that The County of Essex will utilize said collected data as an additional tool in its evaluation and designation of official depositories of public funds.

BE IT FURTHER ORDAINED that

1. A Public Hearing on this Ordinance shall be held at 7:00 pm on October 28, 2015 at the Essex County Hall of Records, Room 506 - 465 Dr. MLK Jr. Blvd. Newark NJ
2. The Clerk of the Board is hereby directed to publish and distribute the within Ordinance in accordance with the law
3. The Clerk of the Board forward one (1) certified copy of this Ordinance to the Office of the County Administrator, Office of County Counsel and Department of Administration and Finance

Approved as to form and legality Courtney Accune

RECORD OF VOTE: X=Vote N.V.=Abstention ABS=Absent

FIRST READING
 Moved by Freeholder Timberlake
 Seconded by Freeholder Sebold

SECOND READING
 Moved by Freeholder Timberlake
 Seconded by Freeholder Sebold

Freeholder	Yes	No	N.V.	ABS	Freeholder	Yes	No	N.V.	ABS
BOBADILLA				X	BOBADILLA	✓			
GILL, V.P.	X				GILL, V.P.	✓			
JOHNSON				X	JOHNSON	✓			
JONES	X				JONES				✓
LUCIANO	X				LUCIANO	✓			
RICHARDSON	X				RICHARDSON	✓			
SEBOLD	X				SEBOLD	✓			
TIMBERLAKE, PRESIDENT	X				TIMBERLAKE, PRESIDENT	✓			
TORO	X				TORO	✓			

Date Mailed to Municipal Clerks 10-9-15
 Date Public Hearing 10-28-15
 Date Published 10-13-15

Date Mailed to Municipal Clerks 11/2/15
 Date Published 11/5/15

It is hereby certified that the foregoing Ordinance was adopted () defeated () tabled by roll call vote at Special meeting of the Board of Chosen Freeholders of the County of Essex, New Jersey, held on October 7, 2015

It is hereby certified that the foregoing Ordinance was adopted () defeated () tabled by roll call vote at regular meeting of the Board of Chosen Freeholders of the County of Essex, New Jersey, held on Oct 28, 2015

Britnee N. Timberlake
 Britnee N. Timberlake, President

Britnee N. Timberlake
 Britnee N. Timberlake, President

The foregoing Ordinance has been duly presented to me on 10-29-15
 I hereby approve () disapprove the same on 10-29-15
 Returned and filed 10-29-15
Deborah Davis Ford
 Deborah Davis Ford, Clerk

Joseph N. DiVincenzo Jr.
 Joseph N. DiVincenzo Jr., County Executive

Ordinance - Banking Ordinance

10/02/15