

# Bond Case Briefs

*Municipal Finance Law Since 1971*

---

## Police Misconduct Costs Prompt U.S. Cities to Increase Taxes.

The costs of police confrontations with citizens are mounting in U.S. cities, forcing many to spend millions more on training and some to seek tax increases to pay for federally mandated reforms in departments that used excessive force.

New Orleans voters in April will consider raising property taxes to pay the costs of a 2010 consent decree, one of 16 enforced by the Justice Department in the past six years. Cleveland Mayor Frank Jackson on Feb. 1 proposed a half-percentage point increase in the local income tax to improve policing, after a 2015 decree that will cost \$10.6 million this year and a projected \$7.1 million in each of the next four years, city documents show.

Spending on police training in 23 of the 25 most populous U.S. cities has increased by 17 percent since 2013 to \$317.9 million last year, with at least \$332.5 million budgeted in 2016, according to data provided in response to public-records requests and compiled by Bloomberg. The numbers don't capture all the training costs because some cities don't track it separately.

"Cities just don't have this kind of money," said Kevin Kelley, president of the Cleveland City Council. "Nobody advocates unconstitutional policing, but the point is this is going to be very expensive."

### **Budget Whack**

In Ferguson, Missouri, where the 2014 shooting of an unarmed black 18-year-old caused civil unrest, the St. Louis suburb says the costs associated with a consent decree could consume more than one-quarter of its \$14.5 million annual operating budget.

Ferguson's city council balked at signing a proposed agreement Feb. 9. The city, which projects a \$2.8 million deficit and last September had its credit reduced to junk status by Moody's Investors Service, estimates the costs could be as high as \$10 million over a three-year period. The day after the council's decision, the federal government sued the suburb of 21,000 people, alleging in a civil-rights lawsuit the city violates residents' rights and misuses law enforcement to generate revenue.

Unlike the 1990s, when the federal government provided large grants to police departments for crime fighting, the costs of misbehavior are now borne by municipalities.

"There's never been a concerted national effort to really spend a lot of money to address police misconduct," said Stephen Rushin, a professor at the University of Alabama School of Law who studies consent decrees. "We're finally coming to the recognition that correcting police misconduct is an expensive proposition."

### **Video Evidence**

Even where the federal government isn't intervening, municipalities are facing higher costs from

lawsuit judgments after videotaped incidents in which black victims died at the hands of officers.

In July 2014, a white New York police officer was recorded using an apparent chokehold to subdue Eric Garner, who was selling cigarettes illegally. Garner, who was black, died and his death was ruled a homicide, but the officer was cleared by a grand jury.

Subsequent incidents in Ferguson, Baltimore and Chicago drew attention as well as civil-rights investigations. Videotape evidence gave weight to allegations of excessive force.

The risk of litigation involving police “has become very substantial,” said Marshall Davies, executive director of the Public Risk Management Association, which is in the business of evaluating and minimizing financial exposure for governments.

“The risk has been there forever, as long as there have been police forces,” Davies said. “Suddenly, the risk has greatly increased in size.”

Los Angeles has seen its payouts for cases involving excessive or unlawful use of force and civil-rights violations reach \$23.6 million for the fiscal year ended June 30 from \$4.6 million in the year ended June 30 2012, according to records provided by the city attorney’s office.

City Councilman Mitchell Englander, the chairman of the public safety committee, said the city often settles cases even when they lack merit to eliminate the risk of going to court.

“I haven’t seen a spike in misconduct at the LAPD,” Englander said. “What I have seen is a spike in awareness and concern both nationally and locally. We may get punished for the sins of our siblings, so to speak.”

Chicago paid the family of Laquan McDonald \$5 million last year before the release of a video showing a white police officer shooting him 16 times, even as he lay crumpled on the ground. The Justice Department began a civil-rights investigation of the city’s police department in December. The nation’s third-largest city is financially vulnerable, facing a \$20 billion unfunded pension liability. Moody’s has also cut Chicago’s credit to junk status.

New York City reached a \$5.9 million settlement last year with Garner’s family. Cleveland agreed to pay \$3 million to settle a lawsuit brought by the family of Tamir Rice, a 12-year-old black boy fatally shot by police in 2014 while holding a toy gun.

These incidents have forced the bill for police training to jump. At a cost of \$35 million, the New York Police Department is teaching all 22,000 patrol officers new techniques for street encounters with civilians, particularly in minority neighborhoods, an initiative that grew out of the Garner incident.

Seattle’s annual budget for police training has increased about \$5 million to \$13.6 million after a 2012 consent decree forced changes, said Sergeant Sean Whitcomb, a spokesman for the department.

Training is a major component of managing risk, and cities that are able to afford more robust training “are the ones that are less likely to suffer,” said Chuck Thompson, executive director of the International Municipal Lawyers Association in Washington.

In a Feb. 18 report, Moody’s said legal bills related to Ferguson’s fight with the Justice Department “will exacerbate the city’s financial challenge that already include large deficits and rapidly dwindling reserves.”

Federal officials have begun their investigations of the Baltimore and Chicago police departments. Cleveland's Kelley said both places should be ready to open their wallets.

"Cities need to know that when the Justice Department comes in, there will be a financial burden," Kelley said.

## **Bloomberg Business**

by Tim Jones, Mark Niquette & James Nash

February 23, 2016 — 2:00 AM PST

Copyright © 2026 Bond Case Briefs | [bondcasebriefs.com](http://bondcasebriefs.com)