



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

File #: R2018-679, **Version:** 1

Committee on Finance June 27, 2018

RESOLUTION

WHEREAS, The City of Chicago ("the City") borrowed at least \$709.3 million using bonds from 2010 through 2017 to pay for legal settlements and judgments; and

WHEREAS, A large portion of the proceeds from these bonds was to pay for settlements and judgments in police misconduct cases; and

WHEREAS, Bonds that are used to pay for police misconduct cases have been termed "police brutality bonds"; and

WHEREAS, The City will pay an estimated \$1 billion in interest and underwriting fees in connection with these bonds; and

WHEREAS, This \$1 billion in profit will accrue to bondholders and banks like Goldman Sachs, Wells Fargo, and Bank of Montreal, which is the parent company of BMO Harris Bank; and

WHEREAS, The use of police brutality bonds to pay for police misconduct prevents accountability for abusive police officers and greatly increases the cost of policing to the City; and

WHEREAS, These costs place further strain on the City budget and lead to cuts to essential neighborhood services, including violence prevention programs, mental health facilities, and after school programs-all of which play a role in preventing deadly encounters between police officers and City residents; and

WHEREAS, Historically, service cuts in Chicago have been concentrated in Black and Latino neighborhoods-the same communities that are most directly impacted by police violence; therefore, be it

RESOLVED, The Chicago City Council should hold hearings into the City's use of police brutality bonds; and

BE IT FURTHER RESOLVED, In these hearings, the City Council should consider the recommendations laid out in the Action Center on Race and the Economy's June 2018 report, Police Brutality Bonds: How Wall Street Profits from Police Violence, which include:

- 1) Prohibiting banks and investors from profiting from police brutality bonds;
- 2) Requiring police officers to carry individual liability insurance policies to cover the costs of settlements and

judgments caused by their misconduct; and

- 3) Requiring the relevant City departments to publicly and transparently disclose the names of the officers involved in cases that lead to misconduct settlements and judgments, the cost of these settlements and judgments to the City, how the City is financing those payments, who is profiting from the financing arrangements, and how the City is holding the problem police officers accountable.