

**ROCHELLE CITY COUNCIL  
AGENDA ITEM MEMO  
REGULAR MEETING**

**SUBJECT:** Electric Operations Loss Reserve Fund Policy

**Staff Contact:**

Blake Toliver, Brittney Zick, and Chris Cardott

**Summary:**

The Electric Operations department seeks to gain approval for implementation of a Loss Reserve Fund Policy. The purpose of this Policy is to self-insure Electric Operations property assets equal to the amount of the insurance policy's deductible.

Overall, particularly, within the Electric Operations department, the City of Rochelle is facing substantial insurance premium increases due to inflation, valuation adjustments, supply chain issues, climate change, and a significant claim experienced by Electric Operations on the power generating side in 2020.

This Policy would provide Electric Operations the ability to offset the cost of high and increasing insurance premiums, and the opportunity to earn interest which could be used for other purposes within the department.

The Policy is attached to the Resolution for review.

**Funding Sources:**

Source:	Budgeted Amount:	Proposed Expenditure:
Electric Funds		

**Strategic Plan Goal Application:**

**Recommendation:**

To approve the Resolution allowing the City of Rochelle to implement an Electric Operations Loss Reserve Fund Policy.