

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

SUBJECT: Authorizing the City Manager to execute a fiscal agency agreement re IMBCA Restitution of payments

Staff Contact: Jeff Fiegenschuh, City Manager

Summary: The cities of Batavia, Rochelle and Rock Falls were members of the Illinois Municipal Broadband Communications Association (“IMBCA”), which was formed in 2007 for the purpose of promoting the development of broadband in northern Illinois. The IMBCA ceased operations in 2019 and transferred its assets to a third party pursuant to a duly approved bill of sale in 2020.

At the time of its dissolution, IMBCA members were aware of a pending criminal investigation involving theft of IMBCA funds by a former employee of one of the members and filed a Victim Statement with the United States Department of Justice in Case Number 2018R01064 identifying the amount of money owed to IMBCA due to this criminal activity. Upon completion of the investigation the defendant was found guilty and ordered to pay restitution to IMBCA in the amount of approximately \$165,000.

To date, five restitution payments have been received thus far in the form of checks from the United States Treasury (“US Treasury”) made out to IMBCA and more are anticipated. The cities of Batavia, Rochelle and Rock Falls have agreed that all restitution payments should be pro-rated among themselves in equal amounts and have agreed to designate the City of Rock Falls as their fiscal agent to effectuate such payments.

Recommendation: Authorize the City Manager to execute fiscal agency agreement re IMBCA restitution of payments