

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

**SUBJECT:** An ordinance adopting a policy regarding nominal balances on inactive utility accounts

**Staff Contact:** Autumn Hernandez

**Summary:** The attached ordinance establishes a formal policy for the treatment of nominal balances on inactive utility accounts for Rochelle Municipal Utilities.

Under this policy, the Utility Billing Manager is authorized to close accounts that have been inactive for a period of three (3) months following final billing and carry a balance owed of less than \$5.00 or a credit balance of less than \$5.00.

Prior to any write-off, staff will make reasonable efforts to apply remaining balances to another active account for the customer or to issue a refund when practical. However, in many cases, these small balances cannot be efficiently resolved due to unavailable customer information or the administrative costs associated with processing.

This policy allows the City to responsibly clear these nominal balances without incurring disproportionate costs, such as staff time, collection efforts, or postage expenses for issuing refund checks that may exceed the value of the balance itself.

Establishing this policy promotes consistency in account management, improves operational efficiency, and ensures alignment with sound financial and accounting practices.

**Funding Sources:**

Source:	Budgeted Amount:	Proposed Expenditure:
N/A	N/A	N/A

**Strategic Plan Goal Application:** Financial & Organizational Management

**Recommendation:** To Approve a Resolution Authorizing a policy regarding nominal balances on inactive utility accounts.