
THE CITY OF ROCHELLE
Ogle County, Illinois

ORDINANCE
NO. _____

**AN ORDINANCE ADOPTING A POLICY REGARDING NOMINAL BALANCES ON
INACTIVE UTILITY ACCOUNTS**

JOHN BEARROWS, Mayor
ROSE HUERAMO, City Clerk

TOM McDERMOTT
BIL HAYES
KATE SHAW-DICKEY
DAN McDERMOTT
ROSAELIA ARTEAGA
BEN VALDIVIESO

City Council

CITY OF ROCHELLE
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ORDINANCE NO. _____

**AN ORDINANCE ADOPTING A POLICY REGARDING NOMINAL BALANCES ON
INACTIVE UTILITY ACCOUNTS**

WHEREAS, Section 7 of Article VII of the 1970 Constitution of the State of Illinois provides that a municipality that is not a home rule unit shall only have the powers granted to them by law and as such the City of Rochelle, Ogle County, Illinois being a non-home rule unit pursuant to the provisions of said Section 7 of Article VII, and may exercise only the powers expressly granted by law; and

WHEREAS, the Illinois General Assembly granted non-home rule municipalities broad authority to “pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities.” 65 ILCS 5/1-2-1; and

WHEREAS, while “non-home rule municipalities have the authority to enact ordinances, such ordinances may in no event conflict with state law or prohibit what a state statute expressly permits . . . A local ordinance may impose more rigorous or definite regulations in addition to those enacted by the state legislature so long as they do not conflict with the statute.” (*Village of Wauconda v. Hutton*, 291 Ill. App. 3d 1058, 1060 (1997)); and

WHEREAS, the City of Rochelle, Illinois, an Illinois municipal corporation, operates a utility company through its municipal enterprise known as Rochelle Municipal Utilities (“RMU”) and

WHEREAS, as part of providing utility services, RMU is responsible for maintaining accurate and efficient utility billing and accounting records; and

WHEREAS, the continued maintenance of inactive utility accounts with minimal balances results in administrative inefficiencies and costs disproportionate to the amounts involved; and

WHEREAS, the RMU is seeking to adopt a clear and consistent policy authorizing the Utility Billing Manager to close inactive utility accounts with de minimis balances, to write off small unpaid balances, and to appropriately document and retain records of small credit balances; and

WHEREAS, a proposed Policy regarding nominal balances on inactive utility accounts is attached herein as Exhibit A; and

WHEREAS, it has been determined by the Corporate Authorities of the City of Rochelle that it is in the best interest of the City and its to adopt a policy promotes sound fiscal management, administrative efficiency, and transparency.

**BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF
ROCHELLE, ILLINOIS:**

SECTION ONE: That the City hereby incorporates all of the recitals above into this Ordinance as if fully set forth herein.

SECTION TWO: The Mayor and City Council of the City of Rochelle hereby adopt the Policy attached herein as Exhibit A with regards to nominal balances on inactive utility accounts.

SECTION THREE: If any provision of this Ordinance or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

SECTION FOUR: Where the conditions imposed by any provisions of this Ordinance are more restrictive than comparable provisions imposed elsewhere in any other local law, ordinance, resolution, rule or regulation, the regulations of this Ordinance will govern.

SECTION FIVE: The City Clerk shall publish this Ordinance in pamphlet form.

SECTION SIX: This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

APPROVED THIS 13th day of April 2026.

MAYOR

ATTEST:

CITY CLERK

EXHIBIT A

Rochelle Municipal Utilities Policy Regarding Nominal Balances on Inactive Accounts

Purpose

The purpose of this policy is to establish a consistent and efficient process for closing inactive utility accounts with minimal balances, to reduce administrative costs associated with long-term maintenance of nominal balances, and to ensure appropriate documentation and retention of account records.

Policy Statement

The Rochelle Municipal Utilities Billing Manager is authorized to close inactive utility accounts meeting the criteria set forth in this policy and write off small outstanding balances or credits.

Eligibility Criteria

1. Inactive Accounts

An account shall be considered inactive when utility service has been discontinued and there has been no billing activity, payment, or service usage on the account for a period of **three (3) months or more**.

2. Eligible Balance Threshold

This policy applies only to inactive accounts with:

- A balance owed of **less than five dollars (\$5.00)**, or
- A credit balance of **less than five dollars (\$5.00)**.

Account Closure and Disposition

The Utility Billing Manager is authorized to close inactive utility accounts with an outstanding balance of less than five dollars (\$5.00). Upon closure, the unpaid balance or account credit may be **written off** without further collection activity. Such write-offs shall be recorded for accounting purposes in accordance with established financial procedures.

Record Retention

Records of closed accounts shall be retained for a minimum of **two (2)** years from the date of account closure pursuant to Ill. Admin. Code tit. 83, § 280.110.b.2.

Administrative Oversight

The Utility Billing Manager shall implement this policy in a consistent manner and shall maintain internal documentation sufficient to demonstrate compliance with this policy and applicable accounting standards. Periodic reporting or review may be required at the request of the City Manager, Finance Director, or City Council.

CERTIFICATE

I, Rose Huéramo, City Clerk of the City of Rochelle, County of Ogle and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Ordinance No. _____, “AN ORDINANCE ADOPTING A POLICY REGARDING NOMINAL BALANCES ON INACTIVE UTILITY ACCOUNTS,” which was adopted by the Mayor and City Council of the City of Rochelle on April 13, 2026.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Rochelle this 13th day of April 2026.

CITY CLERK