



BOARD OF TRUSTEES
SAMUEL E. DEAN BOARD ROOM
BUTLER GOVERNMENT CENTER
1200 OAK BROOK ROAD
OAK BROOK, ILLINOIS
630-368-5000

Special Meeting
Friday, May 29, 2026
10:00 AM

“Please be advised that any proposed documents attached hereto are in draft form and vary from the final versions which are adopted at the meeting as set forth herein.”

1. CALL TO ORDER
2. ROLL CALL
3. PRESIDENT’S OPENING COMMENTS
4. PUBLIC COMMENTS
5. ACTIVE BUSINESS
 - A. Ordinances & Resolutions
 1. Resolution R-2372, An Amended Resolution Conditionally Authorizing the Withdrawal of the Village of Oak Brook from the Intergovernmental Risk Management Agency (IRMA)
6. BOARD UPDATES
7. ADJOURNMENT

In accord with the provisions of the American with Disabilities Act, any individual who is in need of a reasonable accommodation in order to participate in or benefit from attendance at this public meeting should contact the Butler Government Center (Village Hall), at 630-368-5010 as soon as possible before the meeting date.



ITEM 5.A.1.
BOARD OF TRUSTEES MEETING
SAMUEL E. DEAN BOARD ROOM
BUTLER GOVERNMENT CENTER
1200 OAK BROOK ROAD
OAK BROOK, ILLINOIS
630-368-5000

AGENDA ITEM

Board of Trustees Special Meeting
of
May 29, 2026

SUBJECT: Amended Resolution Conditionally Authorizing Withdrawal from the Intergovernmental Risk Management Agency (IRMA)

FROM: Greg Summers, Village Manager

BUDGET SOURCE/BUDGET IMPACT: Return of \$1.23 million to the Village's reserves and annual reduction in risk management costs

RECOMMENDED MOTION: I move to approve Resolution R-2372, a revised resolution conditionally authorizing the withdrawal of the Village of Oak Brook from the Intergovernmental Risk Management Agency (IRMA)

Background/History:

The Village of Oak Brook was a founding member of the Intergovernmental Risk Management Agency (IRMA) in 1979. The Village has remained with IRMA since formation, utilizing their services for the following lines of insurance coverage:

- General Liability
- Law Enforcement
- Property
- Automobile Liability & Physical Damage
- Worker's Compensation
- Sales Tax Interruption
- Cyber
- Excess Liability

Total coverage for these matters, inclusive of excess liability, is \$15 million. For the period December 1, 2025 through November 30, 2026 the Village's annual premium for these coverages was \$925,513.

IRMA is not a conventional insurer, but rather a risk pooling agency organized pursuant to Illinois law for the purpose of providing risk management, loss coverage, and related services to its municipal

members. Accordingly, coverage is not bound by policy documents, but rather under certain Contract and Bylaws established by the IRMA Executive Board and the IRMA Board, which are comprised of representatives from member agencies. Unlike traditional insurance carriers, this leads to open interpretation of claims and coverages, rather than a strict deductible and limits model. The end result is that IRMA, through its Boards and Executive Director, has tremendous latitude in deciding what is a covered claim and what is not. The end result is nearly \$1 million in annual premiums with zero guarantee of coverage.

Under the leadership of its current Executive Director, IRMA has increased the frequency in which it seeks to deny coverage, most recently resulting in the Village having to file litigation against both IRMA and its Executive Director to enforce the policy coverages; creating unnecessary expense and delay in claims coverage. Such delays drive up exposure and expenses. Furthermore, IRMA is an assessable pool. In an assessable pool, if the pool's assets are insufficient to cover a member's claim, each member of the pool is responsible for a pro-rata share of the claim cost. This leaves the Village subject to other municipalities' risk management practices and the resulting expenses thereof.

The aforementioned IRMA Contract and Bylaws set forth the procedures and requirements for member withdrawal and pursuant to Section 4.05(b) of the IRMA Contract and Bylaws, the Village of Oak Brook is required to provide 120-day/9-month notice (by March 31) notice for withdrawal; however, as part of a litigation settlement, IRMA's Executive Director has committed to recommend approval to the IRMA Executive Board and the IRMA Board of Directors to waive the notice period, if the Village conditionally commits to a withdrawal under the agreed terms. The date of those IRMA Board of Directors meeting is June 9, 2026.

The Village currently has \$615,901.00 at IRMA in its Members Reserve Fund and \$283,244.00 on account in the Excess Surplus Credit, both of which IRMA would agree to return as part of the withdrawal. Furthermore, IRMA has committed to the return of any pro-rated unearned contribution in the amount of \$77,126.08 per month, less administration costs of \$10,219.21 per month, for a net monthly return of \$66,906.87 following the effective date of withdrawal through November 30, 2026. Based on a proposed July 1 withdrawal date, a cash refund of \$1,233,679.35 would be due back to the Village.

The Village Board previously approved a conditional resolution of withdrawal (R-2370) on May 19, 2026, but IRMA's Executive Director objected to the terms regarding the previously issued Notice to Mitigate Exposure and Reservation of Rights letters dated March 16, 2026, and additional notices dated November 20, 2025 and April 9, 2026. Staff has revised the attached version of their resolution to remove these terms in the interest of achieving a mutually agreeable withdrawal.

Staff has already worked with a broker to research and quote new insurance and has determined that the Village can reduce annual insurance costs while simultaneously increasing coverage limits from \$15 million to \$21 million by switching to the Illinois Counties Risk Management Trust which offers better coverages, greater plan customization, a traditional insurance coverage model, better onsite training, and eliminate exposure to an assessable risk management pool. This plan quote is in the Village's possession and ready to bind, but cannot be adopted until IRMA's full boards approve the withdrawal under the conditional terms. The approval of the new insurance carrier will appear on the Village Board meeting agenda immediately following IRMA's formal adoption of these terms.

Recommendation:

Collectively, staff's analysis reveals that departure from IRMA and seeking a new traditional insurance coverage scenario would result in a significant return of funds from IRMA, resolves pending litigation, lowers future insurance premiums, results in better insurance coverage (with higher limits), and eliminates exposure to an assessable risk management pool.

Attachments:

1. April 24 2026 Letter to Oak Brook
2. Resolution REVISED IRMA and Oak Brook 5-26-26



April 24, 2026

Larry Herman, Village President
Greg Summers, Village Manager
Village of Oak Brook
1200 Oak Brook Road
Oak Brook, IL 60523

Via email

RE: Notice of Withdrawal

Gentlemen:

I write this letter to assure the Village understands the requirements of the IRMA Bylaws because the IRMA Executive Board has issued the Village an Expulsion Notice and I am aware there have been some questions about IRMA's Member Withdrawal Requirements.

I have included the IRMA Members Reserve Fund Policy for reference. Pursuant to this policy, a member must provide IRMA Notice of Withdrawal 9 months in advance of the end of IRMA's fiscal year, to be eligible to retain its Member's reserve which is refunded after 6 years in accordance with the policy. The Village of Oak Brook currently has \$615,901 in its Member Reserve. Despite the Village's failure to provide timely notice of withdrawal, I will recommend that the Executive Board and Board of Directors approve waiver of the required notice so that the Village can retain its Member's Reserve in accordance with the Members Reserve Fund Policy. However, in accordance with Section 4.05(B) of the IRMA Bylaws, the Village Board must approve a Resolution or Ordinance authorizing the Withdrawal before I can place the item on the next Executive Board agenda on May 28, 2026. The Executive Board May 28, 2026 agenda packet will go out no later than May 21, 2026.

Assuming I receive the Resolution of Ordinance in a timely manner and the Executive Board and Board of Directors approve waiver of the required notice, the Village will receive its Excess Surplus fund of \$283,244 as well as a prorated reimbursement of the Village's 2026 contribution in the amount of \$66,906.87 per month.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to be "Margo Ely", written in a cursive style.

Margo Ely,
Executive Director

Cc: Jason Bielawski, IRMA Board of Directors Chair

THE VILLAGE OF OAK BROOK
COOK AND DUPAGE COUNTIES, ILLINOIS

RESOLUTION
NUMBER 2026-IRMA-RESIGN-R-2372

AN AMENDED RESOLUTION CONDITIONALLY AUTHORIZING
THE WITHDRAWAL OF THE VILLAGE OF OAK BROOK FROM
THE INTERGOVERNMENTAL RISK MANAGEMENT AGENCY
(IRMA)

LAURENCE E. HERMAN, Village President
NETASHA SCARPINITI, Village Clerk

JOHN ANOS
NAVEEN JAIN
MICHAEL MANZO
MELISSA MARTIN
A. SURESH REDDY
EDWARD TIESENGA

Village Board

Published in pamphlet form by authority of the
President and the Board of Trustees of the Village of Oak Brook
on this 29^h day of May 2026

RESOLUTION NO. 2026-IRMA-RESIGN-R-2370

AN AMENDED RESOLUTION CONDITIONALLY AUTHORIZING THE WITHDRAWAL OF THE VILLAGE OF OAK BROOK FROM THE INTERGOVERNMENTAL RISK MANAGEMENT AGENCY (IRMA)

WHEREAS, the Village of Oak Brook (the “Village”) is a home rule municipality organized and existing under the Constitution and laws of the State of Illinois; and

WHEREAS, the Village is currently a member of the Intergovernmental Risk Management Agency (“IRMA”), an intergovernmental risk pooling agency organized pursuant to Illinois law for the purpose of providing risk management, loss coverage, and related services to its municipal members; and

WHEREAS, the Village Board of Trustees has reviewed the Village’s participation in IRMA; and

WHEREAS, the Village Board has determined that it may be in the best interests of the Village and its residents to withdraw from IRMA and pursue alternative risk management and insurance arrangements; and

WHEREAS, the IRMA Contract and Bylaws set forth the procedures and requirements for member withdrawal; and

WHEREAS, pursuant to Section 4.05 of the IRMA Contract and Bylaws, Village Board desires to authorize notice of withdrawal to IRMA pursuant to Section 4.05 of the IRMA Contract and Bylaws, subject to the conditions set forth herein; and

WHEREAS, Margo Ely, Executive Director of IRMA, in a letter dated April 24, 2026 to Larry Herman, Village President, and Greg Summers, Village Manager (the "4/24/26 Ely Letter") recommends that the IRMA Executive Board and the IRMA Board of Directors approve the matters set forth as conditions in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Oak Brook, DuPage County, Illinois, as follows:

SECTION 1: Incorporation of Recitals

The foregoing recitals are hereby incorporated into this Resolution as findings of the Village Board.

SECTION 2: Conditional Authorization to Withdraw

The Village hereby authorizes withdrawal from the Intergovernmental Risk Management Agency solely upon satisfaction of the conditions set forth in Section 6 of this Resolution. Unless and until those conditions are satisfied in full, no withdrawal shall become effective.

SECTION 3: Effective Date of Withdrawal

The effective date of withdrawal shall be July 1, 2026.

SECTION 4: Notice and Implementation

The Village Manager, Village President, and/or Village Clerk are hereby authorized and directed to provide all required written notices to IRMA and to execute any and all documents necessary to effectuate the Village's withdrawal.

The Village Manager is further authorized to take all necessary administrative steps to secure replacement insurance coverage and/or risk management services to ensure continuous protection for the Village.

SECTION 5: Severability

If any section, paragraph, or provision of this Resolution shall be held invalid or unenforceable, such invalidity shall not affect the remaining provisions.

SECTION 6: Conditions Precedent to Withdrawal

The within resolution is contingent upon, and of no force and effect, unless on or before May 28, 2026 the Executive Board of IRMA and on or before June 9, 2026 the Board of Directors of IRMA take the following actions in the form of resolutions adopted by the said Executive Board of IRMA and Board of Directors of IRMA in accordance with the letter 4/24/26 Ely Letter:

A. IRMA waives the 120-day, 9-month and March 31 deadlines for withdrawal from IRMA set forth in Section 4.05(b) of the IRMA Contract and Bylaws such that IRMA acknowledges the Village's entitlement to the return of its Members Reserve Fund, currently in the amount of \$615,901, and agrees to pay such amount in accordance with the procedures set forth in Section VII of the IRMA Members' Reserve Fund Policy and Procedure.

B. IRMA irrevocably agrees that, upon the Village's withdrawal, IRMA will pay to the Village the full amount of \$283,244 in the Excess Surplus Fund.

C. With respect to the prorated return of unearned contribution, IRMA, which has represented that the Village's 2026 annual contribution was \$925,513, irrevocably agrees that upon the Village's withdrawal, IRMA will pay to the Village the prorated unearned contribution in the amount of \$77,126.08 per month, less administration costs of \$10,219.21 per month, for a net monthly return of \$66,906.87 for each month between July 1, 2026 and November 30, 2026, *i.e.*, a total amount of \$334,534.35; and

D. IRMA irrevocably agrees that all amounts referenced in Sections 6(B) and (C) of the within Resolution shall be paid to the Village within thirty (30) days after the effective date of withdrawal, without offset or reduction except as expressly stated herein.

SECTION 7: Null and Void

In the event that IRMA fails to take the actions and adopt the resolutions set forth in Section 6 of the within Resolution on or before the dates set forth in Section 6 of the within Resolution, the withdrawal of the Village from IRMA as set forth in Section 2 of the within Resolution shall be null and void.

SECTION 8: Effective Date

This resolution shall be entered into the minutes and upon the journals of the Board of Trustees of the Village of Oak Brook.

PASSED THIS _____ day of _____, 2026.

Ayes: _____

Nays: _____

Absent: _____

APPROVED THIS ___ day of _____, 2026.

Laurence E. Herman
Village President

ATTEST:

Netasha Scarpiniti
Village Clerk