MINUTES OF THE COMMITTEE OF THE WHOLE MEETING OF THE GURNEE VILLAGE BOARD

GURNEE VILLAGE HALL
JULY 27, 2026

Call to Order	Mayor Hood called the meeting to order at 7:01 p.m.
Other Officials in Attendance	Patrick Muetz, Village Administrator; Brian Gosnell, Finance Director; Christine Palmieri, Director of Human Resources; Erica Wells, Assistant Finance / HR Director.
Roll Call	**PRESENT: 3- Thorstenson, Woodside, Ross,** **ABSENT: 3- Ware, Garner, O'Brien** Trustee O'Brien arrived at 7:02 p.m.
Pledge of Allegiance	Mayor Hood led the Pledge of Allegiance.
A. PUBLIC COMMENT	None.

B. DISCUSSION ITEMS

1. Presentation by Finance Director Brian Gosnell: Fiscal Year 2025/2026 Fourth Quarter financial performance.

Director Gosnell presented information on the 4th quarter financial status for FY 2025/2026. Gosnell noted the report was unaudited and gave notes of the following:

Planning & Reporting Process
- Long-Term Planning
  - Strategic Plan
  - Multi-Year Financial Forecast
  - Multi-Year Capital Plan
- Short-Term Planning
  - Annual Budget
- Reporting
  - Quarterly Financial Status Reports
  - Strategic Plan Updates
  - ACFR (Audit)
  - Popular Financial Report

Cash & Investments
- Total $52.3M million (excludes Pensions)
  - 13% Checking
  - 54% Money Market
  - 33% Investments
- 54% General Fund
- 18% Capital Improvement Fund
- 15% Water & Sewer Funds

Major Revenues
- 68% of General Fund Revenues
- Annual Budget $36.9M
- Actual $40.5M
  - Vs. Budget +9.7% or $3.6M
  - Vs. Last Year +6.5% or $2.5M

Major Revenues – Sales Tax
- Annual Budget $21.5M
- Actual $25.0M
  - Vs. Budget +16.5% or $3.5M
  - Vs. Last Year +12.9% or $2.9M
- One Month Impact of:
  - HMR Increase to 1.5%
  - Elimination of 1% Grocery Tax
- Every Month Beat Last Year
  - Oct discrepancy is one late payer
- New to the Top 50:
  - Carwise
  - Texas Roadhouse

- Primark
- .com's (Macy's, Best Buy, Walmart)

Major Revenues – Amusement Tax
- Annual Budget $4.15M
- Actual $4.04M
  - Vs. Budget -2.6% or $108K
  - Vs. Last Year -5.3% or $227K
- Six Flags:
  - No Holiday in the Park
  - Other Taxes +$250K in FY26
  - Jan-May 2026 +32%

Major Revenues – Food & Beverage (F&B) Tax
- Annual Budget $2.85M
- Actual $3.03M
  - Vs. Budget +6.5% or $184K
  - Vs. Last Year +5.2% or $149K
- Key Additions:
  - Texas Roadhouse
  - Buona
- Top Performers Jan-May 2026:
  - Six Flags
  - Cooper's Hawk
  - Olive Garden
  - Steak & Shake
  - Riverside Café

Major Revenues – Hotel Tax
- Annual Budget $2.4M
- Actual $2.5M
  - Vs. Budget +5.0% or $120K
  - Vs. Last Year +6.7% or $158K
- Key Additions:
  - Ten Hotel & Residences
- Top Performers Jan-May 2026:
  - Great Wolf
  - Hampton Inn
  - LaQuinta Inn
  - Wingate By Wyndham

General Fund
- Total Revenues
  - $2.2M or +4.1%
- Total Expenditures
  - $3.9M or 7.3%
    - $6.5M Surplus Transfer
- Replacement & Use Tax
- Red Light Fines
- Workers Comp & Damage Reimbursements
- Timing Differences:
  - Licenses & Permits
  - Fund Transfers in – 911 Fund

General Fund – Fund Balance
- Unaudited FY2025/2026
  - $32.9M or 71.5%
  - $2.97M over Policy Limit
  - After $6.5M Surplus Transfer for FY2026/2027 Capital
- Potential $3.0M Capital Transfer for FY2027/2028 Program

Water & Sewer Fund
- Total Revenues
  - $2.3M or +21.2% Over
  - $750K Grant
  - $1.0M Fund Transfer In
- Total Expenditures
  - $798K or 6.1% Under
  - Market Adjustment
  - Bank Charges
  - Capital Savings
  - Available for FY27/28

Trustee Thorstenson asked if this is the first year with the increased

Sales Tax rate.

Finance Director Gosnell said it went into effect January 1.

Trustee Thorstenson asked about the possibility of a sales tax holiday for back-to-school months, a rebate on water bills or some other idea of giving money back to residents given the positive variance in Sales Tax.

Director Gosnell noted that the Village already utilizes a portion of the Sales Tax to reduce water bills by dedicating 50% of Home Rule Sales Tax to capital and infrastructure including water infrastructure.

Trustee Thorstenson asked if future budgets will be adjusted for actual results of the Sales Tax.

Director Gosnell noted the budget is adjusted annually and the impact of the Grocery Tax elimination is not fully known.

2. Presentation by Finance Director Brian Gosnell: Short-Term Rental Tax.

Director Gosnell presented information on a short-term rental (Airbnb, VRBO) tax to level the playing field with traditional hotels subject to the 6% Hotel Tax. Gosnell noted the following:

Short-Term Rentals (STR) – What are they?
Director Gosnell reviewed what STR's are and statistics about STR's in Gurnee including:

- A property rented for stays of less than 30 days
- Rented on platforms like Airbnb, Vrbo, booking.com and others
- Quick search shows between 10-15 properties in Gurnee
- Some tagged as "Gurnee" but are not in Village limits
- A few hotels including online but should already be complying
- Visit Lake County statistics from Jan-Mar 2026 show 58 bookings

Short-Term Rentals (STR) – Who?
Director Gosnell noted the various Village Codes and how communities handle them differently.

- STR Prohibited
    - Unincorporated Lake County
    - Vernon Hills
    - Deerfield
    - Others allow or are silent
    - If silent regarding online platforms but dwelling meets code definition, up to the host to deal with the taxes
    - If specifically allowed and codified, platforms will collect and remit automatically

Short-Term Rental Tax – Why?
Director Gosnell noted that traditional hotels are subject to the 6% Hotel Tax while online platforms such as Airbnb and VRBO are not currently subject to the tax.

- Current Hotel or Motel Occupancy Tax (6%)
    - Hotel Room or Motel Room
    - Owner
- STR's booked online don't meet the definition
- Inequality with traditional hotels
- Lost revenue for the Village

Short-Term Rental Tax – How?
Director Gosnell noted the changes required to the Municipal Code to include online platforms and short-term rentals in the definitions subject to the 6% Hotel Tax.

- Change Code definitions to include:
    - Expand Hotel or Motel definition
    - Specify STR's
    - Online travel companies as facilitators
    - Facilitators as owners

- Next Steps:
    - Allow and tax or prohibit
    - Draft and adopt code update

Trustee Woodside asked why the Village would consider an additional tax on residents when the Village has traditionally avoided taxes on residents.

Director Gosnell noted the purpose of the tax is to level the playing field with traditional hotels and eliminate the potential competitive advantage of online platforms.

Administrator Muetz said that the tax would really be paid by the person renting the dwelling and not the homeowner directly.

Director Gosnell noted the online platforms would pay the tax collected from users directly to the Village and would not place additional administrative burden on the homeowner to report and remit.

Trustee Woodside noted rentals bring additional traffic and visitor burden to residents therefore it makes sense to generate a tax that would benefit the community.

Director Gosnell noted that most of the rentals are not primary residences and are second homes or investment properties.

Trustee Woodside noted that with the attractions in the Village he could see the volume of STR's increase and he would be in favor of looking at relieving burdens to residents monetarily as new revenue sources come in.

Director Gosnell noted the Village has very few direct resident taxes but would research and get back to the Board with options.

Trustee Ross asked if the code language would specify the whole house or a room in the house.

Director Gosnell responded that the proposed code language would encompass any portion of the dwelling.

Administrator Muetz noted the Village already prohibits renting a single room of a house and that would not change.

Trustee Ross asked about communication with Community Development Director David Zeigler about the impact of STR's and how it would be managed.

Director Gosnell noted there have been discussions about whether licensing and inspections would be needed but the volume currently does not warrant staff time.

Trustee Ross noted if the STR's are happening anyway we should receive the tax and the STR host has incentive to maintain an attractive property because the online platforms monitors ratings. She noted that in other communities affordable housing has been turned into STR's thus reducing affordable housing inventory.

Director Gosnell noted implementing the tax will give the Village an inventory of properties listed on online platforms that may not otherwise be known.

Trustee O'Brien asked if it's worth staff time to implement that tax given the low number of rentals in Gurnee, and the tax is actually on the business not the resident. He also noted he is in favor of private property rights and Fox Lake issues a Special Use Permit for each STR.

Trustee Thorstenson asked about the 30-day stay limit and possibly inspecting rental properties in Gurnee.

Director Gosnell noted the 30 days is derived from state statute and anything over becomes a long-term rental and is a different category. He also noted that the houses are listed on the online platforms gives a built-in incentive to maintain the property to keep a positive rating and reviews online.

3. Presentation by Assistant Director of Finance & Human Resources Erica Wells: Long-Term Care Insurance.

Assistant Finance/HR Director Erica Wells presented information on Long-Term Care Insurance potentially offered by the Village to employees. She presented the following information:

Long-Term Care (LTC) Insurance

- What is it and what does it cover?
  - Voluntary benefit
  - 100% employee paid
  - Hybrid life insurance policy convertible to LTC benefit
  - Coverage to help pay for:
    - Assisted Living
    - Nursing Home
    - In-Home Care
    - Other Support

- How does it work?
  - Monthly premium paid by employee
  - Make claim if need help with ADL
  - Receive monthly benefit
  - Up to a term of 25 to 50 months
  - Renewability and Portability
  - Death benefit remains

- Why do we need it?
  - Long-term care is expensive
    - Avg. monthly out of pocket $7,242
  - LTC is burdensome to family
  - Unexpected costs threaten and delay retirement
  - 70% of people require care covered by LTC insurance
  - More choice in care setting

- What are the benefits?
  - Monthly benefit
    - 4%-6% of death benefit
  - Benefit period
    - 25-50 months
  - Death benefit restoration
  - Terminal illness benefit
  - Family caregiving benefit
  - Cariloop support network for caregivers
  - Depending on final plan design

Assistant Director Wells noted the Village looked at three different providers and is recommending Trustmark due to the following factors:

- Guaranteed issue – Assistant Director Wells noted other providers required anywhere from a medical questionnaire to a full medical exam to issue coverage where Trustmark is a guaranteed issue plan up to a certain coverage amount.
- Supports employee financial planning
- Local headquarters in Lake Forest
- Affordable

- Next Steps
  - Employee Group Meetings
  - Finalize Plan Design
  - Village Board Approval

Trustee O'Brien asked if there is a penalty if there is not a high adoption rate by employees.

Assistant Director Wells said that there is no penalty but there does need to be at least ten employees or spouses participating and staff is confident that there will be at least ten participants with the guaranteed issue.

Trustee Ross said she thinks it is a really good idea and appreciates the research that staff has done.

Trustee Thorstenson asked if other municipalities offer the coverage and asked if it would make Gurnee more competitive in the employee market.

Assistant Director Wells noted that there are a few entities that offer it but it is a fairly new offering.

Trustee Thorstenson asked if coverage could be extended to an employee's disabled child.

Assistant Director Wells said coverage for children would depend on the plan design.

Trustee Woodside noted that there is no cost to the Village other than staff time. He asked for an estimate of how much staff time would be needed going forward.

Assistant Director Wells noted once the plan is set up the administrative aspect will be light. She stated Trustmark assists in the open enrollment and changes. Assistant Director Wells also noted the plan would make us more competitive in the employee marketplace.

C. PUBLIC COMMENT

None.

Adjournment

It was moved by Trustee Woodside, seconded by Trustee O'Brien to adjourn the meeting.

Voice Vote: **ALL AYE:** **Motion Carried.**

Mayor Hood adjourned the meeting at 7:45 p.m.

Selene Beltran,
Deputy Village Clerk