

TOURISM ADVISORY COUNCIL MEETING MINUTES

VIA ZOOM 9 a.m. FEB. 18, 2026

COUNCIL MEMBERS PRESENT

Joan E. Kronebusch, Chair

Lisa Koski, Vice-Chair

Chris Dunkerson

Brooke Erb

Erin Kennedy

Shelli Mann

Lailani Upham

DEPARTMENT OF COMMERCE STAFF

Jennifer Pelej—Destination MT Division Administrator

Amanda Wilkey—Tourism Promotion Liaison

Thursday, Feb. 18, 2026

00:11 Chair Joan Kronebusch called the meeting to order at 9:04 a.m.

00:33 DOC Destination MT Division Administrator Jennifer Pelej gives an update on staffing and processes

11:10 Chair Joan Kronebusch calls roll, all TAC members are present

13:04 Chair Joan Kronebusch motions to approve the Nov. 6 TAC meeting minutes, moved by Chris Dunkerson, seconded by Brooke Erb, motion passes.

13:53 Chair Joan Kronebusch opens the public comment section; Rebecca Engum asks if there's a requested format for the June meeting presentations. Joan replies that she's hoping for the beginning of March, after the marketing committee finalizes the format.

16:47 Chair Joan Kronebusch mentions that the Rules and Procedures**Committee** has not officially met but plans to do so in March.

18:01 Brooke Erb gives a report on the Heritage Commission. She announces that John Stasko is the new Executive Director and the commission believes that all venues will be filled for the summer season.

18:37 Lailani Upham begins the Tribal Tourism report.

- Two submissions for the Tribal Tourism Grant were recommended for funding from Fort Belknap and Blackfeet.
- 33 submissions for the Tribal Tourism Small Business Grant are currently under rank and review, with up to 24 awards available.
- The Production Assistant Media Training Scholarship Program with Accelerate Montana that ended in Dec. 2025 resulted in 22 certified PAs being entered into the Montana Film Office Crew Database.
- For partnering with Montana Indigenous Tourism Trail Project, the Tribal Tourism Program has been co-presenting to tribal councils, up to 8 to date, and assisting in the formation and bi-weekly virtual meetings of eight separate MITTP steering committees. The goal is for each committee from each tribal nation is to consist of 15 diverse individuals to inform the future of tourism economic development and promotion with and for their community, resulting in a collective vision informed by 120-plus unique voices from across Montana's Indian Country.
- The Native American Made in Montana pavilion at the Made in Montana Trade Show on March 13-14 will feature Grizzly Medicine Herbs, Assiniboine Books and Snow Cap Designs as sponsored exhibitors.

21:29 Brooke Erb turns the Research Committee report over to Melissa Weddell from ITRR.

- ITRR received 24 submissions during their call for projects. About half were disqualified either because they had already been done or they were not within their capacity. Based on projections, their reduced budget this year will be around \$1.2 million. They will move forward to vote on producing a Resident Travel Study, intercepting residents across the state.

- ITRR administers a pre/post surveys to the Pilot Community Grant Program, which is now called the Tourism Development Grant Program.
- ITRR works with public lands, specifically state parks, on adaptive recreation, ensuring the parks are accessible.
- Other services ITRR provides include economic outlooks, BBER tour, data mining for communities, pulling reports, survey kits, resident attitudes, maintaining dashboards and their website.

27:51 Brooke Erb motions to approve the ITRR projects as presented by Melissa Weddell, moved by Shelli Mann, seconded by Lailani Upham, motion passes.

31:07 Budget Increase Approvals

- Central Montana Tourism will allocate \$8,750.65 of FY25 rollover funds into the FY26 budget for a total updated FY26 budget of \$543,689.65.
- Great Falls Montana Tourism will allocate \$70,056.07 of uncommitted FY25 into the FY26 budget for a total updated budget of \$312,664.07.
- Kalispell CVB will allocate \$26,393 of FY25 uncommitted funds into the FY26 budget for a total updated budget of \$247,009.
- Miles City Convention and Visitors Bureau will allocate \$7,846 in uncommitted FY25 funds into the FY26 budget for a total updated FY26 budget of \$56,919.65.
- Missouri River Country will allocate \$23,999 of FY25 uncommitted funds, reflecting an adjustment to their current revenue projection of \$9,330 in reductions and \$33,329 in uncommitted FY25 funds for a total updated FY26 budget of \$160,019.
- Sidney CVB will allocate \$2,368.40 in FY25 rollover funds and \$4,470 in uncommitted FY25 into the FY26 budget for a total updated budget of 26,226.40.

41:57 Chair Joan Kronebusch motions to approve the budget increases as submitted, moved by Chris Dunkerson, seconded by Brooke Erb, motion passes.

42:51 Eide Bailly manager, Jill Morasko presents scope of work, audit procedures and findings.

48:43 Columbia Falls, for their procedure number 1, the expenditure sample, we had a sample size of 21 expenditures and no exceptions noted. Procedures 2 and 3, there were no exceptions noted. And for procedure 4, you can see the full schedule presented on the recording. Their cash balance per the bank statements at fiscal year-end was \$12,860. Taking out the outstanding activity of \$3,000, their cash remaining to be committed at fiscal year-end was \$9,507.

50:16 Missoula, for procedure 1 for Missoula, we had a sample size of 31 expenditures, no exceptions noted for procedure 2 or 3. And then in the essence of time, we'll just go over the cash we committed at fiscal year-end, which for Missoula was \$207,594.

50:51 Sydney CVB, their expenditure sample was for 3 expenditures for the year, and no exceptions were noted. Procedures 2 and 3, we had no exceptions, and then their cash reconciliation shows cash to be committed at fiscal year-end of \$4,847.

51:22 Missouri River Country. For their expenditure sample, we had a sample size of 105 expenditures, and no exceptions were noted there. Procedures 2 and 3 had no exceptions. For procedure 4, their cash to be committed as a fiscal year-end was \$64,399.

51:47 Red Lodge CVB, for procedure 1, their expenditure sample, the sample size was 20 expenditures, no exceptions for number 2 and 3, and their cash to be committed at fiscal year-end was \$10,999.

52:05 Great Falls CVB, their sample size for procedure 1 was 8 expenditures, and no exceptions noted. No exceptions noted for procedures 2 or 3. Cash to meet committed at fiscal year-end was \$70,394.

52:25 Whitefish CVB, their sample size was 20 expenditures and no exceptions noted. Procedures 2 and 3, no exceptions noted. And their cash to be committed at fiscal year-end was \$9,344.

52:48 Central Montana Tourism Region. The sample size for procedure 1 was 37 expenditures, no exceptions noted, no exceptions noted for 2 or 3, and then cash to be committed at fiscal year-end was \$62,694.

53:09 Livingston CVB, 20 expenditures for their sample size for procedure 1. No exceptions noted for procedure 2 or 3. Cash to be committed at fiscal year-end was \$10,632.

53:27 Havre CVB, the sample size for them was 5 expenditures and no exceptions noted. No exceptions for procedure 2 or 3. Cash to be committed at fiscal year-end was \$4,174.

53:49 Butte CVB, the sample size was 70 expenditures, and no exceptions were noted, for procedure 2, there was no exception noted, and procedure 3, there was no exception noted for fiscal year 2025. We did add a note that there was a prior year finding for the vendor Digital Concepts that a payment of \$14,500 was made to this vendor in fiscal year 2025 for a YouTube video campaign. Since that was a prior year finding, we were just drawing your attention to it in the current year. For procedure number 4, their cash to be committed at fiscal year-end was \$6,722.

54:45 Belgrade CVB, the sample size for procedure 1 was 14 expenditures, and no exceptions were noted. Procedure 2, no exceptions noted. For procedure 3, we noted one exception, of \$5,995 was expended for marketing research services with Alpha Maps, which exceeds the limited solicitation threshold per Section 8 of the Rules and Procedures. We noted that none of the procedures in that limited solicitation section were fulfilled, and sole source justification was not documented for this particular vendor. Procedure number 4, cash to be committed at fiscal year-end was \$39,227.

57:06 Kalispell CVB, the sample size for procedure 1 for them was 74 expenditures and no exceptions noted. Procedure 2, no exceptions noted. For procedure 3, we did have one exception here of \$7,000, which was expended for marketing research with CoStar, which again exceeds that limited solicitation threshold and none of the procedures in Section 8 were fulfilled, as well as sole source documentation, just not being retained. And then procedure for cash to be committed at fiscal year-end for them was \$26,393.

57:43 Diane Medler stated a letter was provided to TAC that the CoStar Realty is for the Star Smith Travel Research Report. A sole source document was not required in the past, hence it was not provided this year, but it is noted and will be followed starting in FY27.

59:44 Helena CVB, the sample size for Helena was 11 expenditures and no exceptions noted. For Procedure 2, no exceptions noted. For Procedure 3, we have the two following exceptions noted. The first of \$42,750 expended for marketing research, exceeding the RFP threshold of \$25,000. And the second being \$10,397, which was expended on marketing research exceeding the limited solicitation threshold of \$5,000. Cash to be committed for Helena at fiscal year-end was \$17,694.

1:00:18 Dillon CVB, for procedure number 1, the sample size was 10 expenditures and no exceptions noted. Procedure 2, no exceptions noted. For Procedure 3, the two exceptions are noted here. \$13,000 was expended for marketing research, exceeding the limited solicitation threshold, and \$7,533 was expended for paid media goods, also exceeding the limited solicitation threshold of \$5,000. There's no documentation of the Section 8 limited solicitation procedures performed, or sole source justification. For Procedure 4, cash to be committed at fiscal year-end was \$3,010.

1:01:02 Gardiner CVB, for procedure 1, the sample size was 28 expenditures and no exceptions noted. Procedure 2, no exceptions noted. For procedure 3, we noted the following payments for various services or goods paid to the vendor TDG Communications. There was \$10,000 for website development, \$6,500 for shipping, \$13,370 for paid media. There is no contract in place with them and the requirements of Section 8 for a limited solicitation, or RFP, for each one of those services was not fulfilled. For procedure number 4, the cash to be committed as of fiscal year-end was \$25,462.

1:02:26 Terese Petcoff wanted to clarify that the \$6,500 was for shipping of the visitor guide.

1:03:05 West Yellowstone CVB. For Procedure 1, the sample here was 173

expenditures, with one exception. For one transaction, we noted a reimbursement payment to TBID in an amount of \$45, which did not have an associated invoice or other support for the payment. The only support was a copy of the issued check. For procedure number 2, we did not note an exception here, we were just clarifying that this was calculated as the total new lodging tax payments received during the year, plus the prior year rollover funds, as approved in the budget, and that calculated out to be appropriate. For procedure number 3, there were 5 exceptions in which the limited solicitation threshold was exceeded, without fulfilling those procurement requirements. They are listed here as \$18,575 for photo and video services to CrowdRiff, \$6,995 for printing to Outside Interactive, \$11,000 for digital services to Herman Global Inc, \$17,000 for research services to Placer AI, and \$40,223 for product development with Spiffy, Biffy Portable, and Build It LLC. And Procedure 4 for them shows cash to be committed at fiscal year-end of \$28,848.

1:05:30 Katrina Wiese clarified that the \$6,995 was not for printing, it was a digital media campaign with Outside Interactive. So, all of these under the procedure number 3 that are showing up were sole source; the \$40,000 was for the Visitor Information Center remodel, and multiple bids were sent out to try and get anything, and these should have been put under sole source, because these were the only two companies that I could actually get to come to West Yellowstone to do a remodel. Spiffy Biffy handles the portable potties, and the Build It LLC handled the remodel. And this is just the CVB portion of close to a \$100,000 remodel that was then taken care of through multiple outside sources. A bidding process was attempted.

1:07:55 Joan Kronebusch called attention to \$11,152 on the West Yellowstone CVB budget.

1:08:03 Katrina Wiese replied that these were committed funds that came through after the fact, because of the late payments that happened after June 30th. So, they

carried forward \$51,000. The \$40,000 is what was projected, but after payments were taken into account after June 30th, they carried forward \$51,000.

1:08:57 Anaconda CVB, for procedure number one, the sample size was 15 expenditures, with one exception noted. For this one selection, the approved travel form was not used when submitting the expenditure for reimbursement. Procedures 2 and 3, no exceptions were noted. For Procedure 4, the cash to be committed as of fiscal year-end was \$6,680.

1:09:25 Miles City CVB, the sample size for them was 19 expenditures, with one exception. This again relates to the travel expense per diem, which was submitted for reimbursement. The combination of allowable per diem amounts just did not support the amount that was submitted. For procedure number 2 and 3, there were no exceptions noted, and for procedure 4, the cash to be committed at fiscal year-end was \$7,846.

1:09:59 Joan Kronebusch states that they talked to John about this and the \$24 was a mistake that has been noted, satisfying the committee.

1:10:28 Visit Southeast , Montana, for their sample size, we looked at 89 expenditures and noted two exceptions. These were also related to not using the approved travel form when submitting the expenditure for reimbursement. Procedure number 2, there was no exception noted. Procedure number 3, no new bids or RFPs completed. For procedure number 4, the cash to be committed as of fiscal year-end was \$362,592.

1:11:19 Billings CVB, procedure 1, their sample size was 21 expenditures. Procedure number 2, no exceptions were noted. Procedure 3, no exceptions. And cash to be committed for them at fiscal year-end was \$70,911.

1:12:08 Joan Kronebusch states that it is recognized that there have been inconsistencies in previous audits in applications of Section 8 bidding and request for proposal process within approved TAC regulations and procedures regarding the requirements of sole source process and associated documentation. To date, no DMO has been able to provide documentation stating that research services or data

 **COMMERCE**

providers are exempt from this process. At the same time, it is clear that further training of the application of sole source process and associated documentation is needed and will be provided to DMOs during the remainder of FY26. It is 6 months into the current year. If you are entering into any vendor contracts that you consider to be sole source please contact the Department of Commerce if you have any questions and consult the posted regulations and procedures to ensure guidelines are followed. With this, all DMOs are expected to be in full compliance with Section 8, Bidding and Request for Proposal Process for sole source documentation. Immediate compliance is required for all of the procedures related findings. It is the responsibility of all DMOs to know, understand, and be in compliance with the rules and regulations process as adopted in ARMS and posted.

1:13:50 Chair Joan Kronebusch: The committee recommends final approval of the FY25 Great Falls CVB, Whitefish CVB, Miles City CVB, Columbia Falls CVB, Missoula CVB, Sidney CVB, Missouri River Country, Red Lodge CVB, Butte CVB, Central Montana, Livingston CVB and Billings CVB audit as submitted with no findings. The committee recommends final approval of the FY25 Belgrade and West Yellowstone CVB audit reports as submitted, with TAC follow-up action in accordance with the regulations and procedures for region and CVB tourism organization's use of lodging facility use tax revenue, as adopted by ARMS. As stated in Section 12, Actions for Noncompliance, a letter from the Council Chair will be issued to the organizations and their president chair. Noted in this letter will be findings related to Guidelines Section 8, bidding and request for proposal process, where applicable, the letter will recognize the need for clarification around the use of designated sole source process for all vendors in qualifying circumstances and need to be in compliance with this section for FY27. The letter will also note the instance of being over budget for the FY25 according to Schedule A within the agreed-upon procedure report for FY25. Also want to note that, that, the auditing firm will correct the line item on West Yellowstone's audit.

1:15:54 The committee recommends final approval for Havre CVB audit as submitted. The TAC follow-up action in accordance with rules and procedures for Region CVB tourism, use of lodging facility use tax revenue adopted by ARMS. As stated in Section 12, action for noncompliance, a letter from the Council Chair will be issued to the organization and their president chair. Noting the instance of being over budget for FY25, according to Schedule A within the agreed-upon procedures produced for FY25.

1:16:31 The committee recommends final approval of the FY25 Dillon CVB, Helena CVB, Kalispell CVB, and Gardiner CVB. Audit reports as submitted with TAC follow-up action in accordance to the regulations and procedures for Region CVB tourism organization's use of lodging facility, tax revenue as adopted by ARMS. As stated in Section 12, Actions for Noncompliance, letter, letter from the Council Chair will be issued to the organizations and the president chair. Noting this letter will be findings related to Guidelines Section 8, Bidding and request for proposal process. Where applicable, the letter will recognize the need for clarification around the use of designated sole source process for all vendors, qualifying circumstances, and the need to be in compliance with this section for FY27.

1:17:35 The committee recommends final approval for the FY25 Anaconda CVB, and Southeast Montana audit report as submitted. The TAC will follow up actions in accordance with regulations and procedures for regions CVB tourism regions, CVB tourism organizations, use of lodging facility tax revenue as adopted by ARMS. As stated in Section 11, bookkeeping regulations, the Executive Director and the president chair of the organization will be sent a letter from the Council informing them of the findings and informing them of the need to adhere to regulations regarding travel expense forms moving forward. Clarification on appropriate travel form use will be provided within the remainder of FY26 for complete compliance by FY27.

 **COMMERCE**

1:18:51 Chair Joan Kronebusch asks for a motion, moved by Lisa Koski, seconded by Chris Dunkerson, motion passes.

1:19:42 Joan Kronebusch announces the next TAC meeting, June 9-10 in Helena.

1:20:09 Joan Kronebusch adjourns the meeting.