

TOURISM ADVISORY COUNCIL MEETING MINUTES
HERRITAGE CENTER, HELENA AND VIA ZOOM
JUNE 9 – 10, 2026

COUNCIL MEMBERS PRESENT

Joan E. Kronebusch, Chair-Central Montana
Lisa Koski, Vice Chair-Missouri River Country
Brooke Erb-Southwest Montana
Gerald Gray-Tribal Government Representative
Shelli Mann-Southeast Montana
Erin Kennedy-At Large
Chris Dunkerson-Yellowstone Country
Lailani Upham-Tribal Member Browning (Virtual)

DEPARTMENT OF COMMERCE STAFF

Jennifer Pelej-Division Administrator
Dave Kelly-Tourism Industry Coordinator
Amanda Wilkey-Tourism Promotion Liaison
Todd Jackson-Marketing and Public Relations Specialist
Theresa Erickson-Administrative Support Supervisor

TUESDAY, JUNE 9, 2026

2:20: Joan Kronebusch- Council Chair called the meeting of the Tourism Advisory Council to order at 11:00 a.m.

2:31: Announcement by Joan Kronebusch- prohibiting AI notetaking, or summarization, or transcription tool at this meeting.

3:32: Jenny Pelej, Division Administrator DOC- Announcements and opening comments

16:56: Approval of Minutes- February 18, 2026, no public comments offered, Chris Dunkerson made a motion to approve the minutes, Brooke Erb seconded the motion. Motion Passed.

19:30: Public Comment, Joan Kronebusch, recognized Sarah Bannon, Carla Hunsley and Diane Medler for their service to Montana tourism.

TAC Committee Reports

23:55: Rules and Procedures Committee, Chris Dunkerson, they are reviewing suggestions submitted by destination marketing organizations and will meet in the third quarter.

24:28: Montana Heritage Commission, Brooke Erb, they met on June 5, will meet again on Sept. 11 and has a new Executive Director, Joe Stasko.

26:07: Tribal Tourism, Lailani Upham, Montana Indigenous Tourism Trail project is in year two.

27:29: Research Committee, Brooke Erb, nothing to report, heard a report from Melissa Weddell from the Institute for Tourism and Recreation Research.

27:43: Marketing Committee, Joan Kronebusch, reviewed two audits.

Jenny Pelej presented Eide Bailly slides. Provided overview of the agreed-upon procedures. Showed the scope of work. Procedures performed for each DMO. Glendive Convention and Visitors Bureau and Yellowstone Country slides were shown.

35:32: Public Comment: Robin Hoover from Yellowstone Country Tourism region referred to the letter she sent on this topic. (letter attached) no other public comment.

36:38: Motion to approve FY25 Glendive Convention and Visitors Bureau and FY25 Yellowstone Country Tourism region audit report and action for non-compliance, a letter will be submitted with a notice of the findings. Shelli Mann made the motion; Erin Kennedy seconded the motion. The audits were approved.

38:20: Institute for Tourism and Recreation Research (ITRR) – Melissa Weddell, provided updates from the University of Montana research projects. They are celebrating 40 years.

FY27 DMO Plan presentations:

54:19: Yellowstone Country – with a budget of \$3,800,000.00

1:05:31: Visit Big Sky – with a budget of \$850,000.00

1:22:47: Belgrade – with a budget of \$110,727.00

1:30:54: Bozeman – with a budget of \$483,404.02

1:40:20: Livingston – with a budget of \$66,350.00

1:59:10: Gardiner – with a budget of \$117,738.00

2:05:40: Red Lodge – with a budget of \$48,074.00

2:12:50: Lisa Koski made a motion to recommend final approval of the FY27 Yellowstone Country, Visit Big Sky, Belgrade DMO, Bozeman DMO, Livingston DMO, Gardiner DMO, and Red Lodge DMO Plans and Lodging Facility Use Tax budgets as submitted. Brooke Erb seconded the motion. Motion passed.

FY27 DMO Plan presentations:

2:15:48: Glacier Country – with a budget of \$4,200,000.00

2:28:19: Columbia Falls – with a budget of \$32,512.00

2:38:32: Whitefish – with a budget of \$281,000.00

2:51:43: Kalispell – with a budget of \$228,000.00

3:00:58: Destination Missoula – with a budget of \$528,499.00 (Stated \$228,499.00)

3:10:20: Chris Dunkerson made a motion to recommend final approval of the FY27 Glacier Country, Columbia Falls DMO, Whitefish DMO, Kalispell DMO, and Destination Missoula, Plans and Lodging Facility Use Tax budgets as submitted. Erin Kennedy seconded the motion. Motion Passed.

FY27 DMO Plan presentations:

3:10:48: Southwest Montana – with a budget of \$969,322.00

3:25:59: Helena – with a budget of \$208,694.00

3:34:52: Butte – with a budget of \$183,731.00

3:46:09: Anaconda – with a budget of \$29,677.00

3:55:07: Dillon – with a budget of \$40,440.40

4:04:08: Lisa Koski made a motion to recommend final approval of the FY27 Southwest Montana, Helena DMO, Butte DMO, Anaconda DMO, Dillon DMO, Plans and Lodging Facility Use Tax budgets as submitted. Brooke Erb seconded the motion. Motion passed.

4:04:49: Correction: Destination Missoula \$528,499.00. Chris Dunkerson made a motion to recommend final approval of the FY27 for Destination Missoula, Erin Kennedy seconded the motion. Motion Passed.

FY27 DMO Plan presentations:

4:05:54: Central Montana – with a budget of \$599,303.00

4:12:16: Great Falls – with a budget of \$283,500.00

4:17:42: Havre – with a budget of \$22,000.00

4:30:10: Lisa Koski made a motion to recommend final approval of the FY27 Central Montana, Great Falls DMO, and Havre DMO Plans and Lodging Facility Use Tax budgets as submitted. Chris Dunkerson seconded the motion. Motion passed.

4:31:05: Tribal Tourism Region Presentation – Rachelle Brown, Tribal Tourism Officer

Provided an update.

4:48:15: Meeting adjourned.

WEDNESDAY, JUNE 10, 2026

1:35: Joan Kronebusch called the meeting to order at 9:02 a.m.

FY27 DMO Plan presentations:

3:46: Missouri River Country – with a budget of \$104,987.00

20:04: Glasgow – with a budget of \$18,500.00

29:50: Sidney – with a budget of \$19,667.00

40:45: Shelli Mann made a motion to recommend final approval of the FY27 Missouri River Country, Glasgow DMO, and Sidney DMO Plans and Lodging Facility Use Tax budgets as submitted. Chris Dunkerson seconded the motion. Motion passed.

FY27 DMO Plan presentations:

42:10: Southeast Montana – with a budget of \$1,025,000.00

53:30: Glendive – with a budget of \$30,000.00

1:08:07: Miles City – with a budget of \$49,550.00

1:18:18: Billings – with a budget of \$481,000.00

1:30:59: West Yellowstone – with a budget of \$412,958.00

1:50:42: Lisa Koski made a motion to recommend final approval of the FY27 Southeast Montana, Glendive DMO, Miles City DMO, Billings DMO, and West Yellowstone DMO Plans and Lodging Facility Use Tax budgets as submitted. Brooke Erb seconded the motion. Motion passed.

1:51:45: Meeting adjourned at 10:52 a.m.

June 03, 2026

Dear Members of the Tourism Advisory Council:

Response to FY 25 Audit Findings

- Yellowstone Country | Accounting Services and Insurance findings

I want to be straightforward about how Yellowstone Country has managed the two flagged line items up to the present, as it is relevant to the discussion and any subsequent action. I would also like to share something the DMO organizations have been working on, which I believe will be useful for this discussion and for the Council going forward.

What These Services Actually Are

Before getting into procurement process, it is worth being clear about what accounting services and insurance are for an organization like Montana's Yellowstone Country.

Accounting and bookkeeping services are standard operational functions of any legal nonprofit organization. Our independent financial audit is a nonprofit governance best practice; something a well-run nonprofit undertakes on its own initiative to ensure financial integrity and transparency for both the governing board of directors and the public. These are not tourism promotion expenditures; they are simply part of responsible nonprofit management.

The same is true of having business insurance. The policies in question — general liability, directors and officers, and related nonprofit coverage — are standard protections that any independent nonprofit organization (or any business) carries to protect itself, the volunteer board, and the people it serves. These are nonprofit governance functions, not tourism promotion activities.

The 2022 Regulations and Procedures (R&P) govern how lodging facility use tax funds are spent on tourism promotion functions. They were not designed to determine and direct how an independent nonprofit organization should best manage its own accounting & financial processes and insurance needs.

The Term "Sole Source"

The audit findings reference "sole source" as the applicable procurement method for both line items in question. I want to raise this for the Council's consideration, because it touches on something that has caused genuine confusion for the DMO organizations.

First, "sole source" does not appear as a defined procurement method anywhere in the 2022 Regulations and Procedures except briefly in Section 8.1, in the context of purchases under \$5,000, where no competitive selection is required. It is not defined, it is not described as a process, and there is no guidance in the R&P on how it should be applied.

Second, sole source procurement is a formal mechanism rooted in government procurement law — specifically the Federal Acquisition Regulation governing federal agencies, and equivalent procurement statutes governing state agencies. It is a defined exception to full and open competition that government agencies must formally justify in

writing. It is a government contracting concept, not terminology that appears in the framework governing independent nonprofit regions and CVBs.

Third, and perhaps most importantly — this requirement to implement accounting and insurance services through procurement has never come up in any previous audits or compliance reviews. It has only appeared following the FY 25 outside audit interpretation.

Some of the DMO organizations, including Yellowstone Country, have been working collaboratively to formalize a procurement process we hope will be considered for the next version of R&P. That work is captured in the document I am introducing to the Council, which we are calling the **Procurement Decision Reference for Tourism Organizations**. I have included a copy for each Council member.

The document is grounded entirely in the 2022 R&P. The flowchart on the first page walks through a question the R&P's own language implies: before asking which Section 8 threshold applies, you first need to ask whether a purchase is biddable at all.

Section 8.2 requires that all bidders receive identical project specifications and that the award goes to the lowest qualified bidder. Section 8.3.1 requires a written evaluation process and scorable proposals. If a service cannot satisfy those conditions — if you cannot write a specification that works equally for multiple vendors, and if selection cannot be made on a lowest qualified bid basis — then the Section 8 competitive procedures cannot be meaningfully applied to it. That is what the 2022 R&P says when Section 8 is read on its own terms.

Applying That Framework to Both Flagged Audit Findings

Accounting Services - Can a clear, identical specification be written that multiple vendors could quote on the same terms? For accounting, bookkeeping, and an independent financial audit, the answer is no. Selection of these professionals depends on credentials, qualifications, and professional judgment — not a lowest-bid comparison. These are professional services in the most straightforward sense of that term, and the Section 8 competitive procedures were not designed for them.

Insurance - Can a specification be written and distributed to competing vendors? For general liability, directors and officers, and related nonprofit coverage, the answer is also no. Coverage terms, carrier eligibility, and policy availability are determined by the market, based on an organization's specific risk profile. There is no specification to write, and no lowest-bid comparison to make. DMOs should obtain the coverage that is determined by our boards to be the appropriate insurance coverage for our respective organizations.

An Offer to the Council

The DMOs would like to offer the aforementioned **Procurement Decision Reference** to the Council as a resource that could be shared for use by all regions and CVBs. We believe it reflects how our organizations have understood and applied the 2022 R&P, and we think having it benefits everyone going forward. We welcome any questions and look forward to the Council's thoughts.

Sincerely,

Robin Hoover
Executive Director