

TOURISM ADVISORY COUNCIL MEETING DRAFT MINUTES

APRIL 10, 2016

KALISPELL, MT

COUNCIL MEMBERS PRESENT

Bill McGladdery, Chair—Butte
Glenniss Indreland, Vice Chair—Big Sky
Mark Anderlik—Missoula
Tami Burke—Glasgow

Rhonda Fitzgerald—Whitefish
Katie Grice—Big Sky
Kim Holzer—Stanford

Brian Sprenger—Belgrade
Steve Wahrlich—Billings
Amber Wood-Jensen—Butte

COUNCIL MEMBERS NOT PRESENT

Matt Ellis—Missoula
Stan Ozark—Glasgow

Alger Swingley—Babb
Dude Tyler—Livingston

MONTANA DEPARTMENT OF COMMERCE (DOC) STAFF

Sean Becker—Administrator, MOTBD
Jeri Bucy—Sales & Constituent Services Bureau Chief
Carmen Levick—Sales & Constituent Services

Doug Mitchell—Deputy Director, DOC
Barb Sanem—Industry Program/Compliance Specialist
Julie Walker—Industry Marketing Coordinator

SUNDAY, APRIL 10, 2016

CALL TO ORDER, INTRODUCTIONS, NEW BUSINESS

Council Chair, Bill McGladdery called the meeting of the Tourism Advisory Council (TAC) to order at 12:00 pm. Introductions of Council members, Montana Office of Tourism (MTOT) staff and the audience followed.

APPROVAL OF MINUTES

- October 5, 2015 TAC Retreat Minutes
- October 6, 2015 TAC Meeting Minutes

Steve Wahrlich moved to approve the minutes. Kim Holzer seconded. Motion passed.

MEMBER ROUNDTABLE

Updates and information of happenings in Montana were given. Discussion included:

- Kalispell will have a seasonal direct flight to and from Chicago
- Bozeman will have a seasonal direct flight to and from Dallas
- Non-stop shuttle service from Whitefish to Glacier National Park will be available for the summer
- Big Sky MT mobile app launched
- Airports reporting strong growth in the Pacific northwest, creating challenges to some, but overall positive changes
- Region/CVB needs—Southwest MT struggling with photo/video needs
- Missoula working on completion of wayfinding signage
- Butte looking to specialize in small meeting market
- 21 3-D horses similar to the ones near Three Forks will be placed near Miles City
- Building workforce is difficult. Loss of labor force to the oil fields and people not returning to school or workforce in local communities.

PUBLIC COMMENT

Norma Nickerson announced the ITRR (Institute for Tourism and Recreation Research) has recently added an economist to their staff who will be starting on July 1, 2016.

MARKETING COMMITTEE UPDATE—Glenniss Indreland, Chair
Region/CVB Rules & Regulations Changes

Suggested changes to the Region/CVB Regulations were presented. They are:

- 1) PAGE 6, 3. ELIGIBLE ORGANIZATIONS
 - Organizations are expected to have one paid staff or board member at each Council meeting. This representative is to be the individual who works most closely with the Department.
- 2) PAGE 9, 2. COOPERATIVE MARKETING, 3. JOINT VENTURES
 - The department offers organizations the opportunity to partner in marketing projects (joint ventures) with the department and other lodging facility use tax funded entities. Organizations shall request approval of joint ventures budget from the council at the time of the approval of the annual marketing plan. Projects that are decided upon after the approval of the annual marketing plan shall be funded through opportunity marketing, as a new project, or by transferring funds within the approved organization's budget into their joint venture line item.
- 3) PAGE 10, 6. MARKETING PLAN OVERVIEW
 - The annual marketing plan and budget shall arrive at the Department at least three weeks prior to the scheduled June Council meeting. Funds will only be released upon approval at the June Council meeting.
- 4) PAGE 11, 6. MARKETING PLAN OVERVIEW, COUNCIL REVIEW & ACTION
 - Marketing Segments, Strategies, Methods and Budgets. See SECTION 12 for eligible marketing and administrative expenditures.
- 5) PAGE 11, 6. MARKETING PLAN OVERVIEW, COUNCIL REVIEW & ACTION
 - The plan will be presented at the June Council meeting. Funds will only be released upon approval at the June Council meeting.
- 6) PAGE 11, 7. MARKETING PLAN NARRATIVE
 - Joint Ventures/Co-ops.
 - a. In what types of Joint Ventures with MOTBD would you like to participate?
 - b. In what other types of co-ops would you like to participate? (Regions/CVBs, community entities, etc.)
 - c. What types of co-ops or Joint Ventures have you done in the past? Were they successful – why or why not?
- 7) PAGE 14, 13. ELIGIBLE MARKETING EXPENDITURES
 - Market research, which may include conversion studies, focus groups, industry experts, and educational entities such as Voices of Montana Tourism.
- 8) PAGE 16, ALLOWABLE ADMINISTRATIVE EXPENSES
 - Travel expenses -- Mileage and meals are eligible at current state rates. (See Addendum) Rooms are eligible at full cost. Mileage allowance may be applied to the rental, purchase and/or maintenance of a vehicle provided they can prove the mileage equation. Tips/gratuities: at industry standard*** if necessary as part of method or project. Written documentation is required: date, place, service, amount. (**see addendum – Bookkeeping regulations Section 19.5)
- 9) PAGE 24, 19. FUND MANAGEMENT & FISCAL RESPONSIBILITIES, 5. BOOKKEEPING REGULATIONS PER THE TOURISM ADVISORY COUNCIL—March 2016

Maximum allowed, based on these industry standards for tips and gratuities. Must be essential to a marketing method or project. Document date, place, service, dollar amount.

 - Food and Beverage service 18%
 - Hotel Housekeeping \$____per night
 - Baggage handling by cab, shuttle, sky cap, etc. \$_____per bag
 - Guide service for organized activities 20% per participant per guide

The committee did not have suggested amounts for the hotel housekeeping or the baggage handling and asked for industry partner input for those items. Mark Anderlik commented that the American Hotel and Lodging Association recommends \$1-5 per night for housekeeping depending on the cost of the room and \$1-3 per bag for handling.

Rhonda Fitzgerald moved to approve the changes to the regulations. Steve Wahrlich seconded. Discussion regarding the allowance for tipping followed.

Barb Sanem commented that none of these tip items are allowed for state employees and that as the compliance auditor, she is required to follow state regulations and guidelines. She stated that with bed tax dollars being public funds, she is opposed to tipping for meal reimbursement and housekeeping being allowed as proposed in the rules and regulations for the Regions and CVBs.

Jeri Bucy commented that without changing the rules and regulations to include the language for tipping, there are provisions made for tipping especially as it relates to guides and outfitters. She reiterated that state employees are not allowed to tip (per diem only) and that allowing it for the Regions and CVBs could lead to bigger issues in the auditing world.

Glenniss Indreland stated that the committee was concerned about the legality of this issue. She said that in checking with Montana Department of Commerce legal counsel Garrett Norcott, were told that there wasn't anything that prohibited the allowance for tipping for these entities.

Rhonda Fitzgerald pointed out that on the expense form there is a line for miscellaneous expense up to \$25/day , and asked why the Council couldn't just add language to that item that says "example: tips for food and beverage, housekeeping, baggage handling and guides" and that would be the place where these item could be listed.

Barb Sanem clarified that the miscellaneous expense up to \$24.99/day is only for eligible allowable expenses that are unreceipted. Question was asked as to why housekeeping would not be allowed. Barb explained that housekeeping tips are not explicitly permitted in state policy. Meal tips are not considered a miscellaneous expense.

Inserted for reference:

D. Reimbursable Travel Expenses (Montana Operations Manual Policy, Department of Administration, State Financial Services Division)

Miscellaneous business expenses associated with official state travel are reimbursable. Each expense of \$25 or more must be supported by a receipt. Report all miscellaneous expenses in the "Other Expense" column of the agency's Travel Claim Form, and explain each one in the space provided at the bottom of the form. Some examples of allowable miscellaneous expenses are: needed working supplies purchased on an emergency basis; taxi fares; and business telephone calls. Meal tips and meal taxes are not considered miscellaneous expenses.

Rhonda amended the motion to say that under the miscellaneous un-receipted expenses up to \$25 (\$24.99 max) per day to state that it "includes tipping for food and beverage, housekeeping, baggage handling and guides", putting that language in both the Allowable Administrative Expenses and the Bookkeeping Regulations for Marketing Projects sections of the rules and regulations. Steve Wahrlich seconded. Motion passed.

Rhonda Fitzgerald moved to approve the changes to the regulations. Kim Holzer seconded. Motion passed.

FY15 Audits

The Marketing Committee recommended final approval for the following FY15 audits:

Southwest Montana: Approval as submitted with uncommitted funds on hand of \$0.24.

Big Sky CVB: Approval as submitted with uncommitted funds on hand of \$270.09.

Bozeman CVB: Approval as submitted with uncommitted funds on hand of \$15.16.

Dillon CVB: Approval as submitted with uncommitted funds on hand of \$2,599.49.

Helena CVB: Approval as submitted with uncommitted funds on hand of \$0.15.

Kalispell CVB: Approval as submitted with uncommitted funds on hand of \$2,882.70.

Helena CVB: Approval as submitted with uncommitted funds on hand of \$0.15.

Missoula CVB: Approval as submitted with uncommitted funds on hand of \$206.92.

West Yellowstone CVB: Approval as submitted with uncommitted funds on hand of \$560.67.

Whitefish CVB: Approval as submitted with uncommitted funds on hand of \$8,818.08.

Amber Wood-Jensen moved to approve the recommendation. Brian Sprenger seconded. Glenniss Indreland abstained from the vote for the Big Sky CVB audit, Amber Wood-Jensen abstained from the vote for the Butte CVB audit and Rhonda Fitzgerald abstained from the vote for the Whitefish CVB audit. Motion passed.

Research Committee—Bill McGladdery, Chair

Bill gave the recommendations of the Research Committee for FY17 research projects for a total of \$69,962. Those projects are:

- Quarterly Nonresident Visitor Analysis
- 2016 Economic Impacts and 2017 Outlook
- Tourism and Recreation Monitoring
- Data mining of ITRR data sets
- Panel Studies
- Survey Kits
- Resident Travel in Montana
- Visitor Characteristics and Economic Analysis of Northeast Montana
- Montana's Key Niche Activities for Visitation and Spending

Amber Wood Jensen moved to approve the recommendation of the committee. Glenniss Indreland seconded the motion. Motion passed.

MONTANA OFFICE OF TOURISM & BUSINESS DEVELOPMENT (MOTBD) UPDATE—MOTBD Staff
Montana Office of Tourism & Business Development (MOTBD) updates were given. For updates and news, you can sign up for the monthly newsletter here: <http://www.montanatourismnews.org/>

DASHBOARD BRIEFING—Jeri Bucy, Sales & Constituent Services Bureau Chief

An overview of the tourism dashboard was given. This report is intended for key stakeholders as well as agency partners. For up to date information please visit <http://tourism.mt.gov/AboutUs/PlansReports/Dashboard>

LEGISLATIVE DISCUSSION

Tourism issues and challenges for the upcoming legislative session were discussed.

VOICES OF MONTANA TOURISM—Dax Schieffer, Director, Voices of Montana Tourism

Dax announced that Voices of Montana Tourism is now an independent non-profit organization 501c3. They are focused on education and outreach to talk about the economic impact and the importance of tourism in Montana. For more information please visit <http://www.voicesoftourism.com/>

UPCOMING TAC MEETINGS

- June 6-7, 2016—Finlen Hotel, Butte
 - Note: If a Region or CVB is not in attendance to present your marketing plan, they will not be funded.
- October 3-4, 2016—Gardiner (Location TBD)

ADJOURNMENT

The meeting was adjourned at 4:01 p.m.