Agenda Item #7

2026

FORE Golf Waiver Request Documents

September 10, 2026 Work Session for 2025 season/taxes and staff direction on whether Council is interested in amending contract.

DATE: August 21, 2026

TO: Mayor Dahlquist and City Council Members

cc. Anne Butler, Parks & Recreation Director

FROM: Jerold Myler, FOREGolf, Inc.
Greg Allbright, FOREGolf, Inc.

SUBJECT: Request for Waiver of Allowable Operating Expenses Western CPI Limit for the Remainder of the Golf Concession Agreement.

Background

Pocatello golf courses were at one time a financial liability to the City, when the City operated them and consistently lost money. Prior to contracting with FOREGolf, the City leased golf course operations out for $1 annually, and $0 water use charges. This was done simply so that course operations could be provided for community enjoyment in the black rather than the red, and not burden taxpayers. Since that time, the City of Pocatello and FOREGolf, Inc. have enjoyed a successful long-term arrangement for golf course operations, providing for significant contributions to the Recreation Fund and Water Dept. (utility payment) revenues of the City, as well as ample Capital Improvement/Daily Round Pass-Through Fees each year.

The goal of City staff and FOREGolf during concession agreement negotiations has traditionally been a three-legged stool philosophy, in which operational and financial terms & conditions are mutually beneficial to all three involved entities, namely:

- The Golfing Community *(particularly Pocatello resident golfers)*
- City of Pocatello
- FOREGolf, Inc.

Over the years, to accomplish and maintain this goal during periods of upheaval in the golf industry such as fluctuating play level trends and operational cost challenges (especially in the areas of labor, repair & maintenance, and supplies), concession agreement terms and conditions have undergone several iterations and updates over the years.

Through the 2018 Season (Base Payment + Water Fees + CIP Pass-Thru's)

Prior to the 2019 season, Golf Concession Agreement terms & conditions regarding FOREGolf yearly financial obligations to the City consisted of the following:

- Base Payments: fixed, and ranging from approx. $105,000 to $120,000 per year
- Water Fees (course irrigation): $1.04 per 1,000 gal. with a $150,000 yearly cap
- CIP "Pass-Thru" Fees: assessed to season passes and daily rounds

A snapshot of revenues paid to the City for the previous five year period leading up to the 2018 season is as follows:

	2014	2015	2016	2017	2018
Base Payments	$115,791	$115,944	$114,868	$119,809	$105,960
CIP "Pass-Thru's"	$31,072	$34,225	$47,530	$41,662	$45,975
Rec. Fund Total	$146,863	$150,169	$162,398	$161,471	$151,935
Water Dept.	$121,257	$128,566	$118,081	$146,339	$130,081
TOTAL Revenues	**$268,120**	**$278,735**	**$280,479**	**$307,810**	**$282,016**

*Note: Season pass CIP pass-thru fee amounts increased as of the 2016 Season agreement renewal.

Golf Concession Agreement Re-Negotiated: 2019 Season to Present

After many successful & mutually beneficial golf seasons, the previous concession agreement financial terms were proving to no longer be beneficial, nor viable for FOREGolf looking into the future, due to on-going and nation-wide trends of decreased play. Beginning noticeably with the 2016 golf season, and continuing to worsen in 2017 & 2018, causing hundreds of golf courses around the country to close, and also negatively impacting Pocatello golf course operations. The trend of decreased play was also evidenced in the golf retail market, where equipment sales in the U.S. experienced the same downward trajectory, causing many golf equipment stores across the country to go out of business. National golf publications largely attributed these impacts to Millennials not picking up the game at the rate that Boomers were aging out of it. The combination of decreases in season pass sales and daily rounds of play experienced created a situation where FOREGolf incurred net operational losses of over $75,000 for each of the 2017 & 2018 seasons, prompting a concession agreement re-negotiation.

Beginning with the 2019 season and on-going, the City and FOREGolf entered into a re-negotiated "market based" concession agreement, designed to re-achieve and maintain the three-legged-stool operational goal, in which financial terms & conditions are mutually beneficial to the City and Golf Concessionaire, while securing continued provision of golf services for the community. The market-based agreement approach is based on percentages of operational profits, and is *capable of adjusting to market conditions (play level trends)*, while continuing high-quality community golf services, maintaining City revenue streams, and mutual benefit for the Concessionaire.

Highlights of the market-based Golf Concession Agreement in effect since 2019 are as follows:

- Moving from the fixed/static base payment and utility charges of past agreements to a *percentage of operational profits approach*, with a 68% City and 32% Concessionaire percentage split.
- This is accomplished by Concessionaire paying monthly payments of $40,000 for the 5-month period of April – August each year ($200,000), as a place holder to final obligations due.
- Concessionaire then pays the remainder of financial obligations (to reach a total 68% of operational profit to the City) during the following season, per annual financial statement information prepared and provided by Certified Public Accountant Firm.
- Concessionaire payments are then internally dispersed by the City between the Water Dept. and Recreation Fund revenue accounts (Water Department: 53% and Rec. Fund: 47%).
- Recreation Fund retains annual CIP Pass-thru revenues.

<u>Market Based/Percentage of Operational Profits Agreement Revenues</u>

Since the 2019 season, the re-negotiated market-based/percentage of operational profits concession agreement has performed as designed, and has worked exceedingly well. Combined with FOREGolf's on-going efforts to increase play levels and attract the next generation of golfers at the courses (including participation in the Youth on Course Program, expanded season pass & family pass offerings, and discounted green fee & cart use rates to attract new golfers), FOREGolf has been able to deliver unprecedented revenues to the City. With play levels and associated course revenues trending upwards accordingly, revenues paid to the City during the most recent five years of the market-based agreement being in effect are as follows (*2025 Season final financials pending Council decision):

	2021	2022	2023	2024	*2025
Base Payments	$200,000	$200,000	$200,000	$200,000	$200,000
Remaining Obligations	$101,667	$176,748	$307,587	$383,645	*$458,517
CIP Pass-Thru's	$53,275	$50,361	$62,896	$63,228	$69,723
TOTAL City Revenues	**$354,942**	**$427,109**	**$570,483**	**$646,873**	***$728,240**
Rec. Fund Revenues – 47% (+ CIP Pass-Thru's)	$195,058	$227,433	$301,462	$337,541	*$379,226
Water Dept. Revenues – 53%	$159,884	$199,676	$269,021	$309,332	*$349,014

FOREGolf is *uniquely able to deliver* these types of significant revenues to the City due to the following factors:

- Re-negotiated Market Based Agreement terms & conditions is functioning as planned/very well, and
- FOREGolf owns, and has already expended the significant capital outlay resources necessary for on-going operations (examples: large scale/industrial mowing, fertilization, and other costly maintenance equipment, golf cart fleet, etc.). Not having to accommodate for these large capital expenses in the agreement terms & conditions allows FOREGolf to contribute such significant percentages of operational revenues to the City, whereas another concessionaire would very likely not have that ability.

The golf community and FOREGolf has also realized mutual benefit during this period, with golfers enjoying quality golf course operation, conditions & services, and FOREGolf realizing retained operating income as follows:

	2021	2022	2023	2024	*2025
FOREGolf Operating Income	$141,961	$177,293	$238,865	$274,656	*$309,890

Operating Expense Challenges – Beginning with the 2020 Season and On-Going

When entering into the market-based agreement financial terms in 2019, FOREGolf gave much consideration to City staff's request to retain agreement terms/conditions regarding allowable Operating Expense levels in relation to the annual Western CPI increase limits. FOREGolf ultimately agreed to staff's request due to a long history of being able to comfortably stay within annual CPI increase limits, as evidenced by the below snapshot of the 5-year period prior to the 2019 re-negotiated agreement (with previous years being similar):

- 2014 – 2018 FOREGolf Operating Expenses Cumulative Increase: **+ 6.67%**
- 2014 – 2018 Annual Western CPI Cumulative Increase: **+ 10.5%**

Increasing Labor Costs

However, as presented to Council during 2024 season final accounting, FOREGolf operational expenses have unfortunately *continued to be challenged by ever increasing labor costs* since the 2020 season (coinciding with the Covid pandemic), and consistent with national golf organization and publication reporting:

- Per the National Golf Course Owners Association's 2026 Golf Business Pulse Report, mean operating budgets jumped 9% year over year (2024-2025), and rose 17% over a 2-year span (2024 & 2025), driven heavily by rising labor/payroll and maintenance costs. Managing payroll costs emerged as a top operational hurdle currently and looking in the future.

- Per Golf Course Industry magazine (October, 2025), projections for 2026 reflect a softening labor market with less access to entry level, manual labor workers, and that adding experienced and skilled workers will remain one of the superintendents' biggest challenges. Courses will have less access to workers when filling open positions, and new hires will require more training in operational basics. In addition, labor pressures of finding and retaining course maintenance & clubhouse staff has required significantly higher hourly wages.

Beginning with the 2020 season, intensifying during the 2024 & 2025 seasons, and continuing for 2026, FOREGolf operational experiences & challenges of worker shortages, annual labor cost increases needed to attract & retain staff necessary to operate the courses, and rising maintenance costs have *mirrored or exceeded national industry trends noted above* (with regional labor market factors also likely contributing).

Through the 2023 season, FOREGolf has been able to apply un-used CPI adjustment levels to subsequent years allowable annual total operating expense figures, and adhere with contract terms and conditions (much like the use of Forgone taxing authority in a municipal budget process). However, beginning with the 2024 season, this was no longer possible, prompting a request to Council to allow for an expansion of allowable operating expenses above the annual CPI limit. As detailed above, national golf industry trends, from which Pocatello and FOREGolf are not immune, continue to drive costs well beyond the annual Western CPI levels. These challenges have caused staffing cost increases as follows:

- $477,507 in 2023 to *$610,549 in 2024: + *28%
  *Note: in 2024, FOREGolf was successful in hiring a second Class A PGA Professional (per agreement terms & conditions), resulting in an approx. $81,000 (or 17%) of the 2024 cost increase.
- $610,549 in 2024 to $685,560 in 2025: +12%

2026 season staffing costs are also trending upwards from 2025, mainly due to a mild winter allowing for earlier than traditional course opening dates. Save for the 2nd PGA Professional hired in 2024, staffing levels for all other positions *remain at traditional levels*. Like many golf courses across the nation, with onset of the covid pandemic, FOREGolf experienced much greater than normal difficulty in attracting and retaining quality staff, and was forced to increase traditional wages accordingly, in some positions rather significantly, *simply to meet traditional operational needs of the concession agreement*. Maintenance staff labor needed to maintain aged course irrigation systems has also had a material impact on labor costs.

Increasing Maintenance/Repair & Supply Costs

- Per Golf Course Superintendents Association of America, maintenance expenses in recent years have been rising significantly year over year, driven by costlier machinery maintenance and replacement, seed, fertilizer and fuel costs.

FOREGolf operational challenges in regards to increasing maintenance/repair and supply costs have also mirrored national industry trends noted above. These challenges have caused Maintenance/Repair & Supply Cost increases as follows:

- $165,511 in 2023 to $206,191 in 2024: + 24%
- $206,191 in 2024 to $236,899 in 2025: +15%

Maintenance of equipment, cart fleet maintenance/repair, and *repairs to golf course irrigation systems that have well exceeded their estimated life expectancy being the main factors driving the above increases.

*<u>Note</u>: per Greg Baer of The Land Group, Inc. in a 2011 analysis of the Highland system, golf course irrigation system life expectancy is estimated at approximately 25 years. The Highland (installed in 1987) and Riverside (installed early 90's) course irrigation systems have been in place for approx. 39 years and 33 years respectively. Both systems being well past their life expectancy.

FOREGolf is managing breakage and wear issues, but to significant expense. During the 2024, 2025, and 2026 (to date) seasons, FOREGolf has expended nearly $85,000 in irrigation system repair parts & supplies (irrigation heads, pipe, pipe fittings, glue, etc.), as follows:

Vendor	Turf Equipment	Silver Creek	Bear Irrigation
2024	$11,300	$4,500	-
2025	$39,000	$11,200	-
2026 *to date	$11,700	$3,000	$4,200
Vendor Totals	$62,000	$18,700	$4,200
Total		**$84,900**	

<u>Request for Waiver of Allowable Operating Expenses Western CPI Limit for the Remainder of the Golf Concession Agreement (through 2028 Season)</u>

FOREGolf continues striving to attract & retain quality Staff, to diligently maintain existing maintenance equipment to maximize lifespan and avoid costly replacements, and to manage aged course irrigation systems to the extent possible, in an effort to preserve revenues and minimize operational expense increases.

Per revenue trends detailed above for the current market-based agreement, FOREGolf strategies implemented over past several years to increase play levels at the courses and build the next generation of community golfers have proven extremely successful (Youth on Course Program, discounted golf & cart fees, expanded season pass & Family Pass offerings, etc.), with play levels and associated course revenues trending upwards significantly, resulting in historic & unprecedented City revenue levels.

As previously stated, FOREGolf is in a unique position to continue delivering significant revenues to the City, having already expended capital outlay resources necessary for on-going operations. Not having to accommodate for these large capital expenses in the agreement terms & conditions allows FOREGolf to contribute such high percentages of operational revenues to the City, whereas another concessionaire would very likely not have that ability. However, due to extraordinary golf industry and national trend circumstances in regards to labor and maintenance/repair & supply costs increasing beyond CPI levels year-over-year since the covid pandemic, as well as increasing irrigation system management costs, the golf concession agreement goal of a three-legged-stool operational philosophy is no longer being met.

FOREGolf therefore respectfully requests that Council approve a waiver of allowable operating expenses Western CPI limit, beginning with 2025 Season final accounting, and for the remainder of the Golf Concession Agreement ending December 31, 2028, with all other terms and conditions of the agreement remaining in force.

Using revenue increases generated from the 2024 to 2025 season as an example, should Council approve the requested CPI cap waiver, both the City of Pocatello and FOREGolf would see revenue increases of approximately 12.5%.

Should Council elect to not approve the FOREGolf request, City of Pocatello would see revenue increases of approximately 17.1% (+ approx. $29,288), while FOREGolf would see revenue increases drop to just 2% (– $29,288), thus losing the agreement's three-legged-stool goal of mutual benefit for the parties, both for the 2025 season, as well as expected for remaining seasons.

The period of years since covid has served to create a realized new operational normal, with annual operational expenses for basically the same staffing, maintenance and supply levels (with the exception of extensive irrigation system maintenance/parts needed), with costs not receding back towards traditional pre-covid levels, and not expected to. As of the 2024 season, FOREGolf's ability to meet agreement terms & conditions regarding allowable Operating Expenses in relation to the annual Western CPI increase limit have not been possible due to national golf industry trends, largely out of FOREGolf's control.

FOREGolf, Inc. looks forward to the continued partnership with the City for successful operation of the Pocatello Golf Courses, which have generated millions of dollars in revenues for the City over many years, and at zero operational cost-burden to City taxpayers. Should Council desire to approve FOREGolf's request, the Golf Concession Agreement provides language to do so in Section 3-c:

"Should other extraordinary circumstance arise, it is agreed that City and Concessionaire shall have the option of re-negotiating the annual Consumer Price Index adjustment level limit for annual total Operating Expense increases, with all other terms and conditions of the agreement remaining un-impacted and in full force".

FOREGolf, Inc. thanks the Pocatello City Council for your consideration.

2025

FORE Golf Waiver Request Documents

October 2, 2025 Council meeting approved for 2024 season/taxes.

Enclosed:

A. Fore Golf Request letter dated 9/23/2025.
B. Executive Summary written by A. Butler.
C. Council Meeting Minutes from 10/2/2025.

DATE: September 9, 2025

TO: Mayor Blad and City Council Members

cc. Anne Butler, Parks & Recreation Director

FROM: Jerold Myler, FOREGolf, Inc.
Greg Allbright, FOREGolf, Inc.

SUBJECT: Request for Re-Establishment of Allowable Operating Expenses Figure for the 2024 Season.

Background

The City of Pocatello and FOREGolf, Inc. have enjoyed a mutually beneficial long-term arrangement for provision of community golf services. Beginning with the 2019 season and approved by Council on 7-18-19, the City and FOREGolf entered into a renegotiated 'market based' golf concession agreement. Financial terms & conditions were designed to adjust to market conditions and maintain the goal of a three-legged-stool operational philosophy that continued to secure provision of high quality golf services for the community, and remained mutually beneficial financially to the City and FOREGolf. With full implementation realized in the 2020 season, the market based agreement format has functioned well, and provided for significant contributions to the City's Recreation Fund and Water Dept. utility payment revenues, as well as ample additional Capital Improvement and Non-Resident Pass-Through Fee revenues each year. Total Golf Agreement revenues realized by the City since 2020 are as follows (Note: below total figures are subject to Recreation & Water Dept. splits per agreement terms):

- 2020: $362,635
- 2021: $364,942
- 2022: $427,109
- 2023: $570,483
- 2024: $646,872 est.

As evidence by the above revenue trends, FOREGolf strategies implemented over past several years to increase play levels at the courses and build the next generation of community golfers have proven very successful (Youth on Course Program, discounted weekday afternoon golf & cart fees, a 'Family Pass' season pass offering, etc.), with play levels and associated course revenues trending upwards accordingly. FOREGolf continues striving to attract & retain quality Staff, as well as diligently maintaining existing maintenance equipment to maximize lifespan and avoid costly replacements wherever possible, to preserve revenues and minimize operational expense increases.

However, FOREGolf operations have unfortunately endured some extraordinary circumstances over the past several seasons that, as of 2024 season final accounting, challenge our ability to meet agreement terms/conditions regarding allowable Operating Expenses in relation to the annual CPI increase cap.

Unexpected and Extraordinary Operational Circumstances and Expense Challenges

Traditionally, FOREGolf has been able to keep yearly operating expense increases comfortably within annual CPI increase limit levels per Section 3-c Golf Agreement terms & conditions. However, like many businesses and municipalities, etc., drastic and unexpected increases in costs for staffing and goods & services realized during the Covid Pandemic, and continuing, created the following on-going operational expense challenges.

- Increases in Cost for Attracting and Retaining Staff
  (avg. $84,000+ increase for the 2020-2023 seasons)

When FOREGolf and the City entered into the renegotiated market-based agreement in 2019, FOREGolf operational staffing expenses traditionally ranged from approx. $350,000 - $375,000 annually. Like many employers, with onset of the covid pandemic, FOREGolf experienced much greater than normal difficulty in attracting and retaining quality staff, and was forced to increase traditional wages accordingly, in some positions rather significantly, simply to meet operational needs of the concession agreement. These challenges caused staffing cost increases to $413,587 in 2020 (1st year of covid); $481,278 in 2021; $466,884 in 2022; and $477,507 in 2023 – an average of $459,816 in 4 seasons following covid, and an average increase of over $84,000 per year for roughly the same staffing levels.

- Increases in Annual Operational Supply Costs
  (avg. $30,000+ increase for the 2020-2024 seasons)

FOREGolf operational supply expenses traditionally ranged from approx. $12,500 - $15,000 annually. However, due to supply chain and other issues created by the covid pandemic, the cost of these necessary operational supplies has risen quite drastically, and continues to increase, for these operating costs. As evidenced by annual supply costs rising from $13,161 in 2019 to $22,914 in 2020 (1st year of covid); $43,755 in 2021; $39,067 in 2022; $59,277 in 2023; and $64,685 in 2024 – an average of $45,940 in the 5 seasons since covid, and an average increase of over $30,000 per year for roughly the same operational supplies.

- Increases in Maintenance & Repair Service Costs
  (avg. $32,000+ increase for the 2020-2024 seasons)

Maintenance & Repair costs were another area that saw significant unexpected cost increases from traditional pre-covid costs of approx. $75,000 - $80,000 annually, jumping to $98,209 in 2020 (1st year of covid); $88,980 in 2021; $129,235 in 2022; $104,234 in

2023; and $141,506 in 2024 – an average of $112,433 in the 5 seasons since covid, and an average increase of over $32,000 per year for roughly the same professional services and maintenance & repair parts.

All told, the unexpected challenges created by the covid pandemic have over a period of years served to create a ***realized 'new operational normal'*** of approx. $140,000 in additional annual operational expenses for roughly the same staffing levels and goods & services. Costs have simply not receded back towards traditional pre-covid levels that Golf Concession Agreement terms and conditions were negotiated upon and agreed to in 2019. This has proven to be the new operational normal.

<u>Hiring of New Golf Pro</u>

Per Section 22 of the Golf Agreement, FOREGolf shall staff operations with two (2) Class A PGA Professionals, one (1) at each golf course. This was the case until one of the Class A PGA Professionals departed prior to the 2021 season. Replacing this position with a quality long-term employee proved to be extremely challenging during the 2021-2023 seasons, despite extensive recruitment efforts, multiple interview processes, and hiring of 2 candidates who unfortunately lasted only short periods.

As of the 2024 season however, FOREGolf was successful in locating, hiring, and retaining a quality second Class A PGA Professional. This employee's annual salary of approx. $81,000 would have been comfortably absorbed back into allowable operational expense and annual CPI increase levels had the operational expense challenges detailed above not transpired.

<u>Hiring of Year Round Equipment Maintenance & Repair Staff Person</u>

As a result of significant realized increases in annual maintenance, repair, and professional services costs outlined above, combined with the need to diligently maintain existing equipment to maximize lifespan, as of the 2024 season FOREGolf felt it most prudent to stabilize these operational expenses as much possible by securing a full-time/in-house equipment maintenance employee. This employee's consistent and 'year-round' maintenance efforts serve to avoid costly replacements to the extent possible, and maximize City & Concessionaire revenues per terms of the agreement. Elevating this employee from seasonal to full-time/year-round status resulted in an annual salary increase of approx. $23,000. Once again, this increase would have been comfortably absorbed back into allowable operational expense and annual CPI increase levels had the operational expense challenges detailed above not transpired.

*<u>Request for Re-Establishment of Allowable Operating Expenses Figure for the 2024 Season</u>

The Golf Concession Agreement between the City of Pocatello and FOREGolf states the following, as contained in Section 3-c:

Should the State or Federal Government mandate Statewide or National increases to employee wage levels***, or should other extraordinary circumstance arise, it is agreed that City and Concessionaire shall have the option of re-negotiating the annual Consumer Price Index adjustment level limit for annual total Operating Expense increases***, with all other terms and conditions of the agreement remaining un-impacted and in full force.

Per this agreement language, it is strongly felt that the extraordinary circumstances caused by the covid pandemic were out of FOREGolf's control, and could not have been imagined or planned for when negotiating and agreeing to the revised 2019 market-based agreement and subsequent agreement renewal for the 2024-2028 seasons. As detailed above, the period of years since covid has served to create a *realized 'new operational normal'* of approx. $140,000 in additional annual operational expenses for basically the same staffing levels and goods & services, with costs not receding back towards traditional pre-covid levels, and not expected to. As of the 2024 season these unexpected extraordinary circumstances have reached an impact level that threatens the golf agreement goal of a three-legged-stool operational philosophy of continuing provision of high quality golf services for the community, while still remaining mutually beneficial financially to the City and FOREGolf.

FOREGolf therefore requests that Council approve a Re-Establishment of the Allowable Operating Expenses Figure for the 2024 Season to the amount of $1,231,327.00, with all other terms and conditions of the Golf Concession Agreement remaining in force through the remainder of the agreement period ending December 31, 2028.

FOREGolf, Inc. looks forward to the continued partnership with the City for successful operation of the Pocatello Golf Courses, which have generated millions of dollars in revenues for the City over many years, and at zero operational cost-burden to City taxpayers.

Date: 9/23/2025

To: Mayor Blad & City Council Members

From: Anne Butler, Parks & Recreation Director

RE: Fore Golf Allowable Operating Expense Adjustment Request

In 2019, Fore Golf and the City of Pocatello entered into a 5-year concessionaire agreement to run the operations and maintenance of both Highland and Riverside Golf Courses. The agreement was discussed in 2019 as a new "market based" agreement where operational expenses were capped or controlled based on the Western Consumer Price Index (CPI). The CPI number traditionally has averaged between 2% to 3%, and increased during covid years to 7.10% and 6.20%. An additional 5-year renewal went to the City Council in early spring 2023, both concessionaire agreements held all terms of the agreement equivalent.

While I believe the intent of the contract negotiated in good faith was to provide solid revenue opportunities for both the City of Pocatello and Fore Golf while reasonably controlling expenditures, it's my opinion that an adjustment for FY24 is needed to ensure a solid contract through 2028. Let me explain why I believe this one-time adjustment is necessary:

- **Staff Retention**
  The difficulty attracting and retaining qualified staff necessitated a higher wage than was required pre-covid. This is not a golf industry issue, we've seen this locally and nationally.
- **Increases in Cost of Goods and Services**
  Fore Golf is seeing an increase in cost of supplies needed at a rate of roughly $30,000 per year. The quantity of those supplies has stayed the same. Again, this is not a golf industry issue, we've seen this to be a problem both locally and nationally.
- **Increases in Maintenance and Repair Costs**
  Increases in services for maintenance and repair have also increased exponentially. These numbers jumped drastically during covid but have never come down.

In 2019, Fore Golf's actual expenses were far less than their allowable amount was, creating a credit of $83,763. This credit has allowed them to balance expenses from 2020-2023 as they whittled down at the credit from 2019. I believe this initial credit made previous staff believe the new system would not only work but work quite well, not knowing how volatile the future market would become. No readjustment of the allowable operating expense number was made as it likely should have in 2023 when Fore Golf renewed their contract for 2024 as the previous P&R Director had vacated the position and the City was in the process of hiring another.

Conclusion

It is respectfully requested that the City Council approve a one-time re-establishment of the allowable operating expense for the 2024 season to the amount of $1,231,327. All other terms and conditions of the Golf Concessionaire Agreement will remain in force throughout the remainder of the agreement period ending December 31, 2028.

CITY OF POCATELLO

CITY OF POCATELLO, IDAHO
CITY COUNCIL
REGULAR CITY COUNCIL MEETING
OCTOBER 2, 2025

AGENDA ITEM NO. 1: ROLL CALL AND PLEDGE OF ALLEGIANCE

The Regular City Council meeting was called to order at 6:01 p.m. by Mayor Brian Blad. Council members present were Dakota Bates, Rick Cheatum, Linda Leeuwrik, Corey Mangum, Brent Nichols, and Hayden Paulsen.

Mayor Blad led the audience in the pledge of allegiance.

AGENDA ITEM NO. 2: INVOCATION

The invocation was offered by Pastor Karl Pettit, representing First Baptist Church.

Mayor Blad announced Agenda Item No. 3(b) and No. 6 had been pulled from the agenda.

AGENDA ITEM NO. 3: CONSENT AGENDA

Council was asked to consider the following business items:

(a) MINUTES
As announced earlier, Agenda Item No. 3(b) to have Council waive the oral reading of the minutes and approve the minutes from the Budget Development meeting of June 10, 2025; and Special City Council meeting of September 18, 2025, was pulled from the agenda.

(b) MATERIAL CLAIMS
Approve the Material Claims for the period of September 16 through 30, 2025 in the amount of $2,411,501.87 and the period of October 1, 2025 in the amount of $1,199,336.89.

(c) INVESTMENT AND AUDIT COMMITTEE APPOINTMENT
Confirm the Mayor's appointment of Joel Phillips to serve as a member of the Investment and Audit Committee, replacing Benny Mah who resigned. Joel's term will begin October 3, 2025 and is non-expiring.

A motion was made by Ms. Leeuwrik, seconded by Mr.Cheatum, to approve items 3(b) including the Material Claims for the period of October 1, 2025 and 3(c) on the Consent Agenda. Upon roll call, those voting in favor were Leeuwrik, Cheatum, Bates, Mangum, Nichols, and Paulsen.

AGENDA ITEM NO. 4: PROCLAMATIONS

Mr. Mangum, on behalf of Mayor Blad, proclaimed October 2025 to be National Long-Term Care Residents' Rights Month and encouraged all citizens to join in this important observance.

Andrea DeMartinis, representing Area V Agency on Aging, accepted the proclamation and thanked the Mayor and Council for the recognition, encouraged all citizens to work to ensure residents in long-term care facilities are treated with respect and dignity and receive quality care, and encouraged care facility patients to be involved in their own care.

AGENDA ITEM NO. 5: CALENDAR REVIEW

Mayor Blad reminded Council members of the following meetings: October 9 City Council Work Session at 9:00 a.m.; October 16 Clarification meeting at 5:30 p.m. and Regular City Council meeting at 6:00 p.m.

Mayor Blad announced that City offices would remain open on Columbus Day/Indigenous Peoples Day on October 13 and that garbage, compost and recycling pickups will operate as scheduled. Applications for the Pocatello's Promise of Tomorrow Mayoral Scholarship for graduating high school students are being accepted through November 14; early voting at the Bannock County Elections office begins October 14 and will continue through November 1; Zoo Idaho will be open on weekends only through October 26; and the open burn ban in Wildland-Urban Interface areas continues.

AGENDA ITEM NO. 6: TAXICAB LICENSE DENIAL APPEAL - BLAKEY

As announced earlier, Agenda Item No. 6 for Michael Blakey to appeal the denial of a taxicab business and taxi driver licence, which was denied by the Pocatello Police Department, was pulled from the agenda.

AGENDA ITEM NO. 7: SURPLUS PROPERTY DISPOSAL – POLICE DEPARTMENT

Council was asked to approve the disposal of one former Pocatello Regional Transit bus, which was inoperable, for scrap after it had been utilized for Police Department training purposes. The 2006 Opus Optima had been utilized by the Pocatello Police Department for immediate action team trainings and there were no further usable parts. Council was also asked to authorize the Mayor's signature on all pertinent documents, subject to Legal Department review.

A motion was made by Ms. Leeuwrik, seconded by Mr. Cheatum, to approve the disposal of the 2006 Opus Optima bus and authorize the Mayor's signature on all pertinent documents, subject to Legal Department review. Upon roll call, those voting in favor were Leeuwrik, Cheatum, Bates, Mangum, Nichols, and Paulsen.

AGENDA ITEM NO. 8: INTERAGENCY AGREEMENT – STATE OF IDAHO MILITARY DIVISION AND POCATELLO FIRE DEPARTMENT

Council was asked to approve an updated Interagency Agreement between the State of Idaho Military Division and the Pocatello Fire Department that establishes the Pocatello Fire Department as the Region 6 Idaho Hazardous Substance Emergency Response Team and authorize the Mayor's signature on all pertinent documents, subject to Legal Department review.

A motion was made by Mr. Mangum, seconded by Mr. Cheatum, to approve the updated Interagency Agreement between the State of Idaho Military Division and the Pocatello

Fire Department, establishing the Pocatello Fire Department as the Region 6 Idaho Hazardous Substance Emergency Response Team and authorize the Mayor's signature on all pertinent documents, subject to Legal Department review.

In response to questions from Council, Fire Chief Ryan O'Hearn discussed the makeup of the Idaho Hazardous Substance Emergency Response Teams around the state. Chief O'Hearn confirmed the State of Idaho reimburses the department for expenditures once the team is called out for an emergency, while the department does pay for a portion of training costs. He also indicated the team could respond to radiation contamination calls and that this team is the only team in Region 6.

Mr. Mangum's motion was voted upon at this time. Upon roll call, those voting in favor were Mangum, Cheatum, Bates, Leeuwrik, Nichols, and Paulsen.

AGENDA ITEM NO. 9: FORE GOLF CONTRACT ADJUSTMENT – PARKS AND RECREATION DEPARTMENT

Council was asked to approve a contract adjustment for Fore Golf's Concessionaire Agreement for a one-time re-establishment of the allowable operating expense for the 2024 season in the amount of $1,213,327, which would reset the allowable operating expense for the contract for the 2024-2028 seasons, and authorize the Mayor's signature on all pertinent documents, subject to Legal Department review.

Greg Albright, representing Fore Golf, explained the company's request to increase the operating expenditures, noting that business expenses, including the cost of employee wages, had increased. He acknowledged that the amount in the contract was not working and felt the new baseline requested would correct the operating expenditure cap problem through the remainder of the contract.

In response to questions from the Council, Anne Butler, Parks & Recreation Director, acknowledged that costs have increased and recommended the allowable operating expenditure cap be increased.

In response to questions from the Council, Mr. Albright discussed the duties of the two professional golf employees and the increase in participation at the courses.

A motion was made by Mr. Mangum, seconded by Mr. Cheatum, to approve a contract adjustment for Fore Golf's Concessionaire Agreement for a one-time re-establishment of the allowable operating expense for the 2024 season in the amount of $1,213,327, resetting the allowable operating expense for the contract for the 2024-2028 seasons and authorize the Mayor's signature on all pertinent documents, subject to Legal Department review.

Mr. Nichols commented that he hoped this would correct the issue so no further requests would be made.

Mr. Mangum's motion was voted upon at this time. Upon roll call, those voting in favor were Mangum, Cheatum, Bates, Leeuwrik, Nichols, and Paulsen.

AGENDA ITEM NO. 10: ITEMS FROM THE AUDIENCE

There were no individuals signed up to speak at this time.

AGENDA ITEM NO. 11: ADJOURN

There being no further business, Mayor Blad adjourned the meeting at 6:26 p.m.

APPROVED BY:

BBlad

BRIAN C. BLAD, MAYOR

ATTESTED BY:

Konni R Kendell

KONNI R. KENDELL, CITY CLERK

PREPARED BY:

Anne Nichols

ANNE NICHOLS, CHIEF OF STAFF