



**COMMUNITY SERVICES – Recreation and Culture**  
**Town of Newmarket** www.newmarket.ca  
 395 Mulock Drive  
 P.O. Box 328, STN Main T: 905 895.5193  
 Newmarket, ON L3Y 4X7 F: 905 953 5113

July 31, 2014

**COMMUNITY SERVICES – RECREATION & CULTURE  
 INFORMATION REPORT # 2014-21**

TO: Members of Council

COPY: Bob Shelton, CAO  
 Anita Moore, Commissioner of Corporate Services  
 Rob Prentice, Commissioner of Development and Infrastructure Services  
 Members of OLT

SUBJECT: Newmarket Soccer Club Quarterly Update, Q2 2014

ORIGIN: Director of Recreation and Culture

**COMMENTS**

The purpose of this report is to provide Council with a detailed update in keeping with the commitment to provide written quarterly updates to Council on the status of Newmarket Soccer Club (NSC). In accordance with the Procedure Bylaw, any member of Council may request an Information Report to be placed on an upcoming Committee of the Whole agenda for discussion.

The following table outlines the total amount owing by NSC to the Town of Newmarket. **Please note that all 2014 field payments have been made prior to usage of the field so there is currently no outstanding balance owed by NSC for 2014.**

<b>SUMMARY OF AMOUNTS DUE FROM THE NEWMARKET SOCCER CLUB</b>			
<b>DESCRIPTION</b>	<b>ORIGINAL AMOUNT</b>	<b>CURRENT BALANCE (July 31, 2014)</b>	<b>NOTES</b>
Loan - Indoor Facility Mortgage	\$ 2,800,000	\$ 2,800,000	Monthly interest-only payments are being made on schedule. <b>To date NSC has paid the Town \$84,524 in interest on this loan.</b>
Loan - Development Charges and Planning Fees (per Council directive on September 30, 2011)	\$ 89,768	\$ 64,334	NSC has provided post-dated cheques for 2014
2013 Field Fees	\$ 147,149	\$ 0	Balance was paid in full
Interest on Field Fees	\$ 9,838	\$ 0	Balance was paid in full

### ***Town Presence, Role of Staff and Representation on NSC Board***

Currently, the Director of Recreation & Culture attends and participates in all NSC Board Meetings as a non-voting member of the Board.

The Director is privy to all board information and is apprised of all decisions made by the Board and has opportunity to speak to any issue. Specifically the Director monitors cash flow analysis and repayment of outstanding debts with the goal of ensuring that the investment of the Town of Newmarket is well protected. The Director is made aware of operating practices and policies but only comments on these policies and practices if it is deemed that they put the investment of the Town of Newmarket at risk.

The Director has attended 3 board meetings since the last quarterly report.

### ***Sale of Woodbine Lands***

The Town requires that the land on Woodbine be sold, and that 80% of proceeds from the sale of the land go back to the Town to be applied against the loan. The property was listed for sale in September, 2013 at a price of \$43,500 per acre. NSC reduced the price to \$39,500 per acre in December, 2013.

The CAO, Commissioner of Community Services and Director of Recreation & Culture met with representatives of NSC in April, 2014 to explore actions to date and discuss strategy to ensure the Newmarket Soccer Club proceeds expeditiously with the sale of the Woodbine lands while maximizing value. The price was then dropped to \$29,000 per acre and the realtor of record was given a mandate 60 days to produce any offer. That mandate has now expired. NSC and the Town are currently in discussions around next steps.

### ***Repayment of 2013 Fees and Payment of 2014 Fees***

NSC fully repaid outstanding 2013 payments of \$147,149 by April 30, 2014 ahead of repayment schedule. Additionally, NSC paid an interest charge of \$9,838 on the outstanding 2013 payments.

All 2014 payments have been made prior to usage as per Town of Newmarket practice.

### ***Repayment of Outstanding Debts and Liens***

There were four liens placed on the NSC Facility. When the Town of Newmarket loaned NSC \$2.8 Million all lien holders agreed to release the liens against the property on condition that a repayment plan was established. NSC has made all payments in accordance with the repayment plan. One of these lien holders has been completely paid in full. One of these lien holders will be paid in full by end of September, 2014. The remaining two of these lien holders will be paid in full by November, 2014. NSC has built these repayments into their cash flow projections. There is no anticipated problem in ensuring these debts are paid in full by end of 2014.

NSC has made full payment on all other outstanding debts.

### ***2014 Outdoor Season Registration and Overall Participation***

NSC anticipated a slight decline in registration as they are in a rebuilding phase given the challenges faced by the organization. Registrations from the 2014 outdoor season have indeed declined slightly from 2013 (less than 5 %). However, the revenue achieved through the 2014 outdoor season registration has left them in a positive financial position to continue meeting all payment obligations.

The major tournament held annually by NSC, Heart of York (HoY) has grown dramatically this year. There are 200 teams participating. The previous years have seen a maximum of 163 teams participating.

### **2014 Indoor Season**

NSC is currently taking bookings for the upcoming 2013-2014 indoor season. At time of this report, 85% of all available booking times are already booked for the season. This exceeds all expectations and places the organization in a strong financial position through the winter season.

### **Schedule of Reports Moving Forward**

As has been indicated previously, quarterly updates will be provided to Council. The next quarter end dates are September 30<sup>th</sup> and December 31<sup>st</sup>. Staff will endeavor to gather data and produce an update report as soon as possible at the end of each quarter.

In between quarterly updates, Members of Council are invited to ask questions. If questions can be answered via quarterly update, then they will be included within the update. If immediate attention is required then questions will be answered via information report. Information reports and quarterly updates will be available publicly.

### **BUSINESS PLAN AND STRATEGIC PLAN LINKAGES**

#### Living Well

- Emphasis on active lifestyles and recreational opportunities

#### Well Balanced

- Arts, culture, entertainment and heritage preservation
- Events that help shape identity and contribute to community spirit

#### Well Respected

- Being tradition-based and forward thinking

### **BUDGET IMPACT**

There is no direct budget impact at this time.

### **CONTACT**

For more information on this report, please contact Colin Service, Director of Recreation & Culture at [cservice@newmarket.ca](mailto:cservice@newmarket.ca) or at extension 2601.



---

Colin Service, Director of Recreation & Culture



---

Ian McDougall, Commissioner of Community Services