



COMMUNITY SERVICES – Recreation and Culture
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October 1, 2014

**COMMUNITY SERVICES – RECREATION & CULTURE
INFORMATION REPORT # 2014-28**

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, Q3 2014

ORIGIN: Community Services - 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 a future Committee of the Whole agenda for discussion.

Sale of Woodbine Lands

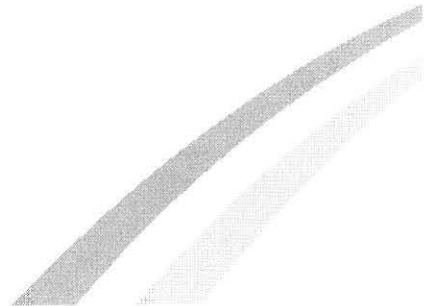
Council was informed on August 22, 2014 that NSC had sold the Woodbine Lands. This enabled the club to make a payment to the Town of Newmarket in the amount of \$475,950 against the principal in the \$2.8 Million load provided to NSC. Since that time, NSC has made an additional monthly payment that included both interest and principal, leaving a balance as of October 1st, 2014 of \$2,316,300.

Loan Assumed by Commercial Bank

On Tuesday, September 30th, 2014, Newmarket Soccer Club signed an agreement with a commercial bank to assume this outstanding balance of just over \$2.3 Million. While an agreement is officially signed, it is expected that it could take a few months for the commercial bank to process payment to the Club. NSC will continue to make payments by the 1st of each month, in accordance with the agreement, until such time as the funds are disbursed to NSC by the commercial bank.

Payment of 2014 Fees

NSC has paid in full for all 2014 field fees. All fees were paid prior to usage in accordance with 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. All lien holders have now been paid in full. NSC has made full payment on all other outstanding debts.

Prior to the loan from the Town of Newmarket, NSC owed almost \$900,000 to various suppliers and contractors and over \$2.5 million in a mortgage to a private lender. Since that time the club has reduced payables to under \$100,000 and reduced the mortgage to just over \$2.3 Million. Overall, the Club has improved its financial position by approximately \$1 million over the past one year period.

2014 Indoor Season

NSC reports that registrations for indoor soccer have already surpassed last year's total registration by 11% with over a week left to register.

Highlights of NSC and Town of Newmarket Relationship

Given that the loan will be repaid in full by the time another quarterly update would be due, it is important to recognize the following:

- The Town of Newmarket will have collected over \$125,000 in interest above the \$2.8 Million that will be repaid in full.
- All 2013 field payments were paid in full and over \$9,000 was collected in interest.
- All 2014 field payments were paid ahead of schedule.
- Over 3,200 youth participants were able to continue participating with NSC
- The Town was able to offer a youth sports camp this summer at the NSC Indoor Facility.
- NSC reviewed and implemented structure/staffing changes to reduce costs and improve overall efficiency moving forward.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

Living Well

- Emphasis on active lifestyles and recreational opportunities

Well Balanced

- Recreational facilities and services
- Youth and seniors' facilities and programs

Well-equipped & Managed

- Fiscal responsibility

Well Respected

- Being tradition-based and forward thinking

BUDGET IMPACT

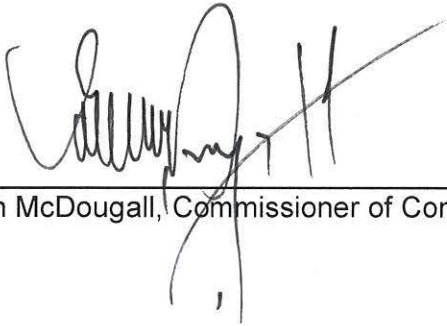
There is no direct budget impact at this time.

CONTACT

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



Colin Service, Director of Recreation & Culture



Ian McDougall, Commissioner of Community Services