

Media Advisory

“...hold the town’s politicians and bureaucrats accountable.”

– Adjudicator, Information and Privacy Commissioner

On the Town of Newmarket’s loan to the Newmarket Soccer Club.

Newmarket, ON, April 14, 2017 – For over 2.5 years the Newmarket Taxpayers Advocacy Group Inc. (NTAG) sought information pertaining to the town’s \$2.8 million taxpayer-funded loan to the Newmarket Soccer Club (NSC).

NTAG initially filed a Freedom of Information request with the Town of Newmarket in November 2014. NTAG sought to understand the due diligence conducted by the Town with this unorthodox use of taxpayer’s money. The Town refused to disclose many records on this matter. As such, NTAG appealed the matter to the Information and Privacy Commissioner of Ontario (IPC). NTAG participated in an IPC facilitated mediation with the Town of Newmarket, to no avail. NTAG finally requested the matter be adjudicated by the IPC.

An Interim Order was issued by the Adjudicator of the IPC in December 2016. The Adjudicator ordered that all financial records relating to this loan be released to NTAG. He has stated, “...the town’s assertions [to withhold the records] are not credible”, “it is certainly in the public interest,” and referred to the Town’s rationale for withholding documents as “speculative and dubious.”

NTAG has been able to ascertain the following facts:

1. The Newmarket Soccer Club provided limited financial data to the town. Based on this data, the NSC was not bankrupt.
2. At the time of the loan request, the NSC held a loan with a private lender. This lender had provided \$2.5 million and was prepared to provide additional funds. At no time did the private lender withdraw the loan to NSC. Funding was available.
3. The Town of Newmarket did not receive any independent, current appraisals of NSC assets, including land and buildings.
4. The Town of Newmarket loan was passed by Council in September 2013. A cheque for \$2.8 million was given to the NSC in December 2013. The Town did not review the NSC 2013 financials until April 2014, eight months after approving the loan.
5. The Town has claimed that the loan to NSC was justified to ensure soccer programming in Newmarket. Ontario Soccer, the provincial governing body for the sport of soccer, has a mandate to ensure soccer programming if/when a club experiences financial difficulties. Ontario Soccer was never contacted by either the NSC or the Town of Newmarket.

“There appears to be no reasonable explanation why the Town of Newmarket risked \$2.8 million of taxpayer’s money for a community organization,” states Teena Bogner, President of NTAG. “What is particularly shocking is the absolute lack of due diligence in this matter. There was no review of the 2013 financial statements of the NSC until months after the cheque was cut. If the NSC were struggling financially, would this not be an obvious first step? A car loan, mortgage, credit card application – all require current financial information. Not at the Town of Newmarket bank.”

The Town of Newmarket relied solely on the NSC financial statement from the 2012 fiscal year. In 2012, the NSC was governed under another administration and had no financial difficulties.

Adjudicator Bhattacharjee stated in his Interim Order:

“The town’s decision to refuse disclosure of such records means that the public has been provided with an incomplete picture of the town’s decision-making process with respect to the loan. Disclosing NSC’s financial information in the records will significantly enhance the public’s capacity to determine whether the town’s decision to provide the NSC with a taxpayer-backed loan was sound, and to hold the town’s politicians and bureaucrats accountable.”

[Information and Privacy Commissioner, Ontario, Interim Order MO-3395-I, page 19.]

“The Town will claim that the loan was secured with a newly constructed sports facility. It will claim that everything worked out in the end,” says Bogner. “Nevertheless, taxpayers should be very concerned. Review of the records shows no thorough due diligence. Nor was there any public consultation on this matter. In fact, there was no reason whatsoever to provide the NSC with our money. The Town of Newmarket is not a bank, nor should it acquire buildings through failed loans. Shame on our elected officials for using taxpayer’s money in such an egregious fashion. As suggested by the Adjudicator, it is up to taxpayers to hold our elected officials and bureaucrats accountable. We urge taxpayers to do so.”

The Newmarket Taxpayers Advocacy Group Inc. (NTAG) is a provincially incorporated non-for-profit ratepayers group in Newmarket, ON. NTAG is a non-political, non-partisan, advocacy organization dedicated to fair taxes, less waste and transparent and accountable government in all levels of government (town, region and school boards) in Newmarket, Ontario, Canada.

For information on Newmarket Taxpayers Advocacy Group Inc.:

Teena Bogner

President

president@ntag.ca