

FOR RELEASE
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FINANCIAL RECOVERY PACKAGE ANNOUNCED FOR CITY OF DAWSON

DAWSON CITY – Premier Dennis Fentie has announced the financial recovery package for the community, after meeting with the Trustee and the City of Dawson advisory committee today.

“As we committed to, we have developed a financial recovery package that will achieve a number of critical goals for Dawson City,” Fentie said. “It will bring the community back to a viable financial position; establish a realistic repayment schedule for the outstanding debt; and provide some certainty for Dawson taxpayers and those who may be considering a position on the next city council.”

Yukon government will immediately write off \$3.43 million in government-held debt and consolidate the community’s remaining \$1.5 million debt into a 25-year loan at 4 per cent fixed interest with a single annual payment.

Consolidating the remaining debt will reduce the community’s annual payments from \$485,600 to \$94,470 and allow the new city council to manage the town’s cash flow with greater flexibility.

In addition to writing off the debt, the Yukon government commits to provide \$1 million in capital funding to address the immediate needs of the community. The recreation centre and the sewage treatment system will be excluded from Dawson’s financial framework; however, the Yukon government will work with the City of Dawson to resolve these matters to ensure that Dawson families have facilities that they can be proud of and use.

“Now that an appropriate financial package is in place, Dawson citizens and potential candidates for the next city council can have greater comfort in their community’s financial operations,” Fentie added. “The new council will still need to be very responsible in managing city finances to keep expenditures within the limits of their revenue.”

The *Dawson Municipal Governance Restoration Act* has been proclaimed to accommodate the consolidation of the remaining debt. The act will sunset once the \$3.43 million has been written off and the remaining debt is back within the provisions of the *Municipal Act*.

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