Policy Name: Debt Policy  
Section: 3000 Operational: 3300 Finance  
Policy Number: 0000  

Purpose: To identify the Park District's debt policies.  
Reference: None applicable  

Annual debt payments (non-voted debt) shall not exceed 10% of annual expenditures of the Park District. The Park District shall only use long term debt for capital projects that cannot be financed out of current revenue. Debt financing shall generally be limited to one time capital improvement projects or purchases and under the following circumstances:  

- The project's useful life will exceed the term of financing  
- The project's revenue or specific resource will be sufficient to service the debt  
- When the Board finds the project will benefit the citizens of Bainbridge Island  

Debt Financing is not appropriate for funding current operations and maintenance expenses. Short term debt is permissible for this purpose.  

Short Term Debt will be retired at year end when possible. Any outstanding at year end will not exceed 5% of net operating revenue.