



Post Office Box 31338 St. Louis, MO 63131  
314.993.1160 www.crystallakepark.org

March 7, 2019

The financial position of the City of Crystal Lake Park remains strong. The following link is to the City's Profit & Loss Statement for 2018 that is posted on the City's website along with similar Statements for prior years. <http://www.crystallakepark.org/municipal-codes/finances>

The City paid over \$95,000 in expenses for Phase II of the park construction. Those are recorded in the Capital Expense lines for Park Engineering and Park Construction. The remaining piece of Phase II is to set plants in the rain garden area but that work will have to wait until warmer weather arrives. Once Phase II is fully complete, the City will receive reimbursement from the St. Louis County Municipal Park Grant Commission. The expected grant proceeds will cover close to 90% of the expenses incurred for Phase II.

The recovery of park grant funds will relate back to the 2018 Profit & Loss Statement. That is noteworthy because the 2018 Statement deceptively reflects a negative net income in the amount of -\$43,446.31. The reimbursement of funds in 2018 to the City for Phase II of the park construction will comfortably place the City in an overall positive income situation. As further illustration, consider the Profit & Loss Statement for 2015, the year in which construction occurred for Phase I of the park. Because Phase I expenses of over \$171,000 were paid in 2015, the Profit & Loss Statement for that year had a negative net income of nearly -\$60,000. Another \$77,000 were paid in 2016 for more Phase 1 construction expenses. In 2016, the City received over \$214,000 reimbursement from the Park Grant Commission. That caused the net income for 2016 to be over \$200,000. A more "normal" year was 2017 in which there were no park construction expenses or grant receipts. In 2017 the net income was slightly over \$88,000.

The St. Louis County Municipal Park Grant is funded by a sales tax on purchases made within St. Louis County. It is good to bring some of those tax dollars back to our small community for the direct benefit of our residents. The Grant has been a valuable resource for our city. The park improvements enhance the amenities available to the residents, boost our infrastructure and positively affect residential property values. Because elements of the park will need to be replaced as they reach their life expectancy, particularly the play surface, we can look for the Park Grant to also be a great benefit in the future. Note that the Municipal Park Grant is available only to municipalities that are located within St. Louis County. It does not apply to unincorporated areas of St. Louis County. To learn more about the St. Louis County Municipal Park Grant, go to [www.muniparkgrants.org](http://www.muniparkgrants.org).

The City's healthy financial condition includes expenses associated with the pending lawsuit. "Litigation Costs" is a separate line item on the 2018 Profit & Loss Statement and reflect those expenses the City is required to pay to the law firm representing the City to defend itself against the lawsuit that was brought against it. Those expenses for 2018 totaled \$59,210.12. As distasteful as it is, litigation costs are an ordinary expense in the operations of a municipality. For instance, the City of Crystal Lake Park was a defendant in separate lawsuits filed in 2002 and in 2008. Likely, this city will be a defendant in future lawsuits. Since 2000, our neighboring municipalities of Frontenac, Town & Country and Des Peres have been defendants in multiple lawsuits. Many of those lawsuits arise out of formal decisions that were made by the established bodies and procedures of the municipalities – decisions with which some residents may disagree. Courts and a judicial process exist to provide an avenue for citizens to challenge decisions, whether rightly or wrongly. Financially, even with the litigation expenses, had it not been for the \$95,000 park construction expenses incurred during 2018, the City's net income would be in a positive position. As discussed above, because the City will recover in 2019 roughly 90% those expenses from the Park Grant Commission, the City's overall financial situation is secure.

If there are questions regarding the City's financial condition, or any matter pertaining to the operations of the City of Crystal Lake Park, please attend a meeting of the Board of Alderpersons. The schedule is posted on the City's website, [www.CrystalLakePark.org](http://www.CrystalLakePark.org). Upcoming meetings are announced by email blast and on the community bulletin board.

Respectfully,

Phillip Bryant, Mayor