

**REPORT OF EXECUTIVE
COMMITTEE OF THE
TAX-PAYERS' LEAGUE OF
SAINT LOUIS, MISSOURI**

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Report of Executive Committee of the Tax-Payers' League of Saint Louis, Missouri by Various

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VARIOUS

**REPORT OF EXECUTIVE
COMMITTEE OF THE
TAX-PAYERS' LEAGUE OF
SAINT LOUIS, MISSOURI**

REPORT

OF

EXECUTIVE COMMITTEE

OF THE

Tax-Payers' League

OF SAINT LOUIS, MISSOURI.

SUBMITTED at the SEMI-ANNUAL MEETING, JUNE 2d, 1878.

ST. LOUIS, MO:

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1878.

REPORT OF EXECUTIVE COMMITTEE

ST. LOUIS, JUNE 2d, 1873.

To the Members of the Tax-Payers' League:

GENTLEMEN: Your Articles of Association do not require a report from the Executive Committee except at the annual meeting, which is to be held on the first Monday of December. For reasons which will sufficiently appear, your committee think proper to submit to you at this, the first semi-annual meeting of the League the following statement.

The Tax-Payers' League was formally organized by adopting its present Articles of Association, on the 26th of December, 1872, and by the election of officers as provided for. On the 31st of December the Executive Committee met and organized as such, Col. Robert Campbell being chosen its Chairman, and General Joseph S. Fullerton appointed Secretary. Since its organization your committee has met regularly once each month, besides holding a number of adjourned and special meetings. The entire expense thus far incurred, besides the Secretary's salary, has amounted to \$50.00, as will appear from the Treasurer's report to the 1st inst., presented to you herewith,—this amount being chiefly for necessary stationery.

THE ALLENTON POOR-HOUSE.

Very soon after their organization, the attention of your Committee was directed to certain claims against the county of St. Louis in connection with the Allenton Poor-House; and especially to the fact that the present County Court had, on the

3d of February, 1873, entered into formal agreements to arbitrate these claims, amounting in all to more than \$190,000, under circumstances and in a manner which in the opinion of your committee call for the severest censure.

Without attempting to give in complete detail the history of this business, the following facts appear :

In 1870, and up to August, 1871, the County Court then in office was composed of Messrs. Cronenbold (Presiding Justice), Allen, Long, Brawner, Farrar, Dailey and Conrades.

This Court having resolved to build a new County Poor-House, and located it at or near Allenton on the Pacific Railroad, at a distance of some 32 miles from the city, made an order on December 13th, 1870, directing Mr. Thomas Walsh to proceed immediately with such building, according to plans and specifications on that day submitted by him and adopted by the Court. It was further ordered that all work to be done and contracted for in building said Poor-House should be let and given to the lowest and best bidder in proposals duly accepted by the Court, under the direction of said Walsh, "who shall receive as compensation for such services, *five per cent. of the amount expended* "in the erection of said building."

In January, 1871, upon a report by Mr. Walsh relative to bids, the court accepted bids as follows:

Edward Augustine, masonry work, per perch.....	\$5 95
Augustine & Thym, cut stone work, per superficial foot.....	1 45
W. H. Fitzgibbons, carpenter work, per square.....	9 25

and contracts were made accordingly. Contracts were also afterwards made with Augustine for excavations and for brick work; the former at 35 cents per yard for grading and excavations, and \$1.90 per yard for foundations, sewers, &c.; the latter at \$15 per thousand in the wall.

All these contracts provided that the work should be under the complete direction of Mr. Walsh, and be measured by him; and under these contracts the work was begun.

As the County Court then in office was abolished by the Act of March 22d, 1871, which took effect in August following, and

this monument of their enterprise came to an untimely end, your Committee forbear to comment upon it except to call attention to two points, namely:

1. In all the contracts above mentioned, not only was the work to be done under the direction of Thomas Walsh, and to be measured by him, but it was expressly provided that Walsh, as superintendent, should have "the right to make alterations in the grade, plan, form and dimensions of the work herein contracted for, either before or after the commencement of construction. If such alterations diminish the quality of the work to be done, *they shall not constitute a claim for damages or anticipated profits on the work that may be dispensed with; and if they increase the amount of work, such increase shall be paid for according to the quantity actually done.*"

2. There is no evidence in the records or proceedings of that Court that any estimate was originally made of, or limit fixed to, the cost of the building in question. The whole matter seems to have been left, practically, in Mr. Thomas Walsh's hands, without any specific or more definite estimate from him beforehand as to the probable cost; and it was upon his measurements that the county was to pay as the work went on.

When we state that the new County Court, which took office about the 21st of August, 1871, found, according to the report of a special committee made in September, upon careful examination and professional estimates, that even by substituting brick for stone walls and otherwise largely reducing the cost, the building as proposed would cost over half a million of dollars, some idea may be formed of the care, forethought and economy with which that court and their architect looked upon the interest of the tax-payers. But even this estimate appears to have been too low.

As above stated, Mr. Walsh's plans and specifications were adopted by an order of the court made December 13, 1870, which placed the work in his charge, and provided that he should "receive as compensation for such services *five per cent. of the amount expended* in the erection of said building," no inquiry or suggestion apparently being made as to what that amount might or ought to be.

On the 5th of June, 1871, a short time before the old court was to be replaced by a new one under the Act of 22d of March, 1871, the President, Justice Cronenbold, was authorized by order to contract, in the name of the county, *upon the terms heretofore agreed upon*, with Thomas Walsh for superintending and directing the building of the new Poor-House at Allenton. On the 8th of June, Justice Cronenbold submits an agreement made with Walsh under the order just mentioned, by which Walsh "undertakes and agrees to *superintend the erection of the County Poor-House at or near Allenton in said county, until its final completion in all its parts,*" for which the county agrees "to pay said Walsh for said services the sum of \$7,500."

It would certainly appear that this contract was intended and understood both to fix the total amount of Mr. Walsh's compensation as architect of the Allenton Poor-House, and to reduce to a definite sum "the terms heretofore agreed upon," viz: the order of December 13, 1870, allowing him 5 *per cent.* on the amount expended in the erection of said building. Mr. Walsh, however, subsequently took a very different view of the value of his services.

In August, 1871, the new court, elected during that month under the Act above mentioned, took their seats, being composed of Messrs Speck (Presiding Justice), Fisse, Finney, Busby, Stremmel, Hyatt and Allen.

Within ten days afterwards, Justice Fisse offered a resolution proposing that the work on the Allenton Poor-House be stopped, and ordering the Committee on County Buildings to examine and report upon the same. On the 18th of September, this committee reported that, upon careful examination, it appeared that even replacing stone walls by brick, and also dispensing with several important and expensive parts of the building as planned, the building would cost \$537,626.50; that this was too large a sum to be expended for the purpose, and that the site was unsuitable. The report was adopted, and the work ordered to be stopped. The wisdom of this course is obvious. The duty remained to make as light as possible the loss resulting to the county, that is to the tax-payers, from the reckless and imprudent action already taken.

For some time after this the matter was under consideration. Efforts were made to come to a settlement with the contractors. On November 10th Mr. Walsh made his claim for "services rendered according to contract *and otherwise*, as architect and "superintendent," offering to compromise, if accepted within ten days, for the sum of \$26,220. The services referred to by the word "otherwise" apparently refer to Mr. Walsh's estimate of the value of his plans and specifications, considered as separate from his express agreement to superintend the entire work for \$7,500. The court then determined, as the record shows, to visit the Poor-House in a body. On the 27th of November, 1871, a formal order was passed, reciting that it appeared that the Poor-House at Allenton would cost \$700,000—that the site was injudiciously selected, the distance from the city too great, and the cost of management would thereby be increased, especially by the greatly increased cost of transportation of persons and supplies by rail, and that a large sum could be saved to the people by abandoning that site and the money already expended, and by erecting another nearer the city in a less pretentious style of architecture; and ordering all work on the Allenton Poor-House to be stopped, and all contracts relating to the same rescinded and abrogated, and notice accordingly given to the contractors. The only Justice voting against this order was Robt. C. Allen, the only one who had been a member of the former court. As to the "style of architecture" referred to, it is sufficient to mention that, according to Mr. Walsh's own admission, even after the plans were modified, the superintendent's residence alone was to cost \$80,000.

It may be mentioned here, that in 1872, under the direction of the court then in office, a committee composed of Justices Speck, Fisse, and Hyatt, did cause plans and specifications to be prepared by Mr. George I. Barnett, architect, for the poor-house now erecting under contract with Messrs. Milburn & Rich, at a cost of \$160,000, exclusive of boiler-house and heating apparatus; that according to responsible and separate bids for the latter, the whole cost of the building—far better located, and

admirably adapted for the accommodation of 650 persons—will not exceed, if properly looked after, \$200,000 to \$220,000 at most; so that even if the total loss to the county from the Allenton Poor-House investment reaches \$200,000, the abandonment of that \$700,000 enterprise was a saving of \$280,000.

The County Court records of 1872 show a series of efforts by the court then in office, to settle with the old contractors. In January, an agreement to arbitrate the claims of Messrs. Augustine, Augustine & Thym, and Fitzgibbons, was made. Arbitrators were appointed and meetings were held; *and in these arbitrations the county was represented by competent counsel.* But on April 4th, Mr. Augustine revoked his consent to arbitrate, and suits were afterwards brought against the county by Augustine for \$80,000; by Augustine & Thym, for \$75,219; by Thomas Walsh, \$40,178.09.

It appears from the records, that Mr. Walsh's claim of \$40,000 and upwards, for services as architect and superintendent, which he offered in November, 1871, to compromise for \$26,220, if accepted within ten days, was ordered by the County Court to be submitted to arbitration on the 29th of January, 1872, shortly after the other arbitrations were agreed to, which were begun, but which fell through, as already stated; Justices Speck and Fisse, however, voting not to arbitrate it.

Your Committee are strongly of opinion that the practice of arbitrating large claims against the public, is liable to serious objection generally. Whatever may be the advantages of arbitration between individuals, yet when it is a question of disputed claims between individuals on the one side, and those representing the public on the other, there is every reason why controversies which the regular accounting officers cannot adjust, shall be investigated in open court.

But there were special reasons why these claims should have been so examined. These will best appear from the following extract from an opinion filed in the County Court, July 1, 1872, by Mr. Justice Fisse, in reference to Mr. Walsh's proposition to arbitrate his claim.

After referring to the agreement made by Mr. Walsh in