Topic 8: UTILIZATION OF AVAILABLE FUNDS

The Directing Council, at its VIII Meeting, authorized the Director to utilize $100,000 of the surplus funds available as of 31 December 1951, for the initial establishment of a Building Reserve Fund (Resolution XIV). Accordingly, this fund was established on 9 January 1956 as a trust fund in the Chemical Corn Exchange Bank in New York City, and is presently invested in United States Government securities at an average annual interest rate of 2 1/2%.

For the year 1955 a similar situation exists in that receipts from all sources for 1955 exceeded total expenditures for that year by $123,524. The Director therefore wishes to submit the following proposals for the consideration of the 28th Meeting of the Executive Committee and the IX Meeting of the Directing Council with regard to the utilization of this amount.

1. That $100,000 be deposited in the Building Reserve Fund, bringing the total of that fund to $200,000, plus accumulated interest.

2. That the balance of the funds available, amounting to $23,524, be set aside in a special account for the purpose of meeting the initial expenses of architectural plans.

The establishment of the Building Reserve Fund by the Directing Council in 1955 was motivated by the fact that the "interim headquarters" period, defined by the Directing Council at its VI Meeting (Resolution V) will be completed by 1961 and that the present two buildings, while being utilized to their maximum capacity, do not afford adequate space for the Headquarters establishment of the Pan American Sanitary Bureau and Regional Office of the World Health Organization.

The drawing of detailed plans for a new building is an involved and lengthy process and should commence in early 1957 if construction is expected to begin within the next 3 or 4 years. As the funds for the
construction of the building are accumulating, the Director feels that it is appropriate to begin the architectural and planning phase during 1957 and requests the Executive Committee to give favorable consideration to the above earmarking of funds for architectural assistance.

Steps have been taken to determine the possible availability of a site for the permanent building in the Southwest redevelopment area of Washington, D.C. The land under consideration is adjacent to the land on which the United States Public Health Service is located. In addition, it is strategically located with respect to other offices of the U.S. Government, embassies and diplomatic missions, hotels and transportation facilities essential to facilitating Bureau activities. It is intended to pursue the previous offer of the Government of the United States for providing a site for the Headquarters Building, with a view to determining the possibility of obtaining a site in the Southwest redevelopment area under the general terms of the previous offer.

The Permanent Subcommittee on Buildings and Installations, consisting of Representatives of the Governments of the Dominican Republic, Guatemala, and the United States, is in a position to advise the Director on each step of the preliminary planning.
Topic 8: UTILIZATION OF AVAILABLE FUNDS

Report of the Permanent Subcommittee on Buildings and Installations

In accordance with the request made by the Director in a communication to the Chairman of the Permanent Subcommittee on Buildings and Installations, dated 22 May 1956 (Annex I), a meeting of the Subcommittee was held on 4 June 1956. In attendance at this meeting were Dr. Marco de Peña (Dominican Republic), Mr. Francisco Anguiano (Guatemala), and Dr. Frederick J. Brady (United States), serving as chairman. At this meeting review was made of the proposals noted by the Director in his letter and of Document CE28/6, Utilization of Available Funds, which formalized the proposals noted immediately below and contained additional background information relative to the matter of site:

1. That $100,000 be deposited in the Building Reserve Fund, bringing the total of that fund to $200,000, plus accumulated interest.

2. That the balance of the funds available, amounting to $23,524, be set aside in a special account for the purpose of meeting the initial expenses of architectural plans.

The Director reviewed the background of the plans for the establishment of Headquarters in Washington and related the developments since the last meeting of the Executive Committee. These developments include further conversations with officials of the United States and of the District of Columbia concerning the availability of sites under the current program of redevelopment of certain sections of Washington, D. C. He noted particularly that, since the preparation of Document CE28/6, it had been determined that a more suitable location could be found in a section in the northwest area of the city in which redevelopment work is being initiated.
The Director also elaborated on the proposal for setting aside $23,524 as a continuing appropriation for the purpose of initial expenses for architectural plans. It was emphasized that expenditures for architectural work would not be undertaken until the site was selected. It was further noted that the sum of $23,524 was well within the ceiling of anticipated architectural fees for a construction activity such as is being contemplated for the Headquarters of the Pan American Sanitary Bureau, Regional Office of the World Health Organization.

Following a detailed review of these matters and a discussion concerning the impracticability of setting at this time an estimate of ceiling for the cost of construction of the Headquarters, the Subcommittee approved the proposals and recommends their approval to the Executive Committee. The proposals are as follows:

1. That $100,000 be deposited in the Building Reserve Fund, bringing the total of that fund to $200,000, plus accumulated interest.

2. That the balance of the funds available, amounting to $23,524, be set aside in a special account for the purpose of meeting the initial expenses of architectural plans.

The Subcommittee also reviewed the qualification to the authorization for a $100,000 initial allocation to the building made by the Directing Council at its VIII Meeting. This qualification states (Resolution XIV):

"1...

"2. To authorize the Director to utilize as much of the Building Reserve Fund referred to in the foregoing paragraph as may be required in the event that additional funds should be necessary for the intensification of the malaria eradication program."

The Subcommittee noted the comments of the External Auditor relating to this matter and recommends to the Executive Committee that the qualification be eliminated and that the allocation be made without reservation to the Building Reserve Fund.

(signed)
Dr. Frederick J. Brady
Chairman, Permanent Subcommittee on Buildings and Installations
LETTER OF THE DIRECTOR
TO THE CHAIRMAN OF THE PERMANENT SUBCOMMITTEE ON BUILDINGS AND INSTALLATIONS

22 May 1956

Dr. Frederick J. Brady
Chairman, Permanent Subcommittee on
Buildings and Installations
Pan American Sanitary Organization
c/o Dept. of Health, Education and Welfare
Washington 25, D. C.

Dear Dr. Brady:

I wish to inform the Permanent Subcommittee that the unexpended funds available from the financial year 1955 amount to $123,524. This surplus became available primarily as a result of the receipt of funds in excess of the amount authorized for expenditure by the Directing Council.

This surplus will be placed in a special fund to be utilized in accordance with the wishes of the Directing Council, and since such a large surplus cannot be expected in the future, I feel that the following two proposals concerning the future headquarters of the Pan American Sanitary Bureau and the Regional Office of the World Health Organization would be most timely.

The first proposal is for the deposit of $100,000 in the Building Reserve Fund, bringing the total of that fund to $200,000, plus accumulated interest.

You will recall that the Directing Council at its VIII Meeting authorized the establishment of a Building Reserve Fund (Resolution XIV) and the initial deposit of $100,000. The attached document explains the action taken by the Director in this respect.

The second proposal is for the balance of $23,524 to be set aside in a special account for the purpose of contracting the part-time service of an architect to commence the drawing of plans for the new headquarters. This proposal is also more fully discussed in the attached document.

I request the advice and recommendations of the Permanent Subcommittee on these proposals, so that a document may be presented to the forthcoming meetings of the governing bodies of the Organization.

The assistance of the Subcommittee in this matter will be sincerely appreciated.

Respectfully yours,

Fred L. Soper
Director

Enclosure
The Executive Committee,

Having studied the report and proposals of the Director regarding the total available funds of the Bureau as at 31 December 1955, amounting to $123,524, and noting Resolution XIV of the VIII Meeting of the Directing Council authorizing the Director to establish a Building Reserve Fund, and

Having noted the recommendations of the Permanent Subcommittee on Buildings and Installations,

RESOLVES:

1. To concur in the recommendations of the Director to:

   a. Transfer $100,000 of the available funds from the year 1955 to the Building Reserve Fund.

   b. Transfer the balance of the funds available amounting to $23,524 to a special account for the purpose of meeting the initial expenses of architectural plans for the construction of a new Headquarters Building.

2. To transmit to the IX Meeting of the Directing Council the report of the Director, and the comments of the Permanent Subcommittee on Buildings and Installations, with the request that the Director's recommendations as outlined in the above paragraphs, be approved.