

Exhibit 2

ITEM #49

ADDITIONAL MATERIAL

**Regular Meeting
SEPTEMBER 10, 2020**

SUBMITTED AT THE REQUEST OF

COUNTY ADMINISTRATION



BERTHA W. HENRY, County Administrator

115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7362 • FAX 954-357-7360

MEMORANDUM

DATE: September 3, 2020

TO: Board of County Commissioners

FROM: Bertha Henry, County Administrator

A handwritten signature in blue ink, appearing to be "Bertha Henry", is written over the "FROM:" line.

SUBJECT: Young At Art Separation Agreement - Historical Information and Current Receivables - Agenda Item No. 49

Please find attached three documents that provide additional information regarding the County's historical and more recent relationship with Young At Art (YAA), which in summary reflects **a total of \$803,932 owing to the County, \$422,708 prior to the Covid-19 pandemic and \$381,224 post the pandemic**. Note: late fees and other expenses were incurred pre-Covid-19 but are attributed to post-Covid-19 because of when they were billed.

The "Historical Summary" document outlines the original 2004 agreement for the construction of the current facility housing YAA, and subsequent changes made over the years.

The "Payment History" document provides a history of YAA payments under the current lease. Items in red indicate either a late payment or an unpaid invoice.

The "Rents and Charges Due" document shows all outstanding expenses owed to the County; when those expenses were incurred and how long they have been outstanding (aging).

If you have any questions, please contact Assistant County Administrator Alan Cohen at alcohen@broward.org or at 954-357-7364.

w/ attachments

cc: Andrew Meyers, County Attorney
Robert Melton, County Auditor
Monica Cepero, Deputy County Administrator
Alan Cohen, Assistant County Administrator
Mike Kerr, Deputy County Attorney
Kelvin Watson, Director of Libraries
Scott Campbell, Director of Facilities Management

Historical Summary of Relationship Between Young At Art (YAA) and Broward County

- February 2004, the County entered into agreement with YAA for design and construction of a Children’s Museum – County to provide \$3 million in funding, YAA to match with \$6 million.
- December 2006, agreement amended to include a 40-year lease provision at \$1 per year. YAA to also pay \$1.2 million/year for 11 years for their share of actual construction costs.
- 2007-2014, YAA defaults on agreement and makes no payments previously agreed upon
- February 2014, agreement amended to include a 37-year debt obligation repayment schedule, a new lease agreement and a requirement that 50% of unrestricted pledge payments be turned over to County to apply to outstanding debt principle.
- April 2016, County Auditor reports that YAA owes County \$240,888 for FY15 and \$282,148 for FY16 related to required pledge payments not turned over to the County. Board directs staff to begin renegotiating the agreement.
- January 2017, staff negotiates a new agreement with YAA, which then informs County it will be unable to execute the agreement due to concerns about its ability to honor the financial terms. YAA suggests and the County agrees to a straightforward lease agreement.
- June 2018, Board approves new YAA lease, with lease and operating expenses payments, relieving YAA of a \$10.9 million debt to the County
- December 2018, YAA begins new pattern of late payments to County
- June 2019, YAA stops paying operating expenses payments to County
- March 2020, YAA stops paying lease payments to County

Payments due to County pre-Covid-19 Emergency Declaration	\$422,708
Payments due to County post-Covid-19 Emergency Declaration	\$381,224
Total due to County from YAA as of 9/9/20	\$803,932

YOUNG AT ART BROWARD Lease Payment History

Invoice Date	Period	Amount	Inv#	Due Date	Date Paid	Amount Paid	Additional Late Fee Rent Due	Late Fee for Operating Expenses
	July 2018 Rent	25,000		7/1/2018	7/3/2018	25,000		
	August 2018 Rent	25,000		8/1/2018	7/31/2018	25,000		
7/25/2018	Apr-Jun 2018 Operating Exp	73,793	LI10000047	8/25/2018	8/20/2018	73,793		
	September 2018 Rent	25,000		9/1/2018	9/5/2018	25,000		
	October 2018 Rent	25,000		10/1/2018	10/4/2018	25,000		
	November 2018 Rent	25,000		11/1/2018	11/5/2018	25,000		
	December 2018 Rent	25,000		12/1/2018	12/5/2018	25,000		
11/15/2018	Jul-Sep 2018 Operating Exp	76,471	LI10000053	12/15/2018	6/6/2019	76,471		3,823.55
	January 2019 Rent	25,000		1/1/2019	1/7/2019	25,000	1,250	
	February 2019 Rent	25,000		2/1/2019	2/7/2019	25,000	1,250	
	March 2019 Rent	25,000		3/1/2019	3/4/2019	25,000		
2/20/2019	Oct-Dec 2018 Operating Exp	74,365	LI10000056	3/20/2019	8/15/2019	74,365		3,718.25
	April 2019 Rent	25,000		4/1/2019	4/6/2019	25,000	1,250	
	May 2019 Rent	25,000		5/1/2019	4/26/2019	25,000		
5/20/2019	Jan-Mar 2019 Operating Exp	75,253	LI10000060	6/20/2019	UNPAID	0.00		3,762.65
	June 2019 Rent	25,000		6/1/2019	6/6/2019	25,000	1,250	
	July 2019 Rent	25,750		7/1/2019	7/5/2019	25,750		
	August 2019 Rent	25,750		8/1/2019	8/5/2019	25,750		
	September 2019 Rent	25,750		9/1/2019	9/24/2019	25,750	1,250	
9/5/2019	Apr-Jun 2019 Operating Exp	80,243	LI10000063	10/5/2019	UNPAID	0.00		4,012.15
	October 2019 Rent	25,750		10/1/2019	10/7/2019	25,750	1,250	
	November 2019 Rent	25,750		11/1/2019	11/5/2019	25,750		
	December 2019 Rent	25,750		12/1/2019	12/20/2019	25,750	1,250	
11/25/2019	Jul-Sep 2019 Operating Exp	86,476	LI10000067	12/25/2019	UNPAID	0.00		4,323.80
	January 2020 Rent	25,750		1/1/2020	5/22/2020	25,750	1,250	
	February 2020 Rent	25,750		2/1/2020	6/22/2020	25,750	1,250	
	March 2020 Rent	25,750		3/1/2020	UNPAID	0.00	1,250	
2/27/2020	Oct-Dec 2019 Operating Exp	81,950	LI10000070	3/27/2020	UNPAID	0.00		4,097.50
6/1/2020	Jan-Mar 2020 Operating Exp	81,052	LI10000078	6/30/2020	UNPAID	0.00		4,052.60
	Prorated Expense pre-Covid-19	73,028						3,651.40
8/11/2020	Billing Correction for Operating Expenses incurred Pre COVID-19	64,081	LI10000080	9/11/2020	Unbilled			
	April 2020 Rent	25,750		4/1/2020	UNPAID	0.00	1,250	
	May 2020 Rent	25,750		5/1/2020	UNPAID	0.00	1,250	
	June 2020 Rent	25,750		6/1/2020	UNPAID	0.00	1,250	
6/1/2020	Jan-Mar 2020 Operating Exp	81,052	LI10000078	6/30/2020	UNPAID	0.00		4,052.60
	Prorated Expense post-Covid-19	8,024						401.20
	July 2020 Rent	26,522		7/1/2020	UNPAID	0.00	1,250	
	August 2020 Rent	26,522		8/1/2020	UNPAID	0.00	1,250	
	September 2020 Rent	26,522		9/1/2020	UNPAID	0.00	1,250	
8/10/2020	Apr-Jun 2020 Operating Expense	100,400	LI0000079	9/10/2020	Unbilled	0.00		
8/11/2020	Billing Correction for Operating Expenses incurred Post COVID-19	4,021	LI10000081	9/11/2020	Unbilled			

YOUNG AT ART OF BROWARD

Rents and Other Charges Due and Owed to the County

As of September 9, 2020

Expense	Accounting Date	Total Line Amount	Future	Current	Aging Analysis				
					31-60	61-90	91-120	121-365	366-1460
MAR RENT	3/1/2020	25,750.00						25,750.00	
APR RENT	4/1/2020	25,750.00						25,750.00	
MAY RENT	5/1/2020	25,750.00						25,750.00	
JUN RENT	6/1/2020	25,750.00					25,750.00		
JUL RENT	7/1/2020	26,522.00				26,522.00			
AUG RENT	8/1/2020	26,522.00			26,522.00				
Jan-Mar 2019 Oper. Exp.	5/20/2019	75,253.00							75,253.00
Apr-Jun 2019 Oper. Exp.	9/5/2019	80,243.00						80,243.00	
Jul-Sept 2019 Oper. Exp.	11/21/2019	86,476.00						86,476.00	
Oct-Dec 2019 Oper. Exp.	2/27/2020	81,950.00						81,950.00	
Jan-Mar 2020 Oper. Exp.**	6/1/2020	81,052.00					81,052.00		
Apr-Jun 2020 Oper. Exp.	8/10/2020	100,499.00		100,499.00					
Back bill to correct previous invoices	TBD	64,081.00		64,081.00					
Back bill to correct previous invoices	TBD	4,021.00		4,021.00					
PENDING (For Late Fees)	TBD	38,940.00	38,940.00						
PENDING (For Late Fees)	TBD	7,601.00	7,601.00						
Total Amount Due and Owed to the County		803,932.00							
Amount Due pre-Covid-19 EO of 3/22/20***		422,707.87							
Amount Due post-Covid-19 EO of 3/22/20		381,224.13							

**Note: The County's first Emergency Order that shut down non-essential businesses was issued on 3/22/20.

The Jan-Mar 2020 Operating Expenses attributable to pre-Covid expenses were pro-rated to exclude the last days of March 2020.

***Notwithstanding when they were incurred, all late fees in this chart were counted as post-Covid-19 expenses

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Regular Meeting

SEPTEMBER 10, 2020

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COUNTY ADMINISTRATION

YOUNG AT ART OF BROWARD

Rents and Other Charges Due and Owed to the County

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Expense	Accounting Date	Total Line Amount	Future	Current	Aging Analysis				
					31-60	61-90	91-120	121-365	366-1460
MAR RENT	3/1/2020	25,750.00						25,750.00	
APR RENT	4/1/2020	25,750.00						25,750.00	
MAY RENT	5/1/2020	25,750.00						25,750.00	
JUN RENT	6/1/2020	25,750.00					25,750.00		
JUL RENT	7/1/2020	26,522.00				26,522.00			
AUG RENT	8/1/2020	26,522.00			26,522.00				
SEP RENT	9/1/2020	26,522.00		26,522.00					
Jan-Mar 2019 Oper. Exp.	5/20/2019	75,253.00							75,253.00
Apr-Jun 2019 Oper. Exp.	9/5/2019	80,243.00						80,243.00	
Jul-Sept 2019 Oper. Exp.	11/21/2019	86,476.00						86,476.00	
Oct-Dec 2019 Oper. Exp.	2/27/2020	81,950.00						81,950.00	
Jan-Mar 2020 Oper. Exp.**	6/1/2020	81,052.00					81,052.00		
Apr-Jun 2020 Oper. Exp.	8/10/2020	100,499.00		100,499.00					
Back bill to correct previous invoices	TBD	64,081.00		64,081.00					
Back bill to correct previous invoices	TBD	4,021.00		4,021.00					
PENDING (For Late Fees)	TBD	38,940.00	38,940.00						
PENDING (For Late Fees)	TBD	8,851.00	8,851.00						
Total Amount Due and Owed to the County		803,932.00							
Amount Due pre-Covid-19 EO of 3/22/20***		422,707.87							
Amount Due post-Covid-19 EO of 3/22/20		381,224.13							

**Note: The County's first Emergency Order that shut down non-essential businesses was issued on 3/22/20.

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***Notwithstanding when they were incurred, all late fees in this chart were counted as post-Covid-19 expenses

ADDITIONAL MATERIAL

Regular Meeting

SEPTEMBER 10, 2020

SUBMITTED AT THE REQUEST OF

OFFICE OF THE COUNTY AUDITOR



OFFICE OF THE COUNTY AUDITOR

115 S. Andrews Avenue, Room 520 • Fort Lauderdale, Florida 33301 • 954-357-7590 • FAX 954-357-7592

September 9, 2020

To: Honorable Mayor and Board of County Commissioners
 From: Bob Melton, County Auditor *Bob Melton*
 Subject: Agenda Item #49 – Motion to Authorize County Administrator to Approve and Execute a Separation Agreement and Mutual Release between Broward County and Young at Art (YAA)

On August 26, 2020, our Office advised you that we initiated an audit of YAA, at the request of County management. We made multiple requests to meet with representatives from YAA and submitted a request for financial information. To date, YAA has not agreed to meet and has not provided any requested information. As a result, my Office has been unable to begin the Audit.

The requested financial documents are common items that should be readily available, and we included in our request that items be provided as they become available. To date, none of the requested information has been provided.

The information we requested is needed to ascertain YAA’s financial condition and ability to pay past amounts due. Without knowing YAA’s financial situation, we are unable to recommend forgiveness or settlement of past amounts due.

We obtained publicly available tax information from tax returns submitted by YAA (Form 990), which provides some insight into YAA’s financial condition as of May 31, 2018 and 2019. Based on a cursory review, the tax returns indicate there were financial resources in the past, while we recognize that undoubtedly significant changes have occurred in our current environment. Table 1 below summarizes financial information from the tax returns:

Table 1: Summary of YAA 990 Balance Sheet for the years ended May 31, 2018 and 2019

	May 31, 2018	May 31, 2019
Cash / Savings/ Cash Investments	\$ 232,191	\$ 209,146
Pledges & Grants Receivables	751,535	617,019
Assets – including Buildings, Equipment, Inventory, other assets	<u>14,193,750</u>	<u>3,912,970</u>
Total Assets	\$ 15,177,476	\$ 4,739,135
Total Liabilities	\$ 11,401,700	\$ 532,558
Net Assets (Assets – Liabilities) (Fund Balance)	\$ 3,775,776	\$ 4,206,577

Source: Office of the County Auditor Summary of YAA’s 990 obtained from www.IRS.gov

September 9, 2020

Agenda Item # 49 – Motion to Authorize County Administrator to Approve and Execute a Separation Agreement and Mutual Release between Broward County and Young at Art (YAA)

Obtaining requested information from YAA will allow us to further evaluate the organization's financial condition and ability to pay past amounts including whether YAA has current cash reserves, receivables, or received Payroll Protection Program (PPP) relief funding from the Federal Government.

We recommend the Board not approve the separation agreement until we have the opportunity to better assess the financial condition of Young at Art.

cc: Bertha Henry, County Administrator
Andrew Meyers, County Attorney
Michael Kerr, Deputy County Attorney

ADDITIONAL MATERIAL

**Regular Meeting
SEPTEMBER 10, 2020**

**SUBMITTED AT THE REQUEST OF
OFFICE OF THE COUNTY ATTORNEY**

Zack Spechler
Director of Exhibitions and Operations
Young At Art Museum
751 SW 121st Ave.
Davie Fl, 33325
Direct: 954.424.5024
Cell: 954.591.9233
YoungAtArtMuseum.org

On Sep 10, 2020, at 7:24 AM, Zack Spechler <Zspechler@youngatartmuseum.org> wrote:

There are multiple power failures at the YAA facilities, no ac and it is extremely hot, no internet, no lights in administrative offices and in multiple other offices including my office. Broward's Facilities and maintenance division FMD has not been communicating and only said they can't do certain things with equipment while raining. When I originally called the "call in number" for FMD Amy Hayes the operator said "1:13 am I received an automated call that said there were multiple power failures and she would not wake up the one duty staff." I called her 4:57 and that is when she said she would wake the on duty staff. It wasn't until 6:18 that a FMD member arrived and he said he can not do repair because of rain I get to work early and luckily caught this at 5am. So now after trying to set up in the museum and communicate the issues with FMD I had to leave and go home as it getting closer to the 10am am commission time so I will try to set myself up for the meeting the best I can in this time crunch.

I am trying to communicate with my staff the issues and figure out our relocation plan for meeting but not sure we can coordinate as I think some staff have brothers and sisters that go to school online and we will not have access to the same info and set up or access to our data base and other essential tools we need to prep and attend the meeting. Please table agenda item 49 considering these facts, especially since FMD is not giving us info to know how to govern we are being put into this position by broward county and it is past the point where we can attend the meeting as if these circumstances didn't occur because we can't take a risk of all driving out there and hoping FMD fix the issue.

Zack Spechler
Director of Exhibitions and Operations
Young At Art Museum
751 SW 121st Ave.
Davie Fl, 33325
Direct: 954.424.5024
Cell: 954.591.9233
YoungAtArtMuseum.org

ADDITIONAL MATERIAL

**Regular Meeting
SEPTEMBER 10, 2020**

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COUNTY ADMINISTRATION

Sewell, Daphne

From: Campbell, Scott
Sent: Thursday, September 10, 2020 9:11 AM
To: Henry, Bertha; Sewell, Daphne; Cepero, Monica; Cohen, Alan; Watson, Kelvin
Cc: Hammond, Steve; Mitchell, Ian
Subject: FW: YAA - FPL Power Outage

Currently there is a FPL Power outage at YAA. This started very early in the morning, after 4 a.m. FMD was responding by 5 a.m. FPL has told us they will be on-site by 11 a.m.

Mr. Zack Spechler has indicated that he believes this was done intentionally by FMD.

From: Mitchell, Ian <IMITCHELL@broward.org>
Sent: Thursday, September 10, 2020 8:47 AM
To: Campbell, Scott <SCAMPBELL@broward.org>
Subject: YAA - FPL Power Outage

Good Morning Scott,

The YAA building is experiencing a FPL power outage this morning. Staff are onsite and FPL has been notified and state that they will be onsite to resolve by 11am. Zack Spechler has been notified by text message that the issue is an FPL power outage and we will contact him once the issue has been resolved.

Additional Notes:

At about 4:22am this morning I missed a call from Zack Spechler, YAA. I got another call from Zack at 6am at which point I called the on-call supervisor, Steve Matula, to find out if there were any issues going on at YAA. Steve stated that he had received a call at 5am regarding an electrical outage and that the A/C was not working at YAA. Steve said he was on his way and had already dispatch Nate, Refrigeration Mechanic. I received another call from Zack at around 6:00am and finally spoke with him at around 6:15. He stated that he had power outage and the A/C was not working and proceeded to indicate that he thought FMD was deliberately trying to sabotage his preparation efforts for the Commission meeting today. I told him that Staff were on the way and would be there shortly and then ended the call. There were other calls and texts from Zack but they were missed because I was working with staff to resolve the issue. As a point to note, after calling me and Edgar Sampedro at 4:22am and 4:25am respectively, Zack finally called the afterhours line at about 4:55am at which point they notified Steve at about 5am.

Regards



Ian Mitchell, Assistant Director
Facilities Management Division
115 S. Andrews Ave. Room 501, Fort Lauderdale, FL 33301
Phone: 954-357-6424 Fax: 954 357 5544
www.broward.org/Facilities

ADDITIONAL MATERIAL

**Regular Meeting
SEPTEMBER 10, 2020**

SUBMITTED AT THE REQUEST OF

YOUNG AT ART

Kerr, Michael

From: David Di Pietro <david@ddpalaw.com>
Sent: Thursday, September 10, 2020 9:20 AM
To: Ulett, Kathie-Ann; Kerr, Michael; Shank, Jedidiah; Hansen, Dirk
Subject: Fwd: FW: YAA Audit

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Best,

David Di Pietro
DI PIETRO PARTNERS, LLP
david@ddpaw.com | email
954.712.3070 office | 954.337.3824 fax
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901 East Las Olas | Suite 202 | Ft. Lauderdale, FL 33301



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----- Forwarded message -----

From: **Zack Spechler** <Zspechler@youngatartmuseum.org>
Date: Thu, Sep 10, 2020 at 9:15 AM
Subject: FW: YAA Audit
To: David Di Pietro <david@ddpalaw.com>, Nicole Mirmelli <nicole.mirmelli@gmail.com>

Good morning Drew Myers, Jedidiah Shank, Kathie-Ann Ulett,

I agree with Broward County that the financial information requested needs to be included in this process in order to make an informed decision and in order to have complete transparency for the public. Young At Art is doing everything in their power to comply with the Broward County Auditor's request for Financial Information. Young At Art has been forced to reduce their staff from 80 employees to eight. The Director of Finance and Executive Assistant, (the two staff members that would normally be gathering the documents to fulfill the request) have no longer been working with YAA since August 5, 2020. Immediately after these employees were no longer working for Young At Art, YAA hired three accountants to gather the information for Mike Robbins, the CPA that conducts Young At Art's annual audit. Mike

Robbins has been scheduled to come in September 21, 2020 and begin the audit, which hopefully would be completed by the week's end. (Please see attached email string with most recent communication with CPA, Mike Robbins)

Despite the fact we are in the midst of the COVID-19 Pandemic, Broward County is expeditiously moving along with the proceeding without giving Young At Art enough time to even get their financials together. Young At Art has absolutely no problem providing them, however due to the current situation of COVID-19 pandemic and also several of the County's actions, the amount of time provided by the county is not sufficient time for Young At Art to fulfill that request. Counsel from Young At Art made that clear in several emails and communications and no considerations have been made.

For the above mentioned reasons it is imperative that agenda item 49 in regards to the Young At Art Museum and Broward County lease must be postponed to a later date.

(In addition to the above Young At Art employees began preparing early this morning for a meeting and found that the power was off. The full explanation of the circumstances in the separate email but basically YAA has no power in most of the building, no internet, no phones, no access to the server, and this was the location where the staff was planning on attending the meeting from.)

Zack Spechler
Director of Exhibits
Young At Art Museum
751 SW 121st Ave.
Davie FL, 33325
Direct: 954.424.5034
Cell: 954.591.9233
YoungAtArtMuseum.org

From: Yumina Myers
Sent: Wednesday, September 09, 2020 11:02 AM
To: Mike Robbins
Cc: Zack Spechler; Mindy Shrago
Subject: RE: YAA Audit

Mike,

Thank you for your email and letting us know that you can begin the audit on 9/21. We will have the files ready to be picked up electronically by then.

Thank you,
Yumina

From: Mike Robbins [mike@robbinsandmoroney.com]
Sent: Wednesday, September 09, 2020 8:05 AM
To: Yumina Myers
Subject: RE: YAA Audit

I can begin the audit on 9/21. It would be best if on that day I could pick up the work electronically. Excel and adobe files for everything.

Michael Robbins CPA
Robbins and Moroney, P.A.
222 Southeast 10th Street
Fort Lauderdale, Florida 33316
(954)-467-3100

From: Yumina Myers <YMyers@youngatartmuseum.org>
Sent: Tuesday, September 8, 2020 6:35 PM
To: Mike Robbins <mike@robbinsandmoroney.com>
Cc: Zack Spechler <Zspechler@youngatartmuseum.org>; Mindy Shrago <MShrago@youngatartmuseum.org>
Subject: YAA Audit

Mike,

Good afternoon. This is Yumina from Young At Art Museum. We are still working on the list of documents you have requested to complete your audit. We should have all the information ready for you by the end of next week, and would like to know if we can schedule you to work on the audit starting the week of the 21st. It will be great if you are available to begin the process that Monday (9/21). If not, let us know which day you are available.

We very much appreciate your service!

Warm regards,

Yumina Myers

Acting Director/Director of Education

Young At Art Museum

ymyers@youngatartmuseum.org