

Office of the City Manager

TO: Mayor & Members of the City Council
FROM: Ed Lavallee
DATE: 3/03/2020
RE: CDD Roads

M E M O R A N D U M

Background:

The City of Venice is currently involved in a dispute with the Venetian Community Development District (CDD), wherein the CDD alleges that in the course of the City providing trash removal and recycling services City vehicles have leaked hydraulic fluids and other vehicle fluids onto CDD roads causing damage and roadway deterioration. The CDD claims that as a result of the fluid spills the life expectancy of the affected roads is diminished and that the City is responsible for diminished condition, and further that the City should pay to have the roads restored.

The CDD is a special purpose unit of government and therefore disputes with the City are governed by conflict resolution procedures found in Florida Statutes, Chapter 164. In January 2019, the CDD initiated the conflict resolution process with a letter directed to the City alleging the damages to the CDD roads. The conflict resolution process enumerates three steps to follow as a method to resolve the dispute and as a prerequisite to one governmental entity suing another governmental body. The first step directs the bodies to conduct a Conflict Resolution meeting attended by designated officials. Such meetings took place on three dates between April and September 2019. As no resolution was achieved in the three meetings, the second step directs that a joint public meeting be held involving the policy board of each entity. As no resolution was reached at the joint meeting, according to the provisions of the statute both governmental entities must participate in mediation. If mediation does not achieve a resolution of the dispute then the CDD may initiate a lawsuit.

Joint Participation Public Meeting:

In compliance with provisions of the State Statute, on February 19, 2020, a joint resolution meeting was held at the Venice Community Center. In attendance were the two policy bodies, City staff, members of the public, legal representation for the CDD, and a member of the legal staff on behalf of the insurance agency representing the City. At the meeting, the following occurred: (1) the CDD used a Power Point presentation to illustrate the leaks on the CDD roads; (2) discussion followed concerning the CDD's claim for damages and the City's prior offering to settle the dispute. No resolution was achieved. Following the presentation, City representatives indicated that they may have questions related to the Power Point. The CDD pressed for a follow-up meeting in efforts to achieve a resolution of the dispute. Although no formal motion or vote was taken, it was agreed that a second joint meeting would take place in about 60-days.

Next Steps:

In the two weeks since the joint meeting was held no questions have been received concerning the contents of the Power Point presentation. As the parties appear to be far apart on their respective positions of a settlement agreement, it is unlikely that a second joint meeting sixty days from now will be productive. Perceiving that a second meeting will be fruitless and only further protract this process; it is suggested that the City adhere to the statutory provisions of Chapter 164 and proceed to the next step- that being mediation.

The purpose of this discussion is to determine whether to have a second joint meeting or proceed to the mediation process. For purposes of providing further clarity on the statutory process, legal Counsel for the City's insurance company will be available to address City Council issues.