

**SPECIAL ASSESSMENT &
BOARD OF DIRECTORS MEETING
THE DIPLOMAT APARTMENTS ASSOCIATION, INC.**

In accordance with our Bylaws and the Florida Statutes, you are hereby notified that a meeting for the Association will be held at the following date, time and place:

**Friday, January 31, 2025 @ 7:00 PM
In the Association Hall
3150 N. Atlantic Avenue, Cocoa Beach, FL 32931**

Or via zoom

<https://us02web.zoom.us/j/7519963880?omn=88937118397&from=addon>

AGENDA

1. Roll Call
2. Proof of Notice of Meeting or Waiver of Notice
3. Review and Approve Minutes - Budget Meeting held January 10, 2025
4. Review and Approve Minutes - Board of Directors Meeting held January 16, 2025
5. Treasurer's Report
6. Phase 4 Assessment Discussion
 - Overview of the proposed owner assessment
 - Explanation of the need for the owner assessment
 - Detailed breakdown of owner assessment costs and allocation
 - Q&A session for owners
7. Approve Owner Assessment
8. New Business
 - Website Launch
 - 550/660 Hurricane Insurance Claim Update
9. Adjournment



DIPLOMAT CONDOMINIUM ASSOCIATION, INC.

UNAPPROVED MINUTES OF ZOOM MEETING OF BOARD OF DIRECTORS

Friday, January 10, 2025 @ 4:00 p.m.

DIPLOMAT ASSOCIATION HALL

3150 N. Atlantic Ave., Cocoa Beach, FL 32931

Meeting Overview:

- **Roll Call:** President Vi Smith, led the roll call, confirming attendees Dennis Sinclair, 1st Chair; Jim Richardson, 2nd Chair; Michelle Gray, Treasurer; and Peder Acres, Secretary.
- **Budget Proposal:** Michelle presented a 9.68% increase in annual maintenance fees and a 3% staff salary increase based on performance expectations. She highlighted unexpected plumbing and pest control costs, staffing challenges, and the need for a reserve study.
- **Tax Implications:** The association must recognize a discount from Spectrum as income, leading to tax liabilities.
- **Rate Increases & Amenities:** Concerns about rising water, sewer, garbage disposal rates, and legal fees were raised. Discussions on amenities like shuffleboard and tennis courts were deferred for further bids and board discussions.
- **Maintenance Fees & Roof Funding:** Clarification on long-term financial planning for roof replacements was provided.
- **Legal Fees:** Legal fees increased due to ongoing issues with lawsuits against the association, owner(s) filing complaints with state.
- **Reserve Funds:** Discussions on retained earnings and their impact on future budgeting were highlighted and to be researched.
- **Structural Repairs:** Updates on roof and structural repairs exceeding insurance funding were provided.
- **Budget Approval:** The budget was approved unanimously, with a focus on transparency and collaboration among owners.

Key Points:

- **Increases in Fees:** Maintenance fees are set to increase effective January 1, 2025.

12 payments	OPERATING	RESERVE	TOTAL FUNDS	(-) ANTICIPATED	ANNUAL MAINT.	FEE DIVIDED BY	2024 MONTHLY
	EXPENSE REQ'D	FUND REQ'D	REQUIRED	INCOME	FEE REQUIRED	12 Mos. & # Of Units	MAINT. FEE
Phase I (14%)	\$123,351.24	\$26,276.43	\$149,627.67	\$966.00	\$148,661.67	26	\$476.48
Phase II (13%)	\$114,540.43	\$17,397.46	\$131,937.90	\$897.00	\$131,040.90	24	\$455.00
Phase III (13%)	\$114,540.43	\$17,422.42	\$131,962.85	\$897.00	\$131,065.85	24	\$455.09
Phase IV (60%)	\$528,648.15	\$80,855.71	\$609,503.86	\$4,140.00	\$605,363.86	112	\$450.42
Total	\$881,080.25	\$141,952.02	\$1,023,032.28	\$6,900.00	\$1,016,132.28	186	\$1,836.99

- **Unexpected Costs:** Plumbing, pest control, and legal fees have risen.
- **Reserve Study:** Emphasis on assessing financial health and addressing reserve shortfalls.
- **Tax Liabilities:** Spectrum discount recognized as income, leading to tax implications.
- **Approval:** Motion to approve budget as presented, Peder Acres, second Dennis Sinclair all Board Members in favor.
- **Meeting Adjourned:** Motion to adjourn by Peder Acres, second Dennis Sinclair all Board Members in favor.

DIPLOMAT APARTMENTS ASSOCIATION, INC.

Unapproved MEETING MINUTES OF BOARD OF DIRECTORS MEETING

Thursday, January 15, 2025

6:00 P.M.

Diplomat Clubhouse

3150 N. Atlantic Avenue, Cocoa Beach, FL 32931

And via Zoom

CALL TO ORDER – Meeting was called to order by President, Vi Smith at 6 PM. President Vi Smith opened the board of directors meeting by welcoming guests Jim Emory and Landon Lee from Keystone Engineering. After conducting a roll call, she reminded owners to update their residency information to ensure they receive all communications.

ROLL CALL – Dennis Sinclair, Peder Acres, Vi Smith, Michelle Gray (Zoom), Jim Richardson (Zoom)

PROOF OF MEETING NOTICE – Meeting agenda was posted on two notice boards on site on Monday, December 31, 2024, and e-mail, regular mail and hand delivered.

MINUTES- Unapproved minutes of Board of Directors Meeting of December 10, 2024. Motion for minutes of meeting to be approved by Dennis Sinclair and seconded by Michelle Gray, unanimously approved.

OLD BUSINESS -None

NEW BUSINESS – Keystone Engineering Bids

Jim Emery provided an update on the restoration project, highlighting the structural damages and the critical need to address saltwater intrusion. He noted that five bids had been received for the project, with the next steps focusing on contractor selection and potential phased construction over the coming years.

The meeting addressed significant structural concerns, particularly the need for concrete repairs mandated by local authorities for safety compliance. Persistent water intrusion issues were attributed to deteriorating exterior walls and railings, which require replacement. The assessment revealed challenges in the building's design that allow water penetration, and discussions included the condition of the stairs and access to the roof, with proposals for safer access. The urgency of these repairs was emphasized to prevent escalating costs and further structural damage.

Jim Emory outlined a comprehensive renovation strategy that includes hiring an architect to improve the building's aesthetics, demolishing and rebuilding stair towers, refinishing walls, and replacing rotting materials with aluminum panels. The importance of waterproofing details, including proper sealant joints, was discussed to maintain the integrity of the wall system. The financial burden of approximately \$10 million for restoration projects at Sandpiper Towers and Seasons was highlighted, with structural repairs prioritized before aesthetic improvements to ensure safety. Community members were encouraged to express their concerns regarding the order of repairs.

The conversation also covered the recent bid submissions for construction projects, with two competitive bids estimated at \$6.6 million and \$6.7 million. Concerns were raised about the anticipated costs for units 550 and 660, with frustrations noted over delays in receiving this information. Jim confirmed that residents would not need to move out during construction, although some inconvenience is expected.

The project is estimated to take 18 to 20 months, with discussions on the potential for cost increases if the timeline extends.

Building Structural Assessment and Repair Recommendations:

The discussions continued focusing on urgent structural repairs needed for the building, including concrete work and addressing chronic water intrusion issues. The exterior walls and railings are deteriorating, posing safety risks and necessitating replacement. The assessment emphasized the importance of timely repairs to prevent further deterioration and costly future projects.

Building Renovation and Waterproofing Plans

The discussion focused on the building's deteriorating condition, including gaps around windows and corroded electrical conduits. An architect was hired to enhance the building's aesthetics, and plans include demolishing and rebuilding stair towers for better access and appearance. The renovation will also involve refinishing walls and replacing rotting materials.

Project Updates and Community Concerns

The meeting addressed the extensive restoration needs at Sandpiper Towers and Seasons, with costs estimated to be around \$10 million due to structural failures exacerbated by Hurricane Ian. Jim Emory emphasized the urgency of repairs for the seawall and stairs and discussed the sequence of construction work to ensure safety and efficiency.

Discussion on Project Scope and Cost Considerations

Jim Emory provided details on the project scope, confirming that a high percentage of windows will be replaced as part of the waterproofing efforts. Jim clarified that while some windows are included, the replacement of doors and certain windows will be an individual owner expense. An owner raised concerns about potential long-term costs associated with opting for less durable materials, prompting Jim to acknowledge the possibility of future projects to address these concerns.

Window Restoration and Pricing Discussion

An owner inquired about the inclusion of windows in the restoration project and the potential for cost savings. Jim Emory confirmed that bulk purchasing would yield better prices, with current estimates for hurricane-rated windows between \$1,800 and \$2,200. Additionally, it was noted that owners would be informed about the need for new windows as construction approaches.

Building Restoration Priorities and Progress

An owner asked about the restoration sequence for the two-story buildings after addressing buildings 550 and 660. Jim Emory noted that while an east to west approach is being contemplated, the two-story buildings also present major concerns that need attention. He emphasized that these buildings should be considered a priority alongside the three-story structures. Specifically, stairways are beyond repair and one of his biggest concerns.

Bid Updates and Future Cost Projections

The meeting addressed the status of construction bids, revealing competitive offers between \$6.6 million and \$6.7 million. An owner expressed concerns about the lack of clarity on future costs and responsibilities, which have been pending for ten months. The speaker noted that the bid packages were sent out, and further discussions would be necessary to break down the details. The board responded that the delay was caused by the massive amount of bidding work currently in the system. The bid packages were received in early December and had to go back to some of the bidders to clarification and completion of parts missing in the bid package.

Construction Project Timeline and Impact on Residents

An owner raised concerns about the duration of construction and its impact on residents. Jim assured them that moving out would not be required, and the project is expected to take 18 to 20 months in total, with each building undergoing restoration for about three to

four months. An owner also asked about the implications of extending the project timeline to three years.

Discussion on Structural and Cosmetic Repairs

An owner sought clarification on what repairs are required by code versus those that are cosmetic. Jim Emory confirmed that the stair design is a code requirement and discussed the cost implications of different design choices. Additionally, they outlined a strategy to prevent water intrusion by raising the baseboard and applying a sealant joint.

Structural vs. Cosmetic Repairs: Discussion on what constitutes necessary structural repairs versus cosmetic changes. Jim Emory stated that he had not looked at it that way and believed that the cosmetic piece was small vs the structural requirements.

Discussion on City and Insurance Requirements

Participants discussed the lack of immediate requirements from the city regarding building renovations, emphasizing that no violations have been issued. Concerns are raised about the insurance company's willingness to cover the buildings, with reference to past instances where coverage was dropped. The conversation highlights the uncertainty surrounding the city's stance and the implications for the condominium owners.

City and Insurance Company Stance: Clarification of the city's requirements and the insurance company's position regarding repairs.

Discussion on Board Changes

Jim Emory addressed the difficulties that arise when boards change, noting that he often finds himself caught in the middle of conflicting opinions. He encouraged the existing and new boards to collaborate on a plan before the transition. Additionally, he highlighted the importance of timely information dissemination to ensure all members are adequately informed.

Owner Responsibilities: Discussion on the need for owner votes and involvement in decision-making regarding structural changes.

ADJOURN

Upon a motion to adjourn by Peder Acres, seconded by Dennis Sinclair, with all in favor, the meeting was adjourned at 7:30 p.m.



January 17, 2025

Dear Owners,

Subject: Special Assessment Due to Legal Settlement and Cast-Iron Pipe Replacement

We hope this letter finds you well. We are writing to inform you of a recent legal settlement involving the association and an owner who filed a lawsuit due to damages caused by the failure of cast iron pipes, resulting in water infiltration and damage to their unit.

The insurance company has agreed to a settlement with the owner in the amount of \$140,000.00. However, it is important to note that the insurance company will not cover the cost of replacing the cast iron pipes, \$30,250.00.

In accordance with Florida Statute 718, the association is required to levy a special assessment to cover the costs associated with this settlement and the necessary pipe replacement. The total amount to be assessed is \$30,250.00, which will be allocated among all Phase 4-unit owners, based on their respective ownership interests. The owner who filed suit will be exempt from this assessment as agreed upon in the settlement,

Assessment Details:

- **Total Assessment Amount:** \$30,250.00
- **Your Share:** \$272.52
- **Due Date:** February 23, 2025

Please be advised that payment of this special assessment is due by February 17, 2025. Failure to pay the assessment by the due date may result in additional late fees and interest, as well as potential legal action to collect the outstanding amount.

We understand that this may be an unexpected expense, and we appreciate your prompt attention to this matter. If you have any questions or need further information, please do not hesitate to contact our office at (321) 783-2402 or email diplomatcondos.cfl.rr.com.

Thank you for your cooperation and understanding.

Sincerely,

Board of Directors
Diplomat Condominium Association