

CITY OF STERLING HEIGHTS  
Regular Meeting of the  
LOCAL DEVELOPMENT FINANCE AUTHORITY  
6633 18 Mile Road, Sterling Heights  
VELOCITY BUILDING  
October 21<sup>st</sup>, 2025  
8:00 AM

**MEETING CALLED TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**APPROVAL OF AGENDA**

Approval of LDFA Meeting Minutes 7/29/25

**CONSENT AGENDA**

**NEW BUSINESS**

- 1.) To consider the insurance renewal for the Velocity Building.

**OLD BUSINESS**

**PUBLIC COMMENT**

**VELOCITY UPDATES**

**ADJOURNMENT**

CITY OF STERLING HEIGHTS  
LOCAL DEVELOPMENT FINANCE AUTHORITY  
MINUTES OF THE REGULAR MEETING  
October 21st, 2025  
6633 18 Mile Road, Sterling Heights, MI 48314  
Velocity Building

**New Business**

- 1.) **To consider the approval of the insurance renewal at Velocity**
  - Hannah Babbitt/ Insurance Carrier to discuss



## Business of the LDFA Sterling Heights, Michigan

Item No:  
Meeting: 10/21/25 LDFA

### AGENDA STATEMENT

**Item Title:** Insurance Renewal

**Submitted By:** Scott Kalinowski, Building Manager

**Contact /Telephone:** Scott Kalinowski

**Administration (initial as applicable)**

**Attachments**

<input type="checkbox"/> City Clerk	<input type="checkbox"/> Resolution	<input type="checkbox"/> Minutes
<input type="checkbox"/> Finance & Budget Director	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Plan/Map
<input type="checkbox"/> City Attorney (as to legal form)	<input checked="" type="checkbox"/> Contract	<input checked="" type="checkbox"/> Other
<input type="checkbox"/> City Manager		
<input type="checkbox"/> Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office		

**Executive Summary:**

Attached are renewal documents for City of Sterling Heights LDFA's December 15, 2025 renewal with the MMRMA. Premium is up by \$583 (or 4.0%), which is primarily due to market conditions. Also, please note that property deductibles have increased for all of membership from \$1,000 to \$1,500 per occurrence. The attached comparison shows the LDFA is eligible to receive a total of \$3,136 back in distributions this year.

**Suggested Action:**

Resolved, to approve the insurance renewal for the Velocity Building.

Community: **Sterling Heights LDFA**  
Renewal period: Dec 15, 2025 to Dec 15, 2026

## Reasons for Premium Change

	2024	2025	% Change
Ratable Expenditures:			
<b>FT employees</b>	0	0	0.0%
<b>PT employees</b>	0	0	0.0%
<b>Seasonal PT</b>	0	0	0.0%
Property Values:			
<b>EDP</b>	\$9,997,600	\$10,097,446	1.0%
<b>SOTB/PIO</b>	\$1,000,000	\$1,000,000	0.0%
<b>SOTB/PIO</b>	0	\$0	0.0%
UAV/Drone:	N/A	N/A	N/A
Coverages	Does not Include: Sewer, Auto Liability/Physical Damange \$5M, Pool w/ <b>\$1,500</b> Property deductible		
Other:	2025-26: <b>Property deductible changed from \$1K to \$1.5 eff. 12-15-25</b> 2024-25: 3.4% 2023-24: 8.1% 2022-23: 3.5% 2021-22: -1.1% 2020-21: 0.4% 2019-20: -17.3% 2018-19: 4.1% 2017-18: 2.3% 2016-17: 2.2%		

Last Year  
This Year  
Total C  
% Change

### Notes.

No RAP Grants		Net Asset Distribution	Loss Fund Distribution	Total
<b>2012 MMRMA Distribution:</b>	\$889			\$889
<b>2013 MMRMA Distribution:</b>	\$518			\$518
<b>2014 MMRMA Distribution:</b>	\$2,384			\$2,384
<b>2015 MMRMA Distribution:</b>	\$3,065	\$347		\$3,412
<b>2016 MMRMA Distribution:</b>	\$1,771	\$170		\$1,941
<b>2017 MMRMA Distribution:</b>	\$1,610	\$222		\$1,832
<b>2018 MMRMA Distribution:</b>	\$2,176	\$336		\$2,512
<b>2019 MMRMA Distribution:</b>	\$2,489	\$387		\$2,876
<b>2020 MMRMA Distribution:</b>	\$4,063	\$298		\$4,361
<b>2021 MMRMA Distribution:</b>	\$3,030	\$226		\$3,256
<b>2022 MMRMA Distribution:</b>	\$4,223	\$208		\$4,431
<b>2023 MMRMA Distribution:</b>	\$4,093	\$294		\$4,387
<b>2024 MMRMA Distribution:</b>	\$4,970	\$278		\$5,248
<b>2025 MMRMA Distribution:</b>	\$2,889	\$247		\$3,136
	<b>\$38,170</b>	<b>\$3,013</b>		<b>\$41,183</b>

# MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY COVERAGE PROPOSAL

<b>Member:</b>	<b>Sterling Heights LDFA</b>	<b>Proposal No:</b> <b>Q000015329</b>
<b>Date of Original Membership:</b>	<b>December 15, 2010</b>	
<b>Proposal Effective Dates:</b>	<b>December 15, 2025 To December 15, 2026</b>	
<b>Member Representative:</b>	<b>Kate Baldwin</b>	<b>Telephone #:</b> <b>(586) 446-2316</b>
<b>Regional Risk Manager:</b>	<b>Ibex Insurance Services</b>	<b>Telephone #:</b> <b>(248) 538-0470</b>

## A. Introduction

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. **Sterling Heights LDFA** (hereinafter "Member") is eligible to be a Member of MMRMA. **Sterling Heights LDFA** agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

**Sterling Heights LDFA** is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Proposal summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Proposal, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

## B. Member Obligation - Deductibles and Self Insured Retentions

**Sterling Heights LDFA** is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). **Sterling Heights LDFA's** SIR and deductibles are as follows:

**Table I**  
**Member Deductibles and Self Insured Retentions**

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	N/A	State Pool Member
Vehicle Physical Damage	N/A	N/A
Fire/EMS Replacement Cost	N/A	N/A
Property and Crime	\$1,500 Per Occurrence	N/A
Sewage System Overflow	N/A	N/A

The member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

The **Sterling Heights LDFA** is afforded all coverages provided by MMRMA, except as listed below:

1. Liability for Owned or Leased Motor Vehicles
2. Motor Vehicle Physical Damage
3. Sewage System Overflow
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

**Sterling Heights LDFA** agrees to maintain the Required Minimum Balance as defined in the Member Financial Responsibilities section of the MMRMA Governance Manual. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

### **C. MMRMA Obligations - Payments and Limits of Coverage**

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

**Table II**  
**Limits of Coverage**

<b>Liability and Motor Vehicle Physical Damage</b>	<b>Limits of Coverage Per Occurrence</b>		<b>Annual</b>	<b>Aggregate</b>
	<b>Member</b>	<b>All Members</b>	<b>Member</b>	<b>All Members</b>
1 Liability	5,000,000	N/A	N/A	N/A
2 Judicial Tenure	N/A	N/A	N/A	N/A
3 Sewage System Overflows	0	N/A	0	N/A
4 Volunteer Medical Payments	25,000	N/A	N/A	N/A
5 First Aid	2,000	N/A	N/A	N/A
6 Vehicle Physical Damage	0	N/A	N/A	N/A
7 Uninsured/Underinsured Motorist Coverage (per person)	0	N/A	N/A	N/A
Uninsured/Underinsured Motorist Coverage (per occurrence)	0	N/A	N/A	N/A
8 Michigan No-Fault	0	N/A	N/A	N/A
9 Terrorism	5,000,000	N/A	N/A	5,000,000

<b>Property and Crime</b>	<b>Limits of Coverage Per Occurrence</b>		<b>Annual Aggregate</b>	
	<b>Member</b>	<b>All Members</b>	<b>Member</b>	<b>All Members</b>
1 Buildings and Personal Property	11,097,446	350,000,000	N/A	N/A
2 Personal Property in Transit	2,000,000	N/A	N/A	N/A
3 Unreported Property	5,000,000	N/A	N/A	N/A
4 Member's Newly Acquired or Constructed Property	10,000,000	N/A	N/A	N/A
5 Fine Arts	2,000,000	N/A	N/A	N/A
6 Debris Removal (25% of Insured direct loss plus)	25,000	N/A	N/A	N/A
7 Money and Securities	1,000,000	N/A	N/A	N/A
8 Accounts Receivable	2,000,000	N/A	N/A	N/A
9 Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit)	5,000,000	10,000,000	N/A	N/A
10 Fire and Emergency Vehicle Rental (12 week limit)	2,000 per week	N/A	N/A	N/A
11 Structures Other Than a Building	15,000,000	N/A	N/A	N/A
12 Dam/Dam Structures/Lake Level Controls	0	N/A	N/A	N/A
13 Transformers	2,500,000	N/A	N/A	N/A
14 Storm or Sanitary Sewer Back-Up	1,000,000	N/A	N/A	N/A
15 Marine Property	1,000,000	N/A	N/A	N/A
16 Other Covered Property	20,000	N/A	N/A	N/A
17 Income and Extra Expense	5,000,000	N/A	N/A	N/A
18 Blanket Employee Fidelity	1,000,000	N/A	N/A	N/A
19 Faithful Performance	Per Statute	N/A	N/A	N/A
20 Earthquake	5,000,000	N/A	5,000,000	100,000,000
21 Flood	5,000,000	N/A	5,000,000	100,000,000
22 Terrorism	50,000,000	50,000,000	N/A	N/A

**Table III**

Network and Information Security Liability, Media Injury Liability, Network Security Loss, Breach Mitigation Expense, PCI Assessments, Social Engineering Loss, Reward Coverage, Telecommunications Fraud Reimbursement, Extortion.				
	<b>Limits of Coverage Per Occurrence/Claim</b>	<b>Deductible Per Occurrence/Claim</b>		<b>Retroactive Date</b>
	\$2,000,000			
<b>Coverage A</b> Network and Information Security Liability: Regulatory Fines:	Each Claim Included in limit above Each Claim Included in limit above	\$25,000	Each Claim	7/1/2013
<b>Coverage B</b> Media Injury Liability	Each Claim Included in limit above	\$25,000	Each Claim	7/1/2013
<b>Coverage C</b> Network Security Loss Network Security Business Interruption Loss:	Each Unauthorized Access Included in limit above Each Business Interruption Loss Included in limit above	\$25,000	Each Unauthorized Access Retention Period of 72 hours of Business Interruption Loss	Occurrence
<b>Coverage D</b> Breach Mitigation Expense:	Each Unintentional Data Compromise Included in limit above	\$25,000	Each Unintentional Data Compromise	Occurrence
<b>Coverage E</b> PCI Assessments:	Each Payment Card Breach \$1,000,000 Occ./\$1,000,000 Agg. Included in limit above	\$25,000	Each Payment Card Breach	Occurrence
<b>Coverage F</b> Social Engineering Loss:	Each Social Engineering Incident \$100,000 Occ./\$100,000 Agg Included in limit above	\$25,000	Each Social Engineering Incident	Occurrence
<b>Coverage G</b> Reward Coverage	Maximum of 50% of the Covered Claim or Loss; up to \$25,000 Included in Limit above	Not Applicable		Occurrence
<b>Coverage H</b> Telecommunications Fraud Reimbursement	\$25,000 Included in limit above	Not Applicable		Occurrence
<b>Coverage I</b> Extortion Coverage	Each Claim Included in limit above	\$25,000	Each Extortion Loss	Occurrence

Annual Aggregate Limit of Liability

Each Member Aggregate	All Members Aggregate
\$2,000,000	\$17,500,000

The Each Member Aggregate Limit of Liability for the combined total of all coverage payments of MMRMA and MCCRMA shall not exceed \$2,000,000 per Member for all Subjects of Coverage in any Coverage Period, regardless of the number of coverage events.

The All Member Aggregate Limit of Liability for the combined total of all coverage payments of MMRMA and MCCRMA shall not exceed \$17,500,000 for All Members for all Subjects of Coverage in any Coverage Period, regardless of the number of Members or the number of coverage events.

It is the intent of MMRMA that the coverage afforded under the Subjects of Coverage be mutually exclusive. If however, it is determined that more than one Subject of Coverage applies to one coverage event ensuing from a common nexus of fact, circumstance, situation, event, transaction, or cause, then the largest of the applicable Deductibles for the Subjects of Coverage will apply.

#### **D. Contribution for MMRMA Participation**

**Sterling Heights LDFA**

**Period: December 15,  
2025**

**To December 15, 2026**

Coverages per Member Coverage Overview:	\$15,005
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TOTAL ANNUAL CONTRIBUTIONS:	\$15,005
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#### **E. List of Addenda**

**This document is for the purpose of quotation only and does not bind coverage in the Michigan Municipal Risk Management Authority, unless accepted and signed by both the authorized Member Representative and MMRMA Representative below.**

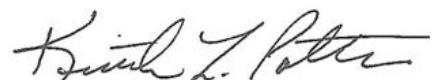
**Accepted By:**

**Sterling Heights LDFA**

**Proposal No:**

**Q000015329**

**MMRMA**



**MMRMA Representative**

**Member Representative**

**Date**

**9-29-2025**

**Date**

# Phase 14 Coverage Document Edits

## Effective July 1, 2025

### Current:

#### MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY LIABILITY AND MOTOR VEHICLE PHYSICAL DAMAGE COVERAGE DOCUMENT

This Coverage Document pertains to the liability and vehicle physical damage coverage afforded to Members of the Michigan Municipal Risk Management Authority, (hereinafter MMRMA). This Coverage Document is authorized by the Joint Powers Agreement. It is subject to and limited by all of the terms and conditions contained in the Joint Powers Agreement, MMRMA rules, and MMRMA administrative procedures. Please read the entire Coverage Document carefully to determine your rights and duties and what coverage is and is not provided. If you have any question concerning coverage, please contact MMRMA.

Certain words, phrases and subjects of coverage have special meanings. They are defined when they first appear in the text or in the "definitions" section and should be read carefully.

When the term "MMRMA" is used throughout this document it means the Michigan Municipal Risk Management Authority. The terms "Member," "you," or "your" mean the Member of the Michigan Municipal Risk Management Authority.

UNLESS INDICATED ELSEWHERE IN THIS COVERAGE DOCUMENT, THE COVERAGE PROVIDED BY THIS COVERAGE DOCUMENT IS INDEPENDENT OF ANY OTHER COVERAGE OFFERED BY MMRMA AND IS NOT TO BE READ IN CONJUNCTION WITH ANY OTHER COVERAGE DOCUMENT. THEREFORE, LOSSES COVERED UNDER THIS DOCUMENT ARE EXCLUDED UNDER THE PROPERTY AND CRIME COVERAGE DOCUMENT, THE DATA BREACH AND PRIVACY LIABILITY COVERAGE DOCUMENT, **AND THE SPECIALIZED EMERGENCY RESPONSE EXPENSE RECOVERY COVERAGE DOCUMENT**. UNLESS INDICATED ELSEWHERE IN THIS COVERAGE DOCUMENT, THIS COVERAGE DOCUMENT CONTAINS DEFINITIONS, COVERING AGREEMENTS, CONDITIONS, AND EXCLUSIONS NOT CONTAINED, OR DIFFERENT THAN THOSE, IN THE OTHER MMRMA COVERAGE DOCUMENTS.

**Approved:**

**MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY  
LIABILITY AND MOTOR VEHICLE PHYSICAL DAMAGE  
COVERAGE DOCUMENT**

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**MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY  
PROPERTY AND CRIME DOCUMENT**

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**Current:**

**SECTION 10  
DEFINITIONS - ALL COVERAGES**

**14. VACANT BUILDING**

means the Member's building that is or has been unoccupied for more than 60 consecutive days before loss or damage occurs.

**Approved:**

**14. VACANT BUILDING**

means the Member's building that **does not contain enough personal property to conduct customary operations for a period of more than 60 consecutive days** before loss or damage occurs.

Vacant Building does not mean:

- a. Member seasonal properties
- b. Member building under construction
- c. Member renovations under construction

**Current:**

**MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY DATA BREACH AND PRIVACY  
LIABILITY COVERAGE DOCUMENT**

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WITH REGARD TO COVERAGES A, AND B, THIS IS A CLAIMS MADE AND REPORTED COVERAGE DOCUMENT. PLEASE READ IT CAREFULLY.

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Removal of Specialized Emergency Response Expense Recovery Coverage Document.



## **BLANKET FAITHFUL PERFORMANCE BOND CERTIFICATE OF PROTECTION**

### **KNOW ALL MEN BY THESE PRESENTS:**

This certificate is issued as a matter of information only and confers no rights upon the certificate holder unless amended below.

This certifies that Sterling Heights LDFA as a member of this Authority

has Blanket Faithful Performance Bond Protection in the amount of One Million Dollars  
(\$ 1,000,000.00).

#### **Blanket Faithful Performance Description of Protection**

##### **Fidelity**

- (1) The Scope of Loss Fund Protection includes loss caused to the member by conversion to personal use or through the failure of any of the employees, acting alone or in collusion with others, to perform faithfully his duties or to account properly for all monies and property received by virtue of his position or employment during the period of membership in the Authority, the amount of indemnity of each of such employees being the amount indicated on the Limits of Liability.

#### Section 2

##### **General Agreement-Loss Under Prior Bond**

- (1) If the protection of this provision is substituted for any prior coverage carried by the member which prior bond is terminated, cancelled or allowed to expire as of the time of such substitution, the member agrees that such agreement applies to loss sustained by, or caused to, the member, as the case may be, prior to or during the bond period, provided that such loss is discovered after the beginning of the period of membership and that such loss would have been recoverable by the member under such prior bond except for the fact that the time within which to bring suit, action or proceeding of any kind thereunder had expired, and provided further:
  - (a) The indemnity afforded by this agreement shall be a part of and not in addition to the limit afforded above;
  - (b) Such loss would have been covered under such insuring agreement had such insuring agreement with its agreements, conditions and limitations as of the time of such substitutions been in force when the acts or defaults causing such loss were committed;
  - (c) Recovery under this agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such insuring agreement in the amount for which it is written as of the time of such substitution, had such insuring agreement been in force when such acts or defaults were committed, or the amount which would have been recoverable under such prior bond had such prior bond continued in force until the discovery of such loss if the latter amount be smaller.

### Section 3

#### Definitions

(1) "Employee" means person while in the employ of the member during the period of membership.

### Section 4

#### Conditions

(1) In case a loss is alleged to have been caused to the member through acts or defaults by an employee and the member shall be unable to designate the specific employee causing such loss, the member shall nevertheless have the benefit of this provision provided that the evidence submitted reasonably establishes that the loss was in fact caused by an employee through such acts or defaults and provided, further, that regardless of the number of such employees concerned or implicated in such loss, the aggregate liability for any such loss shall not exceed the limit of liability.

(2) The limit of liability shall not be cumulative from year to year.

(3) This provision shall be deemed to be cancelled as to any employee:

- (a) Immediately upon discovery by the member of any act on the part of such employee which would constitute a liability under this provision covering such employee; or
- (b) Upon the death, resignation or removal of such employee; or
- (c) Upon termination of membership in the Authority.

Should the member indicated below withdraw from the Authority prior to the expiration date shown, the Authority shall notify the certificate holder in writing thirty (30) days in advance of such withdrawal, but failure to mail such notice shall impose no obligation or liability of any kind upon the Authority.

#### Certificate Holder:

Sterling Heights LDFA

Po Box 8009

Sterling Heights, MI 48311-8009

#### Member:

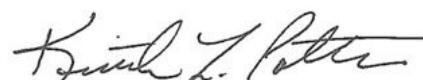
Sterling Heights LDFA

Po Box 8009

Sterling Heights, MI 48311-8009

**Expiration Date of Membership** Continuous Until Cancelled

**Date Issued:** December 15, 2025



**Authorized Representative**

# MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

**Member: Sterling Heights LDFA**  
**QUOTE NUMBER Q000015329**  
**QUOTE PROPERTY LIST REPORT**  
**EFFECTIVE DATES 12/15/2025 To 12/15/2026**

<b>Location Address</b>		<b>Location Description</b>			
1.	6633 18 Mile, Sterling Heights, MI 48311	Incubator/Office			
		<b>Building Description</b>	<b>Building Value</b>	<b>Contents Value</b>	<b>Total Value</b>
	Office Building		\$10,061,014	\$36,432	\$10,097,446
		<b>Location Totals</b>	<b>\$10,061,014</b>	<b>\$36,432</b>	<b>\$10,097,446</b>

<b>Grand Totals</b>		
<b>Building Value</b>	<b>Contents Value</b>	<b>Total Value</b>
\$10,061,014	\$36,432	\$10,097,446