

CITY OF STERLING HEIGHTS
Regular Meeting of the
LOCAL DEVELOPMENT FINANCE AUTHORITY
6633 18 Mile Road, Sterling Heights
VELOCITY BUILDING
October 21st, 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.

Reasons for Premium Change

	2024	2025	% Change
Ratable Expenditures:			
FT employees	0	0	0.0%
PT employees	0	0	0.0%
Seasonal PT	0	0	0.0%
Property Values:	\$9,997,600	\$10,097,446	1.0%
EDP	\$1,000,000	\$1,000,000	0.0%
SOTB/PIO	0	\$0	0.0%
UAV/Drone:	N/A	N/A	N/A
Coverages	Does not Include: Sewer, Auto Liability/Physical Damage \$5M, Pool w/ \$1,500 Property deductible		
Other:	2025-26: Property deductible changed from \$1K to \$1.5 eff. 12-15-25		
	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%		

	<u>Total Contribution</u>	<u>Property Totals</u>
Last Year	\$14,422	\$9,997,600
This Year	\$15,005	\$10,097,446
Total Change	\$583	\$99,846
% Change (+ -)	4.0%	1.0%

Notes:

No RAP Grants

	Net Asset Distribution	Loss Fund Distribution	Total	
2012 MMRMA Distribution:	\$889		\$889	KD
2013 MMRMA Distribution:	\$518		\$518	KD
2014 MMRMA Distribution:	\$2,384		\$2,384	KD
2015 MMRMA Distribution:	\$3,065	\$347	\$3,412	KE
2016 MMRMA Distribution:	\$1,771	\$170	\$1,941	KE
2017 MMRMA Distribution:	\$1,610	\$222	\$1,832	KE
2018 MMRMA Distribution:	\$2,176	\$336	\$2,512	MR
2019 MMRMA Distribution:	\$2,489	\$387	\$2,876	MR
2020 MMRMA Distribution:	\$4,063	\$298	\$4,361	MR
2021 MMRMA Distribution:	\$3,030	\$226	\$3,256	MR
2022 MMRMA Distribution:	\$4,223	\$208	\$4,431	MR
2023 MMRMA Distribution:	\$4,093	\$294	\$4,387	MR
2024 MMRMA Distribution:	\$4,970	\$278	\$5,248	MR
2025 MMRMA Distribution:	\$2,889	\$247	\$3,136	LW
	\$38,170	\$3,013	\$41,183	

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY COVERAGE PROPOSAL

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

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

Liability and Motor Vehicle Physical Damage		Limits of Coverage Per Occurrence		Annual Aggregate	
		Member	All Members	Member	All Members
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

Property and Crime		Limits of Coverage Per Occurrence		Annual Aggregate	
		Member	All Members	Member	All Members
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.			
	Limits of Coverage Per Occurrence/Claim	Deductible Per Occurrence/Claim	Retroactive Date
	\$2,000,000		
Coverage A 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
Coverage B Media Injury Liability	Each Claim Included in limit above	\$25,000 Each Claim	7/1/2013
Coverage C 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
Coverage D Breach Mitigation Expense:	Each Unintentional Data Compromise Included in limit above	\$25,000 Each Unintentional Data Compromise	Occurrence
Coverage E 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
Coverage F Social Engineering Loss:	Each Social Engineering Incident \$100,000 Occ./\$100,000 Agg. Included in limit above	\$25,000 Each Social Engineering Incident	Occurrence
Coverage G Reward Coverage	Maximum of 50% of the Covered Claim or Loss; up to \$25,000 Included in Limit above	Not Applicable	Occurrence
Coverage H Telecommunications Fraud Reimbursement	\$25,000 Included in limit above	Not Applicable	Occurrence
Coverage I 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

TOTAL ANNUAL CONTRIBUTIONS: \$15,005

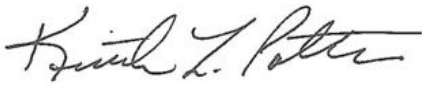
E. List of Addenda

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



Member Representative

MMRMA 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.

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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:

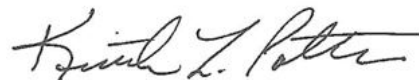
Sterling Heights LDFA

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

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

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