

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): JANUARY 31, 2005

SAGA COMMUNICATIONS, INC.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE (State or other jurisdiction of incorporation)	1-11588 (Commission File Number)	38-3042953 (IRS Employer Identification No.)
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73 KERCHEVAL AVENUE GROSSE POINTE FARMS, MI (Address of Principal Executive Offices)	48236 (Zip Code)
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Registrant's telephone number, including area code: (313) 886-7070

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

(a) Cash Bonuses to Executive Officers

On January 31, 2005, the Compensation Committee (the "Committee") of the Board of Directors of Saga Communications, Inc. (the "Company") approved the payment of preliminary cash bonuses for the Company's executive officers other than the chief executive officer in the following amounts:

NAME -----	TITLE -----	AMOUNT -----
Catherine Bobinski	Vice President, Controller, and Chief Accounting Officer	\$25,000
Samuel D. Bush	Senior Vice President, Chief Financial Officer and Treasurer	\$30,000
Steve Goldstein	Executive Vice President and Group Program Director	\$80,000
Warren Lada	Senior Vice President --Operations	\$30,000
Marcia Lobaito	Vice President, Corporate Secretary and Director of Business Affairs	\$20,000

Bonuses for the executive officers were determined in the Committee's discretion, based on the Committee's judgment of the Company's preliminary results for the 2004 fiscal year, including operating profitability, growth in revenues and profits and overall financial condition, and the individual executive officer's contribution to these results. Additional bonuses may be awarded in the Committee's discretion once the Company's results for the 2004 fiscal year become finalized.

(b) Payment of 2004 Director Fees to Non-Employee Directors

On January 31, 2005, the Committee also approved the payment of the director fees earned in fiscal 2004 to the Company's non-employee directors. For 2004, directors of the Company were paid the following fees:

- o A quarterly retainer fee of \$2,500;
- o A fee of \$1,000 per meeting for attending in person each meeting of the Board or any committee of the Board on which the director serves;
- o A quarterly retainer fee of \$500 for each of the Chairman of the Compensation and Audit Committees of the Board; and
- o A fee of \$200 per meeting for each telephonic meeting of the Board or any committee of the Board or any telephonic meeting involving a committee Chairman and management or the Company's outside auditors.

In accordance with the Company's 1997 Non-Employee Director Stock Option Plan, these fees are paid in the form of an award of options to purchase Class A Common Stock of the Company, pursuant to a

stock option agreement, the form of which is being filed as Exhibit 10(d)(1) to this report. The number of shares of Class A Common Stock for which the director's option is exercisable is equal to (i) the total amount of directors' fees earned by the director in 2004, divided by (ii) the fair market value per share of Class A Common Stock on the date of grant less \$0.01. The options have an exercise price of \$0.01 per share, are fully vested and immediately exercisable upon the date of grant and may be exercised at any time, and from time to time, until ten years from the date of grant. The directors who received such options were Messrs. Alt, Brady, Brown, Maccini and Stevens, and each of them has filed a Form 4, Statement of Changes of Beneficial Ownership of Securities with the Securities and Exchange Commission. Director Firestone receives payment of his earned director's fees in the form of additional paid-up insurance on his life.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

10(d)(1) Form of Stock Option Agreement for participants in the Saga Communications, Inc. 1997 Non-Employee Director Stock Option Plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SAGA COMMUNICATIONS, INC.

DATED: February 4, 2005

By: /s/ SAMUEL D. BUSH

Samuel D. Bush
Senior Vice President,
Chief Financial Officer and Treasurer

INDEX OF EXHIBITS

EXHIBIT NO. -----	DESCRIPTION -----
10(d)(1)	Form of Stock Option Agreement for participants in the Saga Communications, Inc. 1997 Non-Employee Director Stock Option Plan.

STOCK OPTION AGREEMENT

THIS AGREEMENT, made as of _____, _____ by and between SAGA COMMUNICATIONS, INC., a Delaware corporation (the "Corporation"), and _____ (the "Optionee").

W I T N E S S E T H

WHEREAS, the Optionee is now a member of the Board of Directors of the Corporation who is not an employee of the Corporation and the Corporation desires to have the Optionee remain in such position and to afford him the opportunity to acquire, or enlarge, his stock ownership in the Corporation so that the Optionee may have a direct proprietary interest in the Corporation's success.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. Grant of Non-Qualified Stock Option. Subject to the terms and conditions set forth herein and in the Corporation's 1997 Non-Employee Director Stock Option Plan, as amended from time to time (the "Plan"), the Corporation hereby grants to the Optionee a non-qualified stock option (the "Option"), entitling the Optionee, during the period set forth in Article 3 of this Agreement, to purchase from the Corporation up to, but not exceeding in the aggregate, _____ shares of the Corporation's Class A Common Stock, \$.01 par value ("Class A Common Stock"), at a price per share of \$.01.

2. Vesting and Exercise of Option. The Option shall be vested and immediately exercisable as of the date hereof.

3. Option Period. The vested and exercisable portion of the Option, as determined in accordance with Article 2 of this Agreement, may be exercised for a period of ten (10) years from the date hereof.

4. Method of Exercising Options. During the period when the Option may by its terms be exercised, the Optionee may from time to time exercise the Option in whole or in part by delivering to the Corporation: (i) a written notice duly signed by the Optionee, stating the number of shares that the Optionee has elected to purchase at that time from the Corporation, and (ii) either cash or a personal check payable to the Corporation.

5. Issuance of Shares. As promptly as practical after receipt of such written notification and consideration, the Corporation shall issue or transfer to the Optionee the number of shares with respect to which the Option has been so exercised and shall deliver to the Optionee a certificate or certificates therefor in the Optionee's name.

6. Definitions. (a) Whenever the word "Optionee" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Option may be transferred by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code or ERISA, the word "Optionee" shall be deemed to include such person or persons.

(b) The term "Code" means the Internal Revenue Code of 1986, as amended.

(c) The term "ERISA" means the Employee Retirement Income Act of 1974, as amended.

7. Non-Transferability. The Option is not transferable by the Optionee otherwise than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code or ERISA, and is exercisable during the Optionee's lifetime only by him. No assignment or transfer of the Option, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except by will or the laws of descent and distribution or pursuant to a qualified domestic relations order, provided that the Corporation is furnished with written notice of the transfer by will or the laws of descent and distribution or pursuant to a qualified domestic relations order and a copy of the will, order and/or such other evidence as the Committee authorized to administer the Plan may deem necessary to establish to its satisfaction the validity of the transfer and the acceptance by the transferee or transferees of the terms and conditions of the Option), shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Option shall terminate and become of no further effect.

8. Compliance With Law and Regulations. This Option and the obligation of the Corporation to sell and deliver shares hereunder, shall be subject to all applicable Federal and State laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. The Corporation shall not be required to issue or deliver any certificates for shares of stock prior to (i) the listing of such shares on any stock exchange in which the stock may then be listed and (ii) the completion of any registration or qualification of such shares under any Federal or State law, or any rule or regulation of any government body which the Corporation shall, in its sole discretion, determine to be necessary or advisable. Moreover, this Option may not be exercised if its exercise, or the receipt of shares of stock pursuant thereto, would be contrary to applicable law.

9. Notice. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided that, unless and until some other address is so designated, all notices or communications by the Optionee to the Corporation shall be mailed or delivered to the Corporation at its office at 73 Kercheval Avenue, Grosse Pointe Farms, MI 48236, Attention: Chief Financial Officer, and all notices or communications by the Corporation to the Optionee may be given to the Optionee personally or may be mailed to him or her at the address shown below his or her signature to this Agreement.

10. Adjustments. In the event of any change in the voting Common Stock of the Corporation by reason of any stock dividend, recapitalization, reorganization, merger, consolidation, split-up, combination or exchange of voting Common Stock, or any rights offering to purchase voting Common Stock at a price substantially below fair market value, or of any similar change affecting the voting Common Stock, then in any such event the number and kind of shares subject to this Option and their purchase price per share shall be appropriately adjusted consistent with such change in such manner as the Committee authorized to administer the Plan may deem equitable to prevent substantial dilution or enlargement of the rights granted to Optionee hereunder. Any adjustment so made shall be final and binding upon the Optionee.

11. No Rights as Stockholder. Optionee shall have no rights as a stockholder with respect to any shares of stock subject to this Option prior to the date of issuance to him of a certificate or certificates for such shares.

12. Optionee Bound by Plan. Optionee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all terms and provisions thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SAGA COMMUNICATIONS, INC.

By: _____
Marcia K. Lobaito
Vice President/Secretary

Optionee Name

Social Security Number

Address of Optionee