

2 local firms hit by foundation's bankruptcy

Two Farmington religious organizations have taken a hit due to the bankruptcy of the Foundation for New Era Philanthropy, but officials don't know or won't say just how much investment money they stand to lose.

SEND International and Young River Ministries, separate companies that share space on Freedom Road, were among an estimated 300 nonprofit organizations that put money in trust with New Era.

The Pennsylvania-based New Era Philanthropy is accused of scamming the Detroit Institute of Arts out of as much as \$1 million.

And an additional 20 Michigan individuals and nonprofit organizations

including the two Farmington organizations and Southfield Christian High School — say they are owed money by the now-bankrupt foundation.

"At first we were shocked," said Betty Gray, administrative assistant at SEND International, which helps prepare missionaries to serve around the world. "Now it's wait and see. The courts will take over. If there are any assets, maybe we'll get something."

Young River Ministries "tries to add spiritual dimension to the lives of high school and junior high kids," said Rolly Richert, the company's executive director. He stressed that Young River

Ministries has no money invested in New Era at this time, although "people on our behalf have money in New Era."

Southfield Christian, a private school on Lahar Road, "has been around for 25 years and we expect it to be around another 25," said Duane Reynolds, attorney for the school and also a member of its board.

"We're looking at the overall situation," he said. "We're talking to the bankruptcy counsel and we will respond accordingly. I only know what we've read in the Wall Street Journal. I have no hard information at all. Everything depends on what the bankruptcy trustee decides to do."

The 300 nonprofits nationwide put money in trust with New Era and stand to lose from \$300 million to \$500 million, according to published estimates.

The foundation, based in Radnor, Pa., filed for bankruptcy last Monday. That prompted Ernie Preate Jr., Pennsylvania's attorney general, to accuse New Era of running a Ponzi scheme — a pyramid investment deal in which new investors are used to pay large returns to earlier investors. Those payments subsequently lure more investors, but the last ones in before everything collapses are most likely to suffer the losses.

John Bennett Jr., New Era's president, has denied wrongdoing and is cooperating with authorities, his attorney said in a statement, and is confident everyone will be repaid.

Nonprofit organizations — including churches, museums, universities and charities — invested with New Era in hopes of doubling their money in less than a year with matching contributions from anonymous donors. The foundation would keep only the interest earned during its investment search, reports said.

New Era had virtually no money behind it when it was founded in 1989, according to the Wall

Street Journal. But, published remarks from foundation officials reveal, its contributions rose from \$306,000 that year to \$41.3 million in 1993 and nearly \$100 million last year.

According to further reports, New Era's liabilities total \$551 million, compared with \$80 million in assets.

Among those on a partial list of creditors released Thursday, Cornerstone Trust of Grand Rapids is out a potential \$8 million. Other Michigan groups that could lose money due to their trust investments with New Era include the Detroit Institute of Arts and Spring Arbor College.

A day for mothers:
Assistant
Director of
Nursing
Sally
Mattmuel-
ler serves
resident
Christine
Flemming
at Botsford
Continuing
Health Center
during the
Mother's
Day Garden
Luncheon.



Moms' luncheon unites families

With sunshine, blue skies and her daughter and granddaughter at her side, Christine Fleming couldn't have asked for more.

Fleming was one of many Botsford Continuing Health Center residents honored at the long-term-care facility's annual Mother's Day Garden Luncheon held recently.

More than 150 mothers and family members gathered for the outdoor event, which featured live harp music and a fashion show.

"Mother's Day means a great deal to me," said Marjorie Allen, Fleming's daughter. "How blessed can you get to have a mother with you at age 97? She always has a smile on her face."

Among the many other happy mothers were Sarah Kagan, who was joined by her daughter Sylvia Rouff; her granddaughter, Julie Phillips; and her great-grandson, Adam Phillips. "It's so nice to have my family here," Kagan said.

Botsford Continuing Health Center is a 179-bed nursing facility in Farmington Hills.

Hills budget plan holds line; voters to have say in future

BY BILL COUTANT
STAFF WRITER

Farmington Hills will likely adopt a "hold-the-line" budget for 1995-96 that will seem more like a line in the sand for additional services in the future.

City Manager Bill Costick said the city is adding few new positions, but is taking a recommendation from its management audit to heart by updating its technology, including computer, data processing and phone systems.

"We're way behind in advances in technology," Costick said. "That was the one weakness pointed out in our management audit."

The recommendation by the Boston firm that conducted the audit said: "To become more productive and to capitalize on the advancements in information processing in the last five years, the city must invest both time and additional resources."

"The rewards will be well worth the investment in terms of improved customer service to the taxpayers and users of city services, to worker productivity and efficiency, and to general morale. Simply stated, the city, despite its well-deserved reputation for pro-

gressive approaches to municipal governance, has not kept pace with the advances in office technology."

The proposed operating budget of \$32,600,049 represents about a 6-percent increase over last year's budget. But higher interest rates for money the city has in bank accounts, and transfers of fund balances, will mean that the property tax rate will only increase by 2.13 percent.

The city had contractual labor agreements and other costs it could not trim. The increase amounts to from \$2.41 to \$26.24 for a house with a market value of \$100,000, depending on the valuation increase of the property.

The technology changes will help network the city's computer systems between departments, such as fire, police, district court, public services and administration, and within departments, such as the four fire stations. The city will add an accounting technician in the finance department, a buyer and two data processing technicians in administrative services, a supervisor and laborer for parks maintenance, and convert a part-time position in the department of public works to full time.

Costick said with additional ball fields and soccer fields at the Farmington Hills Activities Center and Founders Sports Park, and the additional needs for security and maintenance at other city parks, the additions are necessary.

The new data processing people will provide maintenance, servicing and training, and new programming for an improved computer and communication system.

"We had one guy supervising about 40 part-time (summer) workers," Costick said. "That just isn't going to work when you consider they do lawn mowing, clean the johns and take care of litter."

The new service costs will total \$629,817 for the 1995-96 year.

Costick emphasized that the budget was merely an annual one, and didn't address long-term proposals addressed in department five-year plans.

"We'll take those issues up after the budget is adopted," he said. "But I think that for any new programs, we're going to have to go to the voters."

The new tax rate will be 9.165 mills, up from 9.14 mills. A mill is \$1 of tax per \$1,000 of taxable property value.

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Jim Colbert

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