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## R1 OATES RESOLUTION

### RESPONSIBLE COMPENSATION: IN SUPPORT OF RESPONSIBLE COMPENSATION WITHIN THE INDIANA UNITED METHODIST CHURCH CHURCH'S CONNECTIONAL SYSTEM

**Resolution:**

Whereas, the Indiana Annual Conference's connectional ministries are non-profit organizations, and

Whereas many of the connectional ministries are called by our denominational heritage to be missional and in many instances to serve all of those who enter within their doors, regardless of their ability to pay for services (health and wellness, social services agencies), and

Whereas many of these connectional ministries have to seek additional outside funding or charge for services and work to seek a balanced budget to continue operating to provide services, including funding from state and federal programs which gather funds through taxpayers, and

Whereas many local churches have struggled to reach a balance in paying for clergy and staff health insurance costs. (Petitioner acknowledges that while the annual conference insurance rates steady for the past several years, insurance rates are still higher based on various reports about Indiana's health care and insurance rates, even with legislative involvement),

Be it resolved that 1.) the Indiana Annual Conference require and enforce a compensation package cap and/or level to any health and wellness, higher education institution, connectional and extension ministries that have a relationship with the Indiana Annual Conference. (Relationship is defined at minimum as submission of reports to Annual Conference, maximum approval of members to the institutions' governing boards as trustees, directors, etc.).

Be it resolved that 2.) this resolution address and remind the connectional institutions of their commitment and ministry to the church and communities we all serve, as well as all the people from various economic strata.

Be it resolved that 3.) the maximum total annual compensation package for administrative staff or employees at related institutions should not exceed \$2.5 million for any individual. This includes but is not limited to base salary, health insurance, bonuses, retirement contributions, and other forms of contribution (i.e., memberships, company car, technology reimbursements, housing/housing allowance, etc.). There would be an exemption for staff retirement payouts/buyouts; employed physicians (due to separate contracts, in many instances based on patient volume and reimbursement rates); professors (at all levels) due to any grants or external funding for lab operations/research.

Be it resolved that 4.) the extension and connectional ministries continue to find ways to keep executive compensation at responsible levels based on stewardship and fiduciary responsibilities to funding groups and payers, including state and federal taxpayers.

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2 Be it resolved that 5.) in the case that this binding resolution passes, that it be referred to the Institutional  
3 Relationships Team (C.4.b), including a representative of CF&A and the Cabinet, to begin discussions with  
4 the various extension and connectional ministries on responsible compensation.

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6 **Rationale:**

7 The United Methodist Church is a non-profit religious denomination that sponsors many non-profit extension  
8 and connectional ministries. While executive and employee compensation is the responsibility of the  
9 extension and connectional ministries, their compensation policies should be in line with the mission and  
10 ministry of the denomination.

11  
12 Churches of the annual conference are frequently asked to participate in social justice ministries, recalling  
13 our commitment to those who have little or no resources. Even our Social Principles call us to be committed  
14 to economic justice, responsible consumerism, fair wages, and more, including how “every person has the  
15 right to a job at a living wage.”

16  
17 Indiana is frequently at the top of national lists for health care costs. There are still considerable issues  
18 regarding access to health care as well. The Rand Report is the guideline used frequently by state leaders,  
19 economists and employers, and frequently debated by health care systems. While we can debate the  
20 findings, it should be viewed as a starting point for the conversation in addressing costs.

21  
22 A new academic study, which appeared in the Feb. 13, 2023, edition of Becker’s Healthcare (Cut CEO pay,  
23 not jobs, to boost customer loyalty: Study), looked at the impact of reducing executive compensation versus  
24 terminating employees, and what it means to customers/patients and communities. According to the article,  
25 “This phenomenon of increased loyalty was observed in a specific customer base: those with high ethical  
26 ideals, according to the researchers. Customers with lower ethical ideals were less reactive to news of  
27 companies’ internal dealings, so businesses that did opt for layoffs did not suffer long-term reputational  
28 harm.”

29  
30 We have an opportunity to influence policy and escalating costs as an annual conference with connectional  
31 ties to both IU Health and Parkview, which are frequently cited as Indiana’s most expensive health care  
32 systems. We can make that first step by addressing executive compensation. Boards and leaders at the  
33 numerous extension and connectional ministries can also begin addressing their costs by addressing  
34 executive compensation.

35  
36 **Additional resources:**

37 • Indianapolis Star - Dec. 12, 2023: IU Health West to stop valet parking, sparking outrage among senior  
38 and disabled patients (Accessed 1/31/24)

39 “Beki Adams-Poe, who uses the service at IU Health West, posted on social media app Next Door that the  
40 cost of the service likely dwarfs the CEO’s bonus.

41 Dennis Murphy, the CEO and president of IU Health, received a bonus of \$2.3 million in 2021 in additional  
42 to his \$1.7 million base pay and another \$1.6 million in other pay and benefits, according to the latest tax  
43 documents available. His salary was about \$2 million less the previous year.”

Note: All data gathered is from 2022 tax forms – the latest on file – and are open for public inspection, unless otherwise a different year is noted. Note: Institutions’ highest earning employees from IRS 990 forms are listed to show variables and ranges of salary and compensation packages. Information is from tax forms via ProPublica. Note: Not all UM-related institutions in Indiana filed an IRS 990. IU Health <https://projects.propublica.org/nonprofits/organizations/351955872/202343199349301824/full>

Name	Title	Column D Compensation (W2)	Column E Compensation	Column F Compensation (other)
IU Health <a href="https://projects.propublica.org/nonprofits/organizations/351955872/202343199349301824/full">https://projects.propublica.org/nonprofits/organizations/351955872/202343199349301824/full</a> Board members receive compensation.				
Dennis Murphy	President and CEO	4,034,072		948,772
Erin Lewis	SVP and general counsel	1,010,980		178,479
Jennifer Alvey	SVP and CFO	1,505,106		232,970
David Ingram MD	EVP and CME		1,141,215	212,454
Gil Peri	President, Riley Hospital For Children	996,169		194,083
Michelle Janney	EVP and COO	1,999,181		48,910
Ryan Nagy, MD	President, AAHC		989,720	163,474
Brian Shockney	President, SCR	966,602		185,247
Jeffrey Bird, MD	President ECR	976,399		176,139
Rev. Kevin Armstrong	Chief Mission and Values Officer (retired)	1,201,452		60,114
Ronald Stiver	President (SHS)	1,488,098		199,943
Parkview Health (Fort Wayne) <a href="https://projects.propublica.org/nonprofits/organizations/351972384/202323199349311117/full">https://projects.propublica.org/nonprofits/organizations/351972384/202323199349311117/full</a> Board members receive compensation.				
Michael Packnett	President and CEO	2,602,841		338,299
Raymond Dusman	PCE President	1,453,383		384,527
Rick Henvey	PH Healthcare OP President	1,513,670		366,315
Methodist Hospitals (Gary/Merrillville) (2021 form) <a href="https://projects.propublica.org/nonprofits/organizations/350868133/202243159349306739/full">https://projects.propublica.org/nonprofits/organizations/350868133/202243159349306739/full</a> Board members receive compensation.				
Matthew Doyle	President and CEO	688,317		64,942
University of Indianapolis (2021 form) <a href="https://projects.propublica.org/nonprofits/organizations/350868107/202321359349316037/full">https://projects.propublica.org/nonprofits/organizations/350868107/202321359349316037/full</a>				
Robert Manuel	President	520,757		34,694
DePauw University (2021 form) <a href="https://projects.propublica.org/nonprofits/organizations/350869045/202321359349306717/full">https://projects.propublica.org/nonprofits/organizations/350869045/202321359349306717/full</a>				
Lori White	President	509,144		181,229
University of Evansville (2021 form) <a href="https://projects.propublica.org/nonprofits/organizations/350868074/202330959349301128/full">https://projects.propublica.org/nonprofits/organizations/350868074/202330959349301128/full</a>				
CM Pietruszkiewicz	President	468,418		130,347
Lucille Raines Residence <a href="https://projects.propublica.org/nonprofits/organizations/351141114/202323199349305287/full">https://projects.propublica.org/nonprofits/organizations/351141114/202323199349305287/full</a>				

1	Note: Records show \$62,000 for 2022, per 2/29/24 email with LaDonna Weber.				
2	Carolyn Marshall	Executive Director	62,000	0	0
3					
4	Wesley Manor				
5	<a href="https://projects.propublica.org/nonprofits/organizations/351020934/202312939349301626/full">https://projects.propublica.org/nonprofits/organizations/351020934/202312939349301626/full</a>				
6	John Dattilo	President and CEO		363,620	37,901
7					
8	Franklin United Methodist Home				
9	<a href="https://projects.propublica.org/nonprofits/organizations/350988712/202313189349315946/full">https://projects.propublica.org/nonprofits/organizations/350988712/202313189349315946/full</a>				
10	Note: Otterbein Homes (dba Otterbein SeniorLife) tax form - Administrators' pay is reflected in full on this one. Majority of board				
11	not paid.				
12	Jill Wilson	President and CEO		2,593,979	18,035
13	James Green	CFO/Treasurer		1,369,243	18,246
14	Jason Miller	VP of Operations		1,230,868	15,761
15					
16	United Methodist Memorial Homes/Heritage Pointe of Warren (2021 form)				
17	<a href="https://projects.propublica.org/nonprofits/organizations/350877581/202330459349301763/full">https://projects.propublica.org/nonprofits/organizations/350877581/202330459349301763/full</a>				
18	David Souder	Administrator and CEO	172,580		12,711
19					
20	Indiana UM Children's Home (Lebanon)				
21	<a href="https://projects.propublica.org/nonprofits/organizations/350877578/202332709349300713/full">https://projects.propublica.org/nonprofits/organizations/350877578/202332709349300713/full</a>				
22	Richard Lapinski	Executive Director	216,578		28,826
23					
24	UM Youth Home (Evansville)				
25	<a href="https://projects.propublica.org/nonprofits/organizations/310951608/202342699349301494/full">https://projects.propublica.org/nonprofits/organizations/310951608/202342699349301494/full</a>				
26	Kelly Salee	Executive Director	105,916		0
27					
28	Bashor Home				
29	<a href="https://projects.propublica.org/nonprofits/organizations/350933555/202303199349328765/full">https://projects.propublica.org/nonprofits/organizations/350933555/202303199349328765/full</a>				
30	Sean McCrindle	President/CEO	161,272		22,390
31					
32	Glenburn Home				
33	<a href="https://projects.propublica.org/nonprofits/organizations/351904684/202302269349302935/full">https://projects.propublica.org/nonprofits/organizations/351904684/202302269349302935/full</a>				
34	Sue Sowders	Executive Director	147,849		8,871
35					

**Financial implications:**

Extension/connectional ministries to work with Institutions Relationships Team on reports that would include a section on executive compensation (regardless of amount) and also salaries of individuals making more than \$1 million in compensation and total benefits packages. The report should also include information if a board director receives compensation, as well as the amount.

**Groups to forward/affirm:**

- Bashor Children's Home Don Phillips, President, CEO [www.bashor.org](http://www.bashor.org)
- Glenburn Home Jean Johanningsmeier, Administrator [www.glenburn.com](http://www.glenburn.com)
- Hamilton Communities, Inc. Carlos Romero, Vice-President of Operations  
[www.greencroft.org/hamiltongrove](http://www.greencroft.org/hamiltongrove)
- Indiana Asbury Towers Rod Jackson, Executive Director [www.asburytowers.com](http://www.asburytowers.com)
- Indiana United Methodist Children's Home Susan Bennett, Director of Public Relations  
[www.childrenshome.net](http://www.childrenshome.net)
- Lucille Raines Residence, Inc Carolyn Marshall, Executive Director [www.lucillerainesresidence.weebly.com](http://www.lucillerainesresidence.weebly.com)

1 Otterbein Franklin SeniorLife Community Rob Newcomer, Executive Director [www.otterbein.org/find-a-](http://www.otterbein.org/find-a-location/franklin)  
2 [location/franklin](http://www.otterbein.org/find-a-location/franklin)  
3 UM Memorial Home Heritage Communities Chod Boxell [www.lifeheritage.org](http://www.lifeheritage.org)  
4 UM Youth Home Evansville Kelly Salee, Executive Director [www.umyh.org](http://www.umyh.org)  
5 Wesley Manor Retirement Community Fred Taylor, Executive Director [www.wesleymanor.org](http://www.wesleymanor.org)  
6 IU/Methodist Health Partners Dennis Murphy, President & CEO [www.iuhealth.org](http://www.iuhealth.org)  
7 Methodist Hospital Northlake Campus Denise Dillard, Consultant for External Affairs  
8 [www.methodisthospitals.org/facilities/northlakecampus](http://www.methodisthospitals.org/facilities/northlakecampus)  
9 Methodist Hospital Southlake Campus Raymond Grady, President & CEO  
10 [www.methodisthospitals.org/facilities/southlakecampus](http://www.methodisthospitals.org/facilities/southlakecampus)  
11 Parkview Health Hospital Mike Packnett, President & CEO [www.parkview.com](http://www.parkview.com)  
12 DePauw University Dr. Lori S. White, President [www.depauw.edu](http://www.depauw.edu)  
13 University of Evansville Christopher M. Pietruszkiewicz, President [www.evansville.edu](http://www.evansville.edu)  
14 University of Indianapolis Dr. Tanuja Singh, President [www.uindy.edu](http://www.uindy.edu)

15  
16 Note from petitioner: Petitioner assumes that the Annual Conference's Institutional Relations Team has all of  
17 the updated contact information, as the information above came from the 2023 Annual Conference Journal.

18  
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21 765/586-7496