



Summary of Discussion with Dave Durenberger and Dick Pettingill

Civic Caucus, 8301 Creekside Circle, Bloomington, MN 55437

Monday, August 10, 2009

Present: Verne Johnson (Chair); Janis Clay, Paul Gilje, Dan Loritz, Tim McDonald, John Mooy

A. Context of the meeting - The Civic Caucus has been discussing this summer the future direction of Minnesota, and of civic leadership in the state. Senator Dave Durenberger, an active reader and contributor to the Caucus, suggested and arranged our meeting today with Dick Pettingill, now-former President and CEO of Allina Hospitals & Clinics.

A non-native Minnesotan, new to the state just seven years ago, Dick will lead the Caucus in a conversation of leadership in the state from his experiences, and going forward.

B. Welcome and introductions- Verne and Paul welcomed and introduced our two guests. **Dick Pettingill** retired in June as president and CEO of Allina Health System. Before joining Allina in 2002 Pettingill was president and CEO of the California division of Kaiser Foundation Health Plan. Previously he was president and CEO of El Camino Healthcare. His health care experience began at Stanford University Medical Center, where he served on the executive staff for 10 years. He has a master's in health care administration from San Jose State University. **Dave Durenberger** served as U.S. Senator from Minnesota from November 1978 to January 1995. He's a graduate of St. John's University and the University of Minnesota law school. He served as chief of staff to Minnesota Governor Harold LeVander in 1966. Durenberger is senior health policy fellow at the Graduate School of Business at the University of St. Thomas and chair of a joint effort with the University of Minnesota to create the National Institute of Health Policy.

C. Comments and discussion -During Pettingill's and Durenberger's comments and in discussion with the Civic Caucus the following points were raised:

1. State's previous reputation as a Mecca of reform and cooperation has been lost— "My comments are concerned not so much about health," Dick opened his remarks, "as the erosion of leadership." The Twin Cities, and Minnesota, was a Mecca of reform in the 1970's and 80's. In health care there was practice of managing cooperation instead of managing competition.

Coming to live and work in Minnesota that health care in this state was "Like dying and going to heaven." The state was known for its civic leadership, for a government that works, and for a vibrant non-profit health care sector. But that wasn't the case when he got here. He still got things done-he

still made great strides with Allina-but in another era, he says, it would have been much easier. "There used to be civic support to help turnaround large systems." Not any longer.

Listening to NPR a while back Pettingill picked up a program on a new book out on Jimmy Carter. They were talking of what would come to be known as his *Malaise* speech. He printed it off and brought it with him this morning. "I ran into Walter Mondale" a few weeks back "and asked him, 'What was the deal with that speech?'" The Vice President said that he opposed it internally because he worried the public would see themselves as part of the problem, not the solution. Pettingill asked, "How do we come together without pointing fingers?"

To lead, Pettingill said, it cannot now be a matter of either/or, but and/but. Too few are willing to reasonably compromise.

2. Lesson learned on business and civic leadership— Public and private leadership need to pursue both the economic good and the social good as one. He cited the Minnesota Early Learning Program (MELF) as an example of a program achieving significant results for young people, saving public money down the road.

"We need to better balance business needs with what is good for business generally, and the community." Pettingill discussed the problems of four parties not coming to terms on one children's hospital: Fairview, the University of Minnesota, Children's Hospital, and Allina. The hospital systems could not find a way to cooperate; we ended up building two children's facilities within miles of each other. "We have two good children's hospitals. We will never have a world class children's hospital."

"The medical arms race won out," he said. "My impression is if you went back one or two generations the community leaders would not have allowed this to happen."

A member asked Pettingill if he had any theories on what's the cause of the shift away from strong private leadership on matters of public import. "The focus on economic accountability brings enormous pressure to CEO's," he said. The return for community needs to compete with the return for stockholders. It takes time for a company leader to be involved in the civic affairs of the state. "I could spend as much as 25 percent of my time on service."

3. Envisioning the future of leadership in the state— "The notion of civic responsibility and leadership is very important," Pettingill said, as is the idea of a commission of former state leaders to devise a vision for the state. "But there need to be more young people involved. Not just the grey beards. We need to get those who will be the leaders in the coming years."

A member asked how one might go about identifying who the coming leaders are? "That would actually be easy," he said. "Call up the leaders of companies, and ask who their up and comers, their young leaders, are." The Caucus will think about this.

4. Appropriate questions for candidates for Governor— A member wondered what type of probing questions the Caucus should ask of Governor candidates? "Focus questions on both performance-what they get accomplished-and culture. We've lost something in the past decade; how do we get community and culture back?"

"This is an important distinction," another member noted, "between concerns of performance and those of culture. Can we go back to what we had? No, we probably can't go back. Things have changed. The question now is how to move forward."

"Hutchinson's approach to his gubernatorial bid was not either/or, but and/both. Where/how can we collaborate?" That was the right approach, Pettingill said.

Another question for the gubernatorial candidates: What have they solved? Get to their honesty and authenticity. "There are three dimensions of trust," Pettingill said: "Competence, reliability, and sincerity."

A member commented that he is encouraged by Minnesota's ability to come up with ideas-people bring ideas, the Governor and legislature support them. He's increasingly confident that there is good (though not enough) idea-generation taking place. The question is, can these candidates for Governor be the brokers of compromise? How important is that, to be a broker?

The question then for the candidates is how they see their role in bringing good ideas to bear. "I'm confident the ideas can come in, but what happens when they get there-when they arrive at the capitol?" Someone needs to take them, and put them into actual proposals.

Responding to a question, Pettingill said has no interest in running for Governor, but suggested Jim Campbell, Twin Cities banker, as a possibility.

5. Party caucuses and recruiting candidates— A member asked the Senator and Dick, "How do you make elective office appealing for people to enter into public leadership?"

"I've thought on this a lot," Pettingill said. Durenberger stepped in: "Get 12 of these people together-like Dick-who have done something in private life, and have them approach candidates pledging their full support."

Is the party caucus process a problem? "Coming from a state with a very organized primary," Pettingill observed, "going to my first caucus in Minnesota was like a three-ring circus. I like the idea, but it seemed like disorder." He paused. "Probably won't go again."

When parties recruit candidates, a member argued, they hardly ever go out and seek the best possible candidates. Instead they sit and wait for people to come in. "I don't suspect you ever did this in your capacity as a CEO..."

"No," Pettingill laughed. "Parties need to be more proactive; the caucus system is not well-directed." Pettingill argued throughout the discussion for stronger leadership by those at the top-of business, of civic and cultural life, of the political realm.

A member experienced in candidate selection processes reflected that, "It used to be finance people picked candidates. That was lousy. Then parties endorsed candidates, and had success." But now we have the caucus system, where single-issue activists select the candidate. "This doesn't work," he said.

6. Public involvement and leadership— Durenberger noted the importance of personal and organizational collaboration, and the role of health care companies and higher education institutions, which he called the "powerhouses now". "These are two types of institutions that are still local," he said. "You'll also need to tap the leadership of local businesses-and not just those that have a headquarters here

"It is important to keep retired CEO's involved," Pettingill added. But they need a venue, and a culture of involvement. When a community faces a crisis, he continued, they will come together. "When it comes to education, I can point to the people and organizations that need to be engaged."

7. Drafting an op-ed piece— To close, Pettingill discussed an op-ed he has been drafting, on the topics discussed today. He is not yet sure where/how he would like to release it. He queried the group: "Do you have any suggestions on what you'd like me to include?"

Durenberger said he should be ready to carry on a dialogue, after its initial publication. Others followed that he should position himself as a resource. People are interested in this message-foundations are interested, leaders are interested. It will become only more important to engage the upcoming generations of leaders. Dick, you'll be needed. You've got a lot to contribute.

Pettingill plans to split his time now between Minnesota-where he and his wife will maintain their principal residency-and his native California. (Living only a mile down the road, it turns out, from Senator Durenberger.) Next steps include setting up the new residence in California, and preparing for his fellowship at Harvard for the coming academic year. What then? To be determined. With that, thanks all around for a good session.