



Billings Refinery

April 11, 2016

Dear Council Member:

Please find attached a copy of the minutes from our **March 8, 2016** CAC meeting.

Just a reminder that the next CAC meeting will be **TUESDAY, APRIL 12, 2016** at the Phillips 66 Learning Center. The meeting will run from 5:30 to 7:30 p.m. Dinner will be served from 5:00 to 5:30 p.m.

Sincerely,

Ann L. Clancy, Ph.D.
Meeting Facilitator

**Meeting Location: Phillips 66 Learning Center
415 South 24th Street**

**PHILLIPS 66 BILLINGS REFINERY
CITIZENS ADVISORY COUNCIL
March 8, 2016**

MEETING MINUTES

- Present:** Council members: Travis Harris, Bob Hoar, Rob Lowe, Bruce MacIntyre, Gregory Neill, Shirley McDermott, Jim Ronquillo, Emily Shaffer, Mike Yakawich, Michelle Zahn, Stella Ziegler
Phillips 66 management: Colin Franks
Midstream:
Facilitator: Ann Clancy
- Absent:** Keith Beartusk, Lucas Blehm, Paul Dextras, Ralph Hanser, Mark Hilbert, Lance Johnson, John Pulasky, Ray Rigdon, Melanie Schwarz, Andrew Sullivan
- Guests:** YVCC representatives: Becky Bird, Heather Schwab

AGENDA

- Welcome/Introductions
- Community Updates
- Refinery Workforce & Diversity Update
- Refinery Philanthropy Update for 2015-2016
- Finalize CAC 2016 Strategic Plan
- Community & Refinery Updates
- Next CAC Meeting: April 12, 2016

WELCOME/INTRODUCTIONS

Madeline Chernesky, P66 Billings Refinery Operations Manager, attended the meeting as acting refinery manager in place of Ray Rigdon who was unable to attend. Madeline was designated Refinery Operations Manager in July 2015. She has been 27 years in the industry and is a civil engineer by training.

COMMUNITY UPDATES

The following updates were given:

- South Side: The annual South Park Easter Egg hunt will be held on March 26 at noon. Any donations are welcome. Michele Zahn is the contact for donations. It was acknowledged that Phillips 66 has been a great supporter of the event.
- South Side: Family Promise moved into its new building, Fortin Foundation-Day Center at 10 S. 26th St. It is a community of 26 Billings faith-based congregations with over 1400 volunteers who provide meals, shelter and a safe environment for families experiencing homelessness. The organization has four transitional housing apartments for families in the program.
- North Park Neighborhood Task Force: The task force will be partnering with Bright n' Beautiful for the Great American Clean-up in April or May of this year.

- City Council has proposed an annexation of 3.5 acres owned by Phillips 66 Co. just east of the U.S. Post Office on S. 27th Street between Lillian Avenue and what would be Seventh Avenue South, a private road. The owner is requesting annexation to begin developing the property within city limits.

REFINERY WORKFORCE & DIVERSITY UPDATE

Melanie Russel, HR Manager at the Billings refinery, gave a presentation on what's been happening at the refinery in terms of workforce turnover and diversity efforts. There are about 325 employees at the refinery currently.

Billings Refinery workforce includes hourly positions (process operators, maintenance crafts, lab tester) and salaried staff positions (leadership, engineering, functional staff such as Finance, HR, & Health, Safety & Environmental). University recruiting results in 20% engineer hires from target schools: Montana State, Colorado School of Mines, and Colorado. In Billings, the Refinery goes to the City College process plant technology program for operator hires and looks at Perry Technical Institute in Washington for the electrical crafts.

External Recruiting

The Refinery utilizes the external market to fill the following positions and recruits 95% from the local area:

- Process operators – 100%
- Maintenance crafts – 75%
- Lab tests – 50%

The Refinery utilizes the external market to fill the following positions and recruits 60% from the local area:

- Engineering – 100%
- Functional staff – 25%
- Leadership – 10%

Internal Employee Development

The Refinery does internal employee development for the following positions:

- Process operator: crafts (25%), lab (50%), function staff (10%), and leaders (15%)
- Phillips 66: function staff (55%), leaders (60%)
- Engineering: function staff (10%), leaders (15%)

2015 Billings Staffing

- 51 full-time positions filled: 35% Internal development, 65% external to P66
- Positions filled hourly: Process Operator (18), Pump Mechanic, & E/I Craftsman
- Positions filled professional: Inspector, Maintenance Supervisor, Planner, Operations Superintendent, Finance Analyst, Area Supervisor, Shift Supervisor, E/I Engineer, Safety Director, Safety Representative, HR Business Partner, Operations Manager, Maintenance Manager, Reliability Lead, Process Engineer
- Participated in City College Career Fair, Montana State University Career Fair, Billings Jobs Jamboree (only local refinery to go), Bismarck College Career Fair, and Perry Technical Institute Career Fair

Diversity Initiatives

Melanie noted that the Refinery is making progress in increasing the overall number of females hired. Two female operators were hired out of the City College PPTP program. There has been less progress with hiring minorities.

- Affirmative Action Planning: P66 has government contracts and are therefore required to annually review diversity statistics and required to complete an Affirmative Action Plan on current state, progress from previous year, initiatives to improve in underutilized areas.
- Billings' current diversity profile:
 - 13.5% Female (24.2% Female external new hires in 2015)
 - 4.6% Minority (3% Minority external new hires in 2015)
- 2015 Diversity Initiatives to improve utilization of minorities & females
 - Focus on internal succession candidates development: 21% of supervisors are female
 - Corporate sponsor of Society of Women Engineers Capstone project at Montana State University - Bozeman
 - Attendance and networking efforts with Women In The Trade's Conference held in Portland, OR
 - Continued Military recruiting efforts (hired 22%):
 - Hosted Military hiring event in August
 - Phillips 66 is corporate sponsor of the American Jobs for America's Heroes campaign
- Challenges
 - More than 23% of workforce is retirement eligible: Opportunity to improve diversity profile
 - 43% of the workforce has less than 5 years' experience
 - Yellowstone County and Montana are challenging minority recruitment areas
 - Population of Billings, MT is 89% Caucasian
 - Challenging for University recruitment
- 2016 Diversity Initiatives
 - Continued pipeline networking through career fairs: University career fairs, Jobs Jamboree, City College, Bismarck College, Perry Technical Institute, Women In The Trades
 - Employee Resource Groups: Women's Network and Veteran's Network

The following CAC member questions and comments were recorded:

- *Why not recruit from Butte Tech?* We're just starting to do that.
- *If students are from Colorado are there scholarship programs?* There are Shields scholarships available and internships and several are for Colorado schools
- *What is the average age of retirement in Billings?* 57 years of age.
- *Are there any changes in the recruitment testing to accommodate females?* No. The challenge for the women are usually the physical requirements that include strength, dirty work and dealing with heights although some males also struggle with working at heights. There are some "cheater" bars used now to help in the turning of valves that provide help with leverage and torque.
- *In going through the stringent drug testing, is it getting harder to find nondrug using employees?* Not here in Billings where no one has ever failed a drug test. Typically

people know what to expect if they work here. We do random drug testing and bring dogs in.

- *Do you have a policy on employees and medical marijuana use?* If they have a physician's approval for pain killers or medical marijuana, it is OK but they can't return to work until they are clean. There is a part time nurse who works here and she is with a medical group out of the Bartlesville location.
- *Do you have a diversity policy?* We have a "no discrimination" policy but no minimum numbers. We want a diverse workforce.
- *Do you provide employee training on diversity and sexual harassment?* Yes, they are obligatory.
- *How do you identify the best candidates when hiring? For example, do you take in their community efforts?* We do testing as the first filter and then we look at their experience, leadership capabilities (e.g., coached Little League), and any relevant skills and abilities. For example, the majority of workers in the refinery has some chemical background or experience.
- *What about psychological testing?* We do a personality test.
- *Do you use a team to do hiring?* We have a team that comes to a consensus on a candidate.
- *If a person comes from another refinery, do you still do the testing?* Yes, especially with operators. We do testing and interviews. For craftsmen, it's the same at all refineries so if a person passed at one refinery they don't need to test again.
- *Do you offer structured leadership training?* Yes, our supervisors take a Supervisor Toolkit training as well as overall leadership skills. At the higher levels, it is very structured.
- *What about external education – do you look for different types of programs?* We do use external training programs or reimburse individuals who do training elsewhere.
- *What is the salary range for operators?* It varies from \$28 to \$40/hour at the top level.
- *Are most positions hourly?* Of the 330 positions about 110 are salaried and the rest are hourly.
- *Is there a lot of overtime?* We have the lowest in overtime in the whole company. Some refineries have up to 25%. Overtime is driven by vacations, illness and units going up or coming down.
- *In terms of the current state of the industry, have you seen any impact here?* We're in good geography here with crude oil coming from Canada and the downstream industry has been less impacted than the upstream.

PHILLIPS 66 PHILANTHROPY UPDATE 2015-2016

Colin Franks provided an update on philanthropy efforts in 2015 and plans for 2016.

2015 Philanthropy

- Women's Run: 100 Phillips 66 employees, contractors and family members participated with the P66 team raising \$2275.00.
- Relay for Life: Phillips 66 was honored as top corporate fund raising team at \$27,254.00.
 - Relay for Life fund raisers included: Football game boards, 2nd annual 5K walk, BBQs at the refinery, raffles, Luminaria's, donations, BBQ at Angry Hanks that was open to the public
- Tri-Refinery Golf Tourney for The First Tee charity program: Last August, P66 golfers joined ExxonMobil and Cenex in the annual tournament to raise funds for expanding

education and life skills programs for young people preparing for success in high school, college and beyond. Raised \$2,250.00.

- United Way: P66 employees raised \$49,667.00 and employees participated in the Day of Caring and the annual Chili Cook Off.
- Dress a Child: P66 employees collected \$4,312.00 to provide clothing to children in need.
- Festival of Trees: P66 employees decorated a tree and donated for the auction and donated Little Golden books for prevention of child abuse and neglect in Yellowstone County and surrounding area. The P66 tree raised \$2,900.00.
- Coat Drive for Boys & Girls' Ranch: Donated \$1,800.00.
- Orchard School clothing donation of \$1000.00 to purchase jackets, gloves and hats for students in need as well as holiday gift wrapping.
 - The Orchard Volunteer team was created after Phillips 66 employee participation in Billings *Educator for a Day*.
 - Since 2013, P66 volunteers have helped in every grade and every classroom at Orchard. Whether reading to students or spending one-on-one time working on math flash cards, the Orchard volunteers have donated 427 hours and helped raise **\$11,000** in grant money.
 - The Orchard Volunteers are also providing role models for the students by consistently showing up and engaging with the children.
 - Volunteers at Orchard School:

Volunteer Year	Hours	Grant Money
2013	122	\$3,000
2014	240	\$5,000
2015	96	\$2,000
Program Total	458	\$11,000

- P66 New Hire Network:
 - Established Second Quarter of 2014, the Billings New Hire Network connects new employees and helps foster a sense of community, collaboration and connection among the employee population at the Billings Refinery.
 - Membership is extended to all employees with less than five years of service to the Company.
 - The Network currently has 134 eligible members which represents just over 40% of all employees at the Billings Refinery.
 - The Network sponsors various social and community service events for members which also provide meaningful leadership opportunities for employees.
 - The Network supports the Billings Refinery's efforts to be a positive and active community partner in Yellowstone County.
 - Events include: Habitat for Humanity of Mid-Yellowstone County; Billings Food Bank; Teen Pantry food & clothing drive; Billings Mustang Going to Bat for Literacy campaign
 - The Network was named a 2015 Golden Shield Award Semi-Finalist for the Billings Refinery.
- P66 Meet in the Park Event included 26 community service and information booths, 20 P66 volunteers and served 475 hamburgers, 150 hot dogs & 500 ice cream bars. The following vendors/organizations participated:

<ol style="list-style-type: none"> 1. Shriners 2. P66 Billings Refinery – Human Resources Department 3. P66 Billings Refinery – Environmental Department 4. P66 Billings Refinery – Engineering Department 5. CAC Representatives - 25th Anniversary 6. P66 Pipeline 7. City College 8. Fire Department 9. Billings Police Department 10. Human Resources Development Council 11. Home Center 12. Hair Because We Care 13. Elks Club 	<ol style="list-style-type: none"> 14. RiverStone Health 15. Big Brothers Big Sisters 16. MSU Extension Agent 17. Family Tree Center 18. Yellowstone Conservation District/RMC 19. Rocky Mountain College 20. Yellowstone Boys & Girls Ranch 21. American Cancer Center/Relay for Life 22. Friendship House & Southside Task 23. One on One Learning 24. City of Billings 25. City/County Planning & Community Services 26. MDU
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- P66 Community Support Total:

Education & Youth	All Billings Area High Schools Grad Party American Legion Boys State Billings Central High Mayfair Billings Public Schools – Apple Award Program Billings Public Schools – Angel Fund Boys & Girls Club – Annual dinner Canyon Creek School CPR Saturday Community Event Eagle Mount First Tee Montana Head Start March against Drugs & Violence Masonic Lodge of Broadview, Lavina, Rygate school districts Montana Audubon 323781 MSU Orchard Elementary 305107 Parmly Billings Library Read list Science Expo Billings Clinic Scottish Rite Language Clinic Special K Ranch Inc. Volunteers of America 336807 Western Heritage Center Yellowstone Lacrosse Today Nile Rodeo Wise Wonders Big Brother Big Sister Friendship House Tumble Weed Program Lewis & Clark School Nova Theater Lockwood PTA/Lion Lair Big Sky Little League Elder Grove	\$62,078
Health & Social	\$4,500 Family Tree Festival of Trees	\$55,945

Services	Alzheimer's Association American Cancer Assoc. 5K Run American Cancer Assoc. – Relay for Life Gold Sponsor American Heart Association Big Sky Senior Services Billings Clinic Foundation Casting for a Cure Cystic Fibrosis Family Services, Inc. Harley Dinner Fundraiser Huntley Project High School Xmas Bright Program Junior League of Billings Local Yellowstone Valley Animal Shelter & Home for Helpless Pets Mac Attach Charity Golf Tourney Make a Wish Golf Tourney Marynell Heringer Women's Golf Tourney (Patient Navigator program) SV Foundation Mental Health Foundation Misc. Donation for Items for UW/Relay fundraising events MS 150 Bike Tour Peaks Gala RiverStone Health Foundation RiverStone Hospice House Ronald McDonald House Charities Salvation Army – Dress a Child South Park Senior Center South Side Neighborhood Task Force St. Vincent de Paul "Harold Merchant" Rescue Mission The Center for Children & Families Toys for Tots (Road Dogs IRO) United Way 189730 Family Promise of Yellowstone Valley Adult Resource Alliance YWCA Year end Empty Stocking Make a Wish Scholarship	
Safety & Environmental	Avalanche Rescue Billings Parks & Rec "Arbor Day" Pheasants Forever Police K-9 Support Yellowstone Wildlife Sanctuary ZooMontana	\$5,950
Miscellaneous	Big Sky Economic Development Eric Southside projects Tumble Weed Program ACS Employee Involvement "men cooking for cure" YWCA	\$7,960
Civic & Arts	Billings Bike Trails Billings Studio Theater Black Heritage Foundation High Plains Women's Museum Moss Mansion Historic Home	\$14,850

	Wise Wonders Yellowstone Art Museum	
Corporate Grants (corporate contributions are those over \$10K)	Project Lead the Way	\$233,930
	Yellowstone Kelly Interpretive Site	\$80,000
	Billings Police Dept. – Firearms Training Facility	\$50,000
	Dover Memorial Park Trailhead	\$32,000
	Audubon Nature Center – Natural playground	\$15,000
	Total:	\$410,930
Local Contributions (those \$10K and under; to date local contributions have been made to 46 non-profits)	Education & Youth	\$62,078
	Health & Social Services	55,945
	Civic & Arts	\$14,850
	Safety & Environmental	\$5,950
	Other	\$8,177
	Total:	\$147,000

The following CAC member questions and comments were recorded:

- *Can volunteers take paid work time?* Yes, there is no limit. You just need to get your work done.
- *Are all refineries similar in their philanthropy efforts in the company?* Corporate grants are not always given to all refineries.
- *Employees seem to really value the community here. We are grateful.* Employees here in Billings get involved more. It might be because it is a smaller community. In other larger communities, the employees are scattered around the city. Volunteer work is a big part of who we are at P66.
- *Any pet projects in 2016?* We're looking at this now. It seems it will be similar to last year but sometimes a unique program comes up. In 2016, Project Lead the Way will be our biggest effort.

FINALIZING CAC 2016 STRATEGIC PLAN

The following suggestions, comments and action items were agreed upon.

Note: The March 8 agenda is different than what was discussed at the February meeting. No City planner was available on March 8 to talk about the impact of city growth.

2016 STRATEGIC ITEMS	Timing/Actions
Annual Theme: Focus on Youth & Education	Ongoing 2016
Refinery Update on Workforce & Diversity Efforts Refinery Philanthropy Update for 2015-2016	Date: March 8 mtg. Action: P66
City College Presentation/Panel at Refinery Learning Center <ul style="list-style-type: none"> • Refinery 101 presentation including a focus on alternate fuels like biodiesel & ethanol • Focus on what's happening in Montana around biodiesel & ethanol & renewable resources that look more like petrol products • Provide general information about PPTP and other programs 	Date: April 12 mtg. Action: Andy Sullivan & students

Refinery Tour <ul style="list-style-type: none"> • Tour for City College students & CAC members (walking & bus) • Focus of tour on construction sites and what's changing • Briefing before the tour describing new processes coming to refinery, basic Refinery 101, show time lapse construction photos 	Date: May 10 mtg. Action: P66
Midstream Operations Tour <ul style="list-style-type: none"> • Tour of crude oil terminal, truck rack, pipeline station • Tour with 3 groups beginning with half-hour presentation 	Date: June 14 mtg. Action: Mark Hilbert
Meet in Park Community Event <ul style="list-style-type: none"> • Continue youth involvement • Include more booths & businesses • Vista Volunteers might bring their agencies to participate in event 	Date: September 8 Action: Subteam required (Michele, Rob, Emily, Andy)
Workforce Panel Discussion <ul style="list-style-type: none"> • Skills of the workforce, future needs (include power plants, growth of Billings) • Billings Works project 	Date: October 11 Action: Subteam required (Melanie, Mike, Bob, Shirley)
Regional & Local Oil Economic Impacts - Panel Discussion <ul style="list-style-type: none"> • Regional & local impact of oil economics • Impact of Jupiter Sulphur plant • Include BSED representative, STEM, MSU-B 	Date: November 8 Action: Subteam required (John, Shirley, Keith)
State Legislative Update for 2017 & Impact of National Election <ul style="list-style-type: none"> • Bring Alan Olson as presenter, new MPI director • Legislative & election updates, Bruce MacIntyre, Chamber of Commerce 	Date: December 13 Action: Bruce & Alan Action: Ann to call Alan
Action Items	Timing/Actions
Monthly Updates <ul style="list-style-type: none"> • Detail on vacuum project & turnaround plans 2016 & 2017 • Future expansion options for refinery 	Ongoing updates Action: P66
Add Security Phone Number (DONE) <ul style="list-style-type: none"> • Add tag on end of recorded refinery call to inform callers of a security phone number to call with questions & concerns 	Action: P66 CAC members make known to residents
Refinery Diorama Training Tool <ul style="list-style-type: none"> • Create 3-D model with charts & audio of total oil industry operation from well to fuel pump to be displayed at events such as Meet in Park 	Multi-year project Action: Andy Sullivan, John Pulasky & City College students in collaboration with refinery
Communication Subteam & Solicit CAC Feedback <ul style="list-style-type: none"> • Ongoing effort to solicit feedback/concerns of residents • Write down questions for P66: flares, sirens, smoke vs. steam, getting feel of what people don't understand & their concerns; are they getting enough info from P66? Newsletter/website/community communication; ways of communication as to how to do better and improve 2-way • Provide feedback on media interaction: More? Less? CAC help market (ads & website) 	Date: Ongoing Action: P66 & CAC Action: Establish subteam

<ul style="list-style-type: none"> • Share PSA's about the refinery & CAC • Improve media connection to CAC story – Gazette article • Magnets again in 2016 (60% renters on South Side) 	
Local Sustainable Scorecard <ul style="list-style-type: none"> • Update & compare with other refineries if possible • Do as quarterly report & solicit CAC feedback 	Date: TBD Action: Colin
Continue Building Connections with Citizen-Industry Groups <ul style="list-style-type: none"> • Review research & actions from 2015 	Action: Reconvene subteam (Travis, Melanie, Stella)
Pending Items	Timing/Actions
Impact of Billings Growth – Panel Discussion <ul style="list-style-type: none"> • Panel with DBA, Chamber, EDA, homeless • City Planning Dept., Candi Millar, update on tax increment districts • Downtown Business Association (Greg & Lisa) 	Date: TBD Action: Subteam required

REFINERY UPDATE

Operations: The FCC unit was down for 22 days because of problems with the steam exchanges with the waste heat boiler. The unit is back up and running well. It's a good year so far.

Safety: There have been no recorded injuries so far this year.

Environmental: There are no incidents to report this year with the exception of one permit violation.

People: Shea Dawson has resigned to open a business locally. A new Finance Manager will be announced soon. Madeline Chernesky reported that the Phillips 66 Billings Women's Network was kicked off this afternoon.

NEXT MEETING: April 12, 2016

Location: Phillips 66 Learning Center

- Welcome/Introductions
- Biofuels: Food for Thought & Transportation: Presented by City College PPTP
- Community, Refinery & Midstream Updates
- Next Meeting: May 10, 2016