



Billings Refinery

November 11, 2016

Dear Council Member:

Please find attached a copy of the minutes from our **October 11, 2016** CAC meeting.

Just a reminder that the next CAC meeting will be **TUESDAY, NOVEMBER 15, 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
October 11, 2016**

MEETING MINUTES

- Present:** Council members: Paul Dextras, Travis Harris, Rob Lowe, Gregory Neill, Shirley McDermott, John Pulasky, Jim Ronquillo, Heather Schwab, Emily Shaffer, Jim Stevenson, Stella Ziegler
Phillips 66 management: Ray Rigdon, Colin Franks
Midstream: Mark Hilbert
Facilitator: Ann Clancy
- Absent:** Keith Beartusk, Dale Fincel, Ralph Hanser, Bob Hoar, David Hobbs, Bruce MacIntyre, Melissa Patton, Melanie Schwarz, Andrew Sullivan, Mike Yakawich
- Guests:** Morgan Remus, Operations Superintendent, P66 Midstream, Billings Div.
City College Students: Michael Baker, Cody Dayley, Courtney Lohrmeyer, Alex Songstad, Richard Stalker, Hunter Webster,

AGENDA

- Welcome/Introductions
- Help Wanted: Refining Industry-Community Workforce Needs Panel Discussion
- Refinery & Midstream Updates
- Next CAC Meeting: November 15, 2016

WELCOME/INTRODUCTIONS

Ray Rigdon welcomed members and guests. Emily Shaffer announced that the North Park Neighborhood Task Force has reconvened and the last meeting brought 20 attendees.

HELP WANTED: REFINING INDUSTRY-COMMUNITY

WORKFORCE NEEDS PANEL DISCUSSION

Brittney Souza, Director of BillingsWorks at Big Sky Economic Development, introduced the panel and acted as moderator. She also was one of the panel presenters who also included Scott Anderson, Principal and Director of the Billings Career Center; Harold Olson, MSUB/City College Director of Dual Credit; and Mark Wade, P66 Billings Refinery HR manager.

BillingsWorks

Brittney Souza described BillingsWorks as a collaboration of Billings' businesses and organizations with the aim to anticipate Billings' workforce needs, match local education with work skills demand, and engage the business community in the process. She has been one-year in this position. It is a grassroots effort that is funded by a grant which produced a study and report. She identified the four major goals of the BillingsWorks Workforce Council as: 1)

collaboration, 2) resources for business (HR toolkit), 3) alignment of education with workforce demand, and 4) talent attraction and retention (dream career recruitment campaign).

Brittney painted a picture of a new employment market that significantly differs from the traditional view of recruiting and HR that consisted of sorting through resumes and finding the most qualified from a large applicant pool. Certain nationwide trends have resulted in a shift of the traditional labor market supply and demand model. Businesses now face a smaller pool of applicants, a more highly educated workforce and lower employment rates resulting in employee scarcity.

According to Brittney, the future workforce population looks the same in Yellowstone County as it does nationwide for the next 15 years. She calls this the “new normal.” The growth in immigration also plays a role. The 10-year forecast for employment levels in Montana shows that Yellowstone County will require 23,758 jobs to be replaced and a growth of 8,742 new jobs. There are 86,188 individuals currently employed in the county. This 10-year forecast for 32,500 total job openings further challenges what 62% of businesses are reporting is a lack of available workers, thereby negatively impacting their business growth.

The new employment market, says Brittney, is that of employees choosing from a large pool of available jobs. She highlighted success stories from companies who have begun to find ways to deal with this new market. First, some are engaging in long-term job “pipelines” by going into elementary, middle and high schools with hands-on learning opportunities to expose children to their industries and job opportunities. Companies are also engaging in short-term “pipelines” which seek to sell their companies through recruitment marketing, robust training programs and making it easier for applicants to apply for jobs.

Brittney pointed out that in the past employers drawing from a large labor pool could be “picky” about who they recruited. Now the smaller labor pool requires employers to become proactive in matching their “supply chain” with training, education and curriculum that appeals to the labor market. For example, effective recruitment marketing now focuses on four phases: 1) attracting workers through job ads, events, blogs, employer reviews and referrals; 2) engaging prospects through career site pages, talent networks, employee stories, awards and lists; 3) nurturing potentials through email marketing, company news and newsletters, and retargeting; and 4) converting candidates to applicants by call-to-actions, job alerts, direct sourcing, and recruiter outreach. Robust training programs also play a key role. Brittney noted that the number one reason for companies losing good candidates is that their hiring process is too slow or difficult.

Workforce experts recommend hiring for attitude and training for skill; hiring for cultural fit and training for the right IT skills; and engaging in talent-based hiring. For example, in hiring a salesperson you can train for a Salesforce tool but you can’t train for that “hunter” mentality. When recruiting, Brittney suggests focusing on transferable skills. For example:

- NO: 3 years customer service experience in an office environment
- Yes: Experience working with customers
- Yes: Outstanding customer service skills and enjoys interacting with people
- NO: Must have experience with Salesforce
- Yes: Must have experience documenting and reporting work
- Yes: Detail oriented and consistent with follow-through

She also urges employers not to just list responsibilities for a job but rather focus on the skills and characteristics necessary for the job. For example, what top qualifications would be necessary in hiring a person to work at a coffee shop?

Billings Career Center

Scott Anderson, Principal and Director of the Billings Career Center, spoke to the importance of his organization being part of the BillingsWorks collaboration. The Billings Career Center, which was built in 1975, now serves 900 part-time students with two preschools that serve 60-70 three to six year olds. The Center offers multiple opportunities in vocational and technical education which can be paired with academic preparation at a student's home school. Students now have the opportunity to attend the Career Center as sophomores, juniors and seniors. Students can develop employment skills, receive a high school diploma, and prepare for college all at the same time. Career Center classes also count toward graduation requirements in English, Social Studies, Math and Science. The Career Center offers many Articulation Agreements with numerous colleges, such as the College of Technology MSU, Northwest Community College in Powell, Sheridan Community College in Sheridan, and MSU-B in Billings. These agreements allow Career Center students to receive college credit for the vocational classes they take and pass.

Scott showed the following career pathways available at the Career Center:

<ul style="list-style-type: none"> • Animation • Automotive • Biomedical Sciences • Construction • Culinary Arts • Early Childhood Education • Electrical / Electronics • EMT • Engineering (aerospace, electrical) • Environmental Studies 	<ul style="list-style-type: none"> • Geometry in Construction • Graphic Design • Interior Design • JMG (Jobs for Montana Graduates) • Metals Manufacturing • Medical Careers • Photography • Urban Agriculture • Web Design
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The core requirements of the program include:

<p>English and Honors English</p> <p>Math</p> <ul style="list-style-type: none"> • Geometry in Construction • Geometry and Honors Geometry • Algebra 2 • Pre-calculus 	<p>Physics</p> <p>Social Studies</p> <ul style="list-style-type: none"> • World History • U.S. Government • U.S. History • Psychology and AP Psychology
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He noted that while the Career Center has been located next to City College it is only recently that the two entities are working closely together in a partnership. There are numerous clubs that students can join as well. Scott handed out a Career and Technical Education Program report summarizing an evaluative study of the Billings School District's Career and Technical

Education (CTE) program that was conducted in March 2016. The focus was on the current operational effectiveness of the CTE programs and to produce a document that the district could use as a planning guide. The review team included individuals from the Montana Office of Public Instruction, Big Sky Economic Development, CTE directors from public schools across the state, Billings Chamber of Commerce and representatives of the Office of the Commissioner of Higher Education.

The recommendations of the CTE review were categorized in terms of leadership, program development, programming, curriculum and instruction, professional development, scheduling and use of instructional time, guidance and advisement, dual credit opportunities and work-based learning. Scott highlighted some of the recommendations:

- Hire a CTE Director responsible for district wide oversight of CTE
- Revisit the effectiveness of Advisory Boards; reconstitute them so that business and industry are incorporated as true partners
- All Career Center students end high school with a credential, certificate or degree and are ready for work (or more college) after high school
- Create work-based learning opportunities
- Develop a model for seniors to engage in internships and other work-based learning options such as pre-apprenticeships
- Maximize dual credit options in all programs at the Career Center

Scott concluded by asking business and community members for any feedback and suggestions to help grow the Career Center to be ever more responsive and successful in meeting student, business and community needs.

MSUB Dual Credit Program

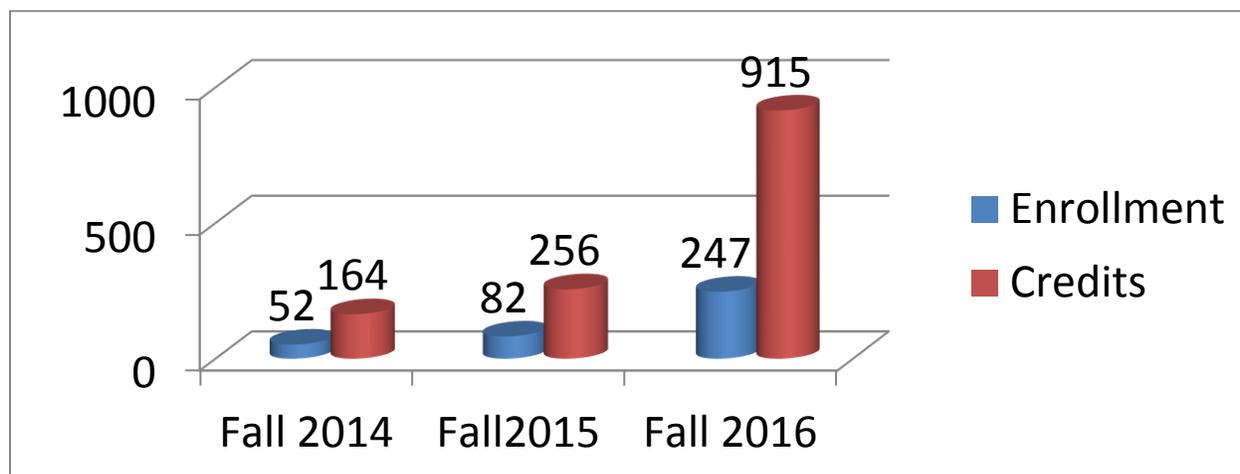
Harold Olson, City College Director of Dual Credit, described the University and High School Connections programs as a statewide initiative to increase the number of students pursuing post-secondary education by enabling the transition between secondary and post-secondary education and helping reduce college debt. These pilot programs give high school students the opportunity to earn high school and college credits simultaneously. They enable high school students to complete a college class within their high school schedule with a familiar teacher or on campus or online with a college instructor. All credits earned are transferable within the Montana University System and also to other accredited colleges and universities.

University Connections	High School Connections
<ul style="list-style-type: none"> • University Connections are classes that are taught online or on the college campus. • University Connections classes are taught by university professors. • Tuition for University Connections is \$51.50 per credit. 	<ul style="list-style-type: none"> • High School Connections is a pilot program for 2016-2017 and tuition has been waived. • High School Connections classes are taught by qualified high school instructors within their high school schedule.

The University Connections program requires more rigor of its instructors. High school teachers must have a master’s degree in the subject or in a related area or nine semester graduate hours. They become, in essence, adjunct professors. The advantage for students is that the cost of taking these dual credit courses is half of the regular college credit cost. High School Connection students can take dual credit courses for free this year because Billings was chosen as a pilot project by the state which has decided to waive the fee.

High School Connections Courses for Dual Credit Career and Technical Education Classes	
College Auto Electrical	College Auto Brakes
College Technical Math	College Welding
College Web Design	Emergency Medical Technician
General Core Education Classes	
American History	College Algebra
Intro to General Business	Western Civilization

Future classes they hope to offer include: human growth and development (child services), college writing, civics, biology, chemistry and accounting. Below is a graph showing the growth in enrollment and credits from fall 2014 to fall 2016.



The fall 2016 program is offering 915 credits providing high school parents a savings of \$47,122.50. The long term goal of these programs is to get students excited about the career opportunities in Billings through “steps.” For example, a student can take an EMT class in high school, earn six college credits, take the EMT exam at 18, and then go right into the workforce as well as continue with college. This is working towards creating a “pipeline” to match students with workforce needs.

Phillip 66 Billings Refinery HR

Mark Wade, new HR manager at the Billings Refinery, is from the U.K. He pointed out that these similarities and gaps are the same in the U.K. In the past, trade schools were not encouraged and universities became profit centers. For example, a forensic science program was offered at a university in 1998 that about 400 students graduated from but there were zero jobs available in the market that matched those skills.

He noted that the issue from the industry perspective is that there are specific needs to meet and gaps in talent available to meet the needs, such as with trade skills. College classes are good to get students engaged but are their job opportunities in the industries? A holistic picture is required of what exactly is needed. For example, people skills are hard to train. The newer generation is different. He finds looking at resumes that they all look alike and it's hard to find someone who stands out. Diversity is good. He pointed out that studies show 27% of those in the workforce did not finish school in the major they started with.

The following CAC member comments and questions were recorded:

- *While all this is great, are you teaching the basics of how to show up for a job being timely, using appropriate language, wearing appropriate dress, etc.? The challenge now is that many kids are living in extended family situations that are not traditional so they are not learning some of these basic skills at home. These so called "soft skills" need to start being taught as early as in elementary school. There needs to be more direct teaching on these skills and building of motivation and trust.*
- *As part of the High School Connections program, what opportunities and ways are there to entice students to come to Billings? I come from Forsyth and we don't have many options and no chance for college credits in high school. We know in other cities in Montana they occasionally get calls from students in outlying areas. The problem is that the Board of Regents doesn't want duplication of effort. For example, there is a culinary program in Gallatin and if we want to design a similar class we are challenged.*
- *There was a STEM program in Lockwood at Exxon. Is that the same thing? Yes, STEM is a buzzword now. Math scores were found to be disappointing in Billings' schools so initiatives have been introduced to get more kids involved in math and science at an earlier age as it was found kids seem to avoid math and science classes in high school so they are not getting enough exposure to these subjects. Such classes are offered at the Career Center now. Missoula started a K-5 STEM program so Billings has jumped on that bandwagon. With the Project Lead the Way curriculum program we are hoping to influence K-12.*
- *STEM is designed to grow talent. In the U.K., the focus is still moving away from manufacturing to an aim of reminding students of base life skills needed. There are still no female operators in the U.K.*
- *Of all the classes offered through the Career and Technical Education program, 45% of them are not what we grew up with. CTE vs. college – the scale is going to be tipped.*
- *My brother has worked for Montana Rail Link since 2012 and all entry level positions have BA degrees even though they are trade jobs such as switching and driving trains. We are working with parents and students to inform them that there is no automatic job guarantee with a college degree. With some employers, college degrees are not needed.*
- *Employers switch back and forth on whether to value applicants with degrees over those without because there is often less retention. Degrees show maturity (one sacrifices to reach a goal) but then applicants are often over-qualified. There needs to be a balanced*

workforce. Hourly employees don't need college degrees if they can show commitment, willingness to learn, and the ability to stand on their own two feet.

- *What about the Fire Department? Most candidates are college educated. We oscillate between valuing degrees or not. There is a study from Harvard supporting the "hire for attitude and train for skill" perspective. In this occupation, you can train for skill.*
- *Garfield School is trying to teach students the basics. Sometimes it seems we offer kids too much and duplicate services as a community.*

REFINERY UPDATE

Operations: The refinery has been busy and we are focused on the ongoing construction project and upcoming 56-day turnaround starting mid-April 2017. The skyline of the refinery is changing. We are adding 13 miles of piping to the plant. We are focused on three goals: keep the plant safe, prepare for the turn around and get it implemented. The refinery will add 700 to 1500 contractors during the turnaround.

Safety: There have been no recorded injuries. We are keeping people focused on safety daily.

Environmental: There are no refinery incidents to report.

MIDSTREAM UPDATE

Operations: We are operating well; our pipeline systems are full.

Safety: There are no incidences to report.

Projects: We are sharing a new terminal greenfield (expansion) in Casper, Wyoming that should be live by the end of the month. A big announcement was made today. Phillips 66 Partners LP (NYSE: PSXP) (the Partnership) has reached agreement with Phillips 66 (NYSE: PSX) to acquire 30 crude, refined products and natural gas liquids (NGL) logistics assets for a total of \$1.3 billion. A crude pipeline and terminal system that provides crude supply for the Billings Refinery, consisting of a 79 percent undivided interest in a 623-mile pipeline and 570,000 barrels of storage is involved as well as a refined products pipeline and terminal system that provides product takeaway transportation services for Billings Refinery, consisting of 342 miles of pipeline and 386,000 barrels of storage.

Environmental: There are no incidences to report.

COMMUNITY UPDATES

Jim Stevenson reported that Steve Nelson trucking is going to move its facilities. The company has been leasing the office building from Jim for 27 years.

NEXT MEETING: November 15, 2016

- Welcome/Introductions/Honoring Mark Hilbert
- Panel Discussion: Future of Moving Petroleum & Petroleum By-Products
- Refinery, Midstream & Community Updates
- Debrief Meet in the Park