

The matters referred to in these minutes were considered by Finance, Evaluation and Risk Committee of 17 June 2008 under public exclusion. These minutes do not need to be public excluded.

Report PE08.418

17 June 2008

File: E/06/30/02

m:\wpdata\rep\fer08.418.doc

Unconfirmed Public Excluded Minutes of the Meeting of the Finance, Evaluation and Risk Committee held in the Wellington Regional Council Chamber, 142 Wakefield Street, Wellington on Tuesday, 17 June 2008 at 11.35 am

Present

Councillors Aitken (Chairperson), Donaldson, Kirton, Lamason, and Wilde.

Officers Present

Benham, Gray, Reay, Rees, Ryan, and Turfrey.

Public Excluded Business

PEFER 01 **Hedging the Council's exposure to adverse movement in the price of oil**

Report PE 08.382

File: G/16/09/03

Resolved

(Cr Donaldson/Cr Lamason)

That the Committee recommends that Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves the addition of oil price hedges and options to the list of approved risk instruments for Greater Wellington under its Treasury Management Policy.*
4. *Authorises the Chief Financial Officer to enter into oil price hedges and/or options if deemed appropriate and subject to the following conditions:*

- (i) *Any hedges and/or options taken out shall not exceed a total of 15,000 barrels of Singapore Gasoil.*
- (ii) *The maximum term of any hedge contract and/or option, once it becomes operational, shall not exceed 12 months.*
- (iii) *Contracts shall only be entered into with counterparties who have a credit rating of at least A from Standard and Poor's.*
- (iv) *Reports to the Committee on a quarterly basis or at the following meeting if any oil hedges or options are undertaken.*

Moved as an amendment

(Cr Kirton/Cr Aitken)

*That the Committee notes changes above, and **recommends** that Council reviews this approval on an annual basis.*

Both the substantive motion and the amendment were **passed** unanimously.

Noted

The above resolutions were made after long and detailed discussions on the ramifications of the issues. The recommendations were made in the light of the increasing price of oil, and will be reported on a quarterly basis.

The public excluded part of the meeting closed at 12.10 pm.

CR JE AITKEN
Chairperson

Date:

Wellington Regional Council – 30 June 2008

To be moved:

That Council

Receives the public excluded unconfirmed Minutes of the meeting of the Finance, Evaluation and Risk Committee held on 17 June 2008, item PEFER 01.