

### Annual Commodity Price Hedging Report as per BY-LAW NO. 2008 – 426

The 2017 budget price for diesel fuel was \$0.92 per litre. Forecast volumes were 57.3 million litres for a total budget of approximately \$52.9 million. Actual volumes were 52.1 million litres and the average price was \$0.877 for a total cost of approximately \$45.6 million generating savings of approximately \$7.2 million versus the budget. Floating rate prices averaged \$0.872 per litre in 2017. The 2017 cost of hedging was \$0.005 per litre for a total all-in cost of \$0.877 per litre.

- 2017 - To secure the 2017 budget target, Treasury, in conjunction with Supply and Transit, entered Bank Swap Agreements with CIBC, RBC and National Bank to fix 73% of the forecasted diesel fuel consumption for 2017.
- 2018 and 2019 - Treasury, in conjunction with Supply Services and Transit Services, entered into Bank Swap Agreements to fix 55% of 2018 and 13% of 2019 anticipated diesel fuel consumption.
- Future dated Bank Swaps held by the City had a mark-to-market value of \$3.393 million in the City's favor as at December 31, 2017

All agreements entered during 2017 are consistent with the City's statement of policies and goals relating to the use of Financial Agreements to address commodity pricing and costs.

**Table 1 - Statement of outstanding Transactions as of Dec 31, 2017**

ID	Bank	Litres/Month (1000's)	Fixed Price	Maturity schedule	Total Months	Total Litres (1,000's)
2016-12	CIBC	500	0.56	Jan 18 - Jun 18	6	3,000
2016-13	CIBC	500	0.565	Jan 18 - Dec 18	12	6,000
2016-10	NBC	1,000	0.5656	Jan 18 - Mar 18	3	3,000
2017-3	CIBC	250	0.5595	Jan 18 - Dec 18	12	3,000
2017-4	RBC	250	0.5595	Jan 18 - Dec 18	12	3,000
2017-5	CIBC	500	0.555	Apr 18 - Jun 18	3	1,500
2017-6	RBC	500	0.555	Apr 18 - Jun 18	3	1,500
2017-7	CIBC	1000	0.5555	Jan 19 - Jun 19	6	6,000
2017-8	CIBC	250	0.552	Jul 18 - Sep 18	3	750
2017-9	RBC	750	0.552	Jul 18 - Sep 18	3	2,250
2017-10	Scotia	500	0.5515	Jul 18 - Sep 18	3	1,500
2017-11	NBC	1,000	0.5425	Jan 18 - Mar 18	3	3,000