

SPECIAL MEETING

April 12, 2001

12:45 pm.

Location:

Sayler's Old Country Kitchen
Beaverton-Hillsdale Hwy. At Griffith Dr.
Beaverton, OR 97005

ROLL CALL: Present: Couns. Soth, Doyle, Stanton
Excused: Couns. Brzezinski, Ruby, Mayor Drake

OTHERS PRESENT: Linda Adlard, Chief of Staff; Mark Pilliod, City Attorney
COUNCIL ITEMS:

There were none

STAFF ITEMS:

There were none

CONSENT AGENDA:

O1131A A Resolution of the City of Beaverton City Council Declaring a State of Emergency as a Result of the MetroShake '01 Emergency Exercise

Adlard advised of the necessity of Council approval the above resolution within 24 hours of the Mayor's declaration of an emergency and therefore the need to assemble a quorum of the Council. In order to accomplish such action City staff should have all councilors' vehicle license numbers for future reference. Likewise Councilors should have readily available the cell phone numbers of key staff to call in the event of an emergency.

Doyle motion to approve the consent agenda, Soth second, motion carried 3 – 0

ACTION:

City Response to Adverse Bankruptcy Court Action on City/Enron Microclimates Plan of Liquidation

Adlard advised that Debtors had informed parties that it might have financing to fund Debtor's Plan. Information available to date indicates such financing is uncertain and that Court might be inclined to allow the Debtor additional time to secure such financing, thus delaying the confirmation hearing, the trial and other court proceedings. Adlard asked if Council would authorize City attorneys to withdraw City/Enron Plan if Court signaled its willingness to extend time for Debtors to obtain necessary financing. Alternative scenarios were discussed, conversion of the Bankruptcy proceedings to Chapter 7 liquidation and foreclosure.

Soth commented that City should object to Debtor's repeated delay tactics and insist on definiteness of financing.

Stanton supported the proposed strategy of withdrawing the City's plan. She wanted to know if in a foreclosure sale, the bidding was accomplished by sealed or open bidding. The City Attorney advised that the bidding was open. The City Attorney also pointed out that the unfortunate consequence of foreclosure was the opportunity on the owner's (Bingham) part to redeem the property by paying the auction purchase price.

Doyle wanted to know what effect the conversion of the case to Chapter 7 would have on the other aspects of the Bankruptcy proceedings. The City Attorney advised that most of the claims would be transferred or refiled in the Circuit Court, except for the "reverter" issue, which the Bankruptcy Court decided against the City in summary judgment. This final issue would become final and appealable.

In response to a question staff advised that the City/Enron Plan would not be withdrawn unless it became necessary as a last resort. Staff intended to inform key creditors of the City's intention to withdraw the Plan and perhaps inspire the creditors to more forcefully support the City/Enron Plan and oppose any further delays by the Court.

Motion by Soth, second by Doyle to authorize the City attorneys to proceed in Bankruptcy proceedings as discussed. No further discussion. Motion carried 3 – 0.

There being no further business, the meeting was adjourned
at 1:00 pm.

Mark Pilliod, City Attorney

Approved this 14th day of May, 2001

Rob Drake, Mayor