

ABOUT THE PEAR STREET BISTRO SCANDAL

Dear Pinole Citizens,

A few weeks ago Mayor Alegria sent you a flyer reputedly containing “facts” about the Pear Street Bistro loan. A few of her statements were true, others were false, and most were worded to deliberately mislead you.

We’d like to clear up the confusion, statement by statement:

FREQUENTLY ASKED QUESTIONS ABOUT THE BISTRO LOAN

1. Who was mayor when the Bistro loan became delinquent? BETTY BOYLE.

FALSE. David Cole was mayor in October 2005, when the loan became delinquent.

2. Who were the councilmembers on the Pinole Redevelopment Subcommittee when the Bistro loan was delinquent? BETTY BOYLE and PETER MURRAY.

TRUE. However, the entire City Council sits as the Redevelopment Agency. The subcommittee is not a decision-making making body, as it is implied here. It is just a review group to make sure staff has gathered information and it is complete enough to go before the full board for discussion and a decision. The full Redevelopment Agency board is noticed on the entire subcommittee agenda package and reports.

3. Who was chair of the Pinole Redevelopment Subcommittee when the Bistro loan was delinquent? PETER MURRAY.

TRUE. However, the entire City Council sits as the Redevelopment Agency. See response to #2.

4. Who was responsible for oversight of delinquent commercial loans of the Pinole Redevelopment Agency? BETTY BOYLE, PETER MURRAY and CITY STAFF.

FALSE. The entire RDA board is responsible.

5. Who knew in February 2006 that the Bistro loan was delinquent?

BETTY BOYLE, PETER MURRAY and CITY STAFF.

FALSE. At this point, only Gary Wong and his confidants knew the loan was delinquent.

6. Who was responsible for reporting delinquent loans to the entire Pinole Redevelopment Agency board? BETTY BOYLE, PETER MURRAY and CITY STAFF.

TRUE. And they did, according to the chronology prepared by former City Manager Belinda Espinosa.

7. After 9 months the entire City Council finally learned the truth about the the Bistro delinquent loan balance (\$439,421.74) at their September 18, 2006 meeting. Who was responsible? BETTY BOYLE, PETER MURRAY and CITY STAFF.

FALSE. City staff will testify this is not true, and the chronology prepared by former City Manager Belinda Espinosa proves it’s not true.

8. Who lost re-election in November 2006, is leading the recall of Alegria, Cole & Tilton, and moving to Cody, Wyoming this summer? BETTY BOYLE, PETER MURRAY and CITY STAFF.

TRUE. Betty is among several leaders of the recall committee. Betty is also a widow, and her son and sister live in Cody; another son lives a few hours west in Idaho. She planned this move long before the recall campaign began. Why wouldn’t Betty want to be with her family?

FACT SHEET ON THE BISTRO LOAN

OCTOBER 2005: Bistro loan is delinquent.

TRUE. On August 26, 2005, Pear Street Bistro owner Gary Wong requested loan deferrals. He stopped making payments in October.

DECEMBER 2005: Mayor Betty Boyle and Councilmember Peter Murray appointed to Redevelopment Subcommittee. Councilmember Peter Murray appointed Chair of RDA Subcommittee

TRUE. What's her point?

FEBRUARY 2006: 2/28/06: "Closed Session" Redevelopment Subcommittee meeting: Mayor Betty Boyle & Councilmember Peter Murray learn from city staff that Bistro loan is delinquent. (City Manager Espinosa's chronology & West County Times 4/26/07). **No minutes of meeting.**

FALSE. City Manager Espinosa's chronology shows this statement to be false. Also, minutes are NEVER taken during closed sessions. Mayor Alegria highlighted this to make you think we were hiding something. This is not true.

MARCH 2006: 3/7/06: Redevelopment Agency meeting: Agency Board approves Mr. Wong's February 28th request for Swish re-design (No report from city staff or Redevelopment subcommittee on delinquent Bistro loan) 4-0; Boyle, Alegria, Murray, Horton; Cole excused.

FALSE. The chronology has no such reference and the loan delinquency is still unknown at this time. A direct attempt to mislead the public.

JUNE 2006: City staff meet with Mr. Wong: (Finally, Mr. Wong tells city staff that Bistro loan is delinquent since October 2005. Mr. Wong proposed re-structure of Bistro loan. City staff set follow-up meeting with Mr. Wong to discuss re-structuring of loan. (City Manager Espinosa's Bistro chronology).

FALSE. This was the first mention to staff that the loan was delinquent. Staff demanded payment of loan. What Mayor Alegria didn't tell you that is that Gary Wong proposed the city pay off his personal Washington Mutual \$300,000 loan, and give him \$100,000 for improvements to Swish, then a failing business and which has since closed. The City Manager and staff said "NO!"

JULY 2006:

7/11/06 through 7/25/06: "Closed Session" Redevelopment Subcommittee meetings: Betty Boyle & Peter Murray are notified of and discuss delinquent Bistro loan. Peter Murray and city staff begin discussions with Mr. Wong to re-structure Bistro loan. (City Manager Espinosa's Bistro chronology & West County Times 5/11/07 letter to the editor). **No minutes of meeting.**

FALSE. On July 20, 2006, Councilman Peter Murray and city staff required Gary Wong to be present to address his comments that he had the votes to get the deal he wanted. He is told to provide his financial information by July 24, 2006. He did not. And, once again, minutes are NEVER taken during closed sessions.

7/24/06: Mr. Wong requests information on confidentiality agreement and Redevelopment Agency's policy regarding disclosure of proprietary information before releasing personal and business financial information required to re-structure Bistro loan (City Manager Espinosa's Bistro chronology).

PARTIALLY TRUE. The whole truth is that Pinole's City Attorney said the law, states statutes and the Brown Act protect Wong's confidentiality, and that this is not an issue from here on. So, this was just a stalling tactic by Gary Wong.

SEPTEMBER 2006: 9/18/06: “Closed Session” Redevelopment Agency meeting: The Agency Board receives August’s report from Redevelopment subcommittee & city staff about the Bistro loan arrears of \$65,000 (total balance: \$439,421.74) and Mr. Wong’s request to re-structure loan. The Agency Board took no action. Boyle, Alegria, Horton, Murray; Cole recused. (West County Times 4/24/07 and City manager Espinosa’s chronology).

FALSE: City staff and Councilmember Betty Boyle had this item on the public open session agenda. Action was taken to require Gary Wong to provide the RDA and staff his financial information so staff could prepare loan documents for us. This is in the chronology.

OCTOBER 2006: City Manager Espinosa again requests financial documents from Mr. Wong in order for the Redevelopment Agency to re-structure Bistro loan. No confidentiality agreement has been signed by either party. (City Manager Espinosa’s Bistro chronology).

PARTIALLY TRUE. It’s a stalling tactic. State statutes and the Brown Act already protect Gary Wong’s confidentiality.

NOVEMBER 2006: 11/21/06 “Closed Session” Redevelopment Agency meeting: City Manager Espinosa provides update on the proposal to re-structure Bistro loan. (City Manager Espinosa’s Bistro chronology). The Agency Board took no action. Boyle, Alegria, Horton, Murray; Cole recused.

TRUE. And once again, because of his conflict of interest with Gary Wong, with whom he had done business, Councilman Cole recused himself.

DECEMBER 2006: 12/19/06: Maria Alegria appointed Mayor; Installation of Councilmembers Cole, Horton, and Tilton.

TRUE. What’s her point?

JANUARY 2007

Mayor Maria Alegria initiates the development of new policies and procedures for loans; and that city staff take minutes of Redevelopment Subcommittee meetings.

FALSE. These upgrades and updates already had been initiated by RDA staff and the city’s RDA attorney. A confidentiality agreement was signed by Gary Wong and City Manager Espinosa, though it was not needed, as previously noted. This was done only to eliminate the ruse and get Mr. Wong to the table. Appointed RDA subcommittee members Alegria and Murray met with Mr. Wong to review his proposal to sell the Bistro building to pay off the loan balance with interest (\$455,115.25).

— Dear Pinole Citizens —

In the seven months that Maria Alegria, David Cole, and Stephen Tilton — all close friends of Gary Wong — have controlled three of the five votes on your city council, Gary Wong has not paid a dime on his loan.

He has, in effect, used your tax dollars for a free ride.

It’s time to get these three dishonest people out of our government.

**Concerned Citizens of Pinole for the Recall of
Maria Alegria, David Cole, and Stephen Tilton**

FPPC ID# 1298568

(510) 587-3225 www.PinoleRecall.com