

Susan Cates' Statement to Hutto City Council
March 1, 2018

I was hired by the City of Hutto in December 2017 as the Executive Director of Economic Development to manage Economic Development activity for the City, including the Economic Development Corporation. During my first EDC meeting on February 5, 2018, I was fired by my boss, City Manager, Odis Jones. This is what happened.

On Thursday, January 4, Michel Sorrel, the City's CFO, told me that Odis Jones was holding the EDC's monthly sales tax revenue from the State Comptroller's office. According to Texas Government Code Section 504.301, that money must be deposited in the EDC's separate account promptly. On Tuesday, January 9, I approached Odis Jones about these funds. He said that he would authorize deposit of those funds in the EDC's account, now that I was hired and a new Board was in place.

That did not sound right to me. This Board had been in place for six months. Why was he waiting? And how many months had not been deposited? At the time, I assumed it was a month or two. But I was wrong. It was much more.

After I was fired, it was claimed [Austin American Statesman 2/23/2018] that I wanted to sign checks on the EDC accounts. That is a lie. Prior to Michel Sorrel's last day as City CFO on January 26, we met to transfer the EDC files to me and she suggested I have account access and signature authority on the EDC bank accounts with Board members added for transparency. In all my years of EDC work, I haven't seen this as standard practice, and I have never had signature authority on EDC bank accounts. I stated this clearly in a February 2 transition sub-committee meeting with Jason Wirth and Dan Thornton, and again in the February 5 EDC meeting. Lucky for me, if anyone makes false claims about what I said, we can listen to the recording made of the meeting.

During the February 5 EDC meeting, I noticed a change in Mr. Jones's demeanor before the discussion regarding signatories on accounts. The second agenda item was presentation of the monthly financial reports to the Board. I referenced the EDC Sales Tax Revenue disbursements that were being withheld under Mr. Jones' authority. Mr. Jones knew this was an issue since I addressed it with him back on January 9. What I didn't know was that the EDC Board wasn't aware of it. Members of the Board heard what was happening and questioned Jones about the amount. Jones then revealed that the City was unlawfully withholding \$700,000 from the EDC. That, too, is on the recording.

After that, Mr. Jones became verbally aggressive toward me and threatened to fire me if I continued to speak. Ladies and gentlemen, it was my job to speak. It was my legal duty to speak. But according to Mr. Jones, he, as the City Manager, not the Board, is final authority on all financial responsibility for the EDC. I say to this Council and the citizens of Hutto, you have a problem here. And it needs to be fixed. I no longer work for the City of Hutto. I cannot fix this problem. But as City Council members and citizens, you still can.

Hutto was not the only job offer I was considering in December. But I felt called here, so I came. I did not know why, but I have learned not to question when my heart is called. I came here with a job to do, even if I didn't really know exactly what job. And after tonight, that job is finished. Thank you and God bless you all.