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HEADLINE: Derry council votes to freeze funds

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BODY:

DERRY -- The town council voted to temporarily freeze funding to the Derry Economic Development Corporation last night while the board studies how to move forward with economic development.

In May, the council earmarked \$60,000 to fund the private, nonprofit corporation's executive director, who was also to function as the town's economic development director. The board is reconsidering the funding after former Councilor Jack Dowd accepted the job as executive director of the DEDC less than 24 hours after resigning from the council.

Under the town charter, councilors must wait one year before accepting a "compensated town officer or employee." Three legal opinions say Dowd did not violate the charter by accepting the position with the DEDC because the corporation is a separate entity from the town.

An opinion from Daniel Callaghan of **Devine Millimet** suggested the board hold a public hearing on the issue because Dowd's new position may violate the intent of the charter provision.

The board scheduled a public hearing for Sept. 19, at which they will also discuss economic development in general as well as in the context of the DEDC.

The council agreed they should allow the town administrator time to work with the DEDC to discuss how the DEDC would provide economic development services for the town. It would also give the council time to study two other suggestions regarding the economic development director.

Councilor Beverly Ferrante suggested they look at hiring an economic development director as an independent contractor. Councilor Janet Fairbanks suggested they use the money for the DEDC and a separate \$50,000 appropriation for general economic development to hire someone as a town employee.

DEDC President Joel Olbricht said he was fine with the decision because it is what the DEDC had requested in a letter to the council last week.

The two other opinions came from Boutin and Altieri, attorneys. The first, from Brenda Keith, also found no violation of the letter of the charter, saying the council and the town has the option to contract with private entities to provide services to the town, such as economic development. She said because the DEDC and the town are separate, Dowd would not be considered a town employee.

The opinion from Edmund Boutin also said the fact the town and DEDC are separate means Dowd is not an employee, although he noted the intent to use the DEDC director as the town's economic development director sounds "suspiciously like employment to me."

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In an interview following the meeting, Dowd said although he knew about the opening in April and had thought about it, did not submit a formal application until after an advertisement was placed in late May, after the budget was passed.

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