

MEMORANDUM

TO: Members of Village Council
FROM: Robert T. Butler
RE: Legal Issues
DATE: August 22, 2025

The following issues were raised at our last Council meeting:

1. **ISSUE: May the Village Counsel restrict the use of monies held in a fund?**

The monies held in a fund may only be spent on those items for which the fund was created. ORC § 5705.41 The question is can Council further restrict what can be spent from a fund to a subset of those things that are appropriate to be purchased from the fund. For example, could council restrict expenditures out of the street fund to paving a particular street?

The answer is yes, Council can restrict the used of monies in a fund so long as the uses for which Council approves align with the fund's purpose. This needs to be done by way of a Resolution.

However, the ability to do this is somewhat illusory: Council, or a subsequent Council can simply pass a resolution rescinding the original resolution and the restriction on the fund.

2. **ISSUE: May Council reduce the amount the Village Administrator may spend under the Charter and State law?**

Section 5.03 of our Charter provides that

*The Village Administrator shall make contracts, purchase supplies and materials, and provide labor for any work under his/her supervision **involving not more than the similar limitation prescribed for Village Administrators under State statute.** . . . When an expenditure other than the compensation of persons employed by the Village exceeds the similar limitation prescribed for Village Administrators under State statute, such expenditure shall first be authorized and directed by Council. [emphasis added]*

Section 119.02 (c) of the Administrative Code contains the same language regarding expenditures by the Village Administrator.

State law establishes how much our Administrator can spend without being authorized and directed by Council. Section 731.141 of the code states that:

In those villages that have established the position of village administrator, as provided by section [735.271](#) of the Revised Code, the village administrator shall make contracts, purchase supplies and materials, and provide labor for any work under the administrator's supervision involving not more than the amount specified in section [9.17](#) of the Revised Code.

This language is very similar to the language in our Charter, as well as our Administrative Code, with the additional reference to section 9.17 of the ORC.

Section 9.17 states as follows:

(A) The amount for purposes of a provision of the Revised Code that references this section shall be as follows: (1) Beginning on the effective date of this section through calendar year 2024, seventy-five thousand dollars; (2) For each calendar year thereafter, the amount for the previous calendar year increased by three per cent as determined and published by the director of commerce.

So, the amount which can be spent by our Village Administrator without authorization and direction by Council is \$75,000 beginning the calendar year 2024, increased by three percent each calendar year thereafter. **Council cannot modify this amount without amending the Charter.**

Thank you, and if you have any questions or concerns regarding this matter, please do not hesitate to contact me.

Robert T. Butler

cc: Stefen Densmore, Mayor
Eric Pridonoff, Village Fiscal Officer