

To: President and Members of the Munster Town Council

From: Wendy Mis, Clerk-Treasurer

Date: October 2, 2023

Re: Ordinance 1913: Payments in Advance

Ordinance 1913 had first reading at the September 18, 2023 meeting. It has been drafted to allow for payments in advance of receiving goods and services in specific instances. This has not been permitted in the past. The most recent session of the General Assembly made it possible if a municipality adopts an ordinance in compliance with the law.

The ordinance places the following restrictions on advance payments.

1. A contract approved by Council is in place.
2. The contractor makes a request in writing that includes documentation of the items purchased including any purchase orders, invoices, and receipts.
3. The amount requested does not exceed what was listed in the bid documents.
4. A statement certifying the truth and accuracy of the amount requested which has been signed by the contractor, any subcontractors, any architect, engineer or other consultant hired by the Town for the project, and an employee of the Town responsible for the project.

The ordinance also authorizes the Clerk-Treasurer to make advanced payments for other goods and services with specified documentation, tracking, and surety bond if the prepayment exceeds \$150,000.00. In both situations, there is a limit on the amount of the prepayment of either 50% of the entire cost or \$2 million, whichever is less.

Recommendation:

By motion and roll call vote, adopt Ordinance 1913 as presented.