To: President and Members of the Munster Town Council

From: Wendy Mis, Clerk-Treasurer

Date: September 18, 2023

Re: Ordinance 1913: Payments in Advance

Senate Enrolled Act 317 includes provisions for making payments in advance of the receipt of goods or services. The change allows municipalities, in certain instances, to make deposits and to pay a contractor for supplies and materials before a project has started. The law requires passage of an ordinance and setting minimum requirements.

Ordinance 1913 has been drafted based on a template from AIM. Under the proposed ordinance, the Clerk-Treasurer would be authorized to make a payment in advance for the supplies and materials needed by a contractor for a public works project provided the following.

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, hear Ordinance 1913 and set second reading for the next regular meeting.