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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** MATT ANASTASIA, FINANCE DIRECTOR  
**SUBJECT:** RESOLUTION: PROFESSIONAL SERVICES AGREEMENT FOR TAX ACCOUNTING SERVICES – SOLAR FIELD TAX INCENTIVES  
**AGENDA:** JANUARY 7, 2025 REGULAR BOARD MEETING  
**DATE:** DECEMBER 30, 2024

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**ISSUE**

Shall the Village Board approve an Agreement with Sikich LLC. for Tax Accounting Services for the Solar Field Tax Incentive.

**DISCUSSION**

Over the past year, the Village contracted with General Energy to complete the installation of a Solar Field at 455 Arbor Ave Well and Water Treatment Plant. The Solar Field installation was complete and in service on October 28, 2024. The total cost of the project was \$1,043,345. At the time of approval, the Village anticipated a Federal Tax Incentive of 30% of total project costs or \$313,003.50. We were notified by Progressive Business Solutions & General Energy, based on the timing of the installation, the Village might be eligible for an additional 10% incentive or an additional \$104,334.50 under the Fossil Fuel Employment (FFE) threshold and unemployment rate requirement designating the Village as an Energy Community. This could bring the total incentive to a possible **\$417,338**. For this designation, it is based on a map tract as of June 7, 2024, from the US Department of Energy – IRA Energy Community Tax Credit Bonus – Energy Community designation. The map can be found [here](#).

In addition to the Federal Tax Incentive, the Village will also be receiving SREC incentives from ComEd, estimated at \$60,272 annually. The first payment is estimated to be received some time in January 2025.

As a Government Agency, the Village does not file any type of taxes annually. As a recommendation from Progressive Business Solutions, the Village should hire a Tax Accountant for the year, in order to properly file the federal tax returns and receive the Tax Incentives and Bonuses. I reached out to both accounting firms the Village uses, Lauterbach & Amen and Sikich LLC. for cost proposals to complete this for the Village. Lauterbach & Amen quoted the Village a

percentage-based fee on the amount of incentive received at 3% which would result in roughly \$12,520 fee. The quote from Sikich LLC. was more in-depth, as Sikich outsources the research and development of all the necessary information for the tax incentive to a company called Tri-Merit. The company they outsource with specialize in intricate tax incentives. Not only do they compile all the information for Sikich to file the tax return, but they are also the audit and defense team. If anything were to be challenged by the IRS, Tri-Merit would be the defense for all issues. The total fee would be \$14,700, \$13,500 from Tri-Merit and \$1,200 for Sikich LLC. The in-depth nature of the work from the Sikich team proposal is why Staff is recommending moving forward with Tri-Merit and Sikich for this project.

Both proposals are attached for review.

### **COST**

The cost of hiring the Tax Accounting Firm to complete the Village tax return is between \$12,520 and \$14,700, depending on the Board choice, that will be paid directly out of the proceeds received from the Tax Incentive and Bonuses.

### **RECOMMENDATION**

That the Village Board approve Resolution No. 20250107T Approving an Agreement with Tri-Merit and Sikich LLC. for Tax Accounting Services – Solar Field Tax Incentives.



**VILLAGE OF SUGAR GROVE  
KANE COUNTY, ILLINOIS**

**Resolution No. 20250107T**

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**A Resolution Approving a Professional Services Agreement with Sikich LLC. & Tri-Merit  
for Tax Accounting Services  
Village of Sugar Grove,  
Kane County, Illinois**

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Adopted by the  
Board of Trustees and President  
of the Village of Sugar Grove  
this 7th day of January 2025.

Published in Pamphlet Form  
by authority of the Board of Trustees  
of the Village of Sugar Grove, Kane County,  
Illinois, this 7th day of January 2025.

**Resolution No. 20250107T**

**A Resolution Approving a Professional Services Agreement with Sikich LLC. & Tri-Merit  
for Tax Accounting Services for Village of Sugar Grove, Kane County, Illinois**

**BE IT RESOLVED**, by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois as follows:

**WHEREAS**, a contract resolution agreement with Sikich LLC. and Tri-Merit for tax accounting services; and

**WHEREAS**, the Village of Sugar Grove Board has determined that it is in the best interests of the Village to enter into this agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the President and Board of Trustees of the Village of Sugar Grove, as follows:

1. That Village President Jennifer Konen or her designee is hereby authorized to sign all agreement forms and documents.

**PASSED AND APPROVED** by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, on this 7th day of January 2025.

**REPEALER:** All resolutions or portions thereof in conflict with this resolution are hereby repealed.

**SEVERABILITY:** Should any provision of this resolution be declared invalid by a court of competent jurisdiction, the remaining provisions will remain in full force and effect the same as if the invalid provision had not been a part of this resolution.

**EFFECTIVE DATE:** This resolution shall be in full force and effect on and after its approval and passage.

**PASSED AND APPROVED** by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois this 7<sup>th</sup> day of January 2025.

\_\_\_\_\_  
Jennifer Konen  
President of the Board of Trustees  
of the Village of Sugar Grove, Kane County, Illinois

ATTEST: \_\_\_\_\_  
Tracey R. Conti  
Village Clerk, Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Heidi Lendi	_____	_____	_____	_____
Trustee Matthew Bonnie	_____	_____	_____	_____
Trustee Sean Herron	_____	_____	_____	_____
Trustee James F. White	_____	_____	_____	_____
Trustee Sean Michels	_____	_____	_____	_____
Trustee Michael Schomas	_____	_____	_____	_____
Village President Jennifer Konen	_____	_____	_____	_____



## Proposal for Specialty Tax Services related to your Renewable Energy Tax Credit

December 24, 2024

This proposal is presented to: Matt Anastasia - Village of Sugar Grove Illinois

Facility/Project: Ground mount PV system at Water Treatment Plant

We are pleased to provide you with the following proposal for the Delivery of Specialty Tax Services related to your Renewable Energy Tax Credit ("RETC"). As part of our RETC services we'll guide you through the intricate landscape of tax credits and incentives. We ensure that our clients not only meet compliance requirements but also optimize their financial returns.

### FEE FOR SERVICES

Our fixed fee for the Services will be **\$13,500**

### QUANTITATIVE

Tri-Merit has evaluated the information provided for this project and estimated a credit range of **\$360,000 to \$420,000**.

*\*Factors impacting the Tax Credit range are outlined in the assumptions/limitation section of the proposal but generally include assumptions for qualification of bonus programs, Prevailing Wage and Apprenticeship and other eligibility requirements.*

### SCOPE OF SERVICES

- Feasibility evaluation pertaining to the federal energy tax credits available to you through an investigation of potentially qualified activities and expenditures.
- Expert technical tax consulting services to meticulously analyze and assess qualified activities and expenditures. Our team ensures precise identification and categorization of all eligible items to optimize your tax credit potential.
- Qualify and substantiate credit calculations through comprehensive processes, including gathering, analyzing, modeling, and summarizing both contemporaneous and extemporaneous documentation.
- To ensure compliance with industry expectations and enhance the accuracy of our evaluations, we will require photographic or virtual documentation or will conduct a physical inspection of the properties.
- Summarize the findings for each study in a comprehensive written report. This report will reference all necessary documentation and backup details to substantiate the financial conclusions, ensuring clarity and support for all tax credit claims.
- Provide expert technical support throughout the pre-filing registration process to facilitate the monetization of tax credits.
- Prepare all necessary supporting tax forms and tax proformas, ensuring they are accurate and complete.
- Robust audit defense services in the event of an IRS examination of your credits and deductions. Our team will support you throughout the entire appeals process, providing expertise and advocacy to defend your claims and ensure a favorable outcome.



### **ASSUMPTIONS/LIMITATIONS**

- Any services required as a result of a recapture event are outside the scope of this proposal;
- Based on the system output size Prevailing Wage and Apprenticeship compliance evaluation is not needed and therefore not included;
- Tri-Merit will assist in reviewing accepted documents to verify that all assets (projects) in a Study have received Permission to Operate or were otherwise placed in service within the same tax year;
- Proof of asset and property ownership and/or right to property were not reviewed but assumed to be compliant for purpose of the proposal. Tri-Merit services do include verification and substantiation of rights to credit claim;
- Energy Community Bonus eligibility evaluation and substantiation included;
- Due to the unknown intent to source domestically manufactured components for the projects, our services include an evaluation of eligibility for the Domestic Content Bonus;
- The facilities are situated outside of Low-Income census tract regions and other eligible geographic locations, rendering them ineligible for the Low-Income Community Bonus;
- Tax-exempt bond financing was not obtained and therefore no adjustment was made to the ITC;

All assumptions are subject to verification and collection of appropriate substantiation in order to qualify for any of the energy credits or bonuses.

### **CONCLUSION**

Once you have had a chance to review the proposal, let us know if there are any questions or concerns, or if you would like to discuss further.

If you are agreeable to the terms in this proposal, your Tri-Merit representative, Dave Shereda will facilitate an Engagement Letter via DocuSign for electronic signature.

**From:** [Jill Boyle](#)  
**To:** [Matt Anastasia](#)  
**Cc:** [Larry Johnson](#)  
**Subject:** [EXTERNAL] - RE: [EXTERNAL] - RE: [EXTERNAL] - RE: [EXTERNAL] - [EXTERNAL] RE: Tax Accountant  
**Date:** Tuesday, December 24, 2024 7:46:12 AM

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**CAUTION: This email originated outside of the Village of Sugar Grove's email system. Do not click on links or open attachments unless you recognize the sender and you are expecting the message. Never provide your user ID or password to anyone or enter credentials from a link in email.**

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Hi Matt,

I understand you spoke with Tri-Merit and received a quote. We would add \$1,200 to that quote for the filing of the Form 990-T electronically through our software. When you are ready to move forward let us know and we can get over the engagement letters.

Let me know if you have questions.

Thanks.

**JILL M. BOYLE**

CPA  
Director

D: +1 (262) 317-4093  
M: +1 (262) 391-6181

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**From:** Jill Boyle  
**Sent:** Thursday, December 19, 2024 2:03 PM  
**To:** Matt Anastasia <manastasia@sugargroveil.gov>  
**Cc:** Larry Johnson <larry.johnson@sikich.com>  
**Subject:** RE: [EXTERNAL] - RE: [EXTERNAL] - RE: [EXTERNAL] - [EXTERNAL] RE: Tax Accountant

Hi Matt,

I'm going to have my colleague Larry Johnson help out on the initial part of this as he has experience with doing the pre-filing registration steps. I have only done the actual Form 990-T filings which will come as a second step. We will get you a fee quote for both steps soon.  
Thanks.

**JILL M. BOYLE**

CPA  
Director

D: +1 (262) 317-4093





December 12, 2024

Village of Sugar Grove  
Sugar Grove, Illinois

We are pleased to confirm our understanding of the services we are to provide for the Village of Sugar Grove.

It is our understanding that Lauterbach & Amen, LLP will provide assistance to the Village of Sugar Grove for work related to the Solar Panel Tax Credit. Such assistance will be arranged between the Village of Sugar Grove and Lauterbach & Amen, LLP and will be billed at 3% of the credit amount. If for any reason this arrangement becomes unacceptable, it can be terminated by either party with 30 days written notice.

These services cannot be relied upon to detect errors, irregularities, or illegal acts that may exist. However, we will inform you of any such matters that may come to our attention.

In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. Please be advised that we will charge interest on late invoices over 30 days.

The Village of Sugar Grove agrees that during the term of this agreement and for a period of twelve months thereafter, Village of Sugar Grove shall not solicit, or arrange an employment contract with personnel of Lauterbach & Amen, LLP. Violation of this provision shall, in addition to other relief, require the Village of Sugar Grove to compensate Lauterbach & Amen, LLP with one hundred twenty-five (125%) percent of the solicited person's annual compensation.

Please indicate your acceptance of the above understanding by signing below. If your needs change, the nature of our services can be adjusted accordingly.

Cordially,

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Village of Sugar Grove, Illinois.

By: \_\_\_\_\_

Title: \_\_\_\_\_