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March 22, 2017

CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED

VIA E-MAIL & U. S. MAIL

Mr. Robert J. Miller
Highway Commissioner
Algonquin Township Road District
3702 U.S. Highway 14
Crystal Lake, Illinois 60014

RE: Payment of Accrued Sick Leave

Dear Bob:

You had previously asked as to whether you or other employees of the Road District would be entitled to the payment of sick leave which had accrued prior to 1995, and in your case sick leave which had accrued prior to 1993. As you know, my opinion is that you are entitled to payment for your accrued sick leave.

You recently have inquired as to what fund should sick leave be paid from, and whether sick leave could be paid in a lump sum amount or as regular wages.

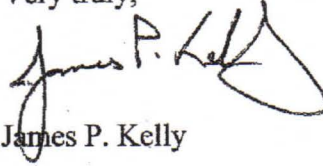
As Highway Commissioner, you are paid from the Town Fund. However, you were an employee of the Road District at the time your sick leave accrued and therefore your accrued sick leave is an obligation of the Road District. Payment of your accrued sick leave must be paid from the Road and Bridge Fund, salary line item. As you are no longer a Road District employee you can be paid in a lump sum amount and receive a 1099 for this payment. However, you will personally be responsible for self-employment taxes, as well as FICA and all other related income taxes, as these taxes will not be withdrawn from your lump sum payment. You can however be paid as a W-2 employee. It is much less expensive for the Township to pay you in a lump sum rather than as a W-2 employee.

Further, I have spoken with the Township's auditor, Mr. Brown and he has suggested that it is probably in the best interest of the Road District that your accrued sick leave be paid as a lump sum amount and that you receive a 1099 at the end of the year.

Mr. Robert Miller
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If you have any questions, please feel free to contact me.

Very truly,

A handwritten signature in black ink, appearing to read "James P. Kelly". The signature is fluid and cursive, with a large loop at the end of the last name.

James P. Kelly

cc: Ms. Dianne Klemm