



Date: September 4, 2025
To: Mayor and Town Council
From: John Brock, Deputy Town Manager / Town Clerk
Re: Consideration and Approval: **Retention Incentive FY26**

Objective:

To seek Town Council approval for the implementation of the FY26 Retention Incentive Program aimed at acknowledging and rewarding the continued dedication and service of Town employees across all departments.

Summary:

This agenda item was formally requested by **Councilor Jon Arnold** in recognition of the need to enhance employee retention and morale. The proposed Retention Incentive Program is designed to reward full-time and part-time employees who have demonstrated commitment to the Town through their continued service from prior to October 1, 2024, and into the beginning of Fiscal Year 2026.

The program includes the following incentive payouts:

- **\$850** for each full-time employee hired prior to **October 1, 2024** and still employed by **November 21, 2025**
- **\$400** for full-time employees hired between **October 1, 2024** and **October 1, 2025** and still employed by November 21, 2025
- **\$200** for part-time employees hired prior to October 1, 2024 who have worked at least **12 days** during FY25 and are employed as of **November 21, 2025**

All incentives will be grossed up to ensure that employees receive the full net amount as specified. The payout date is scheduled for **Friday, November 21, 2025**.

Possible Motions:

The Town Council has the following options:

1. The Town Council motions to approve
OR
2. The Town Council motions to approve with the following amendments:
OR
3. Motion to Deny

Fiscal Impact:

The **total gross cost** to the Town, inclusive of payroll taxes and gross-up adjustments, is **\$30,084.45**, assuming all eligible employees remain employed through November 21, 2025.

This amount has been evaluated within the context of the Town's FY26 budget planning and is deemed a strategic and cost-effective expenditure in the area of human capital retention.

Staff Recommendation:

Staff strongly recommends approval of the FY26 Retention Incentive Program.

The Town of Howey-in-the-Hills relies heavily on a lean but highly dedicated workforce. In an increasingly competitive labor market, especially within the public sector, investing in employee retention is not only a show of appreciation but a strategic measure to ensure continuity, institutional knowledge, and operational stability. Retention incentives help mitigate costs related to turnover, recruitment, and training, and reinforce a culture of appreciation and commitment.

By affirming the value of our employees through this initiative, the Town Council sends a clear message of support and long-term investment in the people who serve the residents of Howey-in-the-Hills.