



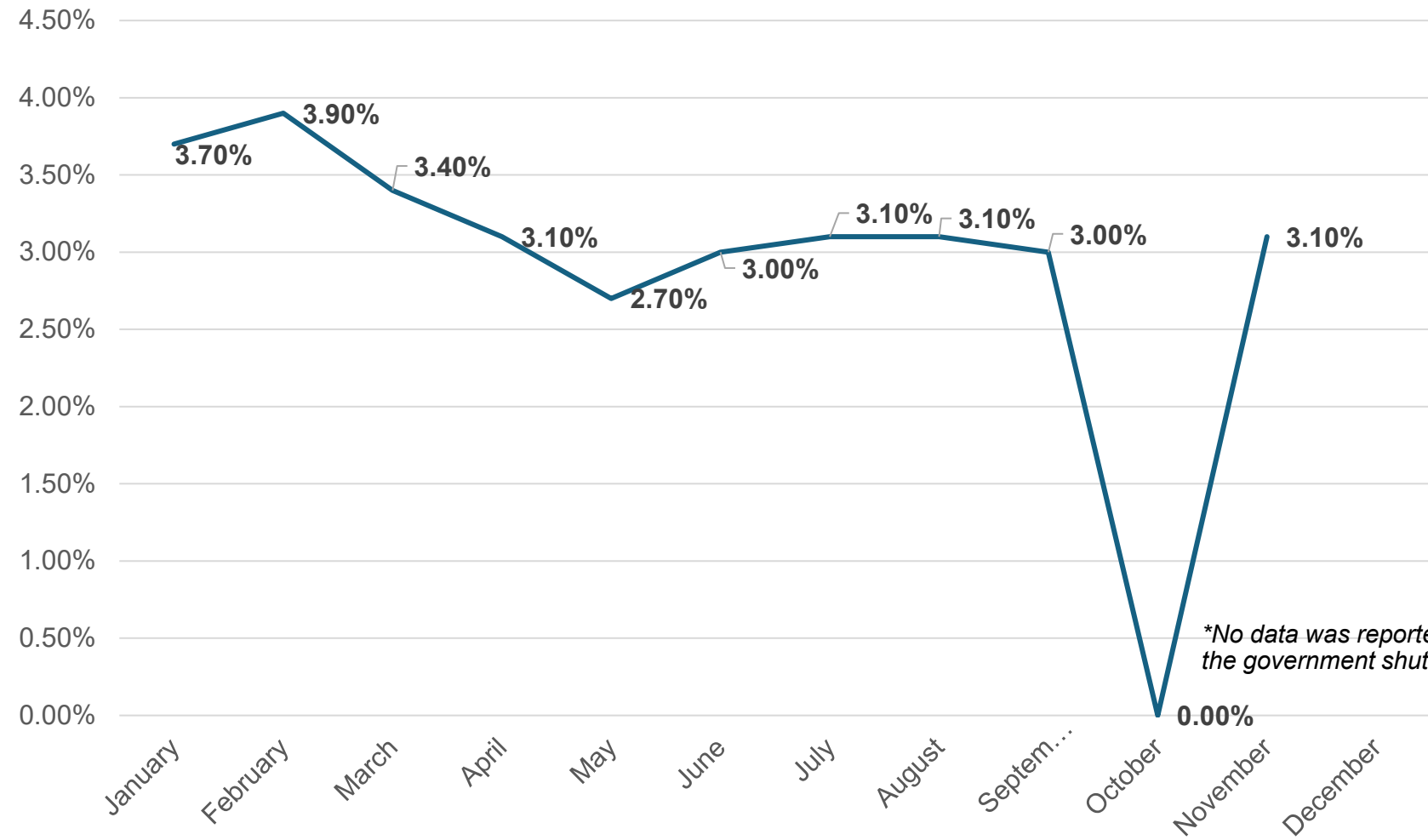
2026 Staff COLA





New England CPI Trends & Recent Data

Year-to-Date inflation & price changes in New England. CPI provides a benchmark for inflation — affecting purchasing power, cost of living, wage negotiations, interest-rate decisions, etc.



**No data was reported for the month of October due to the government shutdown.*



What are other towns offering?

Many towns offer COLA to their employees each year and the majority of those that do, mirror the New England Consumer Price Index.



Data collected through the NH Town Managers and Administrators listserv with 22 towns reporting. A full breakdown by town can be found in the appendix.



Why it matters



Promotes fairness and morale

A COLA that tracks inflation signals that leadership respects employees and understands their financial reality. When COLAs fall behind, it creates frustration, morale issues, and a sense of being undervalued.

Protect employees' ability to afford necessities

Costs for housing, food, utilities, medical care, and insurance rise annually. A COLA aligned with inflation helps employees maintain a stable and secure standard of living

Prevents employees from experiencing a pay cut in real terms

When inflation rises faster than wages, employees lose purchasing power. Even if salaries technically go up, they're effectively earning less because their money buys less.

Supports retention and reduces turnover costs

Employees who cannot keep up with local living expenses are more likely to leave for higher-paying agencies or professions. Replacing employees—especially in public safety and specialized roles—is far more expensive than keeping them.

Stabilizes long-term workforce planning

Regular, inflation-tied COLAs create predictable budgeting and help avoid sudden, costly pay adjustments later to catch up.

Helps ensure employees can live in or near the communities they serve

In high-cost areas, failure to keep COLA aligned with prices can force employees farther away, increasing commute times and reducing connection to the community.



Staff sentiments



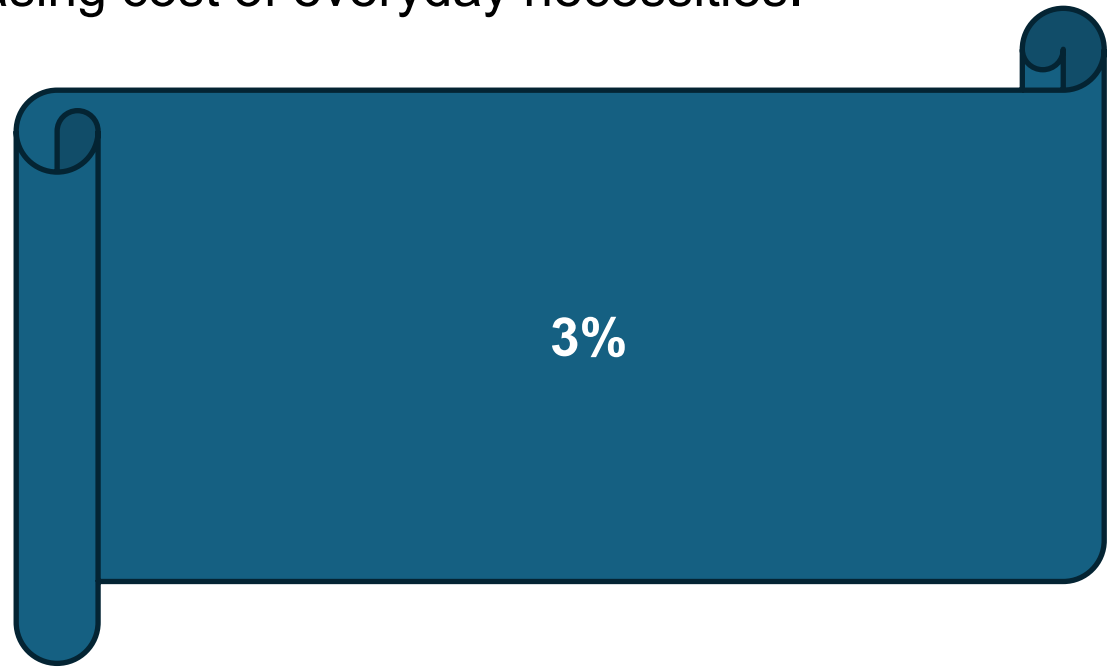
“A strong COLA demonstrates respect and support from the Town to its employees.”

- **Strong concern that a 1.5% COLA is insufficient** given current inflation and rising costs of living.
- **The proposed COLA is viewed as a pay cut** when it is less than inflation, reducing the ability to afford essentials such as housing, food, and utilities."
- **High cost of living in New London** makes it difficult for many employees to live in or near the community they serve.
- **Retention and recruitment worries:** employees fear that the town will lose skilled staff to better-paying jobs.
- **Compensation is not competitive** compared to opportunities at state level, or private-sector alternatives.
- **A stronger COLA is seen as essential for retention**, maintaining morale, and preventing turnover-related costs.
- **Employees take pride in their work** and frequently receive positive feedback from residents about professionalism, service quality, and community impact.
- **A low COLA is perceived as undervaluing employee effort**, dedication, and the services provided to the town.
- **Employees feel the COLA should reflect economic data**, not arbitrary reductions—particularly when inflation hovers around 3%.
- **Concerns about long-term affordability and personal stability**, especially among younger or single employees with limited financial support.
- **Fear that the proposed COLA creates a widening gap** between employee value and compensation.



Recommendation

The recommendation is to provide staff with a COLA that meaningfully supports their ability to keep up with the increasing cost of everyday necessities.



Take the next year to update the current compensation model to one that continues to be sustainable for years to come.

Appendix



What are other towns offering?

Data was collected from the Municipal Management Association of New Hampshire listserv of Town Administrators and Managers.

Town	COLA	Other Compensation	Notes
Plymouth	3%	Not mentioned	
New Boston	2.80%	Not mentioned	
Hillsborough	3%	2.75% for police union and non-union	
Windham	3.50%	Not mentioned	3.5% budgeted, waiting for NE CPI to publish
Brookline	2.80%	Not mentioned	2.8% budgeted, waiting for NE CPI to publish
Newport	3%	Not mentioned	3% placeholder. May meeting, will base off the November-to-November Northeast CPI average
Gilford	0.00%		Does not offer COLA
Henniker	2%	merit adjustment of 0% to 4% annually	Board hasn't decided yet, 2% placeholder. . After seeing it play out for a few years, the board is now considering the long term compounded impact of average increases 2% COLA, plus 3% merit.
Tilton	0%	Merit increase of 3% only	
Goffstown	1.50%	Not mentioned	began with 3.3% CPI but has been cut to 1.5% they expect that to be cut by Budget Committee to 0%

What other towns offering (continued)



Town	COLA	Other Compensation	Notes
Francestown	3%	Not mentioned	Reference the annual average issued in January
Auburn	3.05%	Not mentioned	planned, not approved yet
Chesterfield	3.20%	Not mentioned	
Moultonborough	3.50%	Not mentioned	Budgeted, not approved yet
Belmont	4%		non-union employees. Last year due to a default they only gave 2.5% the BOS may or may not honor the 4% if they default again
Bow	3%	Not mentioned	
Laconia	2.50%	Step increases for unionized employees at 3%, Non-union eligible for 0%-5% merit	based on the year end 12-month CPI average. Looks like +/- 2.5%.
Peterborough	3%	Not mentioned	
Raymond	3%		no union employees
Andover	3%	No formal step program	
Bradford	2.70%	2.7% step	Not moving people up in steps
Grantham	3%		

What other towns offering (continued)



Town	COLA	Other Compensation	Notes
Andover	3%		No formal step program
Bradford	2.7%		Not moving employees up in steps