

CITY OF RICHLAND CENTER

AGENDA ITEM DATA SHEET

Agenda Item: 2027 Cost-of-Living Adjustment (COLA) for City Employees

Meeting Date(s): Personnel Committee on 09/21/2026

Requested by: Ashley Oliphant, City Administrator

Background: COLA is a general wage increase given to all positions so pay keeps pace with living costs. It is different from step or merit increases which are not provided. The Personnel Committee recommends a COLA to the Budget Committee. The Budget Committee then directs staff to build a rate into the draft budget.

Economic indicators: Prices rose faster over the past year than in the prior year. The table below shows the most recent data.

Indicator	Rate	Source
Consumer Price Index (CPI-U), national, 12 months ending Aug. 2026	3.4%	U.S. Bureau of Labor Statistics, 9/11/2026
CPI-U, Midwest Region, 12 months ending Aug. 2026	3.6%	U.S. Bureau of Labor Statistics
Core CPI-U (excludes food and energy), national	2.4%	U.S. Bureau of Labor Statistics
CPI-W (wage earners), national	3.5%	U.S. Bureau of Labor Statistics
2027 Social Security COLA (estimate)	About 3.5%	Senior Citizens League; final set 10/14/2026
City COLA, 2026	2.75%	City records
City COLA, 2025	3%	City records

Budget limits: Under Wis. Stat. § 66.0602, the City's levy may grow only by the percent of net new construction, with a 0% floor. For 2027 budget that figure is .273%. Any wage increase must fit within the levy limit or be offset by other revenue or spending cuts.

Related costs: Each wage increase also raises the City's share of Social Security and Medicare (7.65%) and the Wisconsin Retirement System (WRS). The 2027 WRS employer rate is 7.25% for general employees, up from 7.2% in 2026, and 14.35% for protective employees (police). With these costs, each \$1.00 raise costs the City about \$1.15 for general employees and \$1.22 for police.

Cost estimate: Non-represented wages total about \$1.52 million a year. This includes full-time, part-time, and seasonal staff. It does not include elected officials, whose pay cannot be raised during their term, or election workers. Each 1% COLA costs about \$17,300 for this group.

COLA	Non-Represented Staff <i>Including Library Employees</i>	Police Bargaining Unit <i>For Reference</i>	Estimated Total, All Staff
1.0%	\$17,400	\$11,900	\$29,300
2.0%	\$34,750	\$23,800	\$58,600
2.5%	\$43,450	\$29,800	\$73,200
3.0%	\$52,100	\$35,700	\$87,850
3.5%	\$60,800	\$41,700	\$102,500

Bargaining Unit: Wages for employees in the police bargaining unit are set through collective bargaining. This recommendation does not decide those wages. The police column is shown only so the Committee can see the full cost if the same rate were to be applied.

Other employee groups: Two boards set pay for their own employees. This recommendation does not bind them.

- **Utility employees:** The Utility Commission sets wages for City Utilities employees. The Commission approved a 3.5% COLA for 2027. Utility wages are paid from utility rates, not the tax levy.
- **Library employees:** The Library Board sets wages for Library employees under Wis. Stat. § 43.58(4). In the past, the Board has followed the City's COLA. Because the City funds most of the Library budget, a Library COLA affects the levy even though the Board sets it.

Department Recommendation: No less than 2.5% and no more than 3.5%.

Financial Impact: About \$29,300 for each 1% COLA, including payroll taxes and WRS.

Funding Source: 2027 operating budgets, wage and benefit lines of each department.

Recommended Action:

Motion to recommend to the Budget Committee a % cost-of-living adjustment for non-represented City employees, effective January 1, 2027, for inclusion in the 2027 budget.