

City of Warrenville, Illinois

**Empirical Development of
Comparable Communities
For Compensation Purposes**
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COMPARABLE MARKET ANALYSIS STUDY

Personnel management is a matter of ongoing concern at all levels of government, especially as essential public services continue to increase in cost and complexity. In order to achieve maximum efficiency and effectiveness, the scope of activities involved in governing and providing services in the City of Warrenville presents challenging policy and administrative choices. A well designed and competitive compensation plan helps form the foundation for attracting and retaining a quality work force to deliver those public services.

The first step to assuring a competitive compensation environment is the empirical development of Warrenville's comparable communities. To that end, Sikich was engaged to determine which cities or villages were sufficiently similar to Warrenville to be considered as comparable communities for a follow up salary study and for labor relations purposes. To carry this out, the Task Force, with the assistance of Sikich, employed a statistical methodology that focused on key community profile information for those communities that fell within a 15 mile radius of the City.

The outcomes and associated weightings identified a group of communities which did not accurately reflect the community as a whole. In addition, most of these initial communities were located in Cook County at the very rim of the 15 mile radius ring. This often occurs when there are large concentrations of suburban communities within close proximity to each other. As a result, the Task Force determined that it would narrow its focus to a 10 mile radius.

From that narrowed group, Sikich applied a standardized methodology using the following criteria and weights (expressed as points) to develop an overall comparability score. The following table presents the criteria and weights along with the source information for the data shown. In order to aid the reader in better understanding this point system, the following example is offered:

If the population of a community was within a factor of 25% when divided into Warrenville's population, then that community received the maximum points (15) for that criterion. If they fell between 26% and 50% of Warrenville's population, they received 10 points; between 51% and 75%, 5 points; and finally, if their population fell outside of 75%, the community received no points for that criterion.

Comparable Market Analysis Variables and Weighting

Criterion	Source	Weighting
1. Percentage of Part-Time Employees	IL State Comptroller Database and Municipal Data Files	Informational Only
2. Population	U.S. Census	10%/10 pts.
3. Median Family Income	U.S. Census	12%/12 pts.
4. Geographic Proximity – Based on 10-mile radius	Municipal GIS	20%/20 pts.
5. Equalized Assessed Valuation (EAV)	Illinois State Comptroller Database	10%/10 pts.
6. Number of Full-Time Employees	Illinois State Comptroller Database	7%/7 pts.
7. General Fund Expenditures	Illinois State Comptroller Database	12%/12 pts.
8. State Sales Tax Revenue	Illinois State Comptroller Database	10%/10 pts.
9. General Fund Budget	Illinois State Comptroller Database	12%/12 pts.
10. Home Rule	Illinois State Database of Home Rule Communities	7%/7 pts.

This point system was applied using nine of the above criteria. The part-time employee count was for informational purposes only. The full table of these criteria, with a weighted range of points based on the relationship of each community to Warrenville, appears in the Appendix.

Ultimately, a list of comparable communities was formed when “natural breaks” in the correlation scores were reviewed by the Task Force and Sikich. Based on the findings, the Task Force agreed to include eleven (11) communities that had correlation scores of 57 or higher on a scale of 0 to 100. Based on the results of the empirical analysis, the City categorized any community with a correlation score below 57 as divergent from their market.

Comparable Cohort				
	City	Total Score	Population	Part-Time Employees
	Warrenville	100	13,140	16
1	Lemont	77	16,861	63
2	Montgomery	75	18,437	24
3	North Aurora	75	16,760	6
4	Darien	73	22,086	20
5	Glen Ellyn	70	27,767	248
6	Roselle	69	22,763	24
7	Oakbrook Terrace	68	2,134	12
8	South Elgin	65	22,224	10
9	Willowbrook	63	8,540	16
10	Lisle	60	22,390	20
11	Clarendon Hills	57	8,427	50

In summary, based on our empirical analysis and final determination by the Task Force, the eleven (11) communities with the highest correlation scores represent the City of Warrenville’s cohort group for compensation purposes.

It was further determined (and noted to be a best practice) that the contiguous communities (regardless of scoring) be considered a significant competitor in the marketplace, therefore, should be included within the comparable cohort. The four contiguous communities to Warrenville include: Aurora, Naperville, West Chicago, and Wheaton. It should be noted that West Chicago also scored 57 points, which is similar to Clarendon Hills. It is also interesting to note that the updated list includes six of the existing comparable communities in addition to the four contiguous communities.

The next step in understanding your compensation environment is to analyze the City’s competitive position in relation to your cohort group using carefully collected compensation data by position from each of the cohort municipalities.

It has been Sikich’s pleasure to work with such a dedicated Task Force and to ultimately provide you with this analysis. We would be happy to answer your questions or to provide you with any additional assistance to meeting the City’s workforce compensation goals.

Summary of Top Scores

	City	Total Score	Population
	Warrenville	100	13,140
1	Lemont	77	16,861
2	Montgomery**	75	18,437
3	North Aurora**	75	16,760
4	Darien	73	22,086
5	Glen Ellyn**	70	27,767
6	Roselle	69	22,763
7	Oakbrook Terrace**	68	2,134
8	South Elgin	65	22,224
9	Willowbrook	63	8,540
10	Lisle**	60	22,390
11	Clarendon Hills**	57	8,427
12	West Chicago	57	27,086
13	Oswego**	55	33,100
14	Bloomington**	50	22,299
15	Villa Park**	49	21,904

Contiguous
Communities:

Aurora
Naperville
West Chicago
Wheaton

Original Comparables

City	Total Score	Population
Addison	15	36,942
Aurora*	20	197,894
Bartlett	25	41,208
Batavia	20	26,045
Bloomington	38	22,299
Bolingbrook	20	73,383
Carol Stream	25	39,711
Clarendon Hills	52	8,427
Downers Grove	25	49,670
Geneva	43	21,495
Glen Ellyn	53	27,767
Glendale Heights	30	34,530
Hanover Park	25	38,476
Lisle	66	22,390
Lombard	20	43,395
Montgomery	83	18,437
Naperville*	20	146,128
North Aurora	65	16,760
Oakbrook Terrace	43	2,134
Oak Brook	10	7,883
Oswego	45	33,100
St. Charles	20	33,267
Villa Park	43	21,904
West Chicago*	50	27,086
Westmont	30	24,685
Wheaton*	25	52,894
Winfield	36	9,080
Woodridge	38	32,971

*Contiguous Communities.