



Stantec and California: A Winning Relationship

STANTEC HAS CREATED VALUABLE RELATIONSHIPS IN THE STATE OF CALIFORNIA AND KNOWS THE DISTINCT CHALLENGES FACING THE STATE WHEN IT COMES TO FINANCIAL PLANNING.

Over two dozen offices and hundreds of employees.

That's Stantec's footprint in the state of California. We don't just do business in the Golden State. Our people and their families live, work, and play there.

And it's a relationship that reaches to the middle of the twentieth century. We've been doing work in California in the municipal government and water markets for decades. After the Second World War, a lot of infrastructure investments were taking place in California. We were one of the leaders in water and wastewater treatment at the time, and that gave us an early presence in the state.

Creating a relationship is one thing but cultivating a winning relationship for more than 60 years is something else entirely. Stantec has been able to keep those relationships intact. How?

It's our ability to evolve and innovate. The technology that is required of our local government clients has changed over the decades and we innovate to make those changes.

Large and small communities across the state face a myriad of operational challenges. Challenges that continue to get more complex and demand quicker and more robust solutions.

Let's look at some of them.

Affordability

Costs facing municipal governments are increasing. And those costs are generally higher in California than they are in the rest of the country.

You have to look at things from an operational side and a capital side. Based on their projected needs, communities need to figure out how to finance their investments over time and determine what impact will that have on communities in terms of potential rate increases and the projected costs. And changing variables can make such financial forecasts extraordinarily difficult. It's challenging to try to plan for every potential situation.

Social Equity

Demographics and household income can vary wildly across communities and even in neighborhoods within the same municipality. That data can impact the funding for capital investments.

You need to determine what impact the investment would have on those various economic levels and the benefit of the investment to the municipality. You can potentially make adjustments and charge additional fees for high-income areas, so that the burden on lower-income areas isn't as impacted by that investment.

Scenario planning is important, but it can also lead to decisions based on emotion and bias, especially when it comes to social equity.

Traditional forecasting tools like Microsoft Excel, where models are user-generated, can unconsciously bake bias into financial planning. Financial modeling that removes the human element from the process will provide more equitable results. You want to create information that is very transparent to policymakers and city officials.

Sustainability

There are two aspects to sustainability. First, the idea of making planning solutions with a green future in mind. In your financial scenario planning, you want to focus on green infrastructure and what impact your infrastructure projects will have on the environment, your carbon footprint, and improving the sustainability of your communities.

Our people and their families are a part of their communities in California and it's imperative for us to help build that sustainable future so that everyone living in the state can prosper. A rising tide lifts all boats.

The second facet is the sustainability of your organization itself. As populations get older, and government employees continue to hit retirement age, minimizing the impacts of knowledge turnover is essential.



Most financial planning information has historically been inputted into a spreadsheet or lived inside peoples' heads. The key is to make that information transparent, not just for the near term, but also for the long term. So that people can see what decisions were made and how they were made, five to 10 years ago."

KEVIN JOHNSON
STANTEC INSIGHT ANALYTICS

This consolidation of information will flatten the learning curve for all stakeholders and ensure a smooth transfer of knowledge.

Recipe for success

At Stantec, we've been able to combine our knowledge and experience in the state, coupled with our financial consulting expertise, to assist several communities with their financial planning.



Financial Analysis and Management

System, or FAMS, our cloud-based financial forecasting tool, can successfully navigate the economic challenges listed above.

For example, the city of Fullerton, California recently completed a water rate study. The city had been dealing with a high number of water main breaks within the community, and the expenditure surrounding that capital improvement needed to be evaluated.

We utilized the power of FAMS to execute a thorough scenario analysis for the city. A multitude of other capital investment needs, plus alternative capital improvement plans had to be factored into the analysis, as well as the corresponding rate impacts of each.

The FAMS-derived analysis was presented to City Council with the necessary information to make informed decisions about the City's water infrastructure.

Similarly, the City of Palm Springs recently completed a wastewater master planning and rates analysis. They were in the process of developing an updated master plan and capital improvement plan. Working with city and Stantec engineers, FAMS was used to evaluate various capital plans and funding strategies to quantify the rate impacts of each.

The scenario analysis and comparison features of FAMS helped convey to the board the financial burden each alternative would place on rate payers and helped the city reach a decision.

This is just a snapshot of the work that Stantec has done in California. We've helped municipal governments in the state for decades and we will continue to be here well into the future.

California's future is our future, too.



CONTACT US

With FAMS, you have 24/7 access to powerful financial modeling in an easy-to-use web-based interface that allows ultimate flexibility and control in performing multiple high-level sensitivity analyses and scenario management activities.

For more information on which FAMS product is right for you, or to purchase a subscription to FAMS or FAMS Pro, visit stantec.com/fams or contact:

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FAMS was created by Insight Analytics, a digital consulting and Software as a Service business within Stantec, that uniquely combines an analytics toolkit with Stantec's subject matter expertise to enable transformational asset operation, management, and decision-making in real time.

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A Strong History of Supporting California Communities



2000+		California projects delivered by Stantec
1580		Stantec employees in California
29		Stantec Offices in California
31		California clients who've benefited from FAMS