

October 23, 2025

Dear: Stephan Cyr,

I am reaching out to provide advanced notification regarding Property Valuation Service Corporation's (PVSC) municipal funding requirements for fiscal 2026/27.

At PVSC, our cornerstone priorities are providing reliable, objective, and valued data products and services in a secure and cost-efficient manner. Through a disciplined approach to budgeting, cost management, resource utilization, and risk management, PVSC seeks to deliver excellent value to its clients. The 2025 Canadian industry benchmarking results reflect this focus — PVSC's cost per assessment is 41% below the national average, and we lead the country in assessed properties per appraisal staff.

Like the rest of the public sector, PVSC has seen increases in operational costs, with substantial increases in the cost of benefits, cyber security, information technology and postage.

Over the past five years, operational costs have grown by 24%. Despite these pressures, municipal billing has remained relatively flat, rising only 4% in total over the last five years (from \$17.7m in 2021/22 to \$18.4m in 2025/26). The ability to maintain a modest increase has been largely due to drawdowns from our Operating Reserve. The Operating Reserve will be fully depleted by the end of this fiscal year.

After careful consideration of available options, the Board, in its fiduciary duty to the Corporation, has approved a fiscal 2026-27 budget of \$21.6M which includes \$19.9M in municipal unit recovery, an 8% increase from fiscal 2025-2026. To mitigate impacts on municipalities, the budget is also supported by a planned drawdown from PVSC's Contingency Reserve.

The forecasted increase for fiscal years 2027/28 and 2028/29 is 8% and 4%, respectively.

To assist in planning, the table below provides insights into key metrics related to your funding share.

Municipal Funding for 2021-2022	Municipal Funding for 2025-2026	2021-25 Total % Increase (decrease) in contribution
\$253,183.96	\$261,992.40	3.48%

If you have any questions regarding the funding requirements or the factors influencing this decision, please don't hesitate to reach out at servicedesk@pvsc.ca. We value transparency and are happy to provide additional information or context about our process.

Sincerely,

Scott Farmer, CEO