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Item No. 13.1.2
Audit & Finance Standing Committee
October 15, 2025

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: Brad Anguish, A/Chief Administrative Officer

DATE: October 2, 2025

SUBJECT: Funding Request – Prescott Group Society

ORIGIN

September 17, 2025 Audit and Finance Standing Committee Item 10.3.1:

MOVED by Councillor Cleary, seconded by Councillor St-Amand

THAT the Audit and Finance Standing Committee direct the Chief Administrative Officer to provide a staff report to consider funding options for the Prescott Group as one-time or annual funding.

MOTION PUT AND PASSED.

EXECUTIVE SUMMARY

In a presentation to the Audit and Finance Standing Committee meeting of September 17, 2025, the Prescott Group Society requested funding towards occupancy of leased commercial space on Clyde Street, Halifax. Although the amount of funding was not specified, the presentation alluded to the purchase of fixtures, furnishings, and tax relief.

RECOMMENDATION

It is recommended that Audit and Finance Standing Committee recommend that Halifax Regional Council:

1. Refer the Prescott Group Society's funding request towards the purchase of small equipment to the Community Grants Program for consideration in fiscal year 2026/2027; and
2. Decline the Prescott Group Society's request for tax relief.

BACKGROUND

At their meeting of September 17, 2025, the Audit and Finance Standing Committee received a presentation from the Prescott Group Society regarding their relocation to leased premises in downtown Halifax. Included in the presentation was a request for (i) “One-off direct investment in people and space” and (ii) “ongoing support in the form of tax relief for our nonprofit”.

DISCUSSION

Applicant Organization

The Prescott Group Society registered as a Canadian charity in 1990 under the category Benefit to Community/Community Resource (CRA#121697338-RR0001). The stated charitable purpose of the organization is the operation of small business enterprises in combination with programs and services for people who have intellectual and/or developmental disabilities. In March 1990, the organization also registered as a society with the Nova Scotia Registry of Joint Stocks Companies (RJSC#1966296)¹ along with related business registrations for Fireside Kitchen (RJSC#1498219) and Atlantic Bag Manufacturers (RJSC#1490331)².

In 2016, the society entered into a lease agreement with a private property owner for two commercial properties located at 3430 Prescott Street and abutting Lot A-A1, Prescott Street, Halifax, and the society's interest was registered on title. Both properties were assessed as Commercial taxable. As the expiry of the lease agreements approached, the society sought an alternate location and with the assistance of the Canadian Progress Club Halifax now lease premises at 5505 Clyde Street, Halifax, a large, privately owned residential/commercial complex. In 2025, the assessed value of the Commercial portion of the property is \$3,016,100 but the associated taxes cannot be attributed exclusively to the society's occupancy if there are other commercial tenants.

The Club Inclusion formed in 2008 and registered as a society (RJSC#3231958) under the name SCRI-Social, Cultural, Recreational Inclusion Society³ for the purpose of operating a drop-in social club to address the social isolation of youth and adults with an intellectual and/or a developmental disability. The club operated out of St. James Anglican Church Hall on Joseph Howe Drive, Halifax. Programming subsequently expanded to include a variety of activities and summer camp outings were organized from St. James and the Grace United Church Hall, Dartmouth. In 2023, the club was absorbed into the Prescott Group; its original society registration was revoked and replaced by a business registration (RJSC#4542736) and now operates as a program under the brand name Club Inclusion.

Funding Options

1. Community Grants Program

The Community Grants Program provides non-recurring project-specific grants of up to \$5,000 or up to \$25,000 towards the acquisition of property, major property improvements, or the purchase of equipment

¹ The original registered name was the Halifax Adult Services Society which was officially changed in 2013 to the Prescott Group Society.

² Additional listings include 2000 – Fireside Kindling (RJSC#3040603); 2005 – Peaceful Pursuits/Original Fabric Designs (RJSC#2076418) and Prescott Group Agency (RJSC#3097925); 2021 – North End Baking Company (RJSC#4376741); 2002 – Pinkie's Thrift (RJSC#4394233).

³ The club formally changed its name to Club Inclusion in 2016.

costing over \$5,000 per item. The program opens in January with a closing deadline of March 31⁴. Applications are evaluated in relation to the program's funding priorities, the applicant's demonstrated financial capacity, and an organization's reliance on volunteers and self-generated revenues. The program does not provide operating grants. Both the Prescott Group Society and Club Inclusion are familiar with the Community Grants Program having applied to and received funding in prior years as shown below in Table 1.

Table 1. Community Grants Funding				
Year	Organization	Funding Category	Award	Description¹
2021	Club Inclusion	Diversity and Inclusion ²	\$3,500	Small exercise equipment for fitness program.
2022	Prescott Group Society	Diversity and Inclusion	\$1,800	Wheelchair accessible picnic table(s) for outdoor patio.
2023	Club Inclusion ³	Diversity and Inclusion	\$20,000	Grant towards the purchase of an accessible passenger van.
Notes: 1. By policy, leasehold improvements are ineligible for consideration and applicants are encouraged to contact program staff to confirm the eligibility of the expenditures for which a grant is requested. 2. In 2022 the Diversity & Inclusion category was amended to Diversity & Accessibility. Accessibility grants may give preference to organizations otherwise eligible for consideration under the program's other funding categories. Funding focuses on reducing physical barriers to property owned by the applicant organization, or adaptive aids to enhance access to opportunity in programs and/or services for individuals with an intellectual, developmental, or physical disability. Excludes adaptive aids for personal ownership. 3. At the time of application (March) Club Inclusion was a registered society. Following the merger with the Prescott Group (August) the society's registration was revoked and is now a program/brand name of the Prescott Group.				

The presentation to the September 17, 2025, meeting of the Audit and Finance Standing Committee requested a "one-off direct investment in people and space". The presentation did not include a specific amount but did allude to the purchase of furniture for multi-sensory rooms, window treatments and the café, and outdoor patio furniture. Although a lower funding priority, furnishings are eligible for consideration under a project grant of up to \$5,000. The Prescott Group would be considered a Tier III applicant based on the prior year's gross revenues and paid employees. Current operations are sustained by provincial government funding (~78%), which in combination grants, sales revenues, and donations totaled over \$5M in 2025⁵.

It is important to note that a referral to the Community Grants Program does not infer any preferential consideration; all applicants are evaluated in a consistent manner compared to other organizations in the same funding category. However, any prospective applicant can contact staff in advance of any formal submission for confirmation of the organization's eligibility, and the eligibility of a project and related expenditure(s) for which a grant is requested.

2. District Activity/Capital Fund

The District Activity/Capital Fund is an annual budget allocation per electoral district that can be used at the discretion of the Councillor to provide grants to nonprofit and charitable organizations or towards municipal

⁴ In 2025 the Community Grants Program awarded sixty-four (64) grants and as of August 19, 2025, the balance remaining Operating Account M311-8006 was \$0.

⁵ Source: Canada Revenue Agency, Charities Directorate filing for 2025.

projects that are in a departmental capital or operating budget. The District Activity Fund tends to be issued in modest amounts for community events, small purchases, or advertising whereas the District Capital Fund may be used for either capital or operating purposes (Administrative Order 2017-009-ADM, Section 20).

In accordance with Section 21 of policy the expenditure of a capital grant is limited to land or a building owned (i) by a registered nonprofit or charity, (ii) the Municipality, or (iii) the Crown where the land or building is generally accessible to the public and there is demonstrated community use. A capital grant cannot be awarded for improvements to private property. However, the District Activity/Capital Fund could be used to fund equipment purchases and/or an operating grant towards property tax.

3. Fiscal 2026/27 Budget Process

The Audit and Finance Standing Committee could recommend that Regional Council refer the Prescott Group's funding request to the 2026/27 budget process for consideration.

4. Grant by Resolution of the Council.

The provision of tax relief for registered nonprofit or charitable organizations leasing property is contrary to provincial legislation which aligns tax billing with property ownership, not occupancy. Specifically, Section 71 (2) of the HRM Charter states "The Municipality may not grant a tax concession or other form of direct financial assistance to a business or industry". Hence, to comply with legislation, five (5) properties owned by a commercial/private interest were removed from the program in 2024 and existing tenants were assisted in transition through a grant of up to three years. Some organizations have since transitioned to other premises or ownership and awards were pro-rated or discontinued accordingly. Subsequent applications for tax relief from tenants of commercial/private property have been declined.

A grant by resolution of the Council to address the request from the Prescott Group Society is not recommended. To do so poses reputational risk to the Municipality with respect to consistency in decision-making relative to other applicants or inquiries, including groups providing social services. Further, such a recommendation would be contrary to Council's motion of September 9, 2025 (Item 14.1) regarding commercial leasing:

Moved by Councillor Austin, seconded by Councillor Hinch:

"THAT Halifax Regional Council direct the Chief Administrative Officer to develop a conceptual framework, eligibility criteria, and funding formula for a new grant program, including an analysis of the means to fund such a program without increasing the general tax rate through, for example, rationalization of existing municipal programs and practices".

5. Contribution Agreement

Awards granted outside an established municipal grant program may be considered under a Contribution Agreement. Typically, such requests are for property acquisition, new construction, or expansion of an existing facility but operating grants have been awarded, for example, to the Lake District Recreation Association, the Discovery Centre, and Discovery Centre International (a social enterprise of the Discovery Centre). Typically, a contribution agreement would be based on an itemized breakdown of costs for which municipal funding is sought, financial statements, and any other documentation pertinent to the project such as financing from other parties. In general practice, submissions are reviewed by an inter-departmental team and any recommendation to fund shall identify the applicable capital, operating, or reserve account.

FINANCIAL IMPLICATIONS

There are no immediate financial implications associated with the recommendations in this report. If Council elects to provide funding in fiscal 2025/26 under a Grant by Resolution of the Council or a Contribution Agreement a supplementary report may be required to confirm a funding amount and source of funds.

RISK CONSIDERATION

Except for an award issued under the District Capital Fund, there may be reputational risk to the Municipality if a grant is awarded towards property tax for commercial tenancy. Such funding may be perceived to be contrary to Regional Council's motion of September 9, 2025.

COMMUNITY ENGAGEMENT

This report addresses an unsolicited funding request. No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

That Audit and Finance Standing Committee recommend that Halifax Regional Council:

1. Direct the Chief Administrative Officer to consider the funding request as part of the 2026/27 business planning and budget process.
2. Approve a one-time operating grant to the Prescott Group Society. This may require a supplementary staff report.

LEGISLATIVE AUTHORITY

- *Halifax Regional Municipality Charter*, SNS 2008, c 39.

79A (1) Subject to subsection (2) through (4), the Municipality may only spend money for municipal purposes if

- (a) The expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality.

- *Administrative Order 2017-009-ADM Respecting District Funds.*

Part II – District Capital Fund

Section 20. A grant may be given for either capital or operating purposes.

Section 21. A grant for capital purposes may be used by the recipient on land or buildings that are owned by

- (a) The registered nonprofit or registered charity;
- (b) The Municipality; or
- (c) The Cown, where the land or buildings are generally accessible to the public with demonstrated community use.

Section 22. Subject to budget, a grant may be given in any amount.

- *Administrative Order 2019 -007-ADM Respecting Disclosure of Municipal Grants.*
- *Administrative Order 2022-005-ADM Respecting the Community Grants Program.*
- *Administrative Order 2024-001-ADM Respecting Tax Relief for Non-Profit and Registered Charitable Organizations.*

ATTACHMENTS

None.

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