

# STATE AUDITOR DOUG HOFFER

## Press Release

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### **Auditor Doug Hoffer Releases Audit of Milton Town Core TIF District**

*Errors Mean More Than \$200K Owed to TIF Fund from Municipal Coffers and State Education Fund*

MONTPELIER, VT – State Auditor Doug Hoffer released a new audit this month of Milton’s Town Core TIF district. Tax increment financing (TIF) districts allow municipalities to designate an area for public infrastructure improvements, incur debt to pay for the work, and use a portion of the area’s property tax revenue growth, which would normally pay for education, to pay back the debt. Since 2011, Milton has issued more than \$9 million of debt for public improvements including the Village Core Sewer Expansion, Hourglass, Route 7 Corridor Sidewalk Gap and Streetscape, and Southern Gateway projects.

“Generally speaking Milton has done a good job managing their TIF district,” said Hoffer. “That said, we did find some compliance issues around ineligible uses of funds and voter education that need to be addressed.”

Key findings of the audit include:

- State law requires specific disclosures at public meetings to ensure the public is sufficiently informed about what they’re being asked to vote on. For public votes held in 2015 and 2017 to obtain approval for TIF district debt, the Town did not include all legally required details in the public information notice distributed in advance of the public votes and omitted required language from the ballot in the 2017 vote.
- We examined 70 percent of \$2.1 million of TIF improvement project costs financed with general obligation bonds from FY2017-FY2023 and concluded the costs were eligible to be financed with TIF district debt.
- Due to several errors, Milton’s General Fund coffers owe the TIF Fund \$20K and Milton’s TIF Fund is owed \$185K from the State Education Fund.
- Total TIF debt payments from FY2017 to FY2023 of \$4,292,784 were allowable. However, the use of tax increment for \$68,555 of TIF district related costs was not authorized by Milton voters as required. According to town officials, after-the-fact voter approval will be sought at Town Meeting

Day 2025. If voter authorization is not obtained, the Town Core TIF Fund must be reimbursed with Milton town funds.

In 2013, the Legislature required the Auditor's Office to conduct a series of audits of each TIF district in Vermont to prevent errors and mismanagement which could negatively impact the state's Education Fund. Milton has had two TIF districts. This audit is the second the Auditor's Office has completed focused on the Town Core TIF, and looked at activities from FY2017 to FY2023.

Hoffer added: "I want to thank Milton town staff for their help completing the audit and for agreeing to adopt our recommendations. And I want to express appreciation to my team of auditors who continue to protect the interests of statewide taxpayers and make sure the Education Fund is not being used to support town projects beyond what was approved."