



RESOLUTION NO. 14-1
OFFICE OF PUBLIC TRUSTEE
COUNTY OF EL PASO
STATE OF COLORADO

RESOLUTION TO ADOPT AND APPROPRIATE THE 2015 BUDGET

WHEREAS, pursuant to Colorado Revised Statutes (CRS) 38-37-104(6), the Public Trustee of each county shall adopt a budget pursuant to the Colorado Local Government Budget Law, Part I of Article I of Title 29, CRS; and

WHEREAS, the Public Trustee of each county shall submit that budget to the Board of County Commissioners for its review; and

WHEREAS, budget estimates are to be presented to the Public Trustee no later than October 15 of each year; and

WHEREAS, the 2015 Original Adopted Budget must recognize revenues and have available fund balance sufficient to cover the appropriated expenditures set forth in the annual budget; and

WHEREAS, a Preliminary Balanced Budget for 2015 was submitted by the Senior Deputy Public Trustee (Financial) to the Public Trustee on October 24, 2014, with extra time granted by the Public Trustee to allow better preliminary estimates to be prepared; and

WHEREAS, pursuant to the notice published in accordance with CRS 29-1-106, the proposed 2014 budget has been open for inspection by the public since November 10, 2014; and

WHEREAS, a copy of the proposed 2015 budget was provided directly to the Board of County Commissioners for its review, as well as to the Governor's Office; and

WHEREAS, a public hearing was held by the Public Trustee on December 3, 2014 in order to provide interested citizens an opportunity to file or register any objections, and to review evidence and hear testimony as presented to the Public Trustee on the proposed 2014 budget; and

WHEREAS, up to and including this date, said proposed budget has been open for inspection by the public and interested citizens, and the electors have been given the opportunity to file or register any objections to said proposed budget pursuant to CRS 29-1-107; and

WHEREAS, Attachment A outlines the revenue, expenditure and fund balance details of the 2015 Public Trustee Office budget; and

WHEREAS, the Public Trustee, upon appropriation of the 2015 budget, pursuant to CRS 38-37-104(8) will be required to follow the Procurement Policy and Procedures adopted by the Board of County Commissioners for any purchase of \$20,000 or more and for any multiple year purchase agreement to the extent that such rules require an open and competitive bidding process, and be required to follow the state "Procurement Code," articles 101 to 112 of title 24 CRS for such purchases if the County Procurement Policy does not require an open and competitive bidding process.

NOW, THEREFORE, BE IT RESOLVED THAT:

- A. The Public Trustee Office is prohibited from expending or obligating funds in excess of the total amount budgeted for 2015.
- B. All approved changes as presented to the Public Trustee have been incorporated into these budgeted figures.
- C. The 2015 budget as shown in attachment A is hereby adopted by the Office of the Public Trustee.

BE IT FURTHER RESOLVED that pursuant to Section 29-1-111, CRS, the sums listed in the adopted budget shown in attachment A and as aggregated into the sub-totaled categories are hereby appropriated out of revenues now held or to be collected by the Public Trustee during 2015; and

BE IT FURTHER RESOLVED that pursuant to Section 29-1-113, CRS, a certified copy of this budget, including the budget message, shall be filed with the Colorado Department of Local Affairs, Division of Local Government, no later than January 30, 2015.

DONE THIS 3rd day of December, 2014, at Colorado Springs, Colorado

OFFICE OF THE PUBLIC TRUSTEE
EL PASO COUNTY, COLORADO

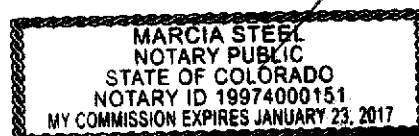
By: _____

Thomas S. Mowle, Public Trustee

Subscribed and sworn to before me this 3RD day of DECEMBER 2014, by Thomas S. Mowle, El Paso County Public Trustee.

Notary Public

My commission expires: _____



El Paso County Public Trustee Office
2015 Budget with 2013 Actuals and 2014
Projections

DESCRIPTION	2013 ACTUAL	2014 BUDGET	ACTUAL AS OF 9/30/14	PROJECTED 2014 TOTALS	2015 BUDGET	COMMENTS
Release of Deeds	660,570.00	600,000.00	304,710.00	420,000.00	480,000.00	
Foreclosure Revenue	549,828.83	354,308.00	306,068.98	379,962.00	331,078.00	
Miscellaneous	142.25	150.00	183.50	175.00	150.00	
Revenue Adjustments	(176.39)		(526.40)	(750.00)		
Interest Earned	1,259.08	1,000.00	654.91	900.00	800.00	
SUB-TOTAL	1,211,623.77	955,458.00	611,090.99	800,287.00	812,028.00	
Salaries						
Appointed Official	72,499.96	72,499.96	52,980.74	72,499.96	72,500.00	1
Salaries - Full Time	218,657.04	219,252.80	161,709.28	222,665.00	210,370.00	5 (\$113,204 1st half + 3.5% for 2nd half \$117,166)
Salaries - Part Time	33,909.21	31,861.44	0.00	0.00	20,000.00	
SUB-TOTAL	325,066.21	323,614.20	214,690.02	295,164.96	302,870.00	
Benefits						
Employer FICA & Medicare	23,979.51	24,756.54	15,872.10	21,810.00	0.00	7.65% of salaries (7.4)
Unemployment	982.02	964.00	684.00	936.00	933.92	draft was 983
Workers' Compensation Insurance	8,490.04	8,020.00	5,860.74	8,019.96	8,262.02	draft was 8421
Health Insurance	60,499.92	54,990.00	40,185.00	54,990.00	51,702.04	draft was 57740
Dental Insurance	1,933.10	2,058.00	3,701.39	5,065.06	4,546.88	draft was 5318
Disability Insurance	1,038.96	1,022.00	733.78	1,004.12	1,556.10	draft was 1054
Life Insurance	419.90	346.00	252.89	346.06	334.88	draft was 363
Retirement Fund Contributions	21,554.91	21,881.60	17,119.34	23,557.37	22,629.60	draft was 24230
SUB-TOTAL	118,898.36	114,038.14	84,409.24	115,728.57	115,510.44	draft was 123654
Salary Expense Contingency	0.00	10,000.00	0.00	0.00	10,000.00	
SALARIES/BENEFITS TOTAL	443,964.57	447,652.34	299,099.26	410,893.53	428,380.44	draft was 436524
C&R Fees	163.00	264.00	55.00	82.00	82.00	
Publications	250.52	720.00	295.00	635.00	635.00	
E-Fees	0.00	260.00	0.00	0.00	0.00	
Postage	3,177.72	3,500.00	2,121.68	2,822.00	3,000.00	(less charge backs)
Legal Fees	(335.00)	2,500.00	1,211.10	1,550.00	2,500.00	
Audit Fees	7,996.33	8,500.00	8,159.94	8,160.00	8,700.00	
Other Professional Services	0.00	0.00	0.00	0.00	35,000.00	Possible move
Furniture & Operating Equipment	0.00	2,000.00	0.00	0.00	12,600.00	(14 @ \$900)
Operating Equipment Maintenance	2,154.00	2,340.00	1,485.75	1,960.00	1,720.00	(Folder/Insertor & Copiers)

El Paso County Public Trustee Office
2015 Budget with 2013 Actuals and 2014
Projections

DESCRIPTION	2013 ACTUAL	2014 BUDGET	ACTUAL AS OF 9/30/14	PROJECTED 2014 TOTALS	2015 BUDGET	COMMENTS
Rental Office Equipment	2,664.00	2,664.00	1,998.00	2,664.00	2,664.00	(Pitney Bowes til 6/2016)
Computer & Internet Expenses	30,168.20	22,877.00	18,359.08	24,480.00	30,000.00	
Misc. Office Supplies	5,979.99	6,000.00	1,839.06	2,500.00	3,000.00	(less charge backs)
Printer Supplies	940.55	2,000.00	446.97	770.00	900.00	
Printing & Reproduction	6,333.79	3,800.00	(528.62)	(325.00)	600.00	
Copy & Computer Paper	565.62	600.00	488.98	652.00	600.00	
Telephone	0.00	360.00	58.56	100.00	100.00	
Subscriptions	89.00	89.00	89.00	89.00	89.00	
Membership & Dues	325.00	650.00	650.00	650.00	650.00	
Travel & Lodging	627.54	350.00	257.24	258.00	750.00	(5 nights + food)
Meetings & Conferences	0.00	0.00	0.00	0.00	0.00	
Mileage Reimbursement	1,315.35	1,032.00	534.80	650.00	1,000.00	
Bank Fees	32.71	0.00	0.00	0.00	0.00	
Miscellaneous	376.24	400.00	184.12	275.00	300.00	
Operating Expense Contingency	0.00	10,000.00	0.00	0.00	10,000.00	
SUB-TOTAL	62,824.56	70,906.00	37,705.66	47,972.00	114,890.00	
County Services	56,411.88	61,442.04	46,081.62	61,442.16	50,354.04	draft was 64512
TOTAL EXPENSES	563,201.01	580,000.38	382,886.54	520,307.69	593,624.48	draft was 615926
2015 BUDGET TOTAL		580,000.38		520,307.69	593,624.48	draft was 615926
Excess Revenue To Treasurer	653,291.41	375,457.62	229,173.40	279,979.31	218,403.52	draft was 196102
Reduction in Reserve Requirement	142,247.45	48,711.75	49,087.22	49,087.22	42,894.00	
TOTAL EXCESS TO TREASURER	795,538.86	424,169.37	278,260.62	329,066.53	261,297.52	draft was 238996
NET INCOME	(147,116.10)	(48,711.75)	(50,056.17)	(49,087.22)	(42,894.00)	
Beginning Fund Balance	752,467.23	605,350.00	605,350.00	605,350.00	556,262.78	
Ending Fund Balance	605,351.13	556,638.25	555,293.83	556,262.78	513,368.78	draft with county comments 11/18/14



THOMAS S. MOWLE

EL PASO COUNTY

PUBLIC TRUSTEE

105 East Vermijo Ave., Suite 101, Colorado Springs, CO 80903 (719) 520-6780 Fax (719) 520-6781

BUDGET MESSAGE

2015

EL PASO COUNTY PUBLIC TRUSTEE OFFICE

The El Paso County Public Trustee has, since 1894, been dedicated to protecting the rights of borrowers, lenders, and lien holders. The Office was created in response to abuses of Coloradans' property rights during the Panic of 1893, and continues in this mission to this day.

Colorado is unique in the United States in having an accessible public official assigned by law to protect borrower's rights during the foreclosure process – lenders are able to hire attorneys to assure that their right to foreclose is respected. In other states, a borrower would either need to work through the courts at great expense, or try to work with a Private Trustee hired by the bank. Since I am a public official, the banks cannot replace me with someone who would be less zealous at making them follow the law. Anyone can walk into my office without an appointment, call me directly, or send me email and get good honest information about their situation and their rights – all free of cost.

The primary duties of this Office are activated when a borrower and lender sign a Deed of Trust associated with a promise to repay a debt. In the Deed of Trust, the borrower grants the lender a lien on his or her property as security against the money being borrowed or owed. The borrower also grants certain powers to the Public Trustee of the County in which the property is located.

When the loan is repaid or forgiven, the lender asks the Public Trustee to release the lien. We ensure that the lender has properly documented this request, so the lien is effectively cleared from the owner's title and so no other party can claim to be owed the money. If the request is properly made, we forward the documentation to the County Clerk so the release becomes part of the public record.

Our fee for this review, set by the State Legislature, is \$15. In 2013, we earned revenue of \$660,570 for releasing 44,038 Deeds of Trust. We project that we will release 28,000 Deeds of Trust in 2014, earning revenue of \$420,000. Our 2015 budget estimates a small increase in the number of released Deeds of Trust, to 32,000, resulting in earned revenue of \$480,000.

If the loan falls into default, the lender may exercise its right to demand that the Public Trustee foreclose on the secured property. We review the filing for completeness and compliance with state law, rejecting around 15% of the initial filings. We mail notices of the sale and their rights to the borrowers, property owners, lien holders, and other interested parties, and also notify the general public of the sale. We ensure that lenders respect the borrower's right to cure their default before sale and monitor compliance with Colorado's foreclosure deferment program. Before taking the property to sale, we inspect the lender's bid to ensure that it does not reveal a previously undetectable problem with the foreclosure filing; if we find one, the foreclosure will either be delayed or even withdrawn entirely. After the public auction, we manage the rights of junior lien holders to redeem their interest in the sale. Finally, in the rare cases when an investor has purchased property for more than the amount owed, we distribute the resulting overbid to lien holders and the property owner as directed by the law.

On average, our earned revenue per foreclosure closed, after applying the charges set by the State Legislature for different steps in the process, is a bit over \$200. In 2013, we earned revenue of \$549,828.83 while closing 2,661 foreclosures. We project that we will close 1,881 foreclosures in 2014, earning revenue of \$379,962. Our 2015 budget estimates a continued decrease in the number of foreclosures closed to 1,639, resulting in earned revenue of \$331,078.

We also receive a very small amount of revenue from interest earned on deposits, revenue adjustments to balances less than \$5, and for printing copies of documents. In 2013, we earned revenue of 1,224.94 from these sources. We project that we will earn \$325 from these sources in 2014. Our 2015 budget estimates an increase in this amount, as there should be fewer revenue adjustments, to 950.

In 2013, our total revenue was \$1,211,623.77. We project that we will earn \$800,287 in 2014. Our 2015 budget estimates a continued decrease in revenue, to \$812,028.

In addition to performing our duties well and faithfully, we strive to be good stewards of the public money received. All of our operations are funded by the fees we collect for services provided, we transfer any revenue remaining after our operational expenses are paid to El Paso County. Not only do we have a moral duty to be responsible with public money, the money we save helps El Paso County provide vital services for its residents. We are therefore proud to be able to say that each year since 2007 we have reduced the cost of running this Office. Unusual expenses forecast for 2015 will unfortunately interrupt that trend.

In 2013, we spent \$443,964.57 on salaries and the El Paso County benefit package that we participate in. This covered 7.2 FTEs, including the Public Trustee. We project that we will spend \$410,893.53 on salaries and benefits in 2014, with our staffing reduced to 6.0 FTEs, including the Public Trustee. Our 2015 budget estimates \$428,380.44 for salaries and benefits. While we have reduced staffing to 5.6 FTEs, including the Public Trustee, we are leaving the full benefits package for the 6th FTE so we would be able to restore the position being eliminated in December if workload increases..

In 2013, we spent \$56,411.88 for services provided by El Paso County. These services include our office space (including security and janitorial services), use of the County Attorney, Employee Benefits, payroll services, and support for our single link to the County's computer network (used for electronic releases and payroll). We project with certainty that we will spend \$61,442.16 in 2014 for services provided by El Paso County. Our 2015 projects that we will spend \$50,354.04 for services provided by El Paso County based on the Cost Allocation Plan.

In 2013, we spent \$62,824.56 on other operating expenses. By far the largest such expense was and remains support for our CITRIX-based foreclosure processing software. Other large expenses in 2013 included our annual audit, and costs associated with printing and mailing foreclosure notices and returning documents after releasing Deeds of Trust. We project that we will spend \$47,972.00 in 2014 on other operating expenses. The savings in 2014 are due to avoiding the 2013 non-recurring costs associated with migrating our data and applications from an unsupportable server platform to "the Cloud," and recovery of some of the printing and mailing costs by billing them to files. Our budget for 2015 estimates \$114,890 for other operating expenses. This large increase is due to two infrequent costs. First, El Paso County has asked us to plan for a move to new County office space, and to budget \$35,000 to pay for that move. Second, our computer workstations were purchased in 2007 and use the now unsupported Windows XP operating system. At some point in 2015, we will need to replace our workstations; we have budgeted \$12,600 for that equipment and \$5,000 for possible software requirements.

In 2013, our total expenses were \$563,201.01. We project that our total expenses will be \$520,307.69 in 2014. Our 2015 budget estimates \$593,624.48 in total expenses. I believe in budgeting conservatively, with room left for unexpected contingencies. Our 2015 budget includes an additional \$10,000 in the salaries and benefits category, which would most likely be applied to payout of accrued leave for employees who leave the Office, overtime, or hiring a temporary worker. Our 2015 budget for includes an additional \$10,000 in the other operating costs category, which would most likely be used for unexpected legal fees or equipment failures.

Each year, what remains of our earned revenue after payment of our operating expenses ("excess revenue," in shorthand), is paid to El Paso County for use in the following year's General Fund. Those amounts are modified by any adjustments to our operational reserve, which by law must equal the prior year's total operating expenses. Calculation of excess revenue is slightly more complicated than subtracting expenses from revenue, because while our budget is based on cash accounting, we need to back out certain accruals, most prominently the postage balance in our mailing machine, from what we can actually send to the county.

In 2013, our excess revenue totaled \$795,538.86, which included a \$142,247.45 reduction in our operational reserve. We project that our 2014 excess revenue will be \$279,979.31, which includes a \$49,087.22

reduction in our operational reserve. Our 2015 budget estimates excess revenue will be \$261,297.52, including an estimated \$42,894 reduction in our operational reserve.

If you have any questions or comments about this budget, please attend our public hearing on Wednesday December 3 at 10:00 in our offices at 105 East Vermijo, Suite 101 – the hearing will immediately precede the foreclosure auction for that week. You also may call me at 719-520-6787 or submit written comments to thomasmowle@elpasopublictrustee.com.

Best regards,

A handwritten signature in black ink, appearing to be 'T. Mowle', followed by a horizontal line.

Thomas S Mowle
El Paso County Public Trustee