

RESOLUTION NO. 16-1
OFFICE OF PUBLIC TRUSTEE
COUNTY OF EL PASO
STATE OF COLORADO

RESOLUTION TO ADOPT AND APPROPRIATE THE 2017 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 2017 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 2017 was submitted by the Senior Deputy Public Trustee (Financial) to the Public Trustee on September 29, 2016; and

WHEREAS, pursuant to the notice published in accordance with CRS 29-1-106, the proposed 2017 budget has been open for inspection by the public since November 1, 2016; and

WHEREAS, a copy of the proposed 2017 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 November 30, 2016 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 2017 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 2017 Public Trustee Office budget; and

WHEREAS, the Public Trustee, upon appropriation of the 2017 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.

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El Paso County, CO



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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 2017.
- B. All approved changes as presented to the Public Trustee have been incorporated into these budgeted figures.
- C. The 2017 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 2017; and

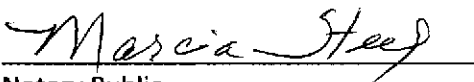
BE IT FURTHER RESOLVED that pursuant to Section 29-1-113, CRS, a certified copy of this budget, including the budget message, shall be filed with the Colorado Department of Local Affairs, Division of Local Government, no later than January 30, 2017.

DONE THIS 30th day of November, 2016, at Colorado Springs, Colorado

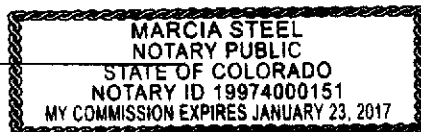
OFFICE OF THE PUBLIC TRUSTEE
EL PASO COUNTY, COLORADO

By: 
Thomas S. Mowle, Public Trustee

Subscribed and sworn to before me this 30th day of November, 2016, by Thomas S. Mowle, El Paso County Public Trustee.


Notary Public

My commission expires: _____



El Paso County Public Trustee Office
2017 Budget with
2015 Actuals and
2016 Projections

DESCRIPTION	2015 ACTUAL	2016 BUDGET	ACTUAL AS OF 08/31/16	PROJECTED 2016 TOTALS	2017 BUDGET	COMMENTS
Release of Deeds	546,615.00	570,000.00	377,010.00	570,000.00	540,000.00	
Foreclosure Revenue	303,149.79	262,196.00	205,701.18	275,326.00	248,056.00	
Miscellaneous	168.67	180.00	97.35			
Revenue Adjustments	(15.55)		9.28			
Interest Earned	633.01	660.00	392.97	540.00	600.00	
SUB-TOTAL	850,550.92	833,036.00	583,210.78	845,866.00	788,656.00	
Salaries						
Appointed Official	72,499.96	72,499.96	47,403.82	72,499.96	72,500.00	1
Salaries - Full Time	193,088.85	191,771.45	126,828.45	193,173.00	181,386.00	4
Salaries - Part Time	16,454.88	20,000.00	69.00	4,100.00	18,000.00	1
Vac/Sick Term Personnel	3,990.71		0.00		26,000.00	
SUB-TOTAL	286,034.40	284,271.41	174,301.27	269,772.96	297,886.00	
Benefits		0.00				
Employer FICA & Medicare	21,074.57	20,985.00	12,911.55	19,983.00	20,710.00	7.65% of salaries (less non-taxable estimate (7.4)
Unemployment	933.92	960.00	425.00	650.00	653.90	(Remain at 6 positions)
Workers' Compensation Insurance	8,262.02	8,676.00	2,041.36	3,122.00	3,311.88	(Remain at 6 positions - increase 6.8%)
Casualty & Liability	0.00	0.00	3,192.77	4,883.00	5,411.90	(Remain at 6 positions - increase 10.8%)
Health Insurance	51,702.04	56,880.00	33,589.45	51,372.00	57,372.12	(Remain at 6 positions - increase 11.6%)
Dental Insurance	4,546.88	4,776.00	325.55	498.00	479.96	(Remain at 6 positions - decrease 3.8%)
Disability Insurance	1,556.10	1,632.00	990.59	1,515.00	1,560.00	(Remain at 6 positions - increase 2.9%)
Life Insurance	334.88	348.00	176.46	270.00	263.90	(Remain at 6 positions - decrease 2.3%)
Retirement Fund Contributions	21,185.54	21,141.00	13,938.55	21,254.00	20,310.00	8.0% of salaries (excluding part-time)
SUB-TOTAL	109,595.95	115,398.00	67,591.28	103,547.00	110,073.66	
Salary Expense Contingency	0.00	10,000.00	0.00	0.00	10,000.00	
SALARIES/BENEFITS TOTAL	395,630.35	409,669.41	241,892.55	373,319.96	417,959.66	
C&R Fees	11.00	66.00	38.00	60.00	100.00	New
Publications	8.40	200.00	0.00	15.00	600.00	personnel
E-Fees	0.00	110.00	0.00	0.00	330.00	training
Postage	3,034.91	3,600.00	2,091.90	3,200.00	3,200.00	(less charge backs)
Legal Fees	228.00	2,500.00	919.50	1,000.00	5,000.00	
Audit Fees	9,623.30	10,500.00	10,290.14	10,290.14	11,250.00	(9% increase)
Other Professional Services	33,320.60	1,000.00	0.00	0.00	1,000.00	

El Paso County Public Trustee Office

2017 Budget with
2015 Actuals and
2016 Projections

DESCRIPTION	2015 ACTUAL	2016 BUDGET	ACTUAL AS OF 08/31/16	PROJECTED 2016 TOTALS	2017 BUDGET	COMMENTS
Furniture & Operating Equipment	14,924.34	5,000.00	5,110.96	5,110.96	5,000.00	
Operating Equipment Maintenance	2,030.00	2,184.00	1,442.64	2,170.00	2,400.00	(Folder/Inserter @ 1.10% + Copiers)
Rental Office Equipment	2,664.00	2,972.00	1,554.00	3,064.00	3,620.00	(Pitney Bowes @ \$301.67/mo)
Computer & Internet Expenses	24,511.08	24,500.00	18,433.90	27,800.00	36,000.00	(Lukave, Amazon, Century Link... outsource support)
Misc. Office Supplies	2,823.75	2,500.00	1,508.74	2,400.00	2,500.00	(less charge backs)
Printer Supplies	699.97	500.00	584.13	976.00	800.00	(2 maint kit 2016 - 1 maint kit 2017)
Printing & Reproduction	384.26	600.00	(58.69)	50.00	200.00	
Copy & Computer Paper	578.39	600.00	410.56	540.00	600.00	
Telephone	55.88	112.00	28.76	58.00	60.00	
Subscriptions	89.00	89.00	0.00	0.00	0.00	
Membership & Dues	650.00	550.00	550.00	550.00	550.00	(\$500 + \$50)
Travel & Lodging	545.38	600.00	662.68	800.00	1,500.00	(9 nights + food)
Meetings & Conferences	75.00	150.00	75.00	150.00	150.00	(\$75 x 2)
Mileage Reimbursement	570.41	690.00	512.69	785.00	1,200.00	(3 conferences + 5 Denver + parking/tolls)
Bank Fees	0.00	0.00	0.00	0.00	0.00	
Miscellaneous	471.86	360.00	290.91	360.00	360.00	
Operating Expense Contingency		10,000.00	0.00	0.00	10,000.00	
SUB-TOTAL	97,299.53	69,383.00	44,445.82	59,379.10	86,420.00	
County Services	50,354.04	56,616.00	37,743.92	56,616.00	64,651.08	(14.2% increase)
TOTAL EXPENSES	543,283.92	535,668.41	324,082.29	489,315.06	569,030.74	
2017 BUDGET TOTAL	543,283.92	535,668.41	324,082.29	489,315.06	569,030.74	
Excess Revenue To Treasurer	306,180.41	297,367.59	179,828.54	356,550.94	219,625.26	
Reduction in Reserve Requirement	28,770.05	26,621.26	39,391.98	39,391.98	5,724.00	Acct balance of \$495,039 less 2016 projected expenses of \$489,315)
TOTAL EXCESS TO TREASURER	334,950.46	323,988.85	219,220.52	395,942.92	225,349.26	
NET INCOME	(27,683.46)	(26,621.26)	39,907.97	(39,391.98)	(5,724.00)	
Beginning Fund Balance	556,733.86	529,050.40	529,050.40	529,050.40	489,658.42	
Ending Fund Balance	529,050.40	502,429.14	568,958.37	489,658.42	483,934.42	10/11/16



THOMAS S. MOWLE
EL PASO COUNTY
PUBLIC TRUSTEE

105 East Vermijo Ave., Suite 120, Colorado Springs, CO 80903 (719) 520-6780 Fax (719) 520-6781

2017 BUDGET MESSAGE

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. 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 2015, we earned revenue of \$546,615 for releasing 36,441 Deeds of Trust. We project that we will release 38,000 Deeds of Trust in 2016, earning revenue of \$570,000. Our 2017 budget estimates a small decrease in the number of released Deeds of Trust, to 36,000, resulting in earned revenue of \$540,000.

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. 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, 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, is a bit over \$200. In 2015, we earned revenue of \$303,149.79 while closing 1,577 foreclosures. We project that we will close 1,363 foreclosures in 2016, earning revenue of \$275,326. Our 2017 budget estimates a continued decrease in the number of foreclosures closed to 1,228, resulting in earned revenue of \$248,056.

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 2015, we earned revenue of \$786.13 from these sources. We project that we will earn \$540 from these sources in 2016. Our 2017 budget estimates a small increase in this amount, to \$600.

In 2015, our total revenue was \$850,550.92. We project that we will earn \$845,866 in 2016. Our 2017 budget estimates a decrease in total revenue, to \$788,656.

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 proud to say that we have consistently been able to reduce the cost of running this Office, other than due to the unusual and non-recurring expenses associated with the County-directed move in 2015.

In 2015, we spent \$395,630.35 on salaries and the El Paso County benefit package that we participate in. This covered 5.6 FTEs, including the Public Trustee. We project that we will spend \$373,319.96 on salaries and benefits in 2016, with our staffing reduced to 5.0 FTEs, including the Public Trustee. Our 2017 budget estimates \$417,959.66 for salaries and benefits. This budgetary increase is largely a contingency. While we expect to remain at 5.0 FTEs, including the Public Trustee, if there is an increase in workload we would need to hire additional part-time or full-time staff; we also purchase benefits for the 6th FTE from the County so we would be able to hire into that position if workload increases. If this additional staffing happens, revenue will have also increased.

In 2015, we spent \$50,354.04 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 link to the County's computer network (used for electronic releases and payroll). We project with certainty that we will spend \$56,616.00 in 2016 for services provided by El Paso County. Our 2017 budget projects that we will spend \$64,651.08 for services provided by El Paso County based on its Cost Allocation Plan.

In 2015, we spent \$97,299.53 on other operating expenses. Much of this was due to a set of unusual, infrequent costs. El Paso County asked us to move to new County office space, which cost \$33,320.60. We also needed to replace our 2007-vintage Windows XP workstations, at a cost of \$9,818.22. Finally, as part of the move, the County directed us to purchase a new telephone system, at a cost of \$5,106.12. We project that we will spend \$59,379.10 in 2016 on other operating expenses. Our 2017 budget projects that we will spend \$86,420.00 on other operating expenses. Much of this increase is an effort to be prudent – our 2016 expenses are projected to be only \$3.90 less than budgeted, exclusive of the \$10,000 contingency line – as well as the possibility that we may need to contract for certain computer support functions that had been previously covered in-house.

In 2015, our total expenses were \$543,283.92. We project that our total expenses will be \$489,315.06 in 2016. Our 2016 budget estimates \$569,030.74 in total expenses. I believe in budgeting conservatively, with room left for unexpected contingencies. Thus the 2016 budget includes an additional \$10,000 in the salaries and benefits category, which would most likely be applied overtime, or hiring sooner than expected into the vacant position if workload increases. Our 2016 budget 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 2015, our excess revenue totaled \$334,950.46, which included a \$28,770.05 reduction in our operational reserve. We project that our 2016 excess revenue will be \$395,942.92, which includes a \$28,770.05 reduction in our operational reserve. Our 2017 budget estimates excess revenue will be \$225,349.26, including an estimated \$5,724.00 reduction in our operational reserve.

If you have any questions or comments about this budget, please attend our public hearing on Wednesday November 30 at 10:00 in our offices at 105 East Vermijo, Suite 120. You also may call me at 719-520-6787 or submit written comments to thomasmowle@elpasopublictrustee.com.

Best regards,



Thomas S Mowle
El Paso County Public Trustee