



RESOLUTION NO. 17-1
OFFICE OF PUBLIC TRUSTEE
COUNTY OF EL PASO
STATE OF COLORADO

RESOLUTION TO ADOPT AND APPROPRIATE THE 2018 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 2018 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 2018 was submitted by the Senior Deputy Public Trustee (Financial) to the Public Trustee on September 29, 2017; and

WHEREAS, pursuant to the notice published in accordance with CRS 29-1-106, the proposed 2018 budget has been open for inspection by the public since November 1, 2017; and

WHEREAS, a copy of the proposed 2018 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 29, 2017 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 2018 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 2018 Public Trustee Office budget; and

WHEREAS, the Public Trustee, upon appropriation of the 2018 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 2018.
- B. All approved changes as presented to the Public Trustee have been incorporated into these budgeted figures.
- C. The 2018 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 2018; 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, 2018.

DONE THIS 29th day of November, 2017, at Colorado Springs, Colorado

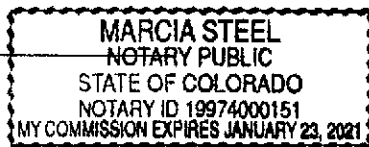
OFFICE OF THE PUBLIC TRUSTEE
EL PASO COUNTY, COLORADO

By: 
Thomas S. Mowle, Public Trustee

Subscribed and sworn to before me this 29th day of November 2017, by Thomas S. Mowle, El Paso County Public Trustee.


Notary Public

My commission expires: _____



El Paso County Public Trustee Office
2018 Budget with
2016 Actuals and
2017 Projections

DESCRIPTION	2016 ACTUAL	2017 BUDGET	ACTUAL AS OF 08/31/17	PROJECTED 2017 TOTALS	2018 BUDGET	COMMENTS
Release of Deeds	592,170.00	540,000.00	429,105.00	630,000.00	540,000.00	
Foreclosure Revenue	283,371.04	248,056.00	170,304.79	234,400.00	218,600.00	
Miscellaneous	135.85		1,449.12	1,460.00		
Revenue Adjustments	8.53		(6.10)			
Interest Earned	524.29	600.00	312.81	632.00	900.00	2018 based on approx. \$80/mo
SUB-TOTAL	876,209.71	788,656.00	601,165.62	866,492.00	759,500.00	
Salaries						
Appointed Official	72,499.96	72,499.96	47,403.82	72,499.96	72,499.96	1
Salaries - Full Time	194,862.01	181,386.00	124,423.46	187,958.06	185,379.84	4 (Mid-year increase in case of 2% COLA increase)
Salaries - Part Time	2,093.88	18,000.00	4,324.32	4,324.32	16,000.00	1
Vac/Sick Term Personnel		26,000.00	24,607.90	24,607.90	17,000.00	1
SUB-TOTAL	269,455.85	297,885.96	200,759.50	289,390.24	290,879.80	
Benefits						
Employer FICA & Medicare	19,850.42	20,710.00	14,961.03	21,415.00	21,525.00	7.65% of salaries (less non-taxable estimate (7.4)
Unemployment	650.00	653.90	286.96	438.88	406.90	(Remain at 6 positions - 7.3% decrease)
Workers' Compensation Insurance	3,122.08	3,311.88	2,157.64	3,299.92	3,216.98	(Remain at 6 positions - 2.5% decrease)
Casualty & Liability	4,883.06	5,411.90	3,526.82	5,393.96	9,226.88	(Remain at 6 positions - 71% increase)
Health Insurance	51,372.10	57,372.12	38,858.09	59,430.02	63,618.10	(Remain at 6 positions - 7% increase)
Dental Insurance	497.90	479.96	313.82	479.96	456.04	(Remain at 6 positions - 5% decrease)
Disability Insurance	1,515.02	1,560.00	640.05	978.90	978.90	(Remain at 6 positions - 0% inc/dec)
Life Insurance	269.88	263.90	172.55	263.90	288.08	(Remain at 6 positions - 9.1% increase)
Retirement Fund Contributions	21,253.93	20,310.00	14,184.95	21,618.00	21,404.00	8.3% of salaries (excluding part-time & term)
SUB-TOTAL	103,414.39	110,073.66	75,101.91	113,318.54	121,120.88	
Salary Expense Contingency	0.00	10,000.00	0.00	0.00	10,000.00	
SALARIES/BENEFITS TOTAL	372,870.24	417,959.62	275,861.41	402,708.78	422,000.68	
C&R Fees	49.00	100.00	96.00	135.00	96.00	
Publications	173.40	600.00	245.00	445.00	600.00	
E-Fees	0.00	330.00	0.00	0.00	330.00	
Postage	2,980.86	3,200.00	1,750.51	3,000.00	2,640.00	(less charge backs)
Legal Fees	1,515.00	5,000.00	589.50	900.00	5,000.00	
Audit Fees	10,290.14	11,250.00	10,714.89	10,714.89	11,785.00	(10% increase)
Other Professional Services	0.00	1,000.00	0.00	0.00	1,000.00	

El Paso County Public Trustee Office

2018 Budget with

2016 Actuals and

2017 Projections

DESCRIPTION	2016 ACTUAL	2017 BUDGET	ACTUAL AS OF 08/31/17	PROJECTED 2017 TOTALS	2018 BUDGET	COMMENTS
Furniture & Operating Equipment	6,526.02	5,000.00	0.00	5,000.00	5,000.00	
Operating Equipment Maintenance	2,170.00	2,400.00	1,542.76	2,321.00	2,570.00	(Folder/Inserters + Copiers @ 1.10%)
Rental Office Equipment	2,427.93	3,620.00	2,330.48	3,496.00	3,495.72	(Pitney Bowes @ \$291.31/mo)
Computer & Internet Expenses	28,032.00	36,000.00	19,250.82	28,880.00	29,260.00	(Lukava, Amazon, Century Link...outsource support)
Misc. Office Supplies	2,417.86	2,500.00	1,475.98	2,200.00	2,400.00	(less charge backs)
Printer Supplies	1,343.29	800.00	550.78	800.00	1,000.00	(2 maint kit 2016 - 1 maint kit 2017)
Printing & Reproduction	237.72	200.00	(198.10)	150.00	200.00	(less charge backs)
Copy & Computer Paper	580.06	600.00	329.00	500.00	600.00	
Telephone	56.51	60.00	22.13	44.00	60.00	
Subscriptions	0.00	0.00	0.00	0.00	0.00	
Membership & Dues	550.00	550.00	550.00	550.00	550.00	(\$500 + \$50)
Travel & Lodging	801.59	1,500.00	380.04	800.00	1,500.00	(9 nights + food)
Meetings & Conferences	150.00	150.00	75.00	150.00	150.00	(\$75 x 2)
Mileage Reimbursement	730.31	1,200.00	450.47	1,000.00	1,000.00	(3 conferences + 5 Denver + parking/tolls)
Bank Fees	0.00	0.00	0.00	0.00	0.00	
Miscellaneous	382.12	360.00	302.58	435.00	450.00	
Operating Expense Contingency		10,000.00	0.00	0.00	10,000.00	
SUB-TOTAL	61,413.81	86,420.00	40,457.84	61,520.89	79,686.72	
County Services	56,615.88	64,651.08	43,100.64	64,650.96	42,929.04	33.6% Reduction
TOTAL EXPENSES	490,899.93	569,030.70	359,419.89	528,880.63	544,616.44	
2018 BUDGET TOTAL	490,899.93	569,030.70	359,419.89	528,880.63	544,616.44	
Excess Revenue To Treasurer	387,685.78	219,625.30	172,987.99	337,611.37	214,883.56	
Reduction in Reserve Requirement	39,391.98	5,724.00	4,139.05	4,139.05	(13,372.00)	Increase Acct balance from \$490,900 to projected 2017 expenses of \$504,272 (retirement \$ not included)
TOTAL EXCESS TO TREASURER	427,077.76	225,349.30	177,127.04	341,750.42	201,511.56	
NET INCOME	(41,767.98)	(5,724.00)	64,618.69	(4,139.05)	13,372.00	
Beginning Fund Balance	529,050.40	487,282.42	487,282.42	487,282.42	483,143.37	
Ending Fund Balance	487,282.42	481,558.42	551,901.11	483,143.37	496,515.37	10/03/17



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

2018 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 an 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 service, set by the State Legislature, is \$15. In 2016, we earned revenue of \$592,170 for releasing 39,478 Deeds of Trust. We project that we will release 42,000 Deeds of Trust in 2017, earning revenue of \$630,000. Our 2018 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 2016, we earned revenue of \$283,371.04 while closing 1,354 foreclosures. We project that we will close 1,172 foreclosures in 2017, earning revenue of \$234,400. Our 2018 budget estimates a continued decrease in the number of foreclosures closed to 1,093, resulting in earned revenue of \$218,600.

We also receive a very small amount of revenue from interest earned on deposits, revenue adjustments, and for printing copies of documents. In 2016, we earned revenue of \$668.67 from these sources. We project that we will earn \$2,092 from these sources in 2017, as we received an unexpected and large amount of money from the Great Colorado Payback program. Our 2018 budget estimates \$900 from these sources.

In 2016, our total revenue was \$876,209.71. We project that we will earn \$866,492 in 2017. Our 2018 budget estimates a decrease in total revenue, to \$759,500.

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 ordinary costs of running this Office.

In 2016, we spent \$372,870.24 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 \$402,708.78 on salaries and benefits in 2017; this increase is due to payout of accrued leave to a retiring deputy along with some overlap in personnel for training a new deputy. Our 2018 budget estimates \$422,000.68 for salaries and benefits. This budgetary increase is largely a contingency. In addition to the possibility of another retirement, 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 enough to cover the costs.

In 2016, we spent \$56,615.88 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 link to the County's computer network (used for electronic releases and payroll). We project with certainty that we will spend \$64,650.96 in 2017 for services provided by El Paso County. Our 2018 budget projects that we will spend \$42,929.04 for services provided by El Paso County based on its Cost Allocation Plan.

In 2016, we spent \$61,413.81 on other operating expenses. We project that we will spend \$61,520.89 in 2017 on other operating expenses. Our 2018 budget projects that we will spend \$79,686.72 on other operating expenses. Much of this increase is based on maintaining a prudent contingency reserve of \$10,000, which we do not expect to spend this year, as well as maintaining a budget for possible legal services that is larger than what we typically incur.

In 2016, our total expenses were \$490,899.93. We project that our total expenses will be \$528,880.63 in 2017. Our 2018 budget estimates \$544,616.44 in total expenses. I believe in budgeting conservatively, with room left for unexpected contingencies. Thus the 2018 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 2018 budget also 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 accrual accounting, we need to back out certain accruals, most prominently the postage balance in our mailing machine, to reach the available cash amount that we can send to the county.

In 2016, our excess revenue totaled \$427,077.76, which included a \$39,391.98 reduction in our operational reserve. We project that our 2017 excess revenue will be \$341,750.42, which includes a \$4,139.05 reduction in our operational reserve. Our 2018 budget estimates excess revenue will be \$201,511.56, taking into account an estimated \$13,372.00 increase in our operational reserve.

If you have any questions or comments about this budget, please attend our public hearing on Wednesday November 29 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