



**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

**2019 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 2017, we earned revenue of \$636,945 for releasing 42,463 Deeds of Trust. We project that we will release 36,000 Deeds of Trust in 2018, earning revenue of \$540,000. Our 2019 budget estimates a continuing decrease in the number of released Deeds of Trust, to 30,000, resulting in earned revenue of \$450,000.

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 under \$200. In 2017, we earned revenue of \$237,916.08 while closing 1,214 foreclosures. We project that we will close 988 foreclosures in 2018, earning revenue of \$197,600. Our 2019 budget estimates that while the number of foreclosures filed is likely to slightly increase, there number of foreclosures closed will decrease to 953, resulting in earned revenue of \$190,600.

We also receive a very small amount of revenue from interest earned on deposits, revenue adjustments, and for printing copies of documents. In 2017, we earned revenue of \$2,096.62 from these sources. We project that we will earn \$3,900 from these sources in 2018, as interest rates have increased. Our 2019 budget estimates \$3,500 from these sources.

In 2017, our total revenue was \$876,957.70. We project that we will earn \$741,500 in 2018. Our 2019 budget estimates a continued decrease in total revenue, to \$644,100.

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El Paso County, CO



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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 2017, we spent \$404,683.53 on salaries and the El Paso County benefit package that we participate in. This covered 5.2 FTEs, including the Public Trustee. We project that we will spend \$360,997.40 on salaries and benefits in 2018; this decrease is because our FTE dropped to 4.4. Our 2019 budget estimates \$369,885.97 for salaries and benefits. This budgetary increase is largely a contingency. We expect to remain at 4.0 FTEs, including the Public Trustee, but if there is an increase in workload we would need to hire additional part-time or full-time staff person. We purchase benefits for the 5<sup>th</sup> 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 2017, we spent \$64,650.96 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 \$42,929.04 in 2018 for the same range of services provided by El Paso County. Our 2019 budget projects that we will spend \$41,464.92 for services provided by El Paso County based on its Cost Allocation Plan.

In 2017, we spent \$55,346.02 on other operating expenses. We project that we will spend \$62,930.46 in 2018 on other operating expenses. Our 2019 budget projects that we will spend \$118,654 on other operating expenses. Almost all of this budgeted increase is for costs associated with moving this Office from its current location to a County-owned facility on the near West Side. This move has been requested by the County.

In 2017, our total expenses were \$524,680.51. We project that our total expenses will be \$466,856.90 in 2017. Our 2018 budget estimates \$530,004.89 in total expenses. I believe in budgeting conservatively, with room left for unexpected contingencies. Thus the 2019 budget includes an additional \$10,000 in the salaries and benefits category, which would most likely be applied to overtime, or hiring more personnel than expected if workload increases greatly. Our 2019 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 2017, our excess revenue totaled \$359,354.59, which included a \$4,139.05 reduction in our operational reserve. We project that our 2018 excess revenue will be \$266,227.87, which accounts for a \$7,290.58 increase in our operational reserve. Our 2019 budget estimates excess revenue will be \$166,770.26, which would include an estimated \$52,675.15 decrease in our operational reserve.

If you have any questions or comments about this budget, please attend our public hearing on Wednesday November 28 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 [thomasnowle@elpasopublictrustee.com](mailto:thomasnowle@elpasopublictrustee.com).

Best regards,



Thomas S Mowle  
El Paso County Public Trustee

RESOLUTION NO. 18-1  
OFFICE OF PUBLIC TRUSTEE  
COUNTY OF EL PASO  
STATE OF COLORADO

RESOLUTION TO ADOPT AND APPROPRIATE THE 2019 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 2019 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, the Public Trustee drafted a preliminary budget estimate by October 9, 2018, and finalized it after discussions with the County on October 23, 2018; and

WHEREAS, pursuant to the notice published in accordance with CRS 29-1-106, the proposed 2019 budget has been open for inspection by the public since November 7, 2018; and

WHEREAS, a copy of the proposed 2019 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 28, 2018 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 2019 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 2019 Public Trustee Office budget; and

WHEREAS, the Public Trustee, upon appropriation of the 2019 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 2019.
- B. All approved changes as presented to the Public Trustee have been incorporated into these budgeted figures.
- C. The 2019 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 2019; and

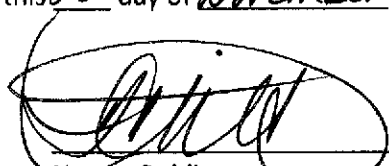
BE IT FURTHER RESOLVED that pursuant to Section 29-1-113, CRS, a certified copy of this budget, including the budget message, shall be filed with the Colorado Department of Local Affairs, Division of Local Government, no later than January 30, 2019.

DONE THIS 28<sup>th</sup> day of November, 2018, at Colorado Springs, Colorado

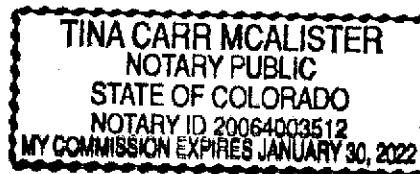
OFFICE OF THE PUBLIC TRUSTEE  
EL PASO COUNTY, COLORADO

By:   
Thomas S. Mowle, Public Trustee

Subscribed and sworn to before me this 28<sup>th</sup> day of November, 2018, by Thomas S. Mowle, El Paso County Public Trustee.

  
Notary Public

My commission expires: 1/30/2022



El Paso County Public Trustee Office

2019 Budget with

2017 Actuals and

2018 Projections

DESCRIPTION	2017 ACTUAL	2018 BUDGET	ACTUAL AS OF 08/31/18	PROJECTED 2018 TOTALS	2019 BUDGET	COMMENTS
Release of Deeds	636,945.00	540,000.00	382,500.00	540,000.00	450,000.00	Expecting 36K in 2018, 30K in 2019
Foreclosure Revenue	237,916.08	218,600.00	170,051.65	197,600.00	190,600.00	Expecting 925 starts in 2018, 1000 in 2019
Miscellaneous	1,451.92		97.01	150.00		
Revenue Adjustments	(4.39)		2.00			
Interest Earned	649.09	900.00	2,512.43	3,750.00	3,500.00	
<b>SUB-TOTAL</b>	<b>876,957.70</b>	<b>759,500.00</b>	<b>555,163.09</b>	<b>741,500.00</b>	<b>644,100.00</b>	
Salaries						
Appointed Official	72,499.96	72,499.96	50,192.28	72,499.96	72,499.96	1
Salaries - Full Time	189,865.17	185,379.84	112,359.18	153,782.06	171,643.73	4 (+1 current; 3% mid-year COLA)
Salaries - Part Time	4,324.32	16,000.00	0.00	0.00	0.00	
Vac/Sick Term Personnel	24,607.90	17,000.00	19,459.44	19,459.44	0.00	
<b>SUB-TOTAL</b>	<b>291,297.35</b>	<b>290,879.80</b>	<b>182,010.90</b>	<b>245,741.46</b>	<b>244,143.69</b>	
Benefits						
Employer FICA & Medicare	21,550.36	21,525.00	13,585.50	18,352.50	18,676.99	7.65% of salaries (less non-taxable estimate (7.4)
Unemployment	438.88	406.90	256.14	369.98	340.58	(Remain at 6 positions - 7.3% decrease)
Workers' Compensation Insurance	3,299.92	3,216.98	2,225.70	3,214.90	2,778.88	(Remain at 6 positions - 2.5% decrease)
Casualty & Liability	5,393.96	9,226.88	6,383.16	9,220.12	9,747.92	(Remain at 6 positions - 71% increase)
Health Insurance	59,430.02	63,618.10	44,010.72	63,571.04	61,168.90	(Remain at 6 positions - 7% increase)
Dental Insurance	479.96	456.04	315.72	456.04	691.08	(Remain at 6 positions - 5% decrease)
Disability Insurance	978.90	978.90	677.70	978.90	837.98	(Remain at 6 positions - 0% inc/dec)
Life Insurance	263.90	288.08	199.44	288.08	235.04	(Remain at 6 positions - 9.1% increase)
Retirement Fund Contributions	21,550.28	21,404.00	13,508.26	18,804.38	21,264.91	8.3% of salaries (excluding part-time & term)
<b>SUB-TOTAL</b>	<b>113,386.18</b>	<b>121,120.88</b>	<b>81,162.34</b>	<b>115,255.94</b>	<b>115,742.29</b>	
Salary Expense Contingency	0.00	10,000.00	0.00	0.00	10,000.00	
<b>SALARIES/BENEFITS TOTAL</b>	<b>404,683.53</b>	<b>422,000.68</b>	<b>263,173.24</b>	<b>360,997.40</b>	<b>369,885.97</b>	
C&R Fees	153.00	96.00	0.00	26.00	104.00	
Publications	509.60	600.00	352.28	552.28	800.00	
E-Fees	0.00	330.00	0.00	110.00	440.00	
Postage	2,486.50	2,640.00	1,746.91	2,625.00	3,000.00	(less charge backs)
Legal Fees	589.50	5,000.00	1,590.50	4,600.00	5,000.00	
Audit Fees	10,714.89	11,785.00	12,850.00	12,850.00	14,135.00	(10% increase)
Other Professional Services	0.00	1,000.00	0.00	0.00	31,000.00	moving costs (\$30K)

El Paso County Public Trustee Office

2019 Budget with

2017 Actuals and

2018 Projections

DESCRIPTION	2017 ACTUAL	2018 BUDGET	ACTUAL AS OF 08/31/18	PROJECTED 2018 TOTALS	2019 BUDGET	COMMENTS
Furniture & Operating Equipment	0.00	5,000.00	0.00	0.00	5,000.00	
Operating Equipment Maintenance	2,321.00	2,570.00	533.87	800.00	1,000.00	
Rental Office Equipment	3,495.72	3,495.72	2,330.48	3,495.72	3,850.00	(Pitney Bowes - 10% increase)
Computer & Internet Expenses	28,860.59	29,260.00	19,948.66	29,922.99	33,000.00	(Lukava, Amazon, Century Link - 10% increase)
Misc. Office Supplies	2,423.59	2,400.00	1,360.55	2,040.00	2,500.00	(less charge backs)
Printer Supplies	550.78	1,000.00	66.08	100.00	1,000.00	
Printing & Reproduction	80.35	200.00	2,001.74	3,000.00	3,000.00	(less charge backs)
Copy & Computer Paper	509.07	600.00	165.77	250.00	600.00	
Telephone	33.34	60.00	19.09	80.00	100.00	
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	698.33	1,500.00	476.48	635.00	1,575.00	(9 nights + food)
Meetings & Conferences	150.00	150.00	187.14	262.14	150.00	(\$75 x 2)
Mileage Reimbursement	797.15	1,000.00	367.33	581.33	1,400.00	(4 conferences + 5 Denver + parking/tolls)
Bank Fees	0.00	0.00	0.00	0.00	0.00	
Miscellaneous	422.61	450.00	256.97	450.00	450.00	
Operating Expense Contingency	0.00	10,000.00	0.00	0.00	10,000.00	
SUB-TOTAL	55,346.02	79,686.72	44,803.85	62,930.46	118,654.00	
County Services	64,650.96	42,929.04	28,619.36	42,929.04	41,464.92	
TOTAL EXPENSES	524,680.51	544,616.44	336,596.45	466,856.90	530,004.89	
2018 BUDGET TOTAL	524,680.51	544,616.44	336,596.45	466,856.90	530,004.89	
2019 Excess Revenue To Treasurer	355,215.54	214,883.56	163,518.45	273,518.45	114,095.11	
Reduction in Reserve Requirement	4,139.05	(13,372.00)	(7,290.58)	(7,290.58)	52,675.15	Decrease Acct balance from \$498,190.51 to projected 2018 expenses of \$447,397.46 (retirement \$ not included)
TOTAL EXCESS REV TO TREASURER	359,354.59	201,511.56	156,227.87	266,227.87	166,770.26	
NET INCOME	(7,077.40)	13,372.00	62,338.77	8,415.23	(52,675.15)	
Beginning Fund Balance	487,282.00	480,204.60	480,204.60	480,204.60	488,619.83	
Ending Fund Balance	480,204.60	493,576.60	542,543.37	488,619.83	435,944.68	10/23/18