

RESOLUTION NO. 12-1  
OFFICE OF PUBLIC TRUSTEE  
COUNTY OF EL PASO  
STATE OF COLORADO

RESOLUTION TO ADOPT AND APPROPRIATE THE 2013 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 2013 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 2013 was submitted by the Senior Deputy Public Trustee (Financial) to the Public Trustee on August 15, 2012, as required by CRS 29-1-105; and

WHEREAS, pursuant to the notice published in accordance with CRS 29-1-106, the proposed 2013 budget has been open for inspection by the public since September 4, 2012; and

WHEREAS, a copy of the proposed 2013 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 September 26, 2012 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 2013 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, the El Paso County Budget Officer has provided precise figures for the cost of County services to be provided to the Public Trustee Office as well as precise figures for the cost of benefits provided to the Public Trustee Office, both of which are paid for as expenditures of this Office; and

WHEREAS, the Governor's proposed budget for the State of Colorado includes a 1.5% Cost of Living Adjustment and a 1.5% rewards pool for top performers, and the Governor's Office has advised that those provisions would apply to this Office if the budget passes as proposed; and

WHEREAS, Attachment A outlines the revenue, expenditure and fund balance details of the 2013 Public Trustee Office budget, as adjusted to reflect the information provided by the El Paso County Budget Officer and the Governor's Office; and

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WHEREAS, all expenditure changes made to the Preliminary Balanced Budget balance to revenues and available fund balances are incorporated in the Original Adopted Budget, as required by CRS 29-1-103 (2); and

WHEREAS, the Public Trustee, upon appropriation of the 2013 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 2013.
- B. All approved changes as presented to the Public Trustee have been incorporated into these budgeted figures.
- C. The 2013 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 2013; and

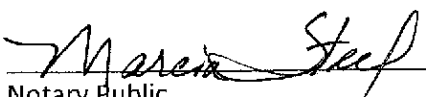
BE IT FURTHER RESOLVED that pursuant to Section 29-1-113, CRS, a certified copy of this budget, including the budget message, shall be filed with the Colorado Department of Local Affairs, Division of Local Government, no later than January 30, 2013.

DONE THIS 28<sup>th</sup> day of November, 2012, 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 Nov., 2012 by Thomas S. Mowle, El Paso County Public Trustee.

  
Notary Public

My commission expires: 01/23/2013

El Paso County Public Trustee Office  
2013 Budget with 2011 Actuals and 2012 Projections

DESCRIPTION	2011 ACTUAL	2012 BUDGET	ACTUAL AS OF 6/30/12	PROJECTED 2012 TOTALS	2013 BUDGET	COMMENTS
Release of Deeds	480,600.00	540,000.00	286,470.00	570,000.00	600,000.00	Estimate 40,000 releases
Foreclosure Revenue	838,354.85	634,000.00	373,280.33	675,800.00	591,400.00	Estimate 2,700 Foreclosure starts
Miscellaneous	1,253.67	0.00	262.75	520.00	520.00	
Revenue Adjustments	(733.92)	0.00	116.63	200.00	200.00	
Interest Earned	855.78	1,002.00	806.42	1,600.00	1,300.00	Smaller reserve = less interest
<b>SUB-TOTAL</b>	<b>1,320,330.38</b>	<b>1,175,002.00</b>	<b>660,936.13</b>	<b>1,248,120.00</b>	<b>1,193,420.00</b>	
Salaries	464,032.61	434,248.00	188,060.67	357,000.00		
Appointed Official					72,500.00	1
Salaries - Full Time					252,811.00	6
Salaries - Part Time					42,400.00	2
<b>SUB-TOTAL</b>	<b>464,032.61</b>	<b>434,248.00</b>	<b>188,060.67</b>	<b>357,000.00</b>	<b>367,711.00</b>	based on Governor's proposed budget
Benefits	159,402.91	155,029.00	71,041.53	142,083.06		
Employer FICA & Medicare					28,130.00	7.5% of salaries
Unemployment					1,121.00	from EPC Cost Allocation Plan
Workers' Compensation Insurance					8,676.00	from EPC Cost Allocation Plan
Health Insurance					68,211.00	from EPC Cost Allocation Plan
Dental Insurance					5,859.00	from EPC Cost Allocation Plan
Disability Insurance					1,223.00	from EPC Cost Allocation Plan
Life Insurance					441.00	from EPC Cost Allocation Plan
Retirement Fund Contributions					32,660.00	from EPC Cost Allocation Plan
<b>SUB-TOTAL</b>	<b>159,402.91</b>	<b>155,029.00</b>	<b>71,041.53</b>	<b>142,083.06</b>	<b>146,321.00</b>	
<b>SALARIES/BENEFITS TOTAL</b>	<b>623,435.52</b>	<b>589,277.00</b>	<b>259,102.20</b>	<b>499,083.06</b>	<b>514,032.00</b>	
C&R Fees	243.00	996.00	159.00	318.00	300.00	
Publications	150.00	996.00	462.00	900.00	900.00	
E-Fees	65.00	260.00	130.00	260.00	260.00	
Postage	3,831.90	4,400.00	2,004.96	4,009.92	4,100.00	
Legal Fees	2,180.00	45,000.00	216.00	1,300.00	2,500.00	
Audit Fees	7,472.40	7,500.00	6,335.00	7,850.00	8,200.00	Audit goes up every year
Other Professional Services	0.00		0.00	0.00	200.00	
Furniture & Operating Equipment	6,038.17	6,000.00	0.00	0.00	2,000.00	Eventually something will break
Operating Equipment Maintenance	2,883.21	4,000.00	1,073.72	2,147.44	2,350.00	
Rental Office Equipment	3,008.15	3,000.00	1,332.00	2,664.00	2,664.00	
Computer & Internet Expenses	26,401.27	21,000.00	10,062.10	20,124.20	20,175.00	
Misc. Office Supplies	4,766.77	7,000.00	4,539.12	8,500.00	8,700.00	
Printer Supplies	1,458.08	2,500.00	1,431.38	2,862.76	3,000.00	

El Paso County Public Trustee Office  
2013 Budget with 2011 Actuals and 2012 Projections

DESCRIPTION	2011 ACTUAL	2012 BUDGET	ACTUAL AS OF 6/30/12	PROJECTED 2012 TOTALS	2013 BUDGET	COMMENTS
Printing & Reproduction	6,015.85	7,000.00	3,845.00	7,690.00	7,000.00	Fewer F/C = Fewer mailings
Envelopes & Stationery	3,815.67	0.00	0.00	0.00		
Copy & Computer Paper	1,397.14	2,000.00	513.91	1,027.82	1,300.00	
Telephone	220.80	200.00	129.04	258.08	260.00	
Subscriptions	98.00	100.00	98.00	98.00	98.00	
Membership & Dues	925.00	1,000.00	350.00	350.00	350.00	
Travel & Lodging	417.37	750.00	369.33	1,500.00	5,000.00	More PTAC travel - on Exec Board
Meetings & Conferences	833.67	300.00	60.00	500.00	500.00	
Bank Fees	7,084.24	0.00	0.00	0.00	0.00	
Miscellaneous	2,045.59	1,000.00	106.82	300.00	400.00	
<b>SUB-TOTAL</b>	<b>81,351.28</b>	<b>115,002.00</b>	<b>33,217.38</b>	<b>62,660.22</b>	<b>70,257.00</b>	
County Services	49,748.88	61,664.04	24,788.04	49,576.08	56,412.00	from EPC Cost Allocation Plan
<b>TOTAL EXPENSES</b>	<b>754,535.68</b>	<b>765,943.04</b>	<b>317,107.62</b>	<b>611,319.36</b>	<b>640,701.00</b>	
Contingency - Salaries (termination payout, overtime, temps, etc.)					10,000.00	
Contingency - Operational (legal fees)					10,000.00	
<b>2013 BUDGET TOTAL</b>					<b>660,701.00</b>	
Excess Revenue To Treasurer	562,432.93		164,426.77	636,800.64	532,719.00	
Reduction in Reserve Requirement	59,887.36		13,265.47	13,265.47	143,216.32	estimate based on 2012 projection
<b>TOTAL EXCESS TO TREASURER</b>	<b>622,320.29</b>		<b>177,692.24</b>	<b>650,066.11</b>	<b>675,935.32</b>	
<b>NET INCOME</b>	<b>(56,525.59)</b>			<b>(13,265.47)</b>	<b>(143,216.32)</b>	
Beginning Fund Balance	834,502.46			777,976.87	764,711.40	
Ending Fund Balance	777,976.87			764,711.40	621,495.08	Adopted Final 11/16/12



**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**

2013

**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 lienholders. 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 2011, we earned revenue of \$480,600 for releasing 32,040 Deeds of Trust. We project that we will release 38,000 Deeds of Trust in 2012, earning revenue of \$570,000. Our 2013 budget estimates a continued increase in the number of released Deeds of Trust, to 40,000, resulting in earned revenue of \$600,000.

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, lienholders, 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 lienholders 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 lienholders 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 2011, we earned revenue of \$838,354.85 while closing 4,151 foreclosures. We project that we will close 3,379 foreclosures in 2012, earning revenue of \$675,800. Our 2013 budget estimates a continued decrease in the number of foreclosures closed to 2,957, resulting in earned revenue of \$591,400.

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 2011, we earned revenue of 1,375.53 from these sources. We project that we will earn \$2,320 from these sources in 2012. Our 2013 budget estimates a decrease in this amount, reflecting the decrease in the interest on our smaller operational reserve, to \$2,020.

In 2011, our total revenue was \$1,320,330.38. We project that we will earn \$1,248,120 in 2012. Our 2013 budget estimates a continued slight decrease in revenue, to \$1,193,420.

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. In the first half of 2012, we did about the same amount of work as we did in the mid-part of 2007, and we did it while spending 45% less money, and employing a 43% smaller staff – we have limited the size of our government office while actually improving the quality of the service provided. Not only have we reduced the overall cost of running the office, we have even been able to annually reduce costs in each of our three major categories: salaries and benefits, county-provided services, and other operating expenses.

In 2011, we spent \$623,435.52 on salaries and the El Paso County benefit package that we participate in. This covered 11 Full Time Equivalents at the start of the year, reduced in two steps during the year to 10 and then 8.2 FTEs by the end of the year. We project that we will spend \$499,083.06 on salaries and benefits in 2012, assuming that the current staffing level is maintained for the rest of the year – which it will be, unless we have a tremendous and sudden change in workload in the next few months. Our 2013 budget estimates \$486,425.00 for salaries and benefits. This assumes that the cost per employee of the El Paso County benefits package increases, as it has every year, but it offsets that cost by reducing our authorized FTEs from 8 to 7, reflecting actual employment. The salary line for 2013 is slightly higher than our projection for 2012 because we had one full-time employee take unpaid leave this year, and a part-time employee also take two weeks away from work. Our 2013 budget assumes that each employees receives pay for all the hours assigned.

In 2011, we spent \$49,748.88 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 \$49,576.08 in 2012 for services provided by El Paso County. Our 2013 budget estimates \$55,000 for services provided by El Paso County – the County has not given us the next Cost Allocation Plan on which this is based, but a 10% increase seems likely.

In 2011, we spent \$81,351.28 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 2011 included bank fees, which have now been eliminated, 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 \$62,660.22 in 2012 on other operating expenses, with a similar breakdown of the major expenses (excepting the bank fees). Our budget for 2013 estimates \$70,257.00 for other operating expenses. While, most line items are estimated to be similar in 2013 to our projections for 2012, there are a few exceptions. Travel expenses will increase as I have been elected to the Executive Board of the Public Trustees' Association of Colorado (PTAC), and thus will attend more meetings and staying longer at conferences than I otherwise would. I also am now co-chair of the PTAC Legislative Committee, which will mean more travel to Denver for testimony and meetings. We do not anticipate using any of our 2012 budget for replacing operating equipment that breaks, but it remains in the 2013 budget. We also may see more legal fees in 2013 than in 2012, but the difference is small.

In 2011, our total expenses were \$754,535.68. We project that our total expenses will be \$625,440.70 in 2012. Our 2013 budget estimates \$611,682.00 in total expenses. I believe in budgeting conservatively, with room left for unexpected contingencies. Our 2013 budget for expenditures leaves an additional \$10,000 in the salaries and benefits category, which would be applied to payout of accrued leave for employees who leave the Office, overtime,

or hiring a temporary worker. Our 2013 budget for expenditures leaves an additional \$10,000 in the other operating costs category, which would be used for unexpected legal fees. This leaves our final budget total at \$631,682.00

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 2011, our excess revenue totaled \$622,320.29, which included a \$59,887.36 reduction in our operational reserve. We project that our excess revenue will be \$636,385.87, which includes a \$13,265.87 reduction in our operational reserve. Our 2013 budget estimates excess revenue will be \$704,954.32, including an estimated \$143,216.32 reduction in our operational reserve.

If you have any questions or comments about this budget, please attend our public hearing on Wednesday September 26 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](mailto:thomasmowle@elpasopublictrustee.com).

Best regards,



Thomas S Mowle  
El Paso County Public Trustee