

Finance Subcommittee

February 4, 2020

The ESS Finance Subcommittee held a meeting via teleconference on Tuesday, February 4, 2020.

Members Present: Sheri Jones, Laura McKeever, Amy Assink, Deb Kupka and Jo Greiner

Other Participants: Phil Dunshee, Lisa Long, Kati Ross and Gary Wilgenbusch

Meeting Summary

The Subcommittee reviewed the January 3, 2020 Meeting Summary. Sheri Jones made a motion to approve. Amy Assink seconded, and the motion was approved.

Accounts Receivable Reports

The Subcommittee reviewed a list of receivables that need to be addressed prior to the upcoming audit. The report provided an itemized list and description of receivables totaling \$3,072.64 for various e-submission customers. These items were to be written off as of December 31, 2019. After reviewing the background associated with the receivables, Deb Kupka made a motion to approve the action as presented. Jo Greiner seconded, and the motion was approved.

Monthly Expenditure Report & Monthly Credit Card Report

The Project Manager reminded the Subcommittee that there are no longer AP tables, and that bills are being paid as they are received. A monthly Expenditure Summary report is being provided to review all expenses, most of which are budgeted expenses. The Subcommittee reviewed the February monthly Expenditure Summary report and the monthly credit card report. Jo Greiner made a motion to approve the monthly Expenditure Summary report and the monthly credit card report. Sheri Jones seconded, and the motion was approved.

Fund 255 Reimbursement Invoice

The Subcommittee reviewed the proposed monthly Fund 255 reimbursement invoice in the amount of \$62,219.37. Bills included Oasis, \$50,365.01; Intuit, \$3,477.50; Mismo, \$2,500.00 and CSI, \$5,876.86. Amy Assink made a motion to approve the February reimbursement invoice. Deb Kupka seconded, and the motion was approved.

December & Quarterly Financial Reports

The Subcommittee reviewed the December, quarterly and annual financial reports. Jo Greiner made a motion to approve the monthly, quarterly and annual financial reports as presented. Laura McKeever seconded, and the motion was approved.

BOA Reserve Fund Policy

The Subcommittee discussed the restructuring of the BOA chart of accounts to include several new reserve accounts. It was recommended that the reserve accounts be created and that the funds from the 255 Reserve account be transitioned to the Bank of America account where additional reserves are needed for cash flow and other purposes. The Subcommittee was made aware that the Standards Subcommittee had reviewed and approved the creation of the policy for the new BOA reserve accounts. If approved by the Finance Subcommittee, the policy would be taken to the full ESS Coordinating

Committee for final approval. Deb Kupka made a motion to approve an amendment to the reserve fund policy and recommend adoption by the ESS Coordinating Committee. Amy Assink seconded, and the motion was approved.

Assignment of Credits – Cost Sharing

The Project Manager presented a memo regarding the assignment of credits for costing sharing for annual local service provider maintenance. It was reported that \$120,000 was budgeted for this activity. The formula to determine the cost share amount for each county is based on their percentage of electronically recorded documents compared to the statewide average. It was reported that in 2019 that the state average of documents electronically recorded was 45%. It was proposed that counties would again receive at least as much as they received in the previous year, and if they exceeded the state average, they would see an increase in their cost share amount. Changes to this formula may occur next year, but for now this will ensure that all counties receive at least as much as they did in the previous year. Invoices will be sent to counties in the near future. Sheri Jones made a motion to approve the recommendation for the 2020 cost sharing amount and to recommend adoption by the ESS Coordinating Committee for approval. Amy Assink seconded, and the motion was approved.

Cost Allocation Report

The Project Manager presented the Subcommittee with a BOA Cost Allocation report for the CY 2020 budget. Currently the Iowa Code relating to the E-Submission service fee appears to require that any income from Iowa Land Records E-Submission be used only for E-Submission activities. The report is designed to show how expenditures are associated with the primary sources of revenue (Fund 255, POS services, or E-Submission).

Pending Equipment Purchase

The Subcommittee was made aware that maintenance for the storage equipment at our data center was set to expire in July. At that point we would need to purchase a \$40,000 per year maintenance agreement to cover the storage equipment. A proposal for new storage equipment was shared. The proposal outlined the cost for new storage equipment plus a three-year maintenance period for \$88,406. The Subcommittee expressed support for the purchase of the new equipment which includes the three years of maintenance for the devices. Reserve funds will be used for this purpose.

ICRA Budget Analysis Project

Subcommittee members discussed the proposed creation of a working group to examine recording fee income and expenses. Members of the Finance Subcommittee were encouraged to join the working group.

Metrics

Iowa Land Records saw historic E-Submission levels in 2019. So far in 2020 e-submission is off to a good start when compared with previous years. The goal of having 50% of all documents electronically recorded by the end of 2020 remains. In 2019 45% of all documents were electronically recorded.

The meeting was adjourned at 9:42 AM

The next meeting of the Finance Subcommittee is a teleconference scheduled for March 5th at 8:30 AM.