

## ESS Coordinating Committee

### Meeting Summary

August 9, 2022

#### Participants

Nancy Booten, Lee County Recorder  
Haggerty, Polk County Recorder  
Eric Sloan, ICIT  
Jolynn Goodchild, Plymouth County Recorder  
Lindsay Laufersweiler, Webster County Recorder  
Julie Haggerty, Polk County

David Erickson, Dentons Davis Brown  
Natalie Steffener, Des Moines County Recorder  
Denise Baker, Wright County Recorder  
Melissa Bahnsen, Cedar County Recorder  
Jamie Stargell, Adams County Recorder

#### Other Participants

Sheri Jones, Jones County Recorder  
Lisa Long, Iowa Land Records  
Phil Dunshee, Iowa Land Records

Robert Endriss, Denman & Company LLC  
Kati Ross, Iowa Land Records  
Kati New, CPA

#### Welcome

A meeting of the ESS Coordinating Committee was held in person and via web conference. The meeting was called to order by Chair Nancy Booten and introductions were made.

#### Meeting Summary

The May 10, 2022, meeting summary was reviewed. Denise Baker made a motion to approve the meeting summary as presented. Lindsay Laufersweiler seconded, and the motion was approved.

#### Financial Reports

##### 2<sup>nd</sup> Quarter 2022 Financial Reports

The Iowa Land Records team provided the Subcommittee with the second quarter financial reports for 2022. Jolyn Goodchild made a motion to approve the financial reports. Julie Haggerty seconded, and the motion was approved.

##### CY 2021 Audit

Denman & Company, LLP presented the annual independent audit report, conducted under *Government Auditing Standards*. The audit report did not identify any significant issues, recording fee income increased by 50.6% on 2020 and 29% in 2021. Julie Haggerty made a motion to approve the CY 2021 audit report. Lindsay Laufersweiler seconded the motion, and it was approved.

##### Treasury Management Account and 990 Return Status

The Project Manager provided an update on treasury management services. The process of transitioning accounts from Bank of America to Bankers Trust is proceeding successfully. The Bankers Trust account for the Electronic Services System was set up by following the final adoption of the 28E agreement amendment. \$100,000 has been initially deposited into the new Bankers Trust, and a total of \$450,000 will be transferred before E-Submission activities are transitioned. All E-Submission fees and other

income will be deposited into the Bankers Trust account thereafter. The Bank of America account will then be closed by the end of the calendar year.

A status update was provided on the 990 tax return. Katie New (CPA) provided a draft of the 990 tax return to the Committee. The team will now proceed with filing the return following the release of the audit report. This is a return for the 2021 tax period and, the aim is to conclude this process in once the treasury management transition is completed.

### **ILR Budget Review and Action**

#### **Revenue/Expenses Trends**

The Project Manager reviewed the e-submission trends chart, which is consistent with previous patterns, but overall activity has declined. It was noted that changes in the marketplace have led to changes in overall recording and electronic recording. It is predicted that we will continue to see a lower level of activity given current economic conditions (high inflation, higher interest rates, and a lower level of refinancing).

#### **BOA CY 2022 Budget Amendment**

The Project Manager presented the Committee with a proposed amendment to the calendar year 2022 budget. Notable changes include increased insurance premiums for cybersecurity and health care benefits, and increased expenses for system equipment and office technology. However, overall expenses are projected to be \$32,212.47 lower and net income is projected to be \$47,368.50 higher than was estimated in May. Julie Haggerty made a motion to approve the recommended budget amendment for CY 2022. Jolynn Goodchild seconded the motion, and it was approved.

#### **BOA Reserve Fund Allocations**

During the May meeting, approval was given for expenditure of up to \$350,000 in reserve funds for a series of one-time software development and equipment maintenance reserve projects. The funds have not yet been used, but will be allocated to developments associated with the Iowa Land Records search application.

### **Contracts & Agreements**

#### **Iowa Department of Revenue (IDR) E-Submission Contract**

The Project Manager informed the Committee that the contract with the Iowa Department of Revenue was ready for renewal. The project manager had proposed a 28E agreement, but the Department preferred to create a new 3-year contract. The new contract, with provisions very similar to the previous agreement, was presented to the Committee. A confidentiality agreement with the Department will need to be signed by ESS employees. Liens and Lien Releases are considered to be confidential information until they are recorded. Lindsay Laufersweiler moved to approve the new agreement with the Department as presented. Julie Haggerty seconded. The motion was approved.

#### **ESS – ICRA Memorandum of Understanding**

The Project Manager presented a proposed Memorandum of Understanding (MOU) between ESS and the Iowa County Records Association. ESS and ICRA are separate organizations with different sources of funding and different obligations and responsibilities. However, their mission and purposes are compatible, and there are substantial opportunities for collaboration between the organizations. It was suggested that to provide for the necessary accounting of sources and uses of funding for any activity, it

is prudent and necessary to set out a description of the respective duties and responsibilities of each organization. The agreement details the scope of activity, provides for the tracking of time, and for invoicing the Association for the value of any service provided by ESS personnel. The estimated budget for this MOU is \$30,375.00 per year. The arrangement could be terminated by either party for any reason. Lindsay Laufersweiler motioned to approve the new MOU between ESS and ICRA as presented, Denise Baker seconded. The motion was approved. The Chair will communicate with ICRA leadership about next steps.

### **Office Operations**

The Project Manager presented possible changes in office operations that would facilitate the transition of ESS activities to a new location at the appropriate time. Generally, the changes would provide the necessary business infrastructure to operate independently with respect to IT support, telecommunications and printing/copying. Recommended changes are described as follows.

**ESS – Multi-function Printer Lease Authorization.** The current lease for the Konica Minolta printer will expire in December 2022. The project Manager presented a new lease agreement with a cost of \$335 per month all inclusive for ESS purposes. The fee included unlimited printing (excluding paper), ink supply and maintenance services. The monthly amount is less than the cost of the current lease, based on a 48-month term.

**ESS Phone Service Authorization** A proposal for a new phone service was presented. The current phone system is more than 10 years old, and does not effectively support remote work, and is inadequate for multiple support team members. As a part of the new phone service, employees will have access to portable VOIP equipment and work phone numbers that can be used in conjunction with mobile devices. The system includes voicemail that can be converted to e-mails. The projected budget would be \$193.76 per month. Corresponding changes in Internet services would result in a combined reduced cost for Internet and phone services.

### **ESS – Office 365 Tenant Migration**

The Project Manager provided a scope of work from the current IT service provider (Konica Minolta) ESS email and shared files to a cloud service (Microsoft Office 365). This change would eliminate the need for a new server which is nearing end of life, and would better support mobile work and team collaboration. The budget amendment included resources to facilitate this transition. The process would also result in ESS have full and independent control of email and file management.

Lindsay Laufersweiler moved to authorize the three recommended changes as presented (multi-function printer, phone service and O365 tenant migration). Julie Haggerty seconded and the motion was approved.

## **Governance Update**

### **Annual Report to Supervisors**

Marketing & Communications Director Kati Ross provided an overview of the Annual report that was presented to the Boards of Supervisors. As part of 28E amendment, ISAC staff suggested than an annual report be provided to supervisors. The report highlighted the work conducted by ESS in 2021 and 2022. The 28E agreement stipulates that the report be presented by July 1. The submission of an annual report

is just one way that ESS conducts its business in an open and transparent way. Supervisors and citizens can stay up to date on the activities of ESS and Iowa Land Records by visiting the [iowalandrecords.org](http://iowalandrecords.org) website, and more specifically the Accountability in Reporting page.

### **Stakeholders Meeting Update**

Policy Coordinator, Census Lo-liyong, provided a summary of the portal enhancement discussions. The report included summaries from two stakeholder meetings and five focus group discussions. The stakeholder meetings were held on July 20 and 28, 2022. The focus group meetings were held on July 26, 27 and 28, 2022. The focus groups were divided into the following industry groups: Bankers/Mortgage Companies and Credit Unions; Real Estate Attorneys & Paralegals; Land Title Professionals; Surveyors, and Realtors. The stakeholder and focus group user engagement processes were successful and provided valuable feedback that will be included in the portal enhancement planning. It was noted that a survey for both portal users and E-submitters to acquire general feedback was underway. The results will be available in the next few months.

### **Policies and Procedures**

#### **ESS Employee Handbook**

The Project Manager provided the Committee with several recommended updates to the ESS Employee Handbook. The Handbook was last updated in 2017. The main updates to the Handbook related to ESS operating as a public entity, expectations and requirements relating to remote work, time reporting, expense reimbursement, holiday procedures and other operational practices. Denise Baker moved to approve the amendments to the ESS Employee Handbook as presented. Julie Haggerty seconded. The motion was approved.

#### **Policies and Procedures Update – Chapter 8**

Policy Coordinator, Census Lo-liyong, presented a proposed technical amendment to Chapter 8 of the ESS Policies and Procedures. The amendment updates Chapter 8 of the Policies and Procedures to clarify that the ESS Coordinating Committee is the governing body, which is responsible for the Electronic Services System, and is the body which would take any action required. This simply reflects the change in the ESS governance structure with the adoption of the amendment to the 28E agreement as filed with the Iowa Secretary of State on December 16, 2021 (Filing Number M514302). Lindsay Laufersweiler moved to approve the Chapter 8 amendment. Julie Haggerty seconded. The motion was approved.

#### **Processes for Documents Filed in Multiple Counties**

Lisa Long, Account Manager, presented information about a 110-page document that was electronically submitted to 79 counties. The document was submitted by an out of state bank, and it was declined by some counties but recorded by others. The Committee discussed the need for consistent action among all counties when processing identical documents. One of the challenges in this case is that there was no prior communication about a document being submitted to multiple counties. The ILR team will explore options for securing more advanced notice in these situations.

### **Communications Update**

Marketing & Communications Director, Kati Ross, provided an update to the Committee regarding recent topics covered with the Communications Subcommittee including the Records directory and the ICRA brochure. The agenda for the Deputies Conference is up on the website and registration is

underway. The Committee was informed on the progress of the Recorders Directory and Map, Recorders are welcome to update their headshots before its finalized. The Committee also discussed a notification process for system outages. During a system outage, ESS will inform Recorders about the disruption in service, including any expected timeframe for resolution. The committee reported that they would prefer an overview report rather than a detailed explanation.

The Communications Subcommittee will be working to update the Recorder's manual annually after the legislative sessions unless urgent policy changes arise. The Policy Coordinator, Census Lo-liyong will commence webinars with the district members according to designated chapters. The Committee welcomed the new suggestions and the updates.

### **Software Development Update**

#### **Groundwater Hazard Update**

The Project Manager provided an update regarding the implementation of new GWH statement processes. An updated Groundwater Hazard form is awaiting the adoption of new rules by the Department of Natural Resources. This is expected to be completed in December, 2022. In the meantime, the current form is working and the process has been simplified for many property sellers.

#### **Recorder Decline Action Workflow Changes**

The Project Manager demonstrated a planned new E-submission process for declining records. The software development team has now added the decline reason workflow to the staging environment. The new Decline tab gives Recorders a selection of 7 choices (in line with PRIA best practices) for declining a submission. The system will automatically e-mail the selected reason(s) to the E-Submitter. A suggestion was made to show the text entered in the comments box to display at the top of the history section and possibly in a different color than the decline reasons listed.

#### **Support Backlog**

Prior to the start of development of the new portal application the Iowa Land Records development team will be taking some time to focus on the backlog of support related issues for counties.

### **PRIA Policy Discussion Update**

The Project Manager presented the Committee with a packet of PRIA materials. This included a memo from ESS to the PRIA Board of Directors and PRIA members. The memo was a response to PRIA, requesting that PRIA develop and adopt a policy to preserve and improve the public land registry. Discussions are ongoing, and PRIA has invited the Project Manager to participate in a conversation about the topic in conjunction with August Board Meeting and the upcoming PRIA Conference.

The meeting was adjourned at 2 PM. The next meeting will be November 10, 2022.