

**ESS Finance Subcommittee
Teleconference Meeting
July 11, 2023**

Members Present: Sheri Jones, Amy Assink, Lisa Kent, Kelly Spees and Stacie Herridge

Other Participants: Phil Dunshee, Census Lo-Liyong, Kay Kelleher and Lisa Long

The meeting was called to order at 8:30am.

Meeting Summary

The Finance Subcommittee reviewed the June 8, 2023, meeting summary. A motion was made by Sheri Jones and seconded by Stacie Herridge to approve the summary. The motion was approved unanimously.

Accounts Receivable Update

The Customer Service and Account Manager updated the Subcommittee on the outstanding accounts receivable. The accounts receivable was high because of recent issuance of the county maintenance invoices. Three accounts have outstanding payments due which exceed 90 days. It was noted that invoices for the upcoming Deputies Conference will soon be distributed.

June Summary of ESS Payments

The Project Manager presented the Subcommittee with the June 2023 monthly payment reports. The report highlighted the final payment for the second phase of Lean Technique software development services. Technical support expenses included the IBM license fee, which is utilized for the Iowa Land Records website. Additionally, a payment was made to Chubb, an insurance provider that provides coverage for crime, employment and directors and officers.

Another notable transaction involved Maytech, a system used for transferring large images to the ILR via FTP. ESS is currently developing a new county upload API, which is expected to handle large documents. Consequently, the use of Maytech may be discontinued in the future. Other payments encompassed payroll and monthly expenses to service providers and software companies, including Mailchimp, Zoom, Adobe, Microsoft 365, Intuit, JIRA, and AWS.

The subcommittee received an update on insurance expenses. ESS is expecting a decrease in their errors and omissions insurance premium for the year. This is beneficial for the budget and will be reflected in the upcoming financial reports. The cyber security insurance market has apparently stabilized, leading to a reduction in premiums.

Stacie Herridge made a motion to accept and approve the payment reports. It was seconded by Amy Assink and the motion was approved.

As part of the payment reports, the Subcommittee received an update on an invoice related to the MOU between ESS and the Iowa County Recorders Association.

July Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for July 2023, which included a bill totaling \$32,524.23. It was noted that the reimbursement request was for less than the total payroll amount in June. The full amount was not included to ensure a minimum balance of \$100,000 was maintained in Fund 255. Sheri Jones made a motion to approve the June reimbursement invoice, which was seconded by Stacie Herridge. The motion was approved.

May Monthly Financial Reports

The Subcommittee reviewed the May 2023 financial reports. The Bankers Trust account for May had a starting balance of \$1,298,142.43 and an ending balance of \$ 1,443,057.59.

In the month of May, the P&L report showed total income of \$3,287,069.30, expenses of \$2,987,160.84 and a net income of \$299,908.46. It was noted that income was inflated due to the inclusion of local maintenance agreement invoices. After applying \$170,170.14 in cost-sharing credits, the income from the maintenance invoices was \$135,201.20. Over half of the local maintenance expenses are currently being paid by Iowa Land Records accounts. This will balance out when payments are made to the local service providers. It was also noted that \$48,596.95 was expended from the reserve account in May for software development, impacting total net income.

Budgeted income for the period of May was \$299,005.60 and budgeted expenses were \$116,794.10. Net budgeted income was \$182,211.50, and this amount was also inflated due to the maintenance invoices. The balance sheet shows total assets and liabilities of \$2,805,482.68. This included more than \$480,000.00 in fixed assets.

The credit card was reconciled and showed a beginning balance of \$11,388.87 and an ending balance of \$3,077.99. The Fund 255 statement from the State Treasurer showed a balance of \$109,580.35 aligning with the financial reports.

Stacie Herridge made a motion to approve the financial reports. Amy Assink seconded, and the motion was approved.

Accounting Reconciliation Update

An update on the status of the Bankers Trust account reconciliation was provided. ESS has had an issue with reconciling the account due to a QuickBooks file and software problem. The ILR team has been working with Denman to identify and resolve a discrepancy of about \$1,800. The issue persisted through May, but it was reported that a resolution was found in June.

Development Services Implementation Update

The Subcommittee received a summary of reserve fund expenditures from June 2021 to June 2023. During this period significant software developments have been undertaken by ESS using reserve funds. Two phases of development have been completed, focusing on rewriting the submitter interface, the payment

application, and the administrative interface. The goal is to migrate users to the new systems and discontinue the legacy applications by the end of the year. The cost of these developments exceeded \$800,000. This is comparable to the cost of developing the original Iowa Land Records system. Additional work is planned with external developers to address unfinished tasks. Internal developers are working on updating the E-Submission API and the County Upload API, aiming for seamless integration with local service providers. Migration projects with Solutions and Tyler systems are underway, with the goal of transitioning to the new E-Submission API before the end of the year. A small project with WinCommunications to update the ILR WordPress pages is also underway. This information has been shared with the audit team and it will be part of the asset documentation for the 2023 audit.

June Metrics

The submission trends are showing a positive direction, with a bounce back in activity and income in June. This is encouraging, and the team will continue to monitor trends closely. Managing the budget remains an ongoing process, and it will be discussed again next month.

The meeting was adjourned at 9:00 AM. The next meeting of the Finance Subcommittee is a web conference scheduled for August 3, 2023.