

**ESS Coordinating Committee Meeting Summary  
November 9, 2023**

**Participants**

Nancy Booten, Lee County Recorder  
Jamie Stargell, Adams County Recorder  
Natalie Steffener, Des Moines County Recorder  
Lindsay Laufersweiler, Webster County Recorder  
Dillon Malone, Iowa Title Guaranty

Jolynn Goodchild, Plymouth County Recorder  
Denise Baker, Wright County Recorder  
Melissa Bahnsen, Cedar County Recorder  
David Erickson, Dentons Davis Brown

**Other Participants**

Sheri Jones, Jones County Recorder  
Sue Meyer, Clayton County Recorder  
Ann Ditsworth, Dickinson County Recorder  
Lisa Long, Iowa Land Records  
Kristen Delany-Cole, Iowa Land Records  
Kelly Wallace, Iowa Land Records

Stacie Herridge, Story County Recorder  
Kim Painter, Johnson County Recorder  
Jan Gemar, ILTA  
Phil Dunshee, Iowa Land Records  
Kay Kelleher, Iowa Land Records

**Welcome**

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

**August 8, Meeting Summary**

The meeting summary from August 8 was reviewed by the committee with two minor spelling corrections. Lindsay Laufersweiler made a motion to approve the meeting summary as presented. Jolynn Goodchild seconded, and the motion was approved.

**Meeting Schedule**

The 2024 committee and subcommittee meeting schedules were presented for review and approval. The Finance subcommittee meeting was held on November 7, 2023, and they agreed to schedule their meetings on Thursdays each month at 9:00 AM. The Standard subcommittee has agreed to their proposed schedule.

After discussion, it was suggested that the 2024 ESS coordination meeting dates be scheduled for Thursdays on February 15, May 16, August 15, and November 14 in 2024. Melissa Bahnsen made a motion to approve the ESS coordinating committee meeting schedule as revised. Jolynn Goodchild seconded, and the motion was approved.

**Committee Terms of Office**

The terms of office for six members of the ESS Coordinating Committee are set to expire in December 2023. Members were encouraged to communicate with their respective districts and to request that nominations be submitted soon to Nancy Booten, ICRA President.

## **Member Topics**

Time was set aside in the agenda to discuss topics and questions identified by members of the Committee.

### **Credit Card machines**

A recent disruption in the point-of-sale credit card system identified a potential issue with the credit card devices. The devices installed in many Iowa counties may be reaching a point in the equipment lifecycle where programming updates could be more limited and at some point, stop functioning. The Committee discussed options for replacing the devices and sought clarification about the financial responsibility for the devices. After the referenced service disruption, ESS staff learned that there was not an immediate need to replace all devices, but that plans should be made for it in the next year. (Current ESS policy provides that ESS may assist counties with the replacement of payment equipment, but there is no specific program established to administer it. Actions to replace equipment are made on a case by case basis.

ESS staff is currently reviewing payment gateway costs for credit/debit card payments. This review will be expanded to include a review of credit card payment gateway options, and options for securing alternative, updated equipment.

### **Security Issue**

A presentation was made at a recent PRIA conference on the subject of system security, and it specifically referenced an assessment available through the Cybersecurity and Infrastructure Security Agency (CISA) – see: <https://www.cisa.gov/>.

ESS and ILR Technical Lead Kelly Wallace joined the meeting and provided an overview of ESS/ILR security measures. He described how security and infrastructure are a large part of his daily work. Several years ago the Iowa Department of Revenue required that ILR undergo a Safeguard security audit through the Internal Revenue Service. This process was the start of a multi-year effort on the part of ESS and ILR to replace outdated systems and software. We started with the recorder's E-Submission interface and continued with updates to the submitter interface, the ESS payment system, and most recently the search and administrative applications. The creation of a new API for E-Submission and County Upload processes, and the implementation of two-factor authentication is also part of the journey. And that journey is ongoing with a planned update to the External Submitter API next on the "to do" list.

Kelly described how ESS and ILR follow CISA guidelines, and described regular scans for PCI compliance, and scans initiated by insurance companies as a part of their underwriting processes. ESS uses a product called Nessus/Tenable to monitor systems and to identify vulnerabilities. Logs of activity are maintained and referenced when needed.

ESS Project Manager Phil Dunshee noted that security is an ongoing process, and while ESS and ILR are on the right path, every system is at risk and we cannot be smug or complacent.

### **Large document updates**

Members discussed the desire of affected counties to take steps to include certain large electronic documents in the Iowa Land Records database so that users can access them online. Large documents are those which have many pages (sometimes hundreds) and usually have a large file size. In the early history of Iowa Land Records some documents simply couldn't be loaded into the database due to their size, and a decision was made to truncate those documents and to direct users to the appropriate county office. In more recent years, even as technology has advanced, there have been cases where a

large document did not successfully load into the database, for various reasons, through the standard “county upload” process. ESS has established an FTP process to enable the transfer of large documents to ESS, and in the future, when the next generation county upload API is developed and deployed, it is expected that ESS systems will be better able to handle large documents.

Committee members expressed a desire for the ESS team to take steps to process any pending large document requests. The Project Manager advised that the ESS team will make best efforts to address large documents as time permits. However, members were asked to understand that other system support and development issues affecting ESS applications and security will usually have a higher priority than posting a single document to the ILR website.

Appreciation was expressed for member efforts to ensure the completeness and accuracy of county information posted on the ILR website. It was noted that there are many other aspects of the database relating to completeness and accuracy that should be addressed in the future including document type mapping and indexing practices. The updated search application and utilities that have been created for recorders enable the review of daily document uploads, mapping, and indexing.

### **Formatting Standards and Roles**

Members discussed recent activities to review document formatting standards, and practices which technically are contrary to the requirements of Section 331.606B of the Iowa Code. Some recorders express support for following the letter of the law. Others feel that documents with minor imperfections which do not interfere with the recording process should be recorded given the importance of timely recording. Current ESS policy, (Section 5.4(1), lettered paragraph s.) generally supports the recording of documents with minor variances or imperfections.

In recent months the ESS Standards Subcommittee and the ESS Coordinating Committee have been asked to discuss and consider changes in policy and statute to allow for some of the variances so that the law and recording practices are better aligned. Potentially a change in policy could result in more consistent recording practices among Iowa counties. Discussions on these topics are expected to continue in 2024.

Meanwhile, ESS will continue efforts to facilitate communication between submitters and recorders about recording standards and practices.

Recorders were reminded to adhere to Iowa Code 331.605 standards or propose alternatives. The enhanced Search 2.0 has added details of submitters including a method to communicate with them through the system.

### **Financial Reports**

#### **YTD 2023 Financial Reports**

The year-to-date budgeted income was \$1,402,731.88, and budgeted expenses were \$1,427,971.19. Net budgeted income was -\$25,239.31. Total YTD income was \$25,450,490.84 and total expenses were 25,751,366.56. Net Total Income was -\$300,875.72. This was associated with the planned use of \$271,570.00 in reserve funds for software development including updates to the Iowa Land Records search and administrative applications. Reserve funds were also used for back file redaction and a software license.

Total assets in the bank account stood at \$1,672,501.80 (accrual basis) while overall total assets

amounted to \$2,412,424.55.

A motion was called to accept and approve the 2023 YTD report. Natalie Steffener motion to approve the 2023 YTD report. Jamie Stargell seconded, and the motion was approved.

### **2024 Bankers Trust Banking**

The ESS Coordinating committee was informed that ESS will need to apply for a new signature card in 2024 anticipating that there could be a change in ESS officers. This action would likely occur at the February, 2024 meeting.

### **ESS Financial & Strategic Review**

#### **October Metrics**

The latest E-submission trends report reflects current economic trends. E-submission activity in October, 2023 was similar to the activity in 2019 and 2022 and behind the levels of 2020 and 2021. The lower number of E-submissions as we approach the end of 2023 will impact end of year finances. While there was an uptick in e-submissions in December 2020 and 2021, that did not happen in 2022. It is uncertain if there will be a rebound this December.

Economic trends also include inflationary pressure on costs such as software licenses and general business expenses.

#### **Operating Cost Review**

The Committee received information about pending reviews of various expenses and options for reducing expenses. This included the review of office space options, office technology support, payment gateway service fees, and redaction services.

In addition to reviews of all line-item expenses in the budget, four main steps were proposed.

1. Temporarily reduce maintenance credits by \$55,000.
2. Temporarily use \$57,000 from reserve funds for software/tech expenses.
3. Implement a temporary wage freeze.
4. Shift the communications position to part-time.

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

#### **CY 2023 Final Budget Amendment**

A budget amendment for calendar year 2023 was presented for consideration. It reflected efforts to review all line items for potential cost savings. Generally, the amendment adjusted previously estimated income and expenses to actual costs for the first nine months of 2023. While most of the revenue and expenses for October were known, the accounts for that period were not yet fully reconciled. Best estimates of actual revenue and expenses were included in the budget amendment. Monthly income from E-Submission was held at \$75,000.00 and monthly income derived from the point-of-sale system was also held at \$8,000.00. Income through the end of the year was projected to be \$1,753,000.00. This is below the \$1,850,000.00 originally budgeted. Cost-saving efforts would be ongoing, but it was noted that there would likely be a small budget deficit when the year ends.

### **CY 2024 Budget**

A budget recommendation for calendar year 2024 was based on 2023 trends. Expenditure adjustments were made to various line items including reducing expenses on education and outreach activities. It also reflected the recommended changes to temporarily reduce maintenance credits by \$55,000, temporarily use \$57,000 from reserve funds for software/tech expenses, implement a temporary wage freeze, and change the communications position to part-time.

Income for 2024 was projected to be \$1,764,095.08. Expenses were projected to be \$1,763,717.01.

A request for approval of the CY 2023 Final Budget Amendment and CY 2024 Budget was made. Jamie Stargell made a motion to approve the CY 2023 budget amendment and the CY 2024 budget. The motion was seconded by Denis Baker, and it was approved.

### **Contracts and Agreements**

#### **ESS/ICRA MOU Agreement**

An amendment to the memorandum of understanding between ESS and ICRA was presented. The amendment extends the agreement to December 31, 2024, and updates the scope of work to undertake an initiative to modernize recording and land record services. The amendment also provides for budget of \$43,000 for services to be provided by ESS to ICRA.

A request was made to approve the proposed MOU Amendment dated November 9, 2023. Jamie Stargell made a motion to approve the ESS/ICRA MOU Amendment. Lindsay Laufersweiler seconded the motion, and it was approved.

#### **Rafferty Group CY 2024 Engagement**

The Rafferty Group provides government relations services to ESS. A proposal to extend the engagement with the Rafferty Group through calendar year 2024 was presented for approval. Denise Baker made a motion to approve the Rafferty Group CY 2024 engagement at \$24,000.00. Natalie Steffener seconded the motion, and it was approved.

#### **Brick Gentry CY 2024 Engagement**

Brick Gentry provides ESS with legal services. The Brick Gentry calendar year 2024 agreement for \$2,250.00 per month on a retainer basis was presented for approval. Jolynn Goodchild made a motion to approve the engagement. Lindsay Laufersweiler seconded the motion, and it was approved.

#### **Local Service Provider FY 2025 COLA**

The ESS Coordinating committee was informed about the Social Security 3.2 percent benefit increase in 2024. The committee was informed about the impact of the change on local service provider maintenance costs for FY 2025.

#### **ESS/Enterprise Iowa MOU Update**

An amendment to a memorandum of understanding between ESS and Enterprise Iowa was presented for consideration. The ESS/EI MOU was amended in November 2021 to require certain make business arrangements to facilitate the independence of ESS including arrangements relating to a multifunction printer, telephone services, office technology support, and licenses for Microsoft Office 365 software. The

actions have been completed in 2023. The next step to establish independence is to explore alternative office space. To facilitate such a transition, the proposed amendment to the MOU would require a 90-notice prior to any change in office arrangements.

ESS staff had been assigned the task of researching alternative office space. The ESS Coordinating Committee requested that ESS staff continue their research and report back by the February 2024 ESS meeting.

Melissa Bahnsen made a motion to approve the ESS/Enterprise Iowa MOU to provide for the 90-day notice. Jamie Stargell seconded the motion, and it was approved.

### **ILR Staff Compensation**

Communications Coordinator. A recommendation was made to approve an offer of employment to Kristen Delaney-Cole for a restructured Communications Coordinator position. The new structure provides that the position is part-time, at an hourly rate of \$31.25.

Melissa Bahnsen made a motion to authorize the hiring of Kristen Delaney-Cole to the part-time position as recommended. Lindsay Laufersweiler seconded the motion, and it was approved.

Developer Compensation Adjustment. A recommendation was made to make a compensation adjustment for Merna Addison for the purpose of setting compensation at a level commensurate with her role and capabilities as a member of the development team. Given the general wage freeze being applied to the ESS employees due to budget constraints, the Committee deferred action on this recommendation.

## **Policies and Procedures**

### **Terms of Use Update – Chapter 7**

The Committee received a recommendation from the Standards Subcommittee to make several technical changes to the ESS Terms of Service. Several substantive updates had recently been approved, and when updating the Policies and Procedures document, several non-substantive words and phrases were identified as needing an update or correction. Proposed changes were as follows:

- Section 7.5 (Paragraph 1 and 6) Instead of using the term "he/she," the suggestion was to replace it with the term "they." As a result, the phrases would now read: "Each registered organization and user represents and warrants that they agree that the user identification and authentication procedures ..."
- Section 7.6 (unnumbered paragraph 2) A phrase is amended by inserting the term "physical" prior to the term document. It acknowledges the difference between physical and electronic documents.
- Section 7.7 (Subsection 3) Language is added to clarify that ESS may require an applicant to provide government documents to verify their identity (such as a Passport or Real ID).
- Section 7.8 A corrective edit to consistently use the term ESS throughout the Terms of Service.
- Section 7.9 (subsections 1 and 2) Language is modified and added to clarify that Individual Users not affiliated with an organization may request a temporary adjustment to document image view limits.

The ESS Coordinating Committee was asked to approve the proposed amendments to Chapter 7. Lindsay Laufersweiler made a motion to approve the amendment to Chapter 7. Jolynn Goodchild seconded, and the motion was approved.

### **Associated Reference Update – Chapter 3**

A revised version of the policy was advanced by the ESS Standards Subcommittee for consideration. The revisions are intended to clarify that associated references shall be indexed “if present.” Due to time constraints the action was deferred to the next ESS Coordinating meeting in February 2024.

### **Chapter 3 – Parcel Identification Numbers**

A revised version of the policy to require the indexing of parcel identification numbers was advanced by the ESS Standards Subcommittee for consideration. The revisions are intended to clarify how soon the information is to be indexed after the document is recorded. Due to time constraints the action was deferred to the next ESS Coordinating meeting in February 2024.

### **BTB redaction policy**

The ESS Coordinating Committee that the “Back the Blue” redaction policy was under review, and that stakeholders were being engaged to discuss ideas and options. The Iowa Land Records team is aware that some proponents of the redaction policy have learned that the statute may not be producing the desired results. In anticipation of future conversations, the ILR team believed it appropriate to begin discussion options with interested parties including law enforcement, title companies, bankers and mortgage companies, and real estate attorneys.

### **Document Formatting Standards**

The ESS Coordinating Committee received materials describing potential policy changes relating to document formatting and other forward-looking topics that were being reviewed by the Standards Subcommittee, a document formatting working group, and several stakeholder organizations. Due to time constraints the discussion was deferred to the next ESS Coordinating meeting in February 2024. No formal action is planned for the 2024 legislative session.

### **Pending Project Updates**

The ESS Coordinating Committee received updates concerning various application changes and support activities in the current development team work plan.

The meeting was adjourned. The next regular meeting will be **February 16, 2024**.