

**ESS Finance Subcommittee
Teleconference Meeting
December 7, 2023**

Members Present: Stacie Herridge, Sheri Jones, Amy Assink, Kelly Spees, GERALYN Greer, Laura McKeever, and Lisa Kent

Other Participants: Nancy Booten, Erin Canfield, Jordyn Hill, Ann Ditsworth, Melissa Bahnsen, Andrew Moats, Phil Dunshee, Census Lo-Liyong, Kay Kelleher and Lisa Long

The meeting was called to order at 9 AM.

Meeting Summary

The Finance Subcommittee reviewed the November 7, 2023, meeting summary. A motion was made by Sheri Jones and seconded by Amy Assink to approve the summary. The motion was approved.

Accounts Receivable Update

The Account Manager updated the Subcommittee on the accounts receivable report. ESS had a delay in payment from Hersh Law due to the firm being acquired by another company. The second item is related to the Dallas County conversion to a new service provider resulting in a technical delay.

December Summary of ESS Payments

The monthly payment reports were presented. Notable AP report items included the payment to LightEdge to migrate ILR systems to a managed firewall at a cost of \$4,000.00. The report also includes a payment of \$1,661 to Brenda Clark for presenting at the September Deputies Conference. The payment issue relating to the Dallas County conversion was also highlighted. Other transactions represented normal expenses.

Notable credit card expenses included AWS (Amazon Web Services). AWS costs are increasing month-to-month as the volume of back-up storage increases (almost \$900.00 in October). Additional payments covered various expenses, including monthly expenditures for service providers and software such as Adobe Creative Cloud, Mailchimp, Zoom, Microsoft 365, Intuit, and JIRA. The Survey Monkey subscription was also renewed.

A motion was made by Amy Assink and seconded by GERALYN Greer to approve the November summary of ESS payments. The motion was approved.

December Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for December 2023, which included two payroll expenses of \$34,278.07 and \$26,336.39 totaling \$60,614.60.

ESS will be seeking a meeting with the State Treasurer's office to review reimbursement procedures, which in the future may be primarily associated with monthly income. Other changes may be discussed, because it has been nearly two decades since the original procedures were established.

Laura McKeever made a motion to approve the November reimbursement invoice, which was seconded by Sheri Jones. The motion was approved.

October Financial Reports

The Project Manager provided an overview of the financial reports for October 2023. The Bankers Trust statement showed a beginning balance of \$1,185,047.29 and an ending balance of \$1,250,223.04. The reconciled reports highlighted several key financial figures, including budgeted income of \$123,572.64 and total income of \$2,816,335.54. On the expense side, budgeted expenses totaled \$107,691.21 and total expenses of \$2,795,900.37. Total net income was \$20,435.17 for the month. Total assets and liabilities were \$2,457,311.02. Total assets include several reserve accounts including a Software Development and Equipment Maintenance

Reserve of \$410,870.52 and a Redaction Reserve of \$53,875.79. A balance of \$1,113,944.76 on October 31, 2023, was maintained for revolving cash flow requirements

The September credit card statement had a beginning balance of \$5,947.78 and an ending balance of \$6,144.91.

Fund 255 had a beginning balance of \$151,077.92. Account receipts were \$42,153.97 and disbursements were \$30,257.61 resulting in an ending balance of \$162,974.28. All accounts were successfully reconciled.

A motion was made by GERALYN GREER to approve the financial reports. AMY ASSINK seconded, and the motion was approved.

ESS Financial and Strategic Review

November Metrics

The Trends report indicates a decline in recording and E-Submission activity during November, with fewer than 25,000 electronically submitted and recorded documents - slightly below the 2022 level. The recent approval of the final budget amendment for 2023 was discussed. The budget amendment report highlights efforts to manage expenses, including reducing staff hours and discontinuing certain discretionary activities to align with the budget. While progress has been made in the past three months, there is still work to be done to meet the budget goals by the end of the year.

Operating Cost Review

The Subcommittee 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.

System Cloud Migration

ESS introduced a proposal from LightEdge to shift ILR operations to the cloud. The proposal's structure outlines a monthly fee of approximately \$8,000.00 covering equipment, virtual machines, backup storage, and internet bandwidth. The proposal provides a viable alternative to traditional capital-intensive equipment purchases. While the decision is not finalized, this potential transition signifies a substantial shift in the organization's technological approach, aiming to embrace the efficiency, security, and collaborative possibilities offered by cloud services. The Subcommittee was advised that a special meeting of the ESS Coordinating Committee could be convened later in the month to consider the proposal.

IT Services

ESS is actively reviewing IT support services, currently provided by All Covered, with a keen focus on optimizing operational efficiency and service quality. In response to identified areas for improvement and a desire for enhanced customer service, ESS, in collaboration with Enterprise Iowa, has initiated a Request for Qualifications (RFQ) process to explore alternative service providers. Two promising candidates, Iowa Solutions and Dymin, have emerged from the evaluation process, both aligning with budget considerations. The Subcommittee was advised that the ESS Coordinating Committee could be asked to consider a recommendation at any special meeting that may be held later in December.

Office Services

In the ongoing evaluation of office space, the ESS team has undertaken the task of searching for suitable and cost-effective alternative locations. An RFI was circulated to various commercial real estate brokers, outlining specific needs and preferences. The review has been led by Customer Service Coordinator Lisa Long and Accounting Coordinator Kay Kelleher. Several potential sites were highlighted for the Finance Subcommittee. The decision-making process involves weighing the advantages of staying at the current location against the costs and benefits of relocating. This information will also be provided to the ESS Coordinating Committee for consideration.

Recording Fees and Modernization

The Finance Subcommittee was informed about the Iowa County Recorders Association's recording fee policy discussion. A meeting is planned for December 14, 2023, with the fee policy working group. A charter document which explains the scope and purpose of the project was shared with the Subcommittee.

The meeting was adjourned. The next meeting of the Finance Subcommittee is a web conference scheduled for Thursday, January 11, 2024.

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