

**ESS Finance Subcommittee
Teleconference Meeting
January 12, 2024**

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

Other Participants: Nancy Booten, Erin Canfield, Melissa Bahnsen, 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 December 7, 2023, meeting summary. A motion was made by Sheri Jones and seconded by GERALYN Greer to approve the summary. The motion was approved.

Accounts Receivable Update

The Customer Service and Account Manager briefed the Subcommittee on the accounts receivable report. ESS is coordinating with Simplifile to expedite the transfer of funds due..

December Summary of ESS Payments

The Subcommittee received the monthly payments report. A notable mention with respect to Accounts Payable was the reimbursement to Corey Strasser for securely shredding old documents. Other expenses for the month of December were for standard and budgeted transactions.

The credit card report for December included the annual subscription to Zoom, now the primary platform for ESS online meetings and webinars. Additionally, the report included expenses for Gravity Forms, a necessary plugin for the ESS WordPress website, and the ongoing subscription to MailChimp. A motion was made by GERALYN Greer and seconded by Sheri Jones to approve the December summary of ESS payments. The motion was approved.

January Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for January 2024, which included two payroll expenses. The Project Manager provided a report on the meeting that was held with the State Treasurer's Office to review reimbursement procedures. A new system was proposed to the state Treasurer's team, aligning the reimbursement invoices with the actual income in Fund 255. Following this method, the requested reimbursement amount for January was of \$42,868.58.

Sheri Jones made a motion to approve the January reimbursement invoice, which was seconded by GERALYN Greer. The motion was approved.

November Financial Reports

The Project Manager provided an overview of the financial reports for December 2023. The Bankers Trust statement showed a beginning balance of \$1,250,223.04 and an ending balance of \$1,287,982.38.

The total income for November was \$2,610,076.10 with a budgeted income of \$108,497.96. Total expense was \$2,619,464.28 with budgeted expense of \$103,191.03. A reserve expense in the amount of \$4,000 was for the managed firewall service transition. The month ended with a total net loss of \$9,388.18 which was within the expected cash flow variation. The balance sheet showed total assets and liabilities of \$2,406,692.95, Assets in the reserve accounts remained steady.

The November credit card statement had a beginning balance of \$6,144.91 and an ending balance of \$3,961.22. The statement was fully reconciled.

Fund 255 had a beginning balance of \$162,974.28 and an ending balance of \$179,921.80. Account receipts were \$42,868.58 and disbursements were \$25,921.06. This aligns with the new reimbursement invoice method, ensuring that reimbursements match the income of the fund. 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

December Metrics

The E-submission trends for the year indicated an overall decline in recording activity, falling back to levels seen in 2022 and similar to those in 2019. This decrease is below the activity levels experienced in 2020 and 2021. The trend is attributed to a broader downturn in the real estate market, rather than being a specific issue with the E-submission process itself.

Operating Cost Review

The ESS financial and strategic review for 2023 highlighted a challenging year. Despite adopting budget amendments to reduce expenses, ESS still faces a shortfall, leading to an estimated net loss of about \$20,585.27. This loss could increase to around \$30,000 due to outstanding bills for redaction services. Preliminary YTD financial results showed an income of \$1,750,847.36 against expenses of \$1,771,432.63. There is optimism for 2024, with expectations of a positive balance due to the expenditure control measures implemented in 2023.

System Cloud Migration

The ESS Coordinating Committee has authorized the migration of the entire ILR system to the cloud, moving away from reliance on in-house equipment. This decision came after periodic reviews of the cost-effectiveness of purchasing new equipment versus cloud migration. With the rising costs of new equipment and maintenance, it became more economical to migrate to the cloud service. The project, managed by LightEdge Solutions, is underway and expected to be completed by the end of February.

IT Services

The RFQ procurement process for IT support services has been completed. The organization transitioned from All Covered to Iowa Solutions, leading to an expected reduction in monthly IT support costs from \$700-\$1000 to less than \$500.

Point-of-Sales Services

ESS staff have been conducting an ongoing review of the point-of-sale system, spurred by inaccuracies in recent reports from the current provider. An alternative option with Professional Solutions, the current ESS provider for online credit card transactions, is being considered. Estimates indicate that the cost would be similar to or less than current costs and potentially better service due to their local presence. Additionally, there is a need to address the approaching end-of-life for the current point of sale devices, with discussions indicating possible substantial discounts on replacement devices from Professional Solutions. A recommendation may be made to the ESS Coordinating Committee at their February meeting.

Recording Fees and Modernization

The Finance Subcommittee was informed about the Iowa County Recorders Association's recording fee policy discussion. A meeting of a fee policy working group was planned for December 14, 2023. A Charter document which explains the scope and purpose of the project was shared with the Subcommittee. The next meeting is scheduled for January 25th via Zoom. This session will include discussions about survey results concerning potential recording fee changes. A webinar is being planned to discuss communications with local stakeholders and legislators, aiming to gather support for the modernization initiative.

The meeting was adjourned. The next meeting of the Finance Subcommittee is a web conference scheduled for Thursday, February 8, 2024 at 9:00 AM.