

**ESS Finance Subcommittee  
Teleconference Meeting  
February 8, 2024**

**Members Present:** Stacie Herridge; Amy Assink, Sheri Jones, Kelly Spees, Geralyn Greer, and Melissa Bahnsen

**Other Participants:** Lisa Kent, Nancy Booten, Andrew Moats, Renea Arnold, Selena Humphrey, Stephanie Boeding, Lynnea Buffington, Phil Dunshee, Corrie Strasser, Census Lo-Liyong, Kay Kelleher and Lisa Long

The meeting was called to order at 9 AM.

**Meeting Summary**

The Finance Subcommittee reviewed the January 11, 2024, meeting summary. A motion was made by Sheri Jones and seconded by Melissa Bahnsen to approve the summary. The motion was approved.

**Accounts Receivable Update**

The Account Manager briefed the subcommittee on the accounts receivable report. There was an incident with Simplifile, involving a payment that did not process as expected. A request for a check has been made to ensure full payment is received. There was also an error in the point-of-sale system reports, leading to an over-distribution of funds to individual counties. Efforts are currently underway to rectify this by having the excess funds returned to correct the accounts.

**January Summary of ESS Payments**

The Account Manager updated the subcommittee on ESS payment accounts. Notable payments were highlighted to various service providers, including Avid Communications, LightEdge Hosting services, Iowa Solutions, payroll (Oasis) and membership dues to the Iowa Mortgage Association.

January credit card payments included costs for Amazon Web Services (for backup systems), Adobe (for communication software), Zoom (for meeting services), Intuit (accounting software), and Dropbox for storage of administrative files.

A motion was made by Geralyn Greer and seconded by Stacie Herridge to approve the January summary of ESS payments. The motion was approved.

**February Fund 255 Reimbursement Invoice**

The Subcommittee reviewed the Fund 255 reimbursement invoice for February 2024, which included a portion of payroll expenses in the amount of \$40,533.00. As part of the new arrangement with the state Treasurer's office, ESS will draw down funds based on the previous month's income.

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

**2023 December, Quarterly and YTD Financial Reports**

The Project Manager provided an overview of the December Quarterly and YTD financial reports. The Bankers Trust statement showed a beginning balance of \$1,287,982.38 and an ending balance of \$1,023,060.03.

The report includes a detailed analysis of budgeted and revolving income and expenses. For December, the total income was \$3,165,118.91, with budgeted income of \$146,871.04. Total expenses were \$156,889.98 with budgeted expenses of \$140,282.26. Net income for the period was \$8,228.93. For the quarterly report, budgeted income totaled \$378,941.64 with budgeted expenses at \$351,417.25. Budgeted income for 2023 was

\$1,748,989.04, and budgeted expenses were \$1,779,444.66 resulting in a net income of -\$30,455.62. Despite several expense reductions including personnel changes, the decline in economic real estate activities produced a net loss. Changes included in the 2024 operating budget at the start of the year should produce a balanced result this year. Over \$304,866.06 was spent from reserves for the updated search application, a planned investment using income earned in prior years.

The 2023 balance sheet reveals total assets and liabilities of \$2,421,315.98 pending post-audit adjustments. This figure includes funds in bank accounts and the value of owned equipment and developed software. The balance sheet lists \$718,246.95 in computer equipment and \$633,302.00 in software, with ongoing software projects considered as assets.

A motion was made by Stacie Herridge to approve the financial reports. Sheri Jones seconded, and the motion was approved.

### **CY 2024 Budget Amendment**

The Project Manager provided an update and presented an amendment to the budget. The committee was informed of an adjustment on the expense side of \$11,200.00 for the annual audit including the Iowa County Recorders Association 990 return preparation. This increase is due to additional complexities and new regulatory requirements affecting the audit process.

The budget proposal reflected expected changes in staffing hours for two ESS positions. This included an increase in hours for the Communications Coordinator position, and a reduction in hours for a member of the software development team.

The proposed budget allocated additional resources for hosting and “cloud” services, to be offset by a reduction in the purchase of equipment owned by ESS.

With these combined changes, the projected net income for the project would increase from an estimated \$300 to over \$18,000.

A motion was made by GERALYN GREER to approve the CY 2024 budget amendment. MELISSA BAHNSEN seconded, and the motion was approved.

### **ESS Financial and Strategic Review**

#### **Maintenance Credit**

The amended and approved budget allocated \$115,000 for local maintenance cost-sharing credits. The credits offset costs for maintenance services to local counties with respect to the integration with Iowa Land Records. Due to budget constraints the credit amounts had to be reduced in 2024 even though overall electronic recording activity increased modestly. These credits will be applied to the maintenance invoices issued around mid-May.

A motion was made by Stacie Herridge to approve the maintenance credits. Amy Assink seconded, and the motion was approved. It was noted that this topic would be revisited in May and before maintenance invoices were issued to the counties.

#### **January Metrics**

The e-submission trends for January 2024 were similar to 2020 electronic recording levels. The trend shows a modest improvement from 2023.

**ESS Systems Change**

The Subcommittee received updates on several operational changes including the transition to a new office IT service provider. Steps to migrate ESS software to the cloud were already underway and is expected to be completed by the end of February. Finally, the Subcommittee received information about the status of reviewing alternative office space.

**Point-of-Sales Services Approval**

ESS staff presented an update on the review of Point-Of-Sale (POS) payment services, and the status of discussions with the Iowa vendor Professional Solutions. Professional Solutions is already under contract with ESS for online merchant services. The review confirmed their capability to provide the required POS services including necessary reports - similar to current operations. Professional Solutions They also offered to supply participating counties with at least one device at no additional cost.

A draft agreement was presented for review. The Subcommittee was asked to approve proceeding with the transition to Professional Solutions, with the understanding that a final agreement would be developed and presented to the ESS Coordinating Committee for final approval. Geralyn Greer made a motion to approve. Amy Assink seconded, and the motion was approved.

**Recording Fees and Modernization**

The Finance Subcommittee was informed about the Iowa County Recorders Association's recording fee policy discussion. An advocacy webinar was held on February 7, 2024, and a link to the recording was sent out via e-mail.

The meeting was adjourned. The next meeting of the Finance Subcommittee is a web conference scheduled for Thursday, March 7, 2024.