

**ESS Finance Subcommittee
Teleconference Meeting
March 7, 2024**

Members Present: Stacie Herridge, Sheri Jones, GERALYN GREER, Kelly Spees, Susan Smith, and Melissa Bahnsen

Other Participants: Nancy Booten, Lisa Kent, Erin Canfield, Phil Dunshee, Kay Kelleher, Corrie Strasser and Lisa Long

The meeting was called to order at 9 AM.

Meeting Summary

The Finance Subcommittee reviewed the February 8, 2024, meeting summary. A motion was made by GERALYN GREER and seconded by Melissa Bahnsen to approve the summary. The motion was approved.

Accounts Receivable Update

During the meeting, the Account Manager provided an update on the status of accounts receivable. Key points included the resolution of the outstanding balance with Simplifile. Simplifile has committed to issuing a check to settle their account.

Regarding other items in the AR report, it was reported that Pottawattamie had mistakenly issued a card refund, and they have been invoiced for payment. Payment from the Iowa County Records Association has been received for the MOU services. Fichter Municipal Services has been contacted about the payment due. The Etzel receivable is associated with a disputed credit card payment through the Linn County renewal system, and communications are underway to challenge the dispute.

March Summary of ESS Payments

The Project Manager provided an update to the subcommittee on the status of accounts payable for ESS. Notable payments made to service providers included payments to Iowa Solutions for IT support and to Daida (formerly Imagetek) for imaging services in several counties. Additionally, an annual maintenance fee for the Prizm image viewer from Accusoft, which is used in the ILR E-Submission service, was explained. The current budget provides for the payment of this expense from reserve funds.

The report also detailed credit card expenditures, such as the registration fees for the PRIA conference and payments to Sectigo for digital certificates—a strategic move from DigiCert that resulted in substantial cost savings. Other noted expenses included the use of Jet Brains software by developers, as well as payments to Amazon Web Services, Adobe, Intuit, and Microsoft.

A motion to approve the March summary of ESS payments was made by Sheri Jones, with Stacie Herridge seconding. The motion was approved.

March Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for March 2024. As part of the new arrangement with the State Treasurer's office, ESS would draw down funds based on the previous month's Fund 255 income as a means of managing the budget. The requested reimbursement invoice amount was \$39,765.83.

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

January 2024 Financial Reports

The subcommittee reviewed the financial reports for January 2024. Notably, the Bankers Trust account held a closing balance of \$1,292,658.57, up from the opening balance of \$1,023,060.03. The Profit & Loss (P&L) statement for the month showed budgeted income of \$122,423.92 and budgeted expenses of \$100,781.63. The ESS revolving income was \$2,506,950.08, contributing to a total income of \$2,629,374.00 for the period. Revolving expenses amounted to \$2,516,406.41, with total expenditures totaling \$2,616,983.04. Total net income was \$12,390.96 for January 2024.

The balance sheet indicated total assets and liabilities of \$2,444,082.54, with \$1,657,324.69 held within the Bank Trust Settlement account. It's important to note, given the accrual-based accounting, that the balance sheet figures may appear higher than the actual bank account balance.

The credit card statement for January showed a beginning balance of \$3,687.75, and an ending balance of \$7,294.23. The account was reconciled successfully.

Regarding Fund 255 for January, the account opened with a balance of \$220,455.10 and closed at \$156,737.89. This is consistent with the expected income outlined in the reimbursement invoice. The account was reconciled for the month.

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

ESS Financial and Strategic Review

February Metrics

The e-submission trends for February 2024 were above the February 2023 records. The trend shows an improvement from 2023.

ESS Updates

Susan Smith was welcomed as a new member of the Finance Subcommittee.

Regarding general updates, ESS is currently gearing up for the upcoming audit. In addition, preparations for filing the association's IRS Form 990 for the calendar year 2023 are underway. ESS will underwrite the cost of the 990 return due to the retrospective analysis involved in the form.

The subcommittee was informed that ESS Accounting Coordinator Kay Kelleher is resigning at the end of March 2024. In the meantime, the Project Manager and customer support team will be handling all the financial work until a new accountant is hired.

ESS Systems Change

System Cloud Migration

The process of migrating ILR systems to the cloud is underway. A general notice will be disseminated to all ILR users, detailing scheduled downtimes for maintenance. This downtime is planned for a Friday with the potential to continue till Saturday. Recorders will be informed about the maintenance schedule to ensure preparedness.

The development team along with the customer support will be closely monitoring the transition process to address any issues promptly. Efforts have been made to provide adequate notice to all affected parties, aiming to minimize disruption and ensure a smooth transition.

Point-of-Sales System Transition Plan

The ESS Coordinating committee has approved a contract with Professional Solutions for a new point-of-sales system. The contract with Professional Solutions, also known as NCMIC, marks the beginning of our move towards a more efficient payment processing system.

The first action will involve conducting a trial run with a terminal device within our office to ensure all reports are accurately configured. Following the successful trial, we plan to systematically introduce the system to groups of selected counties. This phased approach will allow ESS to maintain operational efficiency by running dual systems temporarily. The transition process is anticipated to occur from March through May, 2024. The goal is to complete this transition by the end of June, ensuring a smooth and effective adoption of the new system.

Recording Fees and Modernization

The Finance Subcommittee was informed that the modernization review is progressing. Engaging discussions have been taking place within the Standards Subcommittee and the Document Formatting working group. Over the past months, ESS has shared numerous modernization ideas, and is now extending these discussions to various stakeholders. Although stakeholders are currently busy with the legislative session, ESS is engaging with them to assess their interest and receptiveness to the modernization initiatives. Meanwhile a fee policy working group is exploring various alternatives for updating recording fees.

Before closing the meeting, Subcommittee members had further questions and conversations about the maintenance plans associated with the ESS system migration.

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