

**ESS Coordinating Committee
Web Conference Meeting Summary
February 15, 2024**

Participants

Lindsay Laufersweiler, Webster County Recorder	Melissa Bahnsen, Cedar County Recorder
Natalie Steffener, Des Moines County Recorder	Julie Haggerty, Polk County Recorder
Denise Baker, Wright County Recorder	Jamie Stargell, Adams County Recorder
Jolynn Goodchild, Plymouth County Recorder	Lisa Kent, Wapello County Recorder
Dillon Malone, Iowa Title Guaranty	Eric Sloan, IT Boone County
David Erickson, Dentons Davis Brown	

Other Participants

Ashten Wittrock, Carroll County Recorder	Stacie Herridge, Story County Recorder
Sue Meyer, Clayton County Recorder	Erin Canfield, Boone County Recorder
Carolyn Siebrecht, Linn County Recorder	Kim Painter, Johnson County Recorder
ReNea Arnold, Dallas County Recorder	Selena Humprey, Clarke County Recorder
Travis Case, Grundy County Recorder	Ann Ditsworth, Dickinson County Recorder
Cathy Voith Calhoun County Recorder	Julie Philips, Ida County Recorder
Lynnae Buffington, Henry County Recorder	Jordyn Hill, Warren County Recorder
Andrew Moats, Pottawattamie Rec County	Sheri Jones, Jones County Recorder
Jan Gemar, ILTA	Nancy Booten, Lee County Recorder
Lisa Long, Iowa Land Records	Phil Dunshee, Iowa Land Records
Census Lo-liyong, Iowa Land Records	Kristen Delany-Cole, Iowa Land Records
Kay Kelleher, Iowa Land Records	

Welcome

A meeting of the ESS Coordinating Committee was held via web conference.

December 12, 2023, Meeting Summary

The meeting summary from December 12, 2023, was reviewed by the Committee. Lindsay Laufersweiler made a motion to approve the meeting summary including an amendment to correct the spelling of Jolynn Goodchild's name. Jolynn Goodchild seconded, and the motion was approved.

ESS Election of Officers

ESS Coordinating Committee was requested to approve committee members for three positions, the Chair, Vice Chair and Secretary/Treasury.

- Lisa Kent (Wapello County Recorder) was nominated as the Chair by Nancy Booten and seconded by Jolynn Goodchild. The motion was approved.
- Jolynn Goodchild nominated Julie Haggerty (Polk County Recorder) as Vice Chair; Lisa Kent seconded the nomination, and the motion was approved.
- Jolynn Goodchild nominated Natalie Steffener as Secretary/Treasury; Julie Haggerty seconded it. The motion was approved.

It was noted that Susan Smith from O'Brien would be appointed by Nancy to serve on the Finance Subcommittee, replacing Laura McKeever who is now serving on the Recorder's Association fee policy committee.

The ESS Coordinating Committee discussed the possibility of renewing the effort to have a representative of the financial services community to serve on Committee similar to the positions held by David Erickson representing attorneys and Dillon Malone representing the title profession. This would be welcomed if a professional affiliated closely with one of the professional associations for bankers or credit unions could be identified. The Committee expressed an interest in following up with this conversation.

BT Banking Resolution

The Committee received an update on the treasury management services provided by Bankers Trust, and that as ESS officers and members change, a resolution identifying the signatories to the account must be updated. With the change is officers approved at this meeting the banking resolution with Bankers Trust will be updated.

Financial Reports

BT 2023 4th Quarter and YTD Reports

The Project Manager provided an overview of the December quarterly and YTD financial reports. The Finance report is a combination of two separate accounting files covering different periods within the same year; one from January 1, 2023 to May 27, 2023 and the other from May 28, 2023 to December 31, 2023. To generate a comprehensive report for the entire year and to prepare for the 2023 audit ESS the ESS team has consolidated data from both files.

The Bankers Trust statement showed a beginning balance of \$1,287,982.38 and an ending balance of \$1,023,060.03. For December, the total income was \$3,165,118.91, with budgeted income at \$146,871.04. Total expenses were \$3,56,889.98 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 reduction actions including changes in personnel, 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 \$304,866.00 was spent from reserves for an updated search application and other software developments. These were planned investments using income earned in prior years. The 2023 balance sheet shows 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 2023 balance sheet shows \$718,246.95 in computer equipment and \$633,302.00 in software assets.

The Coordinating Committee was asked to accept and approve 2023 4th quarter and YTD Reports. Julie Haggerty made a motion to approve the 2023 4th quarter and YTD Reports. Dillon Malone seconded the motion, and it was approved.

The Committee discussed options for managing financial resources with the possible opportunity to earn interest. The Project Manager provided an overview of the Treasury Management and "full analysis" account and the need to maintain sufficient liquidity for cashflow. The topic was referred back to the Finance Subcommittee for further review.

Operating Cost Update

As part of the ongoing review of office expenses, a series of cost-saving measures were implemented including the reduction of Education and Outreach expenses, identifying alternative providers for technology support services, and modifying staff positions. The ESS staff has also reviewed alternative options for office space. Following the distribution of a Request for Information (RFI), the ILR Account Manager and Accounting Coordinator identified potential office space alternatives in the area. These options were reviewed and site visits were conducted. Associated moving costs including the need for additional purchases of office equipment were documented. Notably, some options lacked a suitable meeting room, requiring us to explore alternative arrangements for ESS meetings.

After discussion the consensus of the Committee was to remain in the current location for the time being.

CY 2024 Budget Amendment

The Project Manager provided an update and presented a proposed amendment to the budget. The Committee was informed of an adjustment on the expense side in the amount of \$11,200.00 for the annual audit including the Iowa County Recordors Association 990 return preparation. This increase is due to additional complexities and new regulatory requirements affecting the audit process. A notable update is the mandate for audits of prepaid subscription expenses.

The budget amendment reflected expected changes in staffing hours for two ESS positions. This included a small increase in hours for the Communications Coordinator position, and a reduction in hours for a member of the software development team. The proposed budget amendment also allocated additional resources for hosting and “cloud” services which will be partially 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 \$16,000.

A request for a motion to approve the 2024 budget amendment was made. A motion was made by Dillon Malone to approve the CY 2024 budget amendment. Jamie Stargell seconded, and the motion was approved.

2024 Assignment of Credits for E-Submission

The amount of funds budgeted for local service provider maintenance credits in calendar year 2024 is \$115,000. This is a reduction from the 2023 budget. Due to these budget constraints, and amount of credit proposed for each county is based on the formula established for the County Project Assessment Cost Sharing Program in Chapter 9 of the ESS Policies and Procedures. Generally, counties exceeding the state average E-Submission ratio will receive a larger credit amount while those below the average would receive a smaller share.

The ESS Coordinating Committee was presented with a table of the credit amounts proposed for each county. A request for a motion was made to approve the 2024 maintenance credits. A motion was made by Jolynn Goodchild to approve the 2024 maintenance credits. Julie Haggerty seconded and the motion was approved.

It was noted that the maintenance credit amounts will likely be revisited at the May 2024 ESS Coordinating Committee meeting.

2023 Metrics Review

E-submission activity in January remained consistent with the levels observed in 2020, indicating no significant change in the trend.

Contracts and Agreements

Audit Engagement

A request was made to the ESS Coordinating Committee to approve the Denman audit engagement with the Electronic Services System for the year ended December 31, 2023, at a total cost of \$11,200.00.

Jamie Stargell made a motion to approve the Denman audit contract for \$11,200. Denise Baker seconded the motion and it was approved.

POS System Agreement

A request for the approval of an amendment to the merchant agreement with NCMIC Finance Corporation was presented. This amendment would authorize the use of NCMIC and Professional Solutions to provide point-of-sale merchant services to ESS members. Jolynn Goodchild moved approval. Jamie Stargell seconded the motion and it was approved.

ILR Staff Actions

Request to authorize an increase of five hours per week to Communications Coordinator position was presented. Denise Baker made a motion to approve a five hour increase for the communications position. Julie Haggerty seconded the motion, and it was approved.

Request to approve a 5% pay adjustment for Merna Addison, software developer, was proposed. Julie Haggerty made a motion to approve the 5% pay adjustment. Dillon Malone seconded and the motion was approved. The motion was not unanimously approved.

Request to approve change of schedule from full-time to part-time for the software developer (Mansi Agarwal) was made. Lindsay Laufersweiler made a motion to approve. The motion was seconded by Julie Haggerty and was approved.

Employee Handbook Update – PTO for Part-Time Staff

A recommendation to approve a modification to the Employee Handbook regarding PTO and holiday pay for part-time ESS staff was presented. The changes would allow part-time employees to accrue paid time off for each hour worked during a pay period based on years of service. Additionally, regular part-time employees would receive holiday pay for one-half work day per each holiday observed by ESS. Approval of the proposed modification of PTO and holiday policy for part-time ESS employees was requested. Jamie Stargell made a motion to approve the proposed policy change. Julie Haggerty seconded and the motion was approved.

Document Formatting and Related Policies

The ESS Coordinating Committee received information about the ESS Standards Subcommittee review of draft policy changes which occurred at their meeting on January 24, 2024. Draft amendments to Iowa Code Sections 331.606B, 331.606, 558.49, and 331.601A, with annotations summarizing the discussion of the Standards Subcommittee were presented. A sample concept for a uniform format for recording references numbers was also presented. No action was taken, because the materials were presented for discussion only.

Legislative Update – Fee Policy and Modernization Update

The Policy Coordinator provided an update on different legislation that may impact ICRA or ESS. Recordors received a copy of the legislative review with information on the bills under discussion. The bills included [SF 2065](#) - County Recordors Notification Bill; [HF 554](#) - Ransomware Bill; [HF 2299](#) - Open Records Request Bill; [HF 2062](#) - Open Meetings and Open Records Bill; and [HF 2514](#) and [SF 2226](#) - Compensation Bill.

Associated Reference Update – Chapter 3

An amendment to the ESS policies regarding Associated Document References in Chapter 3 was presented for consideration. The changes were proposed by the ESS Standards Subcommittee. The policy elaborates and clarifies expectations for indexing bilateral references involving conveyance documents, mortgages and satisfactions, tax liens and releases, corrected or re-recorded documents, conveyance documents and companion documents (groundwater hazard), and surveys and related drawings. The policy provides that references must be present in a document to be indexed. The effective date would be January 2025. Julie Haggerty moved to adopt the amendment as proposed. Natalie Steffener seconded the motion which was approved.

Parcel Identification Number Update – Chapter 3

An amendment to the ESS policies regarding the indexing of Parcel Identification Numbers (PINs) in Chapter 3 was presented for consideration. The changes were proposed by the ESS Standards Subcommittee. There was substantive discussion regarding the definition and source of the parcel identification numbers to be indexed and the indexing of newly assigned PINs resulting from subdivisions or consolidations.

Julie Haggerty moved to refer the draft policy back to the ESS Standards Subcommittee for further review. Specifically, the Subcommittee would be asked to clarify the definition of the parcel identification number and its source, and the expectation for indexing newly assigned parcel identification numbers when there is a subdivision or consolidation. Denise Baker seconded the motion and it was approved.

Data Normalization and Modernization

The ESS Coordinating Committee was encouraged to review the Data Normalization memo included in the meeting packet for discussion at a subsequent meeting. The Committee was also asked to review information about a number of “modernization” concepts which could potentially be included in a legislative initiative in 2025.

Project Updates – New Search Application

The Committee received an update concerning the roll out of the new search application. The application is functioning well. It was reported that a process is in place to grant temporary access to additional image views for special projects with justification.

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