

ESS Coordinating Meeting
Hybrid Meeting and Web Conference
August 15, 2024

Attendance

Committee Members

Lisa Kent, Wapello County Recorder
Denise Baker, Wright County Recorder
Lindsay Laufersweiler, Webster County Recorder
Natalie Steffener, Des Moines County Recorder
Eric Sloan, IT Boone County

Julie Haggerty, Polk County Recorder
Jamie Stargell, Adams County Recorder
Melissa Bahnsen, Cedar County Recorder
Dillon Malone, Iowa Title Guaranty
David Erickson, Dentons Davis Brown

Other Participants

Stacie Herridge, Story County Recorder
ReNae Arnold, Dallas County Recorder
Sheri Jones, Jones County Recorder
Jayne Shultz, Winneshiek County Recorder
Bob Rafferty, Rafferty Group
Robert Endriss, Denman and Co

Nancy Booten, Lee County Recorder
Ann Ditsworth, Dickinson County Recorder
Erin Canfield, Boone County Recorder
Jan Gemar, ILTA
Nick Laning, Rafferty Group

Lisa Long, Iowa Land Records
Census Lo-liyong, Iowa Land Records
Samantha McMahon, Iowa Land Records
Mansi Agarwal, Iowa Land Records

Phil Dunshee, Iowa Land Records
Kristen Delaney-Cole, Iowa Land Records
Kelly Wallace, Iowa Land Records

Welcome

A meeting of the ESS Coordinating Committee was held in-person and via web conference.

Meeting Summary

May 30, 2024, Meeting Summary

The meeting summary of May 30, 2024, was reviewed. Lindsay Laufersweiler made a motion to approve the meeting summary. Julie Haggerty seconded, and the motion was approved.

July 8, 2024, Meeting Summary

The meeting summary of July 8, 2024, was reviewed. Lindsay Laufersweiler made a motion to approve the meeting summary. Jamie Stargell seconded, and the motion was approved.

Financial Reports

2023 Audit Report

Robert Endriss with Denman CPA LLP presented the 2023 audit report. There were no significant difficulties or disagreements with management. The audit highlighted a notable decrease in revenue,

down by 18.2% or \$7,543,707.00 and a reduction in expenses by 17.5% or \$7,239,982.00 primarily due to economic conditions and a decline in the real estate market.

Total documents processed decreased by 16.09% to 291,909.00 although the percentage of electronically filed documents increased from 60% in 2022 to 62% in 2023. Despite these challenges, the ILR's operations remained cash positive, with investments in long-term infrastructure contributing to cash outflow. The audit also confirmed a strong control environment with no deficiencies.

A request was made to approve the 2023 audit report. Dillon Malone made a motion to approve the 2023 audit report. Jamie Stargell seconded, and the motion was carried. The report is available in the meeting packet and on the ILR website.

2nd QTR and YTD 2024 Financial Reports

The Accounting Coordinator presented the second quarter and year-to-date financial reports for 2024. The reports showed a net income of \$730.51 for the second quarter. For the first two quarters, budgeted income was \$952,515.95 with budgeted expenses of \$671,020.75 and a net income of \$ 281,495.20. Total assets and liabilities were equal at \$2,957,657.45.

Several key points were highlighted. Depreciation expenses through June were \$169,539.67. Planned reserve expenses were \$39,378.97. The reports reflected income for local service provider maintenance to be \$184,241.82, but expenses for local maintenance will appear in the financial reports for the third quarter. It was also noted that expenses for data center and hosting services were inflated due to a billing error, and that efforts were being made to resolve those issues.

Fund 255 had an ending balance of \$158,631.30 as of June 30, 2024 including June receipts of \$40,134.30.

A request was made to approve the 2024 year-to-date financial reports. Julie Haggerty made a motion to approve the financial reports. Denise Baker seconded, and the motion was approved.

E-Submission Trends

The E-submission trend for June was presented, showing an unexpected drop in submission numbers below 2023 levels, as well as below those of 2021 and 2022. This decline was not anticipated. However, a surge in activity in July 2024 helped offset the June drop, resulting in a more balanced outcome for the period.

2024 Budget Amendment

A 2024 budget amendment was presented, emphasizing a cautious approach to expenditure and revenue projections. The amendment recommended approved by the Finance Subcommittee projects an increase in net income from \$6,459.39 to \$15,096.58, while total projected expenses are reduced from \$1,751,493.89 to \$1,729,064.82.

Key changes include increases in benefit and point-of-sale transaction expenses, and increased activity in legislative advocacy. This is offset by unplanned savings resulting from a disruption in redaction, and lower costs for AWS storage services and office IT services and the discontinuance of some software subscriptions. Budget adjustments also account for a reduction in Fund 255 income.

A request was made to approve the 2024 budget amendment. Julie Haggerty made a motion to approve the budget amendment. Natalie Steffener seconded, and the motion was approved.

Temporary Alternative Redaction Process Update

The ESS Committee received an update on the status of redaction services. In late June, the CSI redaction process encountered an unspecified security issue and ceased operations. In response, ESS developed a temporary alternative redaction process, which involved county monitoring of PII, and redaction by the ILR support team. ESS is currently working to resume services with CSI on a new, secure platform. The ESS/ILR team intends to review option for the redaction function once things are stabilized.

Contracts and Agreements

Rafferty Group – Engagement Amendment

The Project Manager presented a recommendation to amend the agreement with the Rafferty Group for government relations services. ESS and the Iowa County Recorders Association may be advancing a significant set of policies affecting recording fees, revenues for the long-term sustainability of Iowa Land Records, recording services, and special projects that will be of benefit to the Iowa property industry. Taken together the elements of these initiatives represent a significant body of work that will require more effort in preparation for and during the 2025 legislative session.

The amendment increases the monthly compensation under the current engagement by \$3,000.00 per month for the remaining four months of calendar year 2024.

A motion to approve the Rafferty Group engagement amendment was made by Lindsay Laufersweiler and seconded by Julie Haggerty. The motion was approved.

CSI – Agreement Extension

In anticipation of the restoration of redaction services by CSI on a new and more secure platform, a recommendation was presented to extend the current CSI contract through June 30, 2025. Services were expected to resume soon.

The Project Manager reported that staff would be reviewing redaction performance and evaluating other long-term redaction options during this period.

Julie Haggerty made a motion to approve the CSI agreement extension. Lindsay Laufersweiler seconded, and the motion was approved.

Project Updates

ILR Cloud Migration

ILR Technical Lead Kelly Wallace provided an update on the transition to the LightEdge cloud and reported on efforts to reduce costs by reconfiguring ILR systems and changing subscriptions for various software tools. The need for additional internal developers was also discussed.

It was reported that the major task of migrating the virtual environment to the LightEdge cloud was successfully completed by early May. Subsequently, the team discontinued software and support subscriptions for Cisco, Dell, and VMware. The current focus is on right-sizing the environment to enhance efficiency and further reduce costs.

The transition to LightEdge has provided benefits such as reduced hardware and software costs, increased development time, and outsourced maintenance tasks. Additionally, the team is exploring a switch from the current SUSE operating system to a more cost-effective alternative, Ubuntu, with a goal to complete the migration by next summer.

CESAPI Implementation

The migration to the county C-submission API (CESAPI) is ongoing, with most service providers on track to complete the migration soon. The team continues to work on optimizing system performance. Developer Merna Addison has had the primary role of assisting local service providers with the transition.

Annual Report to Supervisors

The 2024 annual report was shared with the Committee. It had previously distributed to counties in July. It was provided to ISAC and distributed to the Board of Supervisors. Recorders are encouraged to present the report to their respective county supervisors.

Communications Update

The Communication Coordinator provided an update on the upcoming Deputies Conference, usage of the information hub and newsletter, and plans to revamp the newsletter content and add more training resources.

Modifications to Recorder Search Functions

The modification to the E-submission search function to enable searches by date range has been delayed. It was reported that this will take longer to complete than originally estimated. Underlying technical search methods will require more work to optimize the system.

The meeting was adjourned. A special ESS meeting will be held **August 28, 2024**. The next regular ESS meeting will be held **November 14, 2024**.