

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

Attendance

Committee Members

Stacie Herridge, Story County Recorder
Sheri Jones, Jones County Recorder
Kelly Spees, Jefferson County Recorder
Amy Assink, Floyd County Recorder

Geralyn Greer, Shelby County Recorder
Melissa Bahnsen, Cedar County Recorder
Susan Smith, O'Brien County Recorder

Other Participants

Natalie Steffener, Des Moines County Recorder
Nancy Booten, Lee County Recorder

Jordyn Hill, Warren County Recorder

Phil Dunshee, Iowa Land Records
Lisa Long, Iowa Land Records
Samantha McMahon, Iowa Land Records

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

Welcome

A meeting of the ESS Finance Subcommittee was held via web conference. The meeting was called to order at 9:00 AM.

Meeting Summary

The Finance Subcommittee reviewed the August 12, 2024, meeting summary. Geralyn Greer made a motion to approve the meeting summary. Sheri Jones seconded, and the motion was approved.

Accounts Receivable Update

The Account Manager provided an update on the status of accounts receivable for August. Key points included several outstanding balances relating to the upcoming deputies conference and last month's F255 reimbursement request that had recently been received.

The discussion also covered a failed payment from Dupaco Community Credit Union Releases. This was due to complications in recent staff changes and communication with the company has resulted in confirmation of a check on the way.

The report further covered the maintenance fee invoice for Cerro Gordo. It was explained that ESS had not yet been billed for this county. Depending on whether ESS will be billed for fiscal 2025, this charge may be written off.

August Summary of ESS Payments

The Accounting Coordinator detailed various accounts payable expenses to the Subcommittee. The maintenance fee payments to Daida and Solutions were noted, for fiscal year 2025.

The report showed some of the expenses for the upcoming Deputies' conference. A speaker, Desi Payne, has been hired to speak. Snacks and beverages were also purchased.

A review of recent credit card expenditures was provided. Key points included the annual renewal of the PRIA membership. Additionally, there was a charge for the PRIA Annual Conference virtual registration. It was also noted that the yearly subscription for Slack Technologies was invoiced with taxes, this issue has been resolved and the tax refund was received.

A motion to approve the August summary of ESS payments was made by Susan Smith, with Amy Assink seconding. The motion was approved.

August Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for September 2024, which was based on the amount of two payroll expenses, from August. The amount of the reimbursement request was \$44,116.94. As part of the arrangement with the State Treasurer's Office, ESS will draw down funds based on the previous month's income as a means of managing the budget.

Stacie Herridge made a motion to approve the September reimbursement invoice. Susan Smith seconded. The motion was approved.

July 2024 Financial Reports

The Subcommittee reviewed the financial reports for July 2024. Notably, the Bankers Trust account held a closing balance of \$1,167,279.84, down from the opening balance of \$1,315,484.76. The Profit & Loss (P&L) statement for the month showed budgeted income of \$147,185.53 against budgeted expenses of \$295,322.25, resulting in budgeted net income of \$-148,136.72. This was primarily associated with the expected payment for local maintenance services.

The ESS revolving income stood at \$3,091,547.54, contributing to a total income of \$3,238,733.07 for the period. Revolving expenses amounted to \$3,111,335.26, with total expenditures totaling \$3,441,523.67. Total net income of \$-202,790.60 for July 2024 was due to yearly insurance expenses, the timing of POS disbursements and the maintenance fees being paid during the month.

The discussion included an explanation of some reserve expenses for software licensing. Additionally, the refund for data center and hosting services from LightEdge was noted. POS transaction fees were also discussed, as they were higher than anticipated.

The Balance Sheet indicated total assets and liabilities at approximately \$2,758,959.05, with \$1,137,369.19 specifically held within the Bankers Trust Settlement account. It's important to note, given the accrual-based accounting, that the balance sheet figures may appear different than the actual bank account balance.

The beginning balance of the credit card account was \$1,771.32, and the ending balance was \$1,564.86. The account was reconciled successfully.

Regarding Fund 255 for July, the account opened with a balance of \$158,631.30 and closed at \$160,670.27. This was consistent with the income identified in the reimbursement invoice. Reimbursements have been coming later than they were in the past, due to staffing changes at the State Treasurers Office. All reimbursements are up to date as of September 12, 2024.

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

ESS Financial and Strategic Review

August Metrics

E-Submission activity for August 2024 was slightly above the August 2023 level. Although the numbers aren't as high as in prior years, the trend shows improvement from 2023. The trend line is in-line with the amended budget thus far.

SUSE Licensing

The Project Manager shared a memo for the ESS Finance Subcommittee to review. Since the inception of the Iowa Land Records System, ILR software has operated on a Linux operating system. During the last renewal

cycle the estimated costs were projected to be higher than in prior periods. This resulted in a decision to renew for one more year instead of the normal three-year period. In turn, representatives of SUSE requested an audit against the ILR system, and it was determined by SUSE that ILR was using more licenses than authorized since 2015.

The company has requested reimbursement for the licenses that were used during the last 9 years. After review, ESS agreed with the company that additional licenses were used unintentionally. Disappointment was expressed to the SUSE representatives that the reseller had not appropriately informed ESS of the changes in the licensing structure that caused the discrepancy, and that the reseller had continued to renew the license at the same rate. It was noted that alternative operating system software has been identified and it is expected that ILR will be able to transition to it prior to the end of the current subscription period.

A question was asked about the decision to only renew for one more year, instead of the normal three years. It was explained that their prices were going up and that the budget did not allow for the increases. Work to change operating systems has started and will continue in the coming months.

Authorization was requested to pay the license expenses due to SUSE from the reserve account. Sheri Jones moved to approve the payment to SUSE. Melissa Bahnsen seconded. The motion was approved.

POS System Transition Update

An update was provided on the recent point-of-sale (POS) transition. It was reported that the ESS team is working with Professional Solutions to resolve the discrepancy between the projected and actual costs. An update will be provided at the October meeting.

Fee Policies

The Subcommittee received a brief update on the ongoing development of the new fee policy for recording and Iowa Land Records. As things currently stand ESS is in active communications with the stakeholder groups and their lobbyists.

The ESS Committees and the Iowa County Recorders Association have formally approved the Fee Policy Modernization Proposal. A draft memo to supervisors regarding the Fee Policy Modernization proposal was reviewed by the Subcommittee along with a spreadsheet that estimated each county's income increase if the proposal is approved by the legislature. It was reported that outreach and advocacy are a big part of this process. It was recommended that communication be initiated with each county's board of supervisors, local legislators and stakeholders.

The meeting was adjourned. The next meeting of the Finance Subcommittee will be a web conference scheduled for Thursday, October 10, 2024.