

ESS Coordinating Meeting
Hybrid Meeting and Web Conference
November 14, 2024

Attendance

ESS Coordinating Committee and ICRA Executive Board Members

Lisa Kent, Wapello County Recorder*+
Jolynn Goodchild, Plymouth County Recorder*
Lindsay Laufersweiler, Webster County Recorder*
Natalie Steffener, Des Moines County Recorder *
Dillon Malone, Iowa Title Guaranty*
David Erickson, Dentons*
Nancy Booten, Lee County Recorder+
Sheri Jones, Jones County Recorder+

Julie Haggerty, Polk County Recorder*
Denise Baker, Wright County Recorder*
Melissa Bahnsen, Cedar County Recorder*+
Jamie Stargell, Adams County Recorder*
Eric Sloan, IT Boone County*
Stacie Herridge, Story County Recorder+
Megan Clyman, Davis County Recorder+
Ann Ditsworth, Dickinson County Recorder+

*ESS Committee Member

+ICRA Executive Board Member

Other Participants

Erin Canfield, Boone County Recorder
Kim Painter, Johnson County Recorder
Travis Case, Grundy County Recorder

Naomi Ellis, Marion County Recorder
Katie Carlton, Union County Recorder
Jan Gemar, ILTA

Lisa Long, Iowa Land Records
Census Lo-liyong, Iowa Land Records
Samantha McMahan, Iowa Land Records

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

Welcome

A joint meeting (hybrid) of the ESS Coordinating Committee and the ICRA Executive Board was held via web conference and at the ESS offices.

ESS/ICRA MOU Extension

An amendment to the Memorandum of Understanding (MOU) between the Electronic Services System (ESS) and the Iowa County Recorders Association (ICRA) was presented. The amendment would extend the term of the MOU by six months for the period of January 2025 to June 30, 2025. The budgeted compensation from ICRA to ESS would be \$25,500. A motion to approve the amendment was made by Ann Ditsworth and seconded by Stacie Herridge. The motion was approved.

Fee Policy and Modernization Legislative Proposal

The ESS Coordinating Committee and the ICRA Executive Board were presented with a memo summarizing the primary components of the fee policy and modernization legislative language that had been in development over the course of calendar year 2024.

Fee Policy Amendment

The fee modernization legislative proposal was presented for discussion. The amendment would modify Section 331.604 of the Iowa Code - changing the base recording fee from \$5.00 to \$10.00 per page. It would also discontinue the additional transaction fee and provide allocations for a recorder's technology fund and for Iowa Land Records from the base recording fee.

Electronic Services System Governance

The legislative proposal would modify Section 331.605B of the Iowa Code by consolidating and clarifying policy relating to the Electronic Services System. The proposed legislation would also give ESS the charge to create a recording notification system.

Back The Blue – Records Protection

The proposed legislation would give ESS the charge to create a shielding program in relation to the “Back the Blue” policy. This would be an addition to Section 331.606A of the Iowa Code. Participants discussed a potential liability concern about a provision requiring professionals to maintain confidentiality when authorized to view shielded information. It was suggested that consideration could be given to maintaining the current program until those concerns could be resolved.

Document Formatting and Submission Requirements

Numerous updates would be made to Section 331.606B of the Iowa Code which would change document formatting and content requirements to reflect current practice and to provide preparers with additional flexibility. The legislation would also clarify requirements for cover sheets, update requirements for notifying submitters of errors, clarify that documents submitted for recording should be applicable to parties involved in the same transaction.

Conveyance Indexing Requirements

Various updates would be made to Section 558.49 of the Iowa Code with respect to indexing requirements for data elements in conveyance documents including the date of an instrument, document types, parsed location information, associated references and parcel identification numbers.

General Recording and Indexing Requirements

Various updates would be made to Section 331.606 of the Iowa Code relating to general recording and indexing requirements. The changes would require all counties to use a standard recording reference numbering system and require the indexing of associated document references, parsed location information, parcel identification numbers, and additional parcel identifiers.

Recording of Surveys – Creation of New Section

A new code section (tentative **331.612**) would be created to specify the requirements for formatting, content, indexing and recording surveys and other documents prepared by licensed land surveyors.

A recommendation was made to the ESS Coordinating Committee to approve the Fee and Modernization legislative proposal. Lindsay Laufersweiler made a motion to approve the legislative proposal. Julie Hagerty seconded, and the motion was approved with a roll call vote. Ayes were received from Jolynn Goodchild, Lindsay Laufersweiler, Dillon Malone, David Erickson, Julie Haggerty, Denise Baker, Melissa Bahnsen, Jamie Stargell and Eric Sloan.

Note: the ICRA Executive also voted and adopted a motion to approve the Fee and Modernization legislative proposal. The joint meeting of the ESS Coordinating Committee and the ICRA Executive Board adjourned. The ESS Coordinating Committee continued with their regular quarterly meeting.

August 28, 2024, Meeting Summary

The summary of the August 28, 2024, meeting of the ESS Coordinating Committee was reviewed. Dillon Malone made a motion to approve the meeting summary. Denise Baker seconded, and the motion was approved.

2025 ESS Meeting Schedule (DRAFT)

A draft 2025 ESS Meeting Schedule was presented for approval. Jolynn Goodchild made a motion to approve the 2025 ESS Meeting Schedule. Melissa Bahnsen seconded, and the motion was approved.

Committee Terms of Office

Terms of office for committee members were discussed. Members with expiring terms were reminded to communicate their intentions with the ICRA President and their respective districts.

Financial Reports

YTD 2024 Financial Reports

The year-to-date 2024 financial reports were presented, showing budgeted income of \$1,385,797.95 and expenses of \$1,315,418.98. Revolving income and expenses amounted to \$25,105,649.34 and \$25,114,560.08, respectively. Expenses including \$118,342.47 in planned reserve expenses, \$250,513.15 in depreciation expenses, and \$45,921.96 in charges for retired equipment resulted in a net income of - \$353,309.35. The balance sheet showed total assets and liabilities of \$2,576,350.05. The balance for Fund 255 was \$205,222.93.

The ESS Coordinating Committee also received a report showing four refunds for local maintenance fees. Refunds were issued due to unbilled maintenance service fees.

A motion was requested to accept and approve the 2024 YTD financial reports. Natalie Steffener moved to approve the 2024 YTD report financial reports. Jolynn Goodchild seconded, and the motion was approved.

Bankers Trust Sweep Account Authorization

A recommendation was made to the ESS Coordinating Committee to establish a money market sweep account with Bankers Trust. The sweep account would be used to regularly maintain funds in a money market account which is currently earning a 1.85% interest rate. When needed for distributions, funds would be moved to the regular operating account.

A motion to approve the Bankers Trust sweep account was made by Lindsay Laufersweiler. Julie Haggerty seconded. The motion was approved.

Contracts and Agreements – Part 1

The ESS Coordinating Committee elected to address three action items on the agenda that would impact the budget before considering the overall budget. These topics were the 2025 engagement agreements with the Rafferty Group and the Brick Gentry law firm, and a personnel action to authorize an increase in hours for a member of the development team.

Rafferty Group CY 2025 Engagement

The Rafferty Group provides government relations services to ESS. A proposal to extend the engagement with the Rafferty Group through the calendar year 2025 was presented for approval. Julie Haggerty made a motion to approve the Rafferty Group CY 2025 engagement at \$30,000. Jamie Stargell seconded, and the motion was approved.

Brick Gentry CY 2025 Engagement

Brick Gentry provides ESS with legal services. The Brick Gentry calendar year 2025 agreement for \$2,250.00 per month on a retainer basis was presented for approval. Dillon Malone made a motion to approve the Brick Gentry CY 2025 engagement. Jamie Stargell seconded the motion, and it was approved.

ILR Staff Hours

A recommendation was made to increase the developer's hours from 25 to 29 hours per week. A motion was made by Denise Baker and seconded by Julie Haggerty to increase the developer's hours from 25 to 29 hours. The motion carried.

ESS Financial and Strategic Review

October Metrics Review

October metrics showed E-Submission activity exceeding 2022 and 2023 levels, indicating positive trends. The jump in E-Submission in October shows hope for improvement for the remainder of the year. While the trend line was expected to follow the previous year's month-to-month movements, recent experience exceeds expectations.

ILR Budget Review and Action

CY 2024 Financial Budget Amendment

A 2024 budget amendment adjusts income and expenses to reflect actual performance through August, reconciled figures for September, and projections for the final quarter of the year. Total projected revenue for 2024, as reflected in the budget amendment, was \$1,781,378.09. This includes an increase of over \$37,000 in E-Submission income compared to earlier estimates. Projections for November and December remained unchanged to ensure a cautious financial approach.

Total gross expenditures in the proposed budget amendment were projected at \$1,730,203.14. This resulted in a projected net income of \$51,174.95,

Notable recommended budget adjustments included the reallocation of \$22,100.00 for PRIZM and \$10,432.84 for DB2 software licenses from reserve expenses to budgeted expenses. Additional adjustments featured \$1,200 for early registration and airfare for the 2025 PRIA conference, a one-year MISMO membership renewal at \$4,000, and increased hours for the part-time software developer from 25 to 29 per week.

A motion to approve the CY 2024 Final Budget Amendment was made by Lindsay Laufersweiler. The motion was seconded by Natalie Steffener, and it was approved.

Contracts and Agreements – Part 2 – ILR Staff Compensation

As a part of the discussion about the 2024 budget amendment, the ESS Coordinating Committee considered a recommendation to provide an end-of-year bonus to ESS staff who had not received a compensation increase in two years. The amount of the bonus would generally be equivalent to a 3% adjustment in base compensation for the five affected team members. The cost of the action would be \$11,500.

A motion was made by Natalie Steffener to approve the recommended bonus adjustments. Julie Haggerty seconded the motion, and it was approved.

With the approval of the staff compensation action and its inclusion in the CY 2024 budget amendment, total gross expenditures in the proposed budget amendment were projected at \$1,718,703.14. This results in a projected net income of \$39,674.95.

CY 2025 Budget

The recommended CY 2025 budget projected total revenue of \$1,785,627.17 and total expenses of \$1,784,832.45, reflecting a balanced approach consistent with the final CY 2024 amendment. Key adjustments include allocations for the ICRA 990 tax return, increased costs for ESS meetings, audit services, and insurance (up 10%), and a \$120,000 cost-sharing credit. Software and license expenses for DB2 and PRIZM were retained as budgeted expenditures. The budget projections also assume that the Memorandum of Understanding between the ESS and ICRA would not be continued in the second half of 2025.

Office operations remain stable or slightly reduced, with the education and outreach budget set for basic operations and participation in two conferences: the 2025 PRIA winter conference and participation in the 2025 Iowa Housing conference. The proposed budget did not provide for ESS staff compensation adjustments, although it is hoped that these can be addressed in a future budget amendment.

A request for approval of the CY 2025 budget was made. Denise Baker made a motion to approve the CY 2025 budget. The motion was seconded by Julie Haggerty, and it was approved.

Contracts and Agreements

Local Service Provider FY 2025 COLA

The ESS Coordinating Committee was informed about the Social Security 2.5 percent cost of living adjustment for 2025. This is reflected in the projections for the 2025 budget.

Project Updates

The Project Manager provided the Committee with updates on several project activities.

County E-Submission API (CESAPI)

The E-Submission API rollout is continuing with key successes from the Solutions/Harris and Cott teams. The Fidlar team is making progress although they are behind schedule. Concerns were expressed about the status of work by the Tyler team. The challenges of development for providers serving only one county were noted.

County Upload API (CUAPI)

The delays in the CESAPI rollout have impacted the timeline for implementing the County Upload API. The most recent target date has been March 2025, but the CESAPI delays will likely push the CUAPI implementation to fall 2025 or beyond.

The County Upload API is ready for service providers to develop and test, with enhancements aimed at improving usability and efficiency. These include resolving issues with uploads of large documents.

Redaction Processes

Forward File redaction services provided by CSI have been restored, and they have reported that security concerns have been resolved. They have also confirmed that no ILR information was compromised. Currently the records that were redacted during the outage are being rechecked to verify that they were processed correctly. Back File redaction activities are expected to restart by the end of the calendar year.

Modernization Initiative Budget Projections

Budget projections for the modernization initiative show that income generated from an updated recording fee structure may be allocated to additional software development staff. Detailed projections are not yet complete.

Next meeting

The meeting was adjourned. The next regular meeting will be on February 20, 2025.