

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

Attendance

Committee Members

Stacie Herridge, Story County Recorder
Kelly Spees, Jefferson County Recorder

Geralyn Greer, Shelby County Recorder
Amy Assink, Floyd County Recorder

Other Participants

Natalie Steffener, Des Moines County Recorder
Teresa Olson, Worth County Recorder

Lisa Kent, Wapello County Recorder
Jamie Stargell, Adams County Recorder

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

Kristen Delaney-Cole, Iowa Land Records
Samantha McMahon, 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 October 10, 2024, meeting summary. A motion was made by Geralyn Greer and seconded by Stacie Herridge to approve the summary. The motion was approved.

Accounts Receivable Update

It was reported to the Subcommittee that accounts receivable as October 31, 2024, was \$0.00.

Maintenance Refunds

It was reported to the Subcommittee that refunds had been issued to four counties: Calhoun, Dallas, Jasper and Linn. The local land records management system providers, Fidlar and Tyler, did not bill for annual services in these counties, and they chose to decline billing on a prorated basis. The counties had paid their share of maintenance costs, and were therefore due to receive an equivalent refund.

October Summary of ESS Payments

The Accounting Coordinator reported on various accounts payable expenses. Sac County was paid for a missing distribution due to a checking account change. The final maintenance fee invoice also arrived, Avenu has been paid in full.

A review of recent credit card expenditures was provided. Key points included a new Canva subscription for the Communications Coordinator. Condolence flowers were also purchased and sent for a funeral, and a computer monitor was purchased for a member of the software development team.

A motion to approve the October summary of ESS payments was made by Amy Assink. Geralyn Greer seconded the motion. The motion was approved.

November Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for November 2024, which was based on the amount of two payroll expenses in October. The amount of the reimbursement request was \$41,213.58.

Kelly Spees moved to approve the November reimbursement invoice. Stacie Herridge seconded. The motion was approved.

September, 3rd Quarter, and Year-To-Date 2024 Financial Reports

September Reports

The Subcommittee reviewed the financial reports for September 2024. The Bankers Trust account had an opening balance of \$1,206,902.94 and a closing balance of \$1,092,886.29. The Profit & Loss (P&L) statement for the month showed budgeted income of \$140,350.76 against budgeted expenses of \$128,986.47, resulting in budgeted net income of \$11,364.29.

The ESS revolving income for September stood at \$2,879,643.13, contributing to a total income of \$3,019,993.89 for the period. Revolving expenses amounted to \$2,888,714.92, with total expenditures of \$3,115,781.05. The total net income came to \$-95,787.16 for September 2024.

3rd Quarter Reports

For the 3rd quarter 2024 report, the budgeted income was \$433,282.00 against budgeted expenses of \$644,398.23. ESS revolving income for the quarter stood at \$9,109,642.72 and revolving expenses amounted to \$9,128,138.67. The total net income amounted to \$-389,549.16.

YTD Reports

For the year-to-date Profit & Loss (P&L) statement, budgeted income stood at \$1,385,797.95 against budgeted expenses of \$1,315,418.98. Revolving income came to \$25,105,649.34 and revolving expenses amounted to \$25,114,560.08. The total net income, for the year-to-date report, ended at \$-353,309.35.

Key points when explaining the financial reports included the fiscal 2025 maintenance fee income and expenses, in the amounts of \$184,241.82 and \$306,660.87 respectively. The unplanned payment for SUSE software licenses from reserve funds was also a factor.

Depreciation also had a significant effect on total net income – noting the effects of depreciating software as well as the retirement of computer equipment. The effect of higher costs associated with the new POS system was also reviewed.

The Balance Sheet indicated total assets and liabilities at approximately \$2,576,350.05, with \$1,100,483.90 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 higher than the actual bank account balance.

The Accounting Coordinator reported on the journal entries that were made in October. The entries included correcting entries for a rounding error, and reversing entries for the drawdown account which were made in error. There was also an entry moving a small overpayment from the State Treasurer to income.

The beginning balance of the credit card account was \$3,223.63, and the ending balance was \$3,260.39. The account was reconciled successfully.

F255 Reports

Regarding Fund 255 for September, the account opened with a balance of \$164,009.35 and closed at \$205,222.93. This was consistent with the expected income outlined in the reimbursement invoice.

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

ILR Budget Review and Action

CY 2024 Final Budget Amendment

The Project Manager provided information about current E-Submission trends and a summary of a proposed CY 2024 budget amendment, with a detailed spreadsheet that depicted the recommended adjustments.

Income for E-Submission has exceeded projections in 2024, which has helped with the overall budget. However, retaining a conservative posture leading to the end of the calendar year, projected revenue for November and

December will not be changed.

Several expenditures were changed, and the effects of the increased HR benefits were discussed. Other adjustments included the allocation of funds for the registration and travel to the 2025 PRIA conference. There was also a suggestion for the renewal of the ESS membership with MISMO.

A recommendation to move the funding for software licenses from reserve expenses to budgeted expenses was made. This included the licenses for PRIZM and DB2. A request was also made for an increase in hours for the part-time software developer.

End-of-year compensation bonuses for five members of the ESS staff, who have not had any compensation increases in two years, were also reviewed.

With the changes budgeted net income was projected to increase by \$36,078.37, for an estimated total net income of \$51,174.95. Revenue is seen to increase by \$37,216.69 while expenses are projected to increase by \$1,138.32. With the inclusion of the recommended end-of-year compensation bonuses, net income for CY 2024 was projected to be \$39,674.95.

A motion to approve the final CY 2024 budget amendment was made by Stacie Herridge, with GERALYN GREER seconding. The motion was approved.

CY 2025 Budget

A budget recommendation for calendar year 2025 was based on 2024 trends. Expenditure adjustments were made to various line items including resources being allocated for the ICRA 990 tax return, increases for resources for ESS meetings, increased expenses for insurance premiums, a slight decrease in the cost sharing credit, and decreasing MOU income for the second half of the year. Also, as discussed in the 2024 budget amendment, the software and license expenses for DB2 and PRIZM were added back to the budget for 2025.

Income for 2025 was projected to be \$1,785,627.17. Expenses were projected to be \$1,784,832.45.

Stacie Herridge made a motion to approve the CY 2025 budget. The motion was seconded by Kelly Spees, and it was approved.

Bankers Trust Sweep Account

The Accounting Coordinator presented a money market sweep account recommendation to the Subcommittee. Currently ESS receives earnings credits with an interest rate of 0.75% on the account balance. This has helped offset account fees. The current rate is not sufficient to cover monthly account fees and ESS owes money at the end of each month for these banking fees. Establishing a money market account, with a sweep, would allow ESS to earn interest every month, even after the monthly account fees are paid. The current money market interest rate is 1.85%.

A motion to approve the establishment of a Sweep Account with Bankers Trust was made by Stacie Herridge. Amy Assink seconded. The motion was approved.

Finance Subcommittee Terms

Subcommittee members were reminded of terms that will expire on December 31, 2024, and the affected members were encouraged to communicate with their districts about nominations.

2025 Meeting Calendar

A proposed 2025 meeting calendar was presented to Subcommittee members for consideration. The final calendar will be presented at the next meeting.

The meeting was adjourned. The next meeting of the Finance Subcommittee is a web conference scheduled for Thursday, December 5, 2024.