

**ESS Finance Subcommittee
Teleconference Meeting
January 9, 2025**

Attendance

Committee Members

Stacie Herridge, Story County Recorder
Kelly Spees, Jefferson County Recorder
Geraldyn Greer, Shelby County Recorder
Melissa Bahnsen, Cedar County Recorder

Sheri Jones, Jones County Recorder
Susan Smith, O'Brien County Recorder
Amy Assink, Floyd County Recorder

Other Participants

Natalie Steffener, Des Moines County Recorder
Nancy Booten, Lee County Recorder
Erin Canfield, Boone County Recorder

Lisa Kent, Wapello County Recorder
Ashten Wittrock, Carroll County Recorder

Phil Dunshee, Iowa Land Records
Lisa Long, Iowa Land Records
Census Lo-Liyong, 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 December 5, 2024, meeting summary. A spelling error was noted for correction. Sheri Jones made a motion to approve the meeting summary. Geraldyn Greer seconded, and the motion was approved as corrected.

Accounts Receivable Update

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

December Summary of ESS Payments

The Accounting Coordinator detailed various accounts payable expenses to the Subcommittee. The discussion covered planned changes to LightEdge Solutions monthly billing, which resulted in a minimal pricing change. The Project Manager explained that the storage space for ILR systems was modified, and the team worked with LightEdge to get the correct storage space in the right places. This was a substantive change but the effect on cost was minimal. It was also noted that this in the future, other configuration changes will naturally be required as ESS continues to grow.

A review of recent credit card expenditures was provided. Key points included the annual renewal for cloud recording with Zoom. Additionally, annual subscription renewals from Microsoft and Gravity Forms were explained.

The report also showed two transactions for Survey Monkey. Survey Monkey renewed the annual subscription in November, however the original amount was refunded and invoiced back to ESS, less tax in the month of December.

A motion to approve the December summary of ESS payments was made by Stacie Herridge, with Susan Smith seconding. The motion was approved.

January Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for January 2025. The amount of the reimbursement request was \$43,094.67.

The Project Manager provided a brief background on the agreement with the State Treasurer's Office and the possibility of changes coming. Currently, as part of the arrangement with the State Treasurer's Office, ESS draws funds based on the previous month's income. Because of how ESS is now structured, improving the efficiency of this system is being explored. The proposed changes, included in the fee policy proposal, would be structured so the counties distribute the money directly to ESS monthly, eliminating the extra step with the State Treasurer's Office.

Geralyn Greer made a motion to approve the January reimbursement invoice. Sheri Jones seconded. The motion was approved.

November 2024 Financial Reports

The Subcommittee reviewed the financial reports for November 2024. Notably, the Bankers Trust settlement account opened with a beginning balance of \$990,703.45 and had a closing balance of \$0, due to the opening of the money market sweep account during the last week of November. The Bankers Trust sweep account opened with a \$0 beginning balance and ended with a \$1,113,330.92 balance.

The Profit & Loss (P&L) statement for the month showed budgeted income of \$134,780.06 against budgeted expenses of \$173,470.60, resulting in budgeted net income of -\$38,990.10. The ESS revolving income for the period was \$2,927,620.06, contributing to a total income of \$3,062,400.12. Revolving expenses were \$2,928,315.39, with total expenditures of \$3,110,469.31. The total net income for November 2024 was -\$48,069.19.

The discussion included the income relating to chargeback fees that are being charged back to the customer as well as the money market sweep interest income. Additionally, the higher-than-normal payroll expenses were explained as there were three payroll periods in the month of November. The SUSE and DB2 expenses were highlighted, these two expenses were moved back to budgeted expenses from reserve expenses during the month.

The Balance Sheet indicated total assets and liabilities at approximately \$2,531,879.13, with \$1,343,874.39 specifically held between the Bankers Trust settlement and sweep accounts, together. It is important to note, given the accrual-based accounting, the balance sheet figures are higher than the actual bank account balance.

The Accounting Coordinator presented journal entries made during November and December. The entries detailed the movement of the SUSE and DB2 expenses, as well as the depreciation entries for the period. The report further detailed the daily entries between the Bankers Trust settlement and Bankers Trust money market accounts.

The beginning balance of the credit card account was \$1,632.78, and the ending balance came in at \$3,917.99. The account was reconciled successfully.

Regarding Fund 255 for November, the account opened with a balance of \$163,214.34 and closed at \$206,309.01. This was consistent with the income identified in the January reimbursement invoice. Reimbursements have been coming later than they were in the past, due to staffing changes at the State Treasurers' Office. However, all reimbursements are up to date through December 2024.

A motion was made by Melissa Bahnsen to approve the November 2024 financial reports. Amy Assink seconded, and the motion was approved.

ESS Financial and Strategic Review

December Metrics

E-Submission activity for December 2024 was well above the December 2022 and 2023 marks. Even though the numbers haven't reached peak levels, like in 2021, the line is heading in the right direction. The trend line is normally expected to follow the previous year's month-to-month movements, which normally start to decline in the last quarter of the year. The continuing increases in E-Submission from prior years represents a positive conclusion to calendar year 2024.

Bankers Trust Sweep Account

The Accounting Coordinator provided an update on the Bankers Trust sweep account. An in-depth explanation of how the sweep account works was given. It was explained that the process is automatic and working well. Further discussion revealed that the annual percentage yield earned had dropped from 1.8% to 1.3%, due to changes in the market. However, even with the drop in interest rates, it is foreseen that this new account will still yield more than the earnings credit. Account performance will continue to be monitored and reported.

Recording Fees and Modernization Update

A brief update on the recording fees and modernization initiative was provided. With the legislative session starting up in the upcoming week, everyone has been working to encourage recorders to communicate with their legislators. The bill is in process with the Legislative Services Agency. An official study bill is anticipated. ESS has been meeting with legislative staff and communicating with them even before the session started. It was suggested that anyone who would like to hear more about the bill attend the Standards Committee meeting on January 23, 2025.

The meeting was adjourned. The next meeting of the Finance Subcommittee will be a web conference scheduled for February 6, 2025.