

**ESS Finance Subcommittee
Teleconference Meeting
February 6, 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

Nancy Booten, Lee County Recorder

Lisa Kent, Wapello County Recorder

Phil Dunshee, Iowa Land Records
Corrie Strasser, 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 January 9, 2025, meeting summary. Geraldyn Greer made a motion to approve the meeting summary. Melissa Bahnsen seconded, and the motion was approved.

Accounts Receivable Update

The Accounting Coordinator presented the accounts receivable report to the Finance Subcommittee. The report showed one item due to a chargeback for online boat renewals, from Linn County. A check is expected from the customer this month.

January Summary of ESS Payments

The Accounting Coordinator detailed various accounts payable expenses to the Subcommittee. The discussion covered an invoice submitted by the Rafferty Group. It was explained that the expense will increase in February as billings are in arrears. Also covered was a reimbursement for airfare to the March 2025 PRIA conference. Both expenses were approved in the 2025 budget.

A review of recent credit card expenditures was provided. Key points included the annual renewal of the ESS Dropbox account and a refund of the sales tax. Additionally, annual subscription renewal for Intuit was discussed. The team is working with Intuit to recover taxes from the bill. The report also covered an Eventbrite registration for a legislative reception.

Two additional expenses were discussed for Microsoft. These charges were introduced by Iowa Solutions, ESS's office tech support company. One of the charges was for extra security, specifically Microsoft Entra ID P2. The second charge will be reimbursed each month by Iowa Solutions, the charge is for the Microsoft 365 Business Basic service.

A question did arise about the plane tickets to attend the PRIA event in March, the Project Manager will be attending the event.

A motion to approve the January summary of ESS payments was made by Sheri Jones, with Stacie Herridge seconding. The motion was approved.

February Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for February 2025. The invoice was based on the amount of two payroll expenses from January. The amount of the reimbursement request was \$44,773.19.

Geralyn Greer made a motion to approve the February reimbursement invoice. Susan Smith seconded. The motion was approved.

December, 4th Quarter, and Yearly 2024 Financial Reports

December Reports

The Subcommittee reviewed the financial reports for December 2024. Notably, the Bankers Trust settlement account opened with a beginning balance and closing balance of \$0. The Bankers Trust sweep account opened with a \$1,113,330.92 beginning balance and ended with a \$934,297.27 balance.

The Profit & Loss (P&L) statement for the month showed budgeted income of \$159,144.07 against budgeted expenses of \$138,115.54, resulting in budgeted net income of \$21,028.53. The ESS revolving income for the period was \$3,604,459.69, contributing to a total income of \$3,763,603.76. Revolving expenses were \$3,601,428.36, with total expenditures of \$3,752,360.06. The total net income for December 2024 was \$11,243.70.

4th Quarter Reports

The Profit & Loss (P&L) statement for the 4th quarter showed budgeted income of \$442,299.81 against budgeted expenses of \$432,008.89, resulting in budgeted net income of \$10,290.92. The ESS revolving income for the period was \$9,958,867.64, contributing to a total income of \$10,401,167.45. Revolving expenses were \$9,954,747.54, with total expenditures of \$10,435,255.42. The total net income for the 4th quarter of 2024 was \$-34,087.97.

Calendar Year 2024 Reports

The Profit & Loss (P&L) statement for the year showed budgeted income of \$1,828,097.76 against budgeted expenses of \$1,747,427.87, resulting in budgeted net income of \$80,669.89. The revolving income for the period was \$35,064,516.98, contributing to a total income of \$36,892,614.74. Revolving expenses were \$35,069,307.62, with total expenditures of \$37,234,090.10. The total net income for 2024 came to \$-387,397.32. It was noted that the negative total net income amount was primarily driven by depreciation expenses in the amount of \$331,486.63, Reserve Expenses in the amount of \$85,867.98, and a charge of \$45,921.96 associated with the migration of Iowa Land Records systems to the cloud.

The discussion included the income related to the money market sweep account used to offset the bank account analysis fees, each month. Additionally, the movement of a couple of expenses to and from the reserve account, to align with what was approved in the November Finance Subcommittee and ESS Coordinating Committee meetings. Also noted was the catchup bill from Lightedge Solutions, the corrected bill from August was received during the month.

The Balance Sheet indicated total assets and liabilities at \$2,547,321.31, with \$230,415.87 specifically held by the Bankers Trust settlement account and \$934,297.27 in the Bankers Trust money market account. 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 the month. The entries detailed the movement of the SUSE and Prizm expenses, as well as the depreciation entry 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 \$3,917.99, and the ending balance came in at \$2,737.71. The account was reconciled successfully.

Regarding Fund 255 for December, the account opened with a balance of \$206,309.01 and closed at \$164,286.89. This was consistent with the income identified in the February reimbursement invoice.

Reimbursements were all caught up, as of December 31, 2024.

A motion was made by Melissa Bahnsen to approve the December, 4th quarter, and yearly 2024 financial reports. Amy Assink seconded, and the motion was approved.

CY 2025 Budget Amendment

The Project Manager provided a summary of a proposed budget amendment, with a memo detailing the recommended adjustments. Notably, the discussion included moving a developer back to full-time hours for the rest of calendar year 2025.

The memo suggested allocating sufficient reserve funds to cover the cost of the annual PRIZM (Accusoft) license. The cost was expected to be higher than in previous years. Additionally, allocating sufficient reserve funds to cover the cost of the annual DB2 (IBM) license. Currently these two expenses are included in budgeted expenses. The two license expenses could possibly be moved back to the budget later in the year.

A motion to approve the CY 2025 budget amendment was made by Stacie Herridge, with Sheri Jones seconding. The motion was approved.

Assignment of Credits for Maintenance Costs

The Project Manager presented reports with calculations for the ratio of E-Submissions in 2024. The proportion of documents electronically recorded from 2023 to 2024 increased from 62.1% to 67.2%. The current 2025 calendar year budget allocates \$120,000.00 for cost sharing which represents an average credit of about \$1200.00 for each county. The amount allocated to each county is determined by a formula that is linked to the statewide E-Submission average, plus a fixed amount per county as allowed by the budget. The fixed amount was recommended at \$95.00 per county.

Proposed cost share allocations were shown per county. Preliminary approval was recommended for the presented credits for maintenance costs, to be reviewed at the May 2025 meeting.

A few questions did arise following the presentation. The first was about the actions taken. It was confirmed that the budget amendment as well as the preliminary assignment of credits for maintenance costs will both need to be approved by the ESS Coordinating Committee as well as the Finance Subcommittee. The second question about the fiscal 2026 maintenance fees was raised. The amounts, before cost share credits, will be communicated to the counties for budgeting reasons.

A couple more questions that resulted in discussion were regarding the possible hiring of additional developers and about the survey that was sent out last month. The Project Manager provided information about plans for additional developers, contingent on the passage of pending legislation. Information about the use of the survey information to prepare updated financial models was discussed.

Lastly, it was recommended that ESS provides the counties with how credit card transactions display on customers' statements. This information could be posted on the county's individual websites, to hopefully avoid any more chargebacks.

Amy Assink made a motion to approve the preliminary assignment of credits for maintenance costs. Melissa Bahnsen seconded. The motion was approved.

ESS Financial and Strategic Review

January Metrics

E-Submission activity for January 2025 was well above the January 2023 and 2024 marks and comparable to January 2022. Even though the numbers haven't reached peak levels, as in 2021, the line is heading in the right direction and is above what was suspected. The trend is normally expected to follow the previous year's month-to-month movements, which usually decline in the first couple of months of the year. The continuing increases in

E-Submission from prior years represents a positive start to the calendar year 2025.

POS Update

ESS has had occasional issues getting data from Professional Solutions, due to an issue with First Data not providing the information to them. Although they seem to be getting better, ESS notifies the counties as soon as possible if a distribution will be late. ESS will continue to work with and monitor the relationship with Professional Solutions. Everyone's patience with the issue is appreciated.

CESAPI Implementation

ESS has had recent meetings with several service providers. The API implementation is heading in the right direction, and ESS will continue to work with the providers to get this completed. Further communication is expected as agreement renewals will be presented in the next several weeks.

Linux OS Migration

ESS is working on converting the Iowa Land Records applications to a new operating system. The migration is expected to be completed in May, before the renewal of the SUSE license.

Recording Fees and Modernization Update

An update on the recording fees and modernization initiative was provided. ESS is facing some headwinds with the legislature. Property tax relief seems to be one of the bigger issues on the Senate side. The House concerns are mostly directed towards the increase in fees. Also discussed concept being advanced in some quarters that that counties should be able to exit the ESS 28E agreement and move away from participation in Iowa Land Records, if desired. Disunity was creating uncertainty among stakeholders and policy makers. Subcommittee members were encouraged to watch for further communications from the Iowa County Recorders Association.

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

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