

**ESS Finance Subcommittee
Teleconference Meeting
May 7, 2026**

Attendance

Committee Members

Stacie Herridge, Story County Recorder
Melissa Bahnsen, Cedar County Recorder
Sheri Jones, Jones County Recorder
Natalie Steffener, Des Moines County Recorder

Geralyn Greer, Shelby County Recorder
Amy Assink, Floyd County Recorder
Kelly Spees, Jefferson County Recorder

Other Participants

Jamie Stargell, Adams County Recorder
Erin Canfield, Boone County Recorder
Carolyn Siebrecht, Linn County Recorder

Patty Hanners, Scott County Recorder Staff
M. Davis - Guest

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

Kristen Delaney-Cole, Iowa Land Records
Corrie Strasser, 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 April 9, 2026, meeting summary. Sheri Jones made a motion to approve the meeting summary. Amy Assink seconded, and the motion was approved.

Accounts Receivable Update

The Account Manager presented the accounts receivable report to the Finance Subcommittee, as of April 30, 2026. The report primarily consisted of county invoices for the calendar year 2026 maintenance fees. An additional item for some recent chargebacks was discussed, the account has since been paid.

May Summary of April ESS Payments

The Accounting Coordinator detailed various accounts payable expenses to the Subcommittee. Key points covered the first progress billing invoice from Denman; the bill was received sooner than originally expected, due to the audit being nearly complete. The expense aligns with the budget for 2026. Also covered was payment to Alliant Energy due to a glitch in the system causing the company to be double charged.

Several bills relating to the recent office relocation were highlighted. These included extra insurance expenses, office supplies, moving expenses, firewall setup, and monthly rent. Additionally, a mileage reimbursement was discussed relating to a recent trip to the Story County Recorder's office for an in-person training session for the ESS Admin Team. All other items listed were normal month-to-month expenses

A review of recent credit card expenditures was provided. The office relocation provided a need for ESS to furnish the new space. A refrigerator and microwave were purchased during the month from Lowe's. Additionally, several purchases from Amazon were made for miscellaneous office supplies. A shredding service was needed during the move, and the service was provided by SteriCycle during the month.

Internet for the West Des Moines office was installed and charged to the card. The monthly expense is under budget and the team reported that the service was working great in the new office. A charge from Hy-Vee for funeral flowers was discussed. Additionally, the Mailchimp charge was highlighted. The bill included taxes, the

refund has since been received. All other items listed were normal month-to-month expenses.

A question was raised about whether additional items were needed for the West Des Moines office. In May, a plug-in extension and water dispenser were purchased. A conference room phone and reception area furnishings are still needed.

A motion to approve the May summary of April ESS payments was made by Mel Bahnsen, with Geralyn Greer seconding. The motion was approved.

May Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for May 2026. The invoice was based on the amount of two payroll expenses from April. The amount of the reimbursement request was \$39,745.25. The Subcommittee was reminded that no April invoice was submitted due to an accounting error by the TOS (Treasurer of State). The June invoice is expected to include the missing funds. 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.

Melissa Bahnsen made a motion to approve the May reimbursement invoice. Sheri Jones seconded. The motion was approved.

March and 1st Quarter 2026 Financial Reports

March 2026 Reports

The Subcommittee reviewed the financial reports for March 2026. Notably, the Bankers Trust settlement account opened with a beginning and closing balance of \$0. The Bankers Trust money market account opened with a \$1,416,982.41 beginning balance and ended at \$1,015,027.43.

The Profit & Loss (P&L) statement for March showed ESS's budgeted income of \$159,230.49 against budgeted expenses of \$146,850.50, resulting in budgeted net income of \$12,379.99. The revolving income for the period was \$3,674,366.06, contributing to a gross profit of \$3,833,596.55. Reserve expenses for the month totaled \$11,654.14, with depreciation for the month at \$18,337.02. Revolving expenses were \$3,670,858.90, with total expenditures of \$3,847,700.56. The total net income for March 2026 was -\$14,104.01.

A comparison of the March 2025 and 2026 financials was provided to the Subcommittee. The report detailed each account resulting in an overall 4.8% increase, or \$7,350.66, in income for the month. Total budgeted expenses increased by 37.5%, or \$40,036.82, resulting in a total decrease in net income of 72.5%, or \$32,686.16.

1st Quarter 2026 Reports

The Profit & Loss (P&L) statement for the 1st quarter showed budgeted income of \$607,808.39 against budgeted expenses of \$661,495.96, resulting in budgeted net income of -\$53,687.57. The ESS revolving income for the period was \$9,342,774.69, contributing to a gross profit of \$9,950,583.08. Planned reserve expenses totaled \$25,324.20 for the period, with depreciation expenses at \$55,011.06. Revolving expenses were \$9,347,815.73, with total expenditures of \$10,089,646.95. The total net income for the 1st quarter of 2026 was -\$139,063.87.

A comparison of the 1st quarter 2025 and 2026 financials was provided to the Subcommittee. The report detailed each account resulting in an overall 39.6% increase, or \$172,525.17, in income for the month. Total budgeted expenses increased by 98%, or \$327,447.76, resulting in a total decrease in net income of 153%, or \$154,922.59.

The discussion included the income relating to the money market sweep account interest received, which has doubled since the previous year due to interest rate increases by the bank and an overall high bank account balance. Bad payment fees were also discussed due to the increase in chargebacks. Additionally, POS transactions are continuing to decline compared to 2025, due to boat renewals that become due only every other year. E-Submission fee income has increased but is still around the previously budgeted estimates.

The subcommittee was reminded that maintenance fees are now on a calendar year schedule. The income from

the counties will now be recognized in January, instead of June. In conjunction with the change, the local maintenance expenses paid to county service providers will also be paid earlier in the year, skewing the financial reports compared to 2025.

Key points relating to expenses included the increase in price of the ESS accounting software and ESS meetings line items. With the hiring of an Executive Director and moving office buildings, travel expenses were reimbursed to the ESS Committee members who were able to help during the process. Gateway transactions fees were discussed. While the rise in transactions fees are expected to be higher than normal, POS transaction fees have declined. It is important to note that return and chargeback fees are included in those numbers. Additionally, the Accusoft-PRIZM expense was paid during the month, whereas in 2025, it was a reserve expenditure until later in the year when the item was moved back to budgeted expenses.

The Balance Sheet indicated total assets and liabilities at \$2,796,207.27, with \$997,759.90 specifically associated with the Bankers Trust settlement account and \$1,015,027.43 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 beginning balance of the credit card account was \$3,111.94, and the ending balance came in at \$11,805.14. A second credit card was added to the account with the hiring of an Executive Director and the relocation of ESS. The original card will be closed after all vendors using the card have been contacted. The new credit card had a beginning balance of \$0 and an ending balance of \$999.49. The account was reconciled successfully.

Regarding Fund 255 for March, the account opened with a balance of \$165,751.05 and closed at \$116,164.28. This was consistent with the income identified in the May reimbursement invoice, with the addition of the February interest that was not billed out in April. The account is expected to catch back up with the June invoice to include money that was misplaced in February and had not yet been billed for reimbursement.

A motion was made by GERALYN GREER to approve the March and 1st quarter 2026 financial reports. AMY ASSINK seconded, and the motion was approved.

CY 2026 Budget Amendment

The ESS Executive Director provided a summary of a proposed budget amendment, with a memo detailing the recommended adjustments. Notable changes in the budget were divided between income and expenses in the memo provided.

Several income related items were discussed, including the decline in POS service fees and the recent E-Submission service fees being above projections. While a modest decrease in expected revenue was recommended for POS income, no other budgeted income lines are expected to change.

The primary changes in expenditure were related to requested changes in personnel costs, which proposed the introduction of scheduled employee reviews. The Executive Director proposed a new line in the budget to track review adjustments, if approved by the ESS Committees. Additional adjustments included an extended contract with the Project Manager and ESS, through June. Office rent, utilities, firewall, office cleaning, common area expenses, and internet were also discussed following the office relocation. Expenses were added for the annual PRIA conference, an open house for the new ESS office space, mileage reimbursements for an evaluation committee, and the ESS team to participate in district meetings. Additionally, payment expenses were adjusted to reflect the changes foreseen.

With the changes in the 2026 budget, income was projected to increase by around \$20,000. Overall, expenses are projected to decline by more than \$11,000. As a result, projected net income would increase by over \$32,000.

A motion to approve the CY 2026 budget amendment was made by SHERI JONES with NATALIE STEFFENER seconding. The motion was approved.

ESS Financial and Strategic Review

April Metrics

E-Submission activity for April 2026 was reported to continue to follow year-to-year monthly trends. April E-Submission numbers were reported at 35,713 electronically recorded documents. While this number is higher than the four previous years, it just missed the high point in 2021. Even though the numbers haven't reached peak levels, as in 2021, the line is heading in a positive direction and is above what was assumed with the current economy.

Denman CPA LLP Audit Update

ESS accounts and records are audited annually. The auditors use tests to examine the financial records, ensuring accuracy and compliance with laws and regulations. The audit also examines ESS business practices by identifying any concerns in the controls and ensuring accounting standards are met. The audit meets the same standards as would be applied for any political subdivision, and it is filed with the Auditor of State.

Denman conducted the annual audit of ESS for the 2025 calendar year at the end of April. It was reported that the audit process was completed. Management comments will be submitted to the auditor as soon as the preliminary audit report is received in the next few weeks. A full audit report will be presented in the August meetings.

ILR Staff Compensation Adjustments

The Executive Director provided a memo detailing past processes for employee reviews and a proposed change in the practice. Moving forward, the Executive Director is requesting to create a separate line for compensation adjustments related to increases in employee compensation rather than sending memos for each increase. This allows the Executive Director to be proactive in providing compensation adjustments for employees at the time of the performance reviews. As a proactive measure, the budget amendment for 2026 and the budget template for 2027 will show this compensation increase line item. Upon successful completion of the performance reviews and aligned compensation increases, the budget will show the adjustment amount for each employee/role after the review and the compensation increase line item will decrease by that amount. The change in practice will be provided to the ESS Coordinating Committee for their approval in their upcoming meeting.

Office Relocation Adjustments

The Accounting Coordinator provided an update to the Subcommittee on current office expenditure relating to the recent office location move. While ESS has been renting at the Johnston location, ESS did not own the items being used at the location. Office furnishings and supplies for the new site were purchased. The list also showed moving expenses and setup costs relating to the firewall installation.

WordPress Update

Visionary has started work on building several new pages for the updated ILR website. Meanwhile, a focus group made up of County Recorders have started their initial review of the website's updated content and layout. The focus group will continue to meet throughout the creation of the website refresh, including a testing period. The project is on track and looking at an end-of-June launch date. An update is expected to be given at the upcoming ESS Coordinating Committee meeting.

Notification System RFQ

The Project Manager gave an update on the Notification System, currently being built by Cott Systems. The preliminary work authorization is currently ending, which was dedicated to planning, discussion, design, and system architecture. A second work authorization is planned to start the following week and go through the first week of June. This authorization will be devoted to the back-end technology of how data will be captured, the software involved, the search engine, and name-matching. As the work continues, the user interface which the users of the system will access will be developed.

In summary, the project was reported to be on schedule. A wireframe is expected to be presented at the upcoming ISAC summer school event. Excitement and thanks were provided to the Project Manager for the time and work that has been done on the Notification System.

ReGov Contract

ReGov, a new service provider, contacted ILR with a request for integration. A few Iowa counties have signed contracts with ReGov. The development was originally planned to be completed in 1-2 years, but it is ahead of schedule, prompting ReGov to request more information about the API requirements for integration sooner than initially planned.

The Executive Director responded with the Swagger pages regarding the technical requirements and a meeting was held with the ESS/ILR Technical Lead, Executive Director and ReGov's developer and business contact on April 6, 2026.

The ReGov developer sent initial API requirements to the ESS Technical Lead for review. ILR requested the IP addresses and their contacts for the Service Provider agreement. Additionally, some high-level discussions were held to understand support for migration and integrations. The timeline is currently projected in 4-6 months (August – October 2026). The agreement is pending approval from the ESS Coordinating Committee.

The meeting was adjourned. The next meeting of the Finance Subcommittee will be a web conference scheduled for June 11, 2026.

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