

REGULAR BOARD MEETING

MINUTES

May 11, 2011

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on May 11, 2011 at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: George Parrott, President; Tryphina Wiseman, Vice President; Elizabeth Webber, Secretary; Rudy Lea, Frank McCree, J. T. Willoughby III, Jack Briggs, Harris High and Ken Stainback.

Also Present: Paul Harris, Executive Director; Stephen N. Dirksen, General Counsel; Dorman Caudle with Carolina Donor Services, Herbert Reichlin with Funeral Consumers Alliance, Fred Jordan with NC Eye Bank, Dan Funchess, funeral licensee, and Lyn Cochrane.

In Mr. Parrott's absence, Ms. Wiseman called the meeting to order at 9:05, led the Pledge of Allegiance, and had the invocation.

Ms. Wiseman read the Ethics Awareness & Conflict of Interest statement. Mr. Willoughby and Ms. Wiseman stated they had attended the National meeting of the Funeral Director and Morticians Association of NC, Inc. in Memphis, Tennessee. Mr. Stainback stated he had attended the North Carolina Funeral Directors Association District Six Meeting in Greensboro and Mr. High had attended the District Nine meeting in Matthews. Mr. Briggs stated he had attended the funeral of Donald Carter with Summersett Funeral Home. Ms. Webber stated she had attended the Annual Meeting of the Funeral Consumers Alliance of the Triangle Board meeting.

Ms. Wiseman asked the guests to identify themselves and there was no public comment.

Ms. Webber stated the minutes were previously mailed and revisions were e-mailed yesterday. Mr. Briggs stated he had not had a chance to open his e-mail and would Ms. Webber update him on what had been changed from the copy previously mailed. Ms. Webber stated there was more detailed information under Traineeship. Mr. Willoughby made the motion to approve the minutes and Mr. Lea seconded. The motion carried.

Exam Committee: Ms. Webber stated since the March meeting, nineteen applicants have taken the laws and rules exam. Seventeen passed (two were retakes) and two failed. One of the two failing scheduled to retake the exam. This report was for information only.

Finance and Personnel Committee: Mr. Briggs stated the committee had met by teleconference on Monday afternoon to discuss the mortgage note due in July. The mortgage holder has offered to convert the note for a fee of 50 basis points with the new terms set at 4.85% for five years. Committee recommended accepting the offer, pay \$100,000 to the principal balance and continue payment at the current amount so that the excess is applied to the principal balance. Mr. Briggs made the motion and Mr. Willoughby seconded. The motion carried. Committee is also discussing the consolidation of the litigation and business continuity reserves into one investment vehicle that would gain higher return. A recommendation for this will be presented at the June meeting. The Board's dental plan is increasing by \$2.00 per person a month beginning in July. This is less than a 5% increase. The disability/group life coverage will increase by about \$44 per month which is a 6.5% increase. Both increases are well within the budget for 2011. This was for information only. The auditors completed the on-site part of the examination of the 2010 financial records and found to be in order. Mr. Briggs presented the financial report and made the motion to accept the Report. Ms. Webber seconded and the motion carried.

Laws and Rules Committee: There was no report.

Traineeship Committee: Ms. Wiseman stated the Committee had a meeting scheduled with a suspended trainee. The trainee did not attend. The Committee was recommending the suspension remain in effect pending a hearing and made the motion to approve. Mr. Briggs seconded and the motion carried.

Mr. Harris suggested if the trainee arrived during the meeting, they allow him to appear before the Board in lieu of the hearing.

Mr. Willoughby made the motion to approve the recommendations and Mr. Lea seconded. The motion carried.

Preneed Committee: Mr. Willoughby presented the report for information only.

Disciplinary Committee: Mr. Lea presented the report and stated there was an addendum. Discussion ensued regarding the report. Ms. Webber made a motion to accept the recommendations for V10-017, V11-017, V11-020, V11-021, V11-025, V11-026, V11-042, V11-012, M11-009, M09-027, and M11-008. Mr. High seconded and the motion carried.

Discussion ensued regarding the Addendum. Mr. Briggs had concerns regarding the crematory operator training procedures and manager requirements. Discussion ensued. Mr. Willoughby made the motion to have the staff, the Crematory Authority, and the Laws & Rules Committee review the current law regarding independent crematories and bring back information to the Board. Mr. Lea seconded and the motion carried. Mr. Willoughby made the motion to accept the recommendation for V08-037. Mr. Stainback seconded and the motion carried.

Attorney's Report: Mr. Dirksen presented the report and a Status of Cases summary: From 2007, 2 cases pending; 2008, 3 cases pending, 2009, 7 cases pending, 2010, 13 cases pending; and 2011, 4 cases pending. There is an 11:00 hearing but the 1:00 hearing was resolved by Consent Order. The Thursday hearing has requested a first continuance and all meet the guidelines.

At this time Mr. Parrott entered the meeting.

Discussion ensued. Mr. Stainback made the motion to grant the continuance to be heard in June. Mr. Willoughby seconded and the motion carried. Mr. Parrott recused himself from the vote since he was not in the meeting during the discussion.

Mr. Stainback asked the question about scheduling other hearings in case hearing matters are settled or are continued. Discussion ensued.

Mr. Parrott then took over the meeting and thanked Ms. Wiseman for taking charge until he arrived.

Executive Directors Report: Mr. Harris recommended a letter be written to Hospice and to the N. C. Nursing Board with regards to the April discussion regarding M11-003. Ms. Wiseman made the motion to accept the recommendation and Mr. Lea seconded. The motion carried.

Mr. Harris stated since the April meeting sixteen reports have been filed and reviewed.

New Establishment Permits: The Good Samaritan Funeral Home, Denver
1 Application Pending Inspection

Ownership Changes: Raymer-Kepner Funeral Home & Cremation Services, Huntersville

New Chapels: G. Lane Memorial Chapel, Kinston (converted from an establishment)

New Crematory: 2 New Applicants Pending Inspection

New Funeral Service Licensees: John Keiwlicz, Jonathan Holland

New Trainees: James Lindsay, Terri Matthews, Hannah Ollis, William Osborne

Transport/Removal: Fred Barker, Randy Carden, Robert Harrison, Stuart Thompson

Staff Ethics report: Mr. Harris met with Cemetery Commission regarding the House Bill that would abolish the Commission and put them under the authority of the Board.

Mr. Harris provided an update on the paralegal position.

Interior construction plans have been e-mailed to the Board and will be available when Mr. Harris has the bid package is ready for review.

Mr. Harris made a presentation at the National Health Care Decisions Day Program on April 16th in conjunction with the Annual Meeting of the Funeral Consumers Alliance of the Triangle.

The auditors will meet with Mr. Harris and Board President Parrott on May 26 for the review of the Annual Financial Audit.

The Government Accounting Office Survey of Death Care Regulators was completed in a timely manner.

Mr. Harris and Mr. Dirksen have discussed improving information on the complaint process and hearings. Written documentation will be developed and sent to the complainant to better explain the process.

Mr. Harris and Mr. Parrott will be attending the NCFDA Convention May 16 - 18 in Asheville. Mr. Harris is a participant in a round table discussion.

A Preneed/FTC Review is scheduled for one day the week of June 27 - July 1.

Mr. Harris suggested for the July meeting hearings only July 13 and 14th with a brief meeting on July 13th. Ms. Wiseman made the motion and Mr. High seconded. The motion carried.

Mr. Stainback asked if anyone including funeral home administrative personnel could attend the FTC/Preneed Review. Mr. Harris replied only the seats available in the Board Room limited attendance.

New Business: Mr. Harris presented the Petition for Nomination of Candidate for N. C. Crematory Authority for approval. Mr. Briggs made the motion to adopt the petition. Mr. Stainback seconded and the motion carried.

Mr. Harris presented the order of Liquidation for Grier Mutual Burial Association, Incorporated, in Charlotte. Ms. Wiseman made the motion to approve the Order and Mr. Willoughby seconded. The motion carried.

Old Business: There was none.

Informational Items: There was none.

Public Comment: Mr. Reichlin commended Mr. Harris on his program at the Annual Meeting of the Funeral Consumers Alliance of the Triangle. Mr. Funchess expressed his appreciation for the good work of the Board and Mr. Harris. Mr. Harris expressed his appreciation of the comments.

With no further business, Mr. Parrott recessed the meeting until the 11:00 hearing.

Following the hearing, the Board reconvened the business meeting. Mr. Harris reported on the NCFDA Convention exhibit hours. Mr. Briggs had questions regarding the S&L matter and Mr. Harris stated it was his understanding that the parties were meeting at the their attorney's office today to consider the matter.

Ms. Wiseman asked if the trainee was present. Mr. Harris stated he had not shown up. Mr. Briggs asked if a hearing was necessary in order to terminate the traineeship and Mr. Harris stated that upon advice from the legal counsel, a hearing was required.

There being no further business, Mr. Willoughby made the motion to adjourn the meeting and Ms. Wiseman seconded. The motion carried.

George S. Parrott, President

Elizabeth S. Webber, Secretary