

NORTH CAROLINA
BOARD OF FUNERAL SERVICE

Minutes

May 14, 2025 Board Meeting

The North Carolina Board of Funeral Service convened for a duly scheduled Board meeting on May 14, 2025, at the Board offices at 1033 Wade Avenue, Suite 108, Raleigh, NC 27605.

Present: Mr. Thomas Hilderbrand, President; Mr. Richard Hinchey, Vice President; Ms. Le'Shekia Coleman, Secretary; Dr. Steven Lyons; Dr. Kimberly Kelsey; Mr. Robert Nunnaley; Mr. Michael Allen and Mr. Gary Overcash. Staff in attendance were Ms. Amy Acord, Interim Executive Director; Ms. Kaylan Krcelic, Administrative Assistant; Mr. Brett Lisenbee, Compliance Officer; and Ms. Catherine Lee, General Counsel.

Mr. Hilderbrand convened the meeting at 9:02 a.m. and recognized Mr. Hinchey for the Pledge of Allegiance to the flag. He asked Dr. Lyons for the invocation. Following the invocation, Mr. Hilderbrand read the Statement of Ethics and asked if any Board members had any conflict or appearance of conflict of interest. Dr. Kelsey recused herself from C25-0031. Mr. Hilderbrand then invited guests to introduce themselves. Mr. Hasten Wall introduced himself.

Mr. Hilderbrand then recognized Judy Bradley, Vice-President of Treasury Management Services with First Citizens Bank, along with Mark Kendall and Rachel Chappell. Ms. Bradley then introduced a feature offered through First Citizens Bank, enabling the submission of Preneed Contracts directly to the bank. This system ensures funds are deposited within the 24-hour time period as mandated by the Daily Deposit Act, while also allowing staff to maintain digital copies of all contracts rather than relying on paper records. Discussion ensued.

Mr. Hilderbrand continued and recognized Ms. Coleman for the presentation of the minutes from the April 9, 2025, meeting. Ms. Coleman stated that staff had provided the minutes prior to the meeting for review and invited any changes or amendments. Mr. Hilderbrand invited a motion for approval of the April 9, 2025, minutes.

Upon a motion by Mr. Overcash and a second by Mr. Hinchey, the Board voted unanimously by roll call to approve the April 9, 2025, minutes as presented.

Mr. Hilderbrand then asked Dr. Lyons to present the Disciplinary Committee report. Dr. Lyons stated that staff had provided the Disciplinary Committee report prior to the meeting for review and invited any questions or comments. No comments were offered. Mr. Hilderbrand then invited motions for approval of the Disciplinary Committee report.

Upon a motion by Dr. Lyons and a second by Ms. Coleman, the Board voted unanimously by roll call to approve the Disciplinary Committee report with the following dispositions:

- **Dismissals for Case Nos. C24-0029, C24-0033, C24-0099, C25-0012, C25-0030, C25-0031*, C25-0033, C25-0035, C25-0037, C25-0039, C25-0040, C25-0041, C25-0042, and C25-0045**
- **Issuance of Letter of Caution for Case No. C25-0048**
- **Issuance of Notices of Hearing for Case Nos. M25-0014, M25-0015**
- **Issue Preliminary Denial of Application with Opportunity to Appeal for Case No. M25-0016**

***Dr. Kelsey recused herself from this matter.**

Mr. Hilderbrand then recognized Ms. Acord for summarizing the Finance and Personnel Committee report.

Finance and Personnel Committee Report

Ms. Acord highlighted the report from the Finance and Personnel Committee based on the Committee report which follows. She noted that the Committee met on May 8, 2025, and reviewed the statement of net position and the statement of revenues and expenses for the period ending March 31, 2025.

Her summary was based upon the following committee report:

Ms. Acord provided an update on the financials for the reporting period ending March 31, 2025, stating that they remained stable. She highlighted that the Recovery Fund shows a balance of \$982,000.00. For comparison, the balance for the same reporting period in FY2024 stood at \$801,000.00. Additionally, she confirmed that the actual balance in the fund was \$993,000.00 as of March 31, 2025. Ms. Acord also reported that current assets were at \$3.1 million, up from the previous year's reporting period of \$2.8 million.

Ms. Acord reported that revenue currently stands at 48% of the total budget of \$1.7 million. For comparison, during the same reporting period in FY2024, revenue was at 53.8% based on a \$1.6 million budget. She also noted that expenses were tracking as expected, with no notable fluctuations to highlight. However, the Board is slightly over budget for this period, with spending at 26.1% rather than the anticipated 25%, resulting in a 1.1% overage. This trend mirrors the previous year, when expenses were also 1.1% over budget at the same point.

Mr. Hilderbrand then asked if anyone had questions, hearing none, he thanked Ms. Acord for her presentation and invited a motion to recommend the approval of the financial reports to the full Board.

Upon a motion by Mr. Hinchler and a second by Dr. Lyons, the Committee voted unanimously to recommend approval of the financial reports for the period ending March 31, 2025 to the full Board.

Mr. Hilderbrand then asked that Ms. Acord present the next agenda item. Ms. Acord reported that the 2024 audit had been completed and submitted to all required agencies, as well as the 93B report. The audit results were excellent with no material weaknesses or significant deficiencies. She also noted that historically, the Board had 8-9 months of reserve

operating capital but now has just under 1 year of reserve operating capital. Mr. Hilderbrand thanked Board staff for their efforts in ensuring the timely submission of the 93B report.

Mr. Hilderbrand requested that Ms. Acord present the next agenda item. Ms. Acord noted that the open enrollment for health insurance and benefits was just around the corner. To ensure benefits continue to meet the needs of all employees while maintaining financial sustainability, Ms. Acord proposed the following for approval:

Unum Coverage

Unum currently provides dental, vision, disability, and life insurance, with a three-year rate lock that expires on July 1, 2026. While the cost remains unchanged through July 1, 2026, dental coverage for remote staff has been challenging due to limited in-network providers outside Raleigh. Ms. Acord recommended that the Board begin exploring alternative providers next year to improve access and employee satisfaction.

BCBS Rate Adjustment Considerations

The current BCBS plan will see a 9% rate increase this year, following last year's enhancements to employee coverage. An alternative plan is available with a lower 6.6% increase, but it would shift more costs to employees through higher out-of-pocket expenses. Ms. Acord recommended that the Board maintain the current plan for next year.

HSA Contribution Policy for New Hires

Ms. Acord recommends that the annual Board contribution of \$1,000 to each employee's HSA account continue every July. However, to align contributions with probationary periods, Ms. Acord proposed that HSA deposits for new hires be delayed until after probation, with amounts prorated based on the probationary end date. This adjustment would ensure fairness and financial efficiency while maintaining immediate benefits eligibility upon hiring.

Mr. Hilderbrand then requested the next agenda item. Ms. Acord noted that an employee was recently called for jury duty, prompting a review of the current policy. She identified the need for updates and recommended allowing employees to take paid time off for jury duty without requiring them to use their accrued leave. To ensure consistency, she suggested capping paid jury duty leave to two weeks in case an employee is assigned to an extended trial. Ms. Acord further recommended that any compensation received by an employee from the Courts for jury duty should be reimbursed to the Board. This would ensure that employees receive their regular pay while fulfilling their civic duty, without financial gain beyond their normal earnings.

As Ms. Acord presented the report to the full Board, the board voted on the following:

Upon a motion by Mr. Hinchey and a second by Ms. Coleman, the Board voted unanimously by roll call to approve the financial reports for the period ending March 31, 2025.

Upon a motion by Dr. Kelsey and a second by Mr. Hincer, the Board voted unanimously by roll call to continue using current benefit plans provided through Unum and BCBS for the next year; change the HSA contributions for new hires by delaying deposits until after probation; allowing employees to take paid time off for jury duty for up to 2 weeks without requiring them to use accrued leave.

Mr. Hilderbrand thanked Ms. Acord for her presentation and recognized Board staff for the Laws, Rules and Legislation Committee Report.

Laws Rules and Legislation Committee Report

The Laws Rules and Legislation committee met on May 13, 2025 to discuss the substance of H1003, edition 3 and an additional change not included in the Bill Summary for H1003 regarding the supervision of provisional funeral directors set forth in GS 90-210.27A(e). Discussion ensued.

Mr. Hilderbrand then recognized Ms. Acord for the Executive Director's report.

Executive Director's Report

Ms. Acord based her report upon the following:

- Preneed Statistics - We currently have 626 establishments that are licensed to sell preneed. There are 216,038 active contracts registered with the Board. In the preneed department for the month of March, we recorded 2,393 contracts. Of those 2,393 contracts 277 were trust funded contracts and 2,115 were insurance funded contracts.
- New Phone System – Our new phone system went live on Monday, May 12.
- New Website – Our new website also went live on Monday, May 12.
- Internet Service Provider – I am currently exploring more economical options.
- NCFDA Conference – Board staff will be attending the conference next week and will also be presenting a Roundtable Continuing Education Seminar.
- Licensure – New licensees who utilized the Provisional pathway to full licensure is denoted on the report.

After some discussion, Mr. Hilderbrand thanked Ms. Acord for her report and then recognized Ms. Lee for the legal report.

Legal Report

Ms. Lee presented the following metrics regarding disciplinary and preneed matters:

DISCIPLINARY MATTERS

Current Active Cases: 56

Pending Investigation: 25

Pending Review by Disciplinary Committee: 0

Pending Dispositive Action: 18

 Pending Hearing: 10

 Post-Hearing: 0

 Other: 3

New files opened since last Board meeting: 10 C-Files; 8 M-Files

Notices of Hearing sent since last Board meeting: 4

Consent Orders received since last Board meeting: 1

Cases reviewed by Disciplinary Committee since last Board meeting: 18

PRENEED RECOVERY FUND CLAIMS

Current Active Preneed Recovery Fund Claims: 0

 Pending Investigation: 0

 Pending Dispositive Action: 0

Preneed Recovery Fund Claims received since last Board meeting: 0

Preneed Recovery Fund Claims re-opened since last Board meeting: 0

Preneed Recovery Fund Claims reviewed by Committee since last Board meeting: 0

Ms. Lee informed the Board that the recent Board approved Rule on funeral establishment manager changes has now been codified in the Administrative Code. A form is now available on the Board's website for establishments to report manager changes. Meanwhile, work continues on new Rules as Legislative changes are pending.

Old Business - None

New Business – None

Upon a motion by Ms. Coleman and a second by Mr. Overcash, the Board voted unanimously by roll call to convene in closed session to hear matters subject to attorney-client confidentiality pursuant to N.C. Gen. Stat. § 143-318.11.

Upon proper motion, the Board unanimously voted by roll call to reconvene in open session.

Mr. Hilderbrand invited a motion pertaining to the matters discussed in closed session.

Upon proper motion, the Board voted by roll call to accept the Consent Order in Board Case Number C25-0014, Thomas Adam Baynard.

The Board then conducted a hearing in the matter of Board Case Number C24-0109, Van-Boris Peterkin.

Upon proper motion, the Board voted unanimously to convene in closed session to deliberate.

Upon proper motion and vote, the Board voted unanimously to reconvene in open session.

Upon proper motion, the Board voted unanimously to suspend the funeral director license of Respondent Peterkin and to stay such suspension upon Respondent's compliance with statutes and rules regulating funeral service in North Carolina during the period of stayed suspension and Respondent's take a Board-sponsored continuing education course on the FTC Rule within 12 months. Respondent was ordered to pay a civil penalty of \$3,750.00 to the Civil Penalty and Forfeiture Fund within 12 months.

The Board then conducted a hearing in the matter of Board Case number M25-0001, Steven Michael Fulcher.

Upon proper motion, the Board voted unanimously to convene in closed session to deliberate.

Upon proper motion and vote, the Board voted unanimously to reconvene in open session.

Upon proper motion, the Board voted unanimously to deny Respondent Fulcher's application for a Removal and Transportation Permit but to allow Respondent Fulcher to reapply immediately upon completion of an updated criminal background check.

Upon proper motion, the Board voted unanimously by roll call to adjourn the meeting.

Affirmation:



Mr. Thomas T. Hilderbrand, President



Ms. Le'Shekia Coleman, Secretary



Date