NORTH CAROLINA
BOARD OF FUNERAL SERVICE

Minutes
August 13, 2025 Board Meeting

The North Carolina Board of Funeral Service convened for a duly scheduled Board meeting on August 13, 2025, at the Board offices at 1033 Wade Avenue, Suite 108, Raleigh, NC 27605.

Present: Mr. Thomas Hilderbrand, President; Mr. Richard Hincher, Vice President; Ms. Le'Shekia Coleman, Secretary; Dr. Kimberly Kelsey; Mr. Robert Nunnaley; Mr. Michael Allen, Dr. Steven Lyons, Brian Sutphin, 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 9:21 a.m. and recognized Mr. Hincher 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. Hearing none, Mr. Hilderbrand then asked for the introduction of guests. Several family members of new Board member, Brian Sutphin, introduced themselves and indicated they were present for Mr. Sutphin's swearing in.

Mr. Hildebrand then introduced Mr. Sutphin and administered his oath of office.

Mr. Hilderbrand recognized Ms. Coleman for the presentation of the minutes from the June 11, 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 June 11, 2025, minutes.

Upon a motion by Mr. Overcash and a second by Mr. Mr. Hincher, the Board voted unanimously to approve the June 11, 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 Dr. Kelsey, the Board voted unanimously to approve the Disciplinary Committee report with the following dispositions:

- Summary Dismissal for Case No. C25-00614
- Dismissals for Case Nos. C25-0043, C25-0046, C25-0053, C25-0056/C25-0057, C25-0058, C25-0059, C25-0060, C25-0062, C25-0063, C25-0064, C25-0065, C25-0068, C25-0073, C25-0074
- Issuance of Letter of Caution for Case Nos. C25-0049, C25-0066, C25-0069

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 August 6, 2025, and reviewed the statement of net position and the statement of revenues and expenses for the period ending June 30, 2025.

Her summary was based upon the following committee report:

> Ms. Acord provided an update on the financials for the reporting period ending June 30, 2025, stating that they remained stable. Ms. Acord reported that current assets were at $3.6 million, up from the previous year's reporting period of $3.4 million. She then highlighted that the Recovery Fund shows a balance of $1,027,455.25. For comparison, the balance for the same reporting period in FY2024 stood at $817,000.00. Ms. Acord asked if any members had questions about the Statement of Net Position. Mr. Hilderbrand asked Ms. Lee if there were any pending preneed recovery fund claims. Ms. Lee indicated that there was one claim pending, but Board staff were working with the insurance company to make the consumer whole without impact to the recovery fund.
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> Ms. Acord then reported that revenue currently stands at 67% of the total budget of $1.7 million. For comparison, during the same reporting period in FY2024, revenue was at 68.8% 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 51.1% rather than the anticipated 50%, resulting in 1.1% overage.
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> Ms. Acord directed the committee's attention to the Computer Support line item, noting that it had reached 97% of its budget primarily due to the recent website rebuild and the replacement of staff computers. She further explained that she had been in discussions with the Board's IT provider, DIS, about the anticipated need to purchase a new server along with several additional computers. DIS is currently preparing a cost estimate for these items so that the expenditure can be appropriately capitalized.

Mr. Hilderbrand asked if there were any other agenda items. Ms. Acord advised the Board that she had initiated collaboration with Ms. Lee and her associates to revise the employee handbook. She noted that while the project had been pending for some time, staffing transitions had previously limited her ability to dedicate sufficient attention to it.

Mr. Hilderbrand then asked Ms. Acord to update the Board on the new phone system that was put in place earlier this year. Ms. Acord indicated that the system was working wonderfully and thanked the Board for working with staff to implement the new system.

Upon a motion by Ms. Coleman and a second by Mr. Hincher, the Board voted unanimously to recommend approval of the financial reports for the period ending June 30, 2025 to the full Board.

Laws Rules and Legislation Committee Report

The Laws Rules and Legislation committee met on July 30, 2025 to review multiple proposed amendments to current Rules, as well as the introduction of new Rules, prompted by the enactment of HB1003.

Mr. Hilderbrand then recognized Ms. Lee to explain the new Statutes and proposed temporary and permanent Rules in detail.

Public Hearing

At 10:00am, the Board held a public hearing for 21 NCAC 34D .0202. There was no public comment regarding this Rule, and the hearing was closed at 10:30am.

After the public hearing Ms. Lee continued her explanation of the new Statutes and proposed temporary and permanent Rules. Lengthy discussion ensued.

At the conclusion of Ms. Lee's presentation and the discussion, Mr. Hilderbrand recognized Ms. Acord for the Executive Director's report.

Executive Director's Report

Ms. Acord based her report upon the following:

- Board staff experienced a busy month following the mid-July resignation of Administrative Officer Karen Loveland. In response to her departure, staffing roles have been realigned. Ms. Krcelic has transitioned into the role of administrative assistant, taking on responsibilities such as invoice submissions, individual licensure, daily bank deposits, with a reduction on receptionist duties. There is also a new temporary receptionist. Additionally, Ms. Bell, who supports the preneed program, is now assisting with daily iGov and deposit reconciliations. Despite the changes and new responsibilities, staff members have worked collaboratively to ensure continued operations. Their flexibility and commitment are greatly appreciated, and their efforts continue to uphold the Board's mission of serving licensees and consumers effectively.

- In June the AC in the front office quit working. We called our HVAC company, and they came out and fixed it for us. They had to replace a motherboard, but it is now working wonderfully. Thankfully, the cost was minimal.

- Our compliance inspector position is still open. We have had several good candidates apply, but recruitment has taken a back seat to HB1003. We will continue working towards getting the right person in the position.

- In June and July, we licensed 6 funeral directors, 4 of which used the provisional pathway, 6 funeral service licensees and 1 transporter. Due to the change in supervisory requirements for provisional licensees, we have seen an uptick in interest in this pathway to licensure.

Following brief discussion regarding the vacant Executive Director position , 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: 73

Pending Investigation: 44
Pending Review by Disciplinary Committee: 0
Pending Dispositive Action: 20
  Pending Hearing: 6
  Post-Hearing: 0
  Other: 3

New files opened since last Board meeting: 20 C-Files; 18 M-Files

Notices of Hearing sent since last Board meeting: 0

Consent Orders received since last Board meeting: 0

Cases reviewed by Disciplinary Committee since last Board meeting: 20

PRENEED RECOVERY FUND CLAIMS

Current Active Preneed Recovery Fund Claims: 2

  Pending Investigation: 2
  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

Old Business - None

New Business

Mr. Hilderbrand recognized Mr. Lisenbee for new business items regarding Board forms. Mr Lisenbee explained that due to HB1003 staff needed to update the Certificate of Performance form as well as the Cremation and Alkaline Hydrolysis authorization forms, which currently referenced outdated Statutes. He requested that the Board grant staff the authority to make technical revisions to these forms. Additionally, Mr. Lisenbee asked the Board to approve the proposed Model Form for the Conversion of an Irrevocable Preneed Trust to an Irrevocably Assigned Insurance Product, which is also necessitated by HB1003. Discussion ensued.

Upon a motion by Mr. Overcash and a second by Dr. Kelsey the Board voted unanimously to allow Board staff to publish the Model Form on the Board website.

Upon a motion by Dr. Lyons and a second by Ms. Coleman the Board voted unanimously to allow Board staff to make technical changes to the Certificate of Performance form as well as the Cremation and Alkaline Hydrolysis authorization forms.

Mr. Hilderbrand then asked if there was any public comment. Mr. Hubert Pope, H. D. Pope Funeral Home and Representative from the FDMANC, expressed concerns from the FDMANC regarding various changes to the Board's Practice Act resulting from HB1003.

Upon a motion by Ms. Coleman and a second by Mr. Overcash the Board voted unanimously to initiate Temporary Rulemaking for the following rules to include discussed changes to 21 NCAC 4B .0610 to move 21 NCAC 34B .0616 from permanent rulemaking to temporary rulemaking:

- ***21 NCAC 34A .0122 (Character Affidavit) (repealed)***
- ***21 NCAC 34A .0201 (Fees and Other Payments)***
- ***21 NCAC 34B .0103 (Authorized Practice: Supervision)***
- ***21 NCAC 34B .0105 (Funeral Director Trainee Application Form)***
- ***21 NCAC 34B .0106 (Embalmer Trainee Application Form)***
- ***21 NCAC 34B .0107 (FSL Trainee Application Form)***
- ***21 NCAC 34B .0120 (Trainee Final Affidavits)***
- ***21 NCAC 34B .0211 (National Board Certificate)***
- ***21 NCAC 34B .0310 (Practice of Funeral Service or Funeral Directing Not as an Owner, Employee, or Agent of a Licensed Funeral Establishment)***
- ***21 NCAC 34B .0313 (Procedures for Provisional Licensure)***
- ***21 NCAC 34B .0408 (Continuing Education Program)***
- ***21 NCAC 34B .0502 (Application Form and Equivalent Examinations for Reciprocal License)***
- ***21 NCAC 34B .0608 (Application Form for Funeral Establishment Permit and Branch Establishment Permit)***
- ***21 NCAC 34B .0610 (Application Form for Funeral Establishment Permit and Branch Establishment Permit)***
- ***21 NCAC 34B .0616 (Body Identification Tags)***
- ***21 NCAC 34B .0617 (Practicing During Disasters)***
- ***21 NCAC 34B .0618 (Practicing During Emergencies) (repeal)***
- ***21 NCAC 34B .0801 (Definitions)***
- ***21 NCAC 34B .0802 (Initial Transporter Permit Application Form)***
- ***21 NCAC 34B .0803 (Transporter Permit Renewal Application Form)***
- ***21 NCAC 34B .0807 (Initial Transportation Service Permit Application Form)***
- ***21 NCAC 34B .0808 (Transportation Service Permit Renewal Application Form)***
- ***21 NCAC 34C .0101 (Election to Crematory Authority) (repeal)***

- *21 NCAC 34D .0305 (Transfer of Trust Funds to Insurance Funded Product)*

Upon a motion by Ms. Coleman and a second by Dr. Kelsey, the Board voted unanimously to initiate Permanent Rulemaking for the following Rules:

- *21 NCAC 34A .0101 (Agency Name and Address)*
- *21 NCAC 34A .0123 (Consumer Complaint Form)*
- *21 NCAC 34A .0127 (Submission of Documents)*
- *21 NCAC 34B .0104 (Change in Employment)*
- *21 NCAC 34B .0110 (Work Reports and Checklists)*
- *21 NCAC 34B .0202 (Applications)*
- *21 NCAC 34B .0126 (Trainee Final Affidavits)*
- *21 NCAC 34B .0401 (Establishment and Approval of Courses)*
- *21 NCAC 34B .0414 (Accreditation of Computer-Based CE)*
- *21 NCAC 34B .0501(Application for License) (repeal)*
- *21 NCAC 34B .0507 (Courtesy Cards)*
- *21 NCAC 34B .0508 (Application Form for Courtesy Card)*
- *21 NCAC 34B .0510 (Courtesy Card Renewal Form)*
- *21 NCAC 34B .0605 (Permits: Transfer of Ownership of Establishment)*
- *21 NCAC 34B .0613 (Disclosure statement)*
- *21 NCAC 34B .0615 (Funeral Establishment Inspection Form)*
- *21 NCAC 34B .0703 (Disposal of Refuse: Ventilation)*
- *21 NCAC 34B .0706 (Registration of Embalming Facility Located Outside of a Funeral Establishment)*
- *21 NCAC 34C .0305 (Monthly Reports)*
- *21 NAC 34D .0304 (Transfer of Trust Funds to Substitute Financial Institution)*

Upon a motion by Richard Hincher and a second by Ms. Coleman, the Board unanimously voted by roll call to go into closed session to discuss a personnel matter not subject to public disclosure pursuant to N.C. Gen. Stat. § 143-318.11(6).

Upon a motion by Ms. Coleman and a second by Mr. Overcash the Board voted unanimously to reconvene in open session.

Upon a motion by Dr. Kelsey and a second by Ms. Coleman , the Board voted unanimously to adjourn the meeting.

Affirmation:

Thomas Hilderbrand

Mr. Thomas T. Hilderbrand, President

Le'Shekia Coleman

Ms. Le'Shekia Coleman, Secretary

September 10, 2025

Date