

## REGULAR BOARD MEETING

### MINUTES

November 10, 2010

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on November 10, 2010 at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: J. T. Willoughby III, President; George Parrott, Vice President; Tryphina Wiseman, Secretary; Rudy Lea, Frank McCree, Mark Blake, Elizabeth Webber, and Larry Andrews. Jack Briggs was absent.

Also Present: Paul Harris, Executive Director; Stephen N. Dirksen, General Counsel; Dorman Caudle with Carolina Donor Services, Fred Jordan with NC Eye Bank, Ben Brewington, Attorney and Lyn Cochrane.

Mr. Willoughby called the meeting to order at 9:10 a.m., led the Pledge of Allegiance and had the invocation.

Mr. Willoughby read the Ethics Awareness & Conflict of Interest statement. No one recused themselves.

Mr. Willoughby asked the guests to identify themselves and there was no public comment.

The October minutes were presented for approval and Ms. Wiseman made the motion to adopt them. Mr. Blake seconded and the motion carried.

Mr. Willoughby stated the Preneed Report would be held until Mr. Andrews arrived.

Finance and Personnel Committee: Mr. Harris reported for Mr. Briggs and presented the financials. Questions ensued. Mr. Blake made the motion to approve the financials and Mr. Lea seconded. The motion carried.

Disciplinary Committee: Mr. Lea presented the report with an addendum to be considered separately. Questions ensued. Mr. Lea made the motion to accept the recommendation for V10-056, V10-067, V10-068, V10-069, V10-070, M10-025, V10-020, V10-052, V10-055, M10-026 and M10-014. Mr. Parrott seconded and the motion carried. Ms. Wiseman made the motion to accept the addendum for M10-001, M10-001 and M10-024. Mr. Parrott seconded and the motion carried.

At this time Mr. Andrews entered the meeting.

Traineeship Committee: Mr. Blake stated a trainee currently on suspension appears to have other late reports. The committee recommends a hearing on the matter and the trainee remain suspended pending the hearing. Mr. Blake made the motion and Ms. Webber seconded. The motion carried.

Two trainees on suspension until meeting with the committee—one has requested to be placed on hold and one will not continue the traineeship. Staff issued suspension letters to five trainees with late reports.

Committee was recommending permanent discontinuance of the trainee video since it has not been distributed in the last two years. Revisions to the trainee guidelines and reference materials address information that was contained in the video. Mr. Blake made to motion and Mr. Andrews seconded. The motion carried.

Preneed Report: Mr. Andrews stated two consumers with irrevocable contracts have requested transfers out of state and had met the requirements. Mr. Andrews made the motion to allow the revocation and Mr. Lea seconded. The motion carried.

#### Executive Director's Report:

Staff Ethics Report: Mr. Harris stated he had contact with NCFDA, FD&MA of NC, Inc. and Funeral Consumers Alliance regarding the November 18 meeting.

An engineer has been retained to draft a plan for the interior office construction and accompany Mr. Harris to the meeting with the City of Raleigh. It is possible to have the renovation complete by yearend.

Mr. Harris stated the Board 125 Plan was approved in July but a formal plan was now in place according to IRS Code and required approval. Mr. Parrott made the motion to adopt the plan and Mr. Blake seconded. The motion carried.

The revised MBA Certificate of Credit was submitted for approval. Mr. Lea made the motion to adopt the form and Mr. Blake seconded. The motion carried. Mr. Harris stated that funds for a Mutual Burial Association that was no longer in business with participants that were not known were being drafted for service charges each month in a bank account. He will prepare the proper form to have those funds sent to unclaimed property at the December meeting.

There will be a Preneed/FTC Review on November 30. Since the December meeting will be a heavy meeting, it was being suggested that hearings begin at 1:00 p.m. instead of at 11:00. Mr. Blake made the motion for the first hearing to begin at 1:00 on December 8. Mr. Andrews seconded and the motion carried. Mr. Harris will schedule a Crematory Law review in January 2011.

Mr. Harris expressed appreciation to the Board on behalf of the staff for the new vision plan. The Board Member Christmas Dinner will be December 7 and Mr. Harris will get directions to members as soon as possible.

Mr. Dirksen stated there were three hearings to begin at 9:30. Two had been settled by consent order. One had requested a continuance and had met the guidelines. Ms. Webber made the motion to approve the continuance. Mr. Blake seconded and the motion carried. Mr. Dirksen requested the January Board date be set so he could schedule hearings. Mr. Lea made the motion to schedule January 12 and 13, 2011 as Board/Hearing dates. Mr. McCree seconded and the motion carried.

New Business: Ms. Wiseman reported for the Clinics Committee. Twenty-eight people attended the October 19<sup>th</sup> clinic in Greensboro. Staff had completed an analysis of clinic expenses and receipts from 2005 to 2010. All expenses were within budget allocations for clinics each year but low attendance was the most discouraging issue. Committee recommends discontinuance of outside CE clinics for 2011 and to allow in-house Preneed and FTC reviews to meet the required eight hours of continuing education courses. Ms.

Wiseman made the motion and Mr. Parrott seconded. Discussion ensued. Mr. Willoughby called for the vote. Ms. Wiseman, Mr. Andrews, Mr. Lea, Mr. McCree, Ms. Webber and Mr. Parrott voted yes. Mr. Blake voted no. The motion carried.

Mr. Harris presented the Laws, Rules & Legislation report. A meeting is set for November 18 at the Board office with the staff, and representatives from NCFDA, FD&MA of NC, Inc., and Funeral Consumers Alliance of the Triangle to discuss changes to the preneed contract forms, laws and rules. Office of State Budget and Management issued a memo on November 1 to review existing rules to determine any that are unnecessary, unduly burdensome, or inconsistent with the Goals of Executive Order #70. The Committee met by teleconference Tuesday afternoon to discuss the Board staff's findings. Recommended for repeal 21 NCAC 34A.0105 and 21 NCAC 34A.0102. Mr. Parrott made the motion to repeal the two rules and Ms. Webber seconded. Motion carried.

Old Business: At this time Mr. Willoughby called for a brief recess in order for Mr. Dirksen to prepare for the completion of Board member training as required by Chapter 93B of the NC General Statutes. The meeting was reconvened at which time Mr. Dirksen distributed handouts to members and proceeded to review the defense of State Employees Act in order to complete training as required by Chapter 93B of the NC General Statutes.

Informational Items: Mr. Harris stated staff had received a letter from Teresa Bryant Wright. Mr. Willoughby read a thank you note from retired employee Ruth Britt thanking the Board and staff for the Resolution presented to her for her years of service to the Board.

Public Comment: There was none.

Ms. Wiseman made the motion to go into closed session to prevent the disclosure of privileged or confidential information pursuant to a North Carolina or United States law and to consult with Board legal counsel in order to preserve the attorney-client privilege to discuss settlement of pending litigation in the matters of case M07-010. Mr. Parrott seconded and the motion carried.

On a motion by Mr. Andrews and second by Mr. Parrott, the Board returned to open session at 10:55 a.m. Mr. Blake moved and Mr. Parrott seconded to direct the staff to make a counter offer in the matter of case M07-010 Boles Funeral Home & Crematory as discussed in closed session.

Mr. Willoughby initially recessed the meeting until the 1:00 hearing but immediately reconvened in order to discuss a previous motion regarding the scheduling of hearings on December 8<sup>th</sup>. Ms. Wiseman made the motion that staff would schedule the hearing at 11:00 a.m. Mr. Parrott seconded. Discussion ensued. Mr. Willoughby called for the vote and the motion carried.

Mr. Willoughby asked if there was any further business. There was none and upon proper motion and second, the meeting was adjourned.

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J. T. Willoughby III, President

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Tryphina Wiseman, Secretary