

BOARD MEETING

MINUTES

July 11, 2017

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on July 11, 2017, at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: Charles Graves, President; Matt Staton, Vice-President; Craig Olive, Secretary; Valdus Lockhart; Kelly Byrd; Steve Herndon; Mark Blake, Don Brown; Mike Stone.

Also Present: Catherine Lee, Interim Executive Director; Christina Cress McLaurin, General Counsel; Staff members Amy Mauldin, Brett Lisenbee, Chris Stoessner and Karen Davis; Dorman Caudle with Carolina Donor Services; Ben Foster; Attorney Henry Lancaster II, Funeral Directors & Morticians Association of N.C., Inc.

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

Mr. Graves read the Ethics Statement and Mr. Lockhart announced that he would be recusing himself from disciplinary matter C17-040 due to a conflict of interest, or the appearance of a conflict of interest.

Mr. Graves reminded everyone to turn off their cell phone ringers and the guests introduced themselves.

Mr. Olive stated the May minutes had been previously provided to all Board members and then made the motion to approve the minutes. Mr. Staton seconded and the motion carried.

Public Comment: There was none.

Preneed Committee: Mr. Blake stated the Preneed Committee met via teleconference on July 10, 2017 with all committee members in attendance. Mr. Blake stated that the Preneed Committee makes the following recommendations:

The Preneed Committee recommends that the Board's Interim Executive Director have the authority to informally resolve the subrogation efforts initiated against Edward McGimpsey/Ebony Funeral Service, so long as the value of the assets received as part of said settlement are at least equal to the amount of funds paid by the Board to reimburse claimants on behalf of Ebony FS.

The Committee reviewed Preneed Recovery Fund Claim Number P17-019, and recommended approval of the claim in the amount of \$7,400.00.

The Committee reviewed Preneed Recovery Fund Claim Number P17-020, and recommended denial of the claim.

The Committee reviewed Preneed Recovery Fund Claim Number P17-021, and recommended denial of the claim.

The Committee reviewed Preneed Recovery Fund Claim Number P17-022, and recommended approval of the claim in the amount of \$8,000.00.

The Committee reviewed Preneed Recovery Fund Claim Number P17-023, and recommended approval of the claim in the amount of \$2,315.99.

The Committee reviewed Preneed Recovery Fund Claim Number P17-024, and recommended approval of the claim in the amount of \$8,831.50.

The Committee reviewed Preneed Recovery Fund Claim Number P17-025, and recommended approval of the claim in the amount of \$9,763.00.

The Committee reviewed Preneed Recovery Fund Claim Number P17-026, and recommended approval of the claim in the amount of \$1,144.00.

The Committee reviewed Preneed Recovery Fund Claim Number P17-027, and recommended denial of the claim.

The Committee reviewed Preneed Recovery Fund Claim Number P17-029, and recommended approval of the claim in the amount of \$4,000.00.

The Committee reviewed Preneed Recovery Fund Claim Number P17-031, and recommended approval of the claim in the amount of \$8,500.00.

The Committee reviewed Preneed Recovery Fund Claim Number P17-032, and recommended approval of the claim in the amount of \$7,485.00.

Mr. Lockhart asked for clarification on the reason for the denial of P17-020. Discussion ensued.

Mr. Blake made the motion to accept the recommendations of the Committee for all matters. Mr. Brown seconded and the motion carried. Discussion ensued regarding the balance of the Preneed Recovery Fund; the reason for the increase in paid claims of recent; and staff's efforts to recover funds paid.

Finance and Personnel Committee: Mr. Lockhart stated a majority of the Finance & Personnel Committee met via teleconference on June 22, 2017 and makes the following recommendations:

The Finance & Personnel Committee recommends approval of the proposed Standard Operating Procedures manual for the Inspection Department, while delegating authority to the Finance and Personnel Committee to approve technical corrections as needed going forward (e.g. if change in technology allows for different transmittal methods for reports). Mr. Lockhart thanked Mr. Lisenbee for his efforts in revising the existing Standard Operating Procedures, and asked Mr. Lisenbee to discuss the manual with the Board. Discussion ensued. Mr. Lisenbee thanked Ms. Lee and Ms. McLaurin for their help in editing the manual. Mr. Lockhart made a motion to approve recommendation the proposed Standard Operating Procedures. Mr. Olive seconded and the motion carried.

The Finance & Personnel Committee recommends approval of the completed Internal Control Questionnaire for submission. Ms. Lee explained the questionnaire. Mr. Lockhart made a motion to approve the Internal Control Questionnaire. Mr. Olive seconded and the motion carried.

The Finance & Personnel Committee recommends approval for the hiring of a fifth inspector to cover the southeast region of North Carolina. Discussion ensued. Mr. Lockhart made a motion to approve the hiring of a fifth inspector. Mr. Herndon seconded and the motion carried.

The Finance & Personnel Committee recommends ceasing hiring efforts for a permanent Executive Director and retaining the current Interim Executive Director on a contract basis at this time. Mr. Lockhart made a motion to approve this recommendation. Mr. Brown seconded and the motion carried.

Discussion ensued regarding the Profit and Loss Budget and Balance Sheet. Mr. Stone asked for the past 5 years of data regarding Preneed Recovery Fund claims approved and paid. Ms. McLaurin stated that staff would provide this information to the Board at its August meeting. Mr. Lockhart made a motion to accept the financial statements provided in advance of the Board meeting. Mr. Byrd seconded and the motion carried.

Traineeship Committee: Mr. Blake stated that a majority of the Traineeship Committee met on Tuesday, July 11, 2017. The following statistics for the Traineeship Program were reviewed:

- There are currently 193 active Trainees
- 116 active Trainees have been audited for compliance with the timely submission of work reports
- 10 Trainees were certified in June
- 8 new Trainees started their traineeships on June 1
- 14 Trainee applications currently are pending
- 4 Trainees submitted late work reports for the month of May
- 4 Trainees failed to submit work reports for the month of May
- 10 Trainees failed to timely renew their Traineeship

The Committee also reviewed existing forms used in the administration of the Traineeship program, and current practices used to track Trainee's progress.

Ms. Lee and Ms. McLaurin explained the following recommended changes:

Recommendation No. 1: Approve the proposed revisions to Board Forms 7-9 (Applications for Registration as Resident Trainees)

Recommendation No. 2: Approve the proposed revisions to Board Forms 10A – 10C (Affidavits to Certify Resident Traineeship)

Recommendation No. 3: Approve the proposed revisions to Board Form 11 (Change in Employment for Resident Traineeship)

Discussion ensued. Mr. Byrd made a motion to accept the recommendations coming from the Traineeship Committee. Mr. Blake seconded and the motion carried.

Disciplinary Committee: Mr. Lockhart presented the following cases: Summary Dismissal – C17-043; Dismissals – C17-028, C17-035, C17-036, C17-037, C17-042, M17-005; Letters of Caution – M17-012, M17-013, M17-014; Consent Orders – M17-016, M16-039/C16-101; Notices of Hearing – C17-041, M17-015; T17-001, T17-002, T17-003; and General Recommendations for Trainee Discipline as follows:

<p><u>Late Monthly Work Report:</u> -First time late; or -No previous warning letters sent to Trainee</p>	<p>Warning letter, containing tiered discipline for any subsequent late monthly work reports.</p>
<p><u>Second Late Monthly Work Report:</u> -Second time late; or -Only one previous warning letter containing tiered discipline sent to Trainee</p>	<p>Trainee will be notified that he/she has lost work credit for any and all months in which a late work report was received. Trainee will not lose credit for any months that were included in first warning letter. The notification letter will include a warning that, if the Trainee is late a third time, the traineeship will be automatically terminated.</p>
<p><u>Third Late Monthly Work Report:</u> -Third time late; or -Only two previous warning letters sent to Trainee</p>	<p>Automatic termination of traineeship, with the option for the Trainee to appeal the termination through a hearing before the full Board within thirty (30) days of receipt of termination letter.</p>
<p><u>Failure to Renew within 30 days of Notice</u></p>	<p>Automatic termination of traineeship, with the option to resume traineeship within twelve (12) months upon payment of renewal fee and late renewal fee.</p>
<p><u>First Deficient Work Report</u> -First deficient report; or -No previous warning letters sent to Trainee</p>	<p>Warning letter, containing tiered discipline for any subsequent deficient work reports, and allowing Trainee to amend work report within ten (10) days.</p>
<p><u>Second Deficient Work Report</u> -Second deficient report; or -Only one previous warning letter containing tiered discipline sent to Trainee</p>	<p>Trainee will be notified that he/she has lost work credit for any and all months in which a deficient work report was received. Trainee will not lose credit for any months that were included in first warning letter.</p>

Discussion ensued regarding the Trainee discipline recommendations. Mr. Blake made a motion to accept the recommendations coming from the Disciplinary Committee, with the exception of the last two line items under general Trainee discipline recommendations regarding deficient work reports. Mr. Byrd seconded and the motion carried. Mr. Byrd made a motion to accept the Disciplinary Committee's recommendation regarding C17-040. Mr. Staton seconded and the motion carried. Mr. Lockhart abstained from voting on C17-040.

Technology Committee: Mr. Lockhart stated the Committee met via teleconference on July 6, 2017. The committee discussed the progress made since May 2017 on the following items:

- Payroll conversion to ADP and ADP tracking of time and attendance
- Updating PBX phone systems
- Transitioning use of QuickBooks to secondary bookkeeper

- Redesigning website, updating content, and making more forms available online
- Improving NCBFS Web Portal Security
- Ensuring compliance with open meeting laws by posting notice of Board and applicable Committee meetings on Board website and NC SOS website
- Increasing NCBFS domain security and improving anti-virus protection on IT resources
- Increased efficiencies in responding to governmental reports through improved IT capabilities
- Improving security and reliability of NCBFS servers and office workstations
- Transitioning NCBFS paper files for preneed annual reports to digital files
- Analyzing NCBFS currently-used database to recommend overhaul
- Improvements to tracking and managing trainee information electronically
- Upgrades to NCBFS hardware and network capabilities
- Transitioning of email management from third party provider to in-house management

Mr. Grunewald was available for questions. Ms. Lee commended Mr. Grunewald for his outstanding work. Mr. Byrd made a motion to accept the report for information purposes only. Mr. Olive seconded and the motion carried.

Dr. Deborah Radisch, Chief Medical Examiner, and Ashley Rodriguez entered the meeting.

Dr. Radisch was invited to discuss issues regarding death certificates and medical examiner jurisdiction in North Carolina. Lengthy discussion ensued between the Board members, staff, and Dr. Radisch.

At this time, there was a five-minute recess.

Interim Executive Director's Report: Ms. Lee offered the following information:

Board staff received an update from the Bipartisan State Board of Elections and Ethics Enforcement Board, which is the new agency comprised of the merged State Ethics Commission and State Board of Elections. The new Board has sent a reminder that the State Government Ethics Act, including SEI filing requiring and Ethics Education training requirements, remains in effect. Included in the Board members' binders was a report listing the dates on which Ethics education is next due.

Ms. Lee stated that the FTC Economic Liberty Task Force will have a roundtable in Washington, DC on July 27, 2017 on the topic "Streamlining Licensing Across State Lines: Initiatives to Enhance Occupational License Portability." The purpose of the roundtable is to examine ways to mitigate the effects of state-based occupational licensing requirements that make it difficult for license holders to obtain licenses in other states. Written comments are invited until July 20, 2017. Additional details were included in the Board members' binders.

Ms. Lee stated that a number of state governmental reports have been due since the last Board meeting. Specifically, Board staff have submitted and are in the process of submitting government reports to the Department of Revenue, OSMB/OSC, and DHHS.

Ms. Lee stated that the Cemetery Commission has a meeting upcoming on July 19, 2017, which Ms. Lee will attend. While NCBFS staff have begun implementing the terms of the Memorandum of Understanding proposed to the Cemetery Commission, the NCBFS staff hopes to have feedback from the Cemetery Commission on finalizing the document after the Commission's meeting on July 19.

Ms. Lee stated that she attended a Records Retention seminar at the Department of Cultural Resources on June 15, 2017 to address changes anticipated to all OLB Record Retention scheduled by the end of the calendar year. Staff will be working with the Department to transition to this new schedule over

the next 6 months. Additionally, Mr. Grunewald and the Department have been in contact to ensure that the Board's efforts to transition paper records to electronic records is in compliance with record retention laws. Staff also are beginning a long-term strategic audit of existing files in various departments to see if the Board has records in its possession that can be destroyed, per the existing record retention schedule.

Ms. Lee stated that Mr. Grunewald and the NCBFS temporary IT staff members have been working diligently on the Board's new website, which Board staff is prepared to launch after the July Board meeting. Feedback from Board members on the new website is welcome.

Ms. Lee stated that she and Ms. Cress attended the NCFDA Convention on May 22 and May 23; and that Ms. Mills and Ms. Lee attended the FDMANC Convention on June 20 and 21.

Ms. Lee reminded the Board that the 114th Annual Meeting of the International Conference will be held in New Orleans Feb. 28-March 1, 2018.

Ms. Lee stated that on May 24, 2017, the FTC informed Board staff of a recent congressionally-mandated increase in civil penalties for violations of the FTC's Funeral Rule. Board staff has disseminated this information to licensees through various means, including publication on the Board's website, through the Board's newsletter, and through the recent association conventions.

Ms. Lee stated that in December 2014, the Board voted to reimburse Board members hotel expense reimbursement up to \$100 per night for hotel stays. Ms. Lee stated that it is becoming increasingly difficult to find rooms in Raleigh for this rate and would like to propose the Board consider increasing the cap to \$125/night.

Ms. Lee congratulated Mr. Stone and Mr. Olive on their re-appointment to the Board for another 3-year term. Ms. Lee thanked them for their ongoing service and contributions to the Board. Ms. Lee announced that Mr. Lockhart was elected for nomination to the Governor's Office on behalf of FDMANC for another 3-year term, and that Board staff is currently awaiting word from the Governor's office on Mr. Lockhart's re-appointment.

Ms. Lee announced that Board staff is pleased to have Ms. Karen Davis and Mr. Chris Stoessner join us as the Board's newest inspectors. Ms. Davis is located in Raleigh and will be primarily working in Central NC; Mr. Stoessner is located in Kill Devil Hills and will be primarily working in Eastern NC. Both are actively training with Mr. Lisenbee and Mr. Cagle currently, and Board staff delighted to have them as part of the team.

Ms. Lee announced that Board staff is excited to welcome Ms. Amy Mauldin back to the Board. Ms. Mauldin is working as a Legal Assistant and will have primary responsibility over the Traineeship Program. Ms. Lee thanked Ms. Mauldin for the wonderful work done on the Traineeship program during Ms. Mauldin's short time with the Board.

Ms. Lee announced that Board staff is also excited to welcome Lisa Daye as the Receptionist for the Board. Ms. Lee thanked Ms. Daye for her work thus far.

Mr. Staton made a motion to increase the amount of money Board Members can be reimbursed for hotel rooms per night from \$100.00 to \$125.00. Mr. Byrd seconded and the motion carried.

Compliance: Mr. Lisenbee presented statistics regarding preneed contracts, monthly inspection data, and a list of the following newly licensed individuals and establishments from May 1, 2017 through July 7, 2017:

TRANSPORTER:

Mohamed S. Alzuraiki (Raleigh) – Active 06/30/2017

UNAFFILIATED:

R. Brent Cook Funeral Service Licensee – Elm City – passed inspection 5/24/17

FUNERAL HOMES:

First Cremation Society – Louisburg – passed inspection 05/01/17 (chg'd ownership)

Sawyer Funeral Home & Cremation Services – passed inspection 05/17/17

Fisher Memorial Funeral Parlor, LLC – Durham – passed inspection 05/31/17 (chg'd ownership)

Robert Morgan Funeral & Cremation Services – Shelby – passed inspection 06/19/17

Edwards Funeral Home, Inc. – Kinston – passed inspection 07/06/2017 (chg'd ownership)

Ashlawn Memorial Chapel & Gardens – Jefferson – passed inspection 06/29/17 (chg'd ownership)

Badger Funeral Home & Cremation Service – W. Jefferson – passed inspection 06/29/17 (chg'd ownership)

Midstate Cremation & Funeral Service – Asheboro – passed inspection 6/30/17 – (chg'd ownership)

All souls Funeral Service, Inc. – Mars Hill – passed inspection 6/30/17

FUNERAL DIRECTOR LICENSEES:

Lauren P. Willis – Newport, NC 06/16/2017

Rodney E. Sanders – Franklin, NC – 06/27/2017

Brian Hargett Greene – Greensboro, NC 07/07/2017

FUNERAL SERVICES LICENSEES:

Gregory K. Rollings – Peachtree City, GA 05/11/2017

Jonathan W. Meachem, Sr. – Wadesboro, NC 05/12/17

Kenneth R. Zoch – Austin, TX – 05/17/17

Dylan F. Matthews – Rocky Mount, NC 05/25/17

Robert J. Stephenson – Charlotte, NC 06/05/17

Lynda G. Huntley – Laurinburg, NC 06/07/17

Andrew R. May – Gastonia, NC 06/13/17

Sandra F. Colling – Newport News, VA 06/15/17

Frederick R. Jordan, IV – Hays, NC - (converted from FD to FS) 06/20/17

Rodney S. McKaig – Landrum, SC (converted from FD to FS) 06/28/17

TRAINEES:

Benjamin Chadwick Hargette – Gordon Funeral Service and Crematory (6/1/2017)

Patrick Thomas Harlow – Pierce-Jefferson Funeral Service (6/1/2017)

Daniel Lawrence McGee – Evans Funeral Service & Crematory (6/1/2017)

William Henry Mitchell, Jr. – B. G. Barrett Funeral Home (6/1/2017)

Karen Camp Morrison – Crowe's Mortuary & Crematory (6/1/2017)

Pamela D. Mosley – Bridges-Cameron Funeral Home, Inc. (6/1/2017)

Harry Lee Smith – Munden Funeral Home & Crematory (6/1/2017)

Evadne Kaye Smith – Smith Funeral Home (6/1/2017)

Chelsea Marie Stygles – Coble-Ward-Smith Funeral and Cremation Service (6/1/2017)

Bradley William Wood – Frank Vogler & Sons Funeral Home (6/1/2017)

Paul Edward Hoffman – Moore Funeral Home & Cremation Services (7/1/2017)

Michael Gardner Jones, II – Ellis D. Jones & Sons Funeral Directors (7/1/2017)

Lillie Pope – H. D. Pope Funeral Home (7/1/2017)

Renee' Denise Stevens – William Toney's Funeral Home, Inc. (7/1/2017)

Dandrell Dante Williams - Serenity Memorial Funeral Home (7/1/2017)

Attorney's Report: Ms. McLaurin thanked the Board and the Board staff for their patience and flexibility during her recent extended leave. Ms. McLaurin provided a legislative update, and indicated that the NC General Assembly is anticipated to return for a special session in August. Ms. McLaurin stated that the Declaratory Ruling regarding leadless pacemakers approved this morning will be shared with Representative Boles. Ms. McLaurin stated that the Board's Periodic Review Report was approved by the Rules Review Commission at its June meeting. Ms. McLaurin stated that a vote would be needed to adopt proposed permanent rules governing natural disaster situations in New Business. Ms. McLaurin requested a closed session to discuss matters of attorney client-privilege at the appropriate time. Ms. McLaurin stated there were three hearings scheduled. Two were resolved by consent order and one hearing was continued. Ms. McLaurin offered the following legal case status report for information purposes only:

DISCIPLINARY MATTERS:

Current Active Cases: 28

Projected Active Cases: 13

 Pending Investigation: 5

 Pending Review by Disciplinary Committee: 3

 Pending Dispositive Action: 0

 Pending Hearing: 3

 Post-Hearing: 0

 Other: 2 (one matter stayed per Board Order; one case being litigated at the Office of Admin. Hearings)

New files opened since May Board meeting: 16

Notices of Hearing sent since May Board meeting: 3

Consent Orders received since May Board meeting: 3

Cases reviewed by Disciplinary Committee since May Board meeting: 16

PRENEED RECOVERY FUND CLAIMS:

Projected Active Preneed Recovery Fund Claims: 2

Preneed Recovery Fund Claims reviewed by Preneed Committee since May Board meeting: 12

Preneed Recovery Fund Claims received since May Board meeting: 10

Old Business: Mr. Byrd made a motion to adopt the rules regarding natural disaster 21 NCAC 34B .0617 and 21 NCAC 34B .0618, pursuant to NCGS 150B-21.2(g). Mr. Lockhart seconded and the motion carried.

New Business: Ms. McLaurin proposed a new sample Cremation Authorization form to the Board. Discussion ensued regarding the proposed changes; whether the form should be mandated; and whether the short or long form should be used. The Board decided to table the matter. Ms. McLaurin stated that a revised version of the form will be provided for the Board's review in August.

Mr. Staton made a motion to go into closed session. Mr. Brown seconded and the motion carried. Ms. McLaurin clarified that the purpose of the closed session would be to evaluate a prospective employee's qualifications and competency.

The Board returned to open session. Mr. Byrd made a motion to re-approve the Finance and Personnel's recommendation regarding retaining the Interim Executive Director on a permanent basis for the flat fee proposed. Mr. Lockhart seconded and the motion carried. Mr. Stone voted against the motion.

Mr. Lockhart made a motion to revise the Preneed Committee's recommendation providing settlement authority for the McGimpsey/Ebony subrogation lawsuit to Ms. McLaurin as General Counsel. Mr. Olive seconded, and the motion carried.

Mr. Staton made a motion to go into closed session for the purpose of protecting the attorney-client privilege. Mr. Lockhart seconded, and the motion carried.

The Board returned to open session. Mr. Olive moved to adjourn the meeting. Mr. Staton seconded, and the motion carried.

Charles Graves

Charles Graves, President

Craig Olive

Craig Olive, Secretary