

## BOARD MEETING

### MINUTES

December 13, 2017

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on December 13, 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; Steve Herndon; Mark Blake; Don Brown; Mike Stone; and Kelly Byrd.

Also Present: Catherine Lee, Executive Director; Staff member Amy Mauldin; Quintin Byrd, attorney at Law; Bill Forsberg, Executive Director of the North Carolina Funeral Directors Association; Dorman Caudle with Carolina Donor Services; Alexandra Kozak; Aaron Gregory; Carl Barnekow; Chris Watson; John Sossoman; Joshua Hicks; Jerrold Wheeler; William Sandlin; Stacey Walker; and Hubert Pope.

Mr. Graves called the meeting to order and led the Pledge of Allegiance. Mr. Byrd had the invocation.

Mr. Graves read the Ethics Statement.

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

November Minutes: Mr. Olive stated the draft November meeting minutes were available and then made the motion to approve the minutes. Mr. Byrd seconded and the motion carried.

Public Comment: Mr. Graves reminded everyone that this was not a question and answer session. There was none.

Preneed Committee Report: The majority of the Preneed Committee members met by teleconference at 8 a.m. on December 7, 2017. In addition to the items below, the Committee discussed the survey of other jurisdictions regarding safeguards for their preneed recovery funds; the procedures for asking banks to transfer funds to a successor preneed licensee as trustee when a contracting preneed licensee loses its license; and procedures for preneed annual reports.

Recommendation No. 1: Deny the request for a preneed bond waiver, but allow the applicant to re-apply for a waiver upon providing a copy of the balance sheets that are certified by a CPA, in accordance with 21 NCAC 34D.0203(c).

Mr. Blake made a motion to accept Recommendation No. 1. Mr. Byrd seconded and the motion carried.

Recommendation No. 2: Partially approve Preneed Recovery Fund Claim P17-044 in the amount of \$4,293.05.

Mr. Byrd asked for clarification on Recommendation No. 2. Discussion ensued.

Mr. Blake made a motion to accept Recommendation No. 2. Mr. Brown seconded and the motion carried.

Ms. Lee offered additional information regarding progress on obtaining a bond for the Preneed Recovery Fund and how other States safeguard similar accounts.

Mr. Blake discussed an increase from \$2 to \$5 in the amount of money taken from preneed contract filing fees that go into the Preneed Recovery Fund. Ms. Lee offered additional information.

Mr. Stone asked for clarification regarding how this will affect the operating budget. Discussion ensued.

Mr. Blake made a motion to raise the amount going into the Preneed Recovery Fund from Preneed contract filing fees to \$5.00. Mr. Byrd seconded and the motion carried.

Finance and Personnel Committee Report: Mr. Lockhart stated that all members of the Finance & Personnel Committee met via teleconference on Friday, December 8, 2017. The Committee discussed the following items:

- Review of revised proposed 2018 Budget to reflect an increase in earmarked funds from the preneed contract income and to more accurately project for 2018, based on the Nov. 2017 P/L statement;
- Review of applicants for the Executive Director position;
- Review of Balance Sheet and P/L statements, as of November 30;
- Review of Compensation Policy for Board Members;
- Procedures for conducting Board Election of Officers and listing agenda times; and
- Staff compensation

The Committee makes the following recommendations to the Board:

Recommendation No. 1: Approve the revised proposed budget for fiscal year 2018.

Recommendation No. 2: Review the applicants for the Executive Director position with the full Board.

Recommendation No. 3: Adopt a revision to the Compensation Policy for Board Members, such that the per diem for all committee meetings shall be \$50. Mr. Blake voted against the recommendation.

Recommendation No. 4: Recommend that officer elections be listed as a new business item in the agenda in future years. Recommend that the Board President direct Board staff on items to be listed as old business/new business items going forward.

Mr. Stone asked for clarification regarding Recommendation No. 3. Discussion ensued.

Mr. Stone asked for discussion regarding Recommendation No. 4 and that a policy be put in place regarding the time and order in which officer elections will take place in the future. Discussion ensued.

Mr. Lockhart made a motion to hold officer elections in November of every year in the following order: President, Vice President, Secretary. Mr. Brown seconded and the motion carried. Mr. Lockhart made a motion to accept the recommendations made the Finance and Personnel Committee. Mr. Staton seconded, and the motion carried.

Mr. Lockhart discussed the Profit and Loss Statement. Mr. Lockhart made a motion to accept the Profit and Loss Statement. Mr. Byrd seconded and the motion carried.

Mr. Blake asked when it became Board policy to send three officers to the International Conference Annual Meeting. Discussion ensued.

Mr. Stone asked for clarification regarding the cost of Board members attending the conference. Discussion ensued.

Technology Committee Report: Mr. Olive stated that all members of the Technology Committee met via teleconference on November 28, 2017 at 9:00 AM. The Committee discussed the progress made since August on the following items:

- Review of the Software License Customization and Consulting Services Agreement with iGov Solutions, LLC; and
- Discussion on implementation of the new IT management platform and how Preneed Annual Report filings will be impacted in 2018. The Committee discussed the possibility of having licensees submit only paper copies of the Preneed Annual Reports during 2018, if the implementation of the new IT management platform is not completed by the end of January 2018.

No recommendations were brought from the Technology Committee at this time.

Ms. Lee offered additional information regarding the paper filing of Preneed Annual Reports for 2018.

Mr. Olive asked for clarification regarding the use of a new server that was previously purchased. Discussion ensued.

Mr. Blake asked for clarification regarding the ability to print forms from the website, and regarding the ability to make all Board forms available as fillable PDFs. Discussion ensued.

Mr. Lockhart asked for clarification regarding the ability of preneed licensees to send in their financial statements from financial institutions dated December 31, 2017 and Board staff keying in the information. Discussion ensued.

Mr. Byrd made a motion to allow preneed licensees to send documentation directly from the funding source for the preneed contracts that show the preneed contract balances as of December 31, 2017, in lieu of requiring the licensees to provide balances for the preneed contracts on the Preneed Annual Report. Mr. Staton seconded and the motion carried.

Discussion ensued regarding financial institutions that will not send financial statements to preneed establishments, showing the balances used to fund the preneed contracts.

Mr. Stone suggested that the NC Department of Insurance may be a helpful resource when insurance companies fail to provide financial statements to the preneed establishments. Discussion ensued.

Crematory Authority/MBA Committee: Mr. Staton stated that all members of the Crematory/Mutual Burial Association met by teleconference on Friday, December 1, 2017.

The Crematory Authority/Mutual Burial Association brings the following recommendations to the Board:

1. 21 NCAC 34C .0101 - Election to Crematory Authority  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
2. 21 NCAC 34C .0102 - Form of Documents  
Recommendation: Repeal rule.
3. 21 NCAC 34C .0103 - Application Form for Crematory License  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
4. 21 NCAC 34C .0104 - Crematory License Certificate  
Recommendation: Repeal rule.
5. 21 NCAC 34C .0105 - Crematory Inspection Form  
Recommendation: Authorize Board staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
6. 21 NCAC 34C .0201 - Holding Facility; Cremation Unit; Processor  
Recommendation: Authorize Board staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.

7. 21 NCAC 34C .0202 - Refrigeration  
Recommendation: Authorize Board staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
8. 21 NCAC 34C .0205 - Labels  
Recommendation: Allow rule to be automatically re-entered into code without substantive changes through periodic review process.
9. 21 NCAC 34C .0206 - Cleanliness  
Recommendation: Allow rule to be automatically re-entered into code without substantive changes through periodic review process.
10. 21 NCAC 34C .0303 - Records of Cremation and Delivery  
Recommendation: Authorize Board staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
11. 21 NCAC 34C .0306 - Retention of Records  
Recommendation: Repeal rule.

Mr. Blake asked for clarification regarding No. 7. Ms. Lee offered additional information. Discussion ensued.

Mr. Byrd made a motion to accept the Crematory Authority/Mutual Burial Association report. Mr. Herndon seconded and the motion carried.

Ms. Lee stated that if any changes were made at the Crematory Authority meeting, which was anticipated for January, that she would bring them back to the Board for approval.

Laws, Rules and Legislation Committee Report: All members of the Laws, Rules & Legislation Committee met by teleconference on Tuesday, December 5, 2017.

The Committee reviewed the survey of Boards in other states regarding whether or not courtesy cards are issued, and what restrictions are placed on courtesy cards.

The Committee makes the following recommendations:

1. 21 NCAC 34B .0308 – Renewals; Notices  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
2. 21 NCAC 34B .0311 – Special Procedures for Licensing of Active Military Personnel  
Recommendation: Allow rule to be automatically re-entered into code without substantive changes through periodic review process.
3. 21 NCAC 34B .0501 – Application for License  
Recommendation: Repeal rule.

4. 21 NCAC 34B .0502 – Application Form for License by Out-of-State Licensees  
Recommendation: Repeal rule.
5. 21 NCAC 34B .0507 – Courtesy Cards  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
6. 21 NCAC 34B .0508 – Application Form for Courtesy Card  
Recommendation: Repeal rule.
7. 21 NCAC 34B .0605 – Permits; Transfer of Ownership of Establishment  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
8. 21 NCAC 34B .0608 – Application Form for Funeral Establishment Permit  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
9. 21 NCAC 34B .0613 – Disclosure Statements  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
10. 21 NCAC 34B .0615 – Funeral Establishment Inspection Form  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.
11. 21 NCAC 34B .0702 – Storage In Preparation Room  
Recommendation: Repeal rule.
12. 21 NCAC 34B .0703 – Disposal of Refuse; Ventilation  
Recommendation: Repeal rule.
13. 21 NCAC 34B .0704 – Sanitation in Preparation of Bodies  
Recommendation: Allow rule to be automatically re-entered into code without substantive changes through periodic review process.
14. 21 NCAC 34B .0706 – Registration of Embalming Facility Located Outside of a Funeral Establishment  
Recommendation: Authorize staff to obtain a pre-review from Rules Review Commission staff counsel of proposed substantive changes to rule.

Mr. Staton made a motion to accept the Laws & Rules Committee Report. Mr. Byrd seconded and the motion carried.

Ms. Lee brought 21 NCAC 34B.0616 before the entire Board for discussion of changes. Discussion ensued.

Mr. Lockhart made a motion and Mr. Brown seconded to allow 21 NCAC 34B.0616 to go forward as currently written and the motion carried.

Disciplinary Committee Report: Mr. Lockhart stated that the Disciplinary Committee met on December 6, 2017 and makes the following recommendations:

Dismissals – C17-064; C17-065; C17-069; C17-077; C17-078; C17-080

Letters of Caution – C17-073; C17-076; C17-079; M17-034; M17-037

Consent Order – C14-056 et al.; M17-024

Notices of Hearing – M17-035; M17-036; C17-057; C17-063; C17-060; P17-042

Mr. Lockhart made a motion to accept. Mr. Staton seconded and the motion carried.

Mr. Graves presented Mr. Byrd with a gift, commending him for his 6 years' of dedicated and faithful service to the Board.

Mr. Staton presented Mr. Graves with a gift, commending him for his service and dedication as Board President during 2017.

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

Board staff is continuing to process renewals received electronically and in hard copy. As of December 6, Board staff has processed approximately 400 individual applications and 200 at-need and preneed funeral establishments, the majority of which have been received through the Board's online renewal portal. Hard-copy renewals were mailed to all licensees during the first full week of December. Over 1,300 recipients opened the November 2017 e-newsletter. The Board had approximately 1,100 visitors to its website in the last week and over 3,300 within the last month.

Board inspectors have remained busy with educational outreach opportunities. Mr. Lisenbee and Ms. Lee attended a DHHS Clinical Exchange Social Work meeting, by invitation, at the Murdoch Development Center on November 17, 2017. Mr. Lisenbee conducted continuing education programs on December 4 and December 5, while he and Mr. Cagle conducted a continuing education course on December 12. Board staff has received positive feedback from licensees for the informative and professional presentations.

As a reminder, North Carolina Vital Records intends to forward with a purchase of an Electronic Death Registration System. Ms. Lee will be participating in an Electronic Death Registration Business Partners Advisory Group on January 23, 2018 at the NC Division of Public Health. Board members are encouraged to attend

Board staff submitted an article regarding the preneed recovery fund to the quarterly magazine that is published by the NC Conference of District Attorneys, and distributed to prosecutors and their

staff across North Carolina. A summary of the Commission of Anatomy meeting that Mr. Cagle attended on November 7, 2017 was provided to Board members.

The Board still is awaiting confirmation of the gubernatorial appointments of Mr. Lockhart, Mr. Herndon, and Mr. Watson, as the nominees from FDMANC and NCFDA respectively.

Ms. Lee offered the following at-need licensure report:

<b>Chapels</b>	None
<b>Crematories</b>	None
<b>Transporters</b>	Vincent L. Whitt – Greensboro
<b>Unaffiliated Licensees</b>	None
<b>Funeral Establishments</b>	None
<b>Funeral Service Licensees</b>	Monica D. Sawyer – Robbinville – 11/2/17
<b>Funeral Directors</b>	Joseph Rudolph Randell Moore – Washington – 11/16/17 Terri Anne Hintz – Nebo – 11/16/17 Shawna Rae Rodabaugh – Fayetteville – 11/15/17 Stephen Wesley Trent – King – 11/21/17
<b>Trainees (Starting December 1, 2017)</b>	Latisha D. Crook – Harrisburg Funeral & Cremation Victoria C. Ivie – Ivie Funeral Home Millie A. Lineberry – Harrelson Funeral & Cremation Services Ebanique L. Murray – Boston’s Mortuary Corey O. Marshall – Herring Funeral Care and Cremations

Ms. Lee also offered the following traineeship statistics:

- There are currently 184 active Trainees
- 10 Trainees were certified in the month of November
- 5 new Trainees started their traineeships on December 1, 2017
- 12 Trainee applications currently are pending
- 3 Trainees submitted late work reports for the month of November
- 1 Trainee failed to submit a work report for the month of November
- 18 Trainees submitted deficient work reports for the month of November
- 0 Trainees failed to timely renew their Traineeship

Compliance Liaison / Lead Inspector’s Report: Ms. Lee provided the following Preneed Activity Report:

PRENEED CONTRACTS:

- As of the last Report to the Board, 2,083 preneed contracts were recorded. Of that amount, 272 were trust funded whereas 1,811 were insurance funded contracts.
- Approximately 1,363 Certificates of Performance have been processed.



- There are 181,745 active contracts as of December 11, 2017.
- There are 1,502 individuals licensed to sell preneed as of December 11, 2017.
- One new funeral home has been licensed since the last Board meeting
  - Matthews Family Mortuary, Rocky Mount
- No funeral homes have had a change of ownership since the last Board meeting.

Ms. Lee also offered the following information for the month of November:

- 23 Funeral Establishments were inspected
- 21 Preneed Establishments were inspected
- 4 Crematories were inspected
- 2 Chapels were inspected
- 1 Mutual Burial Association was inspected
- 3 Complaints were served
- 2 Investigations were completed
- 156 Compliance calls were received
- 2 Compliance emails were issued

Ms. Lee indicated that historical inspection information had been added.

Mr. Stone commended the Inspectors for their hard work, and expressed his hope that inspection numbers would continue to rise in 2018. Mr. Blake commended the efficiency and demeanor of Inspector Davis during a recent inspection of his facility.

Mr. Graves commended Ms. Lee on the tremendous job she has done in her role as Executive Director.

Legal Report: Ms. Lee offered the following information:

DISCIPLINARY MATTERS

- Current Active Cases: 38
  - Pending Investigation: 6
  - Pending Review by Disciplinary Committee: 8
  - Pending Dispositive Action: 19
  - Pending Hearing: 4
  - Post-Hearing: 0
  - Other: 1 (stayed per Board Order)
- New files opened since last Board meeting: 8
- Notices of Hearing sent since last Board meeting: 2
- Consent Orders received since last Board meeting: 2
- Cases reviewed by Disciplinary Committee since last Board meeting: 19

## PRENEED RECOVERY FUND CLAIMS

- Projected Active Preneed Recovery Fund Claims: 0
- Preneed Recovery Fund Claims reviewed by Preneed Committee since November Board meeting: 1
- Preneed Recovery Fund Claims received since November Board meeting: 1
- Preneed Recovery Fund Claims re-opened since last Board meeting: 0

Old Business: The Board discussed the Record Retention Signature Page Review. Emily Sweitzer of the NC Department of Cultural Resources entered the meeting at this time and delivered the signature page.

New Business: The Board reviewed the 2018 Board Member Committee Assignments provided by incoming Board President, Mr. Staton. Mr. Byrd asked for consideration of FDMANC representation on the F&P committee. Discussion ensued.

Mr. Lockhart asked for a 5-minute recess.

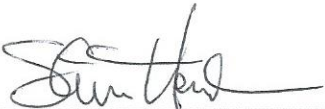
Mr. Lockhart made a motion to go into closed session for the purpose of discussing the qualifications, competence, and performance of an applicant for employment and in order to preserve attorney-client privilege, pursuant to NCGS 143-318.11. Mr. Staton seconded and the motion carried.

The Board was brought back into open session. Mr. Blake made a motion for the Board to provide Ms. Lee c/o Nichols, Choi & Lee, PLLC with a holiday bonus to thank her for her service to the Board. Mr. Lockhart seconded, and the motion carried.

Mr. Lockhart made a motion to adjourn. Mr. Stone seconded, and the motion carried.



Matt Staton, President



Steve Herndon, Secretary