

BOARD MEETING
MINUTES
March 14, 2018

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on March 14, 2018, at the Board's office, 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

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

Also Present: Stephen Davis, Executive Director; Catherine Lee, General Counsel; Staff members Amy Mauldin, Brett Lisenbee and Darrell Cagle; Dorman Caudle with Carolina Donor Services; Mike Jean, Licensee.

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

Mr. Staton read the Ethics Statement and guests introduced themselves.

Mr. Staton welcomed Mr. Watson and Mr. Watson was sworn in as a Board member.

Mr. Staton welcomed Mr. Davis as the new Executive Director.

Mr. Staton reminded everyone to turn off their cell phone ringers.

February Minutes: Mr. Herndon stated the draft February meeting minutes were available and then made the motion to approve the minutes. Mr. Brown seconded, and the motion carried.

Public Comment: There was none.

Preneed Committee Report: Mr. Blake stated that the Preneed Committee members met by teleconference on Monday, March 12, 2018 and makes the following recommendation:

- Deny Preneed Recovery Fund Claim P18-001 in the amount of \$3,000.00.

Ms. Lee offered additional information regarding P18-001. Discussion ensued.

- Deny Preneed Recovery Fund Claim P18-002 in the amount of \$1,200.00

Ms. Lee offered additional information regarding P18-002. Discussion ensued.

Mr. Blake made a motion to accept the Preneed Committee Report. Mr. Stone seconded, and the motion carried.

Mr. Davis offered additional information regarding the manner in which the Board requires licensees to provide the data requested in the Preneed Annual Report. Mr. Davis indicated that

the Board staff would review the Preneed Annual Reporting procedures in 2018 and solicit stakeholder involvement. Discussion ensued.

Finance and Personnel Committee Report:

The Committee did not bring any recommendations to the Board at this time.

Discussion ensued regarding the Balance Sheet.

Mr. Herndon made a motion to accept the Profit and Loss Statement and Balance Sheet. Mr. Graves seconded, and the motion carried.

Disciplinary Committee Report: Mr. Lockhart stated that the Disciplinary Committee met on March 9, 2018, and brings the following recommendations:

- Dismissals – C18-002; C18-003; C18-004; C18-005
- Letters of Caution – M18-007; M18-008; M18-011; M18-014; M18-015
- Consent Orders – R18-004; R18-007; R18-012; R18-015; R18-023; R18-024; R18-026
- Notices of Hearing – C18-001; C18-006; M18-009; M18-010; M18-013
- Summary Suspension – M16-057

Mr. Brown recused himself from R18-026.

Mr. Herndon recused himself from R18-004.

Ms. Lee recommended to the Board that a Consent Order be accepted in R18-0016.

Mr. Lockhart asked that Ms. Lee provide additional information regarding M16-057. Ms. Lee asked that this matter be tabled until later in the meeting.

Discussion ensued regarding licensees' failure to renew.

Mr. Blake made a motion to accept the report. Mr. Brown seconded, and the motion carried.

Mr. Lisenbee entered the meeting at this time.

Ms. Lee and Mr. Lisenbee offered additional information regarding M16-057. Discussion ensued.

Ms. Lee offered additional information regarding the failure of Respondents for M16-057 to pay 2017 MBA assessments and recommended that the MBA to be transferred rather than dissolved, pursuant to the Board's Practice Act. Discussion ensued.

Mr. Lockhart made a motion to accept the recommendation regarding the summary suspensions recommended by the Disciplinary Committee with regard to M16-057. Mr. Graves seconded, and the motion carried.

Executive Director's Report: Mr. Davis offered the following information:

Of the 3,043 individuals to whom the February 2018 e-newsletter was sent, approximately 1,300 recipients opened it. The Board had approximately 900 visitors to our website in the last week and approximately 3,000 within the last month.

The 2017 Preneed Annual Reports were mailed out to preneed establishments during the week of January 22. The deadline for submission to the Board is March 31. As of March 7, approximately 120 of 644 licensees had submitted their report.

The deadline for mutual burial associations to return their 2017 financial statements to the Board was February 15. Out of the 57 active mutual burial associations, four failed to submit their required report. Correspondence has been sent to these mutual burial associations, assessing a \$25/per day late fee for each day after February 15 that the report is not timely filed with the Board.

Mr. Herndon, Mr. Staton, Mr. Graves and Ms. Lee attended the International Conference Annual Meeting from Feb. 28-March 1. They heard presentations on local trends in regulation and litigation impacting occupational licensing and the funeral service industry in particular. Discussions included recent changes to cremation laws in Alabama, trends involving home death care vendors, and internet scams posing as third-party vendors for funeral services. Materials are provided to Board members regarding a recent scam about which the Alabama Board of Funeral Service has been made aware and a recent article from South Carolina regarding a disciplinary matter that is pending.

The Jt. Legislative APO committee met on March 7 from 1-2pm; co-chair Sen. Wells presided. The only topic covered was a report presented by the Program Evaluation Division, regarding a work group that met on 2/27. The work group included the following:

- PED: John Turcotte, PED Director and Jim Horne, Principal Evaluator
- Gen. Assembly: Jason-Moran Bates, Jeremy Ray & Chris Saunders (all attorneys)
- Office of State Auditor: Beth Wood, Donna Allen (Deputy State Auditor), Katina Bell & Pam Wade (Financial Audit Division)

John Turcotte stated that the intent of the work group was to develop a uniform system of auditing and financial reporting for OLBs. A handout highlighted differences between reports and gave as examples the Chiropractor's Board, Dental Board & Physical Therapy Board. Turcotte said the goal was to put all OLBs on the same fiscal year (7/1-6/30) and for OLBs to submit their financial information through a to-be-created website/web portal to which the General Assembly and the public would have access. The tenor of the presentation was that reporting is inconsistent across OLBs and during PED's 2013 study, they had difficulty comparing information between boards because financial & performance information was inconsistent. Specific financial/operating information desired included number of employees, legal costs, cost per square foot of office space leased/owned, sq. footage per employee, etc. The pathway for this directive is a 2018 reform bill which Mr. Turcotte said would be submitted in time for this year's short session.

On March 8, Mr. Davis attended a workshop entitled Introduction to Functional Schedules, which focused on record retention management and disposition. As the Board staff prepares to roll out the new functional schedules approved by the Department of Natural and Cultural Resources, Board staff also will focus on the development of internal policies governing retention of the Board's electronic/digital files.

The model cremation authorization forms on the Board's website are now available as fillable PDFs. The Board's website developer, Ms. Ryan, also is addressing the continuing education listings to determine a more user-friendly format, pursuant to public comments received at the last Board meeting.

Last month, Ms. Lee conducted the 93B Training for Mr. Olive, Mr. Lockhart, Mr. Graves and Mr. Stone. Ms. Lee will conduct the 93B Training for Mr. Blake, Mr. Staton, and Mr. Watson before July 2018. Mr. Herndon and Mr. Brown are next due for the training in February 2019.

As a reminder, the Ethics Commission is accepting 2018 SEI forms that Board members must file by April 15th, 2018.

Welcome to Mr. Watson, as the Board's newest member. Board staff look forward to working with him.

Compliance Liaison / Lead Inspector's Report: Ms. Lee offered the following information:

PRENEED CONTRACTS:

- As of the last Report to the Board, 1,905 preneed contracts were recorded. Of that amount, 244 were trust funded whereas 1,661 were insurance funded contracts. For the reporting period, an average of 112 new preneed contracts were filed daily.
- Approximately 1,084 Certificates of Performance have been processed.
- There are 183,236 active contracts as of March 9, 2018.
- Preneed contracts received as of March 7, 2018 have been entered.
- There are 1,454 individuals licensed to sell preneed as of March 12, 2018.

One new funeral homes have been licensed since the last Board meeting.

- Sanders Funeral & Cremation Service, Columbus

Two funeral homes have had a change of ownership since the last Board meeting.

- T.L. Faison's Funeral Care, Seaboard
- Slate Funeral Home, King

Mr. Blake asked about the balance of the Preneed Recovery Fund account, following the Board's increase in the amount of earmarked funds from each contract being deposited into the Fund. Discussion ensued.

Inspection Report: Ms. Lee offered the following information:

- 26 Funeral Establishments were inspected
- 23 Preneed Establishments were inspected
- 7 Crematories were inspected
- 1 Unaffiliated Licensee was inspected
- 1 Chapel was inspected
- 5 Mutual Burial Associations were inspected
- 0 Embalming Facilities were inspected
- 0 Notices of Hearing were served
- 137 Compliance calls were received
- 1 Continuing Education class was taught
- 5 Compliance emails were issued.

Mr. Davis offered additional information regarding Mr. Stoessner's training. Discussion ensued.

Mr. Stone asked about the number of inspections being done per month as compared to a year ago. Discussion ensued.

At-Need Report:

Chapels	None
Crematories	Harwood Home for Funerals, Inc. d/b/a Harwood Home for Funerals and Cremation Services d/b/a Monarch Cremation Services – Black Mountain, NC
Transporters	Thomas J. Raye – Bostic, NC Wesley Mack Bowers – Jonesville, NC
Unaffiliated Licensees	Rumeal Malik Ferguson – Henderson, NC
Funeral Establishments	Johnson & Associates Funeral Service – Fayetteville, NC Slate Funeral Home (changed ownership) - King, NC T L Faison’s Funeral Care, LLC (changed ownership) – Seaboard, NC
Funeral Service Licensees	Donna Wells Austin – Washington, DC Donald Lee Costner – Newport, TN Jennifer R. Hobbs – Hillsborough, NC William J. Johann – High Point, NC Michael E. Lesney – Apex, NC Brian A. Massarotti – Charlotte, NC Vincent P. Spinelli – Fairmont, WV Robert J. Thaxton – Evington, VA Marie H. Thompson – Columbus, NC Esmeralda T. Walsh – Jacksonville, NC

Funeral Directors	Zachary A. Brown – Reidsville, NC
Trainees (Starting March 1, 2018)	Melissa R. Ball – Rouse Funeral Home Marcia M. Brown – Smoky Mountain Cremations & Funeral Service Cassandra J. Champion – Gentry-Newell & Vaughan Funeral Home Henry L. Chandler – Blakely’s Funeral & Cremation Service, LLC Graham H. Hatley – Forest Lawn West James C. Howell – Walker Funeral Home April H. Knight – Holland Funeral Service & Crematory Madeline F. Nixon – Hayworth-Miller Funeral Home Terry J. Robinson – Yancey Funeral Service Richard W. Taylor – Alexander Funeral Services Amanda B. Ward – Jenkins Funeral Home

Traineeship Statistics:

- There are currently 186 active Trainees
- 7 Trainees were certified in the month of February
- 11 new Trainees started their traineeships on March 1, 2018
- 13 Trainee applications currently are pending
- 3 Trainees submitted late work reports for the month of January
- 4 Trainees failed to submit a work report for the month of January
- 14 Trainees submitted deficient work reports for the month of January
- 0 Trainees failed to timely renew their Traineeship

Mr. Blake asked about monthly work report case calculations. Discussion ensued.

Attorney's Report: Ms. Lee offered the following information:

DISCIPLINARY MATTERS

Current Active Cases: 37

Pending Investigation: 3

Pending Review by Disciplinary Committee: 13

Pending Dispositive Action: 0

Pending Hearing: 12

Post-Hearing: 1

Other: 1

New files opened since last Board meeting: 7

Notices of Hearing sent since last Board meeting: 5

Consent Orders received since last Board meeting: 0, not including renewal cases

Cases reviewed by Disciplinary Committee since last Board meeting: 13

PRENEED RECOVERY FUND CLAIMS

Current Active Preneed Recovery Fund Claims: 3

Preneed Recovery Fund Claims received since last Board meeting: 2

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

Preneed Recovery Fund Claims reviewed by Preneed Committee since December Board meeting:
2

Old Business: Review of draft educational presentation on Medical Examiner jurisdiction. Report will be disseminated to various stakeholder agencies and associations for comment before being finalized. Mr. Stone asked that Board staff keep a list of the agencies.

New Business: Vote on one (1) request for Temporary Waiver of Funeral Establishment Permit Requirements During Emergency Occurrence. Mr. Lockhart made a motion to grant the waiver. Mr. Graves seconded, and the motion carried.

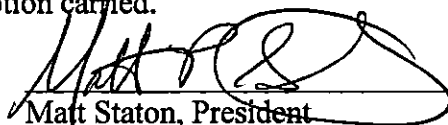
Mr. Graves made motion to designate Mr. Davis as Ethics Liaison. Mr. Lockhart seconded, and motion carried.


Mr. Lockhart made a motion to designate Mr. Davis as legislative liaison. Mr. Brown seconded, and the motion carried.

Mr. Lockhart requested a recess.

Upon proper motion, the meeting was brought back into open session and the hearing on the matter of Board Case No. T18-001 began.

Upon the close of the hearing in Board Case No. T18-001, Mr. Lockhart made a motion to go into closed session for the purpose of consulting with in-house counsel in order to preserve attorney-client privilege, pursuant to NCGS 143-318.11. Mr. Stone seconded, and the motion carried. Upon the conclusion of the closed session, Mr. Stone made a motion to bring the Board back into open session. Mr. Herndon seconded, and the motion carried. Mr. Blake made a motion to adjourn the meeting. Mr. Lockhart seconded, and the motion carried.


Matt Staton, President


Steve Herndon, Secretary