

BOARD MEETING MINUTES

October 10 and 11, 2018

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on October 10 and October 11, 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; Mark Blake, Don Brown; Valdus Lockhart; Craig Olive; Mike Stone.

Also Present: Stephen Davis, Executive Director; Catherine Lee, General Counsel; Staff members Amy Mauldin, Brett Lisenbee, and Alice Knowles; Dorman Caudle with Carolina Donor Services; Fred Jordan with Miracles in Sight; Caressa Hughes and Dan Kleban with SCI Corporation; Jodie Dupree with SCI North Carolina; Dan Funchess with Citadel Management; Dana Simpson with Smith Anderson; Licensee Kevin Hollenbeck with Brown Wynne Funeral Home.

Mr. Staton called the meeting to order at 9:00AM and led the Pledge of Allegiance. Mr. Graves offered the invocation.

Mr. Staton read the Ethics Statement. Mr. Lockhart recused himself from disciplinary matter M18-0019, and Mr. Herndon recused himself from disciplinary matter M18-0051.

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

APPROVAL OF MINUTES

Mr. Herndon stated the August 15, 2018, and September 28, 2108, minutes had been previously provided to all Board members. Mr. Olive made the motion to approve the minutes. Mr. Graves seconded, and the motion carried.

PUBLIC COMMENT:

Dan Funchess recognized the Board's Compliance Officer, Brett Lisenbee, for meeting with the location managers from Citadel Management, LLC in September to discuss SL 2018-78 / HB529 and the changes it brings to licensees of the Board.

FINANCE AND PERSONNEL COMMITTEE:

Mr. Herndon, Chair, presented the report of the Financial and Personnel committee which met on October 4, 2018. Mr. Herndon, Mr. Staton, and Mr. Stone met via conference call; Mr. Blake attended on-site.

Stephen Davis, Executive Director, reported to the Board that the Profit and Loss Statement represents approximately three-fourths of the year to date and reflects that the operating expenses in relation to projected income is consistent with expectations. Mr. Davis also spoke to the issue of compensatory leave accrual and conveyed to the Board that staff would be seeking ways to reduce accrued compensatory time. Following brief discussion, Mr. Herndon moved that that the Board accept the report of the Finance and Personnel Committee

and approve the September Profit and Loss Statement and Balance Sheet. Mr. Graves seconded the motion. The motion carried.

DISCIPLINARY COMMITTEE:

Mr. Lockhart stated that he and Mr. Herndon met via conference call on October 10, 2018.

The following recommendations were made to the Board:

- Dismissals – C18-0060, C18-0063, C18-0065, C18-0066, C18-0067
- Letters of Caution – C18-0058, M18-0051. Mr. Herndon recused himself from disciplinary matter M18-0051.
- Notice of Hearing – M18-0019. Mr. Lockhart recused himself from disciplinary matter M18-0019.
- Denials — M18-059, Denial of Application for removal and transport permit

Mr. Lockhart made a motion that the Board accept the Disciplinary Committee Report, with the exception of M18-051 and M18-060. Mr. Herndon seconded, and the motion carried.

Mr. Lockhart made a motion to accept the Disciplinary Committee’s recommendation for M18-051, and Mr. Graves seconded. The motion carried.

Mr. Olive made a motion to accept the Disciplinary Committee’s recommendation for M18-019, and Mr. Graves seconded. The motion carried.

The Disciplinary Committee made a recommendation to deny the application for reciprocal license in M18-060. Mr. Lockhart made a motion, and Mr. Graves seconded. The motion carried.

PRENEED COMMITTEE:

No report

CREMATORY AUTHORITY ELECTION

Mr. Staton announced that the Board would canvass ballots to determine the election of a candidate to fill the vacant seat created by the upcoming expiration of Mr. Fulwood’s term on December 31, 2018. Ms. Lee, General Counsel, explained the balloting procedures to the Board and the requirements for counting and recording votes. Mr. Staton, Mr. Graves and Mr. Herndon opened, counted and recorded the votes. Following the ballot count, Mr. Staton announced that Mr. Michael Fulwood was elected for a 3-year term.

EXECUTIVE DIRECTOR:

Mr. Davis reported that a program is being developed to evaluate and monitor Continuing Education and to streamlining the process of course approval, registration, reporting attendance, and crediting of licensees’ hours.

Board staff is developing a comprehensive proposal for presentation to the Continuing Education Committee for their review prior to the December Board meeting. Mr. Davis also reminded the Board that Board-sponsored training would be presented on October 24th and 25th at Brown-Wynne Funeral Home in Raleigh, NC. The Compliance Officer, Brett Lisenbee, will present courses on preneed policy and procedure; and FTC Rule review; and a summary of HB529 and its impact on the Funeral Practice Act.

Mr. Davis commended Glenda Ryan, staff webmaster, for her diligence and effort during Phase I of the development of a new website. He noted that Ms. Ryan developed an interim website until an outside firm, Digital Information Systems, Inc., could complete the new website which went on-line the first week in October. Mr. Davis noted that the new website presented a professional look and would be user-friendly so that licensees and consumers could navigate the site's content easily.

Mr. Davis conveyed to the Board that the new licensing management system, iGOV, has enabled an important transition for business licensure from Raleigh-based staff to the field-based Inspections Team. He noted that this shift streamlines the licensure process for establishments and assures a timely procedure for recording status changes including changes in ownership, closures, and newly licensed establishments. Field inspectors can print permit certificates on-site rather than relying on Raleigh-based staff for their production and mailing to licensed establishments. He reported to the Board that the Inspections Team would also be assuming responsibility for preneed licensure so that much of that process would be field-based rather than Raleigh-based. He reminded the Board that the consolidation of all at-need licensure services and responsibility for examinations under a single employee has produced positive responses from licensees. Mr. Blake commended the Board staff for responsiveness and timeliness in issuing new licenses to two of his employees.

Mr. Davis updated the Board on progress toward staff compliance with the federal Fair Labor Standards Act [FLSA] and noted that all employees would be subject to standard work hours of 8:00 – 5:00 pm daily with a 1-hour lunch break. He also noted that all employees subject to the FLSA are now using the ADP Time and Attendance system for reporting daily work hours, annual and sick leave, and discretionary leave.

In his report on the status of inspections, Mr. Davis stated that the number of inspections was lower in September because the damages sustained by several establishments during Hurricane Florence made access to some establishments problematic. The number of inspections will naturally fluctuate owing to severe weather conditions throughout the year. Mr. Davis emphasized that the focus of inspections should be on qualitative rather quantitative measures. Mr. Davis said that the inspection goal is to ensure that each establishment is inspected every three years. Currently, Board Inspectors are on track to achieve that goal. Additionally, the Inspectors have been working diligently on compliance follow-up for inspections in which violations were found.

Mr. Davis said that a comprehensive NCBFS Compliance Manual was under development. The Manual will pull together Board program policies and procedures into a single reference volume. The Board's Compliance Officer, Mr. Brett Lisenbee, has authored the Manual, and Mr. Davis asked him to summarize his progress on the Manual's development to the Board. Mr. Lisenbee gave a brief presentation and explained that the manual will be sent to the appropriate Board committee for initial review prior to a presentation to the full Board for consideration. The new manual will be posted to the new website homepage for easy access by licensees and consumers. Mr. Davis commended Mr. Lisenbee on his extensive work on the new compliance manual.

Activity Measures & Metrics:

Mr. Davis offered the following information:

Chapels		0
Crematories		0
Crematories		0
Transporters:	Ronald F. Goutier Douglas T. Jensen Sophia N. Jensen Yvette M. Whitley	4
Unaffiliated		0
Funeral Establishments:	Majestic Funeral Home and Cremations of Eastern NC, LLC – Riegelwood, NC	1
Funeral Service Licensees:	Crystal M. Branch – Concord, NC Meredith Parker Springs – Arden, NC Nicholas Nester – Coats, NC	3
Funeral Directors:	Julian Hall Edwards, II – Raleigh, NC Stephanie G. Williams – Kinston, NC Walter F. Johnson, Sr. – Vilas, NC William Briley Taylor, III – Kinston, NC	4
Trainees beginning Oct. 1:	Barry L. Hill – Cumby Family Funeral Services Caleb M. Hagwood – Hudson Funeral Home Shaun J. Woods – Sharpe Funeral Home, Inc. Minda A. Kistner – City of Oaks Cremation, LLC Matthew J. Fisher – Fair Funeral Home	5

Mr. Davis congratulated the new licensees, trainees, transporters, and establishments.

Preneed Program Activity

	11/2017	12/2017	1/2018	2/2018	3/2018	4/2018	5/2018	6/2018	8/2018	9/2018	10/018
Total Contracts Filed	497,547	499,630	500,436	502,503	504,485	506,266	507,373	509,447	513,653	514,535	516,509
Total Active Contracts	181,124	181,745	181,790	182,403	183,236	182,018	181,182	181,760	182,671	182,668	183,476
Total Deceased	289,030	290,393	291,127	292,512	293,596	296,495	298,271	299,599	302,588	303,382	304,413
Total Cancelled	9,225	9,246	9,254	9,294	9,327	9,376	9,423	9,482	9,584	9,608	9,648
Total Revoked	2,102	2,104	2,104	2,105	2,106	2,108	2,109	2,111	2,111	2,111	2,114
Total Closed	1,883	1,891	1,892	1,900	1,906	1,908	1,936	1,961	2,045	2,056	2,073
Total Lapsed	3,425	3,425	3,425	3,428	3,429	3,429	3,439	3,449	3,468	3,474	3,484
Total Transferred	9,960	10,027	10,045	10,064	10,088	10,121	10,182	10,239	10,333	10,384	10,442
Total Update	781	782	782	780	780	781	790	791	797	797	801

<u>Total number of active contracts as of October 5, 2018:</u>	183,476
<u>Number of contracts recorded since last Board meeting:</u>	1,980
<u>Number of trust contracts:</u>	229
<u>Number of Insurance-funded contracts:</u>	1,751
<u>Estimated number of Certificates of Performances processed:</u>	1,031
<u>Number of preneed sales licensees:</u>	1,476
<u>Number of newly licensed establishments:</u>	4

COMPLIANCE AND INSPECTIONS REPORT:

Mr. Davis offered the following information:

Funeral Establishments inspected	9
Preneed Establishments inspected	7
Crematories inspected	1
Unaffiliated Licensees inspected	0
Chapels inspected	0
Mutual Burial Associations were inspected	2
Complaints served	0
Investigations completed	0
Notices of Hearing served	0
Final Agency Decisions served	0
Continuing Education classes taught	4
Compliance emails issued	4

ATTORNEY'S REPORT:

Ms. Lee stated that the Legal Department is on track to resolve most pending hearings within the next several months. She offered the following information:

Current Active Cases	27
Pending Investigation	4
Pending Review by Disciplinary Committee:	0
Pending Dispositive Action	9
Pending Hearing	14
Post-Hearing	0
Other	0
New files opened since last Board meeting	4
Notices of Hearing sent since last Board meeting	3
Consent Orders received since last Board meeting	2
Cases reviewed by Disciplinary Committee since last Board meeting	9

Current Active Preneed Recovery Fund Claims	1
Pending Investigation	1
Pending Dispositive Action	0
Preneed Recovery Fund Claims received since last Board meeting	0
Preneed Recovery Fund Claims reviewed by Preneed Committee since September	0

Mr. Lockhart asked Ms. Lee to discuss the statutory changes enacted by the General Assembly regarding the Board's authority to discipline licensees whose examination scores are invalidated by the International Conference. Discussion ensued.

Old Business:

None

New Business:

Mr. Davis and Mr. Lisenbee presented revised Series 56 forms for the Board's review and consideration. Discussion ensued. Mr. Lockhart made a motion to accept the proposed revisions to the following forms:

- 55A
- 56A1
- 56A2
- 56B1
- 56B2
- 56C1
- 56C2
- 56D1
- 56E1
- 56E2
- 56F1
- 56F2
- 56G1
- 56G2

Mr. Staton seconded, and the motion carried.

The Board conducted a disciplinary hearing in the matter of M17-043/C18-035. Following the conclusion of the hearing, Mr. Olive made a motion to go into closed session to deliberate on the proceedings. Mr. Herndon seconded, and the motion carried. Upon proper motion, the Board concluded the closed session and resumed its open session.

The Board conducted a disciplinary hearing in the matter of C17-084. Following the conclusion of the hearing, Mr. Blake made a motion to go into closed session to deliberate on the proceedings. Mr. Graves seconded, and the motion carried. Upon proper motion, the Board concluded the closed session and resumed its open session.

Mr. Olive made a motion to go into closed session to discuss an attorney-client privileged matter related to two pending disciplinary matters. Mr. Graves seconded, and the motion carried. Upon proper motion, the Board concluded the closed session and resumed its open session. Mr. Graves made a motion to accept the proposed Consent Order to resolve M17-025 against Respondent McConnell only, and to accept the proposed Consent Order to resolve M17-026 against Respondent Van Heck only. Mr. Olive seconded, and the motion carried.

Mr. Graves made a motion to recess the Board meeting until 9 AM on Thursday, October 11, 2018.

On October 11, 2018, the Board conducted a disciplinary hearing in the matter of M17-026. Following the conclusion of the hearing, and upon a motion by Mr. Blake with a second by Mr. Graves, the Board entered into closed session to deliberate on the proceedings. Upon proper motion by Mr. Brown and a second by Mr. Graves, the Board resumed its open session. Mr. Blake made a motion that:

- I. The Funeral Directing License of Gregory Parker Leonard, No. 3664, is suspended for a period of two (2) years, but said suspension shall be stayed upon the following conditions:
 - a. Respondent Leonard shall be placed on probation for two (2) years, during which time he shall not violate any law, regulation or rule regulated the Board;
 - b. Within thirty (30) days from the date of this Order, Respondent Leonard shall pay a compromise penalty of Two Thousand Five Hundred Dollars (\$2,500.00) to the Civil Penalty and Forfeiture Fund in accordance with Article 31A of Chapter 115C of the North Carolina General Statutes; and
 - c. Respondent Leonard shall attend five (5) hours of Board-sponsored continuing education on the topic of the rules, regulations, and laws enforced by the Board on or before December 31, 2019.


- II. The Funeral Establishment License of Tribute Cremation Society, LLC, No. 812, is suspended for a period of five (5) years, but said suspension shall be stayed upon the following conditions:
 - a. Respondent Funeral Home shall be placed on probation for five (5) years, during which time it shall not violate any law, regulation, or rule regulated by the Board; and
 - b. Within thirty (30) days from the date of this Order, Respondent Funeral Home shall pay a compromise penalty of Five Thousand Dollars (\$5,000.00) to the Civil Penalty and Forfeiture Fund in accordance with Article 31A of Chapter 115C of the North Carolina General Statutes.

Mr. Graves seconded, and the motion carried.

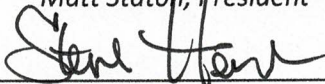
The Board conducted a disciplinary hearing in the matter of M17-025. Following the conclusion of the hearing, and upon proper motion by Mr. Graves with a second by Mr. Brown, the Board entered into closed session to deliberate on the proceedings. Mr. Graves made a motion that the Respondent Crematory, Respondent Mortuary, Respondent C. Boston, and Respondent D. Boston shall be issued a non-disciplinary letter of caution, whereby they are reminded to ensure that they do not aid and abet unlicensed individuals in the practice of funeral service. Mr. Brown seconded, and the motion carried.

Discussion resumed regarding the revised Series 56 forms that were approved by the Board. Mr. Graves made a motion that the forms should not be mandatory for the licensees until January 1, 2019. Mr. Olive seconded, and the motion carried.

Mr. Graves made a motion to adjourn the meeting, and Mr. Olive seconded. The motion carried.



Matt Staton, President



Steve Herndon, Secretary