

BOARD MEETING MINUTES

December 19, 2018

The North Carolina Board of Funeral Service met for a duly scheduled Board Meeting at 9:00 a.m. on December 19, 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; Chris Watson.

Also Present: Stephen Davis, Executive Director; Catherine Lee, General Counsel; Assistant Director Amy Mauldin, and Staff Member Alice Knowles; Charles McDarris with Bailey & Dixon; Michael Lesney, Licensee; Jerrold Wheeler, Licensee; James Landis, The Thompson Agency; and Abraham Jones, attorney.

Mr. Staton called the meeting to order at 9:08 am and led the Pledge of Allegiance. Mr. Graves offered the invocation.

Mr. Staton read the Ethics Statement. No Board members recused themselves.

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

APPROVAL OF MINUTES

Mr. Herndon stated the November 14-15, 2018, minutes had been previously provided to Board members. Mr. Herndon made the motion to approve the minutes. Mr. Olive seconded, and the motion carried.

PUBLIC COMMENT:

There was none.

FINANCE AND PERSONNEL COMMITTEE:

Mr. Herndon, Chair, presented the report of the Financial and Personnel committee which met on December 6, 2018 and December 12, 2018. Mr. Herndon, Mr. Blake, Mr. Staton, and Mr. Stone met via conference call.

Mr. Herndon presented the Profit and Loss Statement and the Balance Sheet to members and noted that the Finance and Personnel Committee had an in-depth briefing from Mr. Davis at the time the Committee met on December 6, 2018. Mr. Herndon offered to answer any questions regarding the Statement and Balance Sheet. Members proceeded with a vote on the Committee's recommendation to accept the Profit and Loss Statement and Balance Sheet for the period ending November 30, 2018.

Upon a motion by Mr. Herndon and a second by Mr. Graves, the Board voted unanimously to accept the Committee's recommendation.

Mr. Herndon then asked Mr. Davis to present the other items on the Finance and Personnel Committee Report. Mr. Davis conveyed to members that recruitment is underway to identify a permanent appointment for the vacant Administrative Officer position and the Preened Program Manager. He noted that a temporary employee and candidate for the Administrative Officer position, Mr. Archie Hunt, had been appointed to carry out the duties and responsibilities for this key staff role. He indicated that Mr. Hunt would complete his temporary assignment with the Board to assure ample time for him to assess the position and for Board staff to assess his performance.

Davis continued his report by informing the Board that Ms. Rebecca Williams, a temporary Board employee since March 2018, had accepted permanent appointment as the Preened Program Specialist with responsibility for the preneed records and files.

Mr. Davis' report then focused on a recommendation he had made to the Finance and Personnel Committee to award a one-time compensatory increase to full-time and part-time employees. He noted that Board staff had faced a number of challenges and difficulties during the year but had continued to perform at levels exceeding expectations and did not let those challenges interrupt or negatively impact their work on behalf of the Board. Mr. Lockhart asked if the increases would be grossed up and then netted out in the amounts Mr. Davis recommended. Mr. Davis affirmed that the increases would reflect a net amount rather than a gross amount. Mr. Brown asked if the proposed increases were equivalent to a bonus, and Mr. Davis affirmed that they could be considered a bonus similar to those awarded by the Board in past years. Mr. Davis conveyed to the Board that these payments would be considered an increase in compensation but would not increase employees' base pay.

Upon a motion by Mr. Herndon and a second by Mr. Graves, members voted unanimously to accept the recommendation from the Finance and Personnel Committee to award one-time payments of \$500 to full-time employees and \$250 to part-time employees.

Mr. Davis continued his report and introduced a proposed budget for 2019. He explained that staff had carefully analyzed profit and loss statements for the past five [5] year period including the percentage increase from year to year in receipts and operating expenses. He noted that staff looked closely at 2018 expenditures in particular which were useful indicators of recommendations for proposing increases in revenue as well as operating costs. He pointed out that the Board's license management system that was implemented in April 2018 was key in identifying and then invoicing late fees based upon data entered in that system. As a result, revenue from late fees increased substantially in 2018, and Mr. Davis noted that this increase in fees was the basis for recommending a comparable increase in late fees for 2019. He closed his presentation by offering more details on increases in specific line items under Operating Costs, and then invited questions from members.

Upon a motion by Mr. Lockhart and a second by Mr. Graves, eight [8] members voted in favor of the recommended proposal for the 2019 budget. Mr. Stone voted against the recommendation.

DISCIPLINARY COMMITTEE:

Mr. Lockhart stated that he and Mr. Herndon met via conference call on December 12, 2018.

The following recommendations were made to the Board:

- Dismissals – C18-0071, C18-0074, C18-0076, C18-0078,
- Letters of Caution – C18-0073, C18-0077, M18-0068, M18-0069
- Notice of Hearing – C18-0072

Mr. Lockhart made a motion that the Board accept the Disciplinary Committee Report. Mr. Herndon seconded, and the motion carried.

EXECUTIVE DIRECTOR'S REPORT: [Following is the text of the Report Given By Executive Director Stephen Davis to the Board]:

2019 Renewals

Online license renewal has proven an important success so far this year based on the numbers of those using the online portal to renew and pay the renewal fee. Last year, approximately 800 licensees renewed online by January 9, 2018. I should note that those choosing to renew online last year could not pay their fees on the same portal – they had to use the online payment portal. This year, we have combined the renewal and payment so both can be accomplished at the same time. So far this year, nearly 1300 licensees have used the online renewal portal, and we believe even more will do so in the next 30 days. We attribute the increase in licensees renewing online to our communications and marketing efforts. As in the past, we posted this information on the website as well as the Board newsletter. In addition, we sent out 2 e-mail blasts to all licensees to encourage use of the portal, and we are planning a third to continue our encouragement but also to let licensees know that hard copies of the renewal forms were mailed the first week in December. We will let them know that fillable forms are available on the website so that they can complete them and download them if they wish to mail their form to the Board office along with their payment of renewal fees.

Mr. Davis acknowledged Mr. Blake's observation and suggestion that the Board target 2020 for abandoning mailed hard copies of license renewal forms with the expectation that fillable and printable renewal forms would be offered on the Board's website.

Discussion ensued regarding mandatory online renewals by the year 2020. Mr. Stone offered comments regarding the need to make renewal applications available online for licensees to mail in. He also noted the importance of continuous marketing and communication efforts to assure that licensees are aware of the on-line option well in advance of the licensure expiration date each year.

Meetings and Conferences:

Meeting with Dr. Michelle Aurelius, Deputy Director at the Office of the Chief Medical Examiner To Be Determined. Mr. Davis acknowledged the importance of this proposed meeting and stated that he would offer January 10, 2019, as a proposed date for the meeting which would include Mr. Herndon, 2019 President, and Mr. Blake, 2019 Vice-President. Members discussed the problems impacting licensees and establishments as a result of delays in the OCME declaring a cause of death in medical examiner cases. Mr. Blake, Mr. Graves and Mr. Brown conveyed personal experience and impact on families and the funeral profession in general as a result of the long period of time before a cause of death is declared. Discussion ensued on this topic.

February 27-28, 2019 The International Conference of Funeral Examining Boards –
San Diego, California

Mr. Davis noted that the Executive Committee would be attending along with the Executive Director and Assistant Director. He announced that The Conference was soliciting nominations for a vacant seat on that organization’s Board of Directors and that he would e-mail the announcement letter and nomination form to members.

Staffing:

The vacancy announcement for the Preneed Program Manager expires December 30th, and we expect to complete interview by the first week in January in hopes that we can submit a recommendation to the Finance and Personnel Committee in early January with a plan to have a recommendation for permanent appointment for the full Board to consider on January 9th. With the exception of two candidates, the pool of individuals applying for the position are well-qualified based on their licensure and long-term employment in funeral service.

BOARD-SPONSORED & OTHER CONTINUING EDUCATION TRAINING

It was my privilege to attend on December 4th the Winter Training Conference that Mr. Don Brown sponsored through the Eastern District of the Funeral Directors and Morticians of NC Association. This event was well-supported with 115 licensees in attendance to hear the Board’s Compliance Officer lead sessions on the FTC Funeral Rule and then an overview of the changes to the Funeral Practice Act resulting from passage of HB529 in June. I also want to add that our field inspectors attended and assisted Mr. Lisenbee in explaining and helping licensees with the new COP and Preneed Calculator.

LEGISLATOR MEETING

On December 12, I spoke with Representative Boles about two issues that he and Representative Alexander wanted to discuss. With me were Catherine Lee, General Counsel, and Amy Mauldin, Assistant Director. One of the issues for discussion was a concern that as many as 20 trainees who

completed a resident traineeship prior to October 1st cannot apply for licensure because their traineeship has expired under the new standard set by HB529. Prior to October 1st, traineeships were good for 5 years; they are now good for 3 years. This small group of prospective licensees completed their traineeship but are past the 3-year standard.

The other issue concerns an ongoing case involving reciprocal licensure from a licensee who applied several years ago for North Carolina licensure. The Board determined at that time that this licensee did not possess the minimum qualifications for licensure in North Carolina, nor was his request for reciprocal licensure from Vermont approved since that state's licensure requirements are not deemed substantially equivalent to North Carolina. The individual appealed the Board's decision and his case moved through the court system with a recent ruling by the Court of Appeals upholding this Board's 2016 decision not to issue him a license. Ms. Lee will raise this issue and discuss further in her report to you.

We are also confronting an issue regarding graduates from non-accredited programs of Funeral Directing which exist at Fayetteville Technical Community College as well as other out-of-state programs. Prior to October 1st, the Board can grant licensure to graduates holding the AAS degree in Funeral Service on the basis that the school itself is accredited **or** the Board has approved the program. At FTTC, the school itself is accredited by the AEFBS, but the FTTC program in funeral directing is not accredited; however, the Board has approved that program as acceptable for licensure under the terms of the funeral practice act as written prior to October 1st. The new law changed the word "or" to "and" which means that individuals seeking licensure in Funeral Directing must have graduated from an accredited program and an accredited school.

Representatives Boles and Alexander agree that offering technical amendments to GS 90 to return the statutory language to pre-October wording will cure this problem.

FEMA SUPPORT FOR FAMILIES UNDER DECLARATIONS OF A STATE OF EMERGENCY

At the November meeting, the Board raised the issue of federal assistance to families experiencing a disaster-related death. In researching this issue at the request of Mr. Stone, I learned that FEMA has a Funeral Assistance program to help families with the costs resulting from unexpected and uninsured expenses associated with the death of an immediate family member whose death is attributed to an event declared to be a major disaster or emergency. I have included an information sheet under the ED Report tab which details the eligibility criteria and outlines ineligible costs in these situations. This information is certainly relevant, and we plan to include an article on this program in the December newsletter.

Mr. Stone suggested that this information is important for small, family-owned establishments in particular to assist their families making arrangements for family members who died as a direct result of a disaster. Mr. Lockhart asked if these funds would be paid immediately to an establishment or if funeral costs would be reimbursed at a later time with the expectation that the family would front the money for funeral costs until reimbursement is received. Mr. Davis replied that he did not know

the answer to this question but would review the criteria and program description issued by the federal FEMA.

Activity Measures & Metrics:

Mr. Davis offered the following information and invited questions. He reiterated that the Compliance Inspection team indicated that 2018 inspections were at the same or higher levels than in the prior three years. He also noted that the Inspections Team is engaged in report preparation, fielding compliance questions, conducting board-sponsored training, and other compliance activities in addition to field inspections and examinations of licensed establishments.

Licensure Report

CHAPELS	None
CREMATORY LICENSEES	None
HYDROLYSIS LICENSEES	None
TRANSPORTERS	Kenneth S. Hopman
EMBALMING FACILITIES	None
UNAFFILIATED LICENSEES	None
FUNERAL ESTABLISHMENTS	Davis Funeral Home -- Bolivia Coastal Cremations and Funeral Care - Jacksonville
PRE-NEED ESTABLISHMENTS	Life and Legacy Funerals and Cremations – Indian Trail
FUNERAL SERVICE LICENSEES	Keisha L. Caldwell – Charlotte Robert H. Long, III – Angier
FUNERAL DIRECTORS	Kasi Lee Mitchell - Statesville
TRAINEES Beginning Nov. 1, 2018	April M. DiMartino – Coats Funeral Home Bridgette M. Epps – Genesis Funeral Services & Chapel, Inc. Felecher B. White – Hemby-Willoughby Funeral Home, Inc. Trenton T. Hales – Tyndall Funeral Home, Inc.

Compliance and Inspections Report:

Funeral Establishments inspected	27
Preneed Establishments inspected	23
Crematories inspected	4
Hydrolysis Licensee inspected	0
Unaffiliated Licensees inspected	0
Chapels inspected	0

Mutual Burial Associations were inspected	0
Embalming Facility	0
Complaints served	0
Investigations completed	1
Notices of Hearing served	0
Final Agency Decisions served	0
Continuing Education classes taught	1
Compliance emails issued	2

ATTORNEY'S REPORT:

Ms. Lee offered the following information:

<i>Current Active Cases</i>	26
Pending Investigation	7
Pending Review by Disciplinary Committee:	0
Pending Dispositive Action	9
Pending Hearing	8
Post-Hearing	1
Other	1
New files opened since last Board meeting	7
Notices of Hearing sent since last Board meeting	2
Consent Orders received since last Board meeting	0
Cases reviewed by Disciplinary Committee since last Board meeting	9

<i>Current Active Preneed Recovery Fund Claims</i>	0
Pending Investigation	0
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

Ms. Lee offered information regarding a letter from Mr. Gilligan, FDA, regarding Heritage Cremations Call Center located in North Carolina. Discussion ensued.

Mr. Graves made a motion to go into closed session to discuss an ongoing licensure matter. Mr. Watson seconded, and the motion carried.

Upon proper motion the meeting was brought back into open session.

Ms. Lee offered information regarding a consent order for M18-0065. Mr. Graves made a motion to accept the consent order, Mr. Brown seconded, and the motion carried.

Mr. Graves made a motion to go into closed session to discuss a ruling on C18-0006. Mr. Brown seconded, and the motion carried.

Upon proper motion the meeting was brought back into open session. Mr. Graves made a motion for the Board to take the following disciplinary action in C18-0006:

1. The Funeral Service License of Brandon Frederick, No. 3136, shall be placed on probation for one (1) year, during which time he shall not violate any law, regulation, or rule regulated by the Board.
2. Within six (6) months from the date of this Order, Respondent Frederick shall pay a compromise penalty of One Thousand (\$1,000.00) to the Civil Penalty and Forfeiture Fund in accordance with Article 31A of Chapter 115C of the North Carolina General Statutes.
3. The Funeral Establishment License of Rosadale Funeral Parlor, Inc., No. 744, is suspended for a period of one (1) year.
4. Respondent Rosadale shall disassociate its business from Tito Truesdale, Sr in all ways, including but not limited to any financial, operational and marketing relationship.

Mr. Brown seconded the motion, and the motion carried.

Old Business:

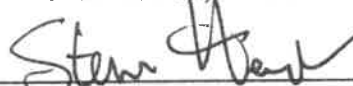
There was none.

New Business:

There was none.

Mr. Graves made a motion to adjourn the meeting, and Mr. Brown seconded. The motion carried, and the meeting was adjourned.

Matt Staton, President


Steve Herndon, Secretary

Minutes Approved by the Board, January 9, 2019
Official copy pending signature