



NORTH CAROLINA BOARD OF FUNERAL SERVICE

Minutes
May 8, 2019 Board Meeting

The North Carolina Board of Funeral Service met for a duly scheduled Board meeting at 9:00 a.m. on May 8, 2019, at the Board's office located at 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: Steve Herndon, President; Mark Blake, Vice-President; Don Brown, Secretary; Valdus Lockhart; Craig Olive; Chris Watson; and Charles Graves. Absent were Mike Stone and Hubert Saunders.

Staff and Counsel: Stephen Davis, Executive Director; Assistant Director Amy Mauldin; and Robert Berry, Administrative Officer.

Guests and Visitors: Dorman H. Caudle, Carolina Donor Services.

Mr. Herndon called the meeting to order at 9:10 am and led the Pledge of Allegiance. He then asked Mr. Brown to offer the invocation. Following the invocation, Mr. Herndon read the Statement of Ethics and asked if any members would be required to recuse themselves from the meeting. None recused. Mr. Herndon then asked guests and visitors to introduce themselves and invited any public comment. None was offered.

Approval of Minutes

Mr. Herndon recognized Mr. Don Brown, Secretary, for presenting the minutes from the April 10, 2019, and April 26, 2019, meetings. Mr. Brown asked members if there were any questions or amendments to the minutes as presented. Hearing none, Mr. Brown invited a motion to approve the minutes from each meeting.

Upon a motion by Mr. Olive and a second by Mr. Graves, the Board unanimously adopted the minutes from the April 10, 2019, meeting as presented.

Upon a motion by Mr. Graves and a second by Mr. Brown, the Board unanimously adopted the minutes from the April 26, 2019 emergency meeting as presented.

Finance and Personnel Committee Report

Mr. Herndon continued the meeting by recognizing Mr. Blake for presentation of the Finance and Personnel Committee Report. Mr. Blake stated that the Committee had convened by conference call on April 29, 2019, to hear a presentation from Bernard Robinson and Company, the auditing firm engaged to conduct

the annual audit of the Board's financial statements. He reminded members that staff had sent copies of the audit electronically prior to the meeting for their review and information. Mr. Blake continued and said that Tina Smith, Senior Manager of the firm; Sandy Newell, Assurance Partner; and Patricia Glidewell, CPA Supervisor, explained the audit findings in detail and discussed the Board's net position based on the audit of the financial statements for 2018. Mr. Blake recognized Mr. Davis and asked him to summarize the meeting with the auditors.

Davis said that Bernard Robinson explained to the Committee their role and responsibilities as the Board's auditing firm responsible for conducting the annual audit; explained the firm's professional standards and adherence to Generally Accepted Accounting Principles[GAAP]; and conveyed recommendations based on the audit findings. Davis then summarized the presentation and general audit findings as presented in the Committee meeting.

Following his summary, Mr. Blake asked if members had questions or comments about the audit or the information he and Mr. Davis presented. Members briefly discussed the audit.

Mr. Blake then asked Mr. Davis to present the Statement of Revenues and Expenses and the Balance Sheet for the period ending March 2018. Davis reported total revenue for the period ending March 2018 was \$391,226.42 which reflected license fees as well as revenue from non-license sources. He noted that total revenue did not include 2019 renewal fees since those funds are not transferred as revenue until completion of the annual audit.

Davis continued by highlighting expenditures posted to the Chart of Accounts and reported that year-to-date operating expenses were \$326,540.93. Mr. Davis stated that he would answer any questions or respond to comments. Members did not have any questions concerning the Statement of Revenues and Expenses.

Davis continued his summary by discussing the Balance Sheet which indicated a Preneed Recovery Trust Fund balance of \$225,190.26, and total assets at \$2,551,306.07. He noted that capital assets in excess of \$1000 are capitalized which spreads the cost for those assets over a multi-year period rather than encumbering the current budget in a single year. Davis concluded his presentation by stating that the Board's net position was strong and showed a 7-8 month reserve of operating capital.

Mr. Blake invited questions or comments from Board members. Brief discussion ensued prior to Mr. Blake's invitation for a motion to accept the Statement of Revenues and Expenditures and the Balance Sheet for the period ending March 2018. Mr. Herndon recognized Mr. Olive for the motion.

Upon a motion by Mr. Olive and a second by Mr. Graves, the Board unanimously voted to accept the Statement of Revenues and Expenditures and the Balance Sheet for the period ending March 2018.

Public Comment Regarding Proposed Administrative Rules

At 9:30 a.m., Mr. Herndon announced that the business session would be temporarily suspended to allow time for public comment on proposed administrative rules subject to periodic review and with substantive changes. Mr. Herndon stated that he would read the content of each proposed rule and would then allow any comment from the public. In his prepared statement, Mr. Herndon noted that the proposed rules had been properly filed, noticed and published in the NC Register in accordance with applicable statutes and rules governing the adoption of amended rules. No public comment was offered, and Mr. Herndon resumed the business session by recognizing Mr. Olive for presentation of the Technology Committee report.

Technology Committee Meeting

Mr. Olive announced that the Technology Committee convened by conference call at 9:00 am on May 6, 2019, to consider the following agenda items:

- Consideration of a proposal from Digital Information Systems, Inc. for the purchase of tablets to replace hard-copy notebooks for monthly Board meetings.
- IT Cybersecurity Protection
- Scanning preneed contracts

Mr. Olive noted that all members were present for the meeting. He then stated that the Committee had discussed a proposal from Mr. Davis for the purchase of digital-based tablets for replacing the hard-copy notebook in use for each Board meeting. He noted that the Board had directed staff to gather information to determine the cost for shifting to digital technology and asked Mr. Davis to explain the comparative analysis he had completed.

Davis directed members' attention to a summary showing cost comparisons of various generations of Microsoft SurfacePro tablets. He noted that he had presented comparative costs for the acquisition of refurbished as well as new tablets. He also noted that he had compared costs among several vendors including direct purchase from Microsoft, WalMart, Best Buy, Amazon, and through the Board's IT vendor, Digital Information Systems, Inc. He stated the while costs for refurbished tablets were lowest through Amazon, availability was a concern since most Amazon vendors offered only 2-3 refurbished tablets for purchase at a time.

Davis continued by stating that Digital Information Systems, Inc. could purchase the tablets as the Board's IT vendor which would enable negotiation for the most economical price through their network of IT providers. Members discussed the advantages of shifting to digital technology for Board meeting materials and agreed that the transition would save costs represented by staff time, materials and resources in compiling hard-copy Board notebooks for each meeting. Members also discussed whether or not to purchase refurbished tablets rather than new ones.

Mr. Olive invited a motion for the purchase of nine [9] new Microsoft SurfacePro tablets. Mr. Herndon recognized Mr. Graves for the motion.

Upon a motion by Mr. Graves and a second by Mr. Brown, five [5] members voted in the affirmative and two [2] members opposed the motion.

Mr. Olive then conveyed that the Committee had also discussed the feasibility of installing either ceiling-mounted projectors or a flat-screen panel in the Boardroom to facilitate the presentation of Board materials to guests and visitors during duly scheduled meetings. He noted that the Committee agree that a flat-screen panel would be superior to the projectors and would be better suited for teleconferencing to enable broader participation by stakeholders in Board meetings, training or information presentations. Members discussed the advantages and disadvantages of a flat-screen panel as well as potential costs. Mr. Brown described the purchase and installation of this technology

at his funeral home and commented that it had proven advantageous in a number of applications during funeral services and other ways to serve families and guests.

Members indicated a desire to vote on the acquisition of the flat-screen panel but wanted to amend the prior vote on the acquisition of the Microsoft SurfacePro tablets to also include the panel. Mr. Olive invited a motion for an amended vote. Mr. Herndon recognized Mr. Graves who stated the motion to amend the prior vote by including a flat-screen panel.

On a motion by Mr. Graves and a second by Mr. Brown, six [6] members voted for the motion and one [1] member was opposed.

Mr. Olive continued by asking Mr. Davis to explain the materials on CyberSecurity from the Board's auditing firm, Bernard Robinson & Company. Davis noted that the audit firm stressed the critical need for organizations to protect themselves from hackers, malware, ransomware and related computer-based threats. He noted that the auditors furnish their clients with information and the opportunity to purchase cybersecurity protection through their firm but that the market offers a wide range of products for organizations to consider.

Davis reminded the Board that Digital Information Systems, Inc. had recently assessed the Board's vulnerability to outside threats when it was necessary to purchase a new server in later 2018. He noted that he would discuss further with DIS the extent of protection and whether or not additional security measures are necessary.

Mr. Davis continued his presentation and reported that Digital Information Systems, Inc. had identified a cost-effective method for scanning the hard-copy preneed contracts and converting them to digital format. By doing so, the compliance inspectors would have immediate access to these records in real-time rather than having to request copies from staff. This project will be long-term but inexpensive since it would rely upon an Adobe systems product designed specifically for high-volume scanning.

Mr. Olive asked Mr. Davis about the feasibility of setting up business e-mail accounts for each Board member in response to a concern Mr. Herndon raised when the Technology Committee met. Mr. Herndon had expressed a concern that each Board member should avoid using personal e-mail accounts for Board-related business and had asked staff to investigate the requirements for setting up these accounts.

Mr. Olive asked if members had questions concerning Mr. Herndon's proposal. Members briefly discussed the need for setting up business e-mail accounts and asked if these accounts could be added to the existing staff email accounts which rely upon Microsoft Outlook. Mr. Davis noted that Board member accounts could be created most cost-effectively through gmail.

Mr. Olive invited a motion for staff to proceed with creating business accounts for Board member e-mail.

Upon a motion by Mr. Watson and a second by Mr. Graves, the Board voted unanimously to direct staff to create individual e-mail business accounts for each Board member.

NC Medical Society Article

David Henderson, CEO of the NC Medical Society recently sent me an article that Dr. Scott Kirby, a licensee of the Medical Society, authored concerning the obligation of a physician, physician assistant or

nurse practitioner to sign a death certificate after notating the probable cause of death. I have included the article behind my report.

Reports and Surveys

- The Conference Regulations in Licensing Survey

Staff have been working on a survey from The Conference that outlines a range of data concerning North Carolina's licensing requirements and other areas of funeral service regulation. This survey is completed annually and then published on The Conference website as an educational tool for licensees, consumers

and other interested parties. The comparative data is an important way for us to determine what other state policies and procedures are with regard to licensure and regulation.

- Annual Report for Occupational Licensing Boards

Each year, occupational licensing boards are required by NCGS 93-B to submit an annual report to the NC General Assembly/Program Evaluation Division; the Attorney General; the Office of State Budget & Management; and the Secretary of State. Our report is due annually on April 30th, and I'm please to report that we met that submission deadline thanks to Ms. Mauldin's leadership on getting this report completed timely.

- Recruitment for General Counsel

I've provided you a listing of the applicants responding to our advertising in the NC Bar Association Career Center and Lawyer's Weekly. As you will note, there are 8 applicants for the General Counsel position representing a range of geographical areas across the country. In terms of experience germane to occupational licensing, most of the applicants do not meet those expectations. Ms. Mauldin and I have discussed the role of General Counsel and have determined that this is not a full-time role.

Upcoming Meetings and Conferences

NCFDA	Pinehurst, NC	May 20 - 21
FDMANC	Durham, NC	June 17 - 20

At-Need Licensure Report

CHAPELS	None
CREMATORY LICENSEES	The Oaks Crematory – Raleigh Wake Crematory Services - Cary
HYDROLYSIS LICENSEES	None
TRANSPORTERS	None
EMBALMING FACILITIES	None
UNAFFILIATED LICENSEES	None
FUNERAL ESTABLISHMENTS	Akridge Family Funeral Care- Jacksonville Blackwell Funeral Home of Yanceyville – Yanceyville Heavenly Arms Family Mortuary & Cremation Services - Farmville
PRE-NEED ESTABLISHMENTS	None
FUNERAL SERVICE LICENSEES	Byron D. Winn- El Dorado, AR Chelsea A. Philyaw – Lenoir Kathleen F. Stull – Charlotte Rene M. Sanchez – Charlottesville, VA
FUNERAL DIRECTORS	None
TRAINEES Beginning April 1, 201	Haley J. Dupree – Mitchell Funeral Home Elain C. Tipton – Pugh Funeral Home Joshua D. Billings – Grandview Memorial Funeral Home Tiffany S. Giordano – Montlawn Funeral Home Virginia F. Stamier – Heritage Funeral Home – Indian Trail Kia A. Worley – Greer McElveen Funeral Home William H. Muden – Munden Funeral Home Chris D. Blackburn – Bennett Funeral Service Michelle L. Maddage – Montlawn Funeral Home Johanna E. Zalesky - Asheville Mortuary Service Crystal L. Corder – Wilmington Funeral & Cremation Kelly S. Ary – City of Oaks Funeral Home Lindsey C. Hazelhurst – Pendry’s Lenoir Funeral Home Jacob L. Clontz – Whitley’s Funeral Home

Compliance and Inspections Report:

Funeral Establishments inspected	24
Preneed Establishments inspected	21
Crematories inspected	4
Hydrolysis Licensee inspected	0
Unaffiliated Licensees inspected	0

Executive Director's Report [Following is the content of the written report given by Executive Director Stephen Davis to the Board]

Legislation

- HB 554 – Technical Amendments Bill

This legislation proposes six (6) amendments that you approved in January including provisions to restore statutory language to enable the Board to issue funeral director licenses; to grandfather in those individuals completing examinations and traineeships who are beyond the current 3-year limit on validity for exams and traineeships; and to address the necessary documentation for dead bodies coming into the state from other jurisdictions.

The bill passed the House on April 25th and was sent to the Senate where it is currently in the Senate Rules and Operations Committee. It has not yet been scheduled for discussion and consideration by the Committee.

- HB 484

This legislation will require state agencies and occupational licensing boards that issue professional licenses to verify their immigration status through the Department of Homeland Security. I have enclosed for your information a copy of my response to the Division of Fiscal Research in the General Assembly as they continue to study the policy and fiscal implications of this legislation if passed.

Rulemaking

Ms. Mauldin and I have completed work on the submission of the temporary rules that you approved at the March meeting. You will recall that you met in emergency session on April 26th to adopt these rules following the expiration of the public comment period. We submitted the rules to the Rules Review Commission later that same day, and the Commission will review and vote on them on May 16 when they convene.

The Commission's attorney has proposed a number of changes in punctuation and style, and staff have been working to incorporate those changes that do not disturb the content of the rule to meet a submission deadline of May 10th.

NFDA Survey

I have provided a copy of a survey that the National Funeral Directors Association has asked us to circulate to our licensees. The content of the survey focuses on completion of death certificates and is the subject of a research project commissioned by the NCFDA to gauge licensees' collective experience in their jurisdictions in completing death certificates.

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Unaffiliated Licensees inspected	0

Chapels inspected	3
Mutual Burial Associations were inspected	2
Embalming Facility	0
Complaints served	0
Investigations completed	0
Notices of Hearing served	0
Final Agency Decisions served	0
Continuing Education classes taught	1
Compliance emails issued	0

In response to members' request for a break in the business session, Mr. Herndon recessed the Board meeting at 10:15 and reconvened at 10:25.

Old Business

Mr. Herndon asked if there were any old business items for discussion and consideration by members. There were no old business items presented.

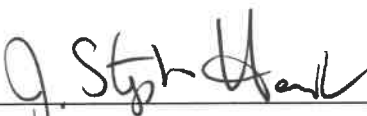
New Business

Mr. Herndon asked if there as any new business to come before the Board. None was offered.

Without further business before the Board, Mr. Herndon invited a motion for adjournment.

Upon a motion by Mr. Graves and a second by Mr. Watson, the subsequently adjourned.

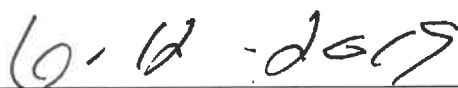
Affirmation:



 J. Stephen Herndon, President



 Don Brown, Secretary



 Date