



NORTH CAROLINA BOARD OF FUNERAL SERVICE

Minutes January 15, 2020 Board Meeting

The North Carolina Board of Funeral Service met for a duly scheduled Board meeting at 9:00 a.m. on January 15, 2020, at the Board's office located at 1033 Wade Avenue, Suite 108, Raleigh, North Carolina.

Present: Mark Blake, President; Don Brown, Vice-President; Chris Watson, Secretary; Valdus Lockhart; Steve Herndon; Craig Olive; Chris Watson; and Mr. Hubert Saunders. Mr. Graves was absent.

Staff and Counsel: Stephen Davis, Executive Director; Amy Mauldin, Assistant Director; Bain Jones, Jr., General Counsel; and Karen Loveland, Administrative Officer.

Guests and Visitors: James Hampton, III, licensee; Fred Jordan, licensee; Steven Lyons, licensee; Somer Addison, licensee; Edward Kosmos, licensee; Alexia Sanders, licensee; Dorman Caudle, licensee; Minda Kistner, apprentice, FTTC; Shawna Rodabaugh, Program Coordinator in the Mortuary Science program at FTTC; Joshua Hicks, transporter.

Mr. Blake called the meeting to order at 9:01 am and led the Pledge of Allegiance. He then asked Mr. Herndon to offer the invocation. Following the invocation, Mr. Blake read the Statement of Ethics and asked if any members found it necessary to recuse themselves from the meeting. None recused.

Mr. Blake then asked guests to introduce themselves and invited any public comment. No visitor or guest offered public comment.

Approval of Minutes

Mr. Blake recognized Mr. Chris Watson, Secretary, for presentation of the minutes from the December 11, 2019, meeting. Mr. Watson asked members if there were any questions or amendments to the minutes as presented. Hearing none, Mr. Blake invited a motion to approve the minutes.

Upon a motion by Mr. Olive and a second by Mr. Brown, the Board unanimously adopted the minutes as presented.

Mr. Blake continued the meeting by presenting the Finance and Personnel Committee report.

Finance and Personnel Committee Report

Mr. Blake reported that the Finance and Personnel Committee met by conference call on Friday, January 10, 2020, at the Board office with attendance by Mr. Herndon and Mr. Lockhart. Mr. Blake reported that the Committee considered and discussed the Report of Revenues and Expenditures and the Statement of Net Position for the period ending November 2019 which was prepared by the Board's outsourced accountants, Thomas, Judy & Tucker, CPA. Mr. Blake asked Mr. Davis if he wished to elaborate on the Committee's discussion of the financial reports. Mr. Davis noted that revenue collections are on track to exceed the total revenue projections approved by the Board in December 2018 for the 2019 Fiscal Year. He noted that at the end of November, the Board had received 94.8% of the total revenue projected. He also reported that operating expenses were at 86% of the total budget for FY2019 which meant that expenditures are approximately 6% less than what would be expected for the end of November. He continued his summary by reporting on the Statement of Net Position and focused attention on the balance shown for the Preneed Recovery Trust Fund at \$261,958.23 and said that this amount would likely continue to increase as the Board received preneed contract application fees. He reminded the Board that \$5 from each \$20 application fee is dedicated for deposit to the Preneed Recovery Trust Fund. He completed his report by noting that there were no other substantive changes or issues to convey regarding the Board's Statement of Net Position. Members briefly discussed the financial reports. Mr. Blake then invited a motion for adoption of the reports as presented.

Upon a motion by Chris Watson and a second by Don Brown, the Board unanimously voted to adopt the financial reports for the period ending November 2019 as presented.

Mr. Blake continued the report by noting that Mr. Davis had extended an employment offer to Karen Loveland to fill the vacant Administrative Officer position. Mr. Davis reported that Ms. Loveland was a graduate of NC State University with a degree in Business Management and had extensive experience in fiscal roles with general government agencies in North Carolina.

Mr. Blake then noted that the Committee had discussed issues and concerns regarding organizational and staffing issues in the Legal Department. He stated that the Committee asked Mr. Davis to study these issues and report any recommendations to the Board for addressing the Committee's concerns.

In completing his report, Mr. Blake noted that the Committee had directed Mr. Davis to follow-up with personal communication with Board or Committee members with frequent absences.

Mr. Blake then asked for a presentation of the Laws, Rules and Legislation Committee report.

Laws, Rules and Legislation Committee Report

Since Mr. Graves was unable to attend the Board meeting, Mr. Davis provided a summary of the Committee's discussion when it met on January 13, 2020, to hear a report from Mr. Davis on proposed administrative rules for the Funeral Director provisional license. Mr. Davis conveyed to members that staff had drafted rules for provisional licensure in funeral directing, and he summarized the definitions and procedural provisions. He explained the rationale and purpose for each of the six (6) definitions which describe and elaborate on the statutory language passed in Session Law 2019-270. Members discussed the definitions in detail with particular attention on the meaning of "professional experience" and the various circumstances that could qualify a provisional license candidate based upon the type and extent of their experience. Members continued their discussion with input from staff as to the relationship of the definitions to the

appropriate statutory requirements. Mr. Blake asked that Mr. Davis include a statutory reference to the definition for "Entry-level Examination" to assure clarity in the Board's requirements for provisional licensees to complete State Board examinations in The Arts and in Laws, Rules and Regulations. Mr. Davis acknowledged Mr. Blake's request and stated that he would amend the proposed rules accordingly. Mr. Blake then asked for further questions and discussion. Members agreed in concept and principle with the proposed rules for provisional licensure in funeral directing.

Upon a motion by Mr. Brown and a second by Mr. Olive, the Board voted unanimously to approve the proposed administrative rules.

Mr. Davis continued his presentation by reporting that he had received an inquiry from Nichols, Choi & Lee, outside counsel, for direction on a pending matter pertaining to the sale of a licensed establishment. He noted that the proposed transaction would require appropriate legal intervention to assure that the terms of the sale did not interrupt or otherwise jeopardize the seller's obligation to reimburse the Preened Recovery Trust Fund from a prior claim that the Board had approved. The seller was continued to make installment payments to satisfy the amount approved by the Board in response to a claim on the Fund. Members briefly discussed the issue and agreed that Mr. Davis should convey to Nichols, Choi and Lee to proceed as appropriate to assure protection of the Board's interests in the matter.

Mr. Davis concluded his report by noting that the Committee had discussed a proposal from Fayetteville Technical Community College to seek a funeral establishment permit to enable them to operate as a funeral establishment as part of their education preparation of prospective licensees. He noted that Mr. Blake had invited Ms. Shawna Rodabaugh, Program Coordinator for Embalming Labs and Anatomical Donations at Fayetteville Technical Community College, to make a formal presentation to the Board later during the meeting.

Mr. Blake then asked Mr. Davis to present the Executive Director's report.

Executive Director's Report

Mr. Davis reported the following items:

- Status Report on Renewals for 2020
Number Renewals Since Portal Opened in November 2019: 450
Hard copies mailed on December 6, 2019, to those not renewed online at that time
- NC Crematory Authority
The Authority met on December 30, 2019; three new appointees; will meet in 2020 to discuss issues for the Board's consideration and to elect officers.
- Preened Annual Report Portal
The portal will be available online by January 24, 2020
- Neptune Society

The California Attorney General filed suit against the Neptune Society for illegally retaining funds from consumers that should have been placed in trust.

- Promession

An alternative method of disposition – from Sweden

Use of nitrogen to freeze dry a dead human body –

Vibrations reduce body to small particles – low environmental impact

Kansas considering but legislation unlikely; Kansas Attorney General rules that promession not legally a form of cremation

WNCN Charlotte ran story on promession on December 2, 2019

- Human Composting

State of Washington approves first facility in nation

- Board-sponsored Continuing Education

Statutory requirement for 8 hours annually but the Board offered 20 hours of CE program credits in 2019 through the Inspections staff.

- 2019 Audit by Bernard, Robinson & Co to begin March 9th

- Inspections Report

Members briefly discussed the issues Mr. Davis presented. Mr. Lockhart asked about the current inspections report and asked that staff include individual status reports for each inspector in future reports. Mr. Blake noted that in the past, the Board had invited individual inspectors to attend a Board meeting to provide feedback and convey any issues that they had noted in the course of their field inspections work. He noted that the dialogue with the Board was helpful in determining necessary resources for supporting the Board's inspections program.

Mr. Blake thanked Mr. Davis for his report and then asked if any members had any items under Old Business to present. None offered any items. Mr. Blake continued and asked if there were any New Business items before the Board.

Old Business

None

New Business

Mr. Davis asked the Board to approve Ms. Mauldin, Assistant Director, as the Board's second Legislative Liaison. He noted that the Board recognizes two liaisons which includes the Executive Director and for the past two years included one of the Inspections team members. Davis noted that it would prove advantageous for the Assistant Director to be recognized as the second Legislative Liaison given that position's proximity in Raleigh to the General Assembly and close knowledge and understanding of legislative issues that come before the Board. Members briefly discussed Mr. Davis' proposal and agreed.

Upon a motion by Mr. Lockhart and a second by Mr. Brown, the Board voted unanimously to appoint Ms. Mauldin as the second Legislative Liaison.

Mr. Blake then announced a brief recess to enable Mr. Lisenbee, Compliance Officer, to join the meeting by conference call to participate in the presentation by Fayetteville Technical Community College for recognition as a funeral establishment pursuant to the Board's statutes and rules. Mr. Blake reconvened the Board after a five [5] minute recess and announced that Ms. Shawna Rodabaugh from the mortuary science program at FTTC would present a proposal for recognition as a licensed funeral establishment.

Presentation by FTTC for Recognition as a Funeral Establishment

Ms. Rodabaugh then explained to the Board the college's proposal to operate a funeral home for the community funeral services education program to acquaint and train mortuary science students with the practices and procedures for planning and conducting funeral services. Ms. Rodabaugh relied upon a power point presentation and made members aware of the following components for the proposal:

- Operations Plan
- Material Needs
- Staffing Needs
- Preliminary Annual Budget
- Community Service and Outreach

Board members questioned a number of the plan's objectives and discussed the components extensively. Mr. Lockhart asked if the program would be statewide in scope and the source of decedents. Mr. Saunders asked if the college intended for this proposal to replace the apprenticeship program. Mr. Blake asked who would assume responsibility for the operation costs for the program; how would the college assure compliance with the statutory requirements for refrigeration; and if the college had considered any liability issues that might have impact on their operation as a funeral establishment. Other members asked detailed questions regarding the selection process for identify families served by the program; removals and transfers procedures; availability of viewing rooms and appropriate space for conducting services; and related matters. After the discussion with Ms. Rodabaugh, members agreed in principle and concept that the proposal had merit but would require further study and consideration. Ms. Rodabaugh conveyed her thanks for the Board's consideration and noted that she and mortuary science program staff would continue their development of the proposal to incorporate the Board's concerns and issues expressed in the meeting. Mr. Blake thanked Ms. Rodabaugh for her time and effort in developing and presenting the proposal. He then stated that the Board needed to consider a confidential personnel matter not subject to public disclosure and invited a motion to convene in closed session.

Upon a motion by Chris Watson and a second by Valdus Lockhart, the Board voted unanimously to convene in closed session to discuss a confidential staff performance concern.

Upon a motion by Chris Watson and a second by Don Brown, the Board voted unanimously to reconvene in open session.

Mr. Blake noted that the Board had discussed a matter concerning the performance and contractual arrangements of individuals responsible for the provision of legal services to the Board. He invited a motion to approve recommended action to address the Board's concerns regarding contracted legal services.

Upon a motion by Mr. Herndon and a second by Mr. Brown, the Board voted unanimously to direct the Executive Director to terminate the contractual agreement for the provision of legal services to the Board.

Without further business before the Board, the President adjourned the meeting.

Affirmation:



Mark Blake, President

Chris Watson, Secretary

Date