



# The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 330,000 MEMBERS

June 2012



## Legislative Update

By Lindy Julian Beale, Legislative Counsel

The 2012 Regular Legislative Session was very good for members of the RSA. We have many to thank, including the governor's office and the leadership of both the House and Senate. We would specifically like to thank Senator Arthur Orr for his work in maneuvering both the new pension proposal and the felony conviction legislation through the Senate. Representatives Jamie Ison, Mac McCutcheon, Donnie Chesteen, and Joe Hubbard carried these bills in the House. In fact, this was the second year Representative Joe Hubbard attempted to pass the felony conviction legislation.

Thanks also to Representative Jay Love and Senator Trip Pittman for ensuring that the TRS was properly funded at the actuarially requested rate. Senator

Greg Reed was instrumental in passage of legislation that was extremely helpful to the teachers' health insurance plan (PEEHIP).

- HB255 (Act 2012-302) allows retirement contributions on overtime pay with a cap of 120% of base pay for all members of the TRS and the ERS (including local units).
- SB213 (Act 2012-412) requires teachers and state employees convicted of a felony offense related to their public position to forfeit their right to lifetime retirement benefits. However, the employee would receive a refund of his or her retirement contributions. This legis-

lation is not retroactive and does not affect any member that has already been found guilty of an offense.

- SB388 (Act 2012-377) creates a Tier 2 Defined Benefit plan for workers hired after January 1, 2013. New state employees and teachers will pay lower contribution rates, but will not be able to draw a retirement benefit until they reach age 62. State Police, law enforcement, firefighters, and correctional officers will be able to draw a benefit at age 56. Local agencies that did not increase employee contributions last year will not see a reduction in employee contributions. ■

## RSA Sites Win Awards

Six Alabama hotels and three restaurants owned by the RSA were recipients of AAA's Four Diamond Awards.

It was the most Four Diamond awards ever presented by AAA to one group. "With six hotels and three restaurants receiving this honor on the same day, this

is definitely a record for Alabama," Al Gibbs, vice president and general manager of AAA Alabama said in a prepared statement.

David G. Bronner, CEO of RSA, said the goal behind the Robert Trent Jones Golf Trail and its resort collection of hotels and restaurants was to bring new

tourists and businesses to Alabama.

"Guest are coming to Alabama from around the world and experience Four Diamond properties, cuisine and service," Bronner said. "Tourism is changing the perception of Alabama within our state and internationally." ■

### RTJ GOLF TRAIL RESORT COLLECTION FOUR DIAMOND RATINGS INCLUDE:

#### Lodgings:

- Renaissance Mobile Riverview Plaza - 1st year (2012)
- Renaissance Montgomery Hotel & Spa at the Convention Center - 4 years
- The Battle House, A Renaissance Hotel, in Mobile - 5 years
- Marriott Shoals Hotel and Spa, in Florence - 6 years
- Renaissance Ross Bridge Golf Resort & Spa, in Hoover - 7 years
- Grand Hotel Marriott Resort, Golf Club & Spa, in Point Clear - 33 years

#### Restaurants:

- The Grand Dining Room, in Point Clear - 5 years
- The Trellis Room, in Mobile - 5 years
- 360 Grille in Florence - Just announced for 2013

Visit RSA hotels, restaurants, and spas & Experience the Four Diamond ratings firsthand

# From England: "Sweet Alabama"

Source: *Golf News Magazine*

"Welcome y'all! Tell your friends over the pond that we are not all racists and rednecks in Alabama, and that we don't play golf in our sandals and dungarees! But tell them that we do have some of the best golf on the planet," said Don, the chatty starter at Grand National's Links course. "You enjoy the sunshine and hit them straight and long, d'ya hear!" he laughed.

My first tee shot was short and wide and flirted with giant pine trees, but, no matter, we were on our way along Robert Trent Jones Golf Trail, the opening salvo of ten rounds over eight days that would take us from the thick woods and shimmering lakes in the middle of the state to the sandy beaches of the Gulf of Mexico in the south.

One of the most ambitious golf course building projects ever undertaken, the Trail – the first courses built are 20 years old this year – stretches 350 miles. But none of the 11 Trail stops, featuring 26 courses (the 468 holes are a combination of full championship layouts and 18-hole par 3 courses) are more than a two-hour

drive from the next, and each is within 15 minutes of a major interstate (highway) – which makes both the planning of a golf trip and the drive easy. . . .

The RSA saw off the naysayers who thought it was reckless to invest millions of dollars of the state's retirement funds into golf courses and hotels. But for David G. Bronner, it was a 'Field of Dreams' thing. "Several top course designers I approached thought I was nuts. . . ."

Robert Trent Jones Senior was intrigued by Bronner's vision and jumped at the chance to convert virgin bush and forest in the north, and wetlands and marshy woods in the south, into artfully designed golf courses. . . .

Covering so much contrasting terrain, the Trail courses vary enormously in style and scenery, but there's one constant: outstanding quality and great value for money. The average green fee is around \$55 (the higher the mercury climbs the lower the green fee drops). That's about a third of the price you would pay for similar-quality courses in most of the other US states. And another plus: most of these courses are devoid of housing – most

refreshing for the US.

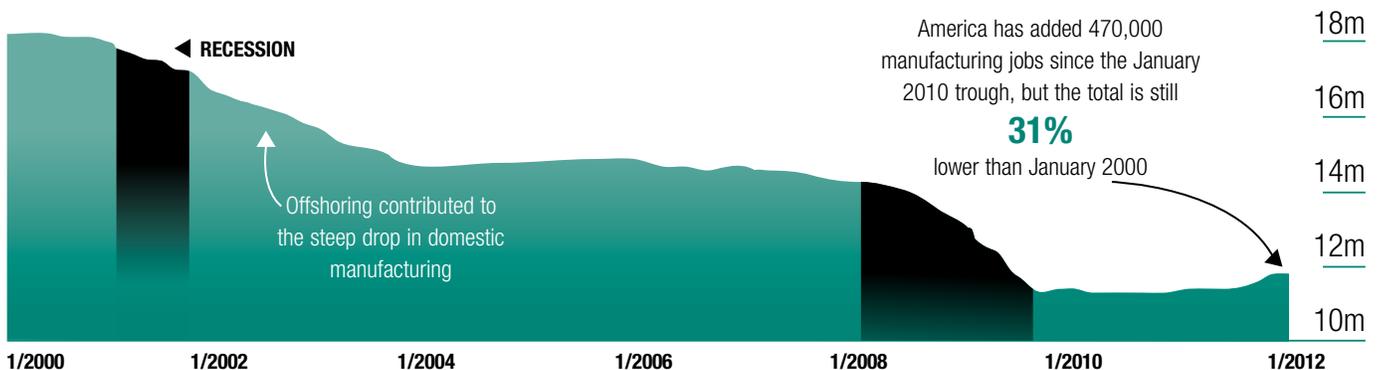
Along the Trail are several hotels that are built, owned, or managed by the RSA. These vary from the small resort-style Marriott hotel in Opelika (Grand National) to the fairy-tale mock-Gothic castle style of Birmingham (Ross Bridge) to a timeless old southern dame, the Grand Hotel (Point Clear, near Mobile), that 150 years ago was a hospital for Southern soldiers in the US Civil War. . . . **(Editor's Note:** The group spends a number of pages describing, with seven pictures, the various courses.)

Don, the starter at Grand National we met on our first morning, wasn't wrong about the sunshine – the only dark flecks in the cobalt-blue sky that we saw during our entire trip were hawks and kestrels floating on the thermals.

And by the time we'd putted out for the last time at Ross Bridge – a solid par that followed a birdie, seeing that you asked – we were long sold: Alabama's Robert Trent Jones Trail is a 'must do' for any serious golfer.

Robert Trent Jones Senior and Dr. David Bronner – guys, take a bow. ■

## THE LONG GOODBYE: NUMBER OF U.S. MANUFACTURING JOBS



Source: National Economic Council

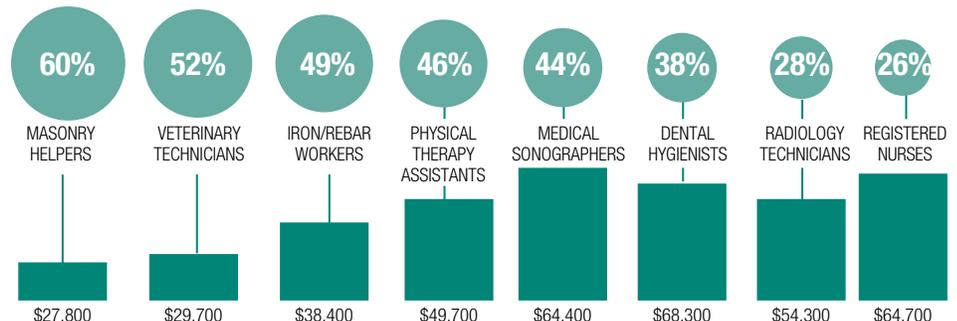
## HELP WANTED

A sampling of fast-growing fields that do not require a bachelor's degree

SOURCE: BUREAU OF LABOR STATISTICS

Likely growth in demand, 2012 to 2020

Median 2010 annual wage



# Navistar Top 10 Deals

Source: *TimesDaily.com*

**S**ite Selection magazine has chosen the transaction that brought Navistar International to the Shoals as one of the top 10 North American business deals in 2011. The magazine provides expansion planning information to 44,000 executives of fast-growing companies. Navistar took over the nearly mile-long plant that formerly housed the National Alabama railcar plant January 1. The plant is in the Barton Riverfront Industrial Park in western Colbert County. Navistar is expected to have about 1,800 workers on site within four years and Alabama Governor Robert Bentley said as many as 2,200 jobs could be tied to the project at full production. That total includes jobs related to support companies that are anticipated to open in and near the industrial park.

Navistar officials have announced they will build a new truck at the plant, a work truck they will call International LoadStar. The truck is adaptable for many uses, but they say some of the industries that will have interest include waste hauling, concrete pumping and airplane refueling. The magazine does not rank its 10 top projects in order, but the Navistar deal created the third

most number of jobs among the list. Navistar is leasing the plant from the Retirement Systems of Alabama. The group's CEO David Bronner led the effort to negotiate and close the deal, and the Shoals Economic Development Authority is credited with providing the needed support. ■



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## Imports

Source: 13D

**I**mports of food and drugs in the U.S. have tripled during the last decade. About 85% of seafood bought by Americans, 39% of fruit and nuts and 18% of vegetables now come from abroad, according to a recent study by the Institute of Medicine. Similarly, 80% of active pharmaceutical ingredients and 40% of finished drugs originate outside of the U.S. Mitigating risk to food supplies from terrorists, poor manufacturing and processing quality control in some developing nations, and increasing environmental hazards as the number of natural disasters increases from climate change, is becoming a losing battle.

Global food trade could rise significantly over the next 20 years, as countries experiencing water scarcity seek to increase imports as a method of conserving domestic water supply. The U.S. Food and Drug Administration (FDA) is increasingly acknowledging its inability to ensure the safety of regulated products arriving at 300 different ports of entry from over 300,000 factories in 150 different developing nations.

The FDA was unable to recreate the supply chain involving imports from certain developing countries in a recent crisis, and the situation with regulatory inspections in other countries could be even more problematic. In contrast, large food companies and retailers that have more control over the food market can better trace supplies. As awareness grows about this issue, global food companies with well-organized supply chains may garner premium valuations for their ability to consistently procure food safely from around the world.

Imports of food and drug products regulated by the FDA have increased by over 13% annually since 2002. The daunting task of ensuring the safety of food and medical products is growing, whether it involves suspect scallions from Mexico, or catfish from China and Vietnam laced with prohibited antibiotics. The FDA's traditional method of ensuring product safety – periodic inspections at factories and 300 ports of entry – is not practical with 20 million types of FDA regulated products arriving from all over the world.

Since the late 1930s, after a sweetened elixir laced with poison killed over 100 people, U.S. law has required drug manufacturers to prove safety before the FDA would permit the sale of products in America. Decades later, the exact same poison has been implicated in product safety crises around the world. However, many regulatory peers in other countries lack the legal framework, funding, training, and oversight that have helped the FDA become one of the world's foremost regulatory agencies.

The health of humanity is increasingly linked to regulators worldwide and their effectiveness in ensuring food and drug safety. Food safety is a growing concern worldwide, whether from potential E.coli poisoning in Europe last year or tainted crops in the aftermath of the Fukushima nuclear meltdown. In the U.S., this point was driven home in 2007 and 2008 when dogs and cats were stricken with tainted pet food, and people died from contamination in Baxter International's blood thinner heparin. ■

# It is Time To Have Fun and Enjoy the Family Plan Your Holidays for Our Hotels, Spa, and Golf

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A Special Deal  
FOR RSA MEMBERS

**The Battle House,**

**A Renaissance Hotel – Mobile – \$99**

- June 1-3, 9, 15-16, 23, 28-30
- July 1-10, 13-14, 20-23, 29-31 • August 1, 3-11, 22-31

**The Renaissance Riverview Plaza – Mobile – \$89**

- June 1-3, 9, 15-16, 23, 28-30
- July 1-10, 13-14, 20-23, 29-31 • August 1, 3-11, 22-31

**Marriott Grand – \$99** plus a 15% resort fee

- June 10 • July 1, 8, 15, 22-23, 29-30
- August 12-13, 22-23

**Marriott Grand – RSA Golf Package – \$169**

Ask for code – LOCD

Includes: Deluxe Room, One Round of Golf for Two People.

Call for Tee Times after booking package

- June 10 • July 1, 8, 15, 22-23, 29-30
- August 12-13, 22-23

**Marriott Shoals – Florence – \$89**

- June 10, 24 • July 2, 8, 15-16, 22-23, 29-30
- August 12-13, 20, 27

**Renaissance Ross Bridge – Hoover – \$99**

- June 1-14, 17-21, 24-25, 28
- July 1-5, 8-12, 15-19, 22-25, 29-31
- August 1-2, 5-9, 12-16, 19-23, 26-30

**Opelika Marriott – \$89**

- June 3-7, 14-28
- July 1-8, 12-18, 22-24, 29-31
- August 1-2, 5-9, 12-19, 22-26

**Prattville Marriott – \$89**

- June 3-4, 9-12, 16-18, 22-24, 28-30
- July 1-5, 7-14, 20-21
- August 5-8, 10-12, 17-22, 30-31

**Renaissance Montgomery – \$99**

- June 1-2, 10, 13, 18-20
- July 2-7, 19-21, 25-29
- August 3-12, 19-24, 30-31

**RSA Spa Package – \$179**

Ask for code – LOCD Includes Deluxe Room

- June 13, 19-20 • July 3-5, 19, 25-26
- August 1-2, 7-9, 21-23, 30

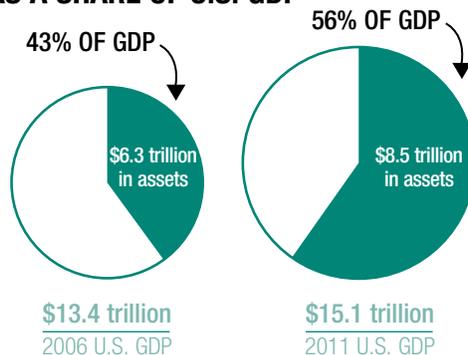
*Rates available the 1st of the month  
and are not applicable to groups.*

Code: RABM, 800-228-9290

Internet promo code: R2A on [marriott.com](http://marriott.com)

**Book Online and Save RSA \$4.**

## ASSETS OF THE FIVE LARGEST BANKS AS A SHARE OF U.S. GDP



### The Big Five and their assets, 2011

JPMorgan Chase	\$2.3t
Bank of America	\$2.1t
Citigroup	\$1.9t
Wells Fargo	\$1.3t
Goldman Sachs	\$0.9t

DATA: FEDERAL RESERVE, BUREAU OF ECONOMIC ANALYSIS

## Retiree Health Care Benefits

Source: *USA Today*

Retiree health care benefits may present a bigger fiscal challenge than pensions. The near-failure by U.S. states to fund rising retiree health-care costs for millions of government workers threatens to produce budget crises similar to the one that pushed Stockton, California, to take a step toward bankruptcy last week. States haven't financed almost 96 percent of the \$627.4 billion they were projected to owe for future retiree benefits in 2010 . . . The estimated deficit grew from about 95 percent in 2009 as governors coped with lower general-fund revenue and rising demand for services following the longest recession since the Great Depression. ■



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