



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 370,000 MEMBERS

December 2020



2020 RSA Investment Performance

BY R. MARC GREEN, CIO

Total Portfolio	1 Year	Annualized		
		Last 3 Years	Last 5 Years	Last 10 Years
TRS	5.62%	5.86%	7.92%	8.67%
ERS	5.83%	5.93%	8.14%	8.75%
JRF	7.87%	6.98%	8.73%	8.77%

The new fiscal year started out strong as most equity markets moved higher throughout the December quarter. We obviously experienced a big reset in the fiscal second quarter as news of the novel coronavirus turned into the global pandemic of COVID-19. Markets went into a tailspin and were down 34% from peak to trough as a deep recession was quickly priced in.

Monetary and fiscal policymakers around the globe began pumping in huge amounts of liquidity to support financial markets and the economy. The markets have been very narrow, with leadership being driven by the large technology companies. Both mid- and small-capitalization as well as most developed international markets have lagged the S&P 500 and the Nasdaq by a striking amount. Interest rates remain pinned as global central banks cut rates and suppressed the curve by being large buyers of sovereign debt. The markets have definitely climbed a big “wall of worry” this year.

Our peer group rankings (State Street Public Funds Universe greater than \$1 billion) for the last year were in the 73rd percentile for the TRS and 68th percentile for the ERS. The five-year ranking for all three plans were close to the median. The ten-year return numbers rank all funds in the top third of all plans vs. their peer group. ●

THE CURRENT PROGRAM FOR TEACHERS Is NOT Keeping Them In The Classroom

BY DAVID G. BRONNER

The year 2020 has been one of the most unusual years in my memory. With COVID-19, nationwide protests, volatile financial and labor markets, and one of the most highly contested presidential elections in history, there has been a lot going on. Additionally, the Legislature will have a lot on its plate when it begins the 2021 Regular Legislative Session, including expanding broadband for rural areas, addressing COVID-19 related issues, and renewing expired economic incentive programs.

The major issue facing the RSA is improving Tier II retirement benefits. This is essential to the recruitment and retention of qualified teachers and staff. The proposed improvements can be made without large increases in costs to employers but would have a significant impact by allowing 30-year retirement and conversion of sick leave for retirement credit.

Another critical improvement is to allow a member’s beneficiary to receive a better benefit – Option 2 – if the member dies while in active service. Currently, that teacher’s beneficiary would receive Option 3. This can help retain retirement-eligible education employees that want to continue working but are worried about not being able to provide for their families if something happens to them prior to retirement. With the health uncertainties for many older employees, this change would be extremely important.

Local governments have already taken steps to make sure they can better recruit and retain their public employees. Last year, they were given the option to provide Tier I benefits to Tier II members. So far, 381 (44%) cities, counties, and local boards have recognized the need to improve benefits and have elected this option.

Representative Alan Baker and Senator Donnie Chesteen, along with many other legislators, have been fighting to get these changes passed. We need to help them with this fight to make sure this issue does not get lost in the shuffle this next session, which starts on **February 2, 2021**. Make sure you reach out to your legislator to make sure they know how important these improvements are to you and to the future of our state. ●

PROJECTED STATE COSTS FOR 2021-22

Projected Retirement Employer Cost
Retirement Systems of Alabama
(Amounts in millions)

Projected Insurance Employer Cost
Retirement Systems of Alabama
(Amounts in millions)

Retirement	Actual 2019-2020	Estimated 2020-2021	Requested 2021-2022
TRS (Teachers')	\$871	\$873	\$874#
ERS (Employees' Regular-State)	242	236	242*
JRF (Judicial)	18	18	19
Total Retirement Cost	\$1,131	\$1,127	\$1,135

Insurance	Actual 2019-2020	Estimated 2020-2021	Requested 2021-2022
PEEHIP (Teachers)	\$956	\$952	\$952 &
SEHIP (State Employees)	359	359	359
Total Insurance Cost	\$1,315	\$1,311	\$1,311

Estimated \$515M from Education Trust Fund
* Estimated \$68M from General Fund

& Estimated \$678M from Education Trust Fund
Note: PEEHIP numbers exclude amounts from Universities for retiree costs
Note: FY2022 estimated cost for PEEHIP totals \$1.49 billion

Lakewood in Point Clear on the Trail

BY MARK FAGAN

The RSA purchased the ninth site on the Trail in 1999 and began development of a resort/community ½ hour north of the Gulf of Mexico on the Eastern Shore of Mobile Bay (Point Clear). This 734-acre development includes the Grand Hotel (405 guest rooms in 5 buildings, conference center, spa, and 5 restaurants), The Lakewood Club (36 golf holes, aquatics/tennis/fitness center, and 2 restaurants), and The Colony at the Grand (residential lots and condos). The RSA additions to the hotel include a spa, 126 rooms, beach and pool complex in 2000, restoration after damage from Hurricane Katrina in 2005, and a complete renovation in 2018 (conversion to Autograph Collection). At The Lakewood Club, the RSA built an aquatics/tennis/fitness center (2008) and renovated the two golf courses (2004 and 2017). Lakes were built, drainage improved, bridges repaired, and greens updated. In 2004, the RSA began financing housing at The Colony.



The Lakewood Club

Lodging has been on the site of the current Grand Hotel since 1820. The Grand Hotel was built in 1847 as a two-story building with 40 rooms. Over the next 50 years, the hotel was destroyed by storms and fire, rebuilt twice, and had multiple owners who added four lodging buildings and conference facilities. The RSA purchased the Grand Hotel and The Lakewood Club to fill a void for the Trail in Baldwin County, Alabama's most

popular tourism destination. From 1992-1995, the RSA worked to secure a site in Orange Beach/Gulf Shores but was not successful.

The two 18-hole golf courses (Dogwood and Azalea) play around 15 water features and many 200-year-old live-oak trees with Spanish moss. The first 18 holes opened in 1947, with 9 more added

in 1967, and a final 9 added in 1986. The existing golf clubhouse was finished in 1948 with timbers from an old railroad pier on the Mobile River. The clubhouse offers 14,000 square feet of indoor dining, card room, meeting space, dressing rooms, and golf shop. There is a practice facility, two putting greens, maintenance shed, and cart shed located on the property. Lakewood will host the prestigious USGA Senior Women's Amateur Championship in September 2021.

The Colony at the Grand was approved for the 8-story Bayview II and 638

residential lots in 2006. Bayview II (56 condos) opened in 2008 on Sweetwater Lake and hole 9 of Azalea. Single-family residences have been added around Sweetwater Lake and the Azalea Course in neighborhoods called Watershed North, Battles Trace, Watershed South, Azalea, Grand Manor, and Camellia. As of November 2020, 56 condo units and 104 houses had been sold. The RSA is currently developing lots east of Bayview II and new roads with lots directly north of Bayview II.

The Grand Hotel became RSA's first hotel on the Trail and a major award-winning property. Housing at The Colony was a logical addition because many people retire where they have vacationed. The Grand Hotel gives The Colony a great marketing tool by bringing people to the property. Spending by Grand Hotel employees and visitors, members of The Lakewood Club, and nearby residents increases tax revenue supporting the quality of life on the Eastern Shore.

For a video of the current Grand Hotel, Lakewood, and The Colony, visit <https://youtu.be/0prMMWvZOOY>. For *The Guide to Retirement at The Colony* by me, visit <https://colonyatthegrand.com/wp-content/uploads/2020/03/RetirementAtColonyAtTheGrand.pdf>. ●

Alabama Success Stories

Central Alabama CrimeStoppers

Central Alabama CrimeStoppers began in 1997 assisting law enforcement in solving thousands of cases and offering hundreds of thousands of dollars in reward money to help bring criminals to justice. Central Alabama CrimeStoppers provides its services free of charge to law enforcement agencies. Law enforcement investigators are given immediate access to CrimeStoppers' tip distribution software. They also have unlimited options to send wanted criminals, missing persons, and unsolved criminal cases to be placed on CrimeStoppers' media platforms. CrimeStoppers shares all releases with their media partners throughout the state of Alabama.

In November of 2019, Central Alabama CrimeStoppers' Board of Directors began providing its services throughout the state of Alabama to any law enforcement agency that does not have an active CrimeStoppers program available in their community. Central Alabama CrimeStoppers now spans seventeen counties throughout southern Alabama.

GUN DETERRENT INITIATIVE

In the beginning of the 2016-2017 school year, Central Alabama CrimeStoppers collaborated with the Bureau of Alcohol, Tobacco, Firearms, and Explosives to offer cash rewards for any tips that led to the confiscation of a gun on school grounds, including sanctioned events after school. In the first year the initiative was responsible for eleven handguns and seven BB guns confiscated from students on school campuses. In 2017-2018, fifty-eight tips from the tip line regarding juveniles possessing guns illegally were turned over to the Montgomery Police Department and Montgomery County Sheriff's Office. In 2018-2019, five guns were confiscated on school grounds and six guns were turned over directly to CrimeStoppers. In 2019-2020, two guns were confiscated and four turned over directly to CrimeStoppers. The Bureau of Alcohol, Tobacco, Firearms, and Explosives and Central Alabama CrimeStoppers are continuing the Gun Deterrent Initiative for the 2020-2021 school year.

CRIMESTOPPERS STUDENT INVOLVEMENT (CSI)

CrimeStoppers Student Involvement (CSI) is a program designed to keep schools safe and crime-free. It offers an anonymous crime reporting system and cash rewards to students who report criminal activity at school. Tips through this program have resulted in the stop of attempted suicides, terrorist threats, bullying, drug transactions, and the removal of guns and other weapons found on school campuses.



The P3 anonymous tips reporting app led School Resource Officers to the removal of drugs and weapons, including guns and knives, from public schools in the 2019-2020 school year. It led to three capital murder arrests. CrimeStoppers is always searching for ways to make our communities safer.

STUDENT PEER MEDIATION

Student Peer Mediation is designed to address student-to-student conflicts with the intent of avoiding a physical altercation. CrimeStoppers will train students

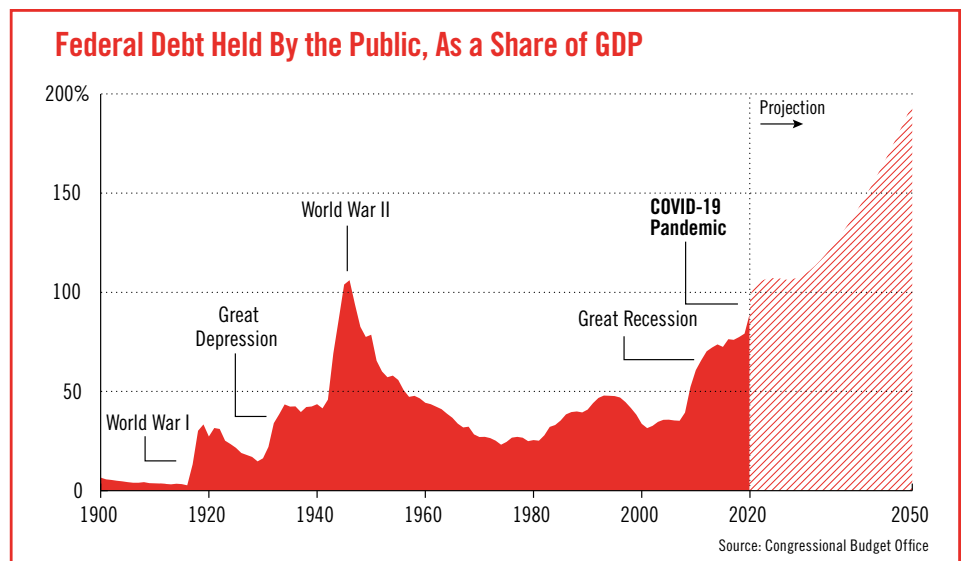
and adult sponsors from five schools during each eight-hour session. Students will learn strong communication skills and techniques, including how to ask specific, non-judgmental questions, active listening, and problem solving.

STUDENT CONFLICT AND DISPUTE RESOLUTION PROGRAM

CrimeStoppers Student Conflict and Dispute Resolution Program is designed to address students that have engaged in unsafe behaviors resulting in alternative placement, expulsion from school, and/or placement in a facility by the court system. These targeted students will receive training on dispute resolution and conflict management based on the "Words Work" curriculum. This is a 10-session program focusing on communication skills, relationships, and youth leadership. The program addresses social and emotional behaviors by introducing the value of relationships, empathy, decision making, leadership, and accepting responsibility for their choices.

Central Alabama CrimeStoppers encourages members of the community to assist local law enforcement agencies in the fight against crime by overcoming the two key elements that inhibit community involvement: **FEAR** and **APATHY**. Residents can contact Central Alabama CrimeStoppers when they have any information to share regarding crime.

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The RSA Staff wishes you a

Merry Christmas!



Start Planning Your Holiday Getaways at RSA's Outstanding Hotels, Spas, and RTJ Golf

RETIREMENT SYSTEMS OF ALABAMA
201 SOUTH UNION STREET
P.O. BOX 302150
MONTGOMERY, ALABAMA 36130-2150

PRSR STD
U.S. POSTAGE
PAID
MONTGOMERY, AL
PERMIT NO. 402

ENJOY YOUR WINTER
A Special Deal
FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel \$119

- December 1-10, 13-29 • January 2-21, 31
- February 1-4, 7-10, 17-21, 28

The Battle House RSA Spa Package \$207

- December 8-9, 15-16, 22-23, 29
- January 5-7, 12-14, 19-21
- February 2-4, 9-10, 17-18

Riverview Plaza \$109

- December 4-29 • January 2-6, 10-17, 31
- February 1-4, 7, 9-11, 17-19

Grand Hotel \$127 plus a 15% resort fee

- December 1-2, 6-10, 13-17, 20-22
- January 3-14, 18-22, 27-31
- February 1-11, 15-17, 21-28

Grand Hotel RSA Golf Package \$199 plus a 15% resort fee

- December 1-2, 6-10, 13-17, 20-22
- January 3-14, 18-22, 27-31
- February 1-11, 15-17, 21-28

Grand Hotel RSA Spa Package \$259 plus a 15% resort fee

- December 1-2, 6-10, 13-17, 20-22
- January 3-14, 18-22, 27-31
- February 1-11, 15-17, 21-28

Marriott Shoals \$109

- December 6, 13, 20-30 • January 1-14, 17, 24, 31
- February 7, 21, 28

Marriott Shoals RSA Spa Package \$210

- December 6, 13, 20, 27 • January 3, 10, 17, 24, 31
- February 7, 21, 28

Renaissance Ross Bridge \$119

- December 1-30 • January 3-31
- February 1-11, 15-28

Renaissance Ross Bridge RSA Spa Package \$223

- December 1-2, 6-9, 13-16, 20-23, 27-30
- January 3-6, 10-13, 17-20, 24-27, 31
- February 1-3, 7-10, 15-17, 21-24, 28

Auburn/Opelika Marriott Resort \$109

- December 1-2, 6-10, 13-29
- January 3-5, 10-13, 20-24, 27-28, 31
- February 1-10, 16-17, 21-25, 28

Auburn/Opelika Marriott Resort RSA Spa Package \$201

- December 2, 9-10, 16-19, 23-24
- January 13, 20-23, 27-28
- February 3-4, 10, 17, 24-25

Prattville Marriott \$89

- December 3-4, 6, 14-17, 19-30
- January 1-10, 17, 21, 24, 31
- February 3, 7, 18, 25, 28

Renaissance Montgomery \$119

- December 3, 8-13, 16, 18-20, 26-30
- January 1-7, 10, 22-25, 29-30
- February 7, 18, 21-22, 28

Renaissance Montgomery RSA Spa Package \$209

- December 3, 8-12, 16, 18, 23-24, 30
- January 1-2, 5-7, 21-22, 29 • February 17-18

Specific room requests may require additional charge.

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

800.228.9290 Ask for RSA rate. **Promotional Code: R2A** on www.rsa-al.gov

Book Online and Save RSA \$4.



Member Hotel
Discounts Webpage

Alabama Success Stories

CONTINUED FROM PAGE THREE

Residents are invited to visit their Facebook page at www.Facebook.com/215stop/ or website at www.215STOP.com to see up-to-date press releases. Residents can use the 24-hour tip line at 215.STOP (7867) or toll free number 833.AL1.STOP, which provides 1-stop access to reporting crime. Residents can also give information via the website.

This is a series of articles about Alabama Success Stories. Please let us know if you have a similar success story you would like to share with the RSA membership. You may contact us at communication.correspondences@rsa-al.gov. ●

WANT TO HELP?



A FREE CAR TAG

Tired of that worn-out dealer tag on the front of your car? Would you like to help the RSA and our Alabama Tourism Department advertise "Alabama's Robert Trent Jones Golf Trail" on your front bumper? If so, call to request a tag at 334.517.7000 or 877.517.0020, or write:

Tag, P.O. Box 302150

Montgomery, AL 36130-2150



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