

## Statement of Changes in Fiduciary Net Position – Unaudited For the Twelve Months Ended September 30, 2021

amounts in millions

| Employees' Retirement System |  | Teachers' Retirement System |
|------------------------------|--|-----------------------------|
|                              | <b>Additions</b>                                     |                             |
|                              | <b>CONTRIBUTIONS</b>                                 |                             |
| \$282                        | Employee   | \$520                       |
| 517                          | Employer   | 874                         |
| 4                            | Transfers In   | 6                           |
| 803                          | Total Contributions                                  | 1,400                       |
| <b>2,861</b>                 | <b>TOTAL NET INVESTMENT INCOME</b>                   | <b>5,728</b>                |
| 3,664                        | Total Additions                                      | 7,128                       |
|                              | <b>Deductions</b>                                    |                             |
| 1,260                        | Retirement Allowance Payments                        | 2,415                       |
| 54                           | Return of Contributions and Death Benefits           | 64                          |
| 6                            | Transfers Out  | 4                           |
| 11                           | Administrative Expense                               | 20                          |
| 4                            | Depreciation   | 9                           |
| 1,335                        | Total Deductions                                     | 2,512                       |
| <b>2,329</b>                 | <b>Net Increase</b>                                  | <b>4,616</b>                |
|                              | <b>Net Position Restricted for Pension Benefits:</b> |                             |
| 13,150                       | Beginning of Year                                    | 25,946                      |
| <b>\$15,479</b>              | <b>End of Year</b>                                   | <b>\$30,562</b>             |

## Large Retiree Bonus – Focus of 2022 Legislative Session

AEA EXECUTIVE DIRECTOR AMY MARLOWE  
ALABAMA SCHOOL JOURNAL

*Retirees – you are the bedrock of this organization  
and public education in Alabama.*

**W**henver I address a group of retirees, I can almost guarantee there will be a question about additional retiree pay. So, with the regular session of the Legislature now less than two months away – and the build-up already beginning – I wanted to take this opportunity to tackle that question.

There are two ways the Legislature financially rewards education retirees: the first is a Cost-of-Living Adjustment (COLA), and the second is a bonus check. A COLA is a permanent percentage raise on the retirees' benefits while a bonus check is a one-time



## 2021 Net Investment Income \$8.5 Billion

BY DAVID G. BRONNER

**P**ublic pension funds' investment performance across the country has been outstanding in 2021. It is important to remember that Alabama is only one of three states with a fiscal year ending on September 30th. For the last two years, September has been the worst month regarding investment performance. Yet, the RSA performance for 2021 was exceptional for our three funds: **TRS at 22.62%, ERS at 22.18%, and JRF at 20.52%.**

Past investment performance, whether gains or losses, is spread over a five-year period to prevent huge swings in the state budgets. The RSA has only three sources of revenue, as shown on this page: employee contributions, employer contributions, and investment income.

Investment earnings are a primary key to a solid pension program along with proper funding from the employee and employer. Since appearing on the scene in 1973, with assets of only \$600 million – or in other words, 25 cents for every dollar owed to our members – we have come a long way, surviving the market crash of 2001, the 2002 technology bubble, and The Great Recession of 2008 and 2009.

Unfortunately, these bad years will come again in the future, **so it is extremely important to continue our steady progress and NOT make any drastic changes to the plan** because of one very positive year in these financial markets. ●

# The RSA's Links Course and Valley Course Complete Renovations

BY MARK FAGAN

**T**he Links Course, one of three 18-hole courses at Opelika's Grand National on RSA's RTJ Golf Trail, plays 3 miles down the backside of Lake Saughatchee, with many holes bordering the lake and views of the lake from every hole. This course was totally refurbished in 2021 to improve general course conditions and make it more playable for all ages and skill levels. The greens were enlarged and approach areas were added in front of many greens. The grass on the greens was replaced with TifEagle, one of the newest and best putting surfaces. A set of forward tees for senior golfers was placed close to the cart path.

Hole 2 had the second fairway bunker removed, and a prominent approach to the green was created. Hole 3 had the green-side bunker reduced and moved off to the right of the green. Hole 6 had the fairway bunker moved to the left side of the fairway. The second fairway bunker was removed on Hole 8. A larger landing area was created in the fairway on Hole 13. New stacked bunkers were constructed on Hole 16. Areas with thin grass inside the cart path were sodded. Bathrooms on the course were renovated.

*GOLF* magazine rated the Links Course as the number 78 Best Public Course in North America and the Best in Alabama for 2021. *GOLF* listed the Links as number 12 in the Top 100 Value Courses in the U.S., which cost \$150 or less to play (2021-22). The course reopened on September 17, 2021. The improvements at the Links could garner higher ratings in the future.

The Valley Course at Birmingham's Oxmoor Valley on RSA's RTJ Golf Trail was also totally refurbished in 2021. The Valley Course, one of three 18-hole courses at Oxmoor, was last renovated in 2006. The Valley Course stretches two miles down a ridge through a slender valley with creeks, lakes, tree-lined fairways, and back up the ridge. The renovation added more player-friendly features to this picturesque course.

The grass on all greens was changed to TifEagle, which boasts smaller grass blades for faster ball speed. Significant changes occurred to Holes 13, 17, and 18 making them essentially new holes. Hole 13 had some tees moved, and the green



Valley Course, Holes 7, 8, 9

complex was enhanced. Hole 17 had the fairway leveled near the green. The fairway was leveled, and the false front was removed on Hole 18. There were repairs to cart paths and terrain, bridges replaced, bunkers reworked, and some forward tee boxes added.

The new version of the Valley Course plays like a new course. It combines with the Ridge Course, Short Course, and 18-hole Ross Bridge Course to provide 72 holes of high-quality golf with great value at RSA's Renaissance Birmingham Ross Bridge Golf Resort & Spa. ●

## Large Retiree Bonus – Focus of 2022 Legislative Session

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payment appropriated by the Legislature.

Before 2010, when active public education employees received a raise, retirees also received a COLA on their benefits. Throughout the past decade, however, the Retirement Systems of Alabama (RSA) has been opposed to a COLA unless it is fully funded by the Legislature. Unfunded COLAs increase the unfunded liability to the retirement system which is thought to weaken the system as a whole. The latest data shows that prefunding a 1% Teachers' Retirement System (TRS) retiree COLA would cost almost \$200 million. This price tag is the primary reason cited for not providing a retiree COLA.

Many of you read the *RSA Advisor* each month, and I'm sure you've seen the articles in which RSA's Executive Director, Dr. David Bronner, expresses his opposition to retiree COLAs. One of the most direct examples was the headline of the

August 2019 edition of the *Advisor*: "Retiree COLAs Can Kill a Pension Program." In the article Dr. Bronner says, "For example, in 2006 the 7% unfunded COLA added \$1.1 BILLION to the RSA's unfunded liability." RSA is going to fight against any unfunded COLA.

Therefore, over the last decade, the Legislature has only seriously considered giving bonus checks to education retirees. Bonus checks cost substantially less than COLAs. For example, a \$1 per month of service credit bonus can be given for less than \$30 million. That is a major reason why the one-time bonuses have become the Legislature's preferred way to augment retirees' benefits. For the same \$200 million a 1% COLA would cost, each education retiree could receive a one-time bonus check for \$2,000.

There will be historic revenue available



Amy Marlowe

for allocation in the 2022 Regular Session. With over \$1 billion in additional revenue collected, Legislators could certainly use \$200 million of that amount in a supplemental appropriation to pay for a \$2,000 bonus check for each education retiree. This is a way for the Legislature to recognize our retirees financially and show their appreciation. I can assure you AEA will be fighting with everything we have for our retirees to be rewarded for their contributions.... ●

### Annual Report Available

Call 334.517.7000 or 877.517.0020, or write: Annual Report, P.O. Box 302150, Montgomery, AL 36130-2150

## Alabama Success Story Common Ground Montgomery



Cyclical and systemic issues plague impoverished neighborhoods across America. Problems ranging from lack of stability in family units to rising crime and lack of municipal resources make it an anomaly for youth in these communities to find long-term success. To help change the odds, Common Ground Montgomery (CGM) focuses on youth development and leadership in West Montgomery, Alabama, through year-round, after-school programs and camps while also connecting these youths to resources and mentors from the greater Montgomery area.

Common Ground Montgomery is a non-profit, non-denominational Christian community started in 2006 when Bryan Kelly moved to Montgomery. In June 2006, Bryan began volunteer coaching for Carver High School. By the fall, he was hosting Wednesday night Bible studies with the football team. Eventually, these

after-school Bible studies would turn into CGM's first boys' and girls' camps and the after-school program at the McIntyre and Carver Community Center with approximately 40 students.

Because of the continual growth of their programs, CGM purchased and started renovating a new building. Around this time, CGM hired full-time staff to operate the youth programs. The separate boys' and girls' camps were combined to form the summer camp program, which saw 80 children from the community attend. By September, CGM moved into their newly renovated building, and the after-school program saw attendance jump from 40 to approximately 100 students. As more semesters in the after-school program and more summer camps passed, CGM finally completed its gym in 2012.

In 2015, a counseling partnership was set up to allow community members, staff, and others to meet with a certified counselor. During the same year, CGM helped Valiant Cross Academy, an all-male Christian school, by providing classroom space and van rides until they moved to downtown Montgomery. Over the course of the next year, CGM started their Pre-K program that initially opened with part-time hours, and by November,

opened full-time.

Two of the Community Ministries Projects developed into other non-profits. The housing renovating initiative that evolved into a non-profit called House to House is an adult mentoring and housing program. In October 2018, the emergency food relief for families initiative was established into a non-profit, The Mercy House, which serves primarily as an emergency food bank and clothes closet with facilities for homeless persons to bathe, wash clothes, and search for employment.

In 2017, the first Common Ground affiliated program was opened in Muscle Shoals by former CGM intern Lee Mayhall. In January 2020, former CGM intern Clint Free opened the second CGM affiliated program in Troy. In 2021, CGM finished initial renovations at its campsite outside Verbena, Alabama, and opened its pool and gym to CGM summer campers and other non-profits campers.

To get involved with CGM or find out more information, visit [www.cgm.life](http://www.cgm.life) or call 334.593.5803.

*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](mailto:communication.correspondences@rsa-al.gov). ●*

## New Year's Resolution – Make Saving a Priority

BY IKEEM MEANS, ASSISTANT DIRECTOR OF RSA-1/PEIRAF

Time is flying. Here we are, starting 2022. It is not unusual to hear a New Year's resolution from a friend, coworker, or even a family member during this time. I personally have never heard a bad resolution because the idea is usually something with a positive outcome.

Saving money is a popular resolution. In a 2021 study, 44% of those surveyed had a New Year's resolution to save more money. I want to suggest a resolution that allows you to save more money and reap tax benefits by enrolling in the Retirement Systems of Alabama's Deferred Compensation Plan called RSA-1. This 457 plan is available to any active public employee. It allows you to voluntarily contribute extra money for retirement, which lowers your taxable income. The income you defer is not subject to federal or state of Alabama income tax until it is distributed to you after you retire. You would likely be in a lower tax bracket during retirement. So, this tax

benefit helps you during employment and after you retire.

Best of all, an RSA-1 account is free! How is it free when money will be taken out of my check? Think of it as paying yourself. This money comes out of your check and will be invested, but it is only for the benefit of you and your beneficiary(ies). This is a small expense that has long-term benefits. I don't hear many retirees say they wished they did not have this extra money when they retired. I do hear them say that they wish they had started contributing earlier in their career. Time waits for no one, so make saving a priority today. One day, you will thank yourself for your decision to start, which can be the most challenging part.

If you have any questions or want to enroll, contact us at 877.517.0020 or visit [www.rsa-al.gov](http://www.rsa-al.gov). We look forward to speaking with you. ●



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



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Discounts Webpage

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## ENJOY YOUR WINTER/SPRING A Special Deal FOR RSA MEMBERS

### The Battle House,

#### A Renaissance Hotel \$119

- January 1-12, 22-23, 26 • February 6-9, 13-16, 20-23
- March 3, 9-10, 13-19, 23-29

### The Battle House RSA Spa Package \$219

- January 3-5, 10-12, 26 • February 7-8, 14-16, 21-23
- March 14-16, 23, 28

### Riverview Plaza \$109

- January 1-14, 22-28 • February 6-9, 16, 20-23
- March 3, 6-12, 23-24, 27-29

### Grand Hotel \$127 plus a 15% resort fee

- January 2-5, 9-13, 16-20, 23-27, 30-31
- February 1-6, 9-10, 13-17, 27-28
- March 1-2, 6-7

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

- January 2-5, 9-13, 16-20, 23-27, 30-31
- February 1-6, 9-10, 13-17, 27-28 • March 1-2, 6-7

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

- January 2, 4-5, 9-13, 16, 18-20, 23, 25-27, 30
- February 1-6, 9-10, 13, 15-17, 27 • March 1-2, 6

### Marriott Shoals \$109

- January 2-6, 9, 16-17, 23, 30 • February 6, 20, 27
- March 6, 13, 20

### Marriott Shoals RSA Spa Package \$210

- January 2-6, 9, 16-17, 23, 30 • February 6, 20, 27
- March 6, 13, 20

### Renaissance Ross Bridge \$119

- January 2-3, 9-12, 16-17, 23-25
- February 1-2, 9, 20-21, 27-28
- March 6-9, 13-16, 20-24, 27, 30

### Renaissance Ross Bridge RSA Spa Package \$223

- January N/A • February N/A • March N/A

### Auburn/Opelika Marriott Resort \$109

- January 2-4, 9-12, 17-20, 23-27, 30-31
- February 1-2, 6-9, 15-16, 20-22
- March 2, 8-10, 13-15, 20, 27-28

### Auburn/Opelika Marriott Resort RSA Spa Package \$201

- January 12, 19-20, 26-27 • February 2, 9, 16
- March 2, 9-10

### Prattville Marriott \$89

- January 1-8, 13, 16, 23-24, 30-31
- February 6, 13-14, 20 • March 20, 27-28

### Renaissance Montgomery \$119

- January 1-3, 13-16, 21-24
- February 6-7, 13, 27-28 • March 11-13, 30-31

### Renaissance Montgomery RSA Spa Package \$223

- January 1, 13-15, 21-22 • February N/A
- March 11-12, 30-31

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](http://www.rsa-al.gov)  
**Book Online and Save RSA \$4.**

## ERS and TRS Board Members Sworn In



*ERS Board of Control Vice Chair Jim Fibbe  
administers the Oath of Office to Young Boozer  
and Mike Gillespie.*



*TRS Board of Control Chair Luke Hallmark  
administers the Oath of Office to Young Boozer.*

## Candidates Sought for Six TRS Board Positions

**C**andidates are being sought for six positions on the TRS Board of Control: Teacher Position No. 1, held by Amy Crew; Teacher Position No. 2, held by Ricky Whaley; Support Personnel Position No. 1, held by Susan Lockridge; Postsecondary Position, held by Susan Williams Brown; Retired Position No. 1, held by Peggy Mobley; and Higher Education Position No. 1, held by Joseph Van Matre. Elected members will begin their three-year term of service on July 1, 2022.

Nomination packets are available at [www.rsa-al.gov](http://www.rsa-al.gov) or by contacting the Elections Coordinator at 334.517.7192 or 877.517.0020. The completed packet must be returned to the TRS office no later than 4:00 p.m., January 31, 2022. ●



### CEO

David G. Bronner

Deputy Director – Administration  
Jo Moore

Deputy Director – Investments  
Marc Green

### Executives

Communications  
Deborah J. Kirk

Chief Accountant & Financial Officer  
Diane E. Scott

Employees' and Judicial Retirement  
William F. Kelley, Jr.

Field Services  
Christopher C. Gallup

Information Technology Services  
Michael T. Baker

General Counsel  
Jared H. Morris

Legislative Counsel  
Neah M. Scott

Member Services  
Penny K. Wilson

PEEHIP  
J. David Wales

RSA-1  
Rhonda H. Peters

Teachers' Retirement  
Christopher P. Townes

The Retirement Systems of Alabama  
201 South Union Street  
P.O. Box 302150  
Montgomery, Alabama 36130-2150  
Phone: 334.517.7000  
877.517.0020

RSA Website: [www.rsa-al.gov](http://www.rsa-al.gov)