



Thank you Governor Ivey! After Five Decades of Fights – ERS Members Win

BY DAVID G. BRONNER

Nearly five decades ago, when Governor George Wallace was in his third term after Governor Fob James' first term, the RSA worked to avoid the problems other states were having with governor appointees who were abusing state employee pension programs by controlling critical staff decisions. While Governor Wallace was in the hospital in Colorado, I asked him to save the Employees' Retirement System (ERS) (which he did) from his staff led by the Director of ADECA.

While being Governor James' short-time Finance Director, I led an investigation, assisted by two ABI agents of our state police, into Governor Wallace's Building Commissioner. That investigation resulted in jail time for the commissioner. Years later, Governor Folsom had a Finance Director that wanted his friend from Maryland to manage the ERS fund. The RSA resisted and won the struggle.

That individual returned to Maryland to rip off millions of dollars from Maryland's system and ended up in federal prison.

Then, we had Governor Siegelman's Finance Director, who refused to approve investments while arguing with staff over which hamburger company to buy. Later, he was selected by AEA and led it off the cliff.

Probably the most egregious attempt to harm the ERS was Governor Bentley's Finance Director and State Personnel Director. I have no problem with a political opponent attempting to take me down, but I do have a problem with those who intentionally try to hurt RSA investments. In addition, they tried to move ERS investment management to a Colorado money manager with much higher costs and fewer returns, but were stopped by the Governor's Chief of Staff.

This year, Governor Ivey did what no other governor would do. She signed Act

2021-390, sponsored by Sen. Garlan Gudger (R-Cullman) and Rep. Reed Ingram (R-Montgomery), into law (special thanks to the sponsors, the Association of County Commissions of Alabama, and the Alabama Retired State Employees' Association for their leadership on the issue). With her signature, for the first time in ERS history, elected members will make up the majority of the Board, with the addition of two elected local members. Thank you Governor Ivey for allowing public employees to have the majority representation on our ERS Board of Control. ●



A Reality Check for State Legislators

BY DAVID G. BRONNER

Consider the old political saying, "Let's get the hay down where the goats can get it." It is always difficult to fix state problems that have been ignored for decades. Every political leader I have met wants to solve the problems they see, as well as the problems that concern voters. Yet "the lack of money" is what dictates success or failure in solving those problems.

One of the greatest gifts given to

the citizens of Alabama was the auto industry arriving in Tuscaloosa almost three decades ago. Mercedes, followed by Honda, Hyundai, and soon-to-be Toyota-Mazda have forever changed Alabama for the better. The RSA funded the \$100 million state obligation for Mercedes with an above-average interest rate loan designed by your RSA staff.

Approximately \$4 billion in above-normal federal funds will flow into

Alabama this year and in 2022 – more funds than any time in Alabama history. In all likelihood, our economy will boom unless world leaders make a huge mistake like starting World War III. But, without new revenue raised at home, 2025 will be the start of an economic dive downward. Simply put, you cannot put that amount of funds to work and not have continuing

History of RSA's Media Company Investments

BY MARK FAGAN

Since the mid-1990s, the RSA has financed companies that purchased television stations (Parks Communications, Raycom Media), small-town newspapers (CNHI), a billboard company (Magic Media), and an upscale movie theater company (Village Roadshow). The RSA structured these deals to provide free advertising for Alabama and the RTJ Golf Trail. These investments allowed RSA funds to be more diversified and gave a good rate of return.

In 1995, the RSA provided a mortgage for Parks Communications, Inc., which owned nine television stations, 11 radio stations, and 40 newspapers in 16 states. Alabama got \$12 million annually in free advertising in 26 states. This was 12 times Alabama's annual tourism budget for advertising.

In 1995, Parks Communications repaid its loan to the RSA in full. The RSA invested these proceeds in Ellis Communications, a television and radio company. In 1996, the company was renamed Raycom Media and had 12 television stations, two radio stations, and Raycom Sports, which produced college sporting events. Raycom Media soon expanded to 25 television stations in 17 states (coverage to over 7% of the U.S. population), and Alabama received \$24 million annually in advertising to strengthen tourism and industrial recruitment. Raycom moved its headquarters to Montgomery in 1998.

In 1997, the RSA made a loan to CNHI, Inc., owner and operator of 19 daily newspapers, 22 paid weekly newspapers, and four specialty newspapers in 11 states. CNHI bought 43 newspapers

with the loan. This deal meant that Alabama received \$26 million per year in advertising through Raycom Media and CNHI to promote various Alabama attractions. CNHI moved its headquarters to Birmingham in 1998 and eventually to Montgomery.

Raycom Media continued to expand with funding from the RSA and, by 2010, operated 45 television stations in 36 markets and 18 states. CNHI also expanded with RSA financing and became one of the nation's largest newspaper companies



CNHI COMMUNITY NEWSPAPER HOLDINGS, INC.

publishing daily, weekly, and semi-weekly newspapers in over 200 communities throughout the U.S. These investments increased Alabama's free advertising to \$30 million annually for promoting Alabama tourism and the Trail.

In 2017, Raycom merged with CNHI, which the RSA principally owned. CNHI continued to operate as a subsidiary of Raycom. In 2018, Raycom Media was one of the nation's largest privately-owned local media companies and owned and/or provided services for 45 television stations in 44 markets located in 21 states. Raycom Media covered 16% of U.S. households.

In 2019, Raycom was sold to Gray Television for \$3.65 billion. The deal kept

the Raycom employees in Montgomery employed and continued the Raycom lease for RSA-owned office space. Gray also agreed to continue the free advertising and website support for the Trail for ten years. The RSA received \$600 million in preferred stock at 8%, plus 11% ownership or 10 million shares of common stock (\$150 million), after all debt and preferred stock owed to the RSA by Raycom was retired.

CNHI was spun off Raycom for the sale to Gray, and the remaining 13% of the debt for CNHI was purchased by the RSA, making the RSA the sole owner. The RSA decided it was a good investment because the community newspapers were profitable, produced steady cash flow, and had real estate in 22 states. As of 2019, 822 newspapers in the U.S. were owned by seven investment groups (including CNHI) in 41 states. CNHI's newspapers, websites, and niche publications serve more than 100 relatively small communities located up to 100 miles away from the nearest local television station. The company's headquarters is in Montgomery at the 23-story RSA Tower.

In 2004, the RSA invested in Magic Media, the 7th largest outdoor advertising company in the U.S. with 13,000 displays, primarily billboards, across the nation. The RSA got the right to 55 lighted billboards in 11 states for free promotion of Alabama tourism.

In 2008, the RSA financed IPIC Theaters who developed luxury theaters in upscale neighborhoods around the U.S. These theaters mix digital sound and projection with fine food and personalized service like wine and sushi. These theaters include videos of Alabama as part of the previews. In 2019, IPIC ended up in bankruptcy, where the RSA acquired 15 luxury theaters in seven states.

In February 2021, Gray Television purchased Quincy Media, which operates primarily in the Midwest. In May 2021, Gray Television agreed to buy Meredith's 17 television stations for an estimated \$2.7 billion, including debt. The acquisition will make Gray one of the largest television station owners in the nation, with 101 stations (CBS/NBC/ABC/FOX networks) in 113 markets, reaching about 36% of U.S. households. Gray will own or operate the top-rated television station in 69 markets, including nine top-40 television markets. The RSA has 7.5 years remaining of free advertising with management at Gray Television to promote Alabama tourism. ●

A Reality Check for State Legislators

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financial obligations. If you build a road or a building, you absolutely must maintain that investment.

Therefore, our Alabama State Representatives and State Senators who did not push the comprehensive gambling legislation did Alabama no favors! There are problems with almost everything, including any gambling act enacted. Yes, we should have reasonable property taxes instead of gambling, BUT, we will not face reality! Yes, it will hurt some poor people. BUT, the poor are clearly among those standing in line in Georgia, Florida,

Mississippi, and Tennessee to gamble their Alabama money.

Critics (likely our southern sister states who operate gambling) say the Poarch Band of Creek Indians would get a free ride under the new comprehensive gambling act. Wrong, they already *have* a free ride! A new gambling act would collect serious tax revenue and allow Alabama to compete with our southern sister states for Alabama money.

IF ALABAMA IS A DEMOCRACY – THEN LET OUR PEOPLE VOTE! ●

Alabama Success Story

Alabama Wildlife Federation – Working for Wildlife Since 1935

From humble beginnings in 1935, the Alabama Wildlife Federation (AWF) has grown to become the state's oldest and largest citizen conservation organization with over 25,000 members and supporters across Alabama. A private, 501(c)(3) non-profit, AWF promotes the wise use and responsible stewardship of Alabama's wildlife, forest, fish, water, and soils for present and future generations' social and economic prosperity.

In the early years, AWF was an instrumental part of statewide deer and turkey restocking efforts. That effort, combined with an emphasis on working with private landowners to manage wildlife habitat, has been a significant component of the abundant deer and turkey populations we enjoy in Alabama today. AWF has also been an instrumental player in forming the Alabama Forever Wild Land Trust, which has secured public lands for state parks, pristine natural areas, and lands for wildlife management and public hunting opportunities. In 1999, AWF purchased the 12,000-acre Clearwater Tract in the upper Mobile-Tensaw Delta. This property later became part of the 50,000-acre Forever Wild Mobile-Tensaw Delta and W.L. Holland Wildlife Management Areas.

Formerly located on Commerce Street in downtown Montgomery, AWF relocated its state headquarters in 2003 to 350 acres in Millbrook, known as Lanark. This move was a decision by the AWF Board of Directors to elevate conservation education to priority status and represented the organization's first step in developing a world-class outdoor education facility at Lanark. Known today as the Alabama Nature Center, AWF opened Phase I in April 2007, including five miles of boardwalks and trails and the 7,200 square foot Lanark Pavilion. From 2007-2015, AWF grew annual attendance for outdoor-based school field trips, summer camps, and general public programs to 20,000 visitors.

In 2015, AWF opened Phase II of the Alabama Nature Center, featuring the 23,000 square foot NaturePlex facility. The NaturePlex includes a hands-on Discovery Hall, Theater/Auditorium, classrooms with lab equipment, a Community Room, and Gift Shop. From 2015-2019, annual attendance to Lanark and the Alabama



Nature Center grew to 50,000 visitors. Since its inception in 2007, over a quarter of a million guests have visited Lanark and the Alabama Nature Center. Most of all, AWF and the Alabama Nature Center represent what can be accomplished when a group of people share a common vision and work diligently to bring that vision to life.

The Alabama Nature Center is a premier field-trip destination for public, private, and homeschool teachers and students. Schools from one end of the state to the other have visited the Alabama Nature Center, as well as schools from states such as Mississippi and as far away as North Carolina. In addition to schools coming to the facility, the Alabama Nature Center also offers Nature on Wheels programming where live animal presentations and outdoor-based programs are delivered to schools across the state.

The Alabama Nature Center is also open to the general public Monday-Saturday, 9 a.m.-4 p.m. General Admission is \$5 per person, \$20 max per family, including all-day use of the trails, Discovery Hall, nature-based movies in the theater,



and on Saturdays, access to any scheduled general public programs.

For parents, it is an excellent choice for weekday and weekend excursions and summer and spring day camps.

For more information on the wide variety of programs offered by AWF through the Alabama Nature Center, visit www.alabamawildlife.org.

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. ●



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



Member Hotel Discounts Webpage

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 A Special Deal
 FOR RSA MEMBERS

The Battle House,

A Renaissance Hotel \$119

- July 1, 5-6, 16-17, 21-26, 30-31 • August 4, 13-31
- September 1-11, 16, 26-30

The Battle House RSA Spa Package \$207

- July 5, 21 • August 4, 16-18, 23-25, 30-31
- September 1, 6-8, 27-29

Riverview Plaza \$109

- July 1, 5-6, 16-17, 25-30 • August 4, 13-30
- September 2-16, 19-22, 26-30

Grand Hotel \$127 plus a 15% resort fee

- July N/A • August 15-17, 22-23, 29-30
- September 26-29

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

- July N/A • August 15-17, 22-23, 29-30
- September 26-29

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

- July N/A • August 15, 17, 22, 29
- September 26, 28-29

Marriott Shoals \$109

- July 5, 11, 18, 25 • August 1, 8, 15, 22, 29
- September 6, 12, 19, 26

Marriott Shoals RSA Spa Package \$210

- July 11, 18, 25 • August 1, 8, 15, 22, 29
- September 12, 19, 26

Renaissance Ross Bridge \$119

- July 6, 27-29 • August 8, 11, 16-19, 22-25
- September 6-7, 14

Renaissance Ross Bridge RSA Spa Package \$223

- July 6, 27-28 • August 8, 11, 16-18, 22-25
- September 6-7, 14

Auburn/Opelika Marriott Resort \$109

- July 1, 4-7, 11, 14-15, 18-19, 21-22
- August 1-4, 9-11, 15-19, 22-26, 29-30
- September 1, 5-9, 12-16, 20, 22

Auburn/Opelika Marriott Resort RSA Spa Package \$201

- July 1, 7, 14-15, 21-22 • August 4, 11, 18-19
- September 1, 8-9, 15-16, 22

Prattville Marriott \$89

- July 5-6, 11 • August 1-2, 8-9, 15
- September 6, 12

Renaissance Montgomery \$119

- July 1-9, 15, 24-25, 29-31 • August 1-4, 10-15, 26-28
- September 6, 17-19, 24-29

Renaissance Montgomery RSA Spa Package \$223

- July 1-3, 6-9, 15, 24, 29-30
- August 3-4, 10-14, 26-28
- September 17-18, 24-25, 28-29

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.



Vice Chair Jim Fibbe administers the Oath of Office to new ERS Board member Ed Austin, Governor Appointee.

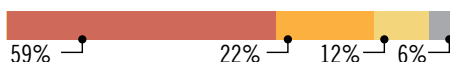
Taxes

Who's not paying their fair share?

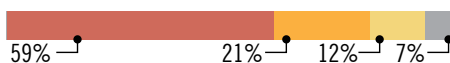
Americans on how much they're bothered by these groups not paying an equitable amount of taxes:



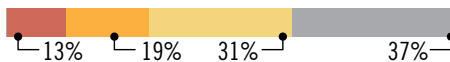
CORPORATIONS



WEALTHY PEOPLE



POOR PEOPLE



Source: Pew Research Center survey



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