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SERVING OVER 370,000 MEMBERS

June 2021



2021 Regular Legislative Session Update

BY NEAH SCOTT, LEGISLATIVE COUNSEL

The 2021 Regular Legislative Session ended May 17 and was an exceptionally busy session. On top of dealing with new issues arising from the COVID-19 pandemic, the Legislature also took up unfinished business from the 2020 Regular Legislative Session, as it was cut short by the pandemic. **As it has always done**, the Legislature ensured that the Employees' Retirement System (ERS) and Teachers' Retirement System (TRS) were fully funded by setting the actuarially-determined employer contribution rate in the General Fund and Education Trust Fund budgets. This full funding has ensured the RSA stays healthy and is able to continue paying out hard-earned benefits to its members.

The Legislature passed a number of bills dealing with the RSA, including legislation to add local representation to the ERS Board (Act 2021-390); to create a trust to fund bonuses for TRS retirees (Act 2021-464); and to allow the use of hazardous duty time to calculate years of service for in-service death benefits for firefighters, law enforcement officers, and correctional officers (Act 2021-270).

The Legislature also considered bills to modify Tier II retirement benefits for the ERS and TRS. The House passed bills that would have allowed 30-year service

retirement, allowed sick leave conversion, and increased the member contribution rate to 6.75% for ERS and TRS members (HB264 by Rep. Reed Ingram, R-Montgomery; and HB93 by Rep. Alan Baker, R-Brewton). However, the bills were met with opposition in the Senate. A compromise was reached to amend the TRS bill (HB93) to only allow sick leave conversion and to increase the member contribution rate to 6.2%. The bill was passed as amended by the Senate and will go into effect on October 1, 2021. The ERS bill (HB264) died in the Senate.

The Senate passed a resolution (SJR55 by Sen. Albritton and Sen. Orr) to create, yet another, **joint study commission** tasked with reviewing the compensation, retirement, and health insurance for state and education employees and bringing recommendations for legislative changes prior to the next legislative session. The resolution died in the House, thanks to concerns raised by RSA members and to the House members who listened!

Check the RSA legislative page, rsa-al.gov/about-rsa/legislation/, for a comprehensive list of the RSA-related bills that were introduced during the 2021 Regular Legislative Session. ●

A Small Step Forward

BY DAVID G. BRONNER

Almost every session, Cost-of-Living Adjustments (COLAs) or bonuses for retirees are discussed and debated by the Alabama Legislature. Retiree COLAs have too high a price tag (\$234 million for a 1% COLA), so bonuses have been granted every few years instead. But even bonuses are expensive, with a \$1 per month of service credit bonus costing \$36.7 million.

The Legislature has taken a step towards addressing this ongoing issue by passing Act 2021-464, which creates the Education Retirees' Trust Fund to fund bonuses for Teachers' Retirement System (TRS) retirees. The Trust would be administered by the TRS Board with the RSA investing any funds in the Trust. Once the assets reached \$100 million, the Legislature could appropriate monies from the Trust for retiree bonuses.

Unfortunately, this is only the first step. There is currently no funding source for the Trust, and the Act prohibits funding the Trust with revenues from the Education Trust Fund. If TRS retirees want the Trust to be worth anything, you are going to have to fight to find an income stream for it! ●

Local Governments Improve Retirement Benefits for Tier II Employees

BY WILLIAM F. KELLEY, DIRECTOR OF ERS

The vast majority of local governments that participate in the Employees' Retirement System (ERS) have elected to provide Tier I benefits to their Tier II employees. The Legislature gave local governments two years to make that election, and as of the May 8 deadline, 591 of the

868 participating entities chose to adopt Act 2019-132. This change affects 25,464 current Tier II employees as well as an unknown number of future employees of these governmental employers.

Our local government employers realized that improving retirement benefits

was necessary to attract and retain quality employees. By allowing this benefit enhancement, the Legislature has helped improve and stabilize the workforce of our local governments. ●

History of RSA's Renaissance Montgomery Hotel & Spa at the Convention Center

BY MARK FAGAN

In December 2002, the RSA began negotiations with members of a Montgomery Riverfront Development Foundation subcommittee and Montgomery Mayor Bobby Bright to develop a four-star hotel next to the existing downtown Montgomery Civic Center. In May 2004, an agreement was signed by the RSA and the city of Montgomery to develop a hotel/spa, Montgomery Performing Arts Centre (MPAC), Convention Center, and parking deck. The groundbreaking ceremony was held on October 1, 2004.



The project was a collaboration between the city of Montgomery and the RSA. The city conveyed the Civic Center and land to the RSA and contributed \$29.5 million, bringing their total contribution to almost \$70 million. In exchange for getting the hotel, MPAC, and parking deck downtown, the city would receive a percentage of revenue from the meeting spaces and the parking, along with lodging taxes and sales taxes from the hotel/spa, restaurants, and bars in the hotel. The city had been losing almost \$1 million per year on the Civic Center, which opened in 1976 and needed substantial renovation. Construction crews had to tear down the meeting rooms and several hundred square feet on the south side of the building while adding 20,000 square feet of meeting space during the renovation.

This AAA Four-Diamond hotel opened in February 2008 as RSA's 8th hotel on the Robert Trent Jones Golf Trail. Its 12 floors include 346 guest rooms, 23 suites, three luxury suites, and a 9,000 square-foot European Spa and Salon, all overlooking the Alabama River or downtown Montgomery. It connects to the Convention Center (south end), the MPAC (north end), and a 660-car parking

deck. The top floor of the parking deck has a 1,200 square-foot fitness center, zero-entry pool, hot tub, full cabana bar, and a running track. The spa has seven treatment rooms, men's and ladies' quiet rooms, steam rooms, and a full-service salon. The House restaurant provides seating for 140 guests. The Exchange bar and outdoor terrace has seating for 60 with fire pits under a covered pavilion.

There is a total of 296,069 square feet of event space at the hotel and convention center, with the capacity of the largest space at 7,756. The MPAC (1,800 seats) is a level one theater and can accommodate first-run Broadway touring shows, which normally involve multiple trucks of equipment, props, cast, and crew. It includes 4,000 square feet of pre-function space for special events and a full orchestra pit. The audio system is comparable to elite performing theaters around the nation and is designed for every seat to have front-row quality. The fly space above the stage has



64-line sets, ensuring the most complex of shows will run smoothly. In addition, a movie screen provides an additional option when needed. ●

Alabama Success Story

Schoolyard Roots



Schoolyard Roots works with eleven Tuscaloosa elementary schools. Using hands-on lessons, the children learn various skills through project-based learning, outdoor exploration, and nutrition education. Schoolyard Roots began ten years ago when the community saw a need to build healthier communities. This program provides students with gardens as fresh-air learning labs where they can connect with nature and connect their learning to the real world.

The interim executive director Nicole Gelb Dugat explains, “When we see a child’s health and education improve, we know that we’re not only investing in that child’s life today – we’re helping them build a better future. Schoolyard Roots builds community through food. By increasing access to fresh, locally-grown produce, we empower our community to make healthy and sustainable food choices.”

Not only does the program help the students cultivate curiosity and foster

joy, empathy, and stewardship, students who participate in the garden program get to learn new recipes and are more willing to try new fruits and vegetables. A garden is an excellent place for students to “relax, refocus, and reconnect.” The school garden program helps the children expand their knowledge on health choices and gives them the opportunity to “share those things with their families.”

Apart from encouraging healthy eating habits for their students, Schoolyard Roots provides professional development training for teachers. In 2015, Schoolyard Roots won the Outstanding Youth Involvement Award for their exceptional work to engage youth through education efforts. In 2019, Schoolyard Roots offered two after school programs, the Budding Entrepreneurs and Garden Leaders. Recently, they have received an Elevate Grant from the Alabama Power Foundation to continue to help fund their program.

The program also is highly



beneficial for the community. In 2020, when COVID-19 impacted many families, Schoolyard Roots used their gardens to provide food for local families in need. They were able to provide over 750 pounds of food.

Schoolyard Roots provides a safe environment for kids to learn skills that will help them inside the classroom and out.

For more information about donating or volunteering, please visit schoolyard-roots.org or email help@schoolyard-roots.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. ●

ERS Board of Control Expanded

BY NEAH SCOTT, LEGISLATIVE COUNSEL

This session, the Legislature passed a very important bill for the future of the Employees’ Retirement System (ERS). Act 2021-390, sponsored by Sen. Garlan Gudger (R-Cullman) and Rep. Reed Ingram (R-Montgomery), will expand the representation for local government members to five seats on the ERS Board. The five board seats will be elected positions for a county employee, a city employee, a local government board/commission employee, a local government retiree, and a local government employee or retiree.

Why is this so important? Because the local governments that participate in the ERS (868 total cities, counties, boards, commissions, and authorities) have more assets, active members, and retirees than the state. Despite this, local government members have not been adequately represented on the Board, previously holding only three of thirteen seats. Now, they will hold five seats on the Board.

The Act also gives more power to ERS members. Members will elect the majority of the Board, as eight of the

fifteen board seats are elected positions. This will protect the ERS from outside influences who want to undermine the System and will help prevent political schemes to take over the System.

A special thanks to Sen. Gudger, Rep. Ingram, the Association of County Commissions of Alabama, and the Alabama Retired State Employees’ Association, all of whom worked tirelessly to pass the bill despite a number of obstacles. Due to their hard work, local government members will be better represented, and the System will be better protected. ●

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Member Hotel Discounts Webpage

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The Battle House,

A Renaissance Hotel \$119

- June 1-9, 12-14, 19-22, 25-30
- July 1, 5-6, 16-17, 21-26, 30-31 • August 4, 13-31

The Battle House RSA Spa Package \$207

- June 1-3, 7-9, 14, 21-22, 28-30 • July 5, 21
- August 4, 16-18, 23-25, 30-31

Riverview Plaza \$109

- June 1-3, 6-10, 13-15, 19-21
- July 1, 5-6, 16-17, 25-30 • August 4, 13-30

Grand Hotel \$127 plus a 15% resort fee

- June N/A • July N/A • August 8-10, 15-17, 22-23, 29

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

- June N/A • July N/A • August 8-10, 15-17, 22-23, 29

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

- June N/A • July N/A • August N/A

Marriott Shoals \$109

- June 6, 13, 20, 27 • July 5, 11, 18, 25
- August 1, 8, 15, 22, 29

Marriott Shoals RSA Spa Package \$210

- June 6, 13, 20, 27 • July 11, 18, 25
- August 1, 8, 15, 22, 29

Renaissance Ross Bridge \$119

- June 1-3, 6-10, 13-17, 20-24, 27-30
- July 5-8, 11-15, 18-21, 25-29
- August 1, 4-5, 8, 11-12, 15-19, 29-31

Renaissance Ross Bridge RSA Spa Package \$223

- June 1-2, 6-9, 13-16, 20-23, 27-30
- July 5-7, 11-14, 18-21, 25-28
- August 1, 4, 8, 11-12, 15-18, 29-31

Auburn/Opelika Marriott Resort \$109

- June 1-3, 6, 9-10, 13-15, 20-24, 27-30
- July 1, 5-7, 11-15, 18-22
- August 1-4, 9-11, 15-19, 22-26, 29-30

Auburn/Opelika Marriott Resort RSA Spa Package \$201

- June 2-3, 9-10, 23-24, 30 • July 1, 7, 14-15, 21-22
- August 4, 11, 18-19, 25-26

Prattville Marriott \$89

- June 1-3, 6-16, 20, 25-30 • July 1-11, 18-20, 23-24, 31
- August 1-15, 19, 24-28

Renaissance Montgomery \$119

- June 6-7, 13-14, 20-30
- July 1-10, 12-15, 24-25, 29-31 • August 1-4, 10-15

Renaissance Montgomery RSA Spa Package \$223

- June 22-26, 29-30 • July 1-3, 6-10, 13-15, 24, 29-31
- August 3-4, 10-15

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.

Special Election for ERS Board NEW BOARD POSITIONS

Act 2021-390 added two new Board positions to the Employees' Retirement System (ERS) Board of Control. The election for the first Board position begins on June 1, 2021, with the nomination process. To be eligible for this position, you must be a full-time employee or retired employee of an entity participating in the ERS pursuant to *Ala. Code § 36-27-6* (which includes county, city, town, public, or quasi-public agencies). This position requires a nomination petition with at least 50 signatures of eligible voters. Nomination packets, available on our website at rsa-al.gov, are due to the ERS by 4:00 p.m. on June 30, 2021. In August, eligible members will vote online, by mail, or by telephone for this position.

The election for the second Board position will take place in 2022, and we will provide more information on that position as that election nears. If you have any questions, please contact the Elections Coordinator at 877.517.0020 or 334.517.7192. ●



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