



The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 345,000 MEMBERS

March 2017

Save Our RSA Retirement

FOUNDERS: HUNTSVILLE FIREMEN GEOFF STATUM AND DAVID HARER

FOLLOW THEM ON FACEBOOK AND TWITTER

Geoﬀ Statum and David Harer are both Huntsville city firefighters, active in leadership roles in their firefighters’ associations. They work 56-hour shifts, fighting fires, going on medical calls, and whatever else their job requires.

In their scarce spare time, they manage the “Save Our RSA Retirement” Facebook page and Twitter account, one of the fastest growing and now the largest site supporting a single pension fund on social media. Membership on this page has grown to over 66,000 vocal and influential supporters of your retirement system.

They also travel around Alabama and other states at their own expense, meeting with firefighters and others in the RSA, telling them how their benefits and pensions are under threat from legislators who want to make changes to their pensions and to the RSA.

IN THEIR OWN WORDS:

David Harer and I started this group 4-1/2 years ago when the first round of reducing the retirement benefits for RSA members took place. Our goal was to research the situation as much as possible and share what we learned with others in our retirement system. Today that is still our goal. We are not paid professional spokesmen. We are firefighters that care enough about our retirement and others to do this on our own in our spare time. If you find fault with the way this group

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RSA Outperforms the “Ivy League”

BY DAVID G. BRONNER

Iwould be the first to say “no way” or “who would have thunk it in Alabama.” While a number of the Ivy League endowments did beat the RSA in the 10-year returns due to our numerous construction projects coming on-line during that time, we outperformed them in one-year returns.

Our peer group rankings (State Street Public Funds Universe greater than \$1 billion) for last fiscal year were in the top 28th percentile for the TRS and 36th percentile for the ERS. **The three- and five-year rankings remain in the top 12% for both the TRS and ERS.** The ten-year return numbers continue to struggle relative to our assumed rates of return, as the 2008-2009 “Great Recession” returns were pretty devastating for all investors.

2016 INVESTMENT PERFORMANCE

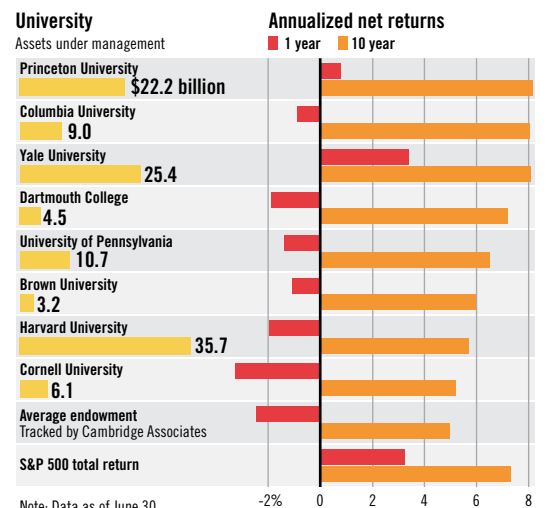
	Annualized			
	1 Year	Last 3 Years	Last 5 Years	Last 10 Years
Total Portfolio				
TRS	10.41%	7.75%	11.21%	5.56%
ERS	10.22%	7.65%	11.03%	5.34%
JRF	10.94%	7.46%	10.99%	6.28%

Looking at a longer timeframe, returns for 30 years were 7.95% for the TRS and 7.80% for the ERS; returns for 35 years were 9.40% for the TRS and 8.98% for the ERS; which are all at or above our actuarially assumed rates of return.

The Ivy League returns for the one- and ten-year performance are to the right. It is very noteworthy that Harvard’s in-house investment expenses (with identical total assets as the RSA) per *The Boston Globe* increased from \$68 million in 2009 to \$175 million in 2015. In comparison, **RSA’s in-house investment expenses were \$9.1 million in 2015 and \$10.6 million in 2016.** ●

Poor Grades

Despite having the largest endowment of any school in the Ivy League Harvard’s returns have been near the bottom.



Note: Data as of June 30
Sources: the universities; FactSet (S&P)

THE WALL STREET JOURNAL

WOW! Best in North and South America

Renovated in 2016, the Auburn/Opelika Marriott and Conference Center at Grand National has offered the best satisfaction out of the 363 full-service Marriott hotels in North and South America for January 2017.



Tabulated by an outside firm specializing in guest satisfaction in the hospitality industry, the Auburn/Opelika Marriott ranked higher than any other Marriott hotels and resorts for intent to recommend the property. The Marriott also was the highest scores for hotel maintenance/upkeep and room cleanliness. Staff service overall and internet performance both ranked second out of 363 properties. The quality of food and beverage ranked fourth with check-in experience ranking sixth.

“All 129 guest rooms and most common areas were renovated last year, but our exceptional team keeps our property clean and our guests happy,” said Kevin Cross, general manager at the Auburn/Opelika Marriott. “While the year is just underway, we are off to a great start,” said Cross.

The Top Five Marriott Hotels for Guest Satisfaction as of January 20, 2017, were:

1. Auburn Marriott Opelika Hotel & Conference Center;
2. Chicago Marriott Suites Downers Grove;
3. Milwaukee Marriott West;
4. Calgary Airport Marriott;
5. North Charleston Marriott

The Auburn/Opelika Marriott is owned by the Retirement Systems of Alabama and part of the RTJ Golf Trail's Resort Collection. The other RSA Hotels were highly ranked including: Grand Hotel Marriott Resort, Golf Club & Spa (15th); Marriott Prattville (21st), and Marriott Shoals (27th). The Auburn/Opelika Marriott opened in 2002 and has been consistently ranked Auburn/Opelika's top hotel and golf destination. ●

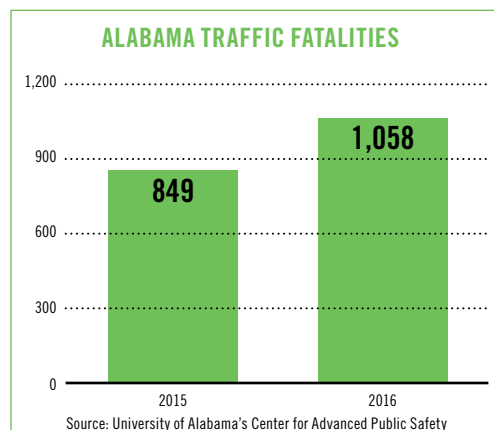
Researchers See Sharp Increase in Alabama Traffic Deaths

BY KIRSTEN FISCUS | ANNISTON STAR

Twenty five percent more people died in car wrecks statewide in 2016 compared to the year before, according to traffic data released Tuesday by the University of Alabama's Center for Advanced Public Safety.

The report pointed to four main causes for the rise in deaths: speed, seat belts, distracted driving and pedestrians. David Brown, a research associate with the center, noted that speed, a lack of people wearing seatbelts and distracted driving were chief among the causes of the fatal wrecks. Speed, Brown said, seems to be continually increasing. “You could be going 5 mph over the speed limit and people will pass like you're not even there,” he said. “Over time, people just get used to that.”

For every 10 mph increase in speed, the likelihood of a wreck being fatal doubles, Brown said. “If people are traveling at 75 or 80 mph on a routine basis, when they do crash, which is almost inevitable, when they do crash the consequences are quite a bit worse,” Brown said. “Speeds above 90 mph, the chances of it being fatal is almost 100 percent. No one can survive that.” ●



Save Our RSA Retirement

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operates, please keep that in mind.

When I became a Huntsville firefighter in 1991, I knew I would be fighting fires, but I never thought that I would be fighting the Pew Charitable Trust, Alabama Policy Institute (both financially supported by billionaire, anti-pension figures like John Arnold and the Koch brothers), and some members of the Alabama Legislature over my pension with the Retirement Systems of Alabama.

Now my days off include traveling the state with my coworker David Harer with a PowerPoint, speaking to other firefighters and talking about possible changes to our retirement. We also have moderated the Facebook page “Save our RSA Retirement” for the last four years.

Every day someone tells me about talking to an RSA member that didn't know anything about pension reform efforts in Alabama. We have to make sure ALL of our Facebook friends

and coworkers that are participants in RSA are invited to join our page. We can't do this without thousands of YOU being onboard and learning about the corrupt efforts to offer our retirement system to the highest bidder. Help us today by adding everyone you know that is in our retirement system.

PARTICIPATION AND STRONG VIGILANCE YIELDS RESULTS:

During the 2016 legislative session, Pew Charitable Trusts, Heritage Foundation, Reason, and Retirement Security Initiative had 14 registered lobbyists.

For the 2017 session, they have 0. Well done Alabama.

Show your support for the two brave firefighters and the RSA by joining their Facebook page and following them on Twitter. ●

Know Your Enemy

Arnold Foundation

Billionaire John Arnold has spent over \$50 million attacking pensions across the country. How exactly?

He funds biased research. John Arnold donates to right-wing tanks and uses the impartial reputation of the Pew Research Center to push his anti-pension agenda.

He pays for ballot measures. In 2014, Arnold singlehandedly funded a ballot measure to close the pension system in Phoenix, Arizona. Voters rejected his attempt to gut retirement security for the city's working people

He contributes to anti-pension politicians. Arnold donated hundreds of thousands of dollars to a PAC behind Rhode Island Governor Gina Raimondo's campaign to cut benefits and move workers out of a traditional pension. Arnold also contributed to Raimondo's gubernatorial campaign.

Koch Foundation

DOES YOUR ALMA MATER HAVE A KOCH PROBLEM?



School	City	State	Total Contributions *
Athens State University	Athens	AL	\$7,000
Auburn University	Auburn	AL	\$300,000
Birmingham Southern College	Birmingham	AL	\$6,500
Samford University	Birmingham	AL	\$40,000
University of Alabama, Birmingham	Birmingham	AL	\$4,874
University of North Alabama Foundation	Florence	AL	\$7,000
University of Alabama, Huntsville	Huntsville	AL	\$14,974
Jacksonville State University	Jacksonville	AL	\$18,000
University of South Alabama	Mobile	AL	\$35,586
Troy University Foundation	Troy	AL	\$1,110,960
Stillman College	Tuscaloosa	AL	\$7,500
University of Alabama, Tuscaloosa	Tuscaloosa	AL	\$22,950

* Total Koch Foundation Funding to All Alabama Universities (2005-2014): \$1,575,344
2014 IRS Form 990 data is the most recent contribution data available

The Koch Foundation has over 53 universities on their payroll to trash public pensions.

Where is John Arnold's Money in 2017?



In **South Carolina**, the Pew Research Center is using the over \$10 million they've received from Arnold to lobby for failed cash balance plans to replace pensions.



In **Nebraska**, the Arnold-backed Retirement Security Initiative has hired a \$10k per month lobbyist to attack pensions in the capital.



In his home state of **Texas**, Arnold continues to go after pensions in Austin, Dallas and beyond.



The goal of **Teacherpensions.org** is to provide misinformation and analysis on the teacher pension issue and the trade-offs among various options for reform under the false guise of helping teachers. Teacherpensions.org is funded by The Joyce Foundation and the Laura and John Arnold Foundation. **It is also funding research organizations whose work conveys a sense of crisis around public pension funding.**

The innocuously-named **Colorado Pension Project** held a panel discussion of how pension rules influence teacher hiring and school performance. Panelists from Bellwether Education Partners, the National Council on Teacher Quality, and the New Teacher Project all argued that traditional pensions hurt school districts' ability to attract the best teachers.

All three groups are funded by John and Laura Arnold, whose foundation has given them a total of nearly \$7 million.

PensionSecurity.org was developed by the Laura and John Arnold Foundation (LJAF) to impact cities and counties as they have with teacher pensions. LJAF has committed more than \$30 million to grantees and consultants whose work is related to pension systems. They gave the Alabama Policy Institute, Inc. \$78,000 to support educational efforts related to public employee benefits reform in the state of Alabama. ●

Start Planning Your Spring 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



Member Hotel
Discounts Webpage

ENJOY YOUR SPRING
A Special Deal
FOR RSA MEMBERS

The Battle House,
A Renaissance Hotel—Mobile—\$109
• March 1-2, 15-16, 20, 22, 26-29
• April 3-5, 9-19, 23-26 • May 1-4, 7-17, 21-31

The Renaissance Riverview Plaza—Mobile—\$99
• March 8, 15, 19-20, 26-30
• April 2-4, 9, 12-13, 15-19, 23-27, 30
• May 1-4, 7-13, 19-25, 28-31

Marriott Grand—\$109 plus a 15% resort fee
• March 1-2, 8-9, 15, 22-23, 26-27, 30
• April 2-4, 9, 12-13, 17-18, 23, 30
• May 1-2, 7, 10-11, 14-17, 29-30

Marriott Grand—RSA Golf Package—\$179
plus a 15% resort fee—Promotional code—R2A
Includes: Deluxe Room, One Round of Golf for Two People.
Call for Tee Times after booking package
• March 1-2, 8-9, 15, 22-23, 26-27, 30
• April 2-4, 9, 12-13, 17-18, 23, 30
• May 1-2, 7, 10-11, 14-17, 29-30

Marriott Shoals—Florence—\$99;
Breakfast Package \$124
• March 2-6, 9-13, 17-19, 23, 30
• April 2-3, 13-16, 23-24, 27, 30
• May 7, 11, 14, 18, 21

Renaissance Ross Bridge—Hoover—\$109
• March 1-2, 5-8, 12, 15-16, 19-20, 26-30
• April 2-4, 7-9, 23-25, 30
• May 1-3, 7-8, 11, 13-21, 25, 29-31

Opelika Marriott—\$99
• March 12-13, 19-22, 26-28 • April 2-5, 9, 16-18, 23
• May 2-3, 8-9, 21-31

Prattville Marriott—\$89
• March 4-6, 11-12, 19-28 • April 2, 7-9, 13-26, 29-30
• May 7-9, 12-15, 21-31

Renaissance Montgomery—\$109
• March 5-6, 19, 26 • April 9, 16-17, 30
• March 1, 6-9, 12-13, 19-20, 25-27, 29-30
RSA Spa Package—\$189—Promotional code—R2A
• March No dates • April No Dates
• May 6, 9, 12-13, 19-20, 25-27, 30

Specific room requests may require additional charge.
Rates available the 1st of the month and
are not applicable to groups.

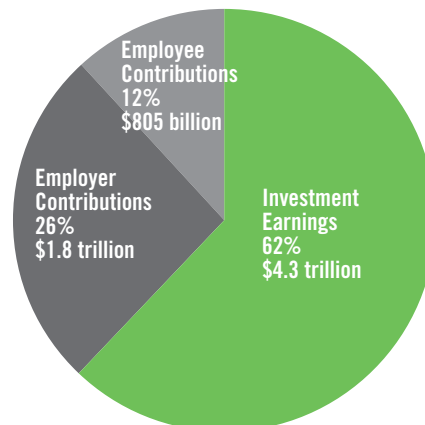
800-228-9290 Ask for RSA rate. **Promotional
Code: R2A** on www.rsa-al.gov
Book Online and Save RSA \$4.

ERS Board Seeks Candidates for Upcoming Election

Candidates are being sought for the Retired Local Position of the ERS Board of Control. The Retired Local position is a three-year term beginning October 1, 2017, currently held by James Fibbe. The election will take place this May.

The nominee for the Retired Local position must be a retired employee of a local agency (city, county, town, public or quasi-public agency) that participates in the ERS. Nomination packets are available at www.rsa-al.gov or by contacting the election coordinator at 334.517.7192 or 877.517.0020. The completed packet must be returned to the ERS office by 4:00 p.m., April 17, 2017. ●

Public Pension Sources of Revenue, 1986–2015



Source: Compiled by NASRA based on U.S. Census Bureau data



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