



# The ADVISOR

TEACHERS, EMPLOYEES, and JUDICIAL



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SERVING OVER 358,000 MEMBERS

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## “Bloomberg Opinion” on RSA Investments

BY DAVID G. BRONNER

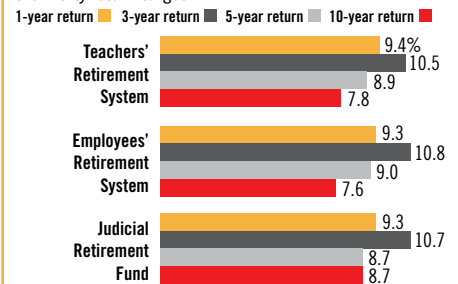
The Bloomberg Opinion states: [...] A 2016 profile in *Governing* focused on Bronner’s decision to use that pool of money to improve one of the poorest U.S. states. “We’ve got to invest in ourselves,” he said at the time. “We are the only player in town. There isn’t anyone else.” Indeed, Bronner bought several office buildings, hotels, and golf courses within Alabama’s borders and effectively built Montgomery from the ground up. But to suggest he confines himself only to in-state investments would be selling him short. The Alabama pensions, for example, own 55 Water Street in New York’s Financial District, the largest office building in Manhattan and home to tenants including S&P Global Ratings. On its website, 55 Water is described as the “debt-free, flagship investment of the Retirement Systems of Alabama.” More recently, the funds became the sole owner of CNHI LLC, one of the biggest U.S. local newspaper

chains. All that serves as background to the news this week that the Alabama retirement system is a crucial party in the bankruptcy of luxury movie and dining chain iPic Entertainment Inc. of Boca Raton, Florida. Obviously, no money manager wants anything to do with a company filing Chapter 11. But with thousands of stocks, some are bound to fail, and on rare occasion they work out very well – as in the case of 55 Water Street in NYC. The opinion goes on to say:

Under Bronner’s direction, Alabama’s pensions have been steady if unspectacular. They had a 70.9% funded ratio as of 2017, about average compared with other U.S. states [...] According to data from the Pew Charitable Trusts, the funds’ assumed rate of return (a weighted average across plans) is 7.75%, one of the five highest in the country. They’ve met the mark over the past decade, but any cut to that expectation would make the

### Steady Gains

Alabama’s pensions have largely met or exceeded their lofty return target.



Source: The Retirement Systems of Alabama

Note: The assumed rate of return (weighted average across plans) is 7.75%.

pensions look worse.

I must admit, I had to smile reading PEW’s criticism of the RSA with the RSA having one of the five highest assumed rates in the country. That, followed by Bloomberg’s chart showing our returns exceed the “lofty return target” in all four measurements. ●

## Grand Hotel Golf Resort & Spa Named One of USA Today’s Top 5 Historic Hotels

In today’s travel landscape dotted with sparkling new resorts and ultra-modern skyscraper hotels, a bit of history is often welcome. A national panel of hotel experts reviewed industry awards and guests reviews to nominate 20 historic hotels. The public voted online for nearly a month to select the Top 10 historic hotels.

### THE TOP 10 WINNERS IN THE CATEGORY BEST HISTORIC HOTEL ARE AS FOLLOWS:

1. The Peabody Memphis – Memphis
2. Mission Inn Hotel & Spa – Riverside, Calif.
3. Historic Hotel Bethlehem – Bethlehem, Penn.
4. **Grand Hotel Golf Resort & Spa – Point Clear, Ala.**
5. The Hermitage Hotel – Nashville
6. Grand Hotel – Mackinac Island, Mich.
7. French Lick Resort – French Lick, Ind.

8. The Jefferson Hotel – Richmond, Va.
9. The Francis House – Calistoga, Calif.
10. Wentworth Mansion – Charleston

Here is a link to the Top 10 Historic Hotels:

<https://www.10best.com/awards/travel/best-historic-hotel-2019> ●



Grand Hotel Golf Resort & Spa — Point Clear

# A Wake-Up Call on Water Quality

BY RHEA SUH | NATIONAL GEOGRAPHIC

[...] The disturbing truth is that roughly a quarter of Americans drink from water systems that violate the Safe Drinking Water Act. Violations range from failing to properly test water to allowing dangerous levels of lead or arsenic – and occur everywhere: in rural communities and big cities, in red states and blue ones.

The lead contamination in Flint, Michigan, was extreme – and shocking because of the role that race played. However, it was not an isolated case, and we need to consider it a national wake-up call.

Across the country, water systems are old, badly maintained, and in dire need of modernizing – from lead service lines in Milwaukee, Wisconsin, and Newark, New Jersey, to silt and debris in drinking water after heavy rain in Austin, Texas, to fecal contamination in Penn Township, Pennsylvania. [...] The reality is that we can no longer assume that our water is safe to drink.

Everyone has a right to clean water, no matter what you look like, how much money you make, or which political party you favor. In America, that right is enshrined in the Clean Water Act of 1972, which defines how the EPA regulates pollutants in U.S. waters, and the Safe Drinking Water Act of 1974, which establishes maximum amounts of pollutants in all public water systems. Those federal laws were passed at the peak of environmental degradation in our country – a time when smog choked our cities and rivers were so contaminated they regularly caught fire.

Those laws and many other

regulations at state and city levels have made great progress toward reducing pollution and addressing public health. Some of us now don't worry about the toxicity of the air for our children's afternoon soccer games or the flammability of the local river, primarily because our environmental protections have worked. But in far too many places around the country, those basic laws are not being upheld or enforced, and people are suffering the consequences.

Look at Puerto Rico. The water situation there was unacceptable – the worst in the nation – even before Hurricane Maria in 2017. An analysis [...] showed that almost all of Puerto Rico's residents in 2015 got their water from systems that violated the Safe Drinking Water Act and nearly 70 percent of them got their tap water from sources contaminated with coliform bacteria, disinfection by-products, and more [...]

Across America, the first step in securing clean drinking water is better information. In 2016, New York became the first state in the country to require school districts to test drinking water sources for lead, something the Safe Drinking Water Act fails to do.

New York already is one of 10 states (along with the District of Columbia) that require universal blood tests for lead before age three. Now, newly armed with data on lead sources, the state has

an opportunity to protect the 2.7 million children in public schools and to become an example for other states.

Lead makes headlines, but it's not the half of it. The more we look for pollution, the more we'll find, and the list of contaminants is long: Coliform bacteria near dairy farms in Wisconsin. Nitrates from

## 2.1 BILLION

people worldwide lack access to safe drinking water systems, according to the United Nations organization UN-Water.

fertilizers in Iowa's rivers. Lead, mercury, and uranium in fracking fluid in places like Ohio, Oklahoma, Pennsylvania, and North Dakota. Toxic chemicals such as those in Teflon that are so ubiquitous they're found in the blood of 98 percent of people in the United States and nearly every country around the world.

The problem may feel overwhelming, but together we can solve it. We need to start with the basics, like replacing lead pipes and fixing deteriorating mains. Then we can modernize our aging water infrastructure with more filtration or treatment processes to better purify wastewater before it enters the drinking water system. We need to better regulate pollutants, strengthen protections for drinking water, and improve testing. A bonus: We can do all of these things *and* create good-paying new jobs in communities throughout the country [...] ●

## TRS Board Members Take Oath of Office



Chair Luke Hallmark delivers the Oath of Office to Susan Brown, Postsecondary; Susan Lockridge, Support Personnel; Ricky Whaley, Vice Chair, Teacher; Amy Crew, Teacher; Joe Van Matre, Higher Ed; and Peggy Mobley, Retiree.

SEE DETAILS ON PAGE FOUR

# Alabama Success Stories

## UAB Ethics Bowl

GREGORY PENCE, PROFESSOR, UAB PHILOSOPHY

Good ethics is not normally associated with Alabama, although winning bowls is, yet over the last decade, an elite group of students at UAB has quietly been building a dynasty, winning a different kind of bowl, the “Ethics Bowl.”

The Intercollegiate Ethics Bowl analyzes 15 cases, ones drawn from medicine, business, law, the military, social sciences, and every field of universities.

When the Intercollegiate Ethics Bowl expanded in 2006 from 32 teams to 200 in 10 divisions, UAB took interest. Professor Gregory Pence took students to Florida to watch the United States Military Academy become national champs. UAB soon fielded its first teams, advancing in 2009 to the national playoff, placing 10th. With a team of elite students from its Early Medical School Acceptance Program (EMSAP), UAB in 2010 won the national championship. In 2019, under new Coach Josh May, UAB again advanced to the National Championship match, barely

losing to perennial powerhouse Whitworth University.

In 2011, UAB did not make the national playoffs and Pence, searching for an alternative, entered his team in the new Bioethics Bowl, then held at Duke University. Unexpectedly, that UAB team won it all, in part because of a strong background of EMSAP students in bioethics (also Pence’s specialty).

Unlike the more general Ethics Bowl, the Bioethics Bowl focuses on 15 cases in medicine, biology, and healthcare. Recent cases analyzed CRISPR, medical finance and undocumented workers, and seemingly sane patients who request limb amputations. Since 2011, UAB under Coach Pence has dominated this Bowl, winning national championships in 2014 at Florida State University (with Ameen Barghi, who became UAB’s 3rd Rhodes Scholar) and in 2019, at the University of South Alabama.

Although it is unlikely that UAB will win next year at the Bowl in Boston,

Pence hopes students will still compete well. Preparing for it, and for careers in medicine, motivates premeds to study Bioethics, resulting in expansion of yearly enrollment in these courses at UAB from 50 in 2008 to over 1,000 today.

Colleagues at UAB joke that, “You are the Nick Saban of Ethics Bowls, but no one knows you.” Perhaps, if UAB wins again, that will change.

For more on the two Bowls, see: “Ethics Bowl,” Wikipedia, [https://en.wikipedia.org/wiki/Ethics\\_Bowl](https://en.wikipedia.org/wiki/Ethics_Bowl) “Bioethics Bowl,” Wikipedia, [https://en.wikipedia.org/wiki/Bioethics\\_Bowl](https://en.wikipedia.org/wiki/Bioethics_Bowl)

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

## Long-Term Care Costs are a Financial Factor in Retirement

BY DR. MARK FAGAN

If you make it to age 65 you have a good chance of making it to 85. The good news is that humans are living longer, but the bad news is that they are sicker in their later years. Many people survive one chronic illness such as cancer or heart disease but die from a second chronic disease. Medical treatment and prevention for these conditions has improved significantly through the years.

Lifestyles in early years and genetics tend to produce health consequences which impact independence in later years. Heart disease, cancer, strokes, diabetes, arthritis, Alzheimer’s Disease, and dementia can present significant problems for older individuals and their caregivers. These conditions often mean that individuals need care from others. The costs for this care can put a strain on family finances.

Housing and healthcare needs begin running together as people become more dependent on others for their care. Most

people would rather remain independent and live in their home as long as possible, but this can require assistance from others as they become more dependent. Spouses, other family members, and paid attendants usually provide the necessary assistance to maintain individuals in independent housing.

Home healthcare and homemaker services can help to keep individuals out of nursing homes. Attended and assisted living provide help with security, home maintenance, food, hygiene, and companionship. Nursing Home care includes help with activities for daily living such as bathing, dressing, eating, waste elimination, and medication monitoring. Care for those with memory and cognitive issues can last a long time because many people with these conditions are relatively healthy physically and can live many years.

Long-term care costs increase with the amount of care required. The Alabama

Senior Guide from Seniorcare.com published the below **monthly** costs for long-term care in Alabama in July 2019. Home Health Care for 8 hours per week was \$572. Adult Day Care for weekdays only was \$785. Assisted Living was \$3,075. Homemaker Services for 44 hours per week was \$3,051. Home Health Care for 44 hours per week was \$3,146. Nursing Home for semi-private double occupancy room for one person was \$5,861. Nursing Home for private single occupancy room for one person was \$6,356.

When planning for retirement and the necessary finances, consider your potential healthcare costs. How long you continue to work and long-term care insurance are things to consider when choosing to retire and financing your lifestyle during retirement. ●





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

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PERMIT NO. 402

### ENJOY YOUR FALL A Special Deal FOR RSA MEMBERS

#### The Battle House,

#### A Renaissance Hotel—Mobile—\$119

- October 3-10, 13-15, 20-24, 26-30
- November 1, 8-14, 16-20, 22-30
- December 8-12, 15-19, 22-29

#### The Battle House—RSA Spa Package—\$207

- October N/A Spa Renovation
- November N/A Spa Renovation
- December 9-11, 16-18, 23-25

#### The Renaissance Riverview Plaza—Mobile—\$109

- October 5-7, 13-17, 23-24, 27-31
- November 1-2, 10-14, 17-27
- December 1-3, 9-19, 22-26

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

- October 6-8, 20-22, 27-31
- November 3-4, 10-11, 17-18
- December 8-12, 15-22, 29

#### Grand Hotel—RSA Golf Package—\$199

#### 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

- October 6-8, 20-22, 27-31
- November 3-4, 10-11, 17-18
- December 8-12, 15-22, 29

#### Grand Hotel—RSA Spa Package—\$259

#### plus a 15% resort fee

- October 6-8, 20-22, 27-31
- November 3-4, 10-11, 17-18
- December 8-12, 15-22, 29

#### Marriott Shoals—Florence—\$109

- October 3, 6, 10, 20, 27 • November 3, 10, 17, 24, 28
- December 1, 8, 15, 19, 22-26, 29-30

#### Marriott Shoals—RSA Spa Package—\$210

- October 6, 20, 27 • November 3, 10, 17, 24
- December 1, 8, 15, 22, 29

#### Renaissance Ross Bridge—Hoover—\$119

- October 1-3, 5-6, 8-10, 13-14, 17, 20, 22-23, 27-31
- November 3, 6-7, 10-20, 22-30 • December 1-31

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

- October 1-2, 6, 8-9, 13-14, 20, 22-23, 27-30
- November 3, 6, 10-13, 17-20, 24-27
- December 1-4, 8-11, 15-18, 22-25, 29-31

#### Auburn/Opelika Marriott—\$109

- October 1-3, 6, 20-22, 27-30
- November 3-6, 10-13, 17-20, 24-28
- December 1-2, 11-12, 15-31

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

- October 1-3, 6, 20-22, 27-30
- November 3-6, 10-13, 17-20, 24-28
- December 1-2, 11-12, 15-19, 22-26, 29-31

#### Prattville Marriott—\$89

- October 6, 27 • November 3, 10, 17, 21, 24-30
- December 5, 8, 15, 19-30

#### Renaissance Montgomery—\$119

- October N/A • November 3, 11, 17, 26
- December 1-2, 22-26, 29-30

#### RSA Spa Package—\$209—Promotional code—R2A

- October N/A • November 26 • December 26

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 Boards of Control Election Information

### ERS BOARD OF CONTROL SPECIAL ELECTION

Ballots for the Employees' Retirement System (ERS) Board of Control special election will be mailed by October 8, 2019, and must be returned to Election-America no later than 4:00 p.m., November 8, 2019. This election is for the **Active State Employee Position No. 1**, previously held by Steve Walkley. The winner will begin their term immediately following certification of the election.

Active state employees will be able to vote by mail, phone, or the internet. Instructions will be included with the paper ballot. More information about the candidates can be found on the RSA website.

### TRS BOARD OF CONTROL REGULAR ELECTION


Ballots for the Teachers' Retirement System (TRS) Board of Control regular election will be mailed by October 15, 2019, and must be returned to Election-America no later than 4:00 p.m., November 21, 2019. This election is for the **Retired Position No. 2**, currently held by Joe Ward. The new term will begin July 1, 2020.

To be eligible to vote for the Retired No. 2 Position, you must be a former active member of the TRS and currently on the TRS retired payroll. By submitting your vote, you are confirming that you are eligible to vote for the position based on your classification. If your classification is incorrect, please contact the Elections Coordinator at 334.517.7192 or 877.517.0020.

Eligible members will be able to vote by mail, phone, or the internet. Instructions will be included with the paper ballot. More information about the candidates can be found on the RSA website. ●

Member Hotel  
Discounts Webpage





# The ADVISOR

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**RSA-1**  
Rhonda H. Peters

**Teachers' Retirement**  
Christopher P. Townes

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