

State of Maine County and Municipal Law Enforcement Officers & Municipal Firefighters Retiree Healthcare Plan

Exhibit 1: Schedule of Changes in Net OPEB Liability

(All dollar amounts are in thousands)

	Discount Rate	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
June 30, 2018	3.87%	\$ 19,232	\$ -	\$ 19,232
Service Cost		751		751
Interest Cost		763		763
Changes In Benefit Terms		8,247		8,247
Changes In Assumptions - Discount Rate		939		939
Changes In Assumptions - Others		(1,015)		(1,015)
Differences Between Expected And Actual Experience		(863)		(863)
Benefit Payments				
Explicit Subsidy	\$ (548)			
Implicit Subsidy	\$ -			
Total		(548)	(548)	-
Contributions - Employer and Nonemployer Contributing Entities				
Employer	\$ 48			
Implicit Subsidy	\$ -			
Total			48	(48)
Contributions - Employee			592	(592)
Administrative Expenses			(92)	92
Net Investment Income				
Expected Investment Earnings	\$ -			
Differences Between Projected And Actual Investment Earnings	\$ -			
Total			-	-
Net Change		\$ 8,274	\$ -	\$ 8,274
June 30, 2019	3.50%	\$ 27,506	\$ -	\$ 27,506
			June 30, 2019	June 30, 2018
Plan Fiduciary Net Position As A Percentage Of Total OPEB Liability			0.0%	0.0%
Covered Payroll			\$ 66,360	\$ 64,427
Net OPEB Liability As A Percentage Of Covered Payroll			41.4%	29.9%
Sensitivity of Net OPEB Liability to changes in Discount Rate			June 30, 2019	% Change
A one percentage point change in discount rate would have the following effect on Total OPEB Liability at June 30, 2019:				
One Percentage Increase (4.50%)			\$ (2,224)	-8%
One Percentage Decrease (2.50%)			\$ 2,462	9%
Net OPEB Liability at a one percentage point change in discount rate as of June 30, 2019 is as follows:				Net OPEB Liability
One Percentage Increase (4.50%)			\$	25,282
One Percentage Decrease (2.50%)			\$	29,968
Sensitivity of Net OPEB Liability to changes in Trend Rate			June 30, 2019	% Change
A one percentage point change in trend rate would have the following effect on Total OPEB Liability at June 30, 2019:				
One Percentage Increase (7.20% grading down to 5.29%)			\$ 3,080	11%
One Percentage Decrease (5.20% grading down to 3.29%)			\$ (2,654)	-10%
Net OPEB Liability at a one percentage point change in trend rate as of June 30, 2019 is as follows:				Net OPEB Liability
One Percentage Increase (7.20% grading down to 5.29%)			\$	30,586
One Percentage Decrease (5.20% grading down to 3.29%)			\$	24,852
Key Assumptions			June 30, 2019	June 30, 2018
Discount Rate			3.50%	3.87%
Investment Rate of Return			N/A	N/A
Inflation			2.75%	2.75%
Initial Medical Trend Rate ^{1,2}			6.20%	6.40%
Ultimate Medical Trend Rate ²			4.29%	4.29%
Year Ultimate Trend Rate Reached			2075	2075

¹ 5.75% for Portland at June 30, 2019 and at June 30, 2018

² Trend for Portland is limited to no more than inflation + 3% in any given year.

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Exhibit 2: Development of OPEB Expense for Year Ended 06/30/2019

(All dollar amounts are in thousands)

Components of OPEB Expense	Year Ended 06/30/2019
Service Cost	\$ 751
Interest	763
Expected Investment Earnings	-
Contributions - Employee	(592)
Administrative Expenses	92
Changes In Benefit Terms	8,247
Recognition of Current Period Deferred Outflows and (Inflows)	
Changes in assumptions	(10)
Differences between expected and actual experience	(117)
Differences between expected and actual investment earnings	-
Recognition of Beginning Deferred Outflows	-
Recognition of Beginning Deferred Inflows	(1,330)
OPEB Expense	\$ 7,804
Assumptions Used to Determine OPEB Expense	Year Ended 06/30/2019
Discount Rate as of Beginning of Year	3.87%
Investment Rate of Return	N/A
Inflation	2.75%
Initial Medical Trend Rate ^{1,2}	6.40%
Ultimate Medical Trend Rate ²	4.29%
Year Ultimate Trend Rate Reached	2075

¹ 5.75% for Portland at June 30, 2019 and at June 30, 2018

² Trend for Portland is limited to no more than inflation + 3% in any given year.

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Exhibit 3: Schedule of Outflows/(Inflows)¹

(All dollar amounts are in thousands)

Measurement Date Established	Initial Amount	Deferred		Initial Years	Remaining Years	Outflows/(Inflows) Recognized in Year Ended 06/30/2019
		Outflows of Resources as of 06/30/2019	Deferred (Inflows) of Resources as of 06/30/2019 ²			
Changes In Assumptions						
06/30/2017	\$ (6,188)	\$ -	\$ (3,668)	7.37	4.37	\$ (840)
06/30/2018	\$ (507)	\$ -	\$ (369)	7.37	5.37	\$ (69)
06/30/2019	\$ (76)	\$ -	\$ (66)	7.37	6.37	\$ (10)
Total	\$ -	\$ -	\$ (4,103)			\$ (919)
Differences Between Expected And Actual Plan Experience						
06/30/2017	\$ (2,909)	\$ -	\$ (1,724)	7.37	4.37	\$ (395)
06/30/2018	\$ (191)	\$ -	\$ (139)	7.37	5.37	\$ (26)
06/30/2019	\$ (863)	\$ -	\$ (746)	7.37	6.37	\$ (117)
Total	\$ -	\$ -	\$ (2,609)			\$ (538)
Net Difference Between Projected And Actual Earnings On Investments						
06/30/2017	\$ -	\$ -	\$ -	-	-	\$ -
06/30/2018	\$ -	\$ -	\$ -	-	-	\$ -
06/30/2019	\$ -	\$ -	\$ -	-	-	\$ -
Total	\$ -	\$ -	\$ -			\$ -
Balance as of 06/30/2019		\$ -	\$ (6,712)			\$ (1,457)
Deferred Outflows And Deferred (Inflows) Of Resources Will Be Recognized In Expense As Follows:						
Year Ending:						Outflows/(Inflows)
06/30/2020						\$ (1,457)
06/30/2021						(1,457)
06/30/2022						(1,457)
06/30/2023						(1,457)
06/30/2024						(674)
Thereafter						(210)

¹ There will also be a Deferred Outflow for Contributions Made after the Measurement Date (Estimated to be \$496 for fiscal year ending 6/30/2020).

² Deferred (Inflows) should be disclosed as positive numbers in the CAFR.

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Exhibit 4: 10-Year Schedule of Net OPEB Liability

(All dollar amounts are in thousands)

Year Ended	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c)	Plan Fiduciary Net Position As A Percentage Of Total OPEB Liability (d)	Covered Payroll¹ (e)	Net OPEB Liability As A Percentage Of Covered Payroll¹ (f)
			(a)-(b)	(b)/(a)		(c)/(e)
June 30, 2016	\$26,052	\$0	\$26,052	0.0%	\$55,651	46.8%
June 30, 2017	\$18,980	\$0	\$18,980	0.0%	\$62,551	30.3%
June 30, 2018	\$19,232	\$0	\$19,232	0.0%	\$64,427	29.9%
June 30, 2019	\$27,506	\$0	\$27,506	0.0%	\$66,360	41.4%

¹ Covered Payroll includes actives who waived coverage. It is assumed to grow at 3.00% per year from the prior valuation, due to lack of data, as confirmed by the State.

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Exhibit 5: 10-Year Schedule of the State's Proportionate Share of Net OPEB Liability

(All dollar amounts are in thousands)

Year Ended	State's Proportion of the Net OPEB Liability¹ (a)	State's Proportionate Share of the Net OPEB Liability (b)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (c)
June 30, 2016	23%	\$26,052	0.0%
June 30, 2017	23%	\$18,980	0.0%
June 30, 2018	13%	\$19,232	0.0%
June 30, 2019	23%	\$27,506	0.0%

¹ The State's Proportion was estimated assuming the same share of implicit subsidy for each municipality's OPEB plan. GASB Statement no. 75, paragraph 213, provides for combining disclosures for more than one plan in cases that avoid unnecessary duplication.