



*Office of the City Manager*

**Testimony of Nick Cloutier**

City Manager, City of Waterville, Maine

In Support of LD 2124

Before the Joint Standing Committee on Housing & Economic Development

Public Hearing: February 10, 2026

Senator Curry, Representative Gere, and Members of the Committee,

My name is Nick Cloutier, and I serve as the City Manager of Waterville, Maine. I am writing in strong support of LD 2124, An Act to Support Emergency Shelter Funding Using Revenue from the Real Estate Transfer Tax.

Waterville is a service-center community for central Maine, and that role shapes how we experience issues like homelessness and emergency shelter capacity. Our local emergency shelter, Mid-Maine Homeless Shelter & Services, serves individuals not only from Waterville, but from surrounding communities across the region. Many people arrive in crisis, often facing a combination of housing instability, behavioral health needs, medical concerns, and immediate safety issues. As a result, the shelter functions as far more than a place to sleep. It is a critical stabilizing resource for the broader region.

From a municipal perspective, that role is essential.

As City Manager, I work closely with public safety, emergency medical services, hospitals, and community partners. When the shelter is able to operate fully and effectively, it helps keep people safe and connected to appropriate services. When shelter capacity is threatened, the impacts are felt quickly elsewhere in the system. Police calls increase, emergency departments see more repeat visits, and county systems absorb additional strain. Those outcomes are harder on individuals and far more costly for taxpayers.

At the same time, it is important to be realistic about the limits of municipal capacity.

Waterville partners where we can. We coordinate services, support planning efforts, and work collaboratively with providers. However, municipal budgets are largely supported by property taxes and are already under significant pressure. Cities are not positioned to absorb the ongoing operating costs of a regional shelter system, particularly when the funding gap is structural rather than temporary.

The financial realities are well documented. MaineHousing has estimated that it costs roughly \$102 per night to operate a shelter bed, while the state operating subsidy has historically covered only a small portion of that cost. A temporary increase in 2025 helped stabilize the system, and it was critically important, but it was never intended to be a long-term solution. Without a permanent funding mechanism, shelters remain vulnerable.



We have already seen the consequences of that vulnerability. In 2025, York County's only adult emergency shelter closed, shifting need rather than eliminating it. Surrounding communities, hospitals, and county systems were left to manage the resulting impacts. That experience illustrates what happens when the shelter system lacks stable support.

LD 2124 offers a practical and responsible path forward.

By dedicating a modest, predictable share of the Real Estate Transfer Tax to MaineHousing's shelter operating subsidy, the bill allows shelters to plan responsibly, retain staff, and maintain capacity over time. Predictable funding is not a luxury in this context. It is what allows the system to function without constant crisis management.

I recognize that some counties have expressed concern about changes to their share of Real Estate Transfer Tax revenue. Counties are important partners, and those concerns deserve consideration. From a municipal standpoint, however, the alternative is far more costly. When shelters close or scale back operations, counties face increased costs through jails, sheriff services, transportation, courts, and emergency medical systems. Hospitals and behavioral health providers also feel the strain. Stable shelter funding helps prevent those downstream costs rather than shifting them.

Finally, I want to emphasize the value of a regulated system. State-funded shelters are licensed, inspected, and accountable, which provides municipalities with predictability and clear lines of coordination. That structure matters on the ground, especially for local governments tasked with managing public safety and emergency response.

In closing, LD 2124 recognizes an important reality. Emergency shelters serve regional populations and perform a function that municipalities cannot sustain on their own. One-time funding does not provide the stability the system requires. A consistent, statewide funding approach is the most fiscally responsible way to support both individuals in crisis and the communities that serve them.

On behalf of the City of Waterville, I respectfully urge the Committee to vote **Ought to Pass** on LD 2124.

Thank you for your time and consideration.

Respectfully submitted,

Nick Cloutier  
City Manager, City of Waterville