Research Update:

Sea Cliff Village, NY Series 2026A Public Improvement Serial Bonds Rated 'AA+'; Outlook Stable

November 18, 2026

Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to Sea Cliff Village, New York's $1.69 million series 2026A public improvement serial bonds.
- The outlook is stable.

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Rationale

Security

The bonds are secured by the village's faith and credit pledge, payable from unlimited ad valorem taxes.

Bond proceeds are financing the acquisition of a fire truck and other fire vehicles, along with HVAC installations.

Credit highlights

The rating reflects Sea Cliff Village's history of positive financial performance and robust reserve levels, despite its smaller size and more limited policies and practices. The rating also incorporates the strength of the village's underlying economic base and local incomes that remain well above 150% of national levels, which, in our view, offsets its smaller population of just less than 5,000.

Sea Cliff is a one-square-mile village on the North Shore of Long Island, with a primarily residential economic base and a small downtown commercial area. The village is largely developed and is known for its significant number of historic homes, many of which are protected by either historic landmark designation or historic preservation zoning. As a result, new development is limited but renovations are more common. Sea Cliff's local incomes are substantially higher than Nassau County's and national benchmarks and its tax base is very

stable, which supports its creditworthiness given property and other local taxes are the primary revenue source for municipal operations.

The village's financial performance has been very stable with surplus performance over the last three fiscal years, and officials expect similar results for fiscal 2026 based on preliminary year-end estimates. Although annual budget increases are constrained by the state's 2% tax cap, village expenditures remain largely predictable. Surplus financial performance has supported a buildup in reserves, which are now very robust at almost 81% of general fund revenue; while officials could use a portion of assigned fund balance for its sewer project within the next two years, it would not materially reduce available reserves.

The village has a minimal debt burden of $2.9 million, including this issuance, resulting in lower per capita debt metrics. We also believe debt service costs will remain a manageable portion of the budget given it makes up about 5% of annual expenditures. Officials do not anticipate issuing additional debt over the near term, as the sewer project is expected to be funded with state grants and funds that have been set aside from previous fiscal years.

The rating further reflects our view of the following:

- Sea Cliff's proximity to New York City (about 35 miles east) provides access to regional employment opportunities, as demonstrated by local income levels that exceed both county and national levels. The village's largely residential tax base has experienced substantial growth over the last decade and maintains growth prospects in line with surrounding communities in Nassau County.
- A history of positive general fund performance has supported gradual buildup in fund balance levels, reaching $6.2 million as of fiscal 2025. While officials could tap into the $2.6 million set aside in assigned fund balance for the sewer project, it would not materially weaken available reserves.
- Management policies and practices are more limited when compared with those of similarly rated peers. The village board is very involved in the budget process and receives bimonthly budget-to-actual reports. There is no formal multiyear financial forecasting, but budgets are largely built based on expected property tax revenue. The village does maintain a capital improvement plan. The village maintains formal fund balance and investment policies but currently lacks a formal debt management policy.
- Long-term obligations are manageable and limited. The village has a minimal debt burden and no additional near-term debt plans since its largest ongoing project receives state grants. We also view pension and other postemployment benefits costs as affordable.
- Institutional framework is in line with our assessment for New York municipalities. For more information, see "Institutional Framework Assessment: New York Local Governments," Sept. 10, 2024.
- We view physical risks and their potential effects on taxable properties as slightly elevated, given Sea Cliff's coastal location; however, the village's higher elevation protects it from systemic coastal flooding risk. Sea Cliff is working on an extensive sewer project as part of its overall plan to address environmental issues.

Outlook

The stable outlook reflects our expectation that Sea Cliff Village will maintain financial stability and robust reserve levels, despite potential for a one-time draw within the outlook horizon, further supported by underlying economic stability.

Downside scenario

We could take a negative rating action if unexpected budgetary pressures lead to continuous reserve drawdowns, or if the village were to issue a substantial amount of new money debt that weakens the debt profile.

Upside scenario

We could take a positive rating action if the village were to implement stronger financial policies and long-term planning that it incorporates into ongoing operations.

Sea Cliff Village, New York--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	1.68
Economy	1.0
Financial performance	2
Reserves and liquidity	1
Management	2.65
Debt and liabilities	1.75

Sea Cliff Village, New York--key credit metrics

	Most recent	2025	2024	2023
Economy				
Real GCP per capita as % of U.S.	--	--	106	107
County PCPI as % of U.S.	--	--	152	151
Market value ($000s)	--	1,779,942	1,772,353	1,545,994
Market value per capita ($)	--	357,705	351,867	305,774
Top 10 taxpayers as % of taxable value	--	--	3.2	3.7
County unemployment rate (%)	--	3.3	3.2	3.1
Local median household EBI as % of U.S.	--	191	178	196
Local per capita EBI as % of U.S.	--	197	183	202
Local population	--	4,976	5,037	5,056
Financial performance				
Operating fund revenue ($000s)	--	7,786	7,542	8,024
Operating fund expenditures ($000s)	--	7,083	6,693	6,677
Net transfers and other adjustments ($000s)	--	(308)	(347)	(303)
Operating result ($000s)	--	395	502	1,044
Operating result as % of revenue	--	5.1	6.7	13.0
Operating result three-year average %	--	8.2	8.5	8.8
Reserves and liquidity				
Available reserves as % of operating revenue	--	80.7	79.2	69.9
Available reserves ($000s)	--	6,281	5,974	5,606

Sea Cliff Village, New York--key credit metrics				
Debt and liabilities				
Debt service cost as % of revenue	--	4.5	4.2	5.8
Net direct debt per capita ($)	590	203	254	291
Net direct debt ($000s)	2,935	1,009	1,277	1,469
Direct debt 10-year amortization (%)	74	89	87	91
Pension and OPEB cost as % of revenue	--	5.3	6.1	4.9
NPLs per capita ($)	--	153	133	170
Combined NPLs ($000s)	--	760	671	860

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

Ratings List	
New Issue Ratings	
US$1,693,944 Village of Sea Cliff, Nassau County, New York, Public Improvement Serial Bonds, 2026 Series A, dated: December 11, 2026, due: November 15, 2039	
Long Term Rating	AA+/Stable
New Rating	
Local Government	
Sea Cliff Vill, NY Unlimited Tax General Obligation	AA+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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