

City of Rye, New York

2026 Citizens Budget Report

The following report was prepared by the City of Rye Finance Department in conjunction with the City Manager. The purpose of the report is to provide an overview of the 2026 Tentative Budget, along with comparison to recent years. The categorization of revenues and expenses may differ from those of the formal budget. For a more complete understanding of the 2026 Budget please refer to the City Comptroller presentation of November 5, 2025 along with the Tentative Budget.

Key Dates for the 2026 Budget:

- December 3 - City Council Meeting (Public Hearing on 2026 Budget)
- December 17 - City Council Meeting (Vote on 2026 Budget)

Overview of the 2026 Tentative Budget proposal from the City of Rye staff

- The proposed 2026 Stated Property Tax Rate is \$232.40 per \$1,000 assessed valuation, a 8.43% increase over the 2025 tax rate
- The tentative budget provides a tax levy increase for 2026 of \$2,816,474 (\$1,873,538 over the NYS Mandated Tax Cap).
- The Annual Property Tax Bill is an increase of \$443 per average household.

- Total General Fund Revenues are budgeted to be \$52.3 million or 3.1% higher than the 2025 estimate.
- The Proposed 2026 Property Tax Levy is \$33.9 million, or 9.1% higher than the 2025 Levy.
- Other Revenues (consisting of Non-Property Taxes, Permits, Fines and other) are budgeted to be \$18.4 million or 3.7% lower than the 2025 Estimate. The 2026 budgets for main elastic revenues are Interest Income - \$1.25 million, Building Permits - \$2.1 million, and Mortgage Interest - \$1.6 million. A decrease in interest rates led to a \$300,000 decrease in interest income, offset by increased Building Permits of \$200,000 and Mortgage Interest of \$100,000
- Total General Fund Operating Expenditures are budgeted to be \$52.3 million, or 6.7 % over the budgeted 2025 level.
- Capital Expenditures of \$1.7 million are not included in operating expenditures.
- Total General Fund Expenses include this as a Use of Funds transfer for capital projects and new city vehicles and equipment.
- The 2026 budget of employees cost (salaries plus benefits) is \$3.6 million or 10.2% higher than the 2025 projection, a result of vacant positions throughout City departments not filled in 2025. These are budgeted to be filled in 2026.
- With a projected 2025 year-end General Fund fund balance of \$6.6 million, \$2.2 million is a planned use of General Fund Balance to fund Sewer Maintenance, Miscellaneous Equipment Purchases and Contingency Costs.
- There will be \$1.5 million in NYS grants dedicated to Street Resurfacing in 2026.
- \$1.25 million of the General Fund tax rate is being used for current and ongoing City vehicle purchases and annual Sewer Maintenance.
- The projected 2025 General Fund Unassigned Fund Balance is estimated to be \$4.44 million, or 8.5% of total 2025 Budgeted Expenditures.

	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Actual</u>	<u>2025 Estimate</u>	<u>2026 Budget</u>
Stated Property Tax Rate	\$ 190.85	\$ 198.43	\$ 203.99	\$ 214.34	\$ 232.40
Average Household Market Value	1,525,000	1,683,700	1,926,356	1,984,127	2,076,271
Total Assessed Value	142,476,564	147,873,288	147,852,400	145,321,645	146,142,780
Estimated City Tax for Average Household	4,657	4,911	5,069	5,358	5,694
City Tax as a % of Total Tax for Average Household	17.4%	17.1%	17.4%	17.4%	17.6%
Estimated Average Increase in City Tax Household	\$ 73	\$ 188	\$ 138	\$ 259	\$ 443
 (1) Total General Fund Revenues	 \$ 46,116,556	 \$ 48,404,371	 \$ 49,051,162	 \$ 50,764,983	 \$ 52,340,145
(1) Total General Fund Expenses	48,851,643	45,949,238	51,602,884	52,292,843	54,508,069
 (2) Surplus (Use of Fund Balance for Capital/Contingency,	 \$ (2,735,087)	 \$ 2,455,133	 \$ (2,551,722)	 \$ (1,527,860)	 \$ (2,167,924)

Revenues	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Budget	2026 Budget vs	2022-2026
						2025 Estimate	4-yr CAGR(3)
						(% Change)	(% Change)
Property Taxes	\$ 28,094,187	\$ 29,051,894	\$ 28,650,059	\$ 32,055,478	\$ 34,304,658	7.0%	4.1%
(4) Non-Property Taxes	5,029,874	5,084,415	5,285,246	5,255,000	5,180,000	-1.4%	0.6%
(5) Charges for Services	1,729,706	2,055,509	2,046,943	2,211,344	2,243,642	1.5%	5.3%
Licenses and Permits (Includes Building/Parking)	3,088,725	3,754,235	3,447,246	3,485,299	3,434,888	-1.4%	2.1%
Mortgage Taxes	2,520,341	1,406,965	1,520,024	1,501,602	1,600,000	6.6%	-8.7%
State Aid Revenue Sharing	1,208,024	1,208,024	1,348,301	1,348,301	1,208,024	-10.4%	0.0%
Fines & Forfeitures (Includes Code, Traffic, Parking)	837,666	788,813	974,514	932,750	907,500	-2.7%	1.6%
(6) Enterprise Fund Transfers	436,459	434,434	435,034	434,434	434,434	0.0%	-0.1%
Franchise Fees (Cable)	366,244	366,133	357,102	360,000	360,000	0.0%	-0.3%
Interest Income	506,291	2,346,554	2,925,619	1,550,000	1,250,000	-19.4%	19.8%
Other	2,299,039	1,907,395	2,061,074	1,630,775	1,416,999	-13.1%	-9.2%
Total	\$ 46,116,556	\$ 48,404,371	\$ 49,051,162	\$ 50,764,983	\$ 52,340,145	3.1%	2.6%
Expenses by Use							
Salaries	\$ 17,983,131	\$ 18,924,046	\$ 20,317,079	\$ 21,451,624	\$ 22,999,308	7.2%	5.0%
Employee Benefits	10,736,226	11,505,487	12,956,798	13,715,789	15,750,586	14.8%	8.0%
(7) Contractual Costs	9,235,885	6,284,393	8,295,831	6,271,262	7,295,610	16.3%	-4.6%
Materials and Supplies	3,917,364	3,777,797	4,467,472	4,440,955	4,341,769	-2.2%	2.1%
Debt Service	934,980	1,319,666	1,406,256	1,374,484	1,102,872	-19.8%	3.4%
Transfer to Capital Projects	5,450,000	3,450,000	3,275,000	2,825,000	1,400,000	-50.4%	-23.8%
Equipment	594,057	687,849	884,448	2,213,729	1,617,924	-26.9%	22.2%
Total	\$ 48,851,643	\$ 45,949,238	\$ 51,602,884	\$ 52,292,843	\$ 54,508,069	4.2%	2.2%
Expenses by Department/Program							
Public Works	\$ 16,118,247	\$ 14,442,840	\$ 12,149,011	\$ 12,668,006	\$ 13,139,082	3.7%	-4.0%
Police	11,828,184	13,140,953	15,142,541	17,271,458	18,024,265	4.4%	8.8%
Fire	5,895,600	6,118,004	7,232,343	7,459,468	7,825,934	4.9%	5.8%
(8) General Government	8,305,774	5,236,927	8,931,867	6,708,418	6,524,130	-2.7%	-4.7%
(9) Recreation	3,323,597	3,344,859	4,041,889	3,874,434	4,248,105	9.6%	5.0%
Library	1,335,000	1,360,000	1,385,000	1,427,000	1,663,000	16.5%	4.5%
Building/Planning	1,357,631	1,468,940	1,728,203	1,827,885	1,928,613	5.5%	7.3%
Other Cultural Community Support	160,399	214,257	241,961	216,267	190,856	-11.7%	3.5%
Other	527,211	622,458	749,769	839,907	964,084	14.8%	12.8%
(10) Total	\$ 48,851,643	\$ 45,949,238	\$ 51,602,584	\$ 52,292,843	\$ 54,508,069	4.2%	2.2%

Footnotes:

- 1 Amounts include Net Revenues from the Building and Vehicle Fund, as well as Cable TV Fund Franchise Fees
- 2 Represents a planned use of General Fund Unassigned Fund Balance for Capital Expenditures (\$1,717,924) and Contingency Items (\$450,000)
- 3 CAGR (Compound Annual Growth Rate)
- 4 Includes sales tax, hotel occupancy tax, gross receipts tax
- 5 Includes Rye Recreation fees and permits, parking pay stations
- 6 Includes Rye Golf and the Boat Basin
- 7 Includes the Risk Fund contribution and legal services
- 8 Includes administrative expenses (City Manager, Finance Department, City Clerk, Corporation Counsel)
- 9 Gross expenses for Rye Rec without regard to fees and permits included in "Charges for Services" above
- 10 Debt Service is contained within each Department/Program based on how much debt is allocated

