

Where we spend our money compared to other Cities

The State of Iowa is fairly rigid on how cities communicate their spending, with multiple different buckets, or funds. The General Fund is the chief operating fund of the City. This fund supports those operations most identified with the city, such as fire, police, parks and recreation and library. The largest revenue deposited to the general fund is property taxes. However, the general fund also receives all other income that is not required by law or contractual agreements to be deposited elsewhere. The General Fund, then, is the primary point of discussion when looking at City revenues and expenses.

Expenses are required by the State to be categorized into six categories, which are useful for making comparisons between communities to see how different towns decide to spend their funds. There is no magic formula for where a city should spend its money, but they do help in making decisions about evaluating whether what is being done locally is typical. The six categories used for expenditures include 1) Public Works, 2) Health and Social Services, 3) Culture and Recreation, 4) Community and Economic Development, 5) General Government, and 6) Public Safety.

Comparisons are not perfect. For example, some communities, such as Keokuk, show the expenditure for employee benefits (insurance and retirement costs) in the General Fund, while others show these expenditures in a separate special revenue fund. For comparison purposes, the following tables combine the special revenue fund with the general fund for expenditures to try to get as close as possible to true comparisons, but it still isn't perfect. We will demonstrate a couple of Keokuk's unique budgeting items as we proceed.

In the next few tables spread over several posts, we will compare the City of Keokuk's budgeted expenditures in each of the six categories with the 22 other communities of our size. These comparisons are for what each community proposed to spend in these categories during Fiscal Year 2026.

Category 1: Public Works

The first comparison will be for the category of Public Works, with a distribution of expenditures within Public Works of 10 categories identified by the State of Iowa:

Public Works Expenditures Across Communities, FY2026

Community	Roads	Parking	Street Lighting	Traffic Control	Snow Removal	Highway Engineering	Street Cleaning	Airport	Garbage	Other Public Works	Total
KEOKUK	\$ 3,000	\$ -	\$ 5,000	\$ 25,900	\$ -	\$ -	\$ -	\$ 578,366	\$ -	\$ 306,921	\$ 919,187
DENISON	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,934	\$ -	\$ -	\$ 283,934
FORT MADISON	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
KNOXVILLE	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ 25,050
PERRY	\$ 32,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,031	\$ 555,976	\$ -	\$ 731,422
FAIRFIELD	\$ 34,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,200
WAVERLY	\$ 58,892	\$ -	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ 89,990	\$ -	\$ 201,805	\$ 660,687
WEBSTER CITY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,315	\$ -	\$ 201,315
DECORAH	\$ 64,000	\$ -	\$ 235,000	\$ 60,000	\$ -	\$ -	\$ -	\$ 1,743,035	\$ -	\$ -	\$ 2,102,035
GRINNELL	\$ 76,818	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,996	\$ -	\$ -	\$ 192,814
STORM LAKE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,520	\$ -	\$ -	\$ 408,520
BOONE	\$ -	\$ -	\$ -	\$ 15,350	\$ -	\$ -	\$ -	\$ 182,820	\$ 62,300	\$ -	\$ 260,470
CRESTON	\$ -	\$ -	\$ 134,500	\$ 23,000	\$ -	\$ -	\$ -	\$ 502,829	\$ 806,080	\$ -	\$ 1,466,409
OSKALOOSA	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
SPENCER	\$ 241,295	\$ -	\$ 165,400	\$ 38,500	\$ 166,000	\$ -	\$ 62,500	\$ -	\$ -	\$ -	\$ 673,695
MOUNT PLEASANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,930	\$ -	\$ -	\$ 29,930
CARROLL	\$ 22,525	\$ -	\$ 178,000	\$ -	\$ -	\$ -	\$ -	\$ 217,900	\$ 759,300	\$ 271,136	\$ 1,446,861
LE MARS	\$ 1,000,112	\$ -	\$ 138,000	\$ -	\$ -	\$ -	\$ -	\$ 149,250	\$ -	\$ -	\$ 1,287,362
PLEASANT HILL	\$ -	\$ -	\$ 130,000	\$ 185,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,000
SIOUX CENTER	\$ 331,740	\$ -	\$ 48,120	\$ 13,600	\$ 199,320	\$ -	\$ 54,900	\$ 185,000	\$ 582,550	\$ 100,000	\$ 1,515,230
PELLA	\$ 146,593	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 106,181	\$ -	\$ -	\$ 264,774
CLEAR LAKE	\$ 1,171,665	\$ -	\$ 34,000	\$ 15,000	\$ 77,080	\$ 182,825	\$ 56,280	\$ -	\$ -	\$ -	\$ 1,536,850
										average:	\$ 654,807

An introductory comparison of these expenditures in the category of Public Works begins by noting what is not included. None of the comparison communities identified has any expenditures for Parking, for example. Very few communities across the state, especially towns with less than 20,000 people, have an expenditure category for parking. Only one community, Clear Lake, has an expenditure for highway engineering in the General Fund. Every other community in the comparison category pays for their engineering expenditures either as part of a capital project (the state has a separate reporting area for capital projects) or out of Road Use Tax Revenues (also reported in a separate area) received from the State. Similarly, the comparison shows that the majority of communities pay for Traffic Control, Snow Removal, and Street Cleaning costs out of Road Use Tax Revenues as we do. These blank categories demonstrate how the majority of towns have gradually quit paying for these expenditures with general fund revenues over the past few years.

The overall expenditure on Public Works for the City of Keokuk is larger than the average community as budgeted in FY2026. We budgeted to spend about \$919,000 compared to the average community spending \$655,000. This comparison points out two areas where we spend more than the average community: at the airport and within the "Other Public Works" category. In regards to the airport expenditure, the majority of our costs are for Capital Projects. The other main category, "Other Public Works", reflects general staffing and operational costs that have not been allocated to the underlying departments that are outside of the general fund. As we try to address budget shortfalls in the General Fund, we plan on moving more of these expenditures out of the General Fund in the Fiscal Year 2027 budget.

Keokuk is above average in expenditures in the area of Public Works in the FY2026 budget. Looking at the comparison, it points out that an easy way to reduce these expenditures has to do less with how much we spend, as where we cover these expenditures. For the approaching budget cycle, we will plan on distributing a larger part of our expenditures to the underlying departments to help alleviate the deficit issues in the General Fund. This does not eliminate the need to review these expenditures at some point in the future to make sure that our overhead in these categories are not too high. This review should occur in the future, but are not the immediate problem of the \$2 million deficit in the General Fund.

We will return to additional categories in the next post, beginning with a review of expenditures in Health & Human Services.

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