



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

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To: David Fernandez, Assistant City Manager
Mark Finigan, Assistant City Manager
Roger Wittenberg, Finance Director

From: Jim Scholl, City Manager

A handwritten signature in cursive script, appearing to read "J. Scholl", is written over the printed name of the City Manager.

Date: May 2, 2012

Reference: Security Deposits – All City Tenants

In the past, the City had been paying interest on security deposits, even though it was not legally required by Florida State Statutes.

As of 10/1/11 the City's policy is that no interest shall be paid on security deposits.

Actual interest rates from State Board were used to calculate interest earned from the date deposits were paid through 9/30/11. The interest shall be credited to the security deposit account for each tenant, thereby increasing their deposit balance. No further interest will accrue.

Upon vacating the premises for termination of the lease, if the landlord does not intend to impose a claim on the security deposit, the landlord shall return the security deposit to the tenant or tenants without interest.

Going forward, the Finance Director will ensure that all security deposits are held in a non-interest bearing account in a Florida Banking institution.