

Falls City Council Denies \$1.2-Million Attorney Fee Claim

(KLZA)-- The Falls City, City Council voted Monday evening to deny payment of a \$1.2 million claim from the law firms of Houghton, Whitten and Weaver and Weaver and Merz, both of whom were representing the City in the legal issues.

The claims are related to a 2006 lawsuit the city filed against an organization Falls City was a part of involving pre-paid natural gas purchases. Doug Merz spoke about the litigation, calling it one of the most important and best decisions the City has ever made.

The case involved court rulings and appeals and Merz says the City has benefited from the lawsuit by receiving more than \$4.5-million. He said belonging to the APEA organization benefited the City prior to the lawsuit and after the lawsuit.

Current City Attorney Mike Dunn recommended the Council deny the claim. That prior Councils had looked at the issues and denied the claim. He said he feels there is no benefit or serious legal issues with the contract. He also said he feels there could be serious legal issues regarding Mr. Merz receiving compensation outside of his duties as City Attorney at the time.

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