

Watch Out Mountain Lake!

We're Minnesota Citizens for Fiscal Responsibility in Education and heard you are considering remodeling your school facilities and might be working with Johnson Controls (JCI) to accomplish this.

Our Chairwoman's community (Duluth) has had experience with JCI and so have other communities across Minnesota.

You might want to know what Duluth experienced and also see media clips of what other communities have experienced with JCI.

If so, read below! Note: the following bold type-face and underlining were added by us to certain words for emphasis only.

- ““Partners in Progress.” That’s what it says on the cover of the contract between the Paynesville Area School District and Johnson Controls, Inc. Here in our small school district, located between St. Cloud and Willmar, we’re learning what that means. It’s good PR, but here would be some more accurate titles: “Big Sale for JCI.” “An Expensive, More-Than-You-Need Heating and Ventilation Solution for the School District #741.” Or, maybe most accurately, **“You Bought This \$16 Million Package Hook, Line, and Sink-er.”** While Johnson Controls wants to portray themselves as a benevolent vendor, a trusted consultant, with our best interests at heart, it’s clear to me, and becoming obvious to the residents here, that they really are following the creed: “Look out for Number One.”

Guest Editorial by Mike Jacobson in **Timberjay** newspaper
Tower, MN Jan. 20, 2011
Jacobson is Publisher/Editor of the **Paynesville Press** in
Paynesville, MN

- “While promoting a \$78.8 million restructuring plan for the St. Louis County School District, officials from Johnson Controls, Inc., argued that building new, centralized schools **would reduce the district’s utility costs by \$380,000 annually.** Yet utility invoices from the first year of operation of the new South Ridge School, in New Independence Township, **show the cost** of operating the 112,000-square foot facility is **far higher** than JCI officials had indicated to the school district, to voters, and to the Minnesota Department of Education.”
Timberjay, July 27, 2012
- “Playing fields at the South Ridge School need more work to be suitable and Johnson Controls Inc., which oversaw the project, should be held accountable, Gerald Wick told the St. Louis County School Board at its meeting on Tuesday. **“You were ripped off by Johnson Controls,”** said Wick, who said he contacted JCI’s Randy Anderson about the fields and received no satisfactory answers for their condition....”
Timberjay, Oct. 11, 2012
- “...It started when Marshall Helmberger, publisher of the Timberjay Newspapers of Tower, Minn, began to notice troubling mistakes and added costs in a \$78 million project to build and renovate St. Louis County Schools. As the project proceeded, Helmberger noticed code violations, change orders and simple billing miscues, such as failing to include the cost of rebuilding an exterior wall. “This was like kindergarten stuff,” said Helmberger. “My God, are you kidding me?” So Helmberger used the Minnesota Data Practices Act to request a copy of the subcontracting agreement between the builder, Johnson Controls of Milwaukee, and Duluth-based Architectural Resources Inc. **Johnson refused**, claiming the contract contained proprietary secrets. Most small-town newspapers have neither the money nor the gumption to fight that fight....The newspaper, which covers the region around Tower and Ely, has won three prestigious Premack Awards, presented by the University of Minnesota for outstanding public affairs journalism. So they sued. Last week, the Minnesota Court of Appeals ruled that **government contractors are subject to state open records laws.** “

by John Tevlin, **Minneapolis Star Tribune**, October 12, 2012

Now if JCI doesn't want to disclose important data on the school building contracts in Tower, Minnesota, why will they treat your school board, local taxpayers and even local newspapers any differently if your school board enters into a multi-million contract with them?

Johnson Controls is not doing this just in Tower, MN.

Read on!

Be Careful With Johnson Controls! See Inside For Details.

- Art Johnston (not connected to Johnson Controls) is a civil engineer from Duluth and a member of their school board, representing the 4th district. He's spent much of his career overseeing the erection of federal government structures. He was elected to the school board in 2010, toward the final stages of Duluth's 5 year \$315 million school building program and was shocked by what he found. On an Oct. 30, 2012 Duluth cable public access TV program, **Just The Facts**, board member Johnston said that Johnson Controls was originally budgeted to receive about \$40 million in "soft costs" (fees) over the life of the project, a portion of which were to be passed on to architects, civil engineers, etc. But to date, JCI has been paid about \$85 million (of the \$315 million total). He asked the school administration to account for the other \$45 million (85 minus 40) ...a half a year ago. Six months later, he is still waiting for an answer. \$45 million!! This Duluth school board member also stated on cable TV that he thinks it may still be years before JCI will provide the **Timberjay** newspaper the records of public expenditures, which the Minnesota Court of Appeals said they must provide. Email us and request a copy of the program DVD where civil engineer and Duluth school board member Art Johnston provides his alarming report of JCI's conduct with their school.
- "Johnson Controls came in last of the four bids, although its proposal of \$1.3 million was the lowest of the four and \$200,000 less than the recommended bid. Johnson Controls also has a track record with the school district, having worked on a project at Sunset Terrace Elementary School recently."

Rochester Post-Bulletin, Oct. 17, 2012

The Rochester, MN school board has a track record with Johnson Controls. Yet when they recently received four bids for a major maintenance contract JCI's was considered last of the four, even though their bid price was financially the best. What does the Rochester school board know about JCI that they ranked their bid last, even though they had the best (lowest) price?

In light of the above documentation, do be careful working with Johnston Controls. There are other architects, engineers and building contractors in Minnesota who know how to help meet the needs of local schools while respecting local taxpayers.

Paid for by Minnesota Citizens for Fiscal Responsibility in Education
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