1. **CALL TO ORDER**  
Rick Rees called the June 7, 2006, Closed Session Meeting to order at the Chico City Council Chambers, Conference Room 2, at 421 Main Street, Chico, CA at 6:15 p.m.

Present: Rick Rees, Scott Huber, Rick Anderson, Anthony Watts  
Absent: Jann Reed

2. **CLOSED SESSION**

2.1 Update on Labor Negotiations  
Employee Organizations:  
CUTA  
CSEA, Chapter #110  
Bob Feaster, Assistant Superintendent  
Kelly Staley, Assistant Superintendent  
Randy Meeker, Assistant Superintendent  
Counsel: Greg Einhorn, Attorney at Law

2.2 Conference with Legal Counsel – Existing Litigation, Government Code §54956.9(a) Sloan v. CUSD et al  
Other Representatives:  
Chet Francisco, Superintendent  
Bob Feaster, Assistant Superintendent  
Kelly Staley, Assistant Superintendent  
Randy Meeker, Assistant Superintendent  
Counsel: John Kelly, Attorney at Law

3. **CONVENE TO SPECIAL SESSION**  
Present: Rick Rees, Rick Anderson, Anthony Watts  
Absent: Jann Reed, Scott Huber

3.1 Board President Rees called the Special Session Meeting to Order in the City Council Chambers at 7:09 p.m.  
He announced that there would be an added item to the agenda, that of Items from the Floor immediately following Discussion/Action.

3.2 There were no announcements from closed session.

3.3 Board President Rees led the salute to the Flag.

4. **CONSENT CALENDAR**

4.1 A motion was made by Board Member Watts and seconded by Board Member Anderson to approve the BCOE Erate Internet Service Provider Agreement.

Ayes: Rees, Anderson, Watts  
Noes: None  
Absent: Reed, Huber

5. **DISCUSSION/ACTION**  
5.1 Assistant Superintendent Meeker reviewed the major components of the 2006-2007 Preliminary Budget. With the Governor’s budget supporting education, the district will see substantial new revenue in 2006-07, which will offset the deficit spending and use of one time funds from 2005-06. For the first time in four years, deficit spending will be eliminated and fund balance will begin to increase. CUSD has projected 2006-07 total revenues of $101,402,204 and expenditures of $99,537,530 for an increase to fund balance of $1,864,674. At 8:05 p.m. the Board entertained comments and questions. At 8:25 p.m. the public hearing was closed.

6. **ITEMS FROM THE FLOOR**  
At 8:25 p.m. Board President Rees opened the public forum to address items not on the agenda. There were no comments and the public forum was closed.

6. **ADJOURNMENT**
There being no further business for the Board, Board President Rees adjourned the meeting at 8:26 p.m.

APPROVED:

Board of Education

Administration