



**Minutes of the Commission Meeting  
Capitol Building – Room 412  
December 8, 2006**

The quarterly meeting of the South Dakota Lottery Commission was called to order by Chairman Dick Werner at 1:00 p.m. on December 8, 2006.

**MEMBERS PRESENT:** Dick Werner, Tom Leckey, Duane Schmautz, Virginia Nelson, Douglas Sharp and Susan Shay Brugger.

**MEMBER ABSENT:** Kory Menken

**SUPPORT STAFF PRESENT:** Norm Lingle, Mike Mueller, Joe Willingham, Deb Reese, Sherry Lauseng, Andrew Fergel, Tim Weber and Mary Jo Bibby.

**APPROVAL OF THE AGENDA:**

Dick Werner asked that “Director’s Notes” be added to the agenda after item #5.

**APPROVAL OF THE MINUTES:**

A motion was made by Tom Leckey and seconded by Susan Shay Brugger to approve the September 22, 2006 minutes. Motion carried.

**SALES/MARKETING REPORT:**

Director of Sales Joe Willingham reported on the following:

**PRODUCT UPDATE:**

Lotto game sales are up 4.5 percent from the same time last year. Hot Lotto sales are up 137 percent. A recent second chance drawing promotion, Viva Hot Vegas, increased sales 4 to 14 percent. Powerball sales are down 12 percent, Wild Card sales are up 42 percent and Dakota Cash sales are up 6 percent. Willingham reported on recent lotto winners.

Instant sales are down 2.6 percent from the previous year. Holiday games are the current top sellers. New games to be released soon are Big Money, Ruby Red 7’s Bingo, Wild 7’s, Golden Ticket, Four Leaf Lucky, Match 3 Tripler and Winfall.

Recent instant winners were announced.

## REVENUE PROJECTIONS FOR FY07:

Instant revenues for FY07 are expected to be \$3.81 million, an increase of 7.32 percent over last year. Lotto revenues are expected to be \$5.88 million, an increase of 5.5 percent over last year. Video lottery revenue projections for FY06 are \$110.5 million, an increase of .05 percent over last year.

## **PUBLIC RELATIONS AND ADVERTISING REPORT:**

Director of Public Relations and Advertising Mike Mueller reported on the following:

### NEWS RELEASES

News releases were issued when Mark Klewicki of Rapid City claimed a \$170,693 Dakota Cash jackpot that had gone unclaimed since May, a \$210,037 Dakota Cash ticket was sold in Huron, a record Hot Lotto jackpot was attained and when a Rapid City couple claimed a \$26,669 Dakota Cash jackpot.

A news release was issued reporting on three large unclaimed lotto prizes.

### ELECTION RESULTS

The initiated measure to repeal video lottery was rejected by a 67 to 33 percent margin.

### AD CAMPAIGNS

The Viva Hot Vegas promotion offered players a chance to win one of four trips to Las Vegas. The promotion was supported with 30-second radio ads and POS items. The winners were announced in a news release.

Ads for holiday games began the week of Thanksgiving, suggesting holiday games for gift-giving. The holiday campaign includes 30-second radio and television ads, posters and wobble cards.

## **VIDEO/ADMINISTRATIVE REPORT:**

Director of Security and Video Lottery Operations Deb Reese reported on the following:

The number of establishments is up .4 percent from the same period last year. The terminal count is up 1.1 percent. Net machine income is down .02 percent from last year.

Technician Training will take place in Sioux Falls, Aberdeen, Ft. Pierre and Rapid City the week of December 11. Beta testing will take place in Pierre and Ft. Pierre the week of December 18.

Reese and Ron Leidholt visited Scientific Games International sites in Delaware and Pennsylvania where disaster recover facilities are located.

Dennis Doerr, Lottery compliance manager, retired after 17 years of service to the Lottery.

### **DIRECTOR'S NOTES**

Norm Lingle introduced the Department of Revenue and Regulation's new Chief Legal Counsel, Andrew Fergel, and announced Secretary Viken's retirement.

The Lottery will begin preparations for a new on-line and video contract. The process will begin by issuing an RFI to prospective vendors.

### **NEXT COMMISSION MEETING:**

The next commission meeting will be March 30, 2007 with the time to be determined.

### **ADJOURNMENT:**

At 1:30 p.m., Chairman Werner declared the meeting adjourned.