
	<b>ADMINISTRATIVE ORDER</b>	Approved By:	No. 43
		 City Manager	<b>Effective Date:</b> 5/21/2026
<b>Subject: Acceptable Use of Artificial Intelligence Policy</b>			

**PROCESS OWNER / RESPONSIBLE PARTIES:** IT Division Management and Staff, End User Management and Staff

**PURPOSE**

Artificial intelligence (AI) is a field of computer science dedicated to the creation of systems capable of performing tasks that typically require human intelligence. These tasks include learning, problem-solving, pattern recognition, decision-making, and content generation.

The City's use of AI tools generally falls into three categories, each raising distinct considerations:

1. Using AI trained on external datasets — raising issues of veracity, verifiability, and compliance with intellectual property rights.
2. Using AI systems that access or are trained on City Data (any proprietary, confidential, or personal information held by the City) — raising issues of privacy, data security, and statutory compliance.
3. Using AI systems that take autonomous or semi-autonomous action on behalf of the City — raising issues of accountability, authorization, auditability, and the City's legal and financial exposure.

As AI becomes a component of municipal workflows and digital infrastructure, clear and comprehensive standards for its acceptable use are essential to protecting the integrity, security, and effectiveness of City operations. This policy establishes those standards, identifies acceptable and prohibited uses of AI, and provides a framework for evaluating new and emerging tools as the technology continues to evolve.

Every City employee, contractor, and affiliated individual is responsible for understanding and following this policy.

## **SCOPE**

This policy applies to City employees, temporary workers, and other workers, including all personnel affiliated with third parties who are involved in the development, deployment, or use of artificial intelligence (AI) technologies within the City's operations. This policy extends to all owned or leased City equipment and software utilized for AI-related activities.

Furthermore, this policy covers all types of connections to external AI systems, data sources, or networks through the internet. This encompasses all AI-related activities performed over the internet, including but not limited to data collection, algorithm training, model deployment, system monitoring, and the use of AI-driven applications and platforms to generate text, images, or other content, perform calculations, and generate summaries.

In addition to equipment and internet-based activities, this policy governs the use of the City's information technology systems, applications, and any file transfers or data sharing conducted using AI technologies, regardless of the protocols employed. The guidelines and principles outlined in this policy are applicable across the full spectrum of AI-related activities, ensuring a cohesive and standardized approach to the utilization of AI within the City's operations.

Contractors, consultants, and other third parties who use their own devices or tools to produce Work Product for the City remain subject to this policy with respect to any City Data involved in that work. The manner in which third parties handle City Data through AI tools is governed by this policy and any applicable vendor or contractor agreements.

## **POLICY**

This policy governs all AI-related activities conducted by persons within its scope. The sections below establish use tiers for AI, acceptable AI use standards, and prohibited AI activities.

### **AI Use Tiers**

Not all AI use carries the same level of risk. To allow employees to benefit from useful tools while ensuring appropriate safeguards for sensitive activities, this policy divides AI use into three tiers based on the nature of the activity, the data involved, and whether the AI system takes autonomous action on behalf of the City.

#### ***Tier 1 Use — General Use***

Tier 1 applies to the use of publicly available AI tools for general, non-sensitive tasks where no City Data is entered into the system. Common examples include AI-assisted writing and grammar tools, general-purpose AI chatbots used for brainstorming or summarizing public information, and AI features embedded in standard productivity software.

AI Features in City-Approved Software: AI capabilities built into software already approved and deployed by the City — such as AI writing or summarization features within existing productivity suites (e.g. Microsoft 365), document management platforms, or communication tools (e.g. Microsoft Teams or Zoom) — are generally Tier 1, provided no City Data is entered and the AI feature has not been newly activated or configured as a distinct, separately licensed capability. If an AI feature within existing City software requires a new license, subscription, configuration, or integration to enable, it must be evaluated as Tier 2 before use. When in doubt, contact your Department Director, Deputy, Manager, or the IT Manager.

**☐ Public Records Notice: AI-generated meeting summaries and transcriptions produced through City-approved tools (e.g., Microsoft Teams, Zoom) may constitute public records subject to disclosure under the Illinois Freedom of Information Act.**

Tier 1 use does not require IT pre-approval. However, the following requirements apply:

- Before using any AI tool for City-related work, employees must complete the City's AI awareness training. New employees must complete this training and attestation as part of their onboarding process before using any AI tool for City-related work. Annual training will be deployed each year by the City IT Manager. The format of the training — which may include videos, assessments, or other activities — may vary from year to year.
- Employees may not enter any City Data into a Tier 1 tool. Entry of City Data into a tool—regardless of how the tool was accessed or its cost—automatically elevates the activity to Tier 2.
- All AI-generated outputs must be reviewed and verified by the employee before use for any City purpose.
- All other applicable provisions of this policy apply, including the Ethical Use, Responsible AI Utilization, and Testing and Validation standards below.

### ***Tier 2 Use — Institutional Use***

Tier 2 applies whenever an AI tool will:

- receive or process City Data;
- be used to generate official City Work Product or communications;
- be integrated into City systems or workflows;
- produce public-facing content;
- conduct initial analysis of data, whether City Data or public data; or
- inform official City decisions.

Tier 2 also applies to any AI-powered product or vendor under consideration for City adoption, regardless of whether City Data will be used.

Tier 1 vs. Tier 2 — Assisting vs. Generating: For purposes of the "official City Work Product" and "public-facing content" triggers above, the distinction turns on who is authoring the substantive content. If an employee writes the content and uses an AI tool to review, refine, check grammar, or improve clarity, that is Tier 1 use — provided the document does not contain City Data. If the document contains City Data, this use is Tier 2 and must be handled accordingly. If an AI tool is generating the substantive content — the core facts, data, conclusions, narrative, or recommendations — and the employee is reviewing and editing the output, that is Tier 2 use. A Tier 1 tool may be used to brainstorm or outline content intended for eventual public use, provided the employee independently examines the relevant information, exercises their own judgment, and draws their own conclusions — and then writes the final content themselves. Using a Tier 1 tool to directly produce the public-facing content, or to generate the conclusions and recommendations within it, triggers Tier 2.

Tier 2 use requires IT pre-approval before any purchase, pilot, integration, or entry of City Data.

Employees, contractors, consultants, and vendors must:

- Complete the AI Engagement Checklist (Appendix A) and submit it to the IT Manager.
- Receive written approval from the IT Division before proceeding.
- Ensure that all agreements and contracts with contractors, consultants, and vendors incorporate applicable City policies including the City's Acceptable Use Policy (previously Electronic Communications Policy) or are approved by the IT Manager, Corporation Counsel, or the City Manager.

### ***Tier 3 Use — Agentic AI***

Agentic AI refers to AI systems that take autonomous or semi-autonomous actions on behalf of the City — such as sending communications, executing transactions, submitting filings, or interacting with City systems across a sequence of steps — rather than generating content for a human to review and act upon. Because agentic AI acts in the world and its actions may be immediate, consequential, and difficult to reverse, it requires a higher level of authorization and oversight than other AI use.

Tier 3 applies whenever an AI system will:

- autonomously send or transmit communications to any person or entity outside the City, including constituents, vendors, contractual partners, or the public;
- execute, initiate, or authorize financial transactions, payments, or fund transfers;
- submit official filings, applications, permits, or legal documents on behalf of the City;
- interact with or modify City systems or records without direct human initiation of each action; or
- take any action that creates or purports to create a legal, financial, or contractual obligation of the City.

Tier 3 carries all Tier 2 requirements plus the following:

- Written Authorization: Tier 3 use requires written authorization from the City Manager or designee — in addition to IT approval — specifying the permitted scope of actions and the accountable Department or employee.
- Defined Action Boundaries: Each deployment must document what the system is and is not authorized to do, and how it escalates to a human when it encounters a situation outside that scope.
- Human-in-the-Loop Checkpoints: Any action with legal, financial, or reputational consequences requires affirmative human approval before execution. These checkpoints may not be bypassed or timed out.
- Audit Trail: All system actions must be logged and producible as City records, capturing the action taken, the date and time, the party acted upon, and the authorizing human.
- Incident Response Plan: Departments must submit a documented plan for halting the system and remediating errors, as part of the approval process.
- Legal Review: Corporation Counsel review is required before any Tier 3 deployment, without exception.

**Prohibited Agentic Actions:** Regardless of authorization, the following are prohibited absent express written approval from the City Manager: transmitting communications to external parties on behalf of the City; executing or authorizing any financial transaction or payment; modifying or deleting City records without a mandatory human approval step; submitting official filings or legal documents on behalf of the City; and taking any action that creates a binding legal or financial obligation of the City.

***When in doubt about which use tier applies, treat the activity as the highest tier that could reasonably apply, and consult your Department Director, Deputy, Manager, or the IT Manager before proceeding.***

### **Acceptable Use Standards**

The following standards apply to all AI use within the scope of this policy. Tier 2 and Tier 3 activities are additionally subject to the AI Engagement Checklist review process described above. Tier 3 activities additionally require written authorization from the City Manager and review by Corporation Counsel prior to deployment.

### **Security**

Security is a paramount concern in the deployment and use of artificial intelligence (AI) systems. The City employs a shared responsibility model for AI security. Employees, contractors, consultants, and vendors, and affiliated individuals are responsible for following established processes, including completing the AI Engagement Checklist and submitting it to the IT Division for review prior to committing to any AI product or vendor. Employees are not expected to independently evaluate technical security controls of AI systems, but they are responsible for ensuring proposed AI systems are brought forward for proper review.

Vendors are responsible for implementing appropriate safeguards to protect all data used and generated by their AI systems, including strong authentication measures, secure data handling practices, and protections against unauthorized access and cyber threats. The IT Division will evaluate vendor security controls based on the results of the AI Engagement Checklist and verify compliance with the City's Acceptable Use Policy (formerly Electronic Communications Policy) and best practices before approval.

Users should remain vigilant and promptly report any suspected security concerns, vulnerabilities, or unusual system behavior to the IT Division.

For Tier 2 and Tier 3 AI use cases, use in the ordinary course of City business is not permitted unless either (a) the City has entered into an approved license agreement with the AI system incorporating applicable City data policies, or (b) the IT Division has confirmed that the AI system meets the City's security standards "off the shelf." Any AI system not formally approved for Tier 2 or Tier 3 use should be considered unsecure unless otherwise directed by the IT Division. Tier 1 use, as defined in the AI Use Tiers section, does not require the City to have entered into a license agreement or formal IT confirmation, provided no City Data is entered into the AI system and all Tier 1 conditions are met.

### **Privacy**

Respecting privacy rights, legal confidentiality requirements, and data security protocols is a fundamental aspect of responsible AI use. Users must take all necessary steps to protect the City Data processed by AI systems. This includes anonymizing City Data as required under this Administrative Order, implementing strict access controls, and adhering to all relevant privacy laws, regulations, and applicable City data policies.

## **Data Handling**

Effective and ethical data handling is crucial in the operation of AI systems. Users must ensure that all data used and generated by AI systems is accurate, relevant, soundly reasoned, and obtained from reliable sources. Data must also be stored securely and used only for the intended purpose.

City Data may not be used as a training dataset by an AI system without the express written approval of the IT Manager, City Manager, or City Council, as appropriate to the sensitivity of the data involved. If City Data is permitted to be used as part of a training dataset, no other user of the AI system may be provided access to that training dataset or any processes resulting from that dataset unless all City Data has been anonymized. Furthermore, users must be mindful of data bias and take steps to minimize any potential disparities in how AI systems process and analyze data.

## **Records Retention**

Materials generated by AI systems, including text, meeting notes and transcriptions, images, and other outputs, are subject to the City's records retention policies, and best practices.

In addition, interactions with AI systems and the resulting outputs—including prompts, queries, uploaded files, meeting notes and transcriptions, and conversation histories—may constitute City records subject to retention and disclosure requirements, including the Freedom of Information Act (5 ILCS 140/1 et seq.). Employees must treat such interactions and outputs as potentially subject to the City's records retention policy and must not enter information into an AI system that they would not be prepared to produce as a City record. Questions about whether a specific AI interaction is a record subject to retention should be directed to your Department Director, Deputy, Manager, IT Manager or City Clerk.

## **Ethical Use**

AI systems must be used in a manner that is ethical, fair, and unbiased. Users must take care to avoid any discriminatory practices and ensure that AI systems are designed and deployed in a way that is inclusive and equitable. This includes regularly reviewing and updating AI algorithms, where applicable, to prevent biases and ensuring that public-facing AI systems are accessible to all residents and business owners, regardless of their background or circumstances.

Users must review the output of AI systems for potential bias or disparate impact introduced by the AI system.

Persons covered by this policy who use generative AI models, including LLMs (Large Language Models), to generate written content must cite or otherwise attribute sources of information and content. At a minimum, this means noting within or appended to the Work Product that AI-generated content was used and identifying the tool used to generate it. Where the AI output draws on

specific citable sources, those sources must be identified and independently verified.

In line with best practices for public communications, the use of generative AI, including content produced by LLMs, must be explicitly disclosed on any item intended for broad public distribution, including but not limited to content to be posted to the City's websites or public meeting portal and content for the City's digital or print communications modalities. For purposes of this requirement, broad public distribution includes any content posted publicly, distributed to residents or stakeholders, or issued as an official City communication. Employees must advise the City's Communications Manager if any materials they have prepared for public distribution utilize AI-generated content in whole or in part.

Images or other content generated by AI programs that portray individuals or groups in a false or deceptive light may not be used for City purposes. Examples of this would be images created by AI image generators showing a person performing an action, like attending an event, that they did not actually attend.

### **Responsible AI Utilization**

Artificial intelligence must be utilized as a tool to support and enhance the City's operations, not replace human oversight. Users must actively verify the sources of data and underlying reasoning, and corroborate the outputs generated by AI with independent checks and validations, including using tools other than the AI application to verify sourcing. It is essential to employ AI as one of several resources in decision-making processes, ensuring that no decision is based solely on AI without human review and confirmation. Best practices require a balanced use of AI, recognizing its strengths and limitations, and always maintaining a degree of critical thinking and human judgment to guide its application. This holistic approach to using AI technologies safeguards against over-reliance on automated systems and ensures that the City's standards of service and ethical considerations remain at the forefront of all AI-related activities.

### Testing and Validation

Testing and validation are critical components of responsible AI use. For employees using AI tools, this means actively checking outputs for accuracy, relevance, and potential errors before relying on them for any City purpose. For City staff responsible for administering or overseeing AI systems at the departmental or enterprise level, this additionally includes conducting structured testing of AI functionality, reviewing system performance on a regular basis, and working with stakeholders to identify and address issues as they arise.

Human Review Standard: Persons subject to this policy who generate Work Product or content for City purposes using AI, including LLMs or other forms of generative AI, are ultimately responsible for the content. No Work Product or content may be distributed internally within the City or externally to the public or partners without a human being reviewing output and reasoning for veracity and proper citations to externally verifiable primary sources.

For the purposes of this policy, human review means the reviewing employee has read, assessed, and accepted responsibility for the AI-generated content. For outputs that will inform official City decisions, be used in public-facing communications, or involve legally or financially sensitive matters, review must additionally include independent verification of all material factual claims against primary sources using tools or methods independent of the AI system that generated the content. Review of this kind may not be delegated to another AI tool.

### Vendor and Developer Reputation

When working with third parties that use or develop AI systems, it is important to conduct due diligence to assess their reputation and track record. This includes reviewing their past projects, seeking references from other clients, and ensuring that they adhere to ethical and legal standards. Vendors must provide the following information to the City:

- Identification of the training datasets their AI systems are based on.
- Transparency and clear reasoning behind the results generated by their AI systems.
- The ability to add to or adjust the parameters used to provide the City with results.
- Disclosure of Alignment Documents – What baseline parameters are used by the model in question.

Users must be transparent with vendors and developers about their expectations and requirements for AI systems. Vendors must be prepared to comply with this and other administrative orders that govern the City's operational data, as well as the personally identifiable data of its residents. A vendor's inability to meet one or more of the requirements above does not automatically disqualify a tool from consideration. The IT Manager and the City Manager retain discretion to approve a tool notwithstanding a deficiency, provided the associated risks are documented and accepted in the AI Engagement Checklist review process.

### **Compliance with Laws and Regulations**

Users must adhere to all relevant laws and regulations when using AI systems. This includes compliance with all applicable state and federal data protection, intellectual property, and privacy laws (including limits on the use of biometric data), as well as any industry-specific regulations that may apply. Users should

also be aware of the potential legal and ethical implications of AI use and take steps to mitigate any risks.

Review by Corporation Counsel is not required for every AI deployment but may be recommended on an as-needed basis by the City Manager, IT Manager, or a Department Director, Deputy Director, or Manager. Notwithstanding the foregoing, Corporation Counsel review is required for all Tier 3 deployments without exception. See Tier 3 Use — Agentic AI.

### **Prohibited Uses of AI**

AI technologies are rapidly developing, and tools can make mistakes that put the City and City Data at risk. Employees should obtain feedback from their supervisors when in doubt about an acceptable or prohibited use of AI. Violations of this policy may result in disciplinary action, up to and including termination of employment or contract, consistent with applicable City personnel policies, procedures, and collective bargaining agreements. Significant violations — including unauthorized entry of City Data into unapproved systems, misuse of AI in connection with FOIA requests, allowing agentic AI to take unauthorized actions on behalf of the City, or use of AI in a manner that exposes the City to legal liability — may be referred to the City Manager, Corporation Counsel, or other appropriate authority.

Employees must follow established protocol in reviewing and fulfilling FOIA requests. Employees must not use AI to generate summaries or lists of action items from written FOIA requests.

Employees must not use AI tools to generate content in which the application asserts any interest in or ownership of that content, including but not limited to logos, images, and reports. Use of AI tools that claim ownership or assert licensing rights over generated output is prohibited for any City purpose.

Agentic AI — systems that take autonomous action on behalf of the City — is subject to Tier 3 requirements and the prohibited agentic actions set forth in that section. Employees may not deploy, configure, or use any agentic AI system to contact constituents, vendors, or contractual partners, or to initiate or authorize payments or financial transactions, without express written authorization from the City Manager. See Tier 3 Use — Agentic AI.

The following activities are, in general, prohibited:

- Any use of AI that is illegal under local, state, federal, or international law.
- Use of AI to engage in discriminatory or biased practices.
- Unauthorized access or misuse of AI systems and data.

- Use of AI to infringe upon the rights of individuals or businesses, including intellectual property rights (trademark and copyright) and protections from false light claims.
- Failure to adhere to relevant privacy and data protection laws.
- Any activities that are prohibited by Administrative Order – Acceptable Use Policy (formerly Electronic Communications Policy).

### **Policy Review and Updates**

This policy will be reviewed regularly by the City IT Manager and/or executive staff and updated as needed to reflect changes in AI technology, applicable law, City operations, or best practices. Given the pace of development in artificial intelligence, employees and supervisors are encouraged to bring emerging questions or gaps to the attention of the IT Manager at any time, rather than waiting for the review cycle.

### Questions Regarding AI Usage

Persons having questions regarding the following should contact the City's IT Manager:

- The scope of this policy.
- Whether the use of a particular AI system or model is permitted.
- Whether City Data can be entered into an AI system and under what conditions.

# DEFINITIONS AND EXAMPLES

<b>Term</b>	<b>Definition</b>
<b>AI System</b>	For purposes of this policy, an AI system is any AI-powered platform, application, or technology that has been configured, integrated, licensed, or deployed at the departmental or City level to support City operations or workflows. The term encompasses vendor-provided AI, AI embedded in City software, and agentic AI deployments. Individual employees typically interact with AI systems rather than select or configure them. See also: AI Tool; Agentic AI.
<b>AI Tool</b>	For purposes of this policy, an AI tool is any AI-powered application, platform, browser extension, or AI-enabled feature within existing software that an employee actively uses to perform a task — such as drafting, summarizing, analyzing, or generating content. AI tools may be publicly available or City-deployed. See also: AI System; Publicly Available AI Tool.
<b>Agentic AI</b>	An AI system that takes autonomous or semi-autonomous actions on behalf of a user or organization – such as sending communications, executing transactions, submitting filings, or performing sequences of tasks across multiple steps – rather than generating content for human review. Agentic AI use is subject to Tier 3 requirements under this policy.
<b>Algorithm</b>	A set of rules or instructions given to an AI program to help it learn from data and make decisions or predictions based on that data.
<b>Artificial Intelligence (AI)</b>	A field of computer science dedicated to the creation of systems capable of performing tasks that typically require human intelligence. These tasks include learning, problem-solving, pattern recognition, and decision-making.
<b>Automated Decision-Making</b>	The process of making a decision by automated means without any human involvement. These decisions can be made by AI systems based on data-driven or rule-based approaches. Typically, this is used in a workflow situation. Example: approval workflows that adapt to the individuals available in the office at that time.

<b>Bias in AI</b>	Instances where an AI system gives prejudiced results due to misrepresentative or flawed data. It can also occur through the introduction of subjective human judgment during the data selection process.
<b>Big Data</b>	Extremely large data sets that may be analyzed computationally to reveal patterns, trends, and associations, especially relating to human behavior and interactions.
<b>Chatbot</b>	A computer program designed to simulate conversation with human users, especially over the internet. It uses NLP to understand and respond to queries from users.
<b>City</b>	City of Highland Park
<b>City Data</b>	Any proprietary information, Confidential Information, or Personally Identifiable Information created, maintained, or otherwise entrusted to the City, including information that is cleared for public release but not yet published. City Data must be handled under at least the Tier 2 – Institutional Use classification. City Data involved in agentic AI deployments is subject to Tier 3 requirements. Note: information that is (i) clearly intended for imminent public release and (ii) contains no confidential, personal, or sensitive operational details is not considered City Data and not subject to Tier 2 requirements solely by reason of not yet being posted or distributed. When in doubt, treat the information as City Data and consult the IT Manager.
<b>Confidential Information</b>	Information not generally known to the public or authorized for future public release.
<b>Data Mining</b>	The practice of examining large pre-existing databases in order to generate new information. In the context of AI, it often refers to the process of analyzing data from different perspectives and summarizing it into useful information.
<b>Employee</b>	All City employees, interns, volunteers, temporary workers, vendors and independent contractors working at the City of Highland Park.
<b>Ethics in AI</b>	The branch of ethics that examines the moral aspects and impact of AI technology and its applications, including issues of privacy, bias, transparency, sourcing, and accountability.

<b>Hallucination or Confabulation</b>	A response generated by an AI system which contains false or misleading information presented as fact. Hallucinations may contribute to an ultimately correct conclusion.
<b>Large Language Model (LLM)</b>	A language model notable for its ability to achieve general-purpose language generation. LLMs are artificial neural networks typically built with a transformer-based architecture.
<b>Machine Learning (ML)</b>	A subset of AI that includes statistical techniques that enable machines to improve at tasks with experience. The term is often used interchangeably with AI but is more specifically the process by which AI "learns."
<b>Natural Language Processing (NLP)</b>	An area of AI that focuses on the interaction between computers and humans through natural language. It enables computers to analyze queries and prompts written in natural (common) language and provide responses in a similar tone.
<b>Neural Network</b>	A series of algorithms that attempts to recognize underlying relationships in a set of data through a process that mimics the way the human brain operates.
<b>Parameters</b>	Variables in an AI system whose values are adjusted during training to establish how input data gets transformed into the desired output.
<b>Personal Identifiable Information (PII)</b>	Any representation of information that permits the identity of an individual to whom the information applies to be reasonably inferred by either direct or indirect means.
<b>Predictive Analytics</b>	The use of data, statistical algorithms, and machine learning techniques to identify the likelihood of future outcomes based on historical data.
<b>Publicly Available AI Tool</b>	A subset of AI tools (as defined in this policy) that are accessible to the general public with minor organizational restriction. This includes web-based AI applications, AI features built into City-approved productivity software, and browser extensions incorporating AI functionality. A tool's pricing model (free or paid consumer subscription) does not affect its classification. Tools formally adopted or integrated into City systems are subject to the Tier 2

	<p>review process regardless of whether they are also available to the general public. See also: AI Tool; AI System.</p>
<p><b>Tier 1 Use — General Use</b></p>	<p>The lowest of the three AI use classifications established by this policy. Tier 1 applies to the use of publicly available AI tools for general, non-sensitive tasks where no City Data is entered into the system. Tier 1 use does not require IT pre-approval but does require completion of the City's annual AI awareness training and attestation. See AI Use Tiers section of this policy.</p>
<p><b>Tier 2 Use — Institutional Use</b></p>	<p>The intermediate of the three AI use classifications established by this policy. Tier 2 applies whenever an AI tool will receive or process City Data, generate official City Work Product or communications, be integrated into City systems, produce public-facing content, or inform official City decisions. Tier 2 use requires IT pre-approval and completion of the AI Engagement Checklist before proceeding. See AI Use Tiers section of this policy.</p>
<p><b>Tier 3 Use — Agentic AI</b></p>	<p>The highest of the three AI use classifications established by this policy. Tier 3 applies whenever an AI system will take autonomous or semi-autonomous action on behalf of the City, including sending external communications, executing financial transactions, submitting official documents, or interacting with City systems without direct human initiation of each action. Tier 3 carries all Tier 2 requirements plus written City Manager authorization, defined action boundaries, mandatory human-in-the-loop checkpoints, a complete audit trail, an incident response plan, and Corporation Counsel review. See AI Use Tiers section of this policy.</p>
<p><b>Training Dataset</b></p>	<p>Sample sets of data used in the training process of machine learning (ML) models. Training datasets are given to ML algorithms to learn to make predictions and find insights within the dataset.</p>
<p><b>Work Product</b></p>	<p>Any and all deliverables, documents, reports, analyses, studies, recommendations, summaries, data, drawings, specifications, computer files, models, photographs, and other materials, in any medium (whether tangible or electronic, and whether existing now or developed in the future), that are prepared, generated, collected, or compiled by either (i) a City employee or (ii) a contractor or</p>

	consultant its employees, agents, or subconsultants in the course of, or as a result of, performing professional services to the City under contract, including all final deliverables and all drafts, working papers, and supporting materials related thereto.
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## Everyday Examples of AI in Use

For employees who are new to the concept of artificial intelligence, it may be helpful to consider some common applications the City may be using today.

**Writing Assistance Tools:** Software like Grammarly uses AI to improve writing by checking for grammar, punctuation, style, and even the tone of the text. Such tools assist in creating professional and error-free communication.

**Text-to-Image Models:** Programs like DALL-E, Stable Diffusion, and Midjourney are examples of machine learning models which take an input natural language description and produce an image matching that description.

**Email Filtering Systems:** AI-driven email clients help sort incoming mail into categories, prioritize important messages, and filter out spam, increasing efficiency in managing communications.

**Virtual Assistants:** Tools like Siri, Alexa, or Google Assistant use AI to understand spoken language, set reminders, answer questions, and assist with scheduling, providing hands-free assistance with daily tasks.

**Customer Service Chatbots:** The City may decide to implement AI-powered chatbots that can provide residents with instant responses to common inquiries, guide them through processes, or direct them to the appropriate department for their specific needs.

**Data Analysis Tools:** AI is used in various data analytics tools to interpret large sets of data quickly, identify trends, and make predictive analyses that inform policy-making and resource allocation.

**Smart City Technologies:** AI is integral in smart traffic lights and utility management systems within cities, optimizing the flow of traffic and the distribution of resources like water and electricity.

**Security Surveillance:** AI-enhanced security cameras can detect unusual activities, recognize patterns, and alert staff, contributing to the safety and security of public spaces. Public safety programs like Automatic License Plate Readers Networks (ALPRs) may fall under this category.

**Document Management Systems:** AI can help categorize, tag, summarize, and search through large repositories of documents, making it easier to find information and manage records. Employees must continue to follow

established protocol for analyzing, processing, and responding to FOIA requests. AI-powered summarization and similar tools are not authorized for use in processing FOIA requests. See Prohibited Uses of AI for the governing prohibition.

## **APPENDIX A**

### **AI ENGAGEMENT CHECKLIST**

(Required Prior to Use, Procurement, or Integration of Any Tier 2 or Tier 3 AI System)

**Administrative Order Reference:** Acceptable Use of Artificial Intelligence Policy

**Submit Completed Checklist To:** IT Manager

**Approval Required Before:** Purchase, subscription, pilot, integration, or entry of City Data

#### Section 1 — Requestor Information

Department: \_\_\_\_\_

Division: \_\_\_\_\_

Requestor Name: \_\_\_\_\_

Title: \_\_\_\_\_

Supervisor: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

This request is for:

- Exploratory research
- Pilot program
- Department or Division tool
- Enterprise deployment
- Vendor-provided AI embedded in existing system
- Agentic AI deployment (Tier 3 — City Manager authorization required)

#### Section 2 — AI System Overview

Product / Platform Name: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Website: \_\_\_\_\_

Type of AI (check all that apply):

- Generative AI (LLM, text/image/audio generation)
- Predictive analytics

- Automated decision-making
- Data analysis tool
- Embedded AI in existing software
- Agentic AI (autonomous or semi-autonomous action)
- Other: \_\_\_\_\_

Brief description of intended use:

What City function will this support?

AI output will be (check all that apply):

- Internal only
- Public-facing
- Used for decision-making
- Used to generate official City Work Product
- Other: \_\_\_\_\_

## Section 3 — Data Classification & Handling

### **3.1 Will City Data be entered into the system?**

- No
- Yes — identify type of data below:
  - o  Public data
  - o  Internal operational data
  - o  Confidential Information
  - o  Personally Identifiable Information (PII)
  - o  Financial data
  - o  Law enforcement data
  - o  Biometric data
  - o  Other: \_\_\_\_\_

### **3.2 Will the AI system:**

- Retain prompts or uploaded files?
- Use City Data for training?  *If checked: use of City Data as a training dataset requires express written approval from the IT Manager, City*

*Manager, or City Council, as appropriate to the sensitivity of the data. Standard IT approval is not sufficient. See Data Handling section of the policy.*

- Share data with third parties?
- Store data outside the United States?
- Allow opt-out of training?
- Allow data deletion upon request?
- Allow for the anonymization of data?

### **3.3 Has the vendor provided:**

- Data Processing Agreement (DPA)
- Security whitepaper
- SOC 2 report
- Data retention policy
- Sub-processor/vendor list
- Breach notification policy

## Section 4 — Security Review

Does the system require (check all that apply):

- SSO integration
- MFA enforcement
- API access
- Local software installation
- Browser-only access
- Other: \_\_\_\_\_

Will this integrate with (check all that apply):

- Laserfiche
- Tyler Systems
- Financial systems
- Police/Fire systems
- HR systems
- Network infrastructure
- Other: \_\_\_\_\_

- None

Does the vendor (check all that apply):

- Encrypt data at rest?
- Encrypt data in transit?
- Provide role-based access controls?
- Provide audit logs?

## Section 5 — Legal & Compliance Considerations

Will AI output influence (check all that apply):

- Hiring decisions
- Permits or licenses
- Enforcement actions
- Procurement decisions
- Public communications
- Budget decisions
- Other: \_\_\_\_\_

Does the system use (check all that apply):

- Biometric analysis
- Facial recognition
- Automated decision-making without human review
- Other: \_\_\_\_\_

Has Corporation Counsel been consulted?

- Yes
- No

Tier 3 deployments require Corporation Counsel review. A "No" response will result in denial pending that review.

## Section 6 — Transparency & Data Verification

Can the vendor identify training datasets?

- Yes
- No

- Partially

Can outputs be explained or traced?

- Yes
- No

Are there mechanisms to:

- Detect hallucinations
- Identify bias
- Override automated results

## Section 7 — Human Oversight Plan

Who will review AI-generated content before release?

Will AI outputs:

- Always require human validation
- Be advisory only
- Trigger automated actions (explain below)

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What safeguards are in place to prevent over-reliance?

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## Section 8 — Risk Assessment (Completed with the IT Manager or IT Division Designee)

<b>Risk Category</b>	<b>Low</b>	<b>Moderate</b>	<b>High</b>	<b>Notes</b>
<b>Data Exposure</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Security</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Legal Liability</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Reputational Risk</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Bias/Equity Risk</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Agentic/Autonomous Action Risk</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Overall Risk Rating:

- Approved
- Approved with Conditions
- Denied
- Requires Legal Review
- Requires Procurement Review

## Section 9 — Acknowledgment

I acknowledge that:

- I have reviewed the City's Acceptable Use of Artificial Intelligence Policy.
- I understand City Data may not be entered into unapproved AI systems.
- All AI-generated content remains subject to human review.
- Failure to comply may result in disciplinary action.
- For Tier 3 (Agentic AI) deployments: I understand that written City Manager authorization and Corporation Counsel review are required before deployment.

Requestor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Manager / Director Review Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Legal Review (if required): \_\_\_\_\_ Date: \_\_\_\_\_

Approve/Reject

IT Manager Approval: \_\_\_\_\_ Date: \_\_\_\_\_