RESOLUTION <u>25-120</u>

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPRING HILL, TENNESSEE, ADOPTING AN ARTIFICIAL INTELLIGENCE (AI) USAGE POLICY FOR MUNICIPAL OPERATIONS

WHEREAS, the City of Spring Hill recognizes the growing use of artificial intelligence (AI) tools and technologies in municipal operations and their potential to enhance efficiency, productivity, and public service delivery; and

WHEREAS, the City seeks to ensure the responsible and ethical use of AI by its employees through the establishment of formal guidelines that promote transparency, legal compliance, data security, and good governance; and

WHEREAS, it is in the interest of the City to proactively implement policies that provide clarity and accountability in the use of emerging technologies; and

NOW THEREFORE BE IT RESOLVED by the City Board of Aldermen that the Mayor of the City of Spring Hill, Tennessee hereby adopts the Artificial Intelligence (AI) Usage Policy, as submitted and attached hereto.

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 5th day of May, 2025.

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Matt Fitterer, Mayor

ATTEST:
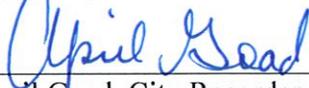
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April Goad, City Recorder

LEGAL FORM APPROVED:

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Patrick Carter, City Attorney

STAFF MEMORANDUM

TO: Board of Mayor and Alderman

FROM: Tony Tolstedt, Assistant City Administrator

DATE: April 30, 2025

RE: Resolution 25-120: Adoption of Artificial Intelligence (AI) Usage Policy

PURPOSE:

The purpose of this item is to recommend adoption of a formal Artificial Intelligence (AI) Usage Policy for the City of Spring Hill to establish guidelines for responsible and secure integration of AI tools by municipal employees.

BACKGROUND:

As the use of AI tools becomes more prevalent in both the public and private sectors, the City recognizes the value these technologies offer in terms of productivity, data analysis, and efficiency. However, responsible implementation is critical to ensure alignment with legal standards, ethical obligations, and public trust. The proposed AI Usage Policy was developed in coordination with the IT and Communications Departments.

POLICY HIGHLIGHTS

Key provisions of the policy include:

- **Scope & Applicability**: Applies to all municipal employees using AI in official capacities.
- **Employee Responsibility**: Requires validation of AI-generated content and prohibits sole reliance on AI for decision-making in legal, financial, or policy matters.
- **Transparency & Oversight**: Ensures content generated with AI, particularly for public use, is reviewed by appropriate department heads, especially the IT Director and Communications Director.
- **Security & Data Privacy**: Prohibits entry of sensitive or personally identifiable information into AI platforms without IT Department vetting.
- **Public Communications**: Requires review and approval of AI-generated content used in public engagement by the Communications Department.
- **Compliance with Public Records Law**: Clarifies that AI-generated content may be subject to public records retention and disclosure under state law.

OFFICE OF THE CITY ADMINISTRATOR

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FINANCIAL IMPACT:
There is no immediate fiscal impact associated with the adoption of this policy. Any costs associated with training or AI tool licensing will be evaluated through standard procurement and budgeting processes.

RECOMMENDATION:
Staff recommends approval of the Artificial Intelligence (AI) Usage Policy, as presented.

3.04.02 – Artificial Intelligence (AI) Usage Policy

Purpose:
This policy establishes guidelines for the responsible use of artificial intelligence (AI) tools and technologies by municipal employees of the City of Spring Hill, TN. AI can enhance productivity and efficiency in municipal operations; however, its use must align with ethical standards, legal requirements, and best practices in governance.

Scope:
This policy applies to all municipal employees who utilize AI-based programs, applications, or tools in their official duties.

Definition of AI:
Artificial Intelligence (AI) refers to software, subscriptions, and systems that simulate human intelligence processes, including machine learning, natural language processing, data analysis, and automation. AI can generate text, analyze data, recognize patterns, and provide recommendations, but it requires human oversight to ensure accuracy, validity, and ethical compliance.

General Guidelines:

1) **Personal Responsibility & Validation**
   Employees are responsible for verifying the accuracy, completeness, and reliability of AI-generated content before incorporating it into official documents, reports, or communications. AI shall be used as an aid, not a replacement for professional judgment.

2) **Transparency & Accountability**

   a) Employees may disclose when AI-generated content is used in decision-making processes or public communications; however, disclosure of AI usage shall not alleviate responsibilities as outlined herein.

   b) AI tools shall not be used to make final decisions on policy, personnel matters, legal interpretations, or financial transactions without human oversight and validation.

3) **Compliance with Laws & Ethical Standards**

   a) AI-generated content must adhere to all applicable local, state, and federal laws, including public records laws and data privacy regulations.

   b) AI tools shall not be used in a manner that discriminates, spreads misinformation, violate City personnel policies, or violates ethical standards.

4) **Data Security & Privacy**

a) Employees shall avoid inputting sensitive, confidential, or personally identifiable information (PII) into AI platforms unless the tool has been vetted and approved for secure municipal use by the IT Director and City Administrator (or their designee).

b) AI tools shall align with the city's cybersecurity policies to mitigate risks related to data breaches and unauthorized access.

5) **Approved AI Tools & Vendor Assessment**

a) The use and extent of use of AI tools within City Departments and Divisions shall be at the discretion of the Director of those specific Departments.

b) Employees must use AI programs that have been approved by the City's IT Department to ensure security, reliability, and compliance with municipal policies.

c) The IT Department may research and recommend AI tools that meet operational needs while mitigating risks.

d) Employees are encouraged to evaluate and propose new AI tools for evaluation and use by departments.

6) **Training**

a) Employees using AI tools should receive training on responsible AI usage, including verification techniques and ethical considerations.

b) Staff shall remain critical thinkers when reviewing AI-generated content, ensuring that it aligns with municipal goals and public trust.

7) **Prohibited Uses**

a) AI shall not be used to generate official records without human oversight unless authorized by the City Administrator (or their designee).

b) AI tools shall not be used to manipulate or misrepresent information in any way.

c) Employees must not use AI for political advocacy or purposes unrelated to municipal operations.

8) **AI Use in Public Communications & Engagement**

a) Any AI-generated public information, public engagement materials, social media content, or other communications typically managed by the City's Communications Department must be reviewed and approved by the Communications Director before publication or dissemination.

b) AI tools may be used to assist in drafting public-facing content, but final approval must be granted by the Communications Director to ensure accuracy, consistency, and compliance with City branding and messaging standards.

c) The use of AI-generated advertising, promotional materials, or public notices must align with any City policies on transparency and authenticity in public communications.

9) **Public Records Compliance**

a) AI-generated content may be classified as public records under Tennessee law and must be retained in accordance with the City's records management and retention policies.

b) Employees must ensure that AI-generated documents are properly archived and accessible for public records requests.

10) **Decision-Making & Legal Considerations**

a) AI-generated content must not be the sole source for decision-making in any City functions of activities including but not limited to legal, financial, and policy matters.

b) Any AI-generated materials used in legal, contractual, or regulatory processes must be reviewed and approved by the City Attorney or designated legal counsel before adoption.

11) **Copyright & Attribution**

a) Employees must ensure that AI-generated content does not infringe on copyrights or intellectual property rights.

b) Proper attribution must be provided when AI-generated content includes copyrighted material, and approval must be obtained before its use in official documents or public communications.

12) **Ongoing Monitoring & Risk Assessment**

a) The City's IT Department, in coordination with relevant departments, may conduct periodic reviews of AI tools to assess their compliance, effectiveness, and security risks.

b) Employees shall report any concerns related to AI-generated content, bias, misinformation, or security vulnerabilities to the IT Department.

13) **AI Use in Chatbots & Public Engagement Tools**

a) AI-powered chatbots or automated response tools used for public engagement must include disclaimers informing users that they are interacting with AI.

b) AI-generated responses must be reviewed periodically by the Director of Communications, Department Heads, or their designees to ensure accuracy and compliance with City messaging guidelines.

c) Human escalation options must be available for residents who require additional assistance beyond AI-generated responses.

14) **Enforcement & Review:**

a) Violations of this policy may result in disciplinary action as outlined in the City's employee handbook.

b) The IT Department, in collaboration with the City Administrator (or their designee), and the City Attorney will review and update this policy periodically to adapt to evolving AI capabilities and risks.