



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Brian Mohan, Assistant City Manager (Administration)

**AGENDA DATE:** November 19, 2024

**TITLE:** APPROVE AND ADOPT THE AI POLICY TO GOVERN THE USE OF ARTIFICIAL INTELLIGENCE IN CITY OPERATIONS (REPORT OF: CITY MANAGER)

**TITLE SUMMARY:** Establishing an AI Policy Govern the Use of Artificial Intelligence in City Operations including data privacy, transparency, human oversight, bias reduction, and staff training.

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### **Recommendation(s)**

That the City Council:

1. Approve and adopt Administrative Policy 7.02, AI (Artificial Intelligence) Policy to establish a comprehensive, yet flexible, governance structure for the responsible use of AI systems used by the City of Moreno Valley for the benefit of the community while safeguarding data privacy, security, and fairness.

### **SUMMARY**

This report recommends that the City Council approve an Administrative Policy that establishes guides for the responsible and ethical use of AI in the city. The adoption of this policy will establish a comprehensive framework for the responsible integration of AI technologies in city operations. It ensures that AI systems are aligned with the city values of transparency, accountability, and equity, while also promoting innovation and enhancing city services.

### **DISCUSSION**

AI (Artificial Intelligence) has become an increasingly valuable tool in municipal

governance, offering solutions such as predictive modeling, enhanced decision-making, real-time data processing, and streamlined public services. However, the integration of AI also raises concerns around data privacy, equity, transparency, and the accountability of AI-generated decisions. In response to these emerging challenges, many cities have implemented comprehensive AI policies to govern AI usage, establishing ethical frameworks and risk management strategies.

To ensure that we recommend a comprehensive AI policy, the AI policies of numerous cities, public institutions, and interest groups were consulted in the formation of our policy. The policy has been crafted to apply to all city staff and to cover important considerations like data privacy, data security, transparency, accountability, human oversight, bias and harm reduction, workforce training, and prohibited uses of AI.

The rapid evolution of AI technologies presents both opportunities and challenges for municipal governance. AI systems offer significant potential to enhance the efficiency and quality of city services, from optimizing resource allocation and improving public safety to enhancing data analytics capabilities. However, the deployment of AI also necessitates a structured policy framework to address risks related to data privacy, security, and fairness, while ensuring that AI applications align with the city's values and legal obligations.

The proposed policy establishes a governance structure for all AI systems utilized by or on behalf of the city. The policy's primary goal is to empower city departments to leverage AI while safeguarding public trust and upholding ethical standards. The policy achieves this through the following key measures:

- Clear Guidance for City Staff: The policy provides clear guidelines and principles for city employees involved in the usage, procurement, configuration, development, or maintenance of AI systems. This clarity ensures that AI systems are used consistently and responsibly across all departments, enhancing the effectiveness of service delivery.
- Alignment with Existing Privacy and Security Standards: The policy emphasizes alignment with existing data governance, security, and privacy measures. This ensures that AI systems adhere to the city's established protocols and are subject to the same stringent controls as other information systems.
- Defined Roles and Responsibilities: The policy specifies the roles and responsibilities of city officials and departments in managing AI systems. By delineating responsibilities, the policy establishes accountability mechanisms that reinforce transparency and compliance.
- Prohibited Uses and Risk Management: Recognizing the sensitivity of AI applications, the policy clearly defines prohibited uses, such as real-time biometric identification, social scoring, and automated decisions without human oversight. This restriction prevents potentially harmful applications and mitigates risks related to bias, discrimination, and misuse of AI.

- Sunset Procedures and Continuous Review: The policy includes a sunset clause to retire AI systems that no longer meet the city's needs or fail to provide value to residents. This approach ensures that the city's use of AI remains dynamic, purposeful, and aligned with evolving community expectations and technological advancements.
- Public Records and Transparency: To maintain public trust, the policy incorporates provisions for compliance with the California Public Records Act, ensuring that all AI-related records are preserved and accessible as required by law. This enhances the transparency of AI operations and promotes accountability.
- Comprehensive Training and Awareness: A critical aspect of the policy is the development of training programs aimed at building AI literacy and awareness among city staff. This focus on training will empower employees to effectively integrate AI into their workflows while understanding the ethical, legal, and technical implications.

In adopting the AI Policy, the city demonstrates its commitment to ethical and responsible AI usage. The policy not only supports the city's ongoing digital transformation efforts but also positions the city as a leader in the thoughtful and equitable integration of AI technologies. By balancing innovation with the need for oversight and accountability, this policy enables the city to leverage AI as a transformative tool while safeguarding the interests of its residents.

## **ALTERNATIVES**

1. Approve Administrative Policy 7.02 to establish a comprehensive and flexible governance structure for the responsible use of AI systems in city operations. *Staff recommends this alternative.*
2. Do not approve the recommended Administrative Policy and do not establish governance or guidelines for the use of AI systems in city operations. *Staff does not recommend this alternative.*

## **FISCAL IMPACT**

Approval of the recommendation to establish an AI Policy will not have any immediate fiscal impact. Through the course of normal city operations the city may purchase AI tools, training, or subscriptions that are appropriate to implement this policy. Such purchases will be made within the City Council approved budget.

## **NOTIFICATION**

Publication of the Agenda.

## **PREPARATION OF STAFF REPORT**

Prepared By:  
Steve Hargis  
Technology Services Division Manager

Department Head Approval:  
Brian Mohan  
Assistant City Manager (Administration Services)

## **CITY COUNCIL GOALS**

Advocacy: Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

## Report Approval Details

Document Title:	STAFFREPORT_AI POLICY.docx
Attachments:	- 7.02 AI Policy.docx - AP 7.10 AI Usage.docx
Final Approval Date:	Nov 13, 2024

This report and all of its attachments were approved and signed as outlined below:

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