# The Corporation of the Township of North Kawartha

## By-law 2026-000

### Being a By-law to Adopt a Council and Staff Use of Artificial Intelligence (AI) Policy

Whereas section 5(3) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

And Whereas section 8 of the Municipal Act, 2001 provides that the powers of a municipality under the Act shall be interpreted broadly to confer broad authority on the municipality to enable it to govern its affairs as it considers appropriate and to enhance the municipality's ability to respond to municipal issues;

And Whereas Council deems it advisable to adopt a policy governing the use of artificial intelligence tools and systems by members of Council and Township representatives to support responsible, secure, and practical use of such tools in Township operations and municipal governance;

Now therefore the Council of The Corporation of the Township of North Kawartha enacts as follows:

**1. Title**

1.1 This By-law may be cited as the "Council and Staff Use of Artificial Intelligence (AI) Policy By-law".

**2. Adoption**

2.1 The Council and Staff Use of Artificial Intelligence (AI) Policy attached hereto as Schedule "A" and forming part of this By-law is hereby adopted.

**3. Application**

3.1 Schedule "A" applies to:

- all members of Council;
- all Township employees; and
- volunteers, contractors, consultants, students, temporary staff, and other persons acting on behalf of the Township,

where they use municipal systems, accounts, networks, data, or artificial intelligence tools for Township business.

3.2 Schedule "A" applies to all artificial intelligence-enabled tools used for Township business, whether such use is internal or public-facing.

**4. Administration**

4.1 The Chief Administrative Officer, or designate, is authorized to administer and implement Schedule "A".

4.2 The Chief Administrative Officer, or designate, may establish, approve, issue, and amend administrative procedures, guidance documents, implementation standards, forms, templates, review processes, and internal controls necessary to support and implement Schedule "A", provided they are consistent with this By-law and Schedule "A".

4.3 Without limiting section 4.2, the Chief Administrative Officer, or designate, may approve and amend:

- an AI Quick Reference Guide;
- an AI Review / Approval Form; and
- related administrative procedures for intake, review, pilot approval, risk assessment, monitoring, and compliance.

4.4 Administrative documents established under this section do not form part of this By-law unless expressly adopted by Council.

4.5 Any material amendment to the policy set out in Schedule “A” shall require Council approval by by-law.

**5. Interpretation Regarding Council**

5.1 For greater certainty, this By-law and Schedule “A” apply to members of Council in respect of Township business.
5.2 Nothing in this By-law or Schedule “A” shall be interpreted as:

- limiting or altering the statutory role of Council, a committee, or the Head of Council;
- authorizing the Chief Administrative Officer to supervise members of Council in an employment-style relationship; or
- replacing any requirement established by statute, the Township’s Procedure By-law, or the Council Code of Conduct.

5.3 Where this By-law and Schedule “A” apply to members of Council, compliance shall be interpreted and administered in a manner consistent with the Municipal Act, 2001, the Township’s Procedure By-law, the Council Code of Conduct, and any other applicable legal or governance requirements.

**6. Compliance**

6.1 All persons to whom this By-law and Schedule “A” apply shall comply with its provisions and with any administrative documents issued under section 4, where applicable.
6.2 Nothing in this By-law or Schedule “A” authorizes the use of artificial intelligence in a manner that is inconsistent with applicable legislation, other Township by-laws, the Council Code of Conduct, or Township policies relating to privacy, records management, procurement, accessibility, information technology security, communications, or accountability.

**7. Schedules**

7.1 Schedule “A” – Council and Staff Use of Artificial Intelligence (AI) Policy is attached to and forms part of this By-law.

**8. Severability**

8.1 If any section, subsection, clause, paragraph, or provision of this By-law is declared invalid by a court of competent jurisdiction in Ontario, that declaration does not affect the validity of the remaining provisions of this By-law.

This by-law shall come into effect on the 16th day of June, 2026.

Read and Adopted in open Council on the 16th day of June, 2026.

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Carolyn Amyotte, Mayor

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Kelly Picken, Clerk

**Schedule “A” to By-Law No. 2026-____**

**Council and Staff Use of Artificial Intelligence (AI) Policy**

**1. Purpose**

1.1 This Policy supports the responsible, secure, and practical use of artificial intelligence in Township operations and municipal governance.

1.2 It establishes the rules, responsibilities, and safeguards for the use of AI so the Township can:

- improve efficiency and service delivery;
- support research, writing, analysis, and administrative work;
- reduce privacy, security, legal, records, and reputational risks;
- maintain public trust and accountability; and
- ensure that human decision-makers remain responsible for decisions and official work.

**2. Scope**

2.1 This Policy applies to:

- all members of Council;
- all Township employees;
- volunteers, contractors, consultants, students, and temporary staff acting on the Township’s behalf;
- all AI-enabled tools used on Township devices, accounts, networks, or data; and
- any use of AI for Township business, whether internal or public-facing.

2.2 This includes AI that is:

- a stand-alone tool;
- built into software already used by the Township; or
- embedded in business systems such as email, word processing, search, records, finance, HR, GIS, customer service, or other applications.

**3. Policy Statement**

3.1 The Township permits limited and responsible use of AI only where the tool has been formally approved and is used in accordance with this Policy.

3.2 Microsoft Copilot is currently approved for general Township business use.

3.3 No other AI platform, service, plug-in, embedded assistant, browser-based tool, or consumer generative AI product may be used for Township business unless it has been

reviewed and expressly approved by the Township through its administrative approval process.

3.4 Any AI platform not formally approved by the Township is prohibited for Township business except where expressly authorized for an approved pilot, review, or evaluation.

3.5 AI may support work performed for Township business, but it does not replace accountability, professional judgment, statutory authority, or established approval processes.

3.6 Members of Council, staff, and other users shall not use AI in any way that compromises privacy, confidentiality, security, accessibility, fairness, records management obligations, procedural fairness, or public trust.

**4. Definitions**

4.1 In this Policy:

"**AI Governance Team**" means the internal Township body responsible for reviewing proposed AI tools, use cases, pilots, and related governance matters. The composition of the AI Governance Team shall be established and updated through administrative documentation rather than this Policy.

"**Approved AI Platform**" means an AI platform formally approved by the Township for use in Township business. At present, Microsoft Copilot is the only approved platform for general use.

"**Artificial Intelligence**" or "AI" means software that generates, classifies, summarizes, predicts, recommends, translates, or otherwise assists with tasks that normally require human judgment.

"**Generative AI**" means AI that creates new content, including text, images, audio, code, summaries, or draft documents.

"**Human-in-the-Loop**" means a control model in which a qualified individual reviews, validates, and remains accountable for the output before it is used, relied on, or shared.

"**Microsoft Copilot**" means the Microsoft AI service authorized by the Township for approved municipal business use, subject to Township licensing, configuration, security controls, and this Policy.

"**Municipal Information**" means any information created, received, stored, processed, or used by the Township in the course of business, including emails, drafts, reports, records, resident information, employee information, financial data, operational material, and Council materials.

“**Personal Information**” means information about an identifiable individual, as defined by applicable law and Township privacy practices.

“**Township business**” means any activity, communication, record, analysis, decision-support task, or service interaction undertaken in connection with the role, duties, or functions of the Township, a member of Council, or Township administration.

## 5. Guiding Principles

5.1 Accountability

Members of Council, staff, and other users remain responsible for all work products, decisions, recommendations, and communications supported by AI.

5.2 Human Oversight

AI inputs and outputs (Human First – Human Last) must be reviewed by a person before they are relied on, published, sent, or used in decision-making

5.3 Fairness and Bias

AI must not be used in ways that create or reinforce unfair, discriminatory, or arbitrary outcomes.

5.4 Privacy and Confidentiality

Confidential, sensitive, personal, or restricted information must be protected at all times.

5.5 Security

AI tools must be used in a way that protects systems, data, credentials, and municipal operations.

5.6 Transparency

Where appropriate, the Township will disclose when AI has materially assisted with content, analysis, or service interactions.

5.7 Reliability

AI outputs must be checked for accuracy, completeness, context, and relevance.

5.8 Safety

AI must not be used in ways that create legal, operational, financial, physical, governance, or reputational harm.

5.9 Value

AI should be used only when it provides a clear business benefit and aligns with Township priorities and sound public administration.

**6. Approved Platform and Permitted Uses**

6.1 Microsoft Copilot is currently the Township's only approved AI platform for general Township business use.

6.2 Subject to this Policy, members of Council and staff may use Microsoft Copilot for low-risk tasks such as:

- drafting meeting agendas, summaries, internal notes, or routine reports;
- improving grammar, clarity, tone, and readability;
- summarizing public documents or other non-confidential material;
- generating ideas, headings, speaking notes, project options, or preliminary draft content;
- preparing first drafts of routine communications or reports, provided they do not contain confidential or sensitive information;
- organizing research topics or identifying follow-up items;
- generating templates, checklists, or standard operating materials;
- assisting with formatting or categorizing data where no personal or sensitive information is entered; and
- translating or simplifying public-facing content, subject to human review.

**7. Restricted and High-Risk Uses**

7.1 The following uses require review through the Township's administrative approval process and approval in accordance with that process before implementation:

- preparing reports for Council or senior administration that include confidential information;
- preparing communications that could materially affect public understanding or the Township's reputation;
- analyzing resident submissions, complaints, inspection data, or enforcement records;
- supporting procurement evaluation, financial decisions, or legal analysis;
- processing employee information, HR material, labour relations information, or accommodation matters;
- using AI in by-law, planning, licensing, eligibility, enforcement, compliance, or risk-scoring activities;
- deploying AI in a public-facing service, chatbot, workflow, or decision-support process; and
- using AI to analyze images, video, audio, geospatial, or surveillance-related data.

7.2 For greater certainty, members of Council shall not use AI to make, delegate, or automate decisions that are reserved to Council, a committee, or a statutory decision-maker under legislation or Township procedure.

**8. Prohibited Uses**

8.1 Members of Council, staff, and other users shall not:

- enter confidential, personal, sensitive, privileged, or otherwise restricted municipal information into AI tools;
- use AI output as final work product without meaningful human review and revision;
- allow AI to replace human judgment, delegated authority, statutory responsibility, professional advice, or Council decision-making;
- purchase, subscribe to, trial, activate, or enable AI tools or features without review and approval through the Township's administrative approval process;
- use any AI platform other than Microsoft Copilot for Township business unless formal approval has been granted;
- use AI to make or materially determine decisions affecting an individual's rights, services, employment, eligibility, compliance status, or treatment by the Township without formal approval and controls;
- use AI to generate false, misleading, defamatory, discriminatory, harassing, or deceptive content;
- upload records subject to solicitor-client privilege, closed meeting confidentiality, procurement confidentiality, security classification, or active investigations into any AI system;
- use AI in a way that bypasses records retention, IT security, privacy, accessibility, procurement, communications, procedural, or governance requirements;
- present AI-generated content as verified fact when it has not been checked; or
- use personal accounts for Township AI work unless explicitly authorized.

**9. Governance and Approval**

9.1 Members of Council, staff, and other persons subject to this Policy may use AI for Township business only where:

- the use is permitted under this Policy;
- the platform has been approved by the Township;
- the use complies with applicable law and Township policy;
- appropriate human review (human first-human last) is maintained; and
- any required managerial, administrative, or governance approval has been obtained.

9.2 The Chief Administrative Officer, or designate, may establish administrative procedures respecting:

- intake and review of proposed AI uses;
- pilot projects and evaluations;
- risk classification;
- approval workflows;
- monitoring and compliance;
- forms and templates; and
- guidance for staff and members of Council.

9.3 Uses identified by the Township as prohibited, high-risk, novel, public-facing, or involving sensitive information shall not proceed unless reviewed through the Township's administrative approval process and approved in accordance with that process.

**10. Policy Review**

10.1 This Policy shall be reviewed by administration at least once every two years, or more frequently as required by legislative, operational, or technological change.

10.2 Any amendment to this Policy shall be approved by Council by by-law.