Yes, No, or Not Yet: How Township Leaders Should Decide on AI and What It Costs Either Way

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What We Will Cover

- RE-VISIT THE A.I. LANDSCAPE: SET CONTEXT
- AUDITING: USAGE / NON-USAGE
- AI TOOL(S) SELECTION
- BUDGET MANAGEMENT
- POLICY, DEFENDABLE POSITIONING
- 90-DAY PLAN

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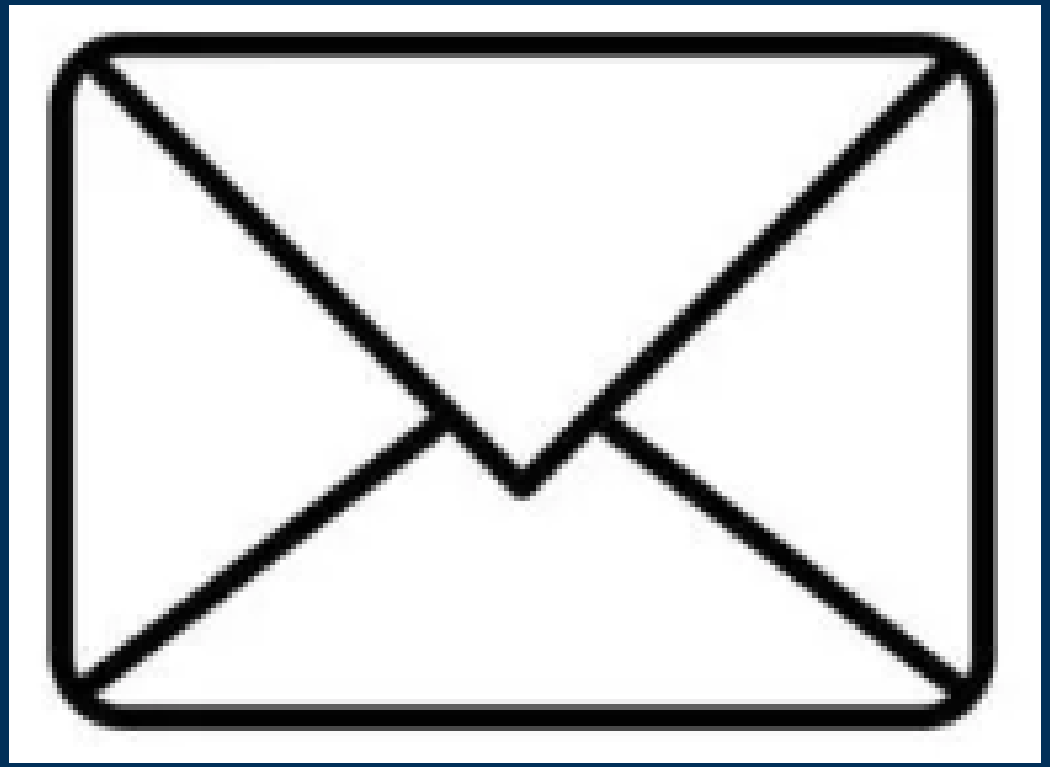
Who is sick and tired of hearing AI is a threat?



The AI Landscape

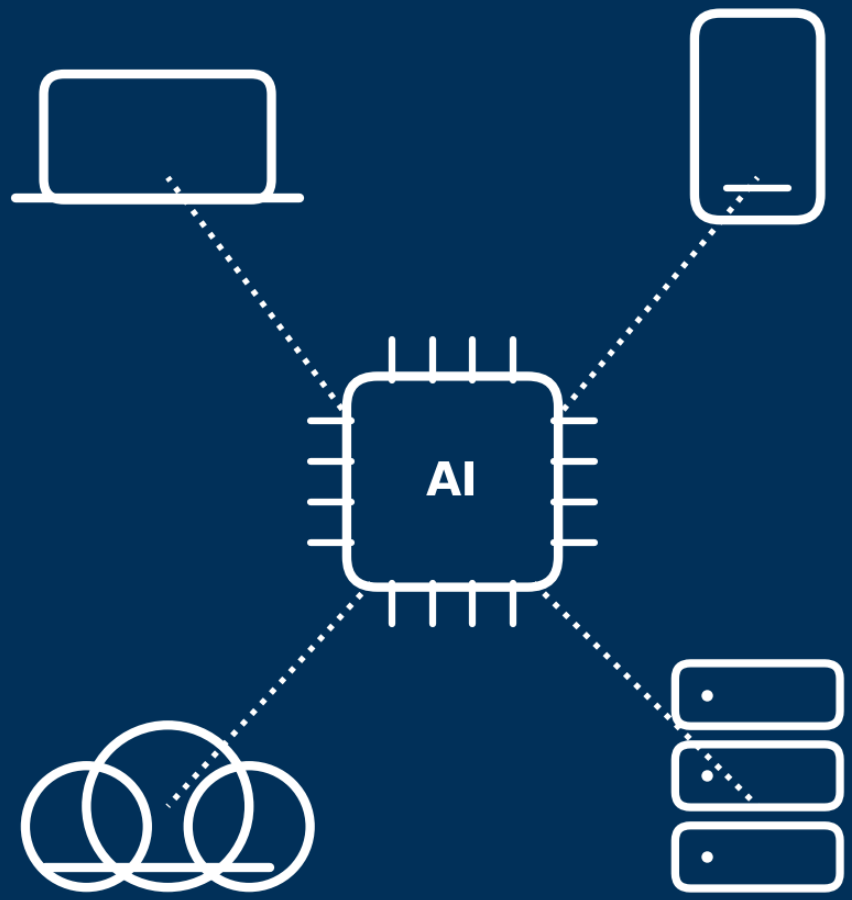
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Before and After AI



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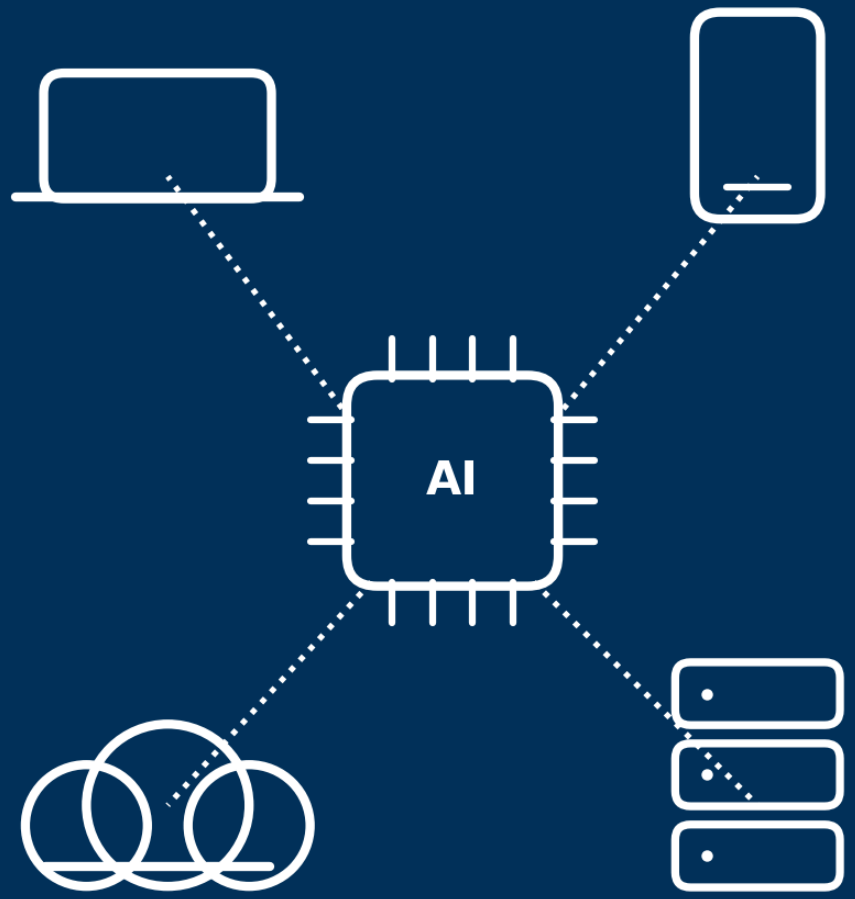
CONTEXT FOR THIS COURSE





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ON OUR COMPUTERS



60%

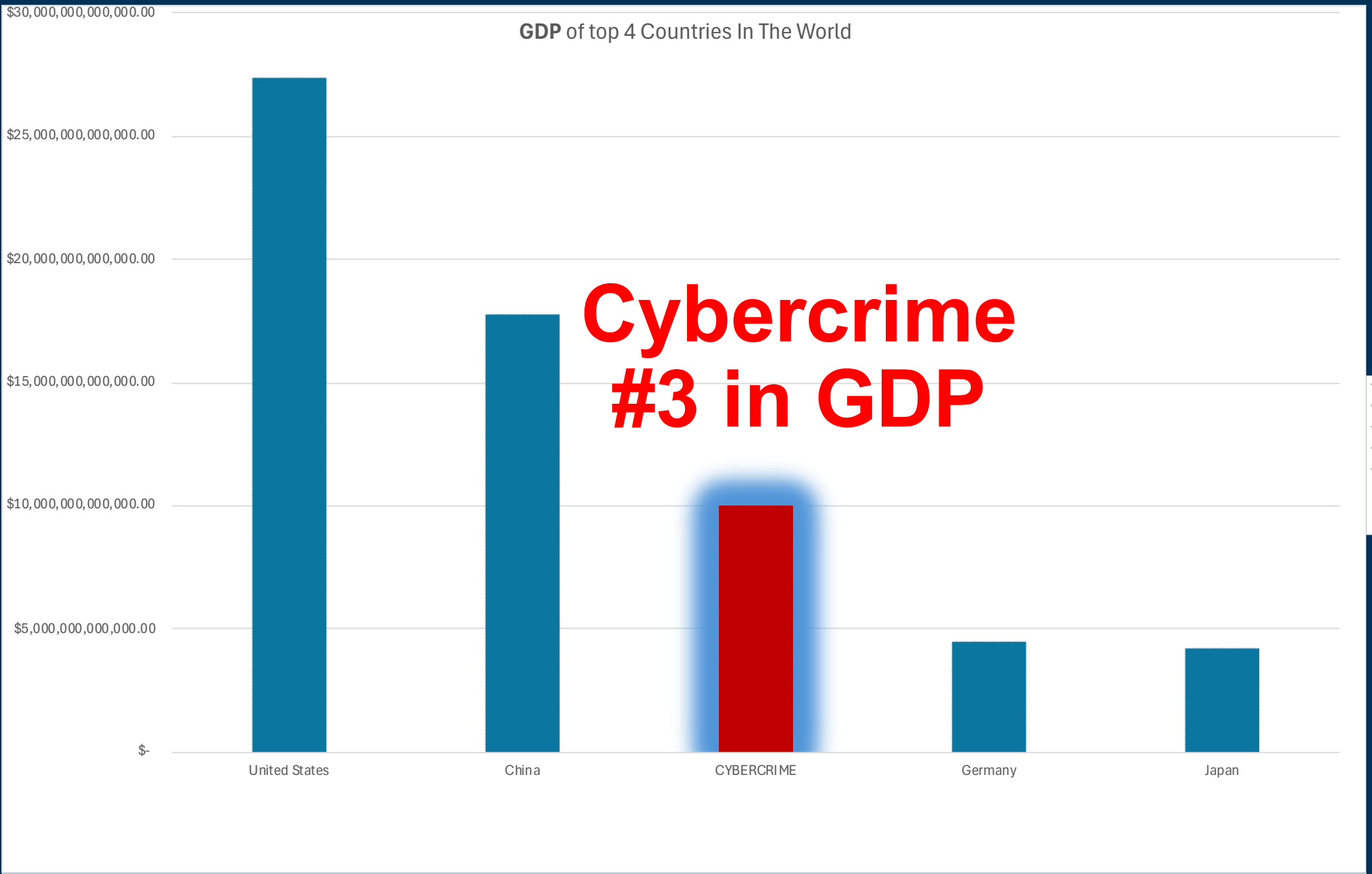
Employees Admit Using AI in the Workplace

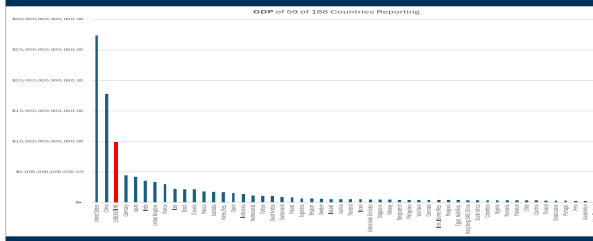
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RISK

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The Global Money Problem





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Without Security → You Train AI (Models)

Knowledge is Power

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Without Security → You Leak Sensitive Data

- **General assistance case files** (applicant PII, income verification,)
- **Personnel & payroll records** (W-2s, disciplinary files, union negotiations, disciplinary actions)
- **Property & assessment records** (ownership data, exemption applications)
- **Financial & banking records** (wire details, vendor contracts, sealed bids before award)
- **Road district operational data** (right-of-way/easement negotiations, fleet GPS & fuel card numbers)
- **Litigation & executive session material** (attorney-client communications, FOIA logs)
- **Cemetery records** (plot ownership, burial records)
- **Security-sensitive infrastructure** (water systems, culverts, facility access codes, IT network diagrams)
- **Resident complaint files** (specific-property complaints, harassment claims, police-referral matters)

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LEAKED KNOWLEDGE HAS REPROCUSSIONS

1. Axon Draft One (auto-deleted drafts) — Used against departments in transparency/discovery challenges.

Consequence: reports risk being challenged or excluded in court.

2. ICE/Border Patrol (use-of-force reports via ChatGPT) — Used against them in federal court.

Consequence: damaged evidentiary/testimonial reliability in litigation.

3. CISA Acting Director (For Official Use Only docs put into ChatGPT) — Triggered internal DHS security review/investigation.

Consequence to date: reputational damage and scrutiny; no public fine or firing reported.

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AI LANDSCPE TAKEWAY

- RISK IS AN OPERATIONAL PROBLEM
- IT IS REAL
- NEXT STEP: AUDIT WHAT YOU'VE GOT

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AUDITING AI USAGE

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QUICK ROOM CHECK

- TOOLS YOUR TOWNSHIP USE
  - Are they approved for use?
  - On which devices?
  - Who pays for subscription?
  - Free / paid personal / pro / enterprise?
- WHAT IS YOUR WRITTEN POLICY?
  - Ban all AI usage?
  - Allow all AI usage?
  - Haven’t decided?

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BUT FIRST, HERE'S WHAT WE HEAR

"We don't use AI right now"

"We don't need a paid version"

"No one is using my data in AI"

"I have no idea what is going on"

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YOU CAN'T GOVERN WHAT YOU CAN'T SEE

- ALL Townships HAVE AI USAGE
- VISIBILITY IS USUALLY THE MISSING FIRST STEP

TO-DO

EVALUATE WITH CURRENT TOOLS

EVALUTE WITH A 3RD PARTY PROVIDER

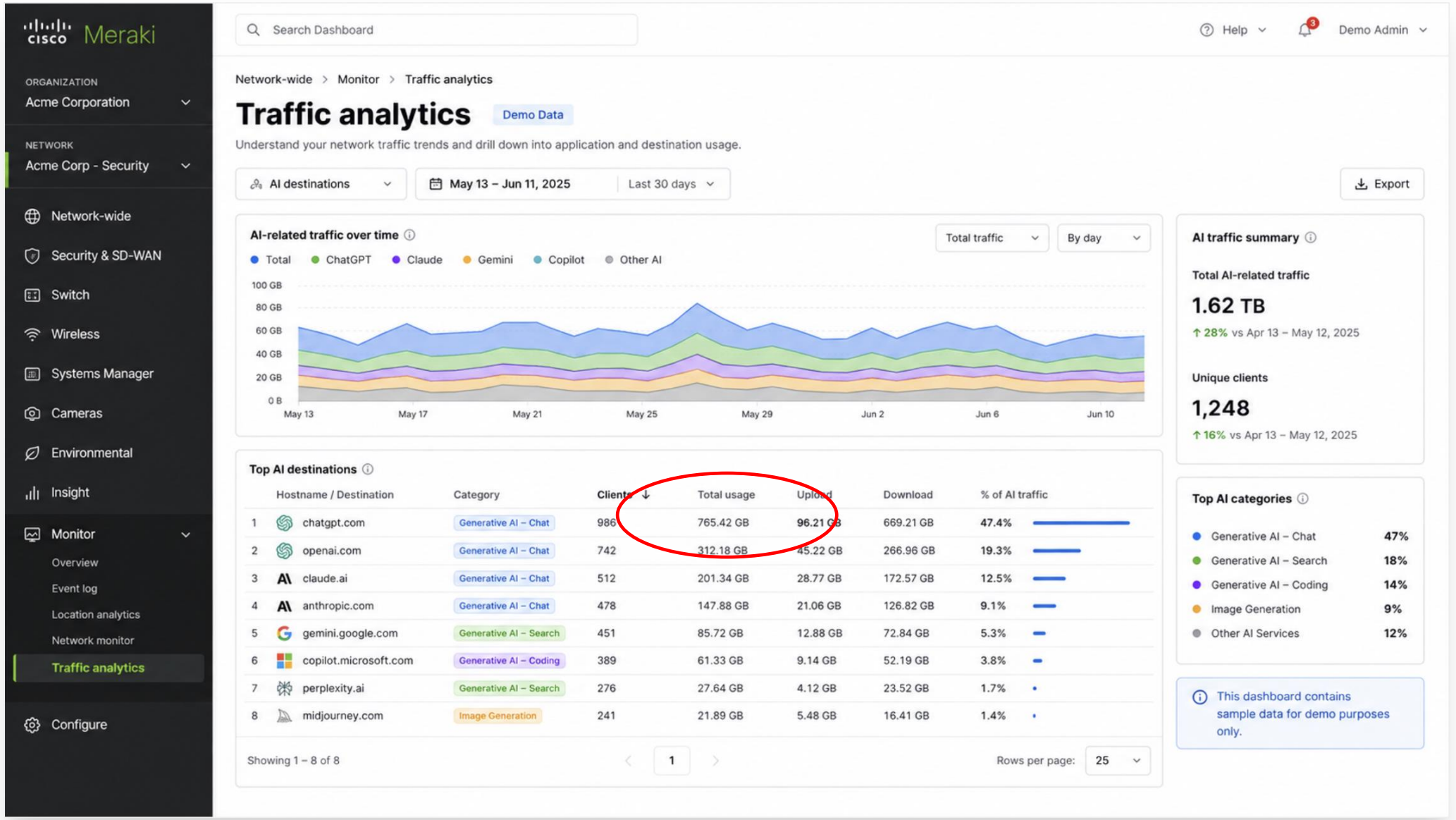
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REAL WORLD AUDIT TOOLS

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FIREWALL (network device)

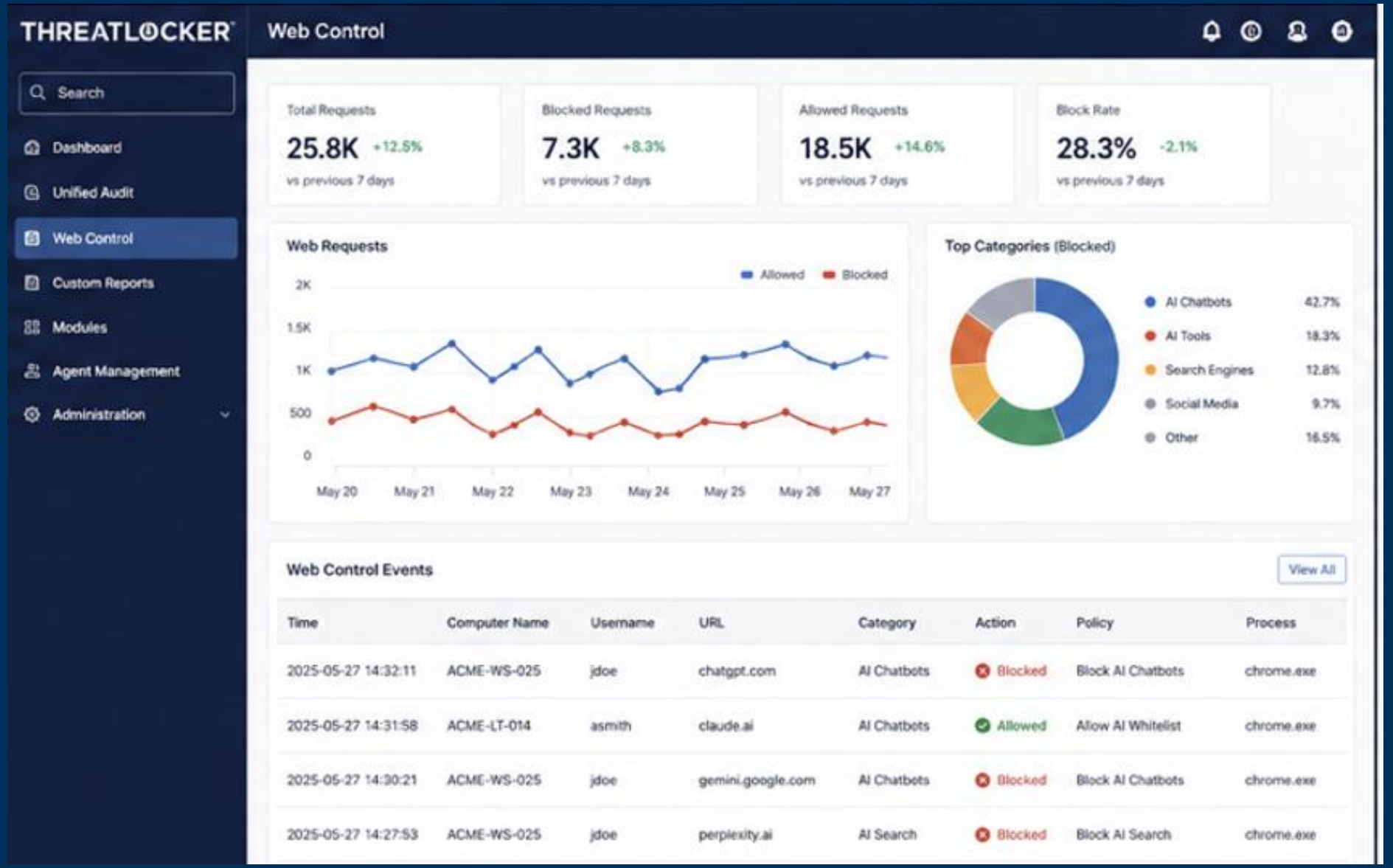
Shadow AI – Derived from your firewall's traffic analytics



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ENDPOINT DETECT RESPONSE

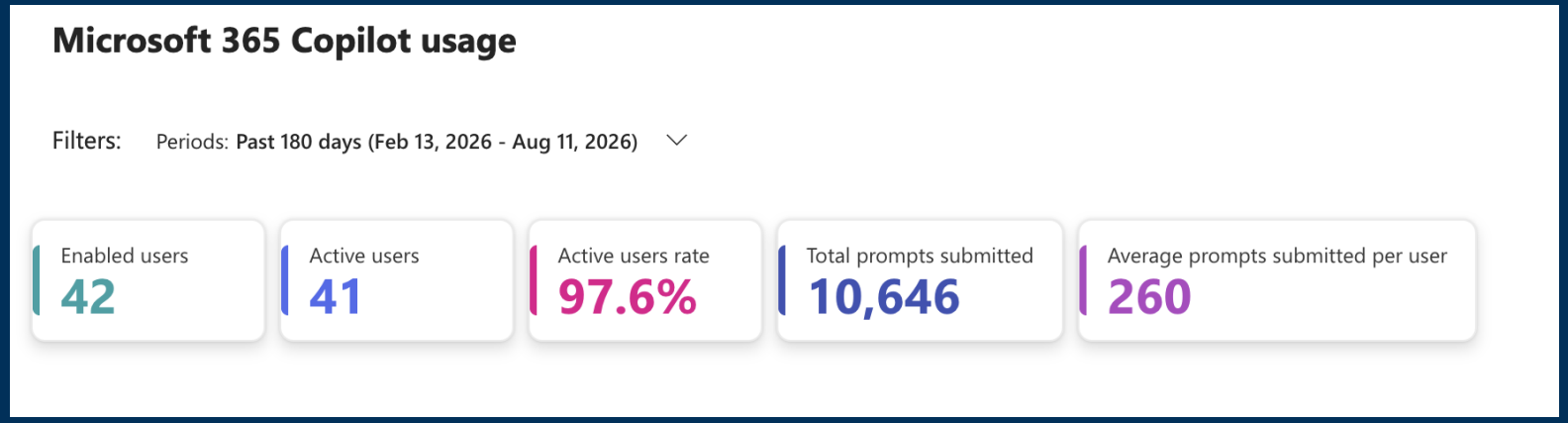
EDR report of web browser “extensions”, AI shadow-software management



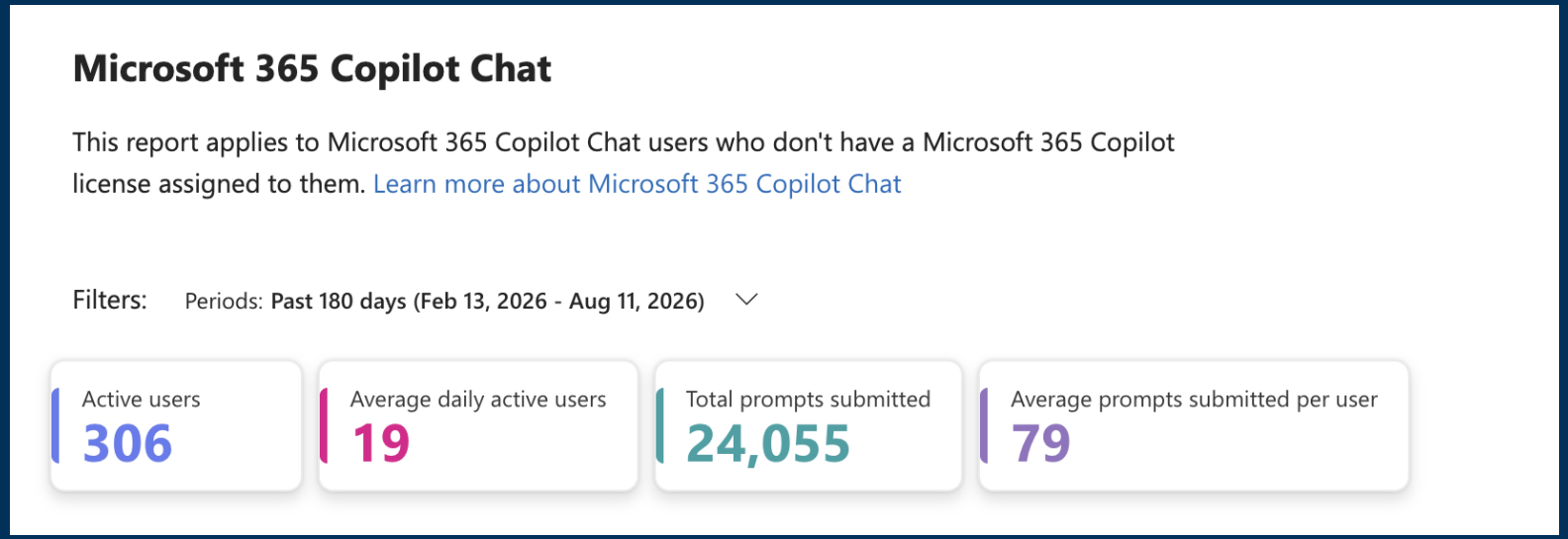
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SPECIFIC TOOLS FOR MS365 TENANT

Case Study: 372 employees, 582 email users, 42 licensed Copilot users



41 using Copilot (paid)

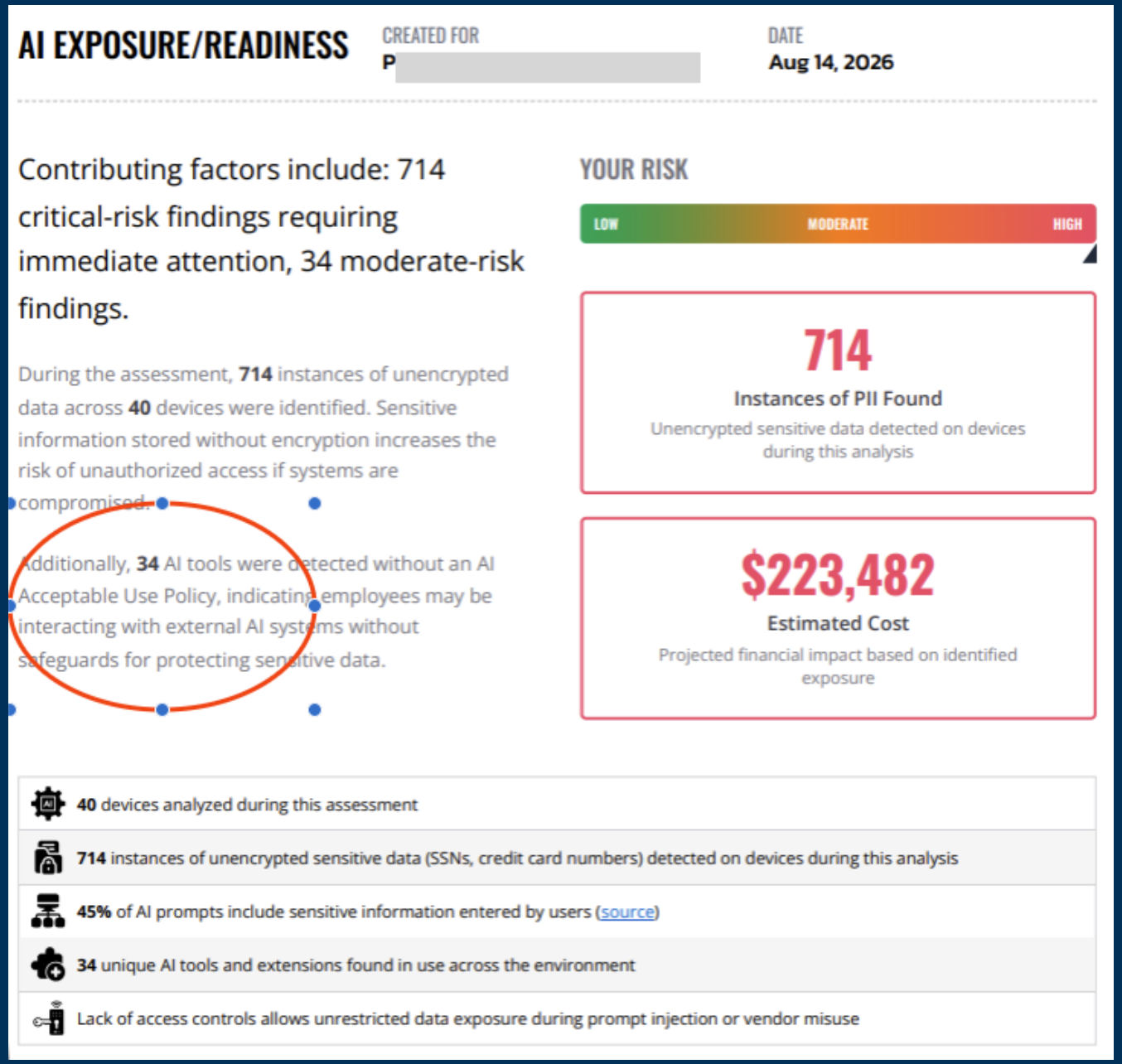


306 using free Copilot

You should be terrified. If staff is using free Copilot, they are using free everything. Data is leaving.

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PENETRATION TESTING



AI EXPOSURE/READINESS

CREATED FOR
P

DATE
Aug 14, 2026

Contributing factors include: 714 critical-risk findings requiring immediate attention, 34 moderate-risk findings.

During the assessment, **714** instances of unencrypted data across **40** devices were identified. Sensitive information stored without encryption increases the risk of unauthorized access if systems are compromised.

Additionally, **34** AI tools were detected without an AI Acceptable Use Policy, indicating employees may be interacting with external AI systems without safeguards for protecting sensitive data.

YOUR RISK

LOW MODERATE HIGH

714
Instances of PII Found
Unencrypted sensitive data detected on devices during this analysis

$223,482
Estimated Cost
Projected financial impact based on identified exposure

- **40** devices analyzed during this assessment
- **714** instances of unencrypted sensitive data (SSNs, credit card numbers) detected on devices during this analysis
- **45%** of AI prompts include sensitive information entered by users (source)
- **34** unique AI tools and extensions found in use across the environment
- Lack of access controls allows unrestricted data exposure during prompt injection or vendor misuse

You can get obtain a complimentary evaluation from a reputable source, under NDA.

You can get ongoing full evaluations within a service Plan.

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AUDIT FINDING GOALS

- WHICH AI TOOLS IN USE? (Approved/Not Approved)
- ON WHICH DEVICES?
- ON WHICH TECHNOLOGY?
  Installed Application? Web Browser Extension?
- WHAT ARE MONTHLY COSTS?
  Free/Personal-funded/Pro version/Enterprise
- VOLUME OF USAGE?

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HIDDEN RISK TO UNCOVER

- **YOUR DATA IS WALKING OUT THE DOOR**
  When you allow self-managed AI, you don't control
  Your Data, Your Processes, Your AI intelligence
  conversations, agents, workflows, apps
  Your Department knowledge is gone

- **WHO HAS WHAT RIGHTS TO WHICH FILES?**
  Audit your file system rights access
  IT can conduct an ACL (Access Control List) audit

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AI AUDIT TAKEWAY

- YOU CAN MANAGE YOUR DATA-ACCESS RISK
- YOU CAN THEN PROPERLY PLAN MANAGE AI-SPEND
- YOU CAN PROTECT YOUR P.D. FROM LOSS/HARM
- YOU HAVE TO OWN AI USAGE GOVERNANCE

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SELECTING THE PROPER AI TOOL(S)

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SPRAWL vs. CONSOLIDATION

Unmanaged sprawl

- Many separate subscriptions
- Per-user, per-tool pricing
- Inconsistent data handling
- No central audit trail
- Cost grows invisibly

Managed AI environment

- One platform, many models
- Fixed fee, predictable cost
- Centralized governance & logging
- Consistent data-handling policy
- Easier to audit and defend

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MULTI-TOOL PLATFORMS

Platform	Priced how?	LLMs Within Platform	Security	Buy direct or via MSP?
Hatz.ai	Fixed credit pool shared across users (~$190/mo entry)	58+	Enterprise (SOC 2 II, zero retention)	MSP only
ShareAI	Pay-per-token	150+	Partial (router, no zero-retention)	Direct API
Synthreo	Custom (not public)	Model-agnostic	Enterprise (zero retention)	MSP only
Intuist.ai	Custom (not public)	Multi-model (80+ integration	Regulated-MSP focus; certs unclear	Both
ScaiLabs	Custom (not public)	Not disclosed	Enterprise + data sovereignty	MSP
Eldric	Custom (deployment-based)	Any OpenAI-compatible	Fully secure (on-prem by design)	Both
CustomGPT.ai	Per seat ($99–$499/mo)	100+	Enterprise (SOC 2 II, GDPR)	Both
Konverso	Per seat (~€25–29/user)	"All" major	Enterprise (SOC 2 II, zero retention)	Direct
Stammer.ai	Fixed fee + usage ($197–$497/mo)	GPT/Claude/Grok + BYO	Partial (GDPR only)	Direct
Dify.ai	Free self-host, or fixed cloud ($59–$159)	50+	Hybrid (secure only if self-hosted)	Direct / open-source
Lindy AI	Per seat ($30–$200/user)	Model-agnostic	Enterprise (SOC 2, GDPR)	Direct only
MS Copilot	Per seat ($30/user, Annual Subscription)	2	Enterprise (SOC 2, ISO)	Both

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TOKENS vs FIXED PRICING



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AI TOKEN SPEND

TOKENS

Token = a word-fragment (~4 chars, ~¾ word)

You pay for INPUT (sent) + OUTPUT (reply)

Output usually costs 3–5× more than input

Bigger docs = more tokens = higher cost

Premium models cost 10–30× a small model

PAYMENT FOR USAGE

Raw (ShareAI): pay exact tokens per request → transparent but variable, you manage it

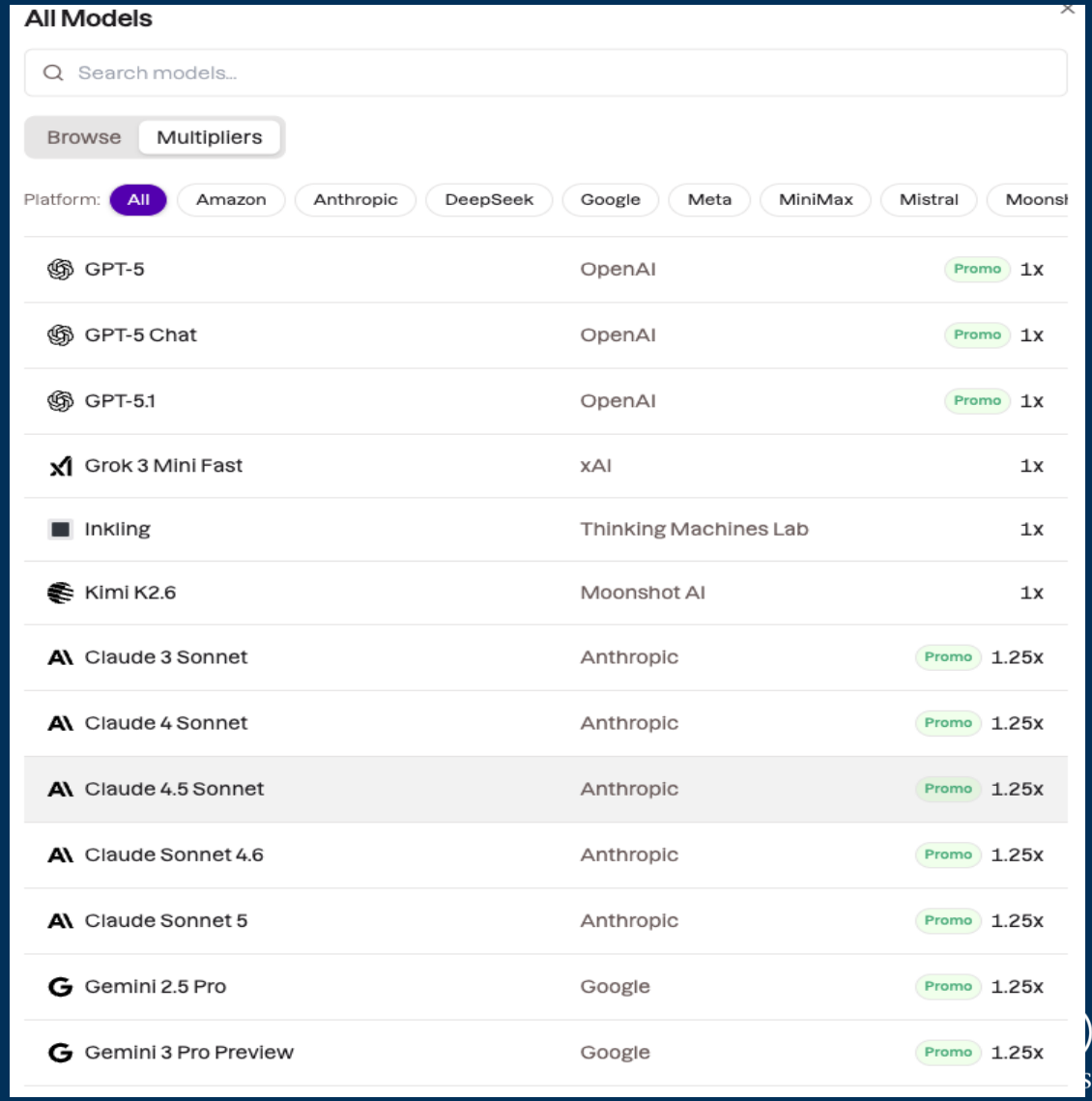
Credit-pooled (Hatz): usage drawn from a shared pool → predictable subscription, MSP manages it

Same meter underneath — the difference is predictability

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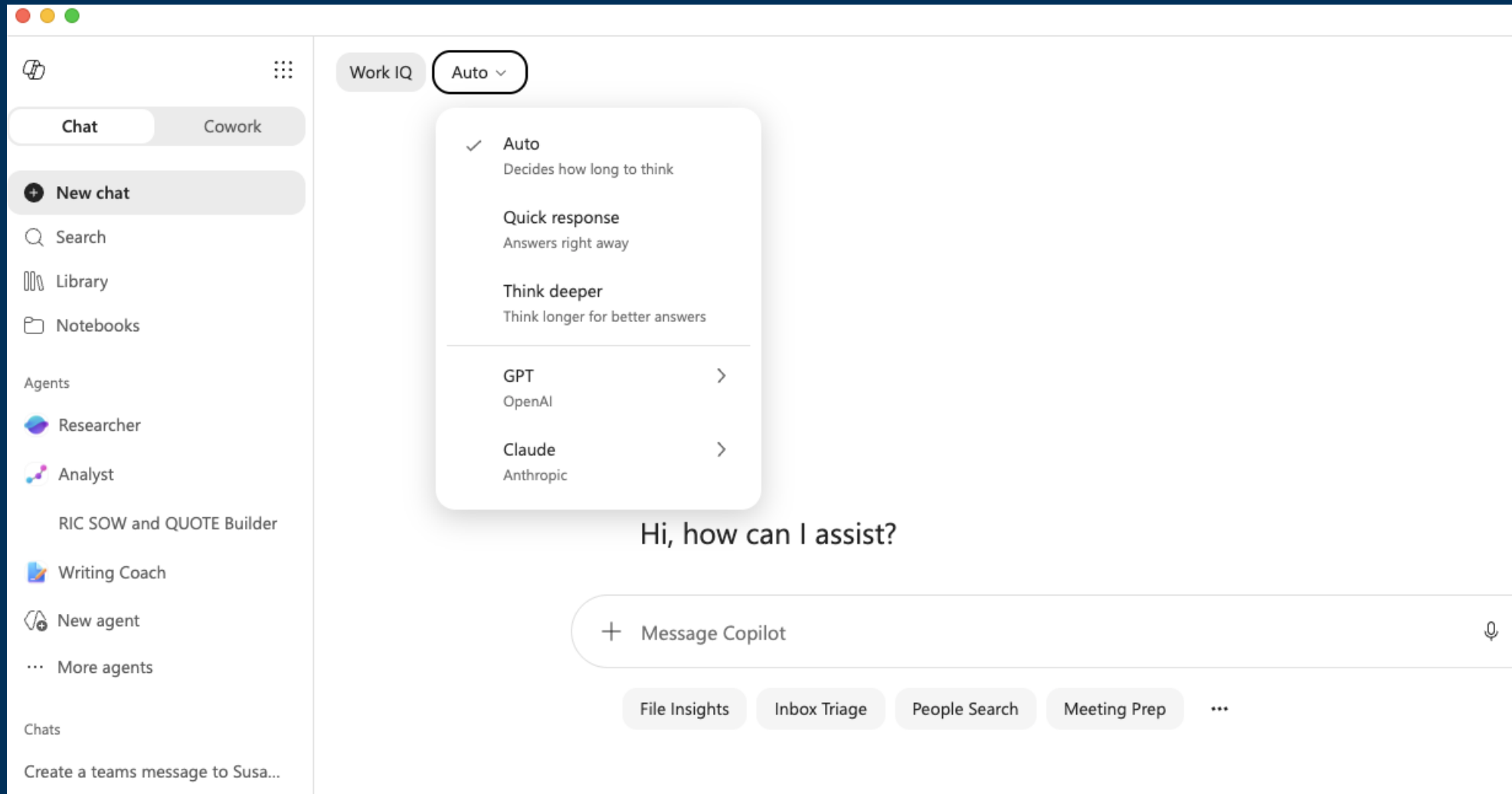
MULTI-LLM MODEL (robust tools, Hatz)

VARIABLE, MANAGABLE AI TOKEN SPEND (HATZ)



MULTI-LLM MODEL (limited tools) Copilot

FIXED TOKEN SPEND (Microsoft)



MULTI-TOOL PLATFORMS

WHAT GOOD LOOKS LIKE

- MULTIPLE AI MODELS, LANGUGE, IMAGE, ETC
  - ABILTY TO AUTO CHOOSE THE MODEL
  - ABILTY TO CONTROL USAGE (BY PERSON/GROUP)
- MULTIPLE TOOLS: *Workflows, Apps, Agents, Sub Agents*
- INTEGRATION to your other township business software
- SECURE

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AI TOOL SELECTION TAKEWAY

- A PLAN FOR USAGE (SCOPE, FROM AUDIT)
- A PLAN FOR TEAM MANAGEMENT (ACCESS RIGHTS)
- NO LOSS OF KNOWLEDGE/PROCESS/TRAINING
- ADOPT THE BEST PLATFORM FOR YOU

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BUDGET MANAGEMENT

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THE QUIET BUDGET LEAK

- STAFF EXPENSE DIFFERENT SUBSCRIPTIONS
- DIFFERENT DEPARTMENTS, DIFFERENT TOOLS
  ELECTED OFFICIALS
  SUPERVISOR DEPARTMENT
  ASSESSOR DEPARTMENT
  ROAD DISTRICT
- LOSS OF KNOWLEDGE/PROCESS/TRAINING
  FROM STAFF ATTRITION
- SHADOW-AI = INCREASED IT COSTS

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CASE STUDY
20-Person Company

BEFORE

TOOL	COUNT	MONTHLY	EXTENDED
MS Copilot	20	$30	$600
ChatGPT Pro	5	$30	$150
Claude	1	$30	$30
Grok (personal)	2	$20	$40
		Total Monthly	**$820**

AFTER

TOOL	COUNT	MONTHLY	EXTENDED
VIQ-AI / Hatz	20	$450	$450
(heavy AI users)			
		Total Monthly	**$450**

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CASE STUDY

10-Person Team, Using Secure, Enterprise

PLATFORM	MONTHLY COST COMPARISON
Claude Enterprise	$400+/mo ($20+/user) **plus token usage*
Gemini Enterprise	$420-600+/mo ($42-60+/user)
ChatGPT Enterprise	$900-1,500/mo ($90-150/user)
HATZ AI Intro	$180 ($18/person) *30,000 tokens fixed*
HATZ AI Starter	$450 ($45/person) *100,000 tokens fixed*
Microsoft Copilot	$300 ($30/person)

Need help ,brainstorming? Select 6. AI Readiness Review

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BUDGETING TAKEWAY

INVENTORY YOUR CURRENT AI SPEND – YOU'LL BE SURPRISED

CONSILIDATE INTO A MANAGED ENVIRONMENT

USE A SINGLE, FIXED, MONTHLY FEE PLATFORM

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POLICY

BUILDING A DEFENSIBLE AI ACCEPTABLE USE POLICY (AUP)

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AN AUP IS FASTER THAN YOU THINK

DOESN’T REQUIRE HEAVY LEGAL FEES TO START

A CLEAR, WRITTEN POLICY BEATS A PERFECT UNWRITTEN ONE

DRAFT IN A WORKING SESSION, HAVE COUNSEL REVIEW

PRO TIP: MAKE IT A LIVING DOCUMENT/SYSTEM

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WHY A WRITTEN AUP MATTERS

CYBER INSURANCE

Insurers expect documented controls.

An AI AUP supports claims and shows due diligence.

INTERNAL GOVERNANCE

Sets clear expectations for staff and volunteers.

Removes ‘I didn’t know’ as a defense.

SCRUTINY DEFENSE

If challenged, a written, enforced AUP demonstrates non-negligence.

Not perfection, but defensible effort.

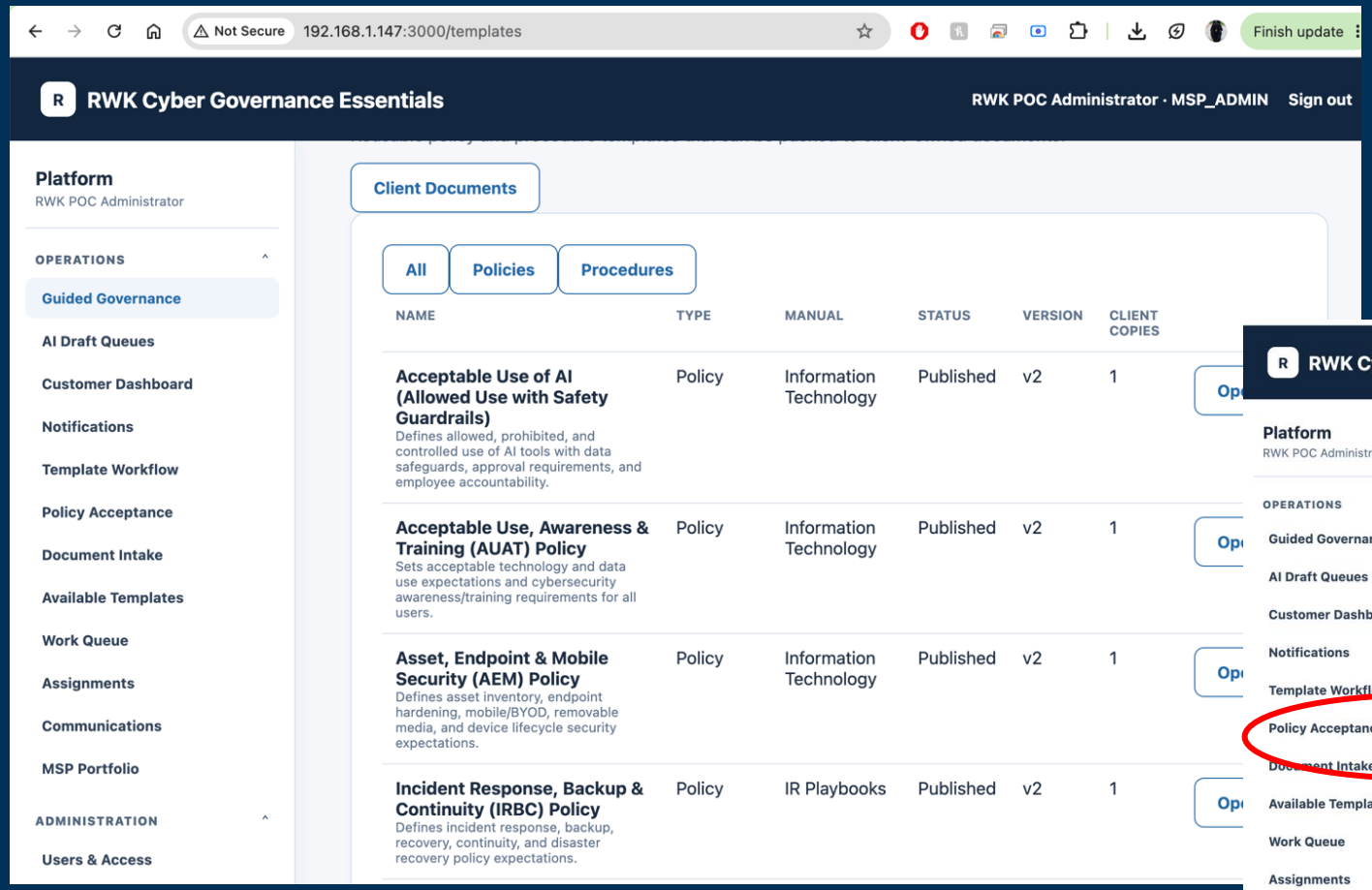
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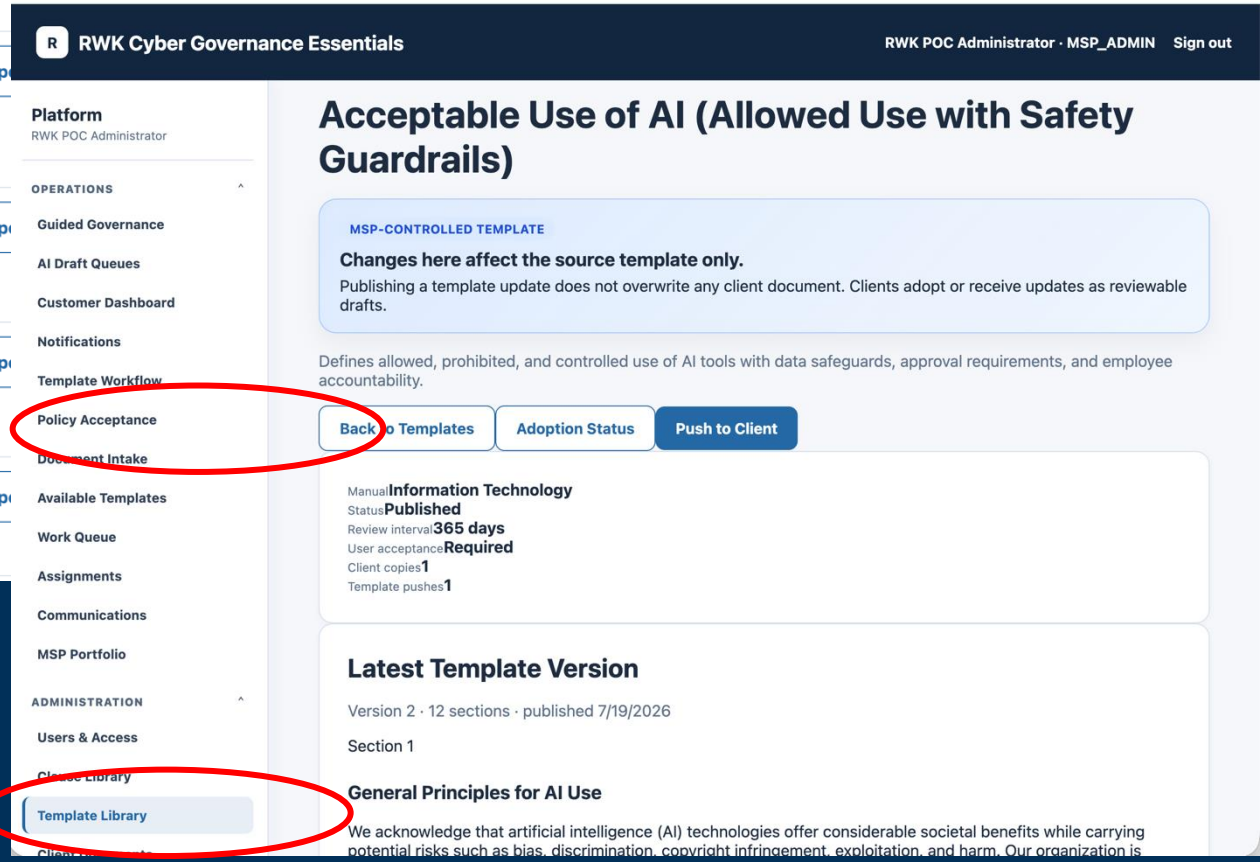
WHAT AN AUP SHOULD COVER

- **What data may/may not be entered** into AI tools
- **Which tools** are approved, and for what use
- **What is** confidential vs. public
- A determined **review-cycle**
- **Reporting** capability **for incidents** or near-misses
- **Integration to all staff** (email-to, attestation by all)

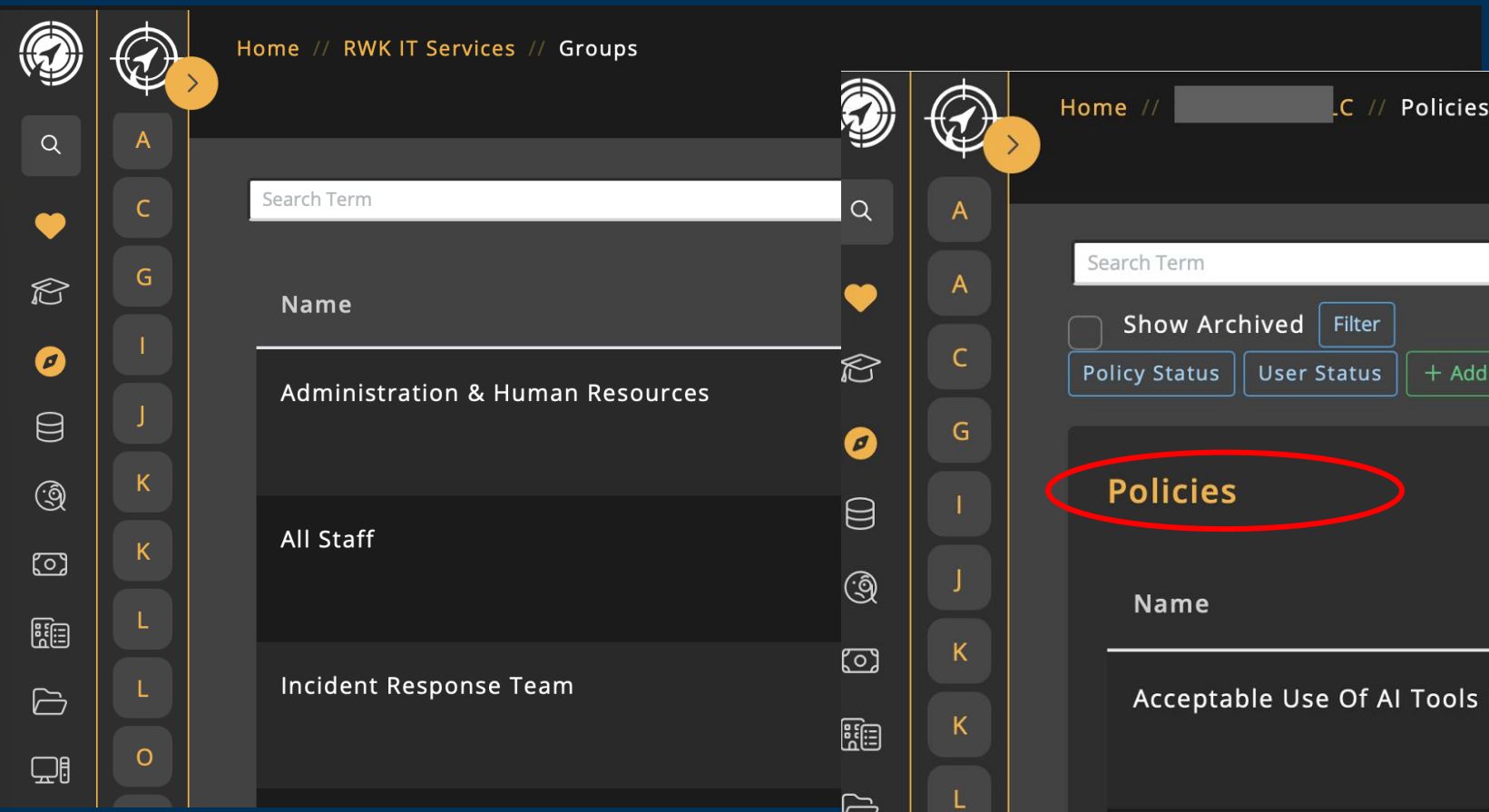
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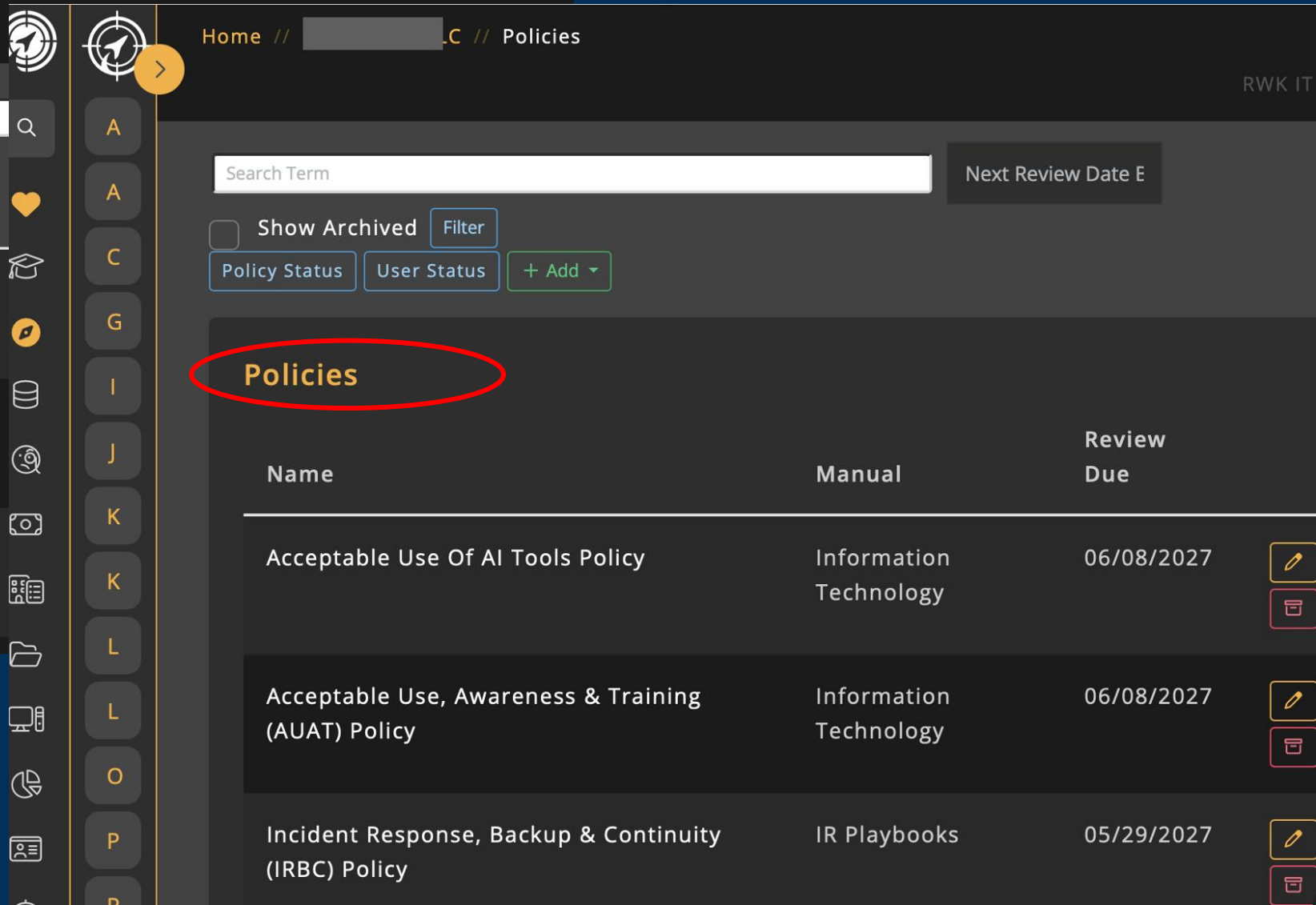
SAMPLE PLATFORMS/ CAPABILITIES



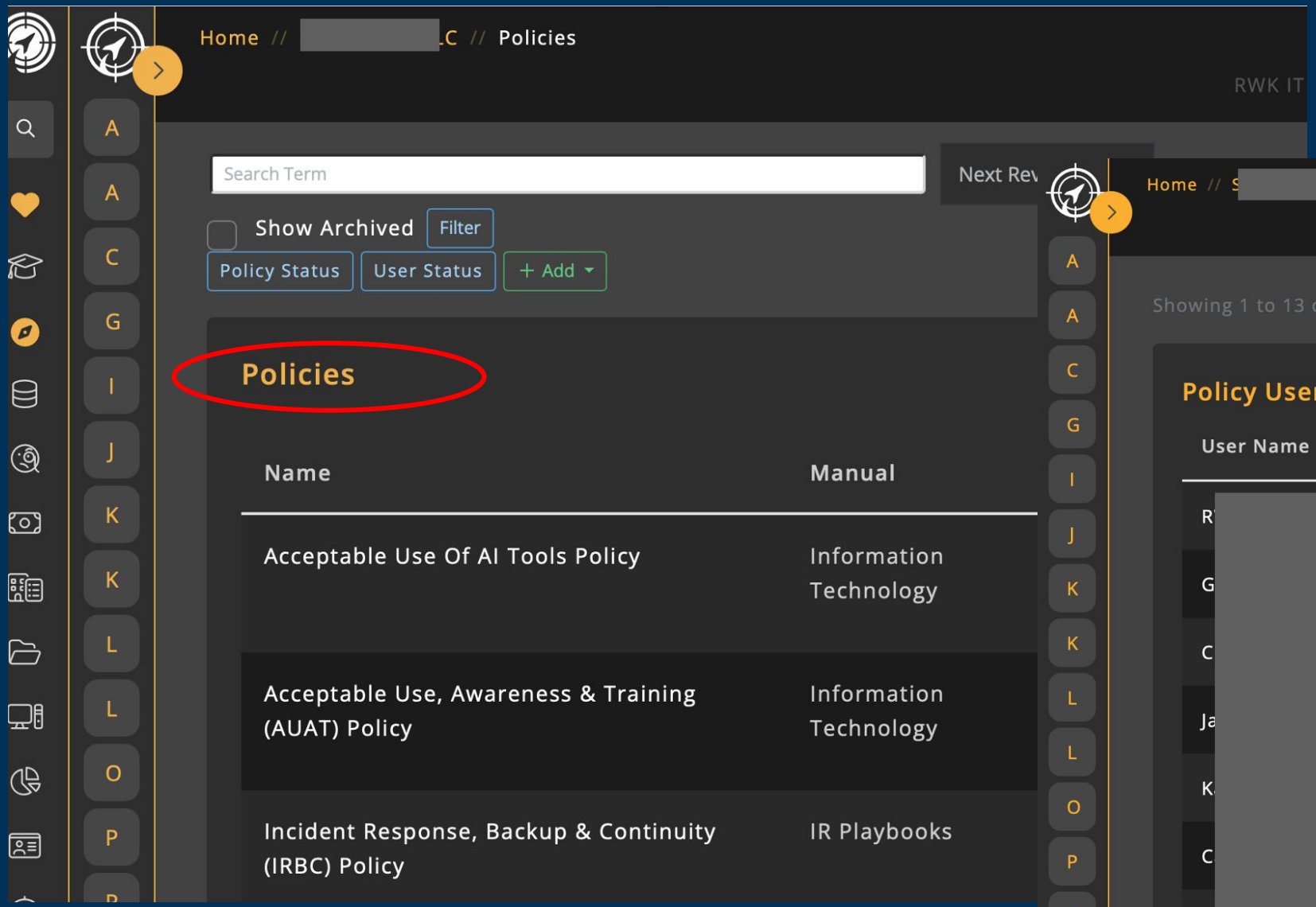


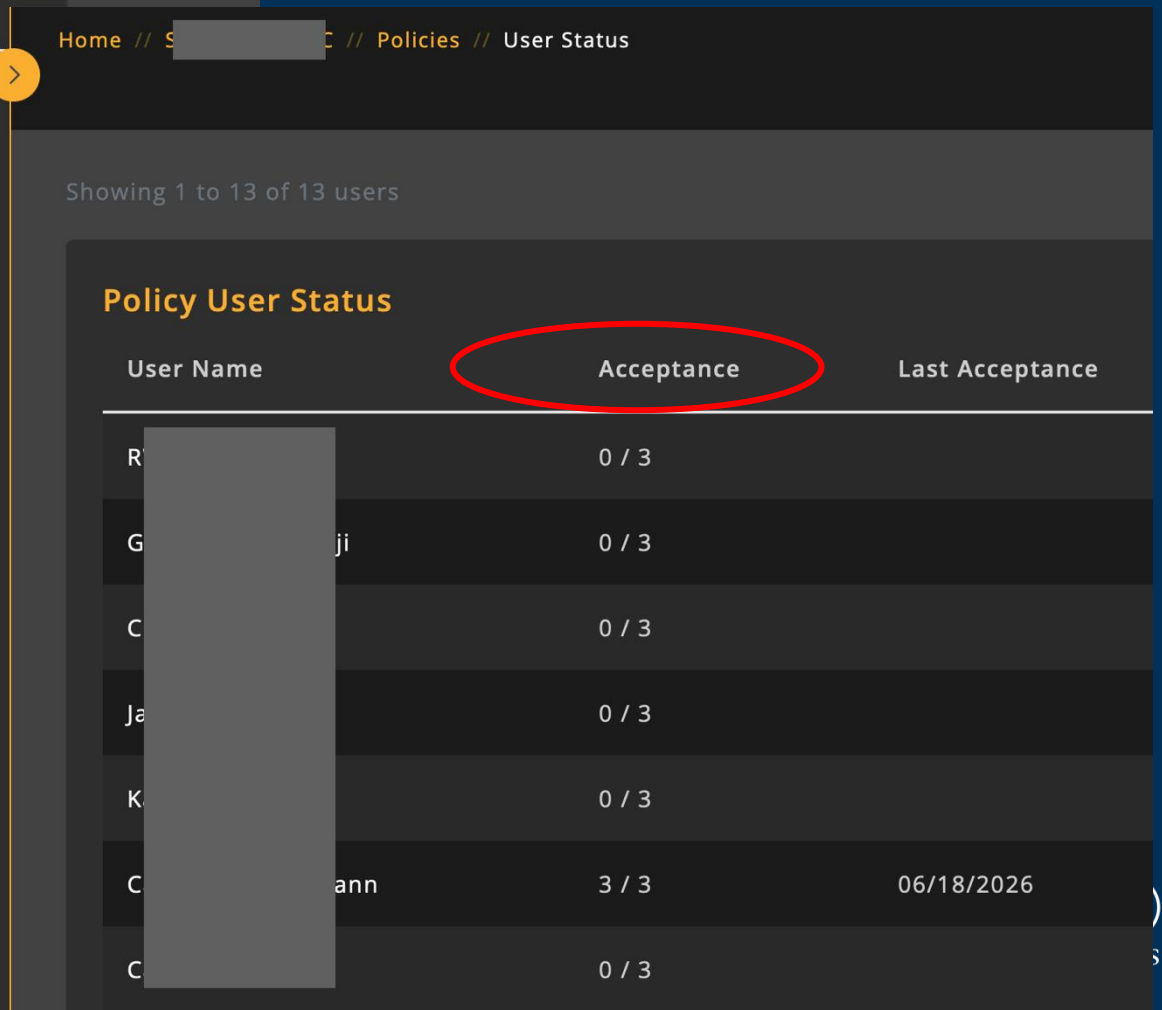
SAMPLE PLATFORMS/ CAPABILITIES





SAMPLE PLATFORMS/ CAPABILITIES





POLICY TAKEWAY

DRAFT AN AUP NOW – DON'T WAIT FOR AN INCIDENT

START PRACTICAL, HAVE COUNSEL REVIEW

IT WILL SUPPORT INSURANCE COVERAGE, GOVERNANCE, DEFENSE

VERSION IT. PUSH IT OUT TO ALL FOR EVERY CHANGE

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Your Next 90 Days

Week 1–2	Week 3–4	Week 5–6	Week 7–10	Week 11–13
Audit AI usage across M365 / your network	Inventory AI spend and shadow subscriptions	Draft AUP, practical, then counsel review	Evaluate managed/enterprise AI options	Consolidate tools, train staff, version the AUP

Need help ,brainstorming?

Select 6. AI Readiness Review

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