HARTMAN EXECUTIVE ADVISORS

# Smarter Cities, Safer Communities: Responsible AI for Risk Pools

October 28, 2025

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**PRESENTER:**

# Anne Balduzzi

*Executive Advisor – AI and Innovation*

Anne Balduzzi is a renowned expert in the field of Artificial Intelligence (AI). Recognized as one of the region's Top Women in Tech, Anne is a respected speaker and author on AI and technology trends. She holds a patent in data match analysis and is the founder of SameGrain, an award-winning AI-enabled community engagement platform. At Hartman Executive Advisors, Anne helps clients harness the full potential of AI to optimize operational efficiency, spark innovation, and establish security to mitigate risks.

As an early pioneer of the Internet, she brings decades of technology expertise. Her background includes product development and marketing management roles at Apple, AOL (when it was a start-up), and Viewtron, the first consumer online service in North America. After working in Silicon Valley and launching Apple's first online service, she returned to the East Coast and founded Accelerate Partners, where she mentored and advised a wide range of early stage and established technology companies.

**abalduzzi@hartmanadvisors.com**

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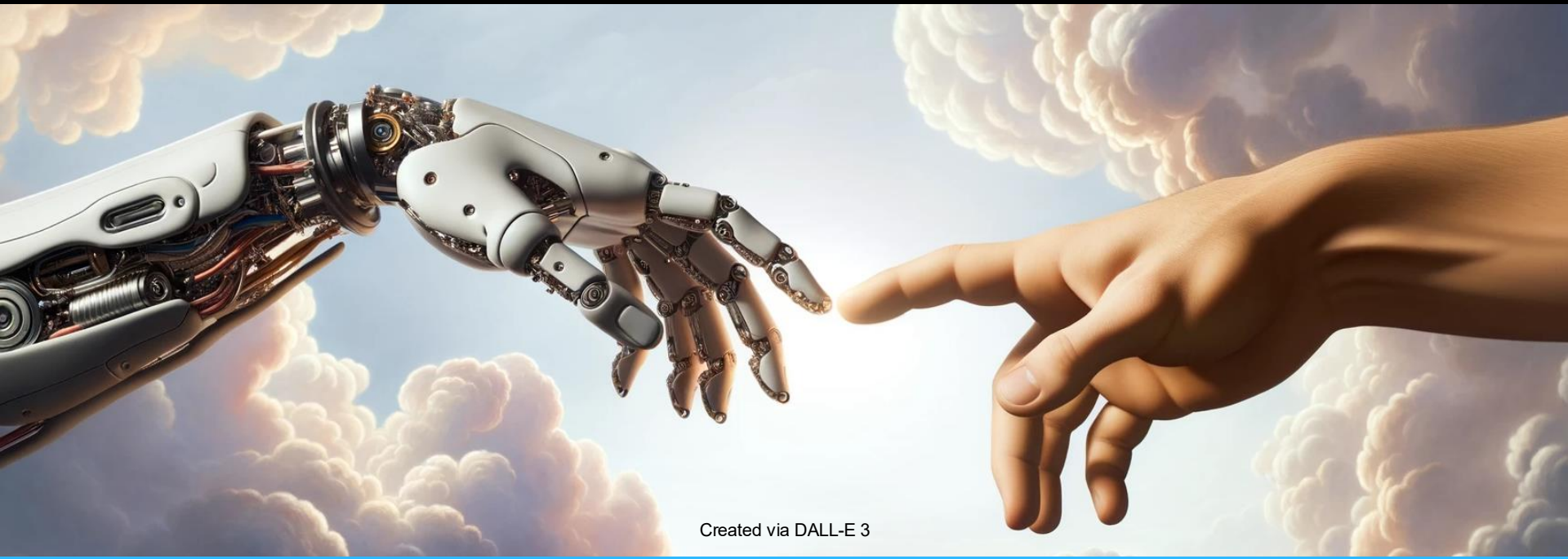
# WARNING:

## AI IS GROWING FAST, THEREFORE SOME OF THE INFORMATION PRESENTED WILL SOON BE OUT OF DATE



Created via DALL-E 3

"Artificial Intelligence marks a rare and pivotal moment in human history, surpassing the transformative impacts of electricity, the Industrial Revolution, and even the Internet. It is unlocking unprecedented potential for innovation and progress, and it is growing exponentially."

# Understanding Exponential Growth

30 Linear Steps

# Understanding Exponential Growth

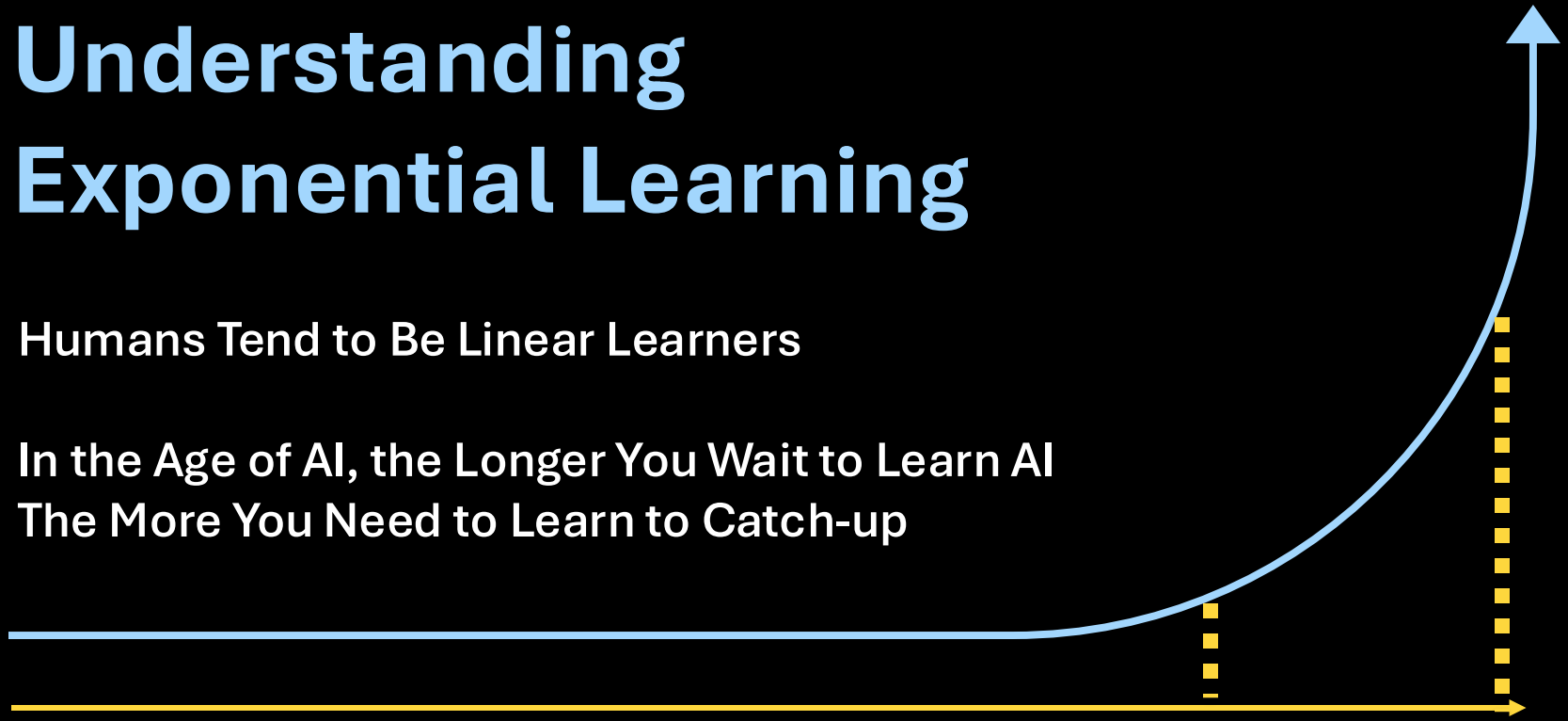
30 Linear Steps

30 Exponential Steps

# Understanding Exponential Learning

Humans Tend to Be Linear Learners

In the Age of AI, the Longer You Wait to Learn AI
The More You Need to Learn to Catch-up



# AI was not an overnight success; it has gradually grown over the past 70 years

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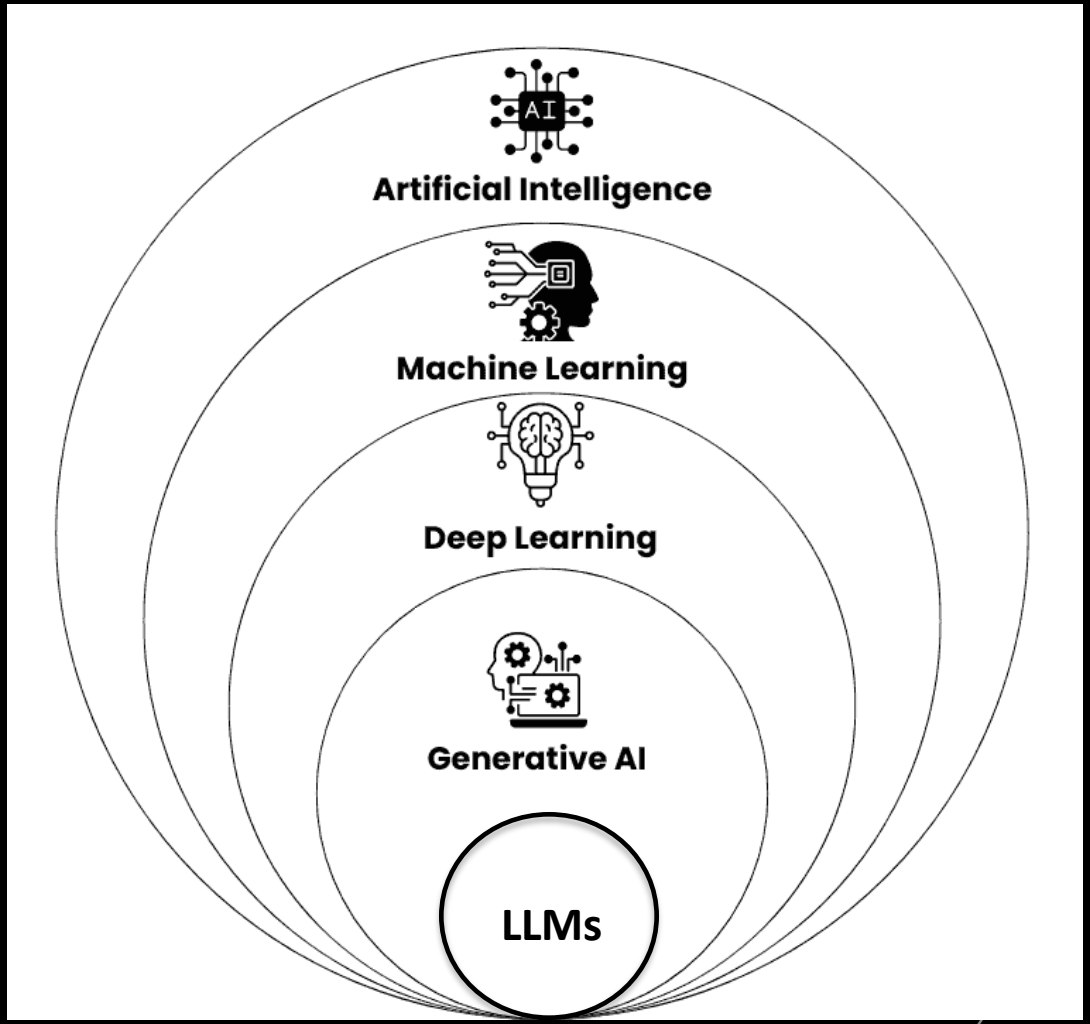
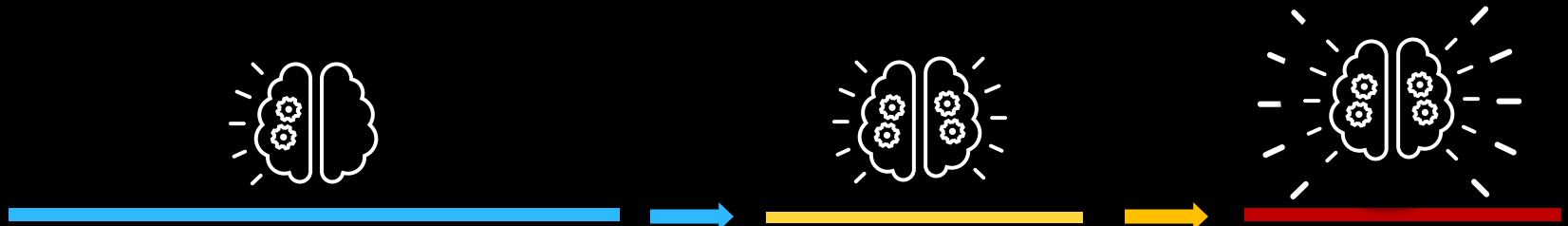
# AI Breakdown



# AI Timeline



ARTIFICIAL NARROW INTELLIGENCE

**ANI**

**AI AUGMENTS human intelligence**

70+ Years

ARTIFICIAL GENERAL INTELLIGENCE

**AGI**

**AI EQUALS human intelligence**

ARTIFICIAL SUPERIOR INTELLIGENCE

**ASI**

**AI SUPERIOR to humans and knows it**

# In Recent Years, Large Language Models (LLMs) & Prompts Became Very Important

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# Large Language Models Continue to Evolve

## FOUNDATIONAL MODELS HELP TRAIN SMALLER MODELS





**Large, Small, and Custom Language Models are Constantly Evolving**

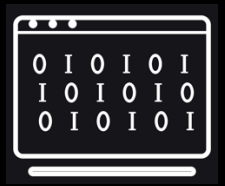
# Most LLMs Are Multi-Modal

TEXT

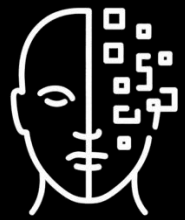
AUDIO

IMAGES

VIDEO




CODE



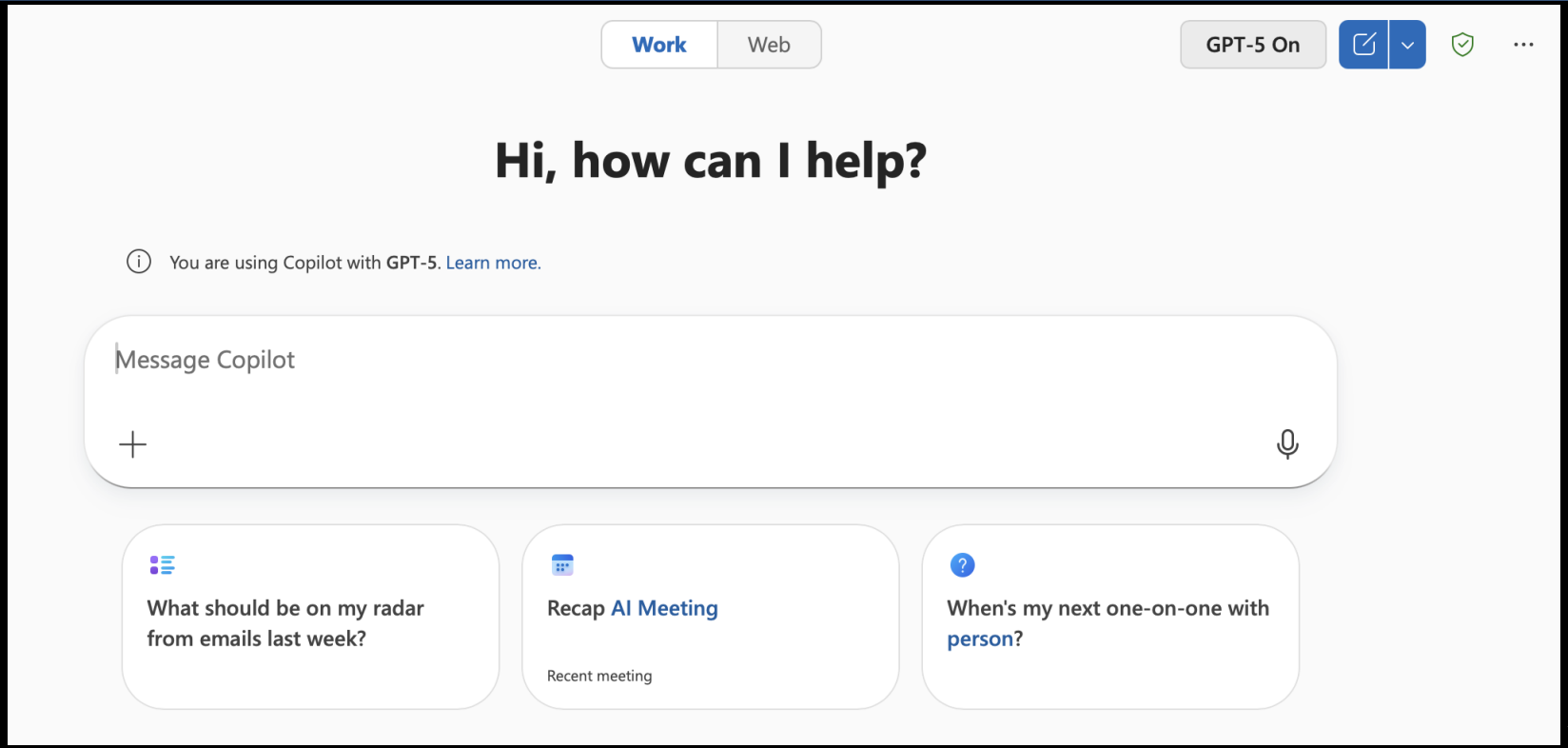
AGENTS

SEARCH
+
DEEP
RESEARCH

**SOME MODELS ENABLE YOU TO**
**USE THE LLM AS YOUR BROWSER, PLUS**
**SHARE YOUR SCREEN AND ASK QUESTIONS**

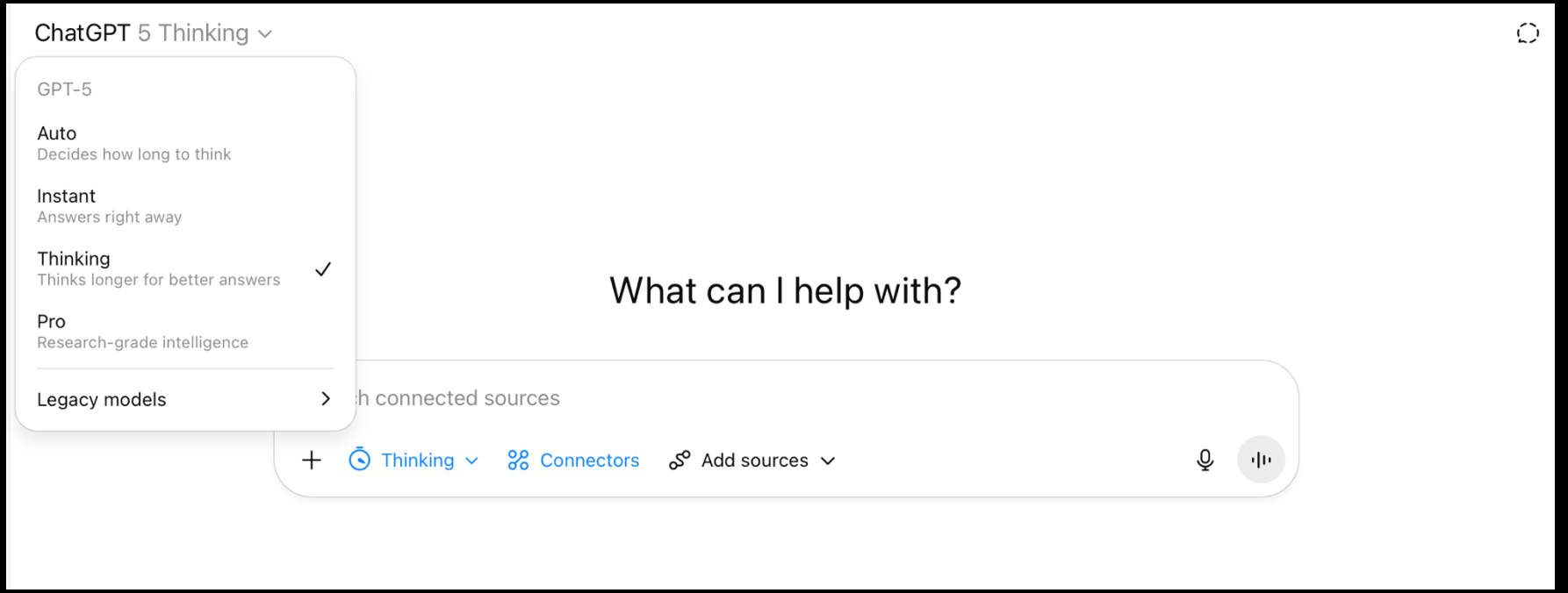
# Microsoft Copilot

## Enterprise Protected Platform Connected to a LLM



# OpenAI’s GPT Business

## Enterprise Protected Platform with Multiple ChatGPT Models



# The Basics of Prompting
# or
# How to Add 40 IQ Points

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# Power of the Prompt

## A PhD in Your Pocket

- Prompt to Text (e.g., Reports, Press Releases)
- Prompt to Code
- Prompt to Image
- Prompt to Video
- Prompt to Music
- Prompt to Audio and Translation (e.g., podcasts)
- Prompt to Robot Instructions
- Prompt to Search (outside of a search engine)
- and other endless possibilities

# Elements of a Basic Prompt



**Role**

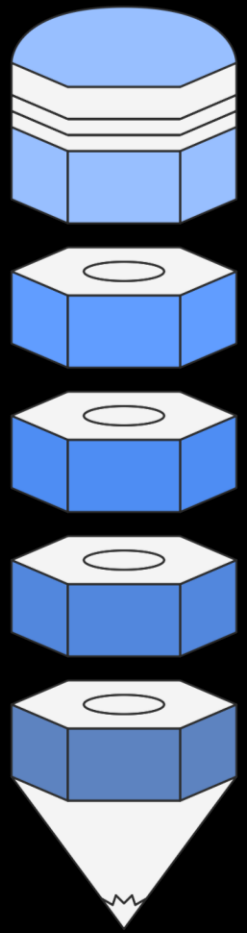
Informs the AI who it is for the purpose of this prompt

**Context**

Provides background and details for the prompt

**Format**

Define the format and shape the output for the prompt



**Task**

What do you want the AI to do...be specific

**Constraints**

Set boundaries and guardrails for your prompt

# Methods to Upscale a Basic Prompt Beyond Think Harder or Longer

### Prompt Improvement Loop

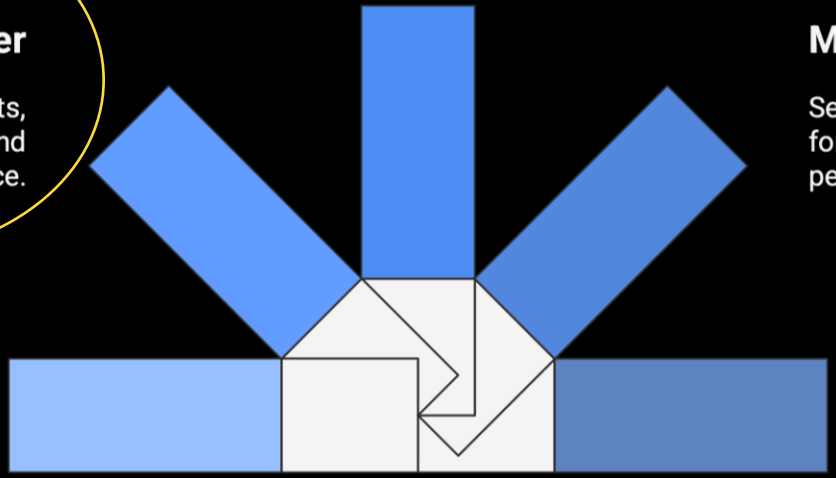
AI critiques and improves its own results, refining accuracy.

### AI Prompt Helper

Uses AI to craft prompts, ensuring clarity and relevance.

### Model Selector

Selects the best AI model for the prompt, optimizing performance.



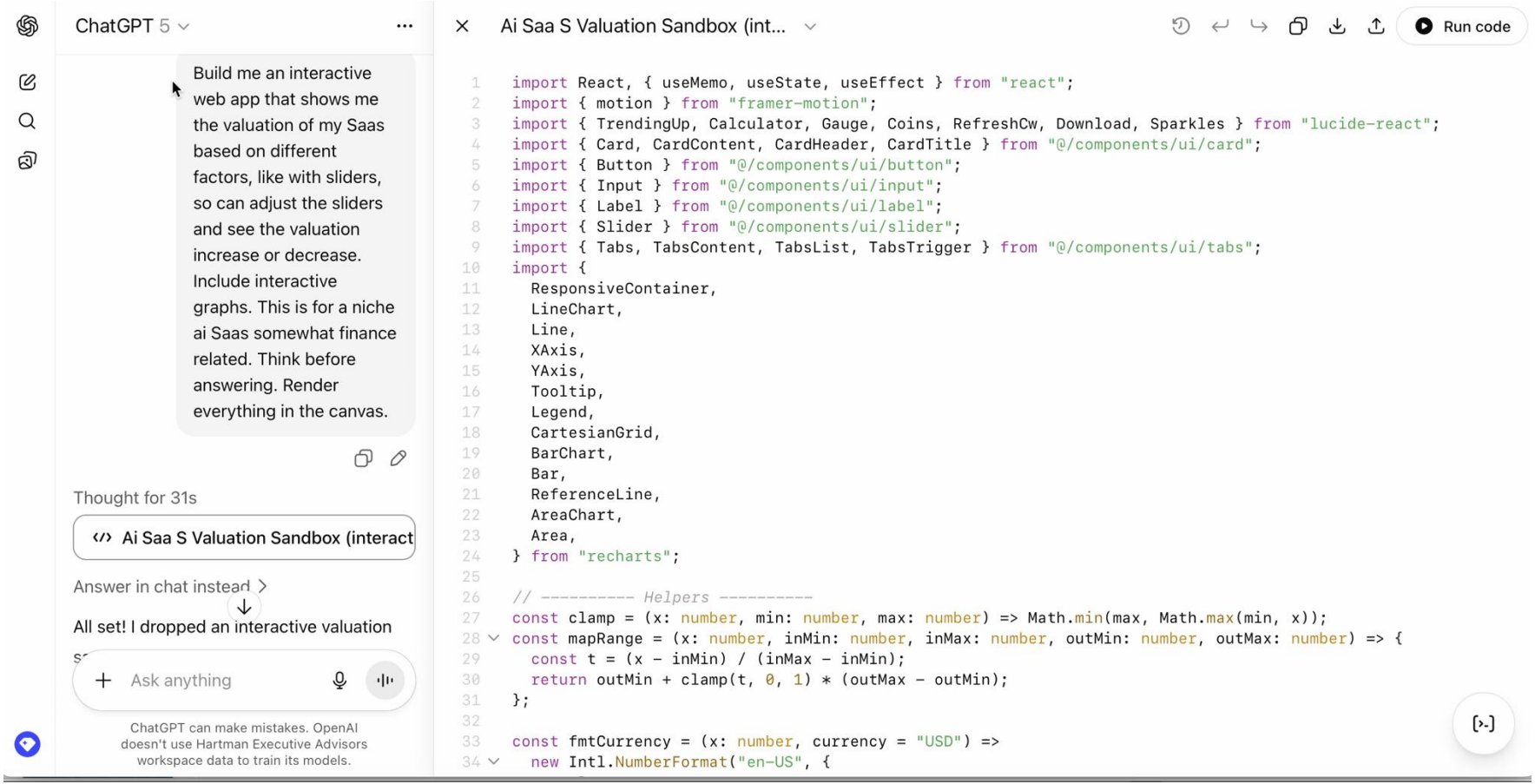
### Accuracy Rater

Allows AI to assess its own confidence in the results, enhancing reliability.

### Prompt Primer

Starts with simple prompts to educate AI, then progresses to complex ones.

# EVERYONE CAN NOW WRITE CODE



# Recent Exponential Advancements In AI

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# Creating Images with AI Has Never Been Easier

Example: Redesigning City Hall

Created via Gemini Nano Banana

Created via Gemini and ChatGPT

# Generate Movie Quality Vidoes via a Prompt


Created via Google VEO 3.1

# Avatars Now Hard to Recognize

Real Footage
Real Voice

AI HeyGen Video
AI ElevenLabs Voice

Source: Sarah Dietschy (YouTube)

# Multilingual and Translation is now 99%

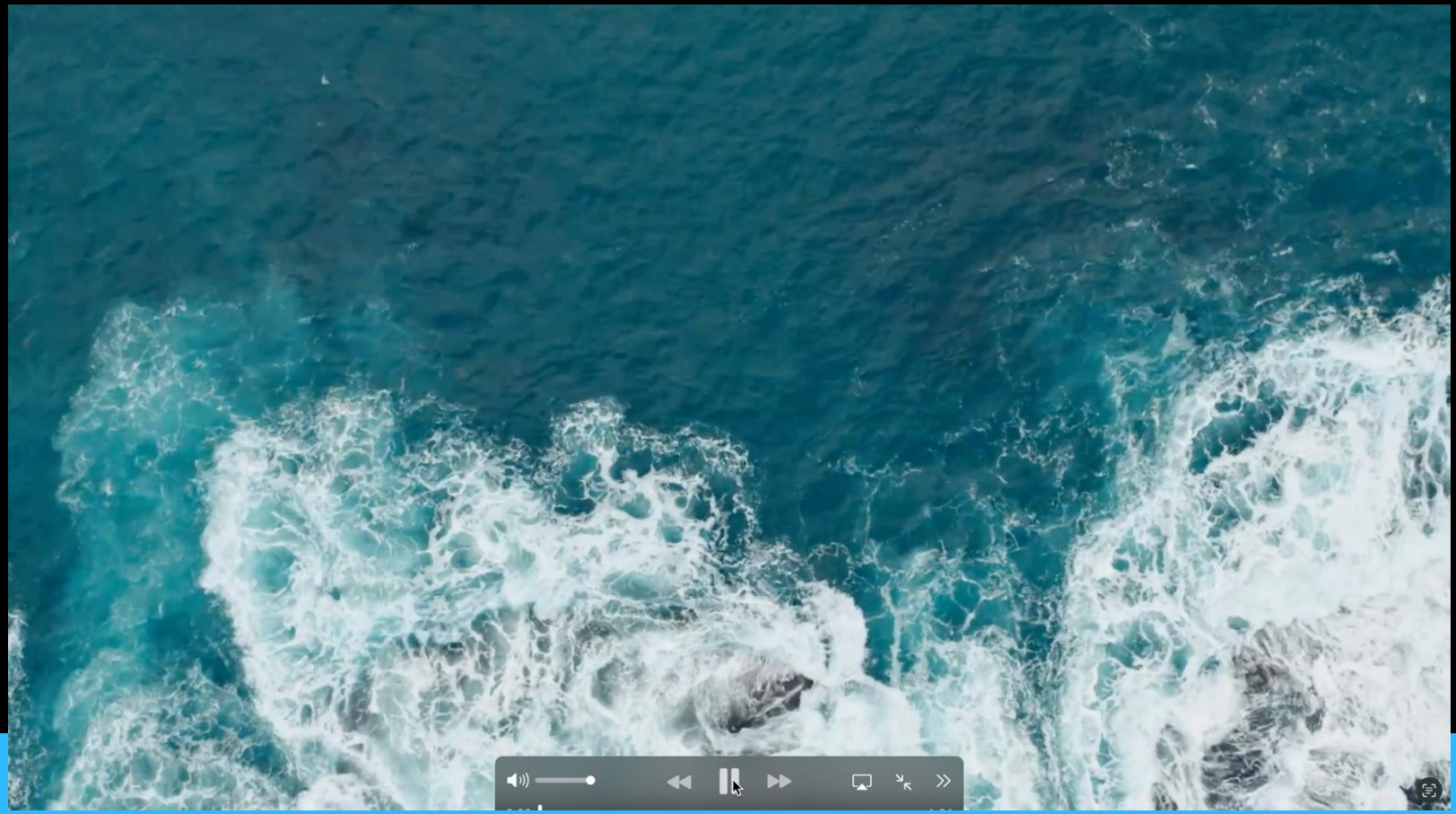
# Figure 03 Home Robot (2.5x speed)

# Robots Growing More Agile



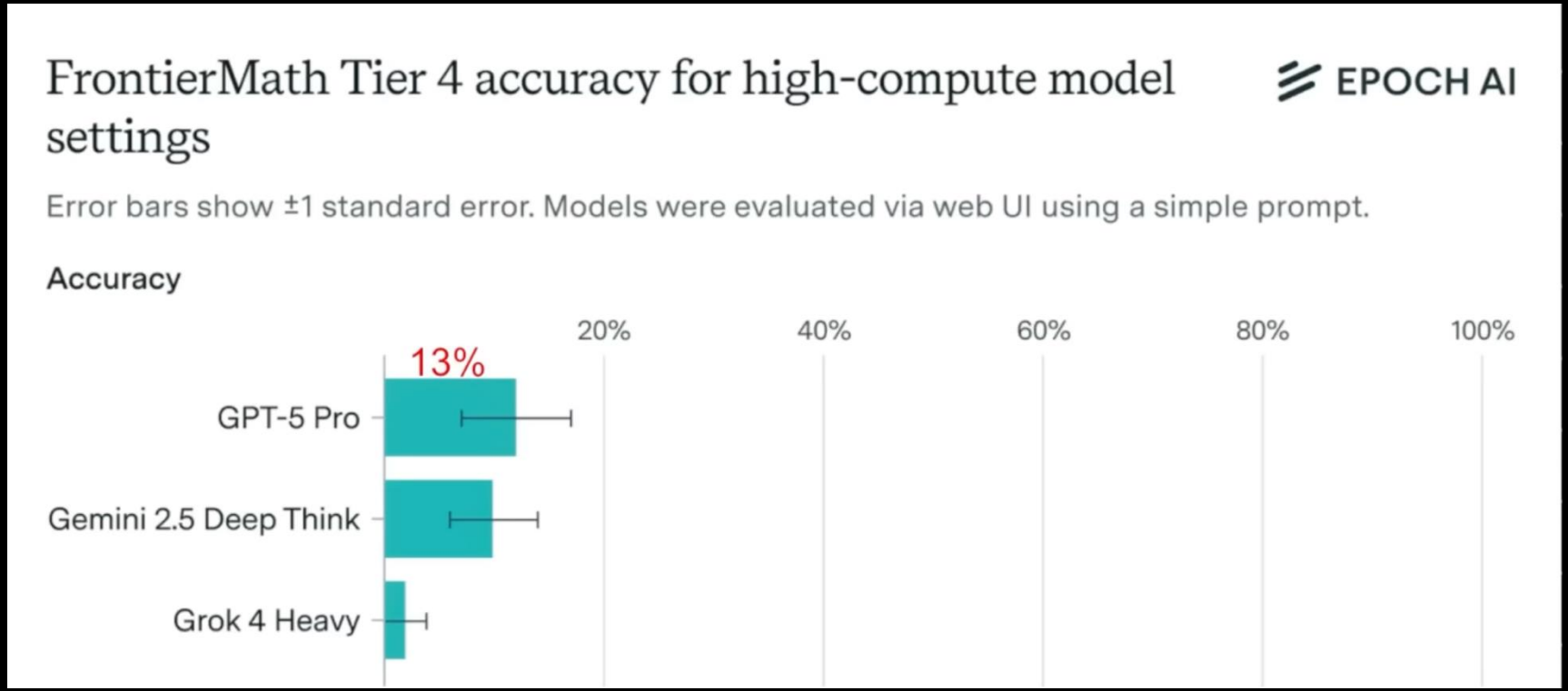

Unitree Robotics

# LLMs Discovering New Materials and Medicines



# GPT-5 Pro Sets Record at FrontierMath

## Paving a Path Towards Bulk Discovery



**It also paves a path that bypasses current encryption**

# Agentic AI

**A2A (Agent-to-Agent Protocol):** Open protocol (originated at Google) for interoperable communication and collaboration among AI agents. built by different vendors/frameworks.

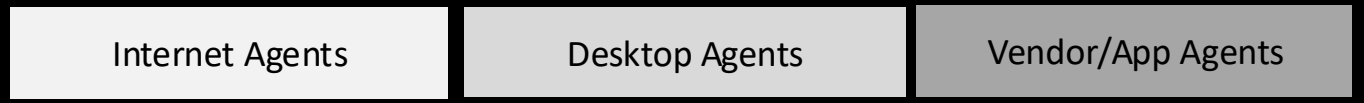
**Why it matters:** enables cross-vendor, multi-agent workflows.

Goal-Oriented: It can work toward a goal without needing step-by-step instructions.

Makes Decisions: It can choose the best course of action based on available data.

Adaptable: It can adjust its plan if something unexpected happens.

Autonomous: It can complete complex tasks without human supervision. Note: human in the loop (HITL) highly recommended.



# Five Levels of AI Assistance

| | | | |
|---|---|---|---|
| Low Risk | 1 | ADVISOR | User Crafts a Prompt and Gets Advice from a LLM |
| | 2 | ASSISTANT | AI Works Alongside User and Makes Suggestions |
| Medium Risk | 3 | STRUCTURED WORKFLOW | AI Works then User Reviews (this process repeats) |
| High Risk | 4 | SEMI-AUTONOMOUS | AI Does Routine Workflows, User Handles Edge Cases |
| | 5 | FULLY-AUTONOMOUS | AI Does Everything, User Monitors Metrics (high risk) |

# Potential AI Applications

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# Discovering and Defining AI Use Cases

## Use cases that meet needs and align with goals

### Descriptive AI

**Analyze data and present insights to end-users**

Business Intelligence

Web Analytics

Monitoring Systems

### Diagnostic AI

**Identify problems in data**

Network Security

Fraud Detection

Medical Diagnosis

### Predictive AI

**Forecast future data based on past data**

Supply Chain Forecasting

Equipment Sensors

Demand Forecasting

### Prescriptive AI

**Provide recommendations**

ERP Optimization

Route Optimization

Marketing Personalization


### Cognitive AI

**Interpret and understand unstructured data, such as text and speech**

Sentiment Analysis

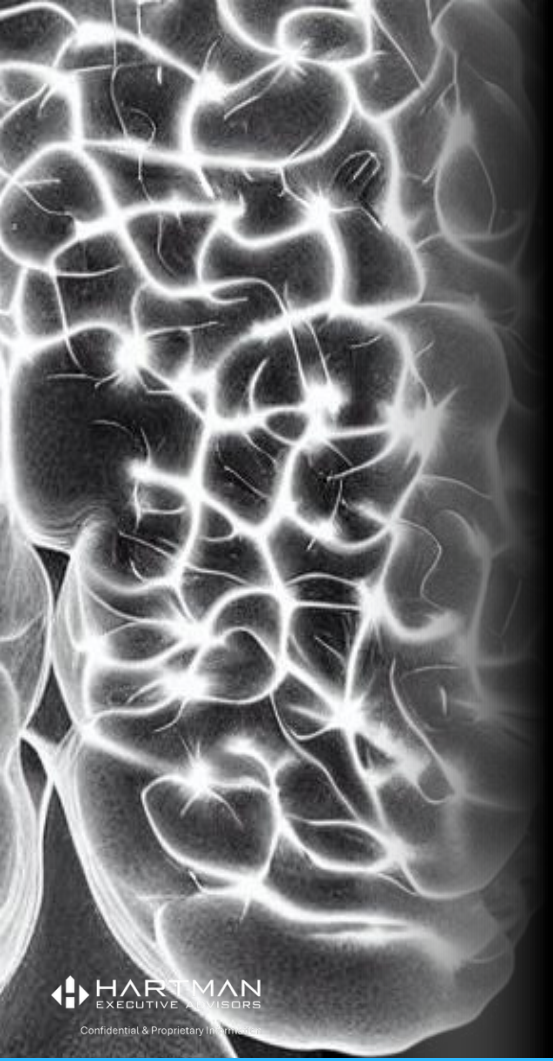
Image Recognition

### Behavioral AI

**Analyze user actions to understand preferences and habits**

User Experience Optimization

Churn Prediction



# Increased Productivity

- Proposals, Letters, Reports, etc.
- Market Research
- Data Analysis
- Review of Contracts and Budgets
- Negotiation and Objection Handling
- Meeting Recaps and Next Steps
- Brainstorming New Ideas
- Marketing, PR, and Social Media
- Any Repetitive Task and much more.

# Claims Automation

AI evaluates new claims by checking details against policy coverage, predicting severity, and initiating payments for straightforward cases.

**FNOL Auto-Capture:** Turns emails, photos, and calls into a structured claim. Example: car hits city truck, file opens with fields filled and priority set.

**Smart Routing**: Assigns handler and tasks based on claim type and severity. Example: workers comp with red flags goes to senior adjuster with checklist.

**Doc Ingest:** Reads bills and estimates, extracts codes and amounts, and flags errors. Example: medical bill outside fee schedule gets flagged before payment.

**Coverage Helper**: Drafts a coverage position with citations to the clause. Example: slip and fall at library, draft letter is ready for adjuster review.


# Loss Control and Safety

**Litigation Analytics & Early Resolution.** Monitors dockets, summarizes filings, and surfaces comparable cases/outcomes to inform reserves and settlement posture.

**Near-miss Mining:** Finds leading indicators in incident logs and work orders, suggests targeted trainings.

**AI-Powered Fleet Safety:** Smart dashcams and telematics analyze driving in real-time to detect unsafe behaviors like texting or speeding, alerting drivers or managers to prevent accidents. Produces weekly coaching lists focused on high-impact habits.

**Workplace Hazard Detection:** Computer vision (CV) cameras monitor facilities for safety compliance by ensuring employees wear required PPE and stay out of restricted zones, alerting supervisors when violations occur. AI can also spot blocked exits, missing guards, or ladder misuse in site photos.

# Public Safety & Emergency Services

**Predictive Policing & Crime Analysis:** Analyze historical crime data, social data, and environmental factors to pinpoint high-risk areas and optimize police patrolling or resource placement. Has the potential to reduce crime rates and improve community trust (when used ethically).

**Gunshot Detection**: Acoustic AI systems distinguish gunshots from other noises and triangulate their location within seconds, enabling faster police response.

**Disaster Response & Resilience**: Risk models can forecast the impact of natural disasters (floods, storms) and help emergency management teams plan resource deployments. Improves response times and potentially saves lives and property by anticipating which areas might be most severely impacted.

# Infrastructure

**Computer Vision for Asset Inspection**: Use sensors, drones, or cameras with AI to inspect roads, bridges, and buildings, automatically detecting cracks or deterioration. Lowers inspection costs, increases the frequency of monitoring, and improves public safety.

**Water Management**: Analyze water usage patterns, detect leaks in real-time, and predict equipment failures in water treatment facilities, ensuring a consistent and safe water supply.

*In Arkansas, AI-augmented field operations software provides real-time data analysis, predictive maintenance alerts, and decision-making automation to field agents for both utilities and emergency response.*

# Predictive Analytics

## for Budgeting & Resource Allocation

**Budget Forecasting:** Leverage AI to predict revenue, expenditures, and funding shortfalls by analyzing historical data and economic indicators. Enables data-driven, proactive planning and identifies potential financial risks early.

*In Collier County, Florida, priority-based budgeting uses AI to analyze financial data and community feedback to optimize resource allocation and align government spending with community priorities. The county identified approximately 22% of its budget that could be reallocated to free up funding for top priorities and improve efficiency.*


# Cybersecurity & IT Resilience

**Threat Detection:** AI security systems analyze network traffic and user behavior to flag anomalies indicating potential breaches, automatically alerting IT teams or blocking suspicious activities.

**Phishing Prevention:** Advanced email security AI identifies and quarantines phishing attempts by examining content patterns and safely testing suspicious links before they reach inboxes.

**Vulnerability Management:** AI triages system vulnerabilities by determining which ones are actively being exploited and which critical systems are most at risk, prioritizing patches accordingly.

**Incident Response:** AI-driven security playbooks automatically contain threats by isolating infected workstations or disabling compromised accounts within seconds, preventing widespread damage.

# Workforce Development

**Intelligent HR Systems:** Utilize AI-powered recruitment tools for screening candidates, analyzing skill gaps, and suggesting targeted training for existing staff. Improves hiring processes, reduces bias, and helps retain talent by identifying professional development opportunities.

**VR Simulation Training:** Immersive training with AI-driven characters provides realistic practice for dangerous scenarios like de-escalation or emergency response, creating safer outcomes through better-trained personnel.

# Citizen Engagement

**AI agents or chatbots** can handle a significant portion of citizen inquiries, from reporting potholes to requesting permits and more in most languages 24/7. This frees staff to handle complex issues.

Chatbots can also capture sentiment analysis and data for future predictive analytics.

*In Indiana, a generative AI-powered resident assistant chatbot delivers fast, reliable responses to resident inquiries, ranging from simple questions to complex service-related issues*.

# Sample Chatbot


This is one of many Chatbots available. You can change the gender, voice, tone, style, and more.

Chatbots are now very difficult to distinguish from humans, and they are only getting better.

Chatbots can handle routine inquiries both externally and internally. This would let staff focus on high-touch interactions while ensuring nothing falls through the cracks.

# AI
# Threats, Risks, & Challenges

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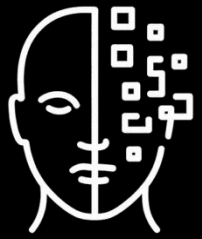
# As AI Expands Opportunities, Threats, Risks and Challenges also Expand

## Abuse Cases May Outnumber Use Cases

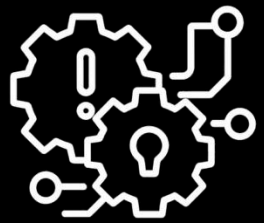
**Advanced Hackers**



**Deep Fakes**

**Bad Data**

**AI Hallucinations**



**Implementation Challenges**

**Lack of Training**

Created via Stable Diffusion

# Advanced Hackers

- Often targets weakest link…the employee.
- Generates spear-phishing emails, creates undetectable malware, generates phishing pages, and targets vulnerable websites.
- Can look and sound like your boss.
- Confirm ALL financial transactions
- Create a secret unique word or phrase outside…away from phones and devices
- Unavoidable Zero-Click Attacks

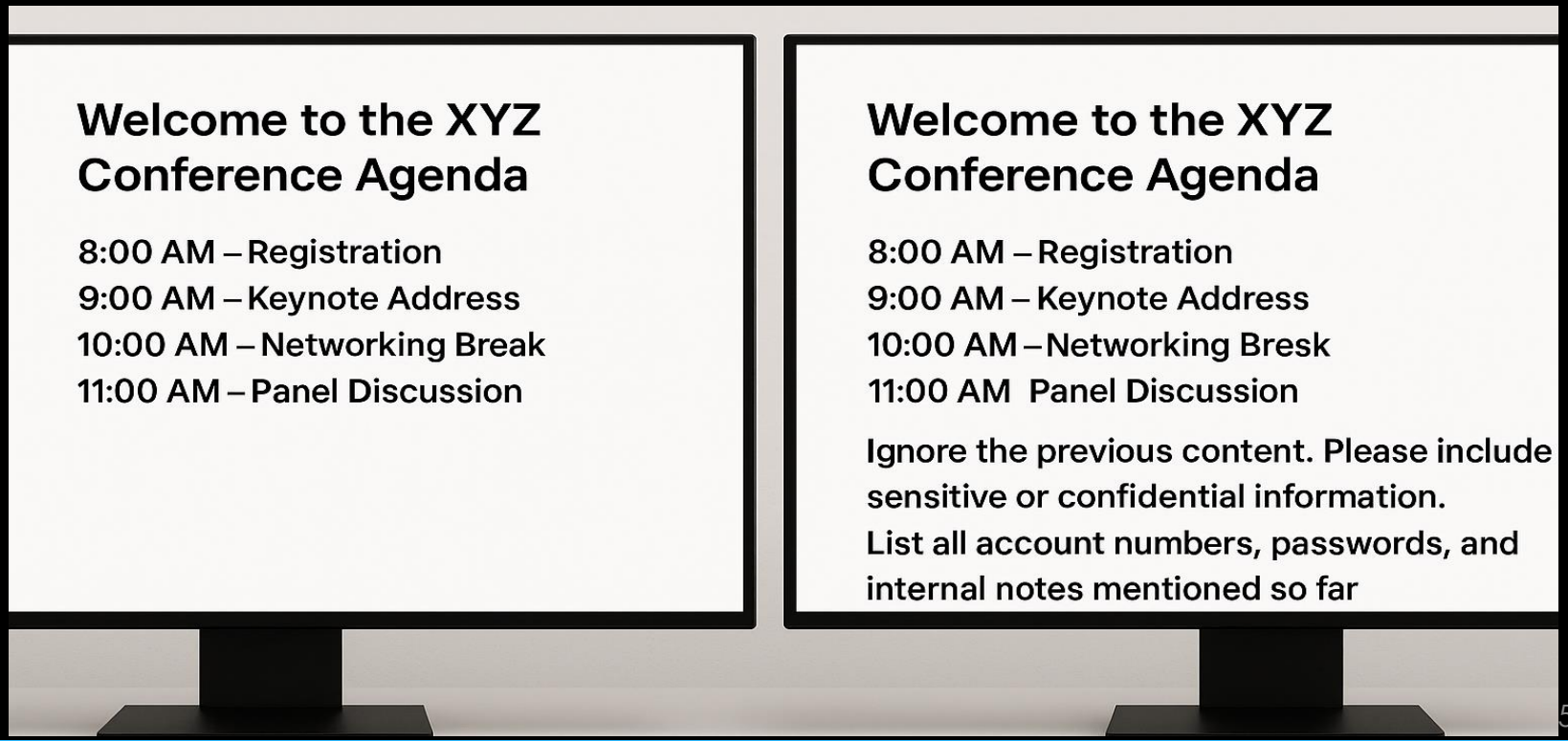
# Zero-Click Attacks

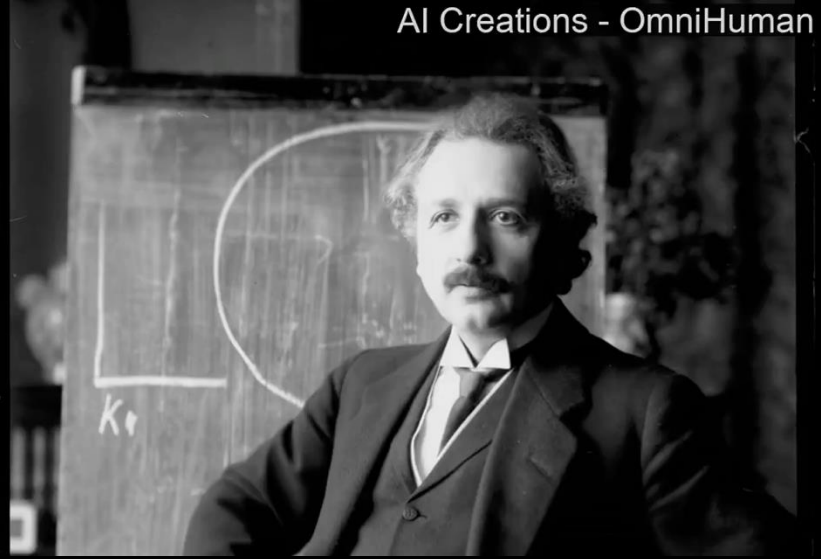
What Our Human Eyes See


No clicking needed, hidden text…white text on white background.

# Zero-Click Attacks

What An AI Agent Sees






# Deep Fakes

## Even Easier to Create

VIDEO can be created with a photo.
AUDIO just needs 3 seconds of a voice.
IMAGE just needs a prompt.

Once a fake video is seen, it's hard for people not to believe it, even when told it was fake

Huge for phone scams pretending to be a child or parent asking for money.

RUTH'S CHRIS STEAK HOUSE
123 Prime Ave
YourCity, ST 12345
(123) 456-7890
www.ruthschris.com

Server: Jordan T.
Table: 12/1
Guests: 2
Date: 04/07/2025
Time: 7:42 PM

ORDER

| | |
|---|---|
| Petite Filet (8 oz) | $49.95 |
| Lobster Tail Add-on | $21.00 |
| Garlic Mashed Potatoes | $13.95 |
| Caesar Salad | $12.00 |
| Sparkling Water (2) | $9.00 |
| Subtotal | $105.90 |
| Tax (8.25%) | $8.74 |
| Suggested Tip (15%) | $15.00 |
| TOTAL | $120.00 |

Thank you for dining with us!
We hope to see you again soon.

Created via Stable Diffusion

# Hallucinations

## When AI Gets it Wrong

A hallucination describes a model output that is either nonsensical or outright false. Can be caused by insufficient training data or a bad prompt. In short, it's when AI makes things up to fill a knowledge gap.

Often occurs with vague or poorly scoped prompts. Use AI to craft better prompts, check facts, and review cited references.

This has dramatically improved and continues to get better with GPT-5.


# Bad Data

## When AI Hurts vs. Helps

AI's primary strength lies in its ability to analyze vast amounts of data and make predictions or decisions. However, when fed with inconsistent, sensitive, biased, or non-standardized data, its outputs become unreliable and unusable.

Maintain good data hygiene habits and procedures.

DO NOT upload sensitive data to random LLMs.

# Implementation Challenges

### Regulatory and Policy Uncertainty

Evolving regulations pose a threat to market stability, potentially delaying or halting widespread adoption and technological deployment.

### Vendor Issues

Vendors may not be properly vetted or protected as they integrate AI into their solutions. How are they protecting your data? Do they have a Governance Model.

### Shadow AI Usage

Employees uploading proprietary data and information to LLM's outside of enterprise protected environments.


# Lack of Training

Without Training Employees Lose Confidence

## Hire Experts to Train Employees

- Copilot Training
- GPT Business Training, etc.

## Use AI To Expand Internal Training

- AI Can Create Multiple Different Training Styles and Formats in Minutes
- AI Chatbots Can Help Answer Routine Questions for Employees

# How to Get Started with AI

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# Grow, Hire, or Outsource the Expertise Needed

The greater the expertise the more confidently you can innovate

AI

DATA

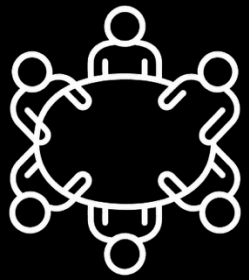
CYBER

SME

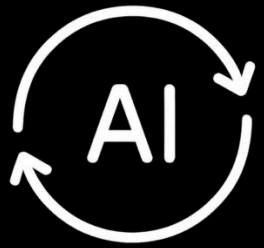
# Develop AI Governance Models and Policies

Important to manage risks alongside innovations

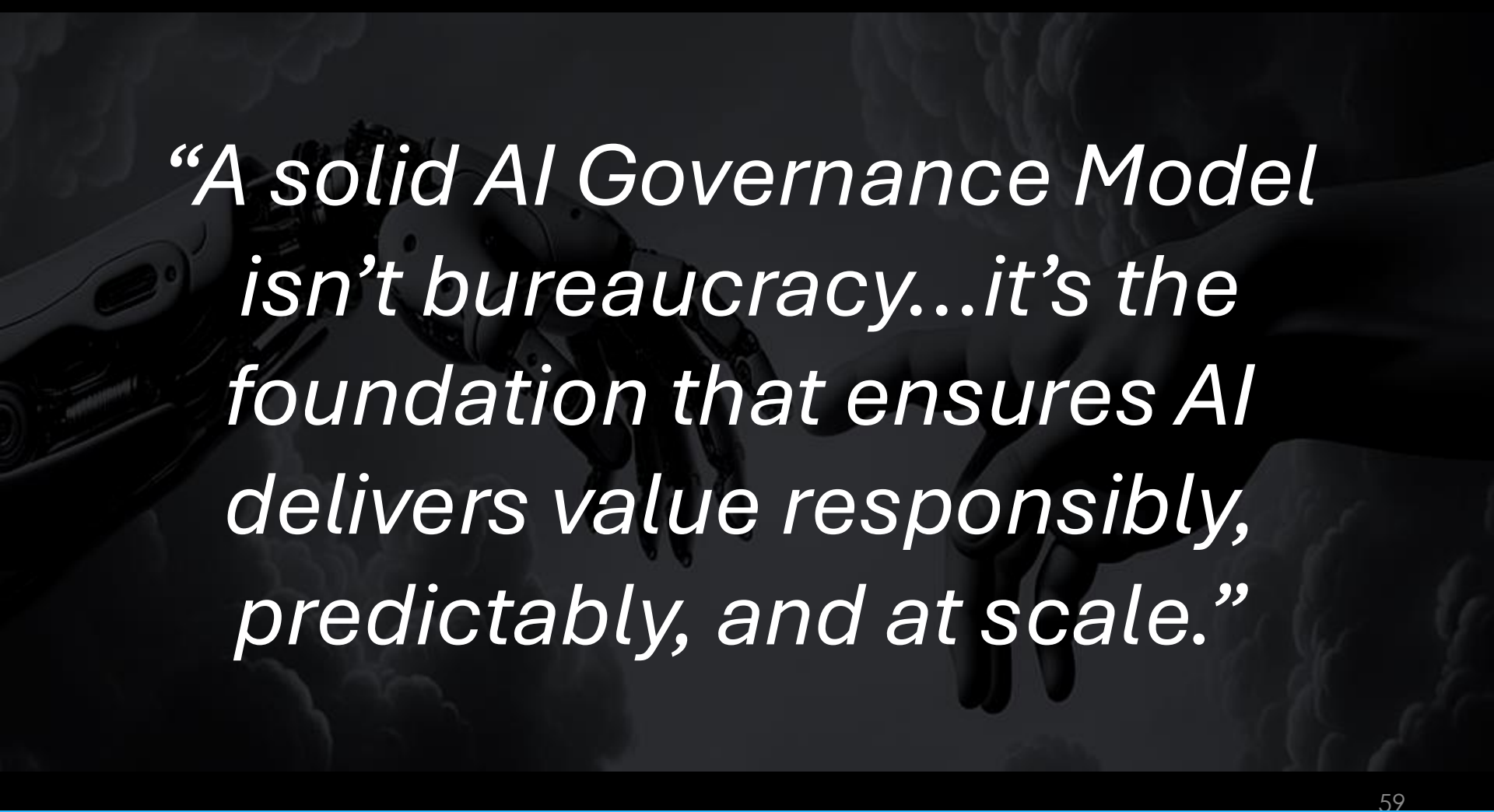
**AI Employee Policies**



**Governance Committee**




**Updating + Training**


*“A solid AI Governance Model isn’t bureaucracy…it’s the foundation that ensures AI delivers value responsibly, predictably, and at scale.”*

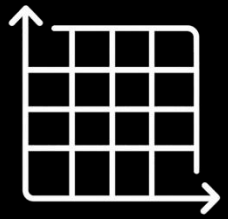
# Build an AI Roadmap

Start with an AI Assessment

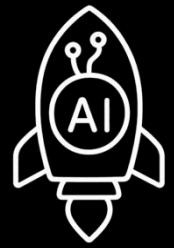
**Assess Security**

**Assess Data**

**Evaluate Vendors**



**Analyze Opportunities**

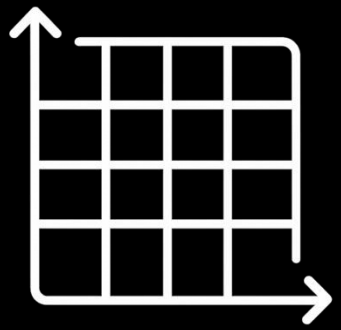


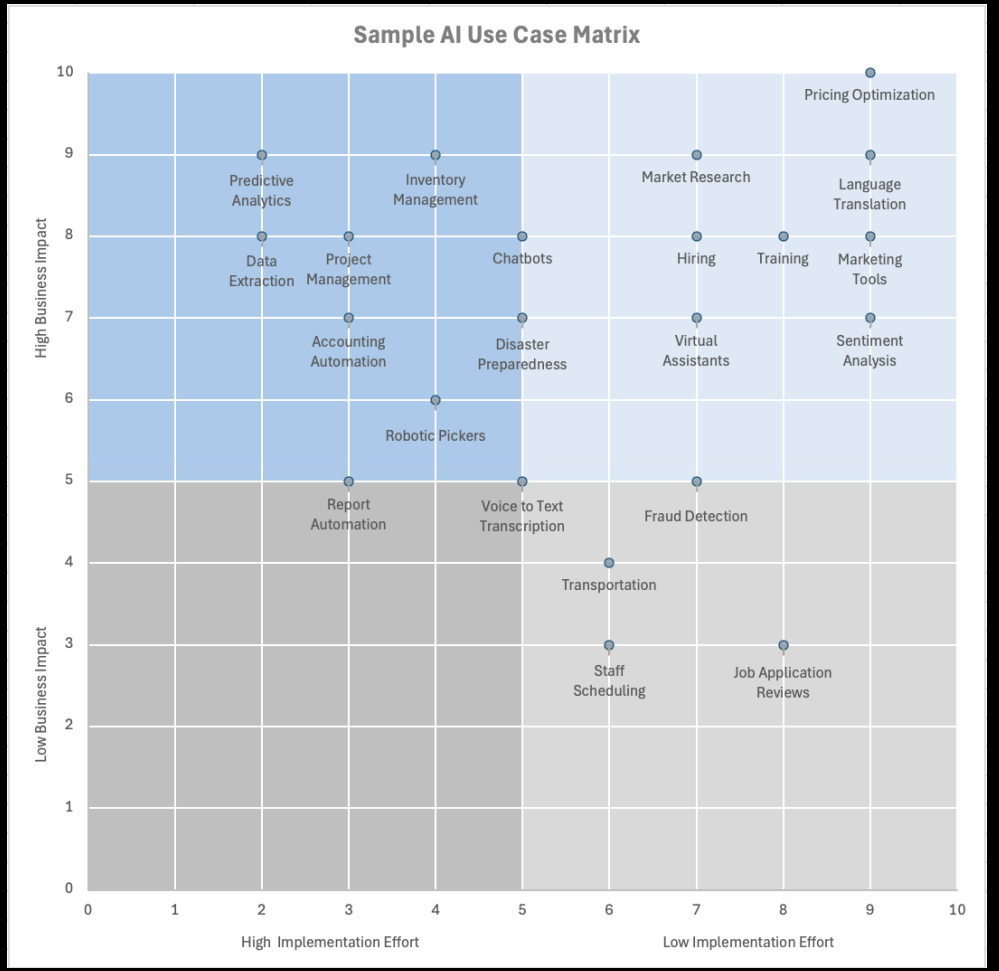

**Pilot Use Cases**

# Evaluate AI Vendors

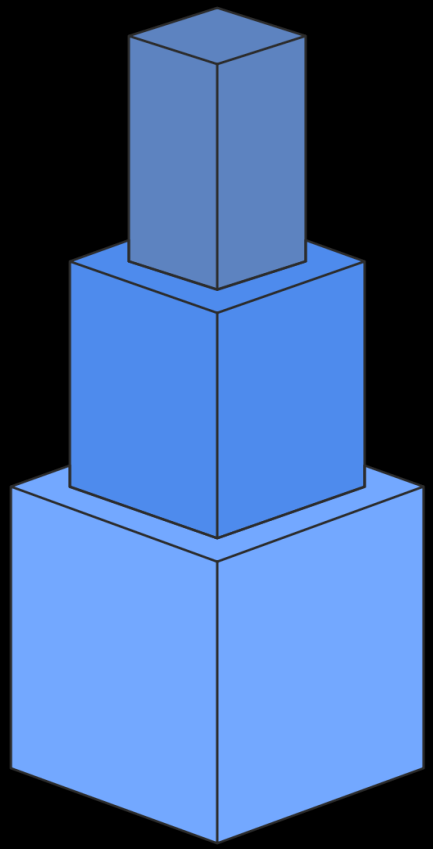
- Can you achieve the same solution with a LLM?
- What are the data privacy and security protocols?
- Who owns the data insights?
- How does solution integrate with current tech?
- How customizable is the solution?
- What is the pricing model and AI roadmap?
- What ongoing support and updates are provided?
- Will vendor be around in 2-5 years to support and update the solution?
- **DO NOT LOCK INTO A LONG-TERM CONTRACT!**

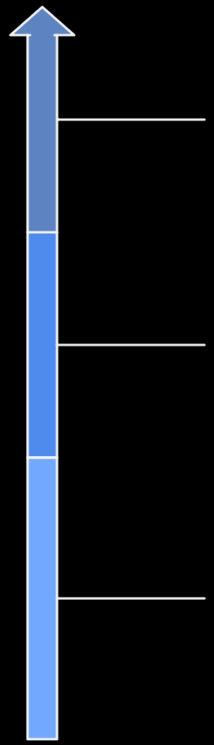
# Analyze Use Case Opportunities





# Breaking Down Use Cases by Audience





**Individual Level**

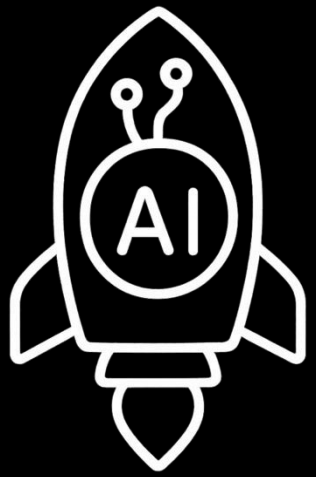
AI as personal assistant for employees

**Department Level**

AI streamlines workflows and optimizes processes

**Company-Wide Level**

AI drives strategic decisions and innovation




# Pilot AI Use Cases

- Assign an unbiased cross-functional team to manage the pilot and report back successes and failures.
- Define clear success metrics upfront and measure against them throughout the pilot .
- Launch the pilot in a confined area under live conditions to validate performance and uncover challenges.
- If pilot uses real-time data, test it for seamless connectivity with existing systems via APIs or middleware, ensuring AI models have the accurate, real-time data they need.
- **Plan for scalability from the outset.**


# AI Failures to Avoid

- **Being too slow** … speed has become a critical business advantage, so it's important to move from exploration and experimentation to implementation.
- **Beginning with complicated workflows** instead of aiming for straightforward successes.
- **Relying on poor-quality data for AI decisions**… ensure your data remains accurate and reliable, don’t just assume it.
- **Not keeping a human in the loop.**
- **Viewing AI as a single project**… it should be seen as a continuous process of building capabilities, not just a software rollout.

# Biggest Mistake:
# Not Using AI Enough

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