

INTRODUCED: February 14, 2022

A RESOLUTION No. 2022-R011

To provide for the actions necessary to make and ratify certain amendments to the Articles of Incorporation and By-Laws of Greater Richmond Transit Co. to provide, among other things, for a nine-member Board of Directors consisting of three directors each from the City, the County of Chesterfield, and the County of Henrico and for quorum and voting requirements of at least two directors from each locality.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 28 2022 AT 6 P.M.

WHEREAS, the City of Richmond, as a shareholder holding a 50 percent ownership interest in Greater Richmond Transit Co. (“GRTC”), desires to amend GRTC’s Articles of Incorporation as set forth in the document attached to this resolution and entitled “Amended and Restated Articles of Incorporation of Greater Richmond Transit Co.” (the “Proposed Articles”) and GRTC’s By-Laws as set forth in the document attached to this resolution and entitled “By-Laws of Greater Richmond Transit Co.” (the “Proposed Bylaws,” and together with the Proposed Articles, the “Amendments”) to provide, among other things, for a nine-member Board of Directors consisting of three directors each from the City, the County of Chesterfield, and the

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: FEB 28 2022 REJECTED: _____ STRICKEN: _____

County of Henrico and for quorum and voting requirements of at least two directors from each locality; and

WHEREAS, section 13.1-707 of the Code of Virginia (1950), as amended, requires that an amendment to a corporation's articles of incorporation first be adopted by the corporation's board of directors, and Article Seventh of the current GRTC Articles of Incorporation requires that the governing body of each shareholder ratify any amendment to GRTC's Articles of Incorporation; and

WHEREAS, article IX, section 1 of the current GRTC By-Laws permits any shareholder to initiate an amendment to GRTC's By-Laws;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That:

1. The Council calls upon the Board of Directors of GRTC, and especially those directors appointed by the Council, to adopt the Proposed Articles to the maximum extent required by section 13.1-707 of the Code of Virginia (1950), as amended;

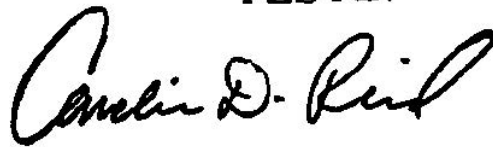
2. The Council authorizes and directs the President of the Council, for and on behalf of the City of Richmond and its City Council, to pursue diligently to completion all actions needed to make the Amendments fully effective, whether by calling a special meeting of the shareholders pursuant to article IV, section 3 of the current GRTC By-Laws or seeking unanimous consent in accordance with article IV, section 4 of the current GRTC By-Laws.

3. All completed and future actions of the shareholders and the Board of Directors of GRTC making amendments to the current GRTC Articles of Incorporation and the current GRTC

By-Laws consistent with this resolution and the Amendments attached hereto are hereby ratified and confirmed.

A TRUE COPY:

TESTE:

A handwritten signature in black ink, reading "Carlin D. Reid". The signature is written in a cursive style with a large initial "C" and a long, sweeping underline.

City Clerk

AMENDED AND RESTATED
ARTICLES OF INCORPORATION

OF

GREATER RICHMOND TRANSIT CO.

FIRST: The name of the corporation is Greater Richmond Transit Co.

SECOND: The Corporation is to conduct the business of providing transportation for passengers as a public service corporation and any other business activities or services relating or incidental to the transportation of passengers and not otherwise prohibited by law.

THIRD: The Corporation is authorized to issue up to 10 shares of common stock. Each share shall have a par value of \$1.00.

FOURTH: The number of directors shall be ~~six~~nine. Directors shall be elected, and vacancies shall be filled, as provided in the by-laws.

FIFTH: No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

SIXTH: (1) In this Article:

“applicant” means the person seeking indemnification pursuant to this Article.

“expenses” includes counsel fees.

“liability” means the obligation to pay a judgment, settlement, penalty, fine, including any excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

“party” includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

“proceeding” means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

(2) In any proceeding brought by or in the right of the Corporation or brought by or on behalf of shareholders of the Corporation, no director or officer of the Corporation shall be liable to the Corporation or its shareholders for monetary damages with respect to any transaction, occurrence or course of conduct, whether prior or subsequent to the effective date of this Article, except for liability resulting from such person's having engaged in willful misconduct or a knowing violation of the criminal law or any federal or state securities law.

(3) The Corporation shall indemnify (i) any person who was or is a party to any proceeding, including a proceeding brought by or in the right of the Corporation or brought by or on behalf of shareholders of the Corporation, by reason of the fact that he is or was a director or officer of the Corporation, or (ii) any director or officer who is or was serving at the request of the Corporation as a director, trustee, partner or officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability incurred by him in connection with such proceedings unless he engaged in willful misconduct or a knowing violation of the criminal law. A person is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or the participants in or beneficiaries of the plan. The Board of Directors is hereby empowered, by a majority vote, as defined in the by-laws, of a quorum of disinterested Directors, to enter into a contract to indemnify any director or officer in respect of any proceedings arising from any act or omission, whether occurring before or after the execution of such contract.

(4) The provisions of this Article shall be applicable to all proceedings commenced after the adoption hereof by the shareholders of the Corporation, arising from any act or omission, whether occurring before or after such adoption. No amendment or repeal of this Article shall have any effect on the rights provided under this Article with respect to any act or omission occurring prior to such amendment or repeal. The Corporation shall promptly take all such actions, and make all such determinations, as shall be necessary or appropriate to comply with its obligation to make any indemnity under this Article and shall promptly pay or reimburse all reasonable expenses, including attorneys' fees, incurred by any such director or officer in connection with such actions and determinations or proceedings of any kind arising therefrom.

(5) The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the applicant did not meet the standard of conduct described in Section (2) or (3) of this Article Sixth.

(6) Any indemnification under section (3) of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the applicant is proper in the circumstances because he has met the applicable standard of conduct set forth in section (3).

The determination shall be made:

(a) By the Board of Directors by a majority vote, as defined in the by-laws, of a quorum of directors not at the time parties to the proceeding;

(b) If a quorum cannot be obtained under subsection (a) of this section, by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding;

(c) By special legal counsel:

(i) Selected by the Board of Directors or its committee in the manner prescribed in subsection (a) or (b) of this section; or

(ii) If a quorum of the Board of Directors cannot be obtained under subsection (a) of this section and a committee cannot be designated under subsection (b) of this section, selected by majority vote, as defined in the by-laws, of the full Board of Directors, in which selection Directors who are parties may participate; or

(d) By shareholders, but shares owned by or voted under the control of directors who are at the time parties to the proceeding may not be voted on the determination.

Any evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is appropriate, except that if the determination is made by special legal counsel, such evaluation as to reasonableness of expenses shall be made by those entitled under subsection (c) of this section (6) to select counsel.

Notwithstanding the foregoing, in the event there has been a change in the composition of a majority of the Board of Directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to this Article Sixth shall be made by special legal counsel agreed upon by the Board of Directors and the applicant. If the Board of Directors and the applicant are unable to agree upon such special legal counsel, the Board of Directors and the applicant each shall select a nominee, and the nominees shall select such special legal counsel.

(7) (a) The Corporation shall pay for or reimburse the reasonable expenses incurred by any applicant who is a party to a proceeding in advance of final disposition of the proceeding or the making of any determination under section (3) if the applicant furnishes the Corporation:

(i) a written statement of his good faith belief that he has met the standard of conduct described in section (3); and

(ii) a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet such standard of conduct.

(b) The undertaking required by paragraph (ii) of subsection (a) of this section shall be an unlimited general obligation of the applicant but need not be secured and may be accepted without reference to financial ability to make repayment.

(c) Authorizations of payments under this section shall be made by the persons specified in section (6).

(8) The Board of Directors is hereby empowered, by majority vote, as defined in the by-laws, of a quorum consisting of disinterested directors, to cause the Corporation to indemnify or contract to indemnify any person not specified in section (2) or (3) of this Article who was, is or may become a party to any proceeding, by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in section (3). The provisions of sections (4) through (7) of this Article shall be applicable to any indemnification provided hereafter pursuant to this section (8).

(9) The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by him in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

(10) Every reference herein to directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators. The indemnification hereby provided and provided hereafter pursuant to the power hereby conferred by this Article on the Board of Directors shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the Corporation or others, with respect to claims, issues or matters in relation to which the Corporation would not have the power to indemnify such person under the provisions of this Article. Such rights shall not prevent or restrict the power of the

Corporation to make or provide for any further indemnity, or provisions for determining entitlement to indemnity, pursuant to one or more indemnification agreements, bylaws, or other arrangements (including, without limitations, creation of trust funds or security interests funded by letters of credit or other means) approved by the Board of Directors (whether or not any of the directors of the Corporation shall be a party to or beneficiary of any such agreements, bylaws or arrangements); provided, however, that any provision of such agreements, bylaws or other arrangements shall not be effective if and to the extent that it is determined to be contrary to this Article Sixth or applicable laws of the Commonwealth of Virginia.

(11) Each provision of this Article shall be severable, and an adverse determination as to any such provision shall in no way affect the validity of any other provision.

SEVENTH: Any amendment of these articles must be ratified by the governing body of each shareholder of the corporation.

By-Laws of
Greater Richmond Transit Co.

ARTICLE I – CORPORATE SEAL

The corporation is not required to obtain a seal. Should the secretary of the corporation determine that the seal is desirable, the corporate seal of the corporation shall be circular and shall have the name of the corporation inscribed thereon, within and around the circumference. In the center shall be the word “SEAL”.

ARTICLE II – FISCAL YEAR

The fiscal year of the corporation shall be determined by the Board of Directors in its discretion, but in the absence of any such determination it shall end on the 30th day of June.

ARTICLE III – RECORD DATE

The Board of Directors may fix a future date as the record date ~~in order~~ to make a determination of shareholders for any purpose. A record date may not be more than seventy days before the meeting or action requiring a determination of shareholders. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a shareholders’ meeting, the date on which notice of the meeting is mailed shall be the record date for such determination of shareholders. A determination of shareholders entitled to vote at any shareholders’ meeting made as provided herein is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

ARTICLE IV – SHAREHOLDERS

Section 1. Place of Meetings – Meetings of shareholders may be held at such place, in or out of the Commonwealth of Virginia, as may be provided in the notice of the meeting.

Section 2. Annual Meeting – The corporation shall hold a meeting of the shareholders annually on the third Wednesday in October of each year ~~a meeting of shareholders~~. If, for any reason, the corporation shall not hold the meeting of shareholders on such day, it shall call a meeting in accordance with the provisions of Section 3 of this Article, and the meeting so called shall be designated specifically as the annual meeting.

Section 3. Special Meetings – The corporation shall hold a special meeting of shareholders on call of the chairman of the Board of Directors, the president, a majority of the Board of Directors, or the written demand of the holders of at least thirty percent of the corporation’s outstanding voting shares.

Section 4. Action Without a Meeting – Action required to be taken at a shareholders’ meeting may be taken without a meeting, and without action by the Board of Directors, if the action is taken by all the shareholders entitled to vote on the action and is evidenced by one or more written consents describing the action taken, signed by all the shareholders entitled to vote on the action, and delivered to the secretary of the corporation for inclusion in the minutes for filing with the corporate records.

Section 5. Notice of Meetings

(a) Shareholders shall be notified of the date, time and place of each annual and special shareholders’ meeting. Such notice shall be given ~~not~~ neither less than ten nor more than sixty days before the meeting date except that notice of a shareholders’ meeting to act on an amendment of the articles of incorporation, a plan of merger or share exchange, a proposed sale, lease, exchange, or other disposition of all, or substantially all, of its property otherwise than in the usual course of business, or the dissolution of the corporation, shall be given ~~not~~ neither less than twenty-five nor more than sixty days before the meeting date. Unless otherwise required by statute, notice of an annual meeting need not state the purpose or purposes for which the meeting is called.

(b) Notice of a special meeting shall state the purpose or purposes for which the meeting is called. Notice is effective when mailed, if mailed postpaid and correctly addressed to the shareholder’s address shown on the corporation’s records.

Section 6. Quorum and Voting Requirements – Shares entitled to vote may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. A majority of the votes entitled to be cast on the matter constitutes a quorum, for action on the matter. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or shall be set for that adjourned meeting. If a quorum exists, action on a matter is approved if the votes cast in favor of the action exceed the votes cast opposing the action. Less than a quorum may adjourn a meeting.

A shareholder may vote his shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. An appointment of a proxy is effective when received by the secretary or other officer or agent authorized to tabulate votes. An appointment is valid for eleven months unless a longer period is expressly provided in the appointment form. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

ARTICLE V – DIRECTORS

Section 1. Duties – All powers of the corporation shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the corporation shall be managed under the direction of; the Board of Directors.

Section 2. Qualification and Number – A director need not be a shareholder of the corporation. The Board of Directors shall consist of ~~six~~ nine directors. Up to two of the three directors nominated by each locality may be members of that locality's governing body. Three directors (“City Directors”) shall be nominated by the governing body of the City of Richmond, Virginia (“City”); three directors (“Chesterfield Directors”) shall be nominated by the governing body of the County of Chesterfield, Virginia (“Chesterfield”); and three directors (“Henrico Directors”) shall be nominated by the governing body of the County of Henrico, Virginia (“Henrico”). Each governing body shall make its N~~ominations shall occur on or~~ before the annual meeting. Removal of ~~one or more of the a~~ City Directors or the ~~nomination~~ appointment of a director to fill a vacancy within the City Directors shall be the sole responsibility of the City. Removal of ~~one or more of the a~~ Chesterfield Directors or the ~~nomination~~ appointment of a director to fill a vacancy within the Chesterfield Directors shall be the sole responsibility of Chesterfield. Removal of a Henrico Director or the appointment to fill a vacancy within the Henrico Directors shall be the sole responsibility of Henrico.

Section 3. Election of Directors

(a) Henrico shall appoint the initial Henrico Directors for a term expiring at the next annual meeting upon the City's and Chesterfield's ratification of by-law amendments authorizing the Henrico Directors. ~~Directors shall be elected at each annual meeting of shareholders to succeed those directors whose terms have expired and to fill any vacancies then existing shall be elected at each annual meeting of shareholders.~~ The shareholders shall elect the nominees of governing bodies, provided that all nominees shall meet the qualifications described in Article V, Section 2.

(b) Directors shall hold their offices for terms of one year and until their successors are elected.

(c) ~~Subject to the provisions of~~ In accordance with Article V, Section 2, the governing body of the applicable locality shall appoint a director to fill any vacancy occurring in the Board of Directors ~~may be filled by the affirmative vote of the majority of the remaining directors though less than a quorum of the Board between annual meetings,~~ and the term of office of any director so ~~elected~~ appointed shall expire on the date fixed for the expiration of the term of office of the director ~~to which such director was so elected who vacated the directorship.~~

Section 4. Compensation – The shareholders shall fix compensation of directors for their services as such and may provide for the payment of all expenses incurred by directors in attending regular and special meetings of the board.

ARTICLE VI – DIRECTORS MEETING

Section 1. Meetings – Regular meetings of the Board of Directors shall be held monthly on the third Tuesday of each month except that the October meeting shall immediately follow each annual shareholder’s meeting to elect officers and to conduct such other business as may properly come before such meeting. Special meetings of the Board of Directors may be called by the chairman or any three members of the Board. All meetings of the Board of Directors are hereby deemed to be public meetings as defined in the Virginia Freedom of Information Act, Title 2.42, Chapter 2437, Code of Virginia, 1950, as amended (“VFOIA”) and shall be conducted in accordance with the VFOIA, including the VFOIA’s notice provisions.

Section 2. NoticeSpecial Meetings – ~~Regular meetings of the Board of Directors may be held without notice of the date, time, place or purpose of the meeting.~~

Special meetings of the Board of Directors shall be held upon notice of the date, time, place, and purpose or purposes of the meeting, which shall be ~~mailed or telegraphed sent by electronic mail~~ to each director at such director’s electronic mail address as shown in the corporation’s records at least two days prior to the date of the meeting and which shall be given to the public in compliance with the VFOIA.

Section 3. Waiver of Notice – A director may waive any required notice before or after the date and time stated in the notice, and such waiver shall be equivalent to the giving of such notice. The waiver shall be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records.

A director’s attendance at or participation in a meeting waives any required notice to him of the meeting unless the director at the beginning of the meeting or promptly upon his arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 4. Quorum and Voting—

(a) A quorum of the Board of Directors consists of a majority of the number of at least two of the directors nominated or appointed by the governing body of each locality identified in Article V, Section 2.

(b) If a quorum is present when a vote is taken, the An affirmative vote of at least two of the directors nominated or appointed by the governing body of each locality

identified in Article V, Section 2 constitutes a majority vote of the Board of dDirectors-present, and each such majority vote is the act of the Board of Directors.

Section 5. Committees – The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Any such committee may exercise all corporate authority delegated to it by the Board of Directors except as limited by law.

ARTICLE VII – OFFICERS

Section 1. Required Officers – The corporation shall have a president, secretary and treasurer elected by the Board of Directors. The Board of Directors may elect one or more vice presidents or other such officers as it may deem proper. Each officer of the corporation shall be either a director of the corporation or an employee of the corporation or a wholly owned subsidiary of the corporation. The secretary shall have the responsibility for preparing and maintaining custody of minutes of the directors’ and shareholders’ meetings and for authenticating records of the corporation. The same individual may simultaneously hold more than one office.

Section 2. Removal – The Board of Directors may remove any officer by majority vote, as defined by Article VI, Section 4, at any time with or without cause.

Section 3. Bonds – The Board of Directors may require that any or all officers, agents and employees of the corporation give bond to the corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and that they comply with such other conditions as from time to time may be required by the Board of Directors.

ARTICLE VIII – CERTIFICATES EVIDENCING SHARES

Section 1. Form and Content – Shares shall be represented by certificates. Each share certificate shall state on its face the name of the corporation and that it is organized under the laws of the Commonwealth of Virginia, the name of the person to whom it is issued, and the number of shares the certificate represents. Each share certificate shall be signed by the president or a vice president and by the secretary, an assistant secretary, the treasurer, if any, or an assistant treasurer.

Section 2. Transfers – All transfers of shares shall be made upon the books of the corporation upon surrender of certificates for the shares transferred accompanied by an assignment in writing by the holder or by a duly authorized attorney-in-fact.

Section 3. Replacements – In case of loss, mutilation or destruction of a certificate, a duplicate certificate may be issued upon such terms not in conflict with law as the Board of Directors may prescribe.

ARTICLE IX – AMENDMENTS

Section 1 Amendment of By-Laws- by Board of Directors or Shareholders –

These by-laws may be amended by the shareholders or by the affirmative vote of ~~more than two-thirds a majority, as defined by Article VI, Section 4,~~ of the Board of Directors, except as otherwise provided by law. Any amendment of these by-laws must be ratified by the City, ~~and~~ Chesterfield, ~~and Henrico~~.

Section 2 Legislative Amendment – In the event that any portion of these by-

laws is subsequently rendered invalid by act of the General Assembly of Virginia, those portions hereof which are not affected by such legislation shall remain in full force and effect until and unless altered or repealed in accordance with the terms hereof.



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O&R REQUEST

DATE: January 19, 2022

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Robert Steidel, DCAO, Operations

FROM: Bobby Vincent Jr., Director of Public Works

RE: TO APPROVE CERTAIN AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BY-LAWS OF THE GREATER RICHMOND TRANSIT COMPANY (GRTC).

ORD. OR RES. No. _____

PURPOSE: To approve amendments to the Articles of Incorporation and By-laws of the Greater Richmond Transit Company (GRTC) to add nominees of Henrico County to the board of directors of GRTC and make additional changes as more fully described below, in order to provide a more clear and consistent board of directors that represents the region and that directly serves the interests of citizens whose livelihoods are most invested in transit.

REASON: The current GRTC Articles of Incorporation were restated and adopted on June 26, 1989 and the current By-laws were last amended on May 24, 1993. Since then GRTC has expanded its services to meet the growing needs of the region. GRTC currently operates with a six person board appointed by GRTC's shareholders, the City of Richmond and Chesterfield County. The proposed amendments to the Articles of Incorporation are to update the "Fourth" section to change the number of directors from six to nine and further clarifies throughout that a "majority vote" shall be "as defined by the By-laws. The proposed amendments to the By-laws, as shown more fully on the attached, include:

- 1) the addition three directors to the Board of Directors to be nominated by the governing body of the County of Henrico, Virginia;
- 2) That up to two of the three directors nominated by each locality may be members of that locality's governing body;

- 3) that Richmond and Chesterfield, as shareholders of the corporation, shall elect the nominees of the governing bodies, and vacancies will be appointed by the applicable localities governing body;
- 4) That a quorum and an affirmative vote must consist of at least two directors nominated or appointed by the governing body of each locality;
- 5) Minor changes regarding the scheduling of meetings of the Board of Directors;
- 6) To provide that each officer of the corporation shall be either a director of the corporation or an employee of the corporation or a wholly owned subsidiary of the corporation
- 7) To provide that a change to the By-laws must be approved by Henrico, in addition to the City and Chesterfield.

BACKGROUND: Passed in April 2020, The Virginia Acts of Assembly Chapter 37. Central Virginia Transportation Authority Act states that the Central Virginia Transportation Authority, as created by Chapter 37 (Section 33.2-3700 et seq.) of Title 33.2 of the Code of Virginia, as created by this act, shall evaluate the governance structure of transit service in the Richmond region, including the evaluation of establishing a transportation district pursuant to Chapter 19 (Section 33.2-1900 et seq.) of Title 33.2 of the Code of Virginia, and report the results of such evaluation to the Governor and the General Assembly no later than December 1, 2020. With the County of Henrico having steadily higher tax contributions to GRTC, it is of utmost importance that the City of Richmond continues to have a meaningful impact on the planning, coordinating and utilization of funds for GRTC. It is imperative that there be a coordinated effort between the jurisdictions when it comes to decision-making for GRTC. With the new regional transportation dollars being a key economic driver, regional policymakers and its administrators must be at the decision making table.

Currently, as structured, GRTC Board and its CEO can act independently of the jurisdictions that that completely subsidize the operations of GRTC and in the City of Richmond's case are one of its owners/shareholders. The City of Richmond transit routes are at the core of GRTC's system and our transit riders quality of life depends on the strategies, performance and spending of GRTC limited resources. Without Richmond effectively representing the transit riders' voice, their voices can be silenced when it comes to major decisions that can adversely impact them.

The City of Richmond City Council appoints board members to the GRTC board, and it is not appropriate to simply design the board to represent taxpayers; but having Richmond's elected officials who are directly responsible to citizens to ensure that GRTC provides the transit services that our residents need and depend on is an achievable approach relative the future regional aspect of GRTC routes and riders.

The City believes three seats per locality would seem like a balanced representation for GRTC there are several reasons for the City of Richmond's need to maintain a level of position control in GRTC:

- Richmond represents 80% of the ridership and about 75% of the revenue miles are in the city.

- The entire system, and its fundamental connectivity, are dependent upon the core route structure and service located within the city's central 62 square miles.
- The core ridership is located in the city because of both the population density and the concentration of poverty in the city.
- The density of the city core encourages and requires the availability of good public transit for suburban commuters.

The City is amenable to updating the GRTC By-laws, Shareholder agreement, Umbrella Agreement/Articles of Incorporation and any other applicable agreement needed by the City. It is important that a regional transit company be allowed to be represented by its largest service area.

The City is agreeing on the following:

- Not to compromise on Shareholder Share of Richmond/Chesterfield 50/50
- Not to compromise on the requirement to have the election of Board of Directors members by shareholders at annual meeting.
- To allow the County of Henrico on the GRTC Board of Directors, but not as a shareholder
- Impose a majority rule for all action taken by the GRTC Board of Directors (2 members from each locality must affirm vote)
- Board of Directors can be comprised of up to two elected officials
- Impose a majority rule for all action taken by the GRTC Board of Directors
- Richmond service area receives 80% of all state and/or federal operating subsidies based on ridership and revenue miles within the "Density Core".
- Richmond existing routes that are operated by the Transit Company shall be deemed a part of the "existing regional system".

The GRTC transit system is uniquely essential to the population and economic health of the City. Key decisions that GRTC will face in the future; include how GRTC defines local and regional routes, determining how local operational subsidy cost are derived, the expenditure of regional transit funds for service, and whether zero fare remains or if fares are reinstated. These proposed amendments allows for what is a historical Richmond City asset, developed and built over decades, to be recognized and maintained even in the midst of transit expanding across the region.

RECOMMENDATION: Approval is recommended by the City Administration

FISCAL IMPACT / COST: None

FISCAL IMPLICATIONS: None

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: N/A.

DESIRED EFFECTIVE DATE: Upon adoption of this ordinance.

REQUESTED INTRODUCTION DATE: February 14, 2022

CITY COUNCIL PUBLIC HEARING DATE: February 28, 2022

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Land Use, Housing & Transportation Standing Committee Meeting on February 22, 2022.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: Chesterfield County has the same amendments to be approved by its governing body, as the other shareholder of GRTC.

AFFECTED AGENCIES: Department of Public Works

RELATIONSHIP TO EXISTING ORD. OR RES.: None

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Proposed Amendments to the GRTC Articles of Incorporation
Proposed Amendment to the GRTC By-laws
Amended GRTC Articles of Incorporation (1989)
Amended By-laws (1993)

STAFF: Dironna Moore Clarke, Office of Equitable Transit and Mobility

RECEIVED
APR 05 2010

GREATER RICHMOND TRANSIT CO.

OFFICE OF CITY ATTORNEY

Articles of Restatement

1. The name of the corporation is Greater Richmond Transit Co.
2. The Restated Articles of Incorporation are set forth in Exhibit A attached hereto.
3. The Restated Articles of Incorporation include an amendment to the Corporation's Articles of Incorporation requiring shareholder approval. The Restated Articles of Incorporation were adopted by unanimous consent of the Corporation's sole shareholder on June 26, 1989.

GREATER RICHMOND TRANSIT CO.

By:

Robert C. Ball
President

Attest:

William J. Kopper
Assistant Secretary

AMENDED AND RESTATED
ARTICLES OF INCORPORATION

OF

GREATER RICHMOND TRANSIT CO.

FIRST: The name of the corporation is Greater Richmond Transit Co.

SECOND: The Corporation is to conduct the business of providing transportation for passengers as a public service corporation and any other business activities or services relating or incidental to the transportation of passengers and not otherwise prohibited by law.

THIRD: The Corporation is authorized to issue up to 10 shares of common stock. Each share shall have a par value of \$1.00.

FOURTH: The number of directors shall be six.

FIFTH: No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purposes.

SIXTH: (1) In this Article:

"applicant" means the person seeking indemnification pursuant to this Article.

"expenses" includes counsel fees.

"liability" means the obligation to pay a judgment, settlement, penalty, fine, including any excise tax assessed with respect to an

employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

"party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

"proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

(2) In any proceeding brought by or in the right of the Corporation or brought by or on behalf of shareholders of the Corporation, no director or officer of the Corporation shall be liable to the Corporation or its shareholders for monetary damages with respect to any transaction, occurrence or course of conduct, whether prior or subsequent to the effective date of this Article, except for liability resulting from such person's having engaged in willful misconduct or a knowing violation of the criminal law or any federal or state securities law.

(3) The Corporation shall indemnify (i) any person who was or is a party to any proceeding, including a proceeding brought by or in the right of the Corporation or brought by or on behalf of shareholders of the Corporation, by reason of the fact that he is or was a director or officer of the Corporation, or (ii) any director or officer who is or was serving at the request of the Corporation as a director, trustee, partner or officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability incurred by him in connection with such proceedings unless he engaged in willful misconduct or

a knowing violation of the criminal law. A person is considered to be serving an employee benefit plan at the Corporation's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan. The Board of Directors is hereby empowered, by a majority vote of a quorum of disinterested Directors, to enter into a contract to indemnify any director or officer in respect of any proceedings arising from any act or omission, whether occurring before or after the execution of such contract.

(4) The provisions of this Article shall be applicable to all proceedings commenced after the adoption hereof by the shareholders of the Corporation, arising from any act or omission, whether occurring before or after such adoption. No amendment or repeal of this Article shall have any effect on the rights provided under this Article with respect to any act or omission occurring prior to such amendment or repeal. The Corporation shall promptly take all such actions, and make all such determinations, as shall be necessary or appropriate to comply with its obligation to make any indemnity under this Article and shall promptly pay or reimburse all reasonable expenses, including attorneys' fees, incurred by any such director or officer in connection with such actions and determinations or proceedings of any kind arising therefrom.

(5) The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the applicant did not meet the standard of conduct described in Section (2) or (3) of this Article Sixth.

(6) Any indemnification under section (3) of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the applicant is proper in the circumstances because he has met the applicable standard of conduct set forth in section (3).

The determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of directors not at the time parties to the proceeding;

(b) If a quorum cannot be obtained under subsection (a) of this section, by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding;

(c) By special legal counsel:

(i) Selected by the Board of Directors or its committee in the manner prescribed in subsection (a) or (b) of this section; or

(ii) If a quorum of the Board of Directors cannot be obtained under subsection (a) of this section and a committee cannot be designated under subsection (b) of this section, selected by majority vote of the full Board of Directors, in which selection Directors who are parties may participate; or

(d) By the shareholders, but shares owned by or voted under the control of directors who are at the time parties to the proceeding may not be voted on the determination.

Any evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is appropriate, except that if the determination is made by special legal counsel, such evaluation as to reasonableness of expenses shall be made by those entitled under subsection (c) of this section (6) to select counsel.

Notwithstanding the foregoing, in the event there has been a change in the composition of a majority of the Board of Directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to this Article Sixth shall be made by special legal counsel agreed upon by the Board of Directors and the applicant. If the Board of Directors and the applicant are unable to agree upon such special legal counsel the Board of Directors and the applicant each shall select a nominee, and the nominees shall select such special legal counsel.

(7) (a) The Corporation shall pay for or reimburse the reasonable expenses incurred by any applicant who is a party to a proceeding in advance of final disposition of the proceeding or the making of any determination under section (3) if the applicant furnishes the Corporation:

(i) a written statement of his good faith belief that he has met the standard of conduct described in section (3); and

(ii) a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet such standard of conduct.

(b) The undertaking required by paragraph (11) of subsection (a) of this section shall be an unlimited general obligation of the applicant but need not be secured and may be accepted without reference to financial ability to make repayment.

(c) Authorizations of payments under this section shall be made by the persons specified in section (6).

(8) The Board of Directors is hereby empowered, by majority vote of a quorum consisting of disinterested directors, to cause the Corporation to indemnify or contract to indemnify any person not specified in section (2) or (3) of this Article who was, is or may become a party to any proceeding, by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in section (3). The provisions of sections (4) through (7) of this Article shall be applicable to any indemnification provided hereafter pursuant to this section (8).

(9) The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer,

employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by him in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

(10) Every reference herein to directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators. The indemnification hereby provided and provided hereafter pursuant to the power hereby conferred by this Article on the Board of Directors shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the Corporation or others, with respect to claims, issues or matters in relation to which the Corporation would not have the power to indemnify such person under the provisions of this Article. Such rights shall not prevent or restrict the power of the Corporation to make or provide for any further indemnity, or provisions for determining entitlement to indemnity, pursuant to one or more indemnification agreements, bylaws, or other arrangements (including, without limitation, creation of trust funds or security interests funded by letters of credit or other means) approved by the Board of Directors (whether or not any of the directors of the Corporation shall be a party to or beneficiary of any such agreements, bylaws or arrangements); provided, however, that any provision of such agreements, bylaws or other arrangements shall not be effective if and to the extent

that it is determined to be contrary to this Article Sixth or applicable laws of the Commonwealth of Virginia.

(11) Each provision of this Article shall be severable, and an adverse determination as to any such provision shall in no way affect the validity of any other provision.

SEVENTH: Any amendment of these articles must be ratified by the governing body of each shareholder of the corporation.

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

July 12, 1989

The State Corporation Commission has found the accompanying
articles submitted on behalf of

GREATER RICHMOND TRANSIT CO.

to comply with the requirements of law, and confirms payment of
all related fees.

Therefore, it is ORDERED that this

CERTIFICATE OF AMENDMENT (RESTATEMENT)

be issued and admitted to record with the articles of amendment in
the Office of the Clerk of the Commission, effective July 12,
1989.

The corporation is granted the authority conferred on it by law in
accordance with the articles, subject to the conditions and re-
strictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

AMENACPT
CIS20436
89-07-05-0169

Effective January 1991
Amended 3/23/93 - Ratified by
City Council 5/24/93 and by
Chesapeake Expressions
on May 26, 1993
(see attached)

BY-LAWS OF
GREATER RICHMOND TRANSIT CO

ARTICLE I - CORPORATE SEAL

The corporation is not required to obtain a seal. Should the secretary of the corporation determine that a seal is desirable, the corporate seal of the corporation shall be circular and shall have the name of the corporation inscribed thereon, within and around the circumference. In the center shall be the word "SEAL".

ARTICLE II - FISCAL YEAR

The fiscal year of the corporation shall be determined by the Board of Directors in its discretion, but in the absence of any such determination it shall end on the 30th day of June.

ARTICLE III - RECORD DATE

The Board of Directors may fix a future date as the record date in order to make a determination of shareholders for any purpose. A record date may not be more than seventy days before the meeting or action requiring determination of shareholders. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a shareholders' meeting, the date on which notice of the meeting is mailed shall be the record date for such determination of shareholders. A determination of shareholders entitled to vote at any shareholders' meeting made as provided herein is effective for any adjournment of the

meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

ARTICLE IV - SHAREHOLDERS

Section 1. Place of Meetings - Meetings of shareholders may be held at such place, in or out of the Commonwealth of Virginia, as may be provided in the notice of the meeting.

Section 2. Annual Meeting - The corporation shall hold annually on the third Wednesday in October of each year a meeting of shareholders. If, for any reason, the corporation shall not hold the meeting of shareholders on such day, it shall call a meeting in accordance with the provisions of Section 3 of this Article, and the meeting so called shall be designated specifically as the annual meeting.

Section 3. Special Meetings - The corporation shall hold a special meeting of shareholders on call of the chairman of the Board of Directors, the president, a majority of the Board of Directors, or the written demand of the holders of at least thirty percent of the corporation's outstanding voting shares.

Section 4. Action Without a Meeting - Action required to be taken at a shareholders' meeting may be taken without a meeting, and without action by the Board of Directors, if the action is taken by all the shareholders entitled to vote on the action and is evidenced by one or more written consents describing the action taken, signed by all the shareholders

entitled to vote on the action, and delivered to the secretary of the corporation for inclusion in the minutes for filing with the corporate records.

Section 5. Notice of Meetings

(a) Shareholders shall be notified of the date, time and place of each annual and special shareholders' meeting. Such notice shall be given no less than ten nor more than sixty days before the meeting date except that notice of a shareholders' meeting to act on an amendment of the articles of incorporation, a plan of merger or share exchange, a proposed sale, lease, exchange, or other disposition of all, or substantially all, of its property otherwise than in the usual course of business, or the dissolution of the corporation, shall be given not less than twenty-five nor more than sixty days before the meeting date. Unless otherwise required by statute, notice of an annual meeting need not state the purpose or purposes for which the meeting is called.

(b) Notice of a special meeting shall state the purpose or purposes for which the meeting is called. Notice is effective when mailed, if mailed postpaid and correctly addressed to the shareholder's address shown on the corporation's records.

Section 6. Quorum and Voting Requirements - Shares entitled to vote may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. A majority of the votes entitled to be cast on the matter constitutes a quorum, for action on the matter. Once a share is represented

for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or shall be set for that adjourned meeting. If a quorum exists, action on a matter is approved if the votes cast in favor of the action exceed the votes cast opposing the action. Less than a quorum may adjourn a meeting.

A shareholder may vote his shares in person or by proxy. A shareholder may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. An appointment of a proxy is effective when received by the secretary or other officer or agent authorized to tabulate votes. An appointment is valid for eleven months unless a longer period is expressly provided in the appointment form. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest.

ARTICLE V - DIRECTORS

Section 1. Duties - All powers of the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors.

Section 2. Qualification and Number - A director need not be a shareholder of the corporation. The Board of Directors

shall consist of six directors. Three directors ("City Directors") shall be nominated by the governing body of the City of Richmond, Virginia ("City"); three directors ("Chesterfield Directors") shall be nominated by the governing body of the County of Chesterfield, Virginia ("Chesterfield"). Nominations shall occur on or before the annual meeting. Removal of one or more of the City Directors or the nomination of a director to fill a vacancy within the City Directors shall be the sole responsibility of the City. Removal of one or more of the Chesterfield Directors or the nomination of a director to fill a vacancy within the Chesterfield Directors shall be the sole responsibility of Chesterfield.

Section 3. Election of Directors

(a) Directors shall be elected at each annual meeting of shareholders to succeed those directors whose terms have expired and to fill any vacancies then existing.

(b) Directors shall hold their offices for terms on one year and until their successors are elected.

(c) Subject to the provisions of Article V, Section 2, any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of the remaining directors though less than a quorum of the Board, and the term of office of any director so elected shall expire on the date fixed for the expiration of the term of office of the director to which such director was so elected.

Section 4. Compensation - The shareholders shall fix

compensation of directors for their services as such and may provide for the payment of all expenses incurred by directors in attending regular and special meetings of the board.

ARTICLE VI - DIRECTORS MEETING

Section 1. Meetings - Regular meetings of the Board of Directors shall be held monthly on the third ~~Wednesday~~ *Tuesday (see attached)* of each month except that the October meeting shall immediately follow each annual shareholder's meeting to elect officers and to conduct such other business as may properly come before such meeting. Special meetings of the Board of Directors may be called by any member of the Board. All meetings of the Board of Directors are hereby deemed to be public meetings as defined in the Virginia Freedom of Information Act, Title 2.1, Chapter 21, Code of Virginia, 1950, as amended ("VFOIA") and shall be conducted in accordance with the VFOIA.

Section 2. Notice - Regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting.

Special meetings of the Board of Directors shall be held upon notice of the date, time, place and purpose or purposes of the meeting, which shall be mailed or telegraphed to each director at least two days prior to the date of the meeting.

Section 3. Waiver of Notice - A director may waive any required notice before or after the date and time stated in the notice, and such waiver shall be equivalent to the giving of such

notice. The waiver shall be in writing, signed by the director entitled to the notice, and filed with the minutes or corporate records.

A director's attendance at or participation in a meeting waives any required notice to him of the meeting unless the director at the beginning of the meeting or promptly upon his arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 4. Quorum and Voting - A quorum of the Board of Directors consists of a majority of the number of directors. If a quorum is present when a vote is taken, the affirmative vote of a majority of the directors present is the act of the Board of Directors.

Section 5. Committees - The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Any such committee may exercise all corporate authority delegated to it by the Board of Directors except as limited by law.

ARTICLE VII - OFFICERS

Section 1. Required Officers - The corporation shall have a president, secretary and treasurer elected by the Board of Directors. The Board of Directors may elect one or more vice presidents or other such officers as it may deem proper. The secretary shall have the responsibility for preparing and

maintaining custody of minutes of the directors' and shareholders' meetings and for authenticating records of the corporation. The same individual may simultaneously hold more than one office.

Section 2. Removal - The Board of Directors may remove any officer at any time with or without cause.

Section 3. Bonds - The Board of Directors may require that any or all officers, agents and employees of the corporation give bond to the corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and that they comply with such other conditions as from time to time may be required by the Board of Directors.

ARTICLE VIII - CERTIFICATES EVIDENCING SHARES

Section 1. Form and Content - Shares shall be represented by certificates. Each share certificate shall state on its face the name of the corporation and that it is organized under the laws of the Commonwealth of Virginia, the name of the person to whom issued, and the number of shares the certificate represents. Each share certificate shall be signed by the president or a vice president and by the secretary, an assistant secretary, the treasurer, if any, or an assistant treasurer.

Section 2. Transfers - All transfers of shares shall be made upon the books of the corporation upon surrender of the certificate for the shares transferred accompanied by an

assignment in writing by the holder or by a duly authorized attorney-in-fact.

Section 3. - Replacements - In case of the loss, mutilation or destruction of a certificate, a duplicate certificate may be issued upon such terms not in conflict with law as the Board of Directors may prescribe.

ARTICLE IX - AMENDMENTS

Section 1. Amendment of By-Laws by Board of Directors or Shareholders - These by-laws may be amended by the shareholders or by the affirmative vote of more than two-thirds of the Board of Directors, except as otherwise provided by law. Any amendment of these by-laws must be ratified by the City and Chesterfield.

Section 2. Legislative Amendment - In the event that any portion of these by-laws ^{is *} ~~are~~ subsequently rendered invalid by act of the General Assembly of Virginia, those portions hereof which are not affected by such legislation shall remain in full force and effect until and unless altered or repealed in accordance ^{with *} ~~the~~ [^] term^{*} hereof.

** See Attached*