

New Money, New Jobs: Waste Company May Hire Up To 100

Aug. 3--Backed by a new, deep-pocketed private equity investor, Oakleaf Waste Management expects to expand its workforce by as many as 100 people, or 20 percent, in the next year, Chief Executive Jim Barnes said Thursday.

Most of the new employees would work at the waste disposal management company's East Hartford headquarters, where it now employs about 300. Oakleaf also has facilities in Atlanta, Scottsdale, Ariz., Tampa, Fla., and Calgary, Alberta.

Total Oakleaf employment is about 450, Barnes said. The new jobs would mainly involve customer service, account management and invoice processing, as well as sales and marketing.

In a \$655 million deal announced Wednesday, New Mountain Capital of New York agreed to buy Charterhouse Group's stake in privately held Oakleaf. The deal is expected to close in August and will give New Mountain a majority stake in the company, according to Barnes.

Strong company growth and fresh capital from New Mountain are allowing the company to add jobs, he said.

An East Hartford native who founded Oakleaf with \$40,000 in 1995, Barnes said plans call for expanding Oakleaf's "valet waste service," which involves door-to-door trash collection at apartment complexes, among other things. Oakleaf serves 80,000 apartment units in several large U.S. states, including Florida and Texas, and plans to start service in California this year.

Oakleaf revenue grew 30 percent in each of the past two years, reaching nearly \$500 million, Barnes said. He predicts revenue of \$1 billion "just several years out." There are no immediate plans for an initial public offering, he said, "but it certainly has been an interest of ours and I'm certain that it's something that we will consider in the future."

Through subcontractors, Oakleaf provides nonhazardous waste disposal for customers with numerous and scattered locations, including Wal-Mart, Kmart, GAP, TGI Friday's, Sears, United Technologies and General Electric. Oakleaf does not own or operate garbage trucks.

Charterhouse, a New York private equity firm that has made investments of \$2 billion, was invested in Oakleaf for four years, during which time the company's revenue grew six-fold, Charterhouse said. Charterhouse earned a seven-fold return on its investment, it said.

In a statement, New Mountain Chief Executive Steven B. Klinsky called the environmental services and facilities management sectors "attractive and economically defensive growth industries."

New Mountain, which has \$6 billion under management, defines a defensive growth industry as one that can grow whether the economy is strong or weak.

Four New Mountain executives will join Oakleaf's board of directors, including Klinsky, Oakleaf said. Barnes will remain chief executive.

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