CASELLA WASTE SYSTEMS INC
Form 10-K/A
April 29, 2016
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

Or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number 000-23211

CASELLA WASTE SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**03-0338873**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
25 Greens Hill Lane, Rutland, VT	**05701**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: (802) 775-0325

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Class A common stock, $0.01 per share par value	**The NASDAQ Stock Market LLC (NASDAQ Global Select Market)**

Securities registered pursuant to Section 12(g) of the Act:

None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer , accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer ¨	Accelerated filer x
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

The aggregate market value of the common equity held by non-affiliates of the registrant, based on the last reported sale price of the registrant s Class A common stock on the NASDAQ Stock Market at the close of business on June 30, 2015 was approximately $213.1 million. The registrant does not have any non-voting common stock outstanding.

There were 40,243,775 shares of Class A common stock, $0.01 par value per share, of the registrant outstanding at April 15, 2016. There were 988,200 shares of Class B common stock, $0.01 par value per share, of the registrant outstanding at April 15, 2016.

Documents Incorporated by Reference

None.

Table of Contents

TABLE OF CONTENTS

Table of Contents

EXPLANATORY NOTE

This Amendment No. 1 to Form 10-K (this Amendment) amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (fiscal 2015) of Casella Waste Systems, Inc., as originally filed with the Securities and Exchange Commission (SEC) on March 2, 2016 (the Original Form 10-K). We are filing this Amendment to present the information required by Part III of Form 10-K that was previously omitted from the Original Form 10-K in reliance on General Instruction G(3) to Form 10-K.

In addition, Item 15 of Part IV has been amended to include new certifications by our principal executive officer and principal financial officer as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the Exchange Act). The certifications of our principal executive officer and principal financial officer are filed with this Amendment as Exhibits 31.3 and 31.4 hereto.

Except as described above, no other changes have been made to the Original Form 10-K. This Amendment does not otherwise update information in the Original Form 10-K to reflect facts or events occurring subsequent to the filing date of the Original Form 10-K. This Amendment should be read in conjunction with the Original Form 10-K and with any of our filings made with the SEC subsequent to filing of the Original Form 10-K.

Unless the context requires otherwise, all references in this Amendment to Casella Waste Systems, Inc., the Company, we, us, and our refer to Casella Waste Systems, Inc. and its consolidated subsidiaries.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Executive Officers

For information relating to our executive officers, please see Executive Officers of the Registrant in Part I of the Original Form 10-K.

The Board of Directors

The following table provides biographical information relating to each director, including his or her age and period of service as a director of Casella Waste Systems, Inc.; his or her committee memberships; his or her business experience, including principal occupation and employment and directorships at other public companies during the past five years; his or her community activities; and his or her other experience, qualifications, attributes or skills that led our Board of Directors, or Board, to conclude he or she should serve as a director of Casella Waste Systems, Inc.

Name	Age	Board Tenure, Principal Occupation, Other Business Experience During the Past Five Years and Other Directorships

Class I Directors

(terms expiring in 2016)

James F. Callahan, Jr. *Audit Committee (Chair)* *Nominations and Governance Committee*	72	Mr. Callahan has served as a member of our Board since March 2003. Mr. Callahan served as an audit and business advisory partner of Arthur Andersen LLP, an independent public accounting firm, from September 1975 to March 2000. Mr. Callahan has been retired since March 2000. Mr. Callahan has served as a member of various community service-related boards and currently serves on the Board of Trustees of the Massachusetts Department of Developmental Services Hogan Regional Center and is Trustee Emeritus of Bates College. Mr. Callahan holds a B.A. from Bates College and an M.B.A. from the Rutgers University School of Management. We believe Mr. Callahan is qualified to serve on our Board due to his years of experience at Arthur Andersen LLP, the depth and breadth of his financial reporting expertise and his experience with complex financial matters.

Table of Contents

Name	Age	Board Tenure, Principal Occupation, Other Business Experience During the Past Five Years and Other Directorships
Douglas R. Casella *Vice Chairman*	59	Mr. Casella has served as Vice Chairman of our Board since 1993. Mr. Casella founded Casella Waste Management, Inc., a wholly owned subsidiary of ours, in 1975 and has served as its President since then. Since 1989, Mr. Casella has served as President of Casella Construction, Inc., a company owned by Mr. Casella and his brother John W. Casella, who is also our Chief Executive Officer and Chairman of the Board, which specializes in general contracting, soil excavation and heavy equipment work, and which performs landfill-construction and related services for us. We believe Mr. Casella is qualified to serve on our Board due to his extensive experience with operational and asset management matters in the waste management industry.
Michael K. Burke *Audit Committee* *Nominations and Governance Committee*	58	Mr. Burke has served as a member of our Board since February 2008. Mr. Burke has served as Chief Financial Officer of EndoGastric Solutions, Inc. since November 2015. From January 2012 to June 2014, Mr. Burke served as Senior Vice President and Chief Financial Officer of Landauer, Inc., a publicly traded global provider of devices, consumable medical products and technical/analytical services. Prior to Landauer, Mr. Burke served as Senior Vice President and Chief Financial Officer of Albany International Corp., a publicly-traded global advanced textiles and materials processing company, from July 2009 to September 2010. Mr. Burke served as the Executive Vice President and Chief Financial Officer of Intermagnetics General Corporation, a publicly traded medical device company, from December 2001 until its sale to Royal Philips Electronics in November 2006. Before joining Intermagnetics General Corporation, Mr. Burke served as Executive Vice President and Chief Financial Officer of HbT, Inc., a manufacturer of hydrogen generators and processors. Prior to joining HbT in May 2000, Mr. Burke served as a Managing

Director within the U.S. Investment Banking Department of CIBC Oppenheimer Corp. Mr. Burke holds a B.A. in Economics from Lake Forest College and a Graduate Certificate in Mergers and Acquisitions from The Wharton School. We believe Mr. Burke is qualified to serve on our Board due to his leadership and financial experience, particularly his past experience as a senior-level investment banker with a prominent investment banking firm and as a chief financial officer of various publicly-traded companies, and his broad functional skill set.

Table of Contents

Name	Age	Board Tenure, Principal Occupation, Other Business Experience During the Past Five Years and Other Directorships
Class II Directors **(terms expiring in 2017)**		
Joseph G. Doody *Compensation Committee (Chair)*	63	Mr. Doody has served as a member of our Board since 2004. Mr. Doody has served as Vice Chairman of Staples, Inc., an office products company, since January 2014. Previously, Mr. Doody had served as President, North American Commercial of Staples, Inc. from 1998 until January 2014. From 1974 to 1998, Mr. Doody held several managerial positions with the Eastman Kodak Company, an imaging technology company, including General Manager and Vice President, North America, Office Imaging. Mr. Doody has served on the Board of Directors of Paychex, Inc., a leading provider of payroll, human resource, and benefits outsourcing solutions, since October 2010. Mr. Doody holds a B.S. in Economics from State University of New York at Brockport and an M.B.A. from the University of Rochester. We believe Mr. Doody is qualified to serve on our Board due to his significant leadership experience, board experience and management experience of a publicly-traded multinational company.
Emily Nagle Green *Compensation Committee* *Nominations and Governance Committee*	58	Ms. Nagle Green has served as a member of our Board since July 2012. From January 2012 until July 2015, Ms. Nagle Green served as President and Chief Executive Officer of Smart Lunches, Inc., an online delivery service providing fresh meals to children. From November 2005 to June 2011, Ms. Nagle Green served as Chief Executive Officer and a member of the Board of Directors of Yankee Group, a technology research firm, and from June 2011 to January 2012, Ms. Nagle Green served as Chairman of the Board of Directors of Yankee Group. Prior to joining Yankee Group, Ms. Nagle Green served as President and Chief Executive Officer of Cambridge Energy Research, an energy research and consulting firm, from 2003 to 2004. From 1995 to 2003, Ms. Nagle Green served in several leadership positions with Forrester Research, a provider of information

		technology and consulting services. Ms. Nagle Green holds a B.S.L. from Georgetown University and an M.S. in Engineering and Computer Graphics from the University of Pennsylvania. We believe Ms. Nagle Green is qualified to serve on our Board due to her substantial senior management executive experience as well as over 25 years of experience in identifying and leveraging technology trends.
Gregory B. Peters *Compensation Committee* *Audit Committee* *Nominations and Governance Committee (Chair)*	70	Mr. Peters has served as a member of our Board since 1993. From November 2002 to October 2015, he served as our Lead Director. Mr. Peters has served as managing general partner of Lake Champlain Capital Management, LLC, a corporate finance firm, since April 2001. From April 1988 to March 2001, Mr. Peters served as managing general partner of Vermont Venture Capital Partners, L.P., a venture capital company. Mr. Peters also previously served as general partner of North Atlantic Capital Partners, L.P., a venture capital company. Mr. Peters holds a B.A. from Harvard College and an M.B.A. from Harvard Business School. We believe Mr. Peters is qualified to serve on our Board due to his significant experience as a professional investor and extensive experience in areas of corporate governance.

Table of Contents

Name	Age	Board Tenure, Principal Occupation, Other Business Experience During the Past Five Years and Other Directorships
Class III Directors (terms expiring in 2018)		
John W. Casella *Chairman*	65	Mr. Casella has served as Chairman of our Board since July 2001 and as our Chief Executive Officer since 1993. Mr. Casella also served as our President from 1993 to July 2001 and as Chairman of our Board from 1993 to December 1999. In addition, Mr. Casella has served as Chairman of the Board of Directors of Casella Waste Management, Inc., a wholly-owned subsidiary of ours, since 1977. Mr. Casella is also an executive officer and director of Casella Construction, Inc., a company owned by Mr. Casella and his brother Douglas R. Casella, also a member of our Board, which specializes in general contracting, soil excavation and heavy equipment work, and which performs landfill-construction and related services for us. Mr. Casella has been a member of numerous industry-related and community service-related state and local boards and commissions, including the National Recycling Coalition, the Board of Directors of the Associated Industries of Vermont, the Association of Vermont Recyclers, the Vermont State Chamber of Commerce, the Rutland Industrial Development Corporation and the Rutland Regional Medical Center. Mr. Casella has also served on various state task forces, serving in an advisory capacity to the Governors of Vermont and New Hampshire on solid waste issues. Mr. Casella holds an A.S. in Business Management from Bryant & Stratton College and a B.S. in Business Education from Castleton State College. We believe Mr. Casella is qualified to serve on our Board due to his insight and expertise in the waste management industry and his leadership and knowledge of the Company obtained in his role as our Chief Executive Officer, coupled with his extensive business and leadership experience.
William P. Hulligan	72	Mr. Hulligan has served as a member of our Board since September 2015. Mr. Hulligan served as senior

Audit Committee

advisor to Progressive Waste Solutions Ltd., a waste management company, from March 2014 to August 2015, as President and Chief Operating Officer from January 2012 to March 2014, and as President USA and Executive Vice President of Florida operations from July 2010 to January 2012. Prior to joining Progressive Waste Solutions, Mr. Hulligan served as Executive Vice President of North America Operations of Waste Services, Inc., a publicly-traded solid waste services company, from June 2003 to July 2010. Prior to joining Waste Services, Mr. Hulligan also spent over 20 years at Waste Management, Inc., a provider of waste management services, where he held various senior management positions. Mr. Hulligan previously served as a member of the Board of Directors of two publicly-traded waste management companies, EarthCare Company and OHM Corporation. He has also served on the Board of Directors of the Environmental Industry Association as well as on the board of Trustees at John Carroll University and Bradley University. Mr. Hulligan holds a B.S. in Business Administration from John Carroll University. We believe Mr. Hulligan is qualified to serve on our Board due to his over 40 years of experience in the waste management industry, including extensive operational and executive experience.

Table of Contents

James E. O Connor *Lead Director* *Compensation Committee*	66	Mr. O Connor has served as a member of our Board since July 2015. Mr. O Connor served as Chief Executive Officer of Republic Services, Inc., a publicly-traded non-hazardous solid waste collection, recycling and disposal services company, from 1998 to 2011, and as Chairman of the Board of Republic Services from 2003 to 2011. Prior to joining Republic Services, Mr. O Connor spent close to 30 years at Waste Management, Inc., a provider of waste management services, where he held various senior management positions. Mr. O Connor is a member of the Board of Directors of Clean Energy Fuels Corp., a publicly-traded provider of natural gas fuel for transportation in North America, where he serves on the Compensation Committee and the Nominating and Corporate Governance Committee, and the Canadian National Railway Company, a publicly-traded rail transportation company, where he chairs the board s Strategic Planning Committee and also serves on the Audit, Environmental & Safety and Finance Committees. Mr. O Connor holds a B.S. in Commerce (concentration in accounting) from DePaul University. We believe Mr. O Connor is qualified to serve on our Board due to his over 40 years of experience in the waste management industry, including extensive public company leadership experience, as well as experience serving on the boards of directors of publicly-traded companies in a variety of industries, including waste management, transportation and energy.

The holders of Class A common stock, voting separately as a class, are entitled to elect the Class A Director. Mr. Peters, a Class II director and a member of the Compensation Committee, Audit Committee and Nominations and Governance Committee, serves as the Class A Director.

The employment agreement by and between us and Mr. John Casella requires that we use our best efforts to cause Mr. John Casella to be nominated and elected as a director.

Code of Business Conduct and Ethics

We have adopted a written Code of Business Conduct and Ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions. We have posted a current copy of the Code of Business Conduct and Ethics on the Corporate Governance page of the Investor Relations section of our website, *www.casella.com*. In addition, we intend to post on our website all disclosures that are required by law or NASDAQ s listing standards concerning any amendments to, or waivers from, any provision of the Code of Business Conduct and Ethics.

Director Nominations

No material changes have been made to the procedures by which security holders may recommend nominees to our Board.

Audit Committee

The current members of the Audit Committee are Messrs. Callahan (Chair), Burke, Hulligan and Peters. Our Board has determined that each of Messrs. Callahan, Burke, Hulligan and Peters are independent as defined under the rules of NASDAQ, including the independence requirements under Rule 10A-3 under the Exchange Act. Our Board has determined that Mr. Callahan is an audit committee financial expert as defined in Item 407(d)(5) of Regulation S-K.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and beneficial owners of more than 10% of our Class A common stock to file with the SEC initial reports of ownership and reports of changes in ownership of our Class A common stock and other equity securities. Based solely on a review of copies of reports filed pursuant to Section 16(a) and representations made by persons required to file such reports, we believe that during fiscal 2015, our officers, directors and greater than 10% beneficial owners timely filed all reports they were required to file under Section 16(a), with the exception of late Form 4 filings reporting a grant of restricted Class A common stock to each of Messrs. Burke and Callahan, filed with the SEC on November 25, 2015, and a late Form 4 filing reporting the grant of a stock option award to purchase shares of Class A common stock to Edmond R. Coletta, our Senior Vice President and Chief Financial Officer, filed with the SEC on November 25, 2015.

Table of Contents

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis is designed to provide our stockholders with an understanding of our executive compensation philosophy, objectives, program and process, as well as the compensation paid to our named executive officers in fiscal 2015 and the changes the Compensation Committee has implemented for the year ending December 31, 2016, or fiscal 2016. For fiscal 2015, our named executive officers were:

- John W. Casella, our Chief Executive Officer and Chairman of our Board;
- Edmond R. Coletta, our Senior Vice President and Chief Financial Officer;
- Edwin D. Johnson, our President and Chief Operating Officer;
- David L. Schmitt, our Senior Vice President and General Counsel; and
- Christopher B. Heald, our Vice President of Finance and Chief Accounting Officer.

Objectives and Philosophy of Our Executive Compensation Program

The Compensation Committee seeks to achieve the following broad objectives in connection with our executive compensation program:

- Attract, retain and incentivize qualified and talented executives by providing compensation opportunities comparable to those offered by other companies with which we compete for business and talent;
- Reward achievement of our short-term and long-term business objectives, while discouraging excessive risk-taking behavior;
- Ensure that executive compensation is aligned with our corporate strategies, business objectives and the long-term interests of our stockholders; and
- Closely align the long-term interests of our executives with those of our stockholders by providing equity incentives that link a portion of the executives compensation with the future performance of our Class A common stock.

Roles of Our Compensation Committee and Compensation Committee Consultant

The Compensation Committee is responsible for overseeing our executive compensation program. In this capacity, the Compensation Committee designs, implements, reviews and approves annually all compensation for our named executive officers. In the performance of its duties, the Compensation Committee periodically reviews the total compensation, including the base salary, annual incentive compensation opportunities, long-term incentive award opportunities and other benefits for each of our named executive officers. In the first quarter of each year, the Compensation Committee meets to determine base salary increases, if any, for our named executive officers; confirm the results of our performance for purposes of the annual incentive compensation awards; approve strategic and business objectives, which include the performance measures and goals for the annual incentive compensation plan; review the annual incentive compensation targets for the current year; and approve the form, amount, dollar value and vesting criteria for equity awards.

The Compensation Committee has the authority to retain compensation consultants and other outside advisors to assist in the evaluation of executive officer compensation. During fiscal 2015, the Compensation Committee retained an independent compensation consultant, Arthur J. Gallagher & Co. s Compensation Consulting Practice, or Gallagher Compensation Consulting. Gallagher Compensation Consulting was retained to assist the Compensation Committee with its review of the fiscal 2015 executive compensation program and recommendations for the fiscal 2016 executive compensation program and reports directly to the Compensation Committee. During fiscal 2015, Gallagher Compensation Consulting advised the Compensation Committee on a variety of subjects, including compensation plan design and trends, pay-for-performance analytics, peer group benchmarking and other related matters. During fiscal 2015, we retained Gallagher Benefit Services, Inc., a subsidiary of Arthur J. Gallagher & Co., to provide us with insurance brokerage and benefit plan advisory services. The primary representative of Gallagher Compensation Consulting that advised the Compensation Committee in fiscal 2015 did not participate in the provision of these other services performed by Gallagher Benefit Services, Inc. Management directly engaged Gallagher Benefit Services, Inc., and the Compensation Committee had no role in selecting or approving them for the services performed.

Table of Contents

In making executive compensation decisions for fiscal 2015 and fiscal 2016, the Compensation Committee analyzed a number of factors, including the compensation data provided by Gallagher Compensation Consulting from independent commercially available salary surveys published by Towers Watson and Mercer LLC and other sources, which included publicly available compensation information from our industry and other industries. Data was generally gathered from this independent market data based on the size of the organization (measured in revenue) and type of organization, and where possible, the data was targeted to our revenue level using regression analysis. The Compensation Committee also reviewed compensation programs of a peer group of publicly traded companies in the waste management industry, as provided by Gallagher Compensation Consulting. While we do not consider their compensation programs to be directly comparable to ours due to the larger size of those companies, we do review their programs to understand how relevant peers in our industry align performance-based compensation to key operating and financial metrics. This peer group, which is periodically reviewed and updated by the Compensation Committee after consultation with Gallagher Compensation Consulting, consists of Covanta Holding Corporation, Progressive Waste Solutions Ltd., Republic Services, Inc., Waste Connections, Inc. and Waste Management, Inc. The Compensation Committee also relies on various other factors, including our long-term plan, existing compensation paid to executive officers, experience level of the individual, market factors, general economic conditions, corporate performance and cost of living in the areas where our executive officers live.

Say-on-Pay Feedback from Stockholders

The Compensation Committee carefully considers feedback received from shareholders on compensation for our named executive officers. At our 2015 Annual Meeting of Stockholders, or 2015 Annual Meeting, we submitted our executive compensation program to an advisory vote of our stockholders and it received the support of 97% of the total votes cast. Annually, the Compensation Committee intends to review the results of the advisory vote and will consider this feedback as it completes its annual review of each pay element and the total compensation packages for our named executive officers with respect to the next fiscal year.

Components of our Executive Compensation Program

Fiscal 2015 Executive Compensation Program

In fiscal 2015, the primary elements of our executive compensation program were:

- base salary;
- annual cash incentive compensation;
- discretionary bonuses;
- long-term incentives; and
- severance and change-of-control benefits.

Base Salary

On an annual basis, our Compensation Committee reviews and evaluates for adjustment the base salaries of our named executive officers based on the scope of each executive s responsibilities, individual contribution, prior experience and sustained performance. Base salaries are also reviewed and adjusted, as deemed appropriate, in the case of promotions or other significant changes in responsibility. No formulaic base salary increases are provided to our named executive officers, and none of our named executive officers is currently party to an employment agreement that provides for automatic or scheduled increases in base salary. In making decisions regarding salary increases, the Compensation Committee may also draw on the experiences of members of our Board with other companies and the peer group compensation data reviewed by the Compensation Committee. After taking into consideration such factors, the Compensation Committee approved a 2.0% increase the annual base salaries of our named executive officers for fiscal 2015.

Table of Contents

The following table sets forth the annual base salaries of our named executive officers for fiscal 2015 and the transition period from May 1, 2014 to December 31, 2014, or transition period 2014:

Name and Principal Position(s)	**Annual Base Salary for Fiscal 2015**	**Annual Base Salary for Transition Period 2014**
John W. Casella *Chairman and Chief Executive Officer*	$ 459,000	$ 450,000
Edmond R. Coletta *Senior Vice President and Chief Financial Officer*	$ 302,650	$ 296,715
Edwin D. Johnson *President and Chief Operating Officer*	$ 387,600	$ 380,000
David L. Schmitt *Senior Vice President and General Counsel*	$ 276,170	$ 270,755
Christopher B. Heald *Vice President of Finance and Chief Accounting Officer*	$ 188,700	$ 185,000

Annual Cash Incentives

Fiscal 2015 Annual Cash Incentive Compensation

In January 2015, the Compensation Committee approved the annual incentive compensation plan for fiscal 2015, pursuant to which our named executive officers were eligible to receive incentive compensation with respect to fiscal 2015, payable in cash or equity, as determined by our Compensation Committee, based upon the improvement of EVA in fiscal 2015 compared to EVA in the twelve months ended December 31, 2014, or calendar 2014. EVA is calculated as operating income, adjusted for certain items, less a cost of capital charge, with the cost of capital charge calculated as our weighted average cost of capital applied to our consolidated net fixed assets. As defined by the plan, the Compensation Committee would allocate positive year-over-year EVA improvement to the annual incentive pool for our named executive officers as follows: 7.5% of such positive year-over-year improvement that is less than or equal to $5.6 million if EVA increases year-over-year for fiscal 2015 as compared to calendar 2014; 15% of such incremental positive year-over-year EVA improvement that is greater than $5.6 million but less than or equal to $9.1 million if EVA increases over $5.6 million year-over-year; and 30% of such incremental positive year-over-year EVA improvement that is greater than $9.1 million if EVA increases over $9.1 million year-over-year. If EVA decreases year-over-year, then no EVA improvement would be allocated to the annual incentive pool. If we were not in compliance with financial covenants under our senior secured asset-based revolving credit facility before or after accruing for bonus awards as determined by the fiscal 2015 bonus plan, then the Board would have the discretion to reduce the annual incentive compensation payouts to ensure compliance with such financial covenants.

Amounts payable under the annual incentive compensation plan to the named executive officers were calculated as a percentage, from zero to 100%, of a maximum bonus amount, which is based on a percentage of the applicable executive s base salary. The following table shows the fiscal 2015 maximum annual incentive bonus amount calculated as a percentage of the annual base salary for which each of Messrs. John Casella, Coletta, Johnson, Schmitt and Heald was eligible.

Name and Principal Position(s)	Fiscal 2015 Maximum Bonus Amount Percentage	Fiscal 2015 Maximum Annual Incentive Bonus Amount
John W. Casella *Chairman and Chief Executive Officer*	120%	$ 550,800
Edmond R. Coletta *Senior Vice President and Chief Financial Officer*	75%	$ 226,987
Edwin D. Johnson *President and Chief Operating Officer*	85%	$ 329,460
David L. Schmitt *Senior Vice President and General Counsel*	60%	$ 165,702
Christopher B. Heald *Vice President of Finance and Chief Accounting Officer*	50%	$ 94,350

Table of Contents

In March 2016, the Compensation Committee approved the payout of annual incentive compensation to our named executive officers under the fiscal 2015 incentive compensation plan based upon the achievement of increased EVA when compared to calendar 2014. The period-over-period increase in EVA for calendar 2014 to fiscal 2015 was $9,315,247. As defined by the plan, the Compensation Committee allocated 10.8% of such positive year-over-year EVA improvement to the annual incentive bonus pool for our named executive officers. Based on such allocation, the annual cash incentive compensation awarded under the fiscal 2015 incentive compensation plan was calculated at 73.8% of the fiscal 2015 maximum annual incentive compensation amount for each named executive officer and awarded by the Compensation Committee as follows: $406,695 for Mr. John Casella, $167,601 for Mr. Coletta, $243,264 for Mr. Johnson, $122,350 for Mr. Schmitt and $69,665 for Mr. Heald.

Discretionary Bonuses

In October 2014, the Compensation Committee approved a special bonus plan for members of our finance team, including Messrs. Coletta and Heald, relating to certain proposed financing transactions, including the refinancing of our senior secured credit facility. Pursuant to such bonus plan, Mr. Coletta was eligible to receive a bonus payment upon the closing of each of four specified financing transactions for a total bonus payout of $202,055 and Mr. Heald was eligible to receive a bonus payment upon the closing of each of two specified financing transactions for a total bonus payout of $85,250. Two of the transactions closed during transition period 2014, and the remaining other two transactions closed in fiscal 2015. Mr. Coletta received a bonus payout of $202,055, of which $44,100 was earned during transition period 2014 and $157,955 was earned during fiscal 2015. Mr. Heald received a bonus payout of $85,250, all of which was earned in fiscal 2015.

Long-Term Incentives

Our named executive officers are also eligible to receive equity awards under our stock incentive plans. We typically make equity awards to our officers and employees as an incentive to enhance long-term shareholder value. Equity awards are typically granted when the person is first hired, receives a promotion or other significant change in responsibility, and thereafter once annually as a part of our broader equity incentive program at a regularly scheduled Compensation Committee meeting early in the commencement of the respective fiscal year.

In fiscal 2015, we granted restricted stock units, or RSUs, each of which represents the right to receive a share of our Class A common stock, to our named executive officers that vest based on continued employment in three equal annual installments beginning on the first anniversary of the date of grant. The RSUs will vest in full upon a change of control of the Company.

Changes Implemented in 2016 to Further Align Pay with Performance

In March 2016, the Compensation Committee implemented several changes to our executive compensation program for fiscal 2016, including the adoption by the Compensation Committee of the Non-Equity Incentive Plan as described further below. As part of its comprehensive annual review process, the Compensation Committee considered feedback received from stockholders, data provided by the Compensation Committee s independent compensation consultant, and alignment of the executive compensation program to our fiscal 2016 operating plan and budget, or Fiscal 2016 Operating Plan, and our financial plan for the fiscal year ending December 31, 2018, or Fiscal 2018 Plan.

In implementing such changes to the executive compensation program for fiscal 2016, the goal of the Compensation Committee was to further align the compensation of our executive officers with stockholders interests, to directly link compensation to the achievement of company performance goals and to appropriately balance fixed and performance-based compensation. Further, while the percentage of the total compensation of each executive officer that is comprised of each component of our executive compensation program is not specifically fixed, the Compensation Committee has targeted total target cash compensation (base salary and annual cash incentive compensation) of our executive officers closer to the 50th percentile of the market data provided by the Compensation Committee s independent compensation consultant by increasing the total target annual cash incentive compensation for certain executive officers.

Table of Contents

While the Compensation Committee approved the majority of its planned changes to our executive compensation program in March 2016, the planned updates to long-term incentive compensation for our executive officers will only be implemented after we receive stockholder approval for our new stock incentive plan at our 2016 Annual Meeting of Stockholders. The Compensation Committee plans to shift long-term incentive compensation from the current program that only includes time-vested RSUs, to a new program that includes up to 75% in the form of performance-based stock units, or PSUs, and 25% of long-term incentive compensation in the form of time-vested RSUs. PSUs are expected to be granted to our executive officers if stockholder approval of our new stock incentive plan is obtained, and such PSUs are expected to vest based upon our achievement of Free Cash Flow and Adjusted EBITDA targets that will be established based on the Fiscal 2018 Plan. Further, we intend to use Relative Total Shareholder Returns, or RTSR, as a multiplier to scale achievement of the PSU targets based upon the relative returns of our stock performance in relation to the Russell 2000 Index.

Non-Equity Incentive Plan and Fiscal 2016 Annual Cash Incentive Compensation

The Non-Equity Incentive Plan formalizes our annual incentive compensation program for our executive officers and provides for the payment of incentive compensation to executive officers for their contributions to the Company based on achievement of pre-determined corporate performance goals. The Non-Equity Incentive Plan provides for awards payable in cash or, to the extent permissible under a shareholder-approved stock plan of the Company, stock-based awards to our executive officers. Pursuant to the terms of the Non-Equity Incentive Plan, participants are granted awards that are earned at the end of a specified performance period, subject to the achievement of performance goals established by the Compensation Committee that are based on any one or more of the performance measures set forth in the plan, subject to certain adjustments as specified by the Compensation Committee pursuant to the plan.

Annual incentive compensation for fiscal 2016 will be paid to our executive officers pursuant to the Non-Equity Incentive Plan. The Compensation Committee determined that each of the Company s executive officers will have an opportunity to earn annual incentive compensation for fiscal 2016 based on a percentage of annual base salary. In order to bring total target cash compensation (base salary and annual cash incentive compensation) of our named executive officers closer to the 50th percentile of the market data provided by the Compensation Committee s independent compensation consultant, the Compensation Committee approved increases to the target annual cash incentive compensation opportunity for our named executive officers. After giving effect to said increases, the target annual cash incentive compensation opportunity of each named executive officer, which such target amounts are based upon the following percentage of the respective officer s annual base salary, are as follows: Mr. Casella: 150%; Mr. Johnson: 85%; Mr. Coletta: 85%; Mr. Schmitt: 75%; and Mr. Heald: 50%.

The Compensation Committee established performance measures and specific performance goals pursuant to the Non-Equity Incentive Plan that are based on the Fiscal 2016 Operating Plan. Annual incentive compensation will be paid based on the degree of achievement against the specific performance goals following the end of fiscal 2016. All of our named executive officers were assigned the same performance measures and weightings in recognition of their shared responsibility for overall corporate financial performance.

The performance measures and weighting for the fiscal 2016 annual incentive compensation are as follows:

	Fiscal 2016 Performance Measures and Weightings	
	Adjusted Operating Income	**Free Cash Flow**
For All Executive Officers	50%	50%

The Compensation Committee evaluated key financial measures and identified Adjusted Operating Income and Free Cash Flow, both non-GAAP measures, as appropriate drivers of performance under the Non-Equity Incentive Plan for fiscal 2016. Adjusted Operating Income is calculated as earnings before interest, taxes, adjusted for gains or losses on assets sales or divestiture transactions; development project charge write-offs; legal, contract or tax settlement costs; bargain purchase gains; asset or goodwill impairment charges; environmental remediation charges; severance and reorganization costs; expenses from divestiture, acquisition and financing transactions; gains on the settlement of acquisition related contingent consideration; fiscal year-end transition costs; proxy contest costs; losses on the abandonment or the closure and discontinuation of operations, subject to certain adjustments as specified by the Compensation Committee pursuant to the Non-Equity Incentive Plan. Free Cash Flow is calculated as net cash provided by operating activities, less capital expenditures (excluding acquisition and rail infrastructure related capital expenditures), less payments on landfill operating lease contracts, plus proceeds from divestiture transactions, plus proceeds from the sale of property and equipment, plus proceeds from property insurance settlement, less contributions from (distributions to) noncontrolling interest holders, subject to certain adjustments as specified by the Compensation Committee pursuant to the Non-Equity Incentive Plan.

Each performance goal has a performance range built around it, with a commensurate increase or decrease in the associated annual incentive compensation opportunity. The range of performance goals and associated incentive compensation opportunities under the Non-Equity Incentive Plan for fiscal 2016 is expressed in the form of minimum, threshold, target and maximum achievement levels. For fiscal 2016, subject to Free Cash Flow exceeding a certain threshold amount, if the minimum achievement level of a performance measure is not met, no incentive compensation payment will be paid to an executive officer with respect to such performance measure component; if the threshold achievement level is met for a performance measure, 50% of the executive officer s target incentive compensation amount will be multiplied against the 50% weighting of such performance measure component; if the target achievement level is met for a performance measure, 100% of the executive officer s target incentive compensation amount will be multiplied against the 50% weighting of such performance measure component; and if the maximum achievement level is met for a performance measure, 200% of the executive officer s target incentive compensation amount will be multiplied against the 50% weighting of such performance measure component. Between each of the achievement levels, results will be interpolated within each achievement level to calculate specific annual incentive compensation award percentages.

If Free Cash Flow for fiscal 2016 does not exceed a certain threshold amount, no annual incentive compensation will be paid to the executive officers under the Non-Equity Incentive Plan for fiscal 2016 even if achievement of the Adjusted Operating Income performance goal would have resulted in payment of the annual incentive compensation.

Benefits and Other Compensation

We maintain broad based benefits that are provided to all employees, including health and dental insurance, life and disability insurance and a 401(k) plan. Our executive officers are eligible to participate in all of our employee benefit plans, in each case, on the same basis as other employees.

Severance and Change-of-Control Benefits

Pursuant to employment agreements we have entered into with our named executive officers, each such named executive officer is entitled to specified benefits in the event of the termination of his employment under specified circumstances, including termination following a change of control of the Company. We have provided more detailed information about these benefits, along with estimates of their value under various circumstances, under the caption Potential Payments Upon Termination or Change of Control below.

Compliance with Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code, generally disallows a tax deduction for compensation in excess of $1.0 million paid to a company s chief executive officer and its three other officers (other than the chief financial officer) whose compensation is required to be reported to our stockholders pursuant to the Exchange Act by reason of being among our most highly paid executive officers. Certain compensation, including qualified performance based compensation, is not subject to the deduction limitation if certain requirements are met. The Compensation Committee reviews the potential effect of Section 162(m) periodically and uses its judgment to authorize compensation payments that may be in excess of the limit when it believes such payments are appropriate and in the best interests of our stockholders, after taking into consideration changing business conditions and the performance of our employees.

Table of Contents

Summary Compensation

The following table sets forth the total compensation earned by, paid to or granted to our named executive officers during the fiscal years or transition period indicated.

Summary Compensation Table

Name and Principal Position(s)	Year	Salary ($) (1)	Stock Awards ($) (2)	Option Awards ($) (3)	Non-Equity Incentive Plan Compensation ($) (4)	All Other Compensation ($) (5)	Total ($)
John W. Casella	Fiscal 2015	459,000	366,168		406,695	23,771	1,255,634
Chairman and	Transition period 2014	300,000	244,110		206,868	28,029	779,007
Chief Executive	Fiscal 2014 (6)	402,016	139,336	226,831	102,895	87,575	958,653
Officer	Fiscal 2013 (7)	363,150	278,674			43,843	685,667
Edmond R. Coletta	Fiscal 2015	302,650	200,000	802,011	325,556	8,408	1,638,625
Senior Vice	Transition period 2014	197,810	133,336		129,351	5,336	465,833
President and Chief	Fiscal 2014	258,905	133,618		52,840	8,236	453,599
Financial Officer	Fiscal 2013	205,000	114,365	265,911		7,000	592,276
Edwin D. Johnson	Fiscal 2015	387,600	200,000		243,264	11,734	842,598
President and	Transition period 2014	265,833	133,336		123,738	8,078	530,985
Chief Operating	Fiscal 2014	351,375	133,618	436,940 (8)	76,695	196,533	1,195,161
Officer	Fiscal 2013	320,833	267,232	517,050		11,673	1,116,788