

MUTUAL
BUSINESSMATTERS

Chelsea Groton understands big business concerns, small business needs... and where the two intersect.

Heating Up Business: Our Lending Story with Densmore Oil

Situation

Founded in 1949 out of Ray and Donna Densmore’s home in Old Mystic, Densmore Oil has been serving the community with reliable oil delivery and heating services since the company’s start. A full-service, family owned and operated business, Densmore has expanded their offering over the years to include automatic fuel delivery, heating service plans, air conditioning services, fuel payment programs, oil tank protection, and more.



In 1975, Ray and Donna’s son, Mark, began to work on one of their oil trucks. And in 1989 when Ray, a WWII veteran, decided to retire, Mark, also a veteran, purchased the business from his dad. Nearly 30 years later, Mark’s daughter Jamie has spent the last few years learning the family business.

Almost a decade ago, Mark came to Chelsea Groton because he was looking for a local banking partner who would understand how a small, seasonal business like Densmore Oil operates, and would be able to support the company’s changing needs as the company worked to expand.

Funding Plan

Mark met with the Chelsea Groton team to discuss the oil business, and his company’s needs. It was decided that Densmore needed a line of credit, due to the seasonal demand of the business. Funds would be repaid through cash flow from operations. As wholesale oil prices fluctuate, the line of credit is revisited to either increase or decrease the limit. Densmore also secured a commercial mortgage on the office building, located on Water Street in Mystic, CT.

“Our biggest challenge is the uncertainty of the cost of oil,” explained Mark. “For years, we had done business with a larger bank. The problem was the process was cumbersome. It seemed every time we needed to request additional funds for something, or lessen our line of credit because oil prices dropped, we had to review all aspects of our business relationship. With Chelsea Groton, they’ve always seemed to get it. I personally know each of the individuals I deal with on the commercial team, and at the local Mystic branch. It’s comforting to know that when I need something, I can get someone on the phone right away who knows me and my business, and can get the ball rolling.”



“When I met with Mark, it was all about understanding the pricing nuances in his business, and figuring out ways we could help him. We never offer him a product or service, unless we feel it could really help him out by either saving him time or money,” shared Tony Joyce,

EVP, Senior Loan Officer. “Over the years, as we’ve developed a number of cash management products, I’ve connected Mark with our business banking team to discuss a few of our offerings.”

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Densmore now utilizes Chelsea Groton’s business checking and savings accounts, as well as ACH, which allows for the efficient electronic disbursement of funds and collection of payments, bill pay and payroll services.

“With our cash management services, and customizable online banking solution, we helped Densmore Oil devote less time to banking and more time on their customers,” explained Alex Masse, VP, Business Banking Manager. “We understand businesses like Mark’s, and we like to help find ways to streamline their processes.”

Densmore Today

Today, Densmore Oil is one of very few local, family-owned oil distributors servicing homes and businesses throughout Southeastern CT and Southern RI. Densmore not only distributes oil, but they are a full-service company, capable of installation and maintenance on air conditioners, same-day servicing, and guaranteed supply of oil, even when a major storm hits. Unlike some other companies who are dependent on receiving oil from an outside supplier, Densmore’s oil trucks are filled at their renovated storage unit, which stores over 60,000 gallons of oil locally, so there’s never an issue of a supply shortage, or a delivery not being made.



“In addition to having our own storage, another real differentiator for us is that our oil, which includes a blend of bio fuels, is a much cleaner, lower-emission option than natural gas. We’re the only provider in the area who uses the HEATDOC additive in our oil to ensure cleaner fuel, sediment reduction, and a longer, healthier life for a heating system. We operate under strict service standards and regulations, and always try to provide the best product to our customers,” shared Mark.

For the last few years, Jamie Densmore, Mark’s daughter, has been learning the ways of the business. She experienced working on the oil truck and filling tanks as a part-time job in high school and college. She took a break from the oil business after college, wanting to explore other passions, but ultimately decided to pursue management of the family business. Since returning to Densmore, Jamie’s become familiar with all in-office operations, including customer service, ordering, staffing and business development, and has been instrumental in growing the business about 10 percent in the last two years.

“We take pride in providing personal, courteous service and competitive heating oil prices for our customers. We offer a price cap at the beginning of the season, which churches, libraries and associations find to be particularly helpful so they can appropriately set their budgets for the year, and many individuals prefer too, so they can budget,” explained Jamie.

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"My dad and grandfather are both veterans, and my family really values the service and sacrifice of veterans and their families. We offer \$0.04 off per gallon on oil for all active duty military and veterans, because we feel it's the right thing to do," continued Jamie. "That's a part of who Densmore is."

Since the company's beginnings, Densmore has donated over \$25,000 a year to local charitable organizations, youth sports teams, hospitals, community associations, and the Stonington High School scholarship fund.

Chelsea Groton Bank is proud to be a lending partner for Densmore Oil Company . "It's great to do business with likeminded companies, who really care about the best interest of their customers and community the way Densmore does," shared Tony.

"I recommend working with Chelsea all the time, because they are easy to work with and pleasant to do business with. They always figure out ways to accommodate our needs," Mark shared. To learn more about Chelsea Groton's business banking capabilities, visit chelseagroton.com/growthatbusiness. For more information about Densmore Oil, or to become a customer, email jamie@densmoreoil.com.

69

years in business

3

generations

60,000

gallons of oil stored locally

