

## Happy New Year!

### Our Services

#### **SM Tatsuguchi & Associates**

Tax Preparation •  
Bookkeeping • Payroll  
(808) 596-8208

**Pure Real Estate, Inc**  
Real Estate • Brokerage •  
Property Management •  
Handyman Services

(808) 791-5830

#### **Island Temporary Nursing**

Healthcare Staffing •  
Private Care Services •  
Staffing Services

(808) 791-5825

It's been years that I sent out a *Mixplate* newsletter. And as some of you may know I manage to do several businesses and projects on a continued basis. They are as follows:

**S.M. Tatsuguchi & Associates** – Tax preparation, accounting, bookkeeping, and payroll services.

**Pure Real Estate, Inc** – Property Management and Real Estate Brokerage.

**T&G Inc. dba Island Temporary Nursing** – Healthcare temporary employment agency.

**BMA Hawaii Inc.** – Custodian & Handyman services.

My staff since the last *Mixplate* has turned over several times, which was the primary reason why the last several years have been an exercise in perseverance.

So, let's start anew..... I have been in business since December 15, 2000, 18 years.... First, taking over for my father Samson Tatsuguchi, then building the businesses. Until, you have today. Haven't made my fortune yet, though I have established something I can be proud of. Helping many of people, through tough times and teaching others some life skills. Which I continue today, my wife thinks I would learn when people let me down, to stop giving. No, still not giving up on people and learning each time something new.

Well, the plan is to go as long as I can.....maybe another 18 years?



2018 Tax season is upon us very soon with the new Tax Cut Job Act, tax season will be interesting to say the least. I usually take 16 hours of tax classes each year, for 2018 32 hours of tax classes and some more reading of my favorite subject, (not really).

Some noteworthy changes:

- New Form 1040 and 6 attached Schedules.
- New Form 1040, Schedule A.
- Alimony not Deductible from Post 2018 Divorces.
- Unreimbursed Medical Expenses Exceeding 7.5%.
- Child Credit Increased to \$2,000.00.

- Entertainment Expenses – Most are now Non-deductible.
- Like-Kind Exchanges – Only real estate.
- Corporate Tax Rates – Reduced.
- Business Meals that (1) take place between a business owner or employee and a current or prospective client; (2) are not lavish or extravagant under the circumstances; and (3) where the taxpayer has a reasonable expectation of deriving income or other specific trade or business benefit from the encounter, are not disallowed under Sec 274(k).



Healthcare staffing agency, is what Island Temporary Nursing main business. We recruit healthcare workers, Registered Nurses “RN’s”, Licensed Practical Nurses “LPN’s”, Certified Nursing Assistants “CNA’s”, and Personal Assistants “PA’s”; to staff Senior Care Facilities, Hospitals, and Private Individuals.

We are in the process of working on establishing a “Nursing Assistant school”, which should start within the next six months. The physical location and supplies are ready to go, we are now looking to enroll students for our initial class.

### **BMA Hawaii Inc.**

Handyman services, has been established to mainly handle our rental needs, reliable and cost effective service for our owners. They are experienced and knowledgeable to handle most small handyman jobs and some a bit larger.

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Prosperity

## Association Management from 1994

*As one year comes to an end and another year begins, I find my self reflecting on Association Management benchmarks that stand out in my mind.*

**Mid 1990's** – Association management changed Association billing too: “Ala Carte” administration billing. They reduced management fees to attract new associations business, then increased administration billing to re-coup the loss of management fees.

**Mid 2000's** – Association management companies changed employees titles and responsibilities from “Property Managers” to “Account Executives”. In realty reducing their services and risk, but keeping management fees the same. Less service and risk for same management fee.

**Mid 2010's** – Low Reserves & Loans = Negative Equity. Since there are no “Property Managers”, managing associations. There is no planning for the future, reserves analysis and reserve contributions/funds were reduced. At the same time building plumbing, concrete spall repairs, elevator modernizations, etc. – capital expenditures were coming due. Leading to association's loans and special assessments of owners – resulting in “Negative Equity” associations.



### 2018 – Current Association Management Standard

*Where does it stand today:*

Property Management fees lower, but admin fees increased to cover lower management fees.

Property Manager vs Account Executive – lower standard of service = less responsibility by Association Management company = less liability/risk = less services.

Account Executive at the other management companies have eight to ten properties at 100 units each property average = 800 to 1,000 units, with each unit average value of 350,000.00 = \$280,000,000.00 to \$350,000,000.00 value of assets not responsible for. No real estate license needed and less services, responsibility, and risk to association management company

Chain of Command = Board of Directors to Account Executive to Resident Manager to Association Owners. Probably 9 out of 10 association management situations, there is no one with any property management knowledge, let alone accountability for managing the association's assets.

No Real Estate Agent License required to manage associations or be “Account Executive”.

Brokerage; something interesting has recently occurred, two real estate agents that either used to be with us or had interest hanging their licenses with us, returned. That makes eight (8) real estate agents and myself, Broker. So we look to more real estate sales into 2019.

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Prosperity

On Perseverance...

“Perseverance, secret of all triumphs.” - **Victor Hugo**

“Success seems to be connected with action. Successful men keep moving. They make mistakes, but they don’t quit.” - **Conrad Hilton**

“It’s perseverance that’s key. It’s persevering fro long enough to achieve your potential.” - **Lynn Davies**

“Great works are performed not by strength but by perseverance.” - **Samuel Johnson**

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