

“It’s amazing
 • to see the
JOY on their
faces
 when I play
 a favorite.”

– Billy White (Navy)



When he came to AFRH, Billy attended many resident events: cookouts, ice cream socials, poetry readings, and birthday celebrations. “And I’m thinking: they’ve got all this stuff . . . but where is the music?!?” he exclaimed. As a lifelong music-lover, he couldn’t stand the serenity. So he volunteered as campus DJ. “My family has been in the music business since I was a little-bitty son. In the 50s I grew up with lots of incredible music – so many great artists it’s unreal. I don’t care if it’s blues, gospel, classical, or jazz – if it’s good music I’m playing it.” One of our youngest residents, Billy still knows what older folks love. “When I was crawling on the floor shooting marbles I was paying attention to what was on the radio. So when I pull up Sinatra, Martin, and Armstrong, people are shocked.” Billy believes music prolongs your life. And, when he calls “last song”, residents beg him to keep on playing.



PERFORMANCE

AFRH Strategy

High-priority Performance Goals

Performance Management

Human Capital

Performance Measures

Survey Results

Verification & Validation

STRATEGIC SAVVY

The Sway of Success

Planning propels us forward.

The great success AFRH has enjoyed stems directly from its sharp vision, unwavering mission, and its sound strategy. This strategic framework was originally outlined in 2002. However, it was later shaped by natural catastrophic and economic events from 2005-2009.

Through it all, the AFRH strategy has propelled this agency along a path of achievement. Each individual has played a part with an understanding of our strategy – and each staff member’s performance has, in turn, been linked back to our Strategic Plan.

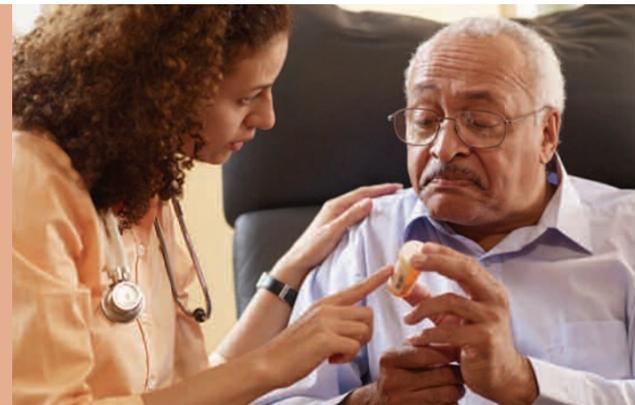
HIGH-PRIORITY PERFORMANCE GOALS:

Following OMB guidance, AFRH has effectively corralled its resources to resolve “significant challenges” in FY10. Indeed, over the past few years we have demonstrated steady progress. Our High-priority Performance Goals stem directly from the AFRH strategy, ultimately strengthening the integrity of our overall Strategic Plan.

Today, AFRH has two years of data on how resources are being spent by Strategic Goal. Overall, the Goal of Exceptional Service to the residents receives the most resources – and it is in alignment with the Performance Goal of Resident Wellbeing.

Goal 1: Healthcare (Resident Wellbeing)

Ensure exceptional residential care and extensive support.



MILESTONE MET:

Aging in Place launched.

As part of the health and wellness philosophy of aging, AFRH searched for a way to have residents live independently and comfortably, for as long as possible, while remaining an active member of the community.

In January, a total of 10 IL residents were placed in the ILP pilot program under the supervision of a home healthcare nurse and two home healthcare aides.

Advances.

ILP now has:

- 46 residents
- 2 nurses
- 2 aides

Residents are now being assisted with Activities of Daily Living (ADL) including medication assistance, light house-keeping, and personal grooming.

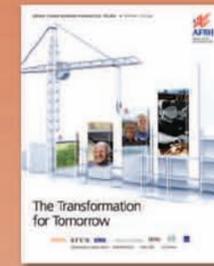
PROGRESS

- All AFRH-W residents on the Gulfport waiting list will have household goods shipped two days prior and receive transportation on October 25
- 110 AFRH-W residents are taking advantage of this benefit
- New Fact Sheet 21 presents ways residents are included in overall AFRH decision-making

PLANNING CYCLE



STRATEGIC PLAN



LONG-RANGE FINANCIAL PLAN

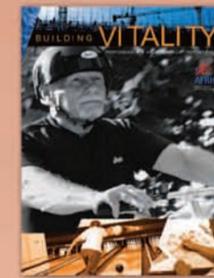


AFRH BUSINESS PLANS + ACTION PLANS



INDIVIDUAL PERFORMANCE

INTERNAL STRATEGY



BUDGET SUBMIT FY11



AFRH PERFORMANCE MANAGEMENT PROGRAM

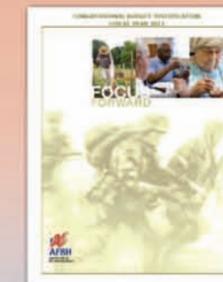


HUMAN CAPITAL STRATEGIC PLAN 2009 - 2014

TO CONGRESS



TESTIMONY



BUDGET



PAR

AFRH strategic cycle: key for staff training.



**AFRH-G
Fast Facts:**

- Built in 1,027 days
- 44,000 yards concrete



Goal 2: Housing for Veterans a. Gulfport

Add residents to a fully-functional facility in FY11.

MILESTONE MET:
AFRH-G finished & occupied.

The demolition of the damaged AFRH-G and the construction of a new residence came in on-time and within budget - thanks to careful management by GSA.

PROGRESS

- AFRH-W conducted monthly focus groups on the Gulfport Stand-up & Scott Project to answer questions, allay concerns, and prepare residents for change.
- AFRH-W staff worked diligently and efficiently in both communities coaching, mentoring, developing contracts, packing, and moving Gulfport-bound residents.

Advances:

Yates Construction (under the management of Jacobs Engineering, contracted by GSA), completed its many assignments in record time, in a style befitting the Gulf Coast and the former military who will occupy it.

Update:

Right after the close of FY10, returning Gulfport residents moved in to their Mississippi Home and began their new lives. Final preparations for the official grand opening on November 9, "Glory on the Gulf", are being made.

Gulfport Quarters:

Resident Class	IL	AL	MS	LTC	Total
Available Rooms	474	60	24	24	582



Goal 2: Housing for Veterans b. Washington

Right-size and give AFRH-Washington a facelift by 2013.



MILESTONE MET:
A design has emerged.

AFRH-W modernization is underway. The new "Commons" will replace the aging Scott Building with a new structure featuring more amenities with less maintenance. This will help our Washington facility keep pace with the new Gulfport community and bring greater health and wellness to residents. All plans are rooted in the Aging in Place philosophy and are financed from the AFRH Trust Fund. Under GSA's project management, the Scott Project will produce:

Advances:

Bridging architects engaged by GSA worked steadily to create exactly what the staff and residents believe will yield an ideal environment. The new "Commons" and Healthcare building was carefully planned to maximize the historic setting and meet all requirements for Aging in Place.

Update:

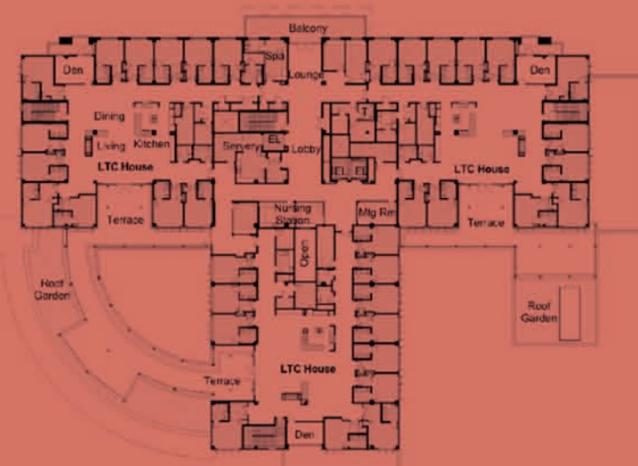
Great progress was made on preparations for the key transition years at AFRH-W (from demolition of the existing Scott Building to completion of a new structure).

Washington Quarters:

Resident Class	IL	AL	MS	LTC	Total
Available Rooms	450	58	24	36	568

PROGRESS

- Design to relocate AFRH IT hub completed June 2010
- Design & Contractor awards completed Q4 FY10
- HVAC chillers & cooling towers to move behind Sheridan residence
- Plans finalized & on-schedule to move services & residents



**AFRH-G
STAND-UP
TIMELINE**

Jan 2007	Memorandum of Agreement Signed
Mar 2007	Engineering Services & CM (a) Services Awarded
June 2007	Prime Contract Solicited (Design/Build Procurement (RFP/RFQ))
Sep 2007	Prime Contract Awarded (Main Building: Yates Construction)
Oct 2007	Old Damaged Building Imploded
Jan 2008	Construction Began / Notice To Proceed
Oct 2008	Design Completed
July 28, 2010	Substantial Completion (Post-Award Construction)
Oct 4, 2010	Occupancy Commenced
Nov 2010	Project Close-out Phase to Begin
Dec 2011	Full Occupancy Projection

**SCOTT
PROJECT
TIMELINE**

Aug 2008	GSA Memorandum of Agreement Signed
Mar 2009	Scott Project Feasibility Study Conducted
June 2009 - Apr 2013	Construction Manager (CM) Awarded
June 2009 - May 2010	Design Bridging (A/E) Awarded
Feb 2011	Design/Build to be Awarded
Apr 2011	Demolition of Scott Building
Sep 2010 - Dec 2012	Construction of Scott Building
Jan 2013	Residents Move into new "Commons"
Jan 2011	Renovate Sheridan 2nd and 3rd Floors for AL
Feb 2013	Residents Move into Sheridan Main Floor

MILESTONE MET:
High fiduciary standards upheld.

In FY10, we examined and fine-tuned Trust Fund Solvency, Internal Controls, Risk Management, the Long-Range Financial Plan, and Accreditation.

Also, we made a concerted effort to focus on staff development. Training participation increased and Aging in Place training was launched. The first staff focus group was held to answer questions about our modernization projects.

Advances:

- CARF inspection results & recommendations are positive
- AFRH is fully accredited & in good standing
- We earned our 6th consecutive unqualified audit opinion
- The Trust Fund balance is at an all-time high
- New Commons bridging design is complete

**Goal 3:
Stewardship
(Corporate Effectiveness)**

Maintain overall vitality via more efficient management.





“I love my job.
It's my little paradise
in the middle of the
city.”

– Matt Kayson
(AFRH Golf Course Manager
& PGA Golf Pro)



We asked Matt what he likes most about managing the AFRH-W golf course. “The whole atmosphere. It’s a fun golf course with lots of character. And there are a few characters all around here,” he chuckled. Matt is the caretaker of our 9-hole course, plus he holds a small golf clinic for residents twice a month. When asked if he sees improvement, Matt chipped in: “Of course!” He explained how it’s a short course with no sand bunkers, which makes it easier for everyone. Matt has seen his share of war heroes, as well as Congressional officials, in the past seven years. “A few congressmen are members. They’re anonymous in their golf shirts ... they just want to get away from the Capitol. And President Clinton came to play golf with WWII veteran residents and staff.” Yet, Matt drove home the point that this isn’t a country club. “It’s blue collar,” he said.

SPENDING PER STRATEGIC GOAL

The Guidance of Assets

AFRH actively tracks how it spends money per Strategic Goal. This ensures that we are directing the bulk of our resources to fulfill our mission to provide: “...a premier retirement community with exceptional residential care and extensive support services.” Two years of data are now available since we began this analysis, as illustrated in the MDA section. AFRH Corporate is more focused on Improved Processes. And Campus Operations is centered on Exceptional Service.

Exceptional Service & Improved Processes:

98% of budget (\$42 million)

Culture of Integrity, Financial Growth, and Learning & Growth:

2% of budget (\$2 million):



Laura Fogarty (Chief,
Recreational Services)
plans the next
resident daytrip.



HUMAN CAPITAL:

Our Strategic Human Capital Plan (SHCP) for 2009-2014 was updated in February 2010. It identifies new strategies to address key challenges – which ultimately enhances our overarching Strategic Goals. The Plan stresses the importance of mission accomplishment by dedicated, compassionate employees.

PROGRESS

- For the first time in AFRH history our Mission, Vision, Goals, Business Plans, and Performance Management Program are in strategic alignment
- Our human capital targets stem directly from gaps, challenges, and priority areas highlighted in the AFRH Strategic and Business Plans

2010 Targets:

- Reopen & staff the new AFRH-Gulfport
- Implement succession management strategies
- Employ leadership development strategies
- Ensure our system IDs high & low performers
- Obtain CARF-CCAC accreditation renewal
- Advance “needs-based” employee training
- Promote professional development for staff
- Recruit & hire suitable staff to fulfill our Mission

PERFORMANCE MANAGEMENT

The Demonstration of Deeds

Prior to FY10, we conducted a pilot performance management program for four years – linking strategy to goals via extensive business and performance planning. Now it has been one full year since we fully instituted the AFRH Performance Management Program (PMP). We are pleased to report smooth sailing.

The FY10 performance cycle started Jan 1 with a six-month mandatory progress review.

RESULTS: 100% received performance reviews. Management focused on training staff.

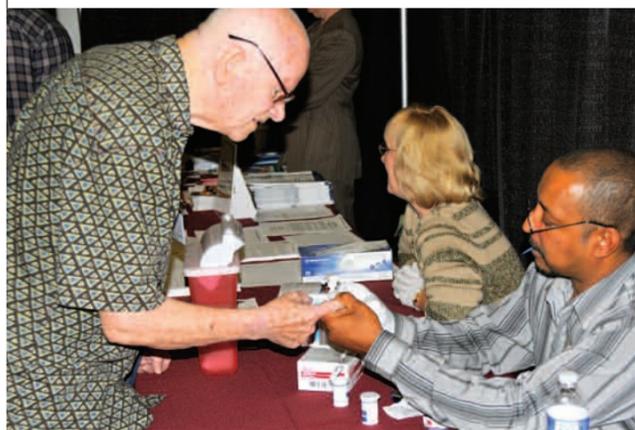
RESULTS: Well over the 80% measure of all staff (including Gulfport) was successfully trained.

The Employee Satisfaction Survey was administered in Sep 10.

CONCLUSION: most employees agree working at AFRH is “very good” or “good”. (Actual: 68% – slightly below our 70% target.)

ANALYSIS: Results of the Sep 2009 OPM audit yielded high marks in nearly all aspects of human resources. Yet, OPM noted and advised fixes for the shortened rating period in FY09 (due to organizational disruptions in supervision). Further, OPM suggested a limited definition of the succession planning process. Both areas were rectified.

A recent addition to the PMP is the requirement to inform all staff of our strategic planning initiatives – and how their work relates to it.



Our human capital goals align with the five human capital systems in OPM's "Human Capital Assessment and Accountability Framework" (HCAAF). Each human capital goal supports the AFRH Strategic Goals as noted.

HUMAN CAPITAL GOALS

The Development of Talent

GOAL 1: Strategic alignment

Promote Mission-focused human capital planning.

YEARLY PROGRESS:

- Completed workforce analyses & planning, human capital goals, strategies, tactics, milestones & measures
- Designed all Goals and Strategies to link AFRH staff & mission

STRATEGIC GOAL SUPPORT:

- Improved Processes
- Financial Growth
- Exceptional Service

GOAL 2: Leadership & knowledge management

Forge a leadership culture for organizational excellence.

YEARLY PROGRESS:

- Surveyed positive employee satisfaction with leadership, communication, and workforce cultural mix
- Improved information sharing, motivation, and commitment from our managers

STRATEGIC GOAL SUPPORT:

- Culture of Integrity
- Exceptional Service

GOAL 3: Results-driven performance culture

Ensure a widespread culture of service excellence.

YEARLY PROGRESS:

- Developed "Employee Checklist" to ensure basic data is given to new hires
- Achieved timely ratings for the 2010-11 AFRH Performance Cycle
- Adopted annual Training Needs Assessment (due to limited training funds)

STRATEGIC GOAL SUPPORT:

- Culture of Integrity - Exceptional Service

GOAL 5: Accountability

Promote human capital accountability.

YEARLY PROGRESS:

- Drafted Accountability Program: Will track / report goals, achievements & improvements To be finalized after Leadership Succession Management Plan

STRATEGIC GOAL SUPPORT:

- Culture of Integrity
- Exceptional Service



GOAL 4: Talent management

Recruit & develop a workforce committed to Veterans.

YEARLY PROGRESS:

- Tested the resolve of our workforce during the Gulfport reopening

STRATEGIC GOAL SUPPORT:

- Culture of Integrity
- Exceptional Service
- Learning & Growth



AFRH IG Challenge Results

Management Challenges

FY10 RESULTS

Initiate Gulfport Stand-up

- Gulfport facility turned over to AFRH July 2010
- Former Gulfport residents returned as the first occupants in the new building

Implement, manage & monitor Washington Scott Project

- Project on time and within budget
- Designs from the conceptual architect were completed and approved by historical and local DC planning councils
- Transition period milestones are set and work is underway
- Aging in Place pilot program and staff training were launched

Educate, train & promote Wellness to staff & residents

- Informational brochure was published
- Focus groups generated questions and answers about improvements and AFRH philosophy

Each year, we meet the majority of performance measures mapped out in our strategy. FY10 was no exception. We were quite successful at reaching established measures and advancing excellence at AFRH.

Moreover, we effectively responded to the IG's challenges and made headway in every indicated area. We are pleased to demonstrate the results in the charts below.

PERFORMANCE MEASURES

The Advance of Excellence



Performance Challenges

FY10 RESULTS

Deploy Human Capital Management Plan

- SHCP for FY09-14 was distributed in February 2010

Execute Human Capital Succession Plan

- Draft Succession Plan was completed

Define Washington & Gulfport Staffing Models

- Much work was done on staffing models to reach parity between the 2 campuses
- Hiring at Gulfport began in March 2010 and is ongoing

Increase visibility of military heritage

- Hall of Honors was opened at AFRH-G with military artifacts
- AFRH-W installed an anchor & military-themed tree carvings

Adhere to timelines & participate in annual mandatory training

- We met training Goal of 80+ % in 4 mandatory training requirements

Manage operating costs & expenditures

- Managers revamped all contracts for Washington and the emerging requirements in Gulfport
- Contracts set to yield 20% savings in 4 years

AFRH Analysis of Performance Goals

Relationship to AFRH Strategic Goals	Goals & Objectives	Baseline Performance Measure FY07 Target	FY10 ACTUAL
Goal: HEALTHCARE (Resident Wellbeing)			
ES IP	Accreditation	In good standing	- DoD IG completed FY09 - CARF-CCAC FY10 inspection with recommendations CARF Accreditation through 2013 for AFRH-W
ES IP	% of resident satisfaction	70%	75%
ES IP	% of resident assessment plans	95%	NA. AFRH determined to follow a different course for resident assessment plans to be implemented in FY11
Goal : HOUSING FOR VETERANS			
GULFPORT			
FG ES IP	Construction	Within budget and on-schedule	- Construction completed on-time - Opened for occupancy
FG ES IP	Operational plans	Plan	On Plan
WASHINGTON			
FG ES IP	Construction	Within budget and on-schedule	On Plan
FG ES IP	Operational plans	Plan	On Plan
Goal : STEWARDSHIP (Corporate Effectiveness)			
FG	Trust Fund solvency	Even balance of resources vs. obligations	Long Range Financial Plan reported solvency through 2020
FG IP	Accuracy of financial reporting	Unqualified audit opinion	Unqualified audit opinion
LG	Evidence of measurable training goals	80% participation in 4 mandatory training classes for all staff	- AFRH-G: 100% EEO, 100% Ethics, 100% Performance Management AFRH-W: 80% Safety, 80% EEO, 93% Ethics, 85% Performance Management, 85% IT Security Awareness (304 employees total)
CI	% of Employee Climate Survey responses of "Very Good" or "Good"	70%	Only 68% of all responses were in the top 2 positive choices

AFRH Strategic Goals

- FG - Financial Growth
- CI - Culture of Integrity
- IP - Improved Processes

- ES - Exceptional Service
- LG - Learning & Growth

Resident Satisfaction Gauges:

- Formal Measures in Strategic Goals & Performance Goals
- Informal Queries on Resident Activities (by Resident Services)
- Meal Satisfaction Survey in LaGarde Dining (for LTC & AL)
- Biennial Dining Survey (for all Other Food Services)
- Qualitative Resident Interviews by CARF, DoD IG & Staff

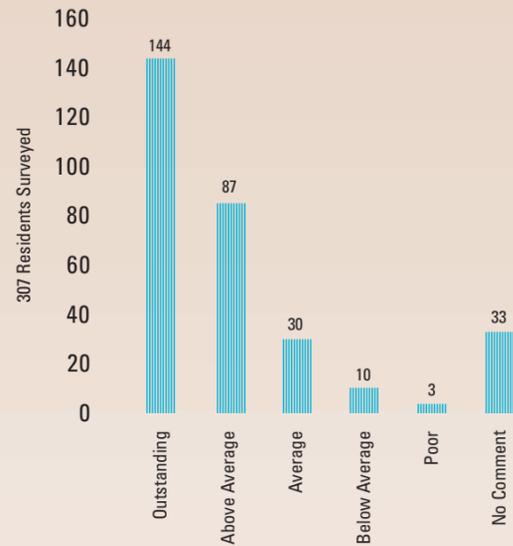
Customer Service ("Outstanding" or "Above Average")	FY10 Result	Target
	75%	70%

SURVEY RESULTS

The Say of Residents



Customer Service Evaluation - July 2010:



Comparative Class Survey 2007-2010:



Highest Rated Amenities (FY05-10).

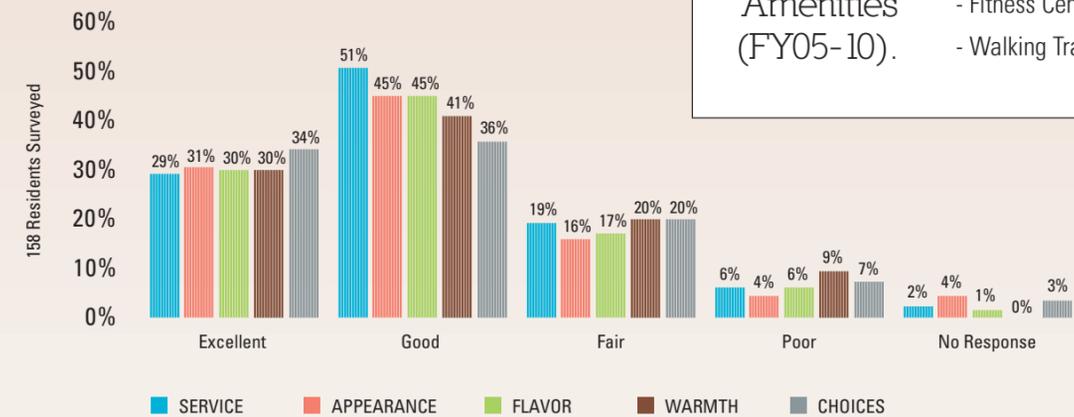
Facilities:

- Library
- Fitness Center
- Walking Trails

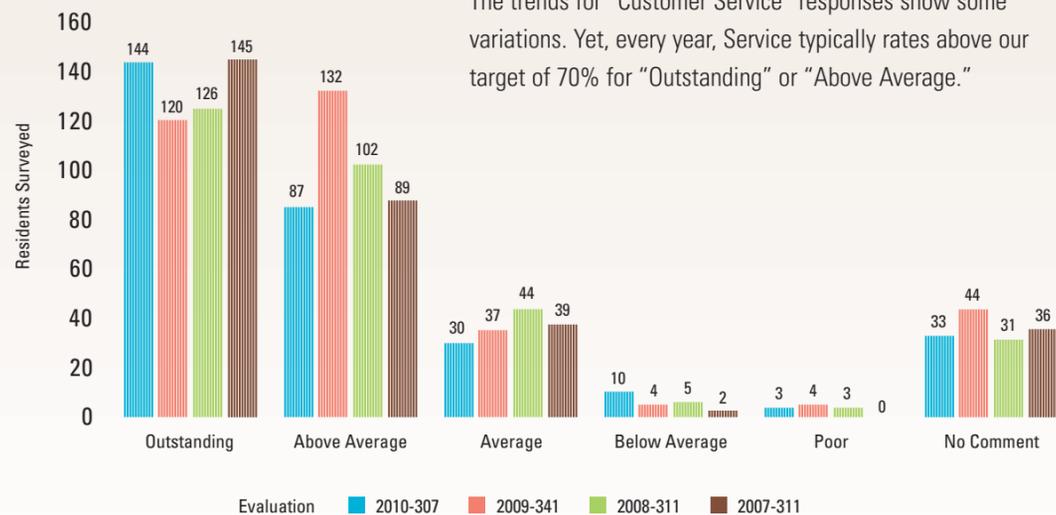
Activities:

- Ice Cream Socials
- July 4 Celebrations
- Day Trips

LaGarde Meal Survey FY10:



Comparative Customer Service Evaluation 2007-2010:



The trends for "Customer Service" responses show some variations. Yet, every year, Service typically rates above our target of 70% for "Outstanding" or "Above Average."

LaGarde Meal Satisfaction (Overall Service = "Excellent" or "Good")	Result	Target
	80%	70%

While we have survey data from 2007-2009, the rating categories were altered this year from "Greatly Exceeds" and "Exceeds" to "Excellent" and "Good". Past years had lower participation of 94 (2007), 75 (2008) and 81 (2009) resident respondents. This year, we saw a marked increase of respondents (158) eating in Nursing Units, via LaGarde Dining Room Table Service and through the Kiosk Line. Thus, we believe we now have a true picture of what residents think about the food.

RESULTS:

- Major progress in all categories
- Most residents favor the new menu



"I shot a 39 to win the tournament. Not bad for a Lebanese hillbilly."

- Mike Haddad (Army)

This soldier has seen some wicked shots in life. In 1943 Mike went to the front lines in Kissing, Germany six weeks into the service. That experience with guns led to working with MPs and weapons for the Air Force. Later he married, had four kids in Florida, and took a hankering to drivers over rifles. "I play golf every day for exercise. In the tournament, I won everything: closest to the pin, low score,

and best score," said 89-year-old Mike. "You gotta keep exercising. I was involved in sports most of my life." A widower, Mike has lived at AFRH 10 years. "I love it here. They're great to me. This place has everything I want." He also travels to Florida four to five months in the winter to visit his kids. "Listen, the Lord is good to me and I hand everything to Him. And that's my life!"



VERIFICATION & VALIDATION

The Veracity of Data

Federal agencies are required to certify completeness and reliability of performance data.⁵ That data must be verified and validated – so AFRH has several means of external, independent reviews (E.g., OPM, BPD, CARF-CCAC, and the DoD IG).

SUCCESS MEASURES:

Business Measures:

- Solvency of the Trust Fund
- Stability in Resident Occupancy
- Cost Savings via Initiatives
- Reductions in Land & Space ("right-sizing")
- Donations & Volunteering

Customer Satisfaction:

- Improved Survey Results
- Advances in Health & Wellness
- Enhancements to Facilities
- Supplemental Services

Employee Satisfaction:

- Boost in Performance Evaluations
- Positive Staff Climate Survey Results
- Updated Policies & Directives in FY10
- Policy statements = 5
- Notices = 11
- Directives = 11

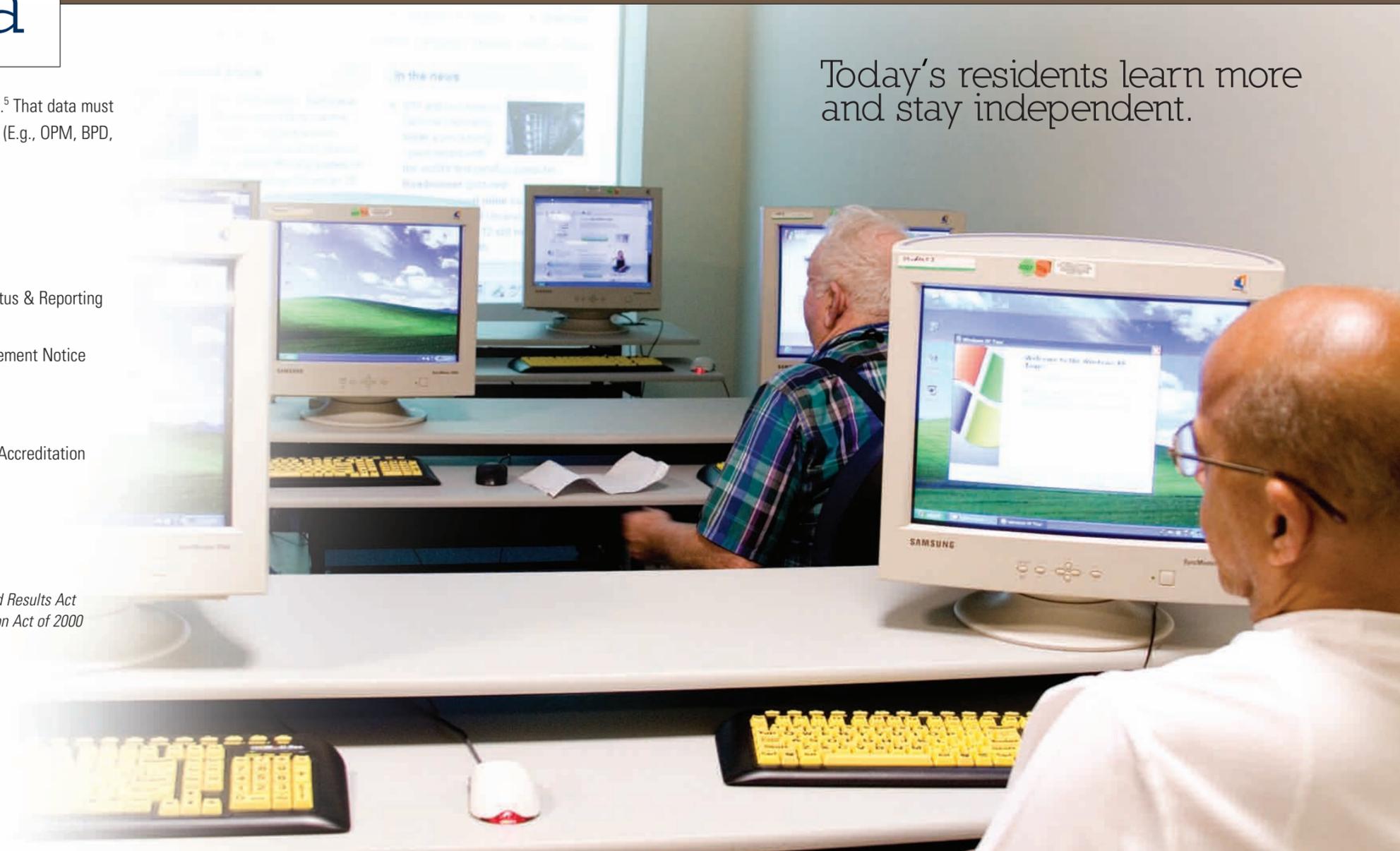
Financial Data:

- Annual Reviews of Fiscal Status & Reporting (BPD & external auditor)
- Published a Financial Management Notice and COTR Manual

External Benchmarks:

- Maintenance of CARF-CCAC Accreditation
- DoD IG in Sep 2009
- CARF Inspection in Sep 2010

⁵Per the Government Performance and Results Act of 1993 and the Reports Consolidation Act of 2000



Today's residents learn more and stay independent.